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**Government  
of South Australia**

# **GREEN INDUSTRIES SA 2020-21 Annual Report**

**GREEN INDUSTRIES SA**

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ISBN: 978-1-921114-38-0

Date presented to Minister: 30 September 2021

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To: Hon David Speirs MP  
Minister for 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* and *Green Industries SA Act 2004*, 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

Date: \_30 September 2021\_



Ian Overton  
Chief Executive, Green Industries SA

Date: \_30 September 2021\_

## From the Presiding Member and Chief Executive

During 2020-21, Green Industries SA (GISA) continued to accelerate action to support South Australia's circular economy transition, contributing to South Australia's economic growth initiatives, while delivering environmental and social benefits in our cities and regions. This supported the agency's objectives of reducing waste to landfill and promoted innovation and business activity in waste management and recycling.

In 2020-21, GISA released its new Strategic Plan for 2021-2025. The plan's vision '*Creating a sustainable future through a green economy, focussing on enhancing the value of materials in a circularly economy*' recognises the circular economy as one part of the broader sustainability agenda.

GISA's five strategic priorities are Circular Products and Services, Circular Consumption, Circular Resource Recovery, Circular Sectors and Circular Capacity. The Strategic Plan outlines actions under each priority that will drive GISA's programs and ensure a sustainable future while maintaining a thriving economy.

During 2020-21, GISA led the South Australian Government's negotiations with the Australian Government to secure \$18.96 million under the Recycling Modernisation Fund for investment in the state's resource recovery and reprocessing sector. Combined with State Government funding and third party contributions, this generated total investment of \$111 million, the creation of 142 new direct jobs and increased processing capacity of 205,000 tonnes.

This record investment provides resilience for South Australia's resource recovery sector in tackling the challenges and opportunities associated with national export bans on unprocessed waste plastic, glass, fibre and tyres.

GISA led the implementation of South Australia's pioneering single-use plastics legislation this year. We were the first state in Australia to introduce and implement single-use plastics legislation, which from 1 March 2021 prohibited the sale, supply and distribution of single-use plastic straws (subject to exemptions for disability or medical needs), cutlery and stirrers. The supporting *Replace the Waste* education campaign provided South Australian businesses with advice and resources to assist them to transition to alternative products.

Building on the significant efforts of last year, in 2020-21 GISA completed the clean-up of bushfire-affected waste and debris generated by the 2019-20 summer bushfires. More than 550 properties were cleaned up across Kangaroo Island, the Adelaide Hills, the South-East and Yorke Peninsula. This included 243 damaged or destroyed houses, as well as fire-affected dangerous trees along more than 600km of road verges. More than 50,000 tonnes of material was managed through the clean-up program and recovered for recycling where possible.

In 2020-21, GISA set the new policy direction for South Australia's waste management and resource recovery sector of the circular economy through the release of *South Australia's Waste Strategy 2020-2025* and *Valuing Our Food Waste* – the state's first dedicated food waste strategy. These documents guide South Australia's directions in reducing waste, maximising resource recovery and achieving the highest order use of materials to ensure they continue to circulate within the economy and contribute to economic growth.

GISA invested \$20.2 million in other programs to support waste management, resource recovery and circular economy development in 2020-21. This included investment in infrastructure and technological innovation, assisting business with resource efficiencies and market development opportunities, householder and school recycling education, and modernisation of collection, sorting and processing services.

We look forward to building on our achievements in 2021-22, continuing to lead the nation in taking action on single-use plastic products, delivering on resource recovery infrastructure projects, supporting business sustainability, and driving the implementation of the circular economy through economic growth initiatives, a strategic roadmap and establishment of a Global Centre of Excellence in Circular Economy. A key focus of GISA in 2021-22 will be on diverting resources from the municipal solid waste stream to improve this sector's diversion rate in accordance with Waste Strategy targets, with food waste a priority area.

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

<b>Our Purpose</b>	<p>GISA is a leader in advancing the circular economy in South Australia through supporting innovation, collaboration and excellence:</p> <ul style="list-style-type: none"> <li>• Improving our environment and well-being</li> <li>• Creating economic growth and prosperity</li> <li>• Valuing our resources and reducing pollution and waste</li> </ul>
<b>Our Vision</b>	<p>Creating a sustainable future through a green economy, focusing on enhancing the value of materials in a circular economy</p>
<b>Our Values</b>	<ul style="list-style-type: none"> <li style="width: 50%;">• Trust</li> <li style="width: 50%;">• Service</li> <li style="width: 50%;">• Respect</li> <li style="width: 50%;">• Professionalism</li> <li style="width: 50%;">• Honesty and integrity</li> <li style="width: 50%;">• Collaboration and</li> <li style="width: 50%;">• Courage and tenacity</li> <li style="width: 50%;">engagement</li> </ul>
<b>Our functions, objectives and deliverables</b>	<p>GISA’s guiding principles, objectives and functions are detailed in the <i>Green Industries SA Act 2004</i></p> <p>GISA has a strategic plan, five-year state waste strategy and annual business plan, which are available publicly on the agency’s website. GISA’s strategic priorities are:</p> <ol style="list-style-type: none"> <li>1. Circular products and services</li> <li>2. Circular consumption</li> <li>3. Circular resource recovery</li> <li>4. Circular sectors</li> <li>5. Circular capacity</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 agency is subject to the direction of the Minister for Environment and Water, except in relation to making a recommendation or report to the Minister.

GISA is led by a Chief Executive appointed under section 8 of the *Green Industries SA Act 2004*. During 2020-21, the agency had three other Executive-level positions – the Advisor to the Chief Executive, Director Strategy and Policy and Director Business.

**Changes to the agency**

In March 2021, Dr Ian Overton was appointed Chief Executive of GISA following the retirement of Mr Vaughan Levitzke PSM from the position. GISA's Director of Business, Dr Marcia Kreinhold, retired in June 2021.

A review of GISA's organisation structure commenced in early 2021, with consultation on a proposed structure occurring from March to April 2021. The new organisation structure was implemented on 16 August 2021.

There were no machinery of government changes that affected GISA in 2020-21.

**Our Minister**

GISA is a portfolio agency of the Minister for Environment and Water, the Hon David Speirs MP.

**Our Executive team**

GISA's Executive team as at 30 June 2021 comprised:

- Ian Overton, Chief Executive
- Ian Harvey, Director Strategy and Policy
- Josh Wheeler, A/Director Business (Finance)
- Matthew Scales, A/Director Business (Communications)
- Veronica Caire, Manager Governance and Policy
- Bernadette Gersbach, Executive Assistant and HR Adviser

**Legislation administered by the agency**

*Green Industries SA Act 2004*

**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 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, including in 2020-21 on *South Australia's Waste Strategy 2020-2025* and *Valuing Our Food Waste*, as well as local and national policy in waste management, resource recovery and circular economy. GISA also 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, including adoption of DEW policies where GISA does not have an agency-specific policy in place.

In the course of its projects, programs, and business functions, GISA works with other state government organisations 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 Innovation and Skills (DIS), 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.

## The agency's performance

### Performance at a glance

- 83.3 per cent of all waste generated in the state diverted from landfill (2019-20 data) – the highest landfill diversion rate in Australia
- 35 per cent reduction in waste to landfill since 2002-03
- \$40 million awarded in funding assistance (grants, incentives and subsidies)
- Implementation of the *Single-use and Other Plastic Products (Waste Avoidance) Act 2020* and *Single-use and Other Plastic Products (Waste Avoidance) Regulations 2021*
- Release of *Supporting the Circular Economy: South Australia's Waste Strategy 2020-2025* and *Valuing Our Food Waste: South Australia's strategy to reduce and divert household and business food waste*
- Completed the clean-up of bushfire-affected waste and debris from the 2019-20 summer bushfires
- 713 tonnes of household chemicals and paint and 4.3 tonnes of light globes collected and disposed

### Agency response to COVID-19

The COVID-19 pandemic did not have a material impact on the operations of GISA in 2020-21. Waste management services are identified as an essential service and continue to operate during restrictions.

GISA staff successfully transitioned to remote working arrangements when necessary and staff responses to the I Work For SA Your 'Voice Survey' (completed during 2020-21) showed overwhelmingly positive responses for facilitating these arrangements.

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

**Agency contribution to whole of Government objectives**

<b>Key objective</b>	<b>Agency’s contribution</b>
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 2020-21, GISA’s grant funding commitments, including under the joint Recycling Modernisation Fund with the Australian Government, will create more than 180 direct jobs and hundreds more in construction activity.</p>
Lower costs	<p>Under the Circular Economy Business Support Program, GISA works with South Australian businesses and industry sectors on resource efficiencies in raw materials, waste, water and energy.</p> <p>In 2020-21, GISA’s work with 21 South Australian businesses and organisations identified potential annual savings of \$523,945, in addition to 3009 Mega-watt hours, 734 tonnes of CO2-equivalent and 236 tonnes of waste.</p>
Better Services	<p>GISA’s investment in Local Government collection infrastructure and systems results in better services for South Australians. In 2020-21, GISA committed the following funding under these programs:</p> <ul style="list-style-type: none"> <li>• \$1.735 million in Kerbside Performance (Food Waste) Incentives supporting implementation of food waste diversion systems to 93,920 households</li> <li>• \$855,837 in Regional Transport Subsidies to support kerbside recycling services in 27 regional council areas</li> <li>• \$420,356 in Council Modernisation Grants to support 10 projects undertaking research and development and trials of innovative and transformational services</li> </ul> <p>In 2020-21, GISA implemented a new subsidy to assist South Australian charitable recycling organisations with their waste management costs. More than \$105,000 was approved to 10 charitable organisations under the first round of the program.</p> <p>GISA funds the collection and disposal of household chemicals and paint, with 713 tonnes collected and disposed in 2020-21. A further 4.3 tonnes of light globes was collected and disposed via the GISA-funded BackLight Program in 2020-21.</p> <p>In 2020-21, GISA also completed the joint South Australian and Australian governments funded clean-up of bushfire-affected waste and debris, assisting the owners of more than 550 properties to rebuild.</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 (2019-20) demonstrates that South Australia continues to divert more than 83 per cent of all waste generated from landfill.</p> <p>Waste to landfill has reduced by 35 per cent since 2002-03 and per capita waste generation reduced by 120kg in 2019-20.</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	<p>GISA approved more than \$40 million in funding to South Australian businesses, industry sectors and Local Government in 2020-21.</p> <p>The investment in resource recovery infrastructure alone generated \$120 million of total investment in the state and the creation of more than 180 direct jobs.</p> <p>GISA’s Circular Economy Market Development Grants Program in 2020-21 provided funding of \$259,750, which leveraged total investment of more than \$1 million.</p>

**Corporate performance summary**

GISA met its approved 2020-21 budget and achieved its allocated savings target (\$1.05 million).

There was no loss of productivity in response to COVID-related distancing and restrictions in 2020-21, with all GISA staff able to work remotely as necessary.

GISA had a staff retention rate of 93 per cent in 2020-21 and achieved overwhelmingly positive results from the 2021 I Work For SA ‘Your Voice’ Survey. GISA staff responded with a score of 92% positive on average for all areas. This score was 25% higher than the South Australian Public Sector average, 20% higher than similar sized agencies and 10% higher than GISA’s 2018’s results.

**Employment opportunity programs**

Through its service level agreement with DEW, GISA is able to participate in Public Sector-wide equal opportunity programs such as the SA Government Youth Training Scheme and Trainee Employment Register, SA Public Sector Aboriginal Recruitment and Development Strategy and Aboriginal Employment Register, Strategy for Employment of People with Disabilities, and redeployee programs.

During 2021-22, GISA developed, consulted on and released a new *Green Industries SA Disability Access and Inclusion Plan 2020-2024* to ensure the agency’s work is accessible and inclusive for all South Australians and based on principles of fairness and respect. It will guide the agency over the next four years to ensure accessibility of our support, information, services and programs for people living with disability.

This plan delivers the agency’s commitment to South Australia’s *Disability Inclusion Act 2018* and the State Disability Inclusion Plan for South Australia 2019-2023, Inclusive SA and supports the National Disability Strategy 2010–2020 and the United Nations Convention on the Rights of Persons with Disabilities.

The Single-use Plastic Stakeholder Taskforce chaired by GISA has two representatives of people living with disabilities to assist consider potential impacts to people with a disability from the phase-out of certain plastic products.

In 2020-21, GISA established a Disability, Diversity and Inclusion Committee to drive the organisation’s work in these areas, with an initial focus on developing a Reconciliation Action Plan.

**Agency performance management and development systems**

Performance management and development system	Performance
Performance Review and Development Planning	In 2020-21, 100 per cent of GISA staff completed at least one Performance Review and Development Planning session
Leadership and management development	GISA invested \$26,380 in staff training and development in 2020-21. Of this, \$11,000 was in relation to leadership and management development.

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

<b>Program name</b>	<b>Performance</b>
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 2020-21 under the System included a review of remote working arrangements and capacity limitations in the GISA office to ensure compliance with COVID-19 directions and restrictions.</p> <p>In 2020-21, all GISA staff signed that they had read and understood the WHS Management System.</p>

<b>Workplace injury claims</b>	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Total new workplace injury claims	0	1	-100
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>	Current year 2020-21	Past year 2019-20	% Change (+ / -)
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 2020-21</b>	<b>Past year 2019-20</b>	<b>% Change (+ / -)</b>
Total gross workers compensation expenditure (\$)	\$13,735	0	+100%
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
EXEC0C	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 is unaudited. Full audited financial statements for 2020-2021 are attached to this report (**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 2020-21, the Green Industry Fund received \$58.313 million in revenue, of which \$48.346 million was received in solid waste levy transfers from the EPA and \$9.731 million was received from DTF for bushfire clean-up. The agency's total expenditure in 2020-21 was \$84.391 million, including \$63.36 million in intra-government transfers for climate change initiatives (see other financial information below).

The balance of the Green Industry Fund at 30 June 2021 was \$89.835 million.

Statement of Comprehensive Income	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	2019-20 Actual \$000s
Total Income	59,722	58,313	1,409	49,789
Total Expenses	95,375	84,391	10,984	70,566
<b>Net Result</b>	<b>(35,653)</b>	<b>(26,078)</b>	<b>9,575</b>	<b>(20,777)</b>
<b>Total Comprehensive Result</b>	<b>(35,653)</b>	<b>(26,078)</b>	<b>9,575</b>	<b>(20,777)</b>

Statement of Financial Position	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	2019-20 Actual \$000s
Current assets	78,550	90,845	12,295	114,264
Non-current assets	4,279	3,374	(905)	4,294
<b>Total assets</b>	<b>82,829</b>	<b>94,219</b>	<b>11,390</b>	<b>118,558</b>
Current liabilities	5,797	7,662	(1,865)	5,779
Non-current liabilities	1,354	1,304	50	1,448
<b>Total liabilities</b>	<b>7,151</b>	<b>8,966</b>	<b>(1,815)</b>	<b>7,227</b>
<b>Net assets</b>	<b>75,678</b>	<b>85,253</b>	<b>9,575</b>	<b>111,331</b>
<b>Equity</b>	<b>75,678</b>	<b>85,253</b>	<b>9,575</b>	<b>111,331</b>

### Consultants disclosure

One consultant was engaged by GISA in 2020-21 for two projects related to the development of a Circular Economy Roadmap. The total value of the payments made to the consultant for these projects in 2020-21 was \$52,409 (GST exclusive)

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.

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

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment (ex. GST)</b>
All contractors below \$10,000 each - combined	Various	108,729

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

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment (ex. GST)</b>
<b>Bushfire clean-up</b>		
Adelaide Hills Council	Provision of services for bushfire clean-up, management and resource recovery	2,532,451
Kangaroo Island Council	Provision of services for bushfire clean-up, management and resource recovery	895,796
Royal Park Salvage (Asbestos)	Provision of services for bushfire clean-up, management and resource recovery	495,000
Mechanical Vegetation Solutions Pty Ltd	Provision of services for bushfire clean-up, management and resource recovery	289,478
Southern Ocean Construction	Provision of services for bushfire clean-up, management and resource recovery	135,500
A and G Willson	Provision of services for bushfire clean-up, management and resource recovery	86,825

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment (ex. GST)</b>
Kym Schubert Holdings Pty Ltd	Provision of services for bushfire clean-up, management and resource recovery	44,250
Island Earthworks	Provision of services for bushfire clean-up, management and resource recovery	32,100
DRM Equipment Sales & Rental	Provision of services for bushfire clean-up, management and resource recovery	27,800
GP & Sons Demolition Pty Ltd	Provision of services for bushfire clean-up, management and resource recovery	27,000
Mike Haywood's Sustainable Resource Solutions	Provision of services for bushfire clean-up, management and resource recovery	17,640
Rawtec Pty Ltd	Provision of services for bushfire clean-up, management and resource recovery	30,000
<b>Other GISA programs</b>		
Cleanaway Operations Pty Ltd	Monthly collection of hazardous materials at the household chemical and paint drop-off facilities	431,615
Circular Economy Alliance Australia	Development of the Global Leadership Program on the Circular Economy (extension) for online delivery and establishment of the Global Centre of Excellence in the Circular Economy: Circular360	272,320
Beatwave Pty Ltd	Single Use Plastics (SUP) Legislation - Communication and Education campaign	174,337
Boomerang Alliance Inc	Plastic free pilot precinct program	105,040
Rawtec Pty Ltd	SA Sector Analysis - Organics	65,785

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment (ex. GST)</b>
National Retail Association Ltd	Telephone Hotline service and face to face retailer education supporting SUP ban legislation	50,000
Rawtec Pty Ltd	Recycling Activity Survey	49,224
Biz Hub Australia Pty Ltd	Development of Stage 1 to replace the grants, business sustainability and contract requirements of ZEUS	43,147
Cleanaway Operations Pty Ltd	Backlight (light globe recycling) Program	45,308
Where North Meets South	Circular Economy Roadmap Support - Asa Jonasson	27,090
Beatwave Pty Ltd	Which Bin and Wipe Out Waste Web Maintenance	19,457
Australasian Circular Textile Association Ltd	Development of SA Plan and Report for a Circular Textile Economy	13,777
Beatwave Pty Ltd	SUP Phase 2 planning and Social Media campaign	13,797
BDO EconSearch	Pilot Project: Benefits of a Circular Economy to Regional South Australia	11,818
Verity Hall Consulting	Development of Green Industries SA Workforce Plan and Succession Plan	11,000
	<b>TOTAL</b>	<b>5,947,555</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 2020-21, \$63.36 million from the Green Industry Fund was transferred to other state government agencies for climate change initiatives, as approved by the Minister for Environment and Water independent of the GISA Board, pursuant to section 17(5)(b)(i) of the *Green Industries SA Act 2004*. The funding was allocated towards:

- Home Storage Subsidy Scheme – DEM (\$47.60 million)
- Grid Scale Storage Fund – DEM (\$4.34 million)
- Low Carbon Economy Unit – DEM (\$1.40 million)
- Securing the future of our metropolitan coastline – DEW (\$3.90 million)
- Securing the future of our regional coastline – DEW, Coast Protection Board (\$1.00 million)
- Preparing for climate change – DEW (\$2.26 million)
- Heritage agreement grants – DEW (\$1.00 million)
- Carbon Neutral Adelaide Partnership Framework – DEW (\$1.07 million)
- Coastal protection: research and development for sand retention, seagrass meadow restoration – DEW (\$0.80 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. GISA's Risk Management Plan is subject to regular review by the GISA Executive team, the Governance Committee and the Board.

### Fraud detected in the agency

There were no reported incidences or fraud in GISA in the 2019-20 financial year.

### Strategies implemented to control and prevent fraud

GISA has adopted a Fraud and Corruption Control Plan Framework (the 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.

### 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 Minister for Environment and Water in 2020-21

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 2020-21 included:

- Development and release of *South Australia’s Waste Strategy 2020-25* and *Valuing Our Food Waste*
- 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 and consideration of product stewardship matters
- Transition from the partial waste levy waiver to subsidy system for charitable recycling organisations
- Implementation of regulatory reforms such as mass balance reporting and collection of the solid waste levy
- Consultation on licensee compliance associated with grant funding due diligence
- Waste to landfill data and solid waste levy revenue

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 former Waste Strategy covering the period 2015-20 advocated for high levels of recycling and reuse and had a number of landfill diversion targets. The most recent state-wide data available for 2019-20 shows the following performance against those targets:

- 70% diversion of Municipal Solid Waste (MSW) by 2020 - 56% achieved in 2019-20
- 80% diversion of Commercial and Industrial (C&I) waste by 2020 - 92.4% achieved in 2019-20
- 90% diversion of Construction and Demolition (C&D) waste by 2020 - 95.6% achieved in 2019-20

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 step-wise 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.

In December 2020, GISA released a new state-wide Waste Strategy for the period 2020-25. Its objective is to support South Australia’s transition to a circular economy and to make the state a national centre for reuse, remanufacturing, recycling and composting. New directions are identified for food waste, single-use plastics, regulatory waste reforms, education and behaviour change and supporting market development through infrastructure investment and other measures.

The 2020-25 Waste Strategy has the following targets:

- Zero avoidable waste to landfill by 2030
- 5% reduction in per capita waste generation (2020 baseline)
- 75% diversion of metropolitan Adelaide MSW by 2025
- 90% diversion of C&I waste by 2025
- 95% diversion of C&D waste by 2025
- waste management plans (covering all waste streams) in place in regional areas of the state by 2023

In 2020-21, GISA also released a dedicated food waste strategy for the state: *Valuing Our Food Waste*. The strategy integrates policy measures, behavioural change actions and support for South Australian industry to guide key actions across the food waste hierarchy to capture and valorise this material within a circular economy model.

Both of these strategy documents are available on GISA's website: [www.greenindustries.sa.gov.au](http://www.greenindustries.sa.gov.au).

During 2020-21, GISA supported implementation of the state's waste strategies 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.

The strategies have also been supported by GISA's policy and strategy work, including the development of a Circular Economy Roadmap (yet to be released) that will provide a path for accelerating initiatives to address resource scarcity, environmental impacts and increasing waste generation. It will also address South Australia's broader environmental objectives, including climate action, while delivering economic growth, social well-being and resilience.

**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 2020-21
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 2020-21</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>0</b>

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

<p><b>Service improvements resulting from complaints or consumer suggestions over 2020-21 – N/A</b></p>
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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: Audited financial statements 2020-21**



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## To the Presiding Member Green Industries SA

### Opinion

I have audited the financial report of Green Industries SA for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of Green Industries SA as at 30 June 2021, 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 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant 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 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 Green Industries SA for the financial year ended 30 June 2021.

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.

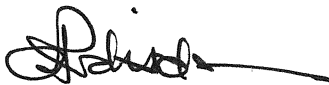
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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 Board'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.



Andrew Richardson  
**Auditor-General**  
28 September 2021

**Green Industries SA  
(GISA)**

**Financial Statements**

**For the year ended 30 June 2021**



**Green Industries SA**  
**Certification of Financial Statements**  
*for the year ended 30 June 2021*

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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 2021



Josh Wheeler

**Associate Director, Governance and  
Business**

28 September 2021



Kevin McGuinness

**Presiding Member**

Board of Green Industries SA

28 September 2021

**Green Industries SA**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2021*

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	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Solid waste levies	1.5	48 346	37 036
Revenues from SA Government	2.1	7 731	12 020
Appropriation	2.2	2 000	-
Interest	2.3	142	703
Resources received free of charge	2.4	36	29
Other income	2.5	58	1
<b>Total income</b>		<b>58 313</b>	<b>49 789</b>
<b>Expenses</b>			
Employee benefits expenses	3.3	3 254	2 906
Supplies and services	4.1	8 279	17 431
Depreciation	5.1	54	54
Grants and subsidies	4.2	72 786	50 153
Other expenses	4.3	18	22
<b>Total expenses</b>		<b>84 391</b>	<b>70 566</b>
<b>Net result</b>		<b>(26 078)</b>	<b>(20 777)</b>
<b>Total comprehensive result</b>		<b>(26 078)</b>	<b>(20 777)</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 2021*

	Note	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	89 835	114 122
Receivables	6.2	104	142
Loans	6.3	906	-
<b>Total current assets</b>		<b>90 845</b>	<b>114 264</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	374	428
Loans	6.3	3 000	3 866
<b>Total non-current assets</b>		<b>3 374</b>	<b>4 294</b>
<b>Total assets</b>		<b>94 219</b>	<b>118 558</b>
<b>Current liabilities</b>			
Payables	7.1	7 147	5 382
Employee benefits	3.4	441	330
Other liabilities	7.3	69	64
Provisions	7.2	5	3
<b>Total current liabilities</b>		<b>7 662</b>	<b>5 779</b>
<b>Non-current liabilities</b>			
Payables	7.1	79	88
Employee benefits	3.4	842	942
Other liabilities	7.3	372	411
Provisions	7.2	11	7
<b>Total non-current liabilities</b>		<b>1 304</b>	<b>1 448</b>
<b>Total liabilities</b>		<b>8 966</b>	<b>7 227</b>
<b>Net assets</b>		<b>85 253</b>	<b>111 331</b>
<b>Equity</b>			
Retained earnings		85 253	111 331
<b>Total equity</b>		<b>85 253</b>	<b>111 331</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 2021*

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	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 July 2019</b>	132 108	132 108
Net result for 2019-20	(20 777)	(20 777)
<b>Total comprehensive result for 2019-20</b>	<b>(20 777)</b>	<b>(20 777)</b>
<b>Balance at 30 June 2020</b>	<b>111 331</b>	<b>111 331</b>
Net result for 2020-21	(26 078)	(26 078)
<b>Total comprehensive result for 2020-21</b>	<b>(26 078)</b>	<b>(26 078)</b>
<b>Balance at 30 June 2021</b>	<b>85 253</b>	<b>85 253</b>

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 2021*

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	Note	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
<i>Cash inflows</i>			
Waste levies received		48 403	37 123
Receipts from SA Government		9 731	12 020
Interest received		111	780
Other receipts		58	1
<b>Cash generated from operations</b>		<b>58 303</b>	<b>49 924</b>
<i>Cash outflows</i>			
Employee benefits payments		(3 246)	(2 746)
Payments for supplies and services		(10 518)	(15 409)
Payments of grants and subsidies		(68 808)	(49 428)
Other payments		(18)	(22)
<b>Cash used in operations</b>		<b>(82 590)</b>	<b>(67 605)</b>
<b>Net cash used in operating activities</b>	8.1	<b>(24 287)</b>	<b>(17 681)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(24 287)</b>	<b>(17 681)</b>
Cash and cash equivalents at the beginning of the reporting period		114 122	131 803
<b>Cash and cash equivalents at the end of the reporting period</b>	6.1	<b>89 835</b>	<b>114 122</b>

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 2021*

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### **1. About Green Industries SA**

The reporting entity is referred to throughout these statements as 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 2021*

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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 economy and achieving environmental and community wellbeing gains
- helping businesses to be more productive with resources and reduce their costs through more efficiencies in materials, water and energy
- administering grants to local government and industry to drive innovation and best practice in waste management, resource recovery and circular economy
- developing, administering and monitoring the State's Waste Strategy and first food waste strategy
- reporting against landfill diversion targets and recycling outcomes
- developing behaviour change programs for schools and householders to improve recycling and waste avoidance practices for households, schools and businesses
- leading in implementation of the Government of South Australia's Disaster Waste Management Capability Plan.

**Programs**

To achieve its objectives, GISA undertakes its services through a single program, 'Waste reduction, resource recovery, circular economy and green industry development'.

**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 2020-21 financial year. Waste management services are identified as an essential service and continue to operate during restrictions.

**Green Industries SA**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**1.4. Budget performance**

The budget performance table compares GISA's outcomes against budget information presented to Parliament (2020-21 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 2021 \$'000	Actual 2021 \$'000	Variance \$'000
<b>Note</b>			
<b>Statement of Comprehensive Income</b>			
<b>Income</b>			
Solid waste levies	49 570	48 346	(1 224)
Revenues from SA Government	7 540	7 731	191
Appropriation	2 000	2 000	-
Interest	139	142	3
Revenues received free of charge	-	36	36
Other income	-	58	58
<b>Total income</b>	<b>59 249</b>	<b>58 313</b>	<b>(936)</b>
<b>Expenses</b>			
Employee benefits expenses	3 655	3 254	(401)
Supplies and services	13 590	8 279	(5 311)
Depreciation	54	54	-
Grants and subsidies	65 427	72 786	7 359
Other expenses	12	18	6
<b>Total expenses</b>	<b>82 738</b>	<b>84 391</b>	<b>1 653</b>
<b>Net result</b>	<b>(23 489)</b>	<b>(26 078)</b>	<b>(2 589)</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 is \$7.359 million higher than the original budget primarily due to:
- Climate Change Initiatives administered by the Department for Energy and Mining (DEM) where some funding was pulled forward from future years to 2020-21 (budget was increased by \$11.239 million in 2020-21).
  - Partially offset by \$3.88 million underspending for several GISA grant programs due to the timing of works, for which funds have been committed and will be carried over from 2020-21 to 2021-22.

**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 EPA during the 2020-21 financial year. The receipts of \$48.346 million (\$37.036 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 to DEW (\$10.027 million) and, DEM (\$53.333 million) for climate change initiatives. In addition, GISA also made payments of \$177 000 to Department for Infrastructure and Transport (DIT) for rent.



**Green Industries SA**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**2. Income**

**2.1. Revenues from SA Government**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Intra-government transfers	7 731	12 020
<b>Total revenues from SA Government</b>	<b>7 731</b>	<b>12 020</b>

Revenues from SA Government are recognised as income on receipt.

Funding of \$7.475 million received from DTF and \$150 000 from DIT in 2020-21 relates to clean-up, management and resource recovery of waste and debris, resulting from the 2019-20 bushfires in the Adelaide Hills, Kangaroo Island, Yorketown and Keilira.

Funding of \$106 000 received from the EPA for administration of the Charitable Recyclers Subsidy Program.

**2.2. Appropriation**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	2 000	-
<b>Total appropriation</b>	<b>2 000</b>	<b>-</b>

Appropriation pursuant to the Appropriation Act consists of \$2.0 million for operational funding. This appropriation comprises money issued and applied to the department as per Schedule 1 of the act.

**2.3. Interest**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest from the Green Industry Fund*	37	600
Interest on loan receivable	105	103
<b>Total interest revenues</b>	<b>142</b>	<b>703</b>

\* Interest rate is determined by the DTF.

**2.4. Resources received free of charge**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Services received free of charge - Shared Services SA	36	29
<b>Total resources received free of charge</b>	<b>36</b>	<b>29</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 and ICT digital government services from Shared Services SA free of charge, following Government's approval to cease intra-government charging.

**Green Industries SA**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**2.5. Other income**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Grant refund *	53	-
Reimbursement of expenses incurred	5	1
<b>Total other income</b>	<b>58</b>	<b>1</b>

\* Return of unspent funds to the Green Industry Fund related to two trade waste initiatives that did not proceed in 2019-20.

**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of GISA include the Minister for Environment and Water, Board Members, the Chief Executive, Deputy Chief Executive and two Directors, comprising key responsibility for the strategic direction and management of the Agency.

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*.

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Compensation</b>		
Salaries and other short term employee benefits	776	767
Post-employment benefits	170	72
<b>Total</b>	<b>946</b>	<b>839</b>

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

GISA is wholly owned and controlled by the Crown.

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.

No transactions with key management personnel or related parties have occurred throughout the 2020-21 financial year, other than those disclosed in note 1.5.

**Green Industries SA**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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**3.2. Board and committee members**

Members during the 2020-21 financial year were:

**Green Industries SA Board**

K P McGuinness (Presiding Member)	V J Levitzke* (Ex Officio, retired March 2021)
J L Conduit	I Overton* (Ex Officio, appointed March 2021)
T Dodd	P P Sandercock
L I Henderson	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:

	<b>2021</b>	<b>2020</b>
\$0 - \$19 999	7	8
\$20 000 - \$39 999	1	1
<b>Total number of members</b>	<b>8</b>	<b>9</b>

The total remuneration received or receivable by members was \$87 000 (2020: \$88 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

**3.3. Employee benefits expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	2 380	2 089
Employment on-costs - superannuation	389	341
Annual leave	246	211
Employment on-costs - other	128	98
Board and committees fees	80	84
Long service leave	13	63
Skills and experience retention leave	14	16
Other employment related expenses	4	4
<b>Total employee benefits expenses</b>	<b>3 254</b>	<b>2 906</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.

**Green Industries SA**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2021*

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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:

	2021	2020
	No	No
\$174 001 to \$194 000	1	2
\$194 001 to \$214 000	1	-
\$234 001 to \$254 000	1	-
\$274 001 to \$294 000	-	1
\$314 001 to \$334 000	1	-
<b>Total</b>	<b>4</b>	<b>3</b>

The total remuneration received by those employees for the years was \$0.946 million (\$0.644 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.

**3.4. Employee benefits liability**

	2021	2020
	\$'000	\$'000
<b><u>Current</u></b>		
Accrued salaries and wages	75	68
Annual leave	278	219
Long service leave	71	28
Skills and experience retention leave	17	15
<b>Total current employee benefits</b>	<b>441</b>	<b>330</b>
<b><u>Non-current</u></b>		
Long service leave	842	942
<b>Total non-current employee benefits</b>	<b>842</b>	<b>942</b>
<b>Total employee benefits</b>	<b>1 283</b>	<b>1 272</b>

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.

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

***Long service leave***

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. Details about the measurement of long service leave liability is provided as note 10.1.

**4. Expenses**

Employee benefits expenses are disclosed in note 3.3.

**4.1. Supplies and services**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Fee for service - bushfire clean-up	5 038	13 960
Fee for service - community education programs	626	696
Fee for service - circular economy	436	300
Fee for service - waste strategy and policy including single-use plastics	421	249
Waste disposal	368	284
Advertising	195	251
General administration	180	120
Accommodation	177	164
Fee for service - recycling and waste activities	101	196
Information technology and communication charges	93	75
Fee for service - DEW	87	85
Fee for service - other	59	17
Minor works, maintenance and equipment	55	33
Consultants	52	-
Contractors	46	-
Fee for service - light globes collection	43	688
Staff development	42	23
Other	260	290
<b>Total supplies and services</b>	<b>8 279</b>	<b>17 431</b>

***Accommodation***

GISA's accommodation is provided by the DIT 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. Information about accommodation incentives relating to this arrangement is shown at note 7.3.

***Consultants***

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants fell within the following bands:

	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>Number</b>	<b>\$'000</b>	<b>Number</b>	<b>\$'000</b>
\$10 000 or above	1	52	-	-
<b>Total</b>	<b>1</b>	<b>52</b>	<b>-</b>	<b>-</b>

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**4.2. Grants and subsidies**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Climate change initiatives *	63 360	40 204
Recycling Modernisation Grant Program ^	3 110	-
Recycling Infrastructure Grants Program - Industry and Local Government	2 782	4 900
Local Government Program	1 231	2 305
Council Transition and Regional Transport Subsidies Program	1 169	1 233
Trade Waste Initiative	423	761
Circular Economy Market Development Grant Program	289	240
Circular Economy Business Sustainability Program	271	244
Charitable Recyclers Subsidy Program	106	-
Commercialisation of Innovation Grant Program	-	150
Other contributions	45	116
<b>Total grants and subsidies</b>	<b>72 786</b>	<b>50 153</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.

**4.3. Other expenses**

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 (2020: \$22 000). No other services were provided by the Auditor-General's Department.

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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.

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.

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.

**Reconciliation 2020-21**

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

**Reconciliation 2019-20**

	<b>Leasehold improvements</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	482	482
Depreciation	(54)	(54)
<b>Carrying amount at the end of the period</b>	<b>428</b>	<b>428</b>
<b>Gross carrying amount</b>		
Gross carrying amount	652	652
Accumulated depreciation	(224)	(224)
<b>Carrying amount at the end of the period</b>	<b>428</b>	<b>428</b>

**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.

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**6. Financial assets**

**6.1. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Green Industry Fund	89 835	114 122
<b>Total cash and cash equivalents</b>	<b>89 835</b>	<b>114 122</b>

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 Environment and Water. In 2020-21, the Fund was used in accordance with the GISA 2020-21 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**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Current</u></b>		
Solid waste levy	-	57
Accrued revenues	65	74
Prepayments	39	11
<b>Total current receivables</b>	<b>104</b>	<b>142</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.

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.



**Green Industries SA**  
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**6.3. Loans**

	2021	2020
	\$'000	\$'000
<b><u>Current</u></b>		
Commercialisation of Innovation loan <sup>^</sup>	906	-
<b>Total current loans</b>	<b>906</b>	<b>-</b>
<b><u>Non-current</u></b>		
Recycling Infrastructure loan*	3 000	3 000
Commercialisation of Innovation loan <sup>^</sup>	-	866
<b>Total loans</b>	<b>3 906</b>	<b>3 866</b>

\* 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. It created 40 ongoing new jobs. 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. It is interest only at a rate of 2.17% for 3 years, payable monthly, then principal and interest for 4 years (interest rate to be determined on the day before the interest-only converts to principal and interest).

<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 is due for repayment by June 2022.

GISA has recognised the inherent risks associated with funding a commercialisation of innovation policy initiative due to the uncertainty and timing to achieve positive commercial outcomes. Controls to mitigate against these risks are set out in the Secured Loan Facility Agreement (loan agreement) and comprise:

- Milestone payments to Innovyz (the borrower) were subject to certain conditions and obligations;
- GISA will have first call and precedence on repayment of the loan over equity investors in the distribution of moneys;
- GISA is a member of the Innovyz program selection committee; and
- Innovyz' Management Agreement in the loan documentation is regarded as a "Material Document".

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**7. Liabilities**

Employee benefits liabilities are disclosed in note 3.4.

**7.1. Payables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Current</u></b>		
Trade payables*	7 034	4 682
Accrued expenses	18	630
Employment on-costs	95	70
<b>Total current payables</b>	<b>7 147</b>	<b>5 382</b>
<b><u>Non-current</u></b>		
Employment on-costs	79	88
<b>Total non-current payables</b>	<b>79</b>	<b>88</b>
<b>Total payables</b>	<b>7 226</b>	<b>5 470</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 increase 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 the DTF, the proportion of long service leave taken as leave remained unchanged from the 2020 rate (42%). The average factor for the calculation of employer superannuation cost on-costs has increased from the 2020 rate (9.8%) to 2021 (10.1%). These rates are used in the employment on-cost calculation.

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**7.2. Provisions**

	2021 \$'000	2020 \$'000
<b><u>Current</u></b>		
Provision for workers compensation	5	3
<b>Total current provisions</b>	<b>5</b>	<b>3</b>
<b><u>Non-current</u></b>		
Provision for workers compensation	11	7
<b>Total non-current provisions</b>	<b>11</b>	<b>7</b>
<b>Total provisions</b>	<b>16</b>	<b>10</b>
<b><u>Movement in provisions</u></b>		
Carrying amount at the beginning of the period	10	7
Additional provisions recognised	6	3
<b>Carrying amount at the end of the period</b>	<b>16</b>	<b>10</b>

A provision 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 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

GISA is responsible for the payment of workers compensation claims.

**7.3. Other liabilities**

	2021 \$'000	2020 \$'000
<b><u>Current</u></b>		
Accommodation incentive	69	64
<b>Total current other liabilities</b>	<b>69</b>	<b>64</b>
<b><u>Non-current</u></b>		
Accommodation incentive	372	411
<b>Total non-current other liabilities</b>	<b>372</b>	<b>411</b>
<b>Total other liabilities</b>	<b>441</b>	<b>475</b>

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**8. Other disclosures**

**8.1. Cash flow**

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<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	89 835	114 122
Balance as per the Statement of Cash Flows	89 835	114 122
<b>Reconciliation of net cash provided by/(used in) operating activities to net result from providing services</b>		
Net cash used in operating activities	(24 287)	(17 681)
<b>Add / less non-cash items</b>		
Depreciation	(54)	(54)
Loan interest capitalised	40	38
<b>Movement in assets and liabilities</b>		
(Decrease) in receivables	(38)	(191)
(Increase) in payables	(1 756)	(2 786)
(Increase) in employee benefits	(11)	(134)
Decrease in other liabilities	34	34
Decrease in provisions	(6)	(3)
<b>Net result</b>	<b>(26 078)</b>	<b>(20 777)</b>

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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 payable as follows:

	2021	2020
	\$'000	\$'000
Within one year	20 956	53 498
Later than one year but not longer than five years	34 996	51 075
Later than five years	8 553	13 428
<b>Total expenditure commitments</b>	<b>64 505</b>	<b>118 001</b>

GISA's expenditure commitments are for:

- agreements for memoranda of administrative arrangements with the DIT for accommodation; and
- funding to DEM for climate change initiatives approved by the 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 has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer. There are no Accounting Policy Statements that are not yet in effect.

Amending Standard AASB 2021 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* will apply from 1 July 2023. Although applicable to GISA, this amending standard is not expected to have an impact on GISA's general purpose financial statements. GISA will update its policies, procedures and work instructions, where required, to reflect the additional clarification requirements.

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.

**Green Industries SA**  
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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**

*AASB 119 Employee Benefits* specifies the calculation methodology for long service leave liability.

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 2020 (0.75%) to 2021 (1.25%).

Following the actuarial assessment performed by DTF the salary inflation rate remained unchanged from 2020 (2.5%) for long service leave liability. The salary inflation rate for annual leave and skills, experience and retention leave liability remained unchanged from 2020 (2.0%).

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service liability of \$79 000. 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.

The unconditional portion of the long service leave provision is classified as current as GISA does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of the long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

**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.

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**10.2 Fair value (continued)**

***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 2021, GISA had no valuations categorised into level 1 or 2.

**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.

Refer to note 7.1 for further information.

***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.

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**10.3. Financial instruments (continued)**

***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 of financial instruments***

Details of the significant 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.

***Classification of Financial Instruments***

Financial assets and financial liabilities are measured at amortised cost.



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**10.3. Financial instruments (continued)**

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>

Category of financial asset and financial liability	Note	2020 Carrying amount / fair value \$'000	2020 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		114 122	n/a	n/a	n/a
<b>Financial assets at amortised cost</b>					
Receivables	(1), (2)	74	74	-	-
Loans		3 866	-	866	3 000
<b>Total financial assets</b>		<b>118 062</b>	<b>74</b>	<b>866</b>	<b>3 000</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Payables	(1)	5 295	5 295	-	-
<b>Total financial liabilities</b>		<b>5 295</b>	<b>5 295</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.