

ZERO WASTE SA
ANNUAL REPORT

1 July 2015 to 30 June 2016



Government of South Australia

Office of Green Industries SA

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Letter of Transmittal

Date: 30 September 2016

Hon Ian Hunter MLC
Minister for Sustainability, Environment and Conservation
Parliament House
North Terrace
ADELAIDE SA 5000

Dear Minister

In accordance with reporting obligations under the *Zero Waste SA Act 2004*, the *Public Sector Act 2009* and the *Public Finance and Audit Act 1987*, we are pleased to submit the annual report on the activities of Zero Waste SA for the financial year 1 July 2015 to 30 June 2016.

On 1 July 2015, the Office of Zero Waste SA was renamed the Office of Green Industries SA by proclamation under the *Public Sector Act 2009*. Throughout 2015-16, Zero Waste SA was supported by the Office of Green Industries SA. The Board of Zero Waste SA continued to provide strategic direction to the agency under the *Zero Waste SA Act 2004* while legislation was being prepared to establish Green Industries SA as a statutory corporation in accordance with the Government's 2014 Election Commitment.

In 2015-16, the Office of Green Industries SA built on the work of Zero Waste SA in response to new challenges and opportunities arising from economic priorities, emerging technologies and changes in society.

We released *South Australia's Waste Strategy 2015-2020*. Its new objectives recognise the benefits of a resource efficient economy, the need for a solid policy platform for investment decisions and the importance of an enabling culture for implementing zero waste practices.

Important work in the area of waste reform and other initiatives has required cross-agency collaborations, such as scoping the development of a State-based disaster waste management plan. Other work has included identifying new investment opportunities in South Australia's resource recovery industry to assist with the development of a strategic waste management infrastructure plan.

Through the Industry Program, businesses in targeted industry sectors implemented sustainable resource efficiency measures, reduced their operating costs and increased productivity.

The agency is also administering the South Australian Government's Trade Waste Initiative; a \$5.29 million program to be delivered over two years. The initiative aims to provide industry with expert, practical advice on trade waste management, resource efficiency and productivity, and offers matched grant funding to eligible businesses for implementing trade waste improvements that can reduce business costs and improve performance.

South Australia is now seen as a leader in waste management and resource recovery globally. Recognising this, in August 2015 the United Nations Centre for Regional Development announced that the Seventh Regional 3R (reduce, reuse, recycle) Forum in Asia and the Pacific would be held in 2016 in Adelaide, South Australia.

The agency's successes would not be possible without the support of its partners and advocates. New collaborations, locally and globally, will remain vital in order to meet the Government's policy goals for the green economy.

We acknowledge the dedication, outstanding skills and resilience of our staff, many of who took on extra responsibilities during the year as a result of the agency's restructuring and transition to Green Industries SA.



Kevin McGuinness
Presiding Member
Board of Zero Waste SA



Vaughan Levitzke
Chief Executive
Zero Waste SA and
Office of Green Industries SA

Fast facts

Over \$1 billion estimated value of the South Australian waste and recycling sector

\$500 million contributed to Gross State Product (directly and indirectly) by the waste and recycling sector

4,800 people employed in the waste management and resource recovery sector in South Australia

\$97 million of waste levy funds invested in projects that have stimulated councils, businesses and the community to reduce, recover, reuse and recycle since 2003

80% of material diverted from landfill (3.59 million tonnes) in South Australia during 2013–14, a rate which is among the world's best

27% reduction in waste to landfill since 2002

2,236 tonnes of hazardous materials safely collected from 48,698 South Australians since 2004

220,000 lamps and globes collected for recycling since January 2011, equating to 23 tonnes

Highlights of 2015–16

Transition to the Office of Green Industries SA

The agency's transition from the Office of Zero Waste SA to the Office of Green Industries SA commenced from 1 July 2015. Subject to the passage of legislation, the new body – Green Industries SA – will increase South Australia's capabilities and leadership in green industries, encouraging innovation and economic growth through the development of the green economy.

South Australia's Waste Strategy 2015-20 released

Following public consultation in 2014-15, *South Australia's Waste Strategy 2015-2020* was released in November 2015. The Strategy continues to advocate for high levels of recycling and reuse of waste during the next five years. South Australia's Waste Strategy is the lead State Government document that informs and guides waste management policy, strategy and activity in South Australia. The 2015-2020 Waste Strategy will be a key tool in maintaining South Australia's nationally and internationally recognised track record in waste management leadership.

South Australian Government Trade Waste Initiative

Work started on implementing the South Australian Government's \$5.29 million Trade Waste Initiative to be delivered over two-years. The program will help businesses make improvements to the way trade waste is managed, reduce operating costs and improve productivity. The agency is leading the development of the program in partnership with key stakeholders including SA Water, the Environment Protection Authority (EPA), other relevant government agencies and local government.

Waste infrastructure planning

The agency developed a State-wide Waste and Resource Recovery Infrastructure Plan which aims to provide South Australia with strategic directions and a roadmap to guide future investment in waste management and resource recovery infrastructure that supports a resource efficient economy. It will support the objectives of *South Australia's Waste Strategy 2015-2020*, in particular, the objective of 'a stable and efficient market for investors through a clear policy framework providing a solid platform for investment decisions'.

Disaster waste management planning

Phase one of a disaster waste management scoping study was undertaken by the Office of Green Industries SA in 2015-16. The study reviewed current disaster waste management practices and the associated regulatory framework in the State, as well as developed waste profiles for a range of disaster scenarios and identified skill and equipment needs. A key recommendation from the scoping study is to develop a disaster waste management framework under the State Emergency Management Plan.

Innovation

In 2015-16, the Office of Green Industries SA awarded \$300,000 to industry under a new Innovation Grants Program. This Program is for innovative projects in the resource efficiency sector seeking to generate benefits to the economy and deliver environmental and community benefits. \$100,000 each in funding was awarded to Plastics Granulating Services, SA Group Enterprises and CDL Solutions SA. These projects aim to create up to 70 new jobs in the waste and recycling sector.

To fully capitalise on the economic benefits and job creation opportunities arising from innovative technologies in the waste management and resource recovery sector, in 2015-16 the agency started exploring other ways to partner with private enterprise to bring innovation to South Australia.

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APPENDIX 1: Support for South Australia’s priority areas of Government

APPENDIX 2: Support for South Australia’s top 10 economic priorities

APPENDIX 3: Human Resources, Work Health and Safety and Other Information

APPENDIX 4: Freedom of Information Statement

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About the Office of Green Industries SA

As part of the State Government's 2014 State Election policies, a commitment was made to create a new agency to better capture the benefits of the green economy. The 2014-15 budget delivered on this commitment through the renaming of the Office of Zero Waste SA to the Office of Green Industries SA.

From 1 July 2015, the Office of Zero Waste SA became known as the Office of Green Industries SA. This change occurred via a proclamation under section 26(b) of the *Public Sector Act 2009* by His Excellency, the Governor in Executive Council.

In 2015-16, legislation was developed to establish Green Industries SA as a statutory corporation. The legislation defines the functions of the entity and also establishes a governing Board of Green Industries SA.

Until such time that the legislation is enacted, the *Zero Waste SA Act 2004* remains operational, along with the statutory corporation Zero Waste SA, the Board of Zero Waste SA, and the Chief Executive.

The Board of Zero Waste SA was reappointed to provide oversight and guidance for the transition to Green Industries SA.

In its work, the agency is guided by the waste hierarchy for prioritising the management of waste.



Figure 1 The waste hierarchy

The Office of Green Industries SA's activities involve collaboration with other government agencies, recognising and supporting the Government's seven primary areas of focus for action:

- Premium food and wine from our clean environment;
- Realising the benefits of the mining boom for all;
- Growing advanced manufacturing;
- Creating a vibrant city in Adelaide;
- Safe communities, healthy neighbourhoods;
- An affordable place to live; and
- Every chance for every child.

The agency also supports South Australia's top 10 economic priorities:

- Unlocking our resources, energy and renewables;
- Premium food and wine exported to the world;
- The knowledge state - attracting students and commercialising our research;
- A destination of choice for travellers;
- Growth through innovation;
- Best place to do business;
- Adelaide: heart of the vibrant state;
- Promoting our international connections and engagement; and
- Small business access to capital and global markets for small businesses.

The Office of Green Industries SA's support for the State Government's areas of focus and economic priorities are shown at Appendix 1 and 2, respectively.

Board of Zero Waste SA

The Board of Zero Waste SA is established as the governing body of Zero Waste SA. The *Zero Waste SA Act 2004* specifies the range of expertise to be included in Board membership as:

- environmental sustainability, conservation and protection;
- local government;
- waste management industry or waste-related infrastructure development;
- regional affairs;
- economic, financial and risk management; and
- advocacy on environmental matters on behalf of the community.

The *Zero Waste SA Act 2004* also states that one member of the Board must be a member of the Board of the EPA. During 2015-16, the Board, appointed by His Excellency the Governor in Executive Council, comprised the following members.

Board member	Background
Mr Kevin McGuinness (Presiding Member)	Mr McGuinness has more than 20 years of director/executive management experience spanning ASX listed, private companies and the not-for-profit sector. He has also held senior finance and operations roles across a broad range of industries and sectors.
Ms Anne Harvey (Deputy Presiding Member)	Ms Harvey has extensive experience in corporate governance including policy leadership; public sector risk management and budget strategy and program evaluation. She is a qualified executive coach and mentor. She is the Principal of Pathways16 specialising in critical thinking and behaviour change.
Ms Megan Dyson	Ms Dyson has more than 20 years' experience as a public sector environmental lawyer and policy consultant, and former member of the Board of the EPA. She brings skills in environmental sustainability, conservation and protection
Mr Vaughan Levitzke <i>ex officio</i>	Mr Levitzke is Chief Executive, Zero Waste SA and Office of Green Industries SA and has held this position since 2003. He has more than 10 years' experience with the South Australian Environment Protection Authority, focusing on regulation in the waste sector, litter, container deposit legislation, eco-efficiency and industry sustainability.
Dr Anne Sharp	Dr Sharp is Associate Professor at the Ehrenberg-Bass Institute for Marketing Science at the University of South Australia. She heads the Sustainable Marketing research of the Institute and has a particular interest in evaluating government interventions encouraging behaviour change for improved environmental outcomes.
Ms Marina Wagner	Ms Wagner is the Executive Officer, Fleurieu Regional Waste Authority. She has spent 20 years working in senior management positions within the environmental, waste and resources sector for local and state governments and the private industry.
Mr Mark Withers	Mr Withers is a Chief Executive Officer in local government, with 30 years' experience in South Australian councils. He is currently the Chief Executive Officer of the Port Adelaide Enfield Council and previously held the same role in the City of Charles Sturt for eight years until July 2015. He is the current National President of the Local Government Managers Australia, and current Board member of the EPA. Mr Withers also fulfils the role of having knowledge of and experience in local government and waste-related infrastructure development.

Board of Zero Waste SA Governance Committee

The *Zero Waste SA Act 2004* allows the Board of Zero Waste SA to establish committees or subcommittees to assist the organisation with its functions.

The Board's Governance Committee has been in place since 2004. The Governance Committee's objectives are to consider corporate governance issues and provide appropriate advice on managing risks for the agency and the Board.

The Governance Committee during 2015-16 comprised:

- Ms Anne Harvey (Governance Committee Chair), Deputy Presiding Member, Board of Zero Waste SA
- Mr Kevin McGuinness, Presiding Member, Board of Zero Waste SA
- Ms Megan Dyson, Member, Board of Zero Waste SA
- Mr Vaughan Levitzke, Chief Executive

In 2015–16, the Governance Committee met to advise on the agency's:

- risk management plan;
- fraud and corruption control plan;
- financial management compliance policy;
- transition to Green Industries SA;
- statements of the income and expenditure of the Waste to Resources Fund; and
- other matters of governance including the induction of new Board members and the Board's conflicts of interest policy.

The Office of Green Industries SA is committed to embedding risk management into its culture, practices and decision-making processes. The *Office of Green Industries SA Risk Management Plan* helps to manage the risks of the Board and agency in accordance with *AS/NZS ISO 31000:2009 Risk management – Principles and guidelines*.

The Plan incorporates a risk register, which documents existing controls to mitigate and manage identified risks and identifies planned actions to reduce the impact of these risks further. The Plan ensures that risk management is explicitly linked to the management of change and to decision making so that the agency is successful in achieving its objectives.

Programs relevant to all waste streams

Waste Strategy 2015-2020

The *South Australia's Waste Strategy 2015-2020* (Waste Strategy) was released in November 2015. The Waste Strategy advocates for high levels of recycling and reuse of waste through targets and actions to reduce waste to landfill, and requiring innovative policy and regulatory solutions.

The Waste Strategy has three objectives:

1. a resource efficient economy where the best or full value is secured from products and materials produced, consumed and recovered across the State;
2. a stable and efficient market for investors through a clear policy framework providing a solid platform for investment decisions;
3. a culture enabling the South Australian community, businesses and institutions to continue to strengthen their role in implementing zero waste strategies and programs locally, nationally and internationally.

In 2013-14, a review of *South Australia's Waste Strategy 2011-2015* highlighted that the waste management and resource recovery sector is an important contributor to and growing sector of the South Australian economy. The sector has an annual turnover of approximately \$1 billion, contributes \$500 million to Gross State Product directly and indirectly, and employs more than 4,800 people across a wide spectrum of jobs¹. Nationally it is estimated that the waste sector is worth \$14.2 billion per year².

An economic evaluation of selected programs previously run by Zero Waste SA as part of the review showed that the money Government has invested has had positive returns. The benefit cost ratio of these programs ranged from 1.4 to 11.5³.

The 2015-2020 Waste Strategy will be key to maintaining this record and encourages further investment and growth of the South Australian economy through:

- greater net benefits from kerbside recycling in the future, particularly if food waste is optimally recycled;
- developing the circular economy by opening up activity in product development, remanufacturing and refurbishment to create new jobs (this approach is already seen in South Australia's compost processing industry);
- new infrastructure investment for the recycling industry during the next 10 to 15 years, which is estimated to be in the hundreds of million dollars range;

¹ RWA – Resources and Waste Advisory Group, 2014, *Review of South Australia's Waste Strategy 2011-2015*

² WME and Hyder Consulting, 2015, *Inside Waste Industry Report 2014-15*

³ RWA – Resources and Waste Advisory Group, 2014, *Review of South Australia's Waste Strategy 2011-2015*

- expanding the significant potential for further resource efficiency and productivity gains in South Australian businesses;
- encouraging savings in Government through advanced procurement of waste and recycling services across all agencies; and
- reducing cost of living pressures for South Australians through high performance recycling systems (keeping council rates lower than they would otherwise be) and through the rapidly growing momentum of the collaborative economy.

Waste policies

The Office of Green Industries SA takes a lead role in developing policy and supporting regulatory solutions that support implementation of the Waste Strategy. The agency's focus areas for 2015-16 are summarised below.

Disaster waste management

The review of *South Australia's Waste Strategy 2011-2015* identified disaster management waste planning as an important area of policy development. Natural disasters can generate overwhelmingly large quantities of waste that exceed the normal waste management capacity of the affected area and threaten public health, hinder reconstruction and impact the environment. Waste planning is critical prior to disasters, yet very few jurisdictions in Australia and globally do so.

In 2015-16, the agency completed a phase one disaster waste management scoping study which was funded under the Commonwealth Government's Natural Disaster Resilience Program.

A team of international and national disaster waste management experts were engaged to undertake the phase one scoping study. The study reviewed current disaster waste management practices and the associated regulatory framework in South Australia, and developed waste profiles for selected flood, severe storm, earthquake and bushfire scenarios. The project also identified required skills of involved personnel, equipment needs, selection criteria for temporary debris storage sites and developed a disaster waste management contingency planning methodology.

Key findings and recommendations of the phase one scoping study have been presented to a wide range of State emergency management groups/committees, as well as the recommended next steps of the project. In particular, the integration of a disaster waste management framework under the State Emergency Management Plan was endorsed by the State Response Advisory Group and was widely supported by all the other groups.

Waste and resources recovery infrastructure plan

In 2014-15, the Office of Green Industries SA undertook background studies to support waste and resource recovery infrastructure planning for the next 30 years across the State. Building on these studies, in 2015-16 the agency completed a waste flow projection and economic impact assessment study to support the development of a State-wide waste and resource recovery infrastructure plan.

The plan will be developed in response to a finding of the *Review of South Australia's Waste Strategy 2011-2015*, which identified waste and resource recovery infrastructure planning and investment as a critical future need to support industry development. This planning is considered vital to retain South Australia's position on the global platform in waste and resource recovery and stimulate economic growth in the State. It will be developed in consultation with other government agencies and will align with the *30-Year Plan for Greater Adelaide*.

The Plan will provide strategic direction and an evidence base to inform waste infrastructure planning and investment decisions, and to ensure that sufficient and adequate sites are identified for waste and resource recovery activities in the State over the next 30 years.

A consultation draft will be released for public consultation in 2016-17.

Communications, education and partnerships

During 2015–16, the Office of Green Industries SA undertook marketing and communications on its programs, as well as managed advertising, branding, publications, online communications and sponsorship delivery.

Press advertisements promoting soft plastics recycling were published in South Australian newspapers during June 2016 through the annual free newspaper space allocation sponsored by the *NewsMediaWorks*. The advertisements promoted the correct recycling of soft plastic, such as that used to wrap home delivered newspapers. While soft plastics cannot go in the kerbside yellow bin, these can be recycled in a separate process to kerbside recycling. Many supermarkets now have soft plastics collection bins. This advertising campaign provided advice to consumers on where to take the material for recycling, and provided clarity on ensuring that soft plastics are kept out of the yellow kerbside recycling bin.

A segment on the BackLight light globe recycling program was produced for the Master Builders' Association Building Ideas program on Channel Nine to mark the collection of more than 200,000 globes since the free initiative was introduced in 2010. The program, run in conjunction with Mitre10, Banner and True Value hardware stores, allows South Australians to recycle all domestic light globes at no cost.

Five Ministerial media releases were prepared by the agency highlighting information or programs of value to the community, including how to 'Recycle Right' during Easter, the BackLight program, Australia's first national waste paint collection scheme Paintback, the South Australian Government Trade Waste Initiative, and sponsorship of the Mini Makers Faire at Tonsley.

Websites

The Zero Waste SA website (www.zerowaste.sa.gov.au) hosts information about waste, recycling and resource recovery. It provides support material for the *Recycle Right®* campaign for households, councils and industry. In 2015-16, the Zero Waste SA website served more than 305,281 pages of content to 125,926 visitors.

On 7 June 2016, the Green Industries SA website (www.greenindustries.sa.gov.au) went live. It hosts information about the transition from Zero Waste SA, industry related services and programs and grant information about the South Australian Government's Trade Waste Initiative. The Green Industries SA website is still being developed and at the end of the 2015-16 financial year had 130 users and 533 page views.

The 'Share N Save' website (www.shareNsave.com.au) assists South Australians to conserve resources, save money and connect with their local communities. See page 17 for more information on this program.

***Recycle Right*® household recycling education program**

During 2015-16, work was undertaken to support council waste educators and to inform future planning for recycling education in response to stakeholder feedback received during consultation for the establishment of Green Industries SA (undertaken in the 2014-15 financial year). This stakeholder feedback emphasised the importance of a centralised approach towards recycling education. This work included:

- Continuing to support council waste educators such as checking new or reprinted materials using the *Recycle Right*® brand.
- Surveying council waste educators in October 2015 to measure the extent to which councils use and value the *Recycle Right*® resources. The survey findings were used to discuss the needs of waste educators at a forum held on 5 November 2015 and a workshop held on 10 December 2015.
- Producing an Easter-theme recycling fact sheet in response to demand from waste educators, and which was also converted into a series social media images.
- Producing a summary of highlights from the 2013-14 market research⁴ and presentation at two forums: the 10 December 2015 workshop and a detailed presentation at a waste educators meeting on 25 February 2016.

In 2015-16, work also started on the transfer of the *Recycle Right*® 1300 telephone hotline service and website recycling queries to KESAB *environmental solutions* to leverage its expertise in the area of recycling. The transfer of the hotline service and website enquiries is expected to be finalised early in the 2016-17 financial year.

Financial and legislative instruments

Environment Protection (Waste to Resources) Policy 2010

The *Environment Protection (Waste to Resources) Policy 2010* (Waste to Resources Policy) provides the regulatory framework for the Waste Strategy. The Waste to Resources Policy came into operation on 1 September 2010 and progressively banned certain wastes from landfill.

⁴ http://www.zerowaste.sa.gov.au/upload/resource-centre/publications/reuse-recovery-and-recycling/ZWSA%20RR%20Executive%20Summary%20de_24.2.16.pdf

The banned items, listed at Schedule 4 of the Waste to Resources Policy, include compact fluorescent lights and mercury containing lights. The Office of Green Industries SA has identified these items as high priority problematic wastes. During 2015-16, the agency worked with the EPA and local government on several initiatives to implement the Waste to Resources Policy as detailed below.

Hazardous waste, oil and lead acid batteries

The agency's Household and Farm Hazardous Waste Depot at Dry Creek provides a free disposal service to enable proper disposal of household hazardous waste and farm chemicals. In 2015-16, the depot accepted and processed 74.4 tonnes of household hazardous waste and farm chemicals from 1,631 members of the public. Further information on this program can be found on page 28.

Fluorescent light globes

The BackLight Household Light Globe Recycling program allows free light globe collection at any Mitre 10, True Value and Banner hardware stores; giving access to more than 60 stores state-wide. Further information on the BackLight program can be found on page 29.

National activities

The Office of Green Industries SA contributes at a national level to implementation of the *National Waste Policy: less waste, more resources* (National Waste Policy). The National Waste Policy assists with approaches to issues such as plastic bags, tyres, end-of-life vehicles, e-waste, waste oil, used batteries, waste paints, product stewardship and the Australian Packaging Covenant.

The agency influences future policy direction in product stewardship at the national level for a range of products, including those listed above. National activities during 2015-16 are summarised below.

Used batteries

Following the Office of Green Industries SA's submission to the Battery Implementation Working Group's (BIWG) Discussion Paper on the Proposed Battery Product Stewardship Scheme (in 2014), the agency continued to work closely with the BIWG in relation to the development of the Scheme.

Given the difficulty in gaining support from some major brand owners in an all-inclusive approach to an industry led stewardship for handheld batteries, the scope of an industry driven stewardship approach has been refined to focus on hazardous and rechargeable battery types (i.e. secondary batteries), such as button cell, power tool, sealed lead acid and emergency lighting batteries.

This Office of Green Industries SA will continue to work with the BIWG on the Scheme in 2016-17.

Electronic waste (e-waste)

Electrical and electronic products at end-of-life are increasing in number and volume. Some component parts are hazardous and disposal is a major concern. Many households and businesses generate e-waste when they replace or upgrade equipment such as televisions and computers.

As described above, the Waste to Resources Policy prohibits the direct disposal to landfill of television and computer waste, and fluorescent lighting.

In 2011, state and territory Ministers agreed on a national product stewardship scheme for televisions and computers. The Australian Government, together with the television and computer industry, are implementing the National Television and Computer Recycling Scheme. The Scheme provides households and small businesses with access to free collection and recycling services for televisions and computers, printers and computer products.

The national Scheme is part-funded and operated by the television and computer industry, and regulated by the Australian Government under the Commonwealth *Product Stewardship Act 2011* and the *Product Stewardship (Televisions and Computers) Regulations 2011*. Services started in mid-2012, with access to services expanding across metropolitan, regional and remote Australia.

In 2014-15, the low recycling target under the Scheme created several issues including reduced collection of material, some material being collected but without industry funding for processing, closure of some council collection sites and considerable financial uncertainty and hardship for e-waste recyclers.

The Office of Green Industries SA worked closely with e-waste recyclers in the State advocating the imminent need for a solution. As a result of strong representation from South Australia, the Australian Government undertook an operational review of the Scheme well in advance of its scheduled regulatory review.

The review resulted in an increase to the recycling target for 2015-16 from 37 per cent to 50 per cent. This created more opportunities for South Australians to have their e-waste recycled and importantly, created much needed stability in the e-waste sector.

In addition to boosting the recycling target, another key recommendation arising from the review of the Scheme was for recyclers to conform to the new Australian Standard on e-waste recycling from 1 July 2016. This will ensure that e-waste is recycled safely and meets Australian standards (AS 5377: the Australian Standard for the collection, storage, transport and treatment of end-of-life electrical and electronic equipment).

The Scheme requires further improvement to provide greater certainty to participants. A statutory review of the *Product Stewardship Act 2011* and its regulations is required in 2016 and this affords a further opportunity for the South Australian Government to suggest improvements to the operation of the National Scheme.

End-of-life tyres

The industry-led national voluntary product stewardship scheme for end-of-life tyres became operational on 1 July 2014. In partnership with the EPA, the Office of Green Industries SA provided input to the development and roll-out of the Scheme and continued to work closely with Tyre Stewardship Australia in exploring and facilitating innovative recycling solutions to used tyres and market take-up of recovered products.

Waste paints

Also in partnership with the EPA, the Office of Green Industries SA provided input to the development and roll-out planning of the national voluntary product stewardship scheme for waste architectural and decorative paint, which became effective from 2 May 2016.

The agency will continue to work closely with the EPA and Paintback Limited during the scheme's roll-out in 2016-17.

National Waste Policy implementation

The former Environment Protection and Heritage Council endorsed the National Waste Policy Implementation Plan on 5 July 2010. The implementation plan includes high level priorities and timeframes. It identifies initiatives and milestones to achieve 16 strategies, grouped into seven clusters: Markets and Standards; Reducing Hazards and Risks; Landfill Management; Data; Regional and Remote Areas; Commercial and Industrial and Construction and Demolition and Governments; and National Chemicals Environmental Management.

A national working group implements the work program for each strategy cluster.

Each working group comprises representatives from the Australian Government, state and territory governments.

During 2015-16, the Office of Green Industries SA provided 2013-14 data to the Australian Government's National Waste Report, which aims to provide decision makers with access to meaningful, accurate and current national waste and resource recovery data and information. Key objectives of the national program include a two-yearly national waste report and a consistent national data system.

International activities

Waste management is a prominent and difficult problem in both developing and developed countries. This presents opportunities for South Australian businesses to export their expertise and solutions that are fit for purpose in other jurisdictions; and for the State to be a training destination for overseas practitioners.

Zero Waste SA / Office of Green Industries SA is seen as a leader internationally in waste management and resource recovery, contributing its expertise through different international channels. For example, the Chief Executive is a member of the Advisory Board the International Partnership for Expanding Waste Management Services of Local Authorities (IPLA). This is an initiative of the United Nations Centre for Regional Development (UNCRD) and United Nations Department of Economic and Social Affairs.

The following international activities were undertaken by the agency in 2015-16.

India Trade Mission

The Chief Executive and the Director, Operations, Office of Green Industries SA, travelled to the City of Mumbai in New Delhi and Jaipur, India, between 6 and 14 August 2015 to participate in a South Australian Government outbound trade and investment mission organised by the Department of State Development.

This opportunity came at a critical time for the agency as it transitions to an emphasis on green industry and at a time when the Government is seeking to strengthen opportunities for South Australian businesses, including the waste sector, in India. The waste issues of India are extensive, and positive receptions were encountered at all meetings with India representatives, the Australian High Commission and Austrade staff. Work previously undertaken by the agency on the *Roadmap to Zero Waste for Ahmedabad* was of significant interest, provided a unique offering for officials to engage with, and reinforced South Australia's waste management expertise.

Discussions regarding waste and recycling, and waste to energy initiatives in India were held with Indian municipal (Mumbai, Delhi and Jaipur) and state authorities (Maharashtra and Rajasthan) and with academics and consultants.

In view of South Australia's India Engagement Strategy and its sister-state relationship with Rajasthan, the benefits of participating on the State Government outbound trade mission to India included:

- A greatly improved understanding of potential areas of engagement in relation to solid waste management which would not be possible without 'in-country' experience.
- Identifying possible areas of interest and opportunities for South Australia's waste and recycling sector in:
 - development of community engagement, education and awareness resources; and
 - training and development in the India waste management sector through development of curriculum provided by South Australian based tertiary institutions, leveraging off South Australia's national and international waste management standing.

Malé, Maldives

On 16 to 19 August 2015, the Chief Executive, Office of Green Industries SA, participated in the 6th Regional 3R (reduce, reuse, recycle) Forum in Asia and the Pacific held in Malé, Maldives, following an invitation from the UNCRD, the Government of the Maldives and the Ministry of Environment, Japan.

Approximately 300 invited delegates from 33 countries attended the Forum, representing local and national governments, public and private waste utilities, academia, non-government organisations, international research organisations, and a variety of United Nations organisations and development agencies. Attendance at the 3R Forum is by invitation only.

The Forum addressed:

- The Ha Noi 3R Declaration in the context of Rio+20 Outcome – The Future We Want.
- Better access to waste management technologies – experiences and knowledge transfer.
- Assessment and selection of waste management technologies.
- Appropriate transfer and adaptation of waste management technologies through international partnerships.
- Public private partnership and financing and investment opportunities in zero waste.
- Regional (inter-municipal/country-country) cooperation - waste recycling markets and green jobs.

Outcomes arising from attendance at the Forum included:

- Securing Adelaide as the host city of the 7th Regional 3R Forum in November 2016 (see further detail below).
- Re-establishing linkages between the agency and networks across the region including in Japan, India, China, Malaysia, and Nepal.
- Promoting South Australian solutions to problems – for example, container deposit legislation and industry efficiency.
- Participating in the development of high level policy papers and declarations.

7th Regional 3R Forum in Asia and the Pacific, November 2016

South Australia is now seen as a leader in waste management and resource recovery globally. Recognising this, on 19 August 2015 at the 6th Regional 3R Forum in Asia and the Pacific held in August 2015 in Malé, Maldives, the Minister of Environment and Energy, Maldives (Thoriq Ibrahim) announced that the 7th Regional 3R Forum in Asia and the Pacific would be held in 2016 in Adelaide.

The Forum will be held on 2 to 4 November 2016 at the Adelaide Convention Centre. The event will provide an opportunity for South Australia, known for its leading-edge work in waste management and recycling and as being a clean green state, to showcase its expertise in the green economy and demonstrate how resource efficiency is a driver for economic success.

Waste avoidance

Industry Program

The Office of Green Industries SA's Industry Program helps businesses and government to understand, develop and implement cost saving waste management and resource efficiency measures to help build capacity and develop ongoing business value. It provides in-house technical support and evaluation to identify areas for improvement, connects people with skills to support business change, and includes financial support for resource efficiency reviews and audits.

The program focuses on South Australian businesses and working with peak industry bodies to help businesses realise their potential for cost savings, productivity improvements and improved environmental performance through waste avoidance and better waste and recycling management; energy and water efficiency; and lean production practices.

Through the Industry Program, the agency has developed strong partnerships with industry stakeholders, and with State and local government partners. The program assists businesses and organisations on an individual level as well as working in geographically located clusters and across industry sectors such as food, wine and aged care.

During 2015–16, the Office of Green Industries SA undertook extensive consultation with other Government agencies, key industry sector groups and previous clients to identify partnerships and ways to enhance service delivery opportunities. Key outcomes of this work include:

- industry associations and groups are willing to work collaboratively with the agency to deliver programs that benefit their members and the broader community;
- jobs and profitability were highlighted as key areas for industry, and it was agreed that resource efficiency improvements can play a role in addressing related issues;
- increased collaboration with other State Government agencies on projects of mutual interest; and
- the need for clear eligibility criteria for participants, as well as the types of projects that can be undertaken through the Industry Program.

In 2015-16, the Industry Program provided grant funding to the South Australian wine industry (both the SA Wine Industry Association and individual wineries) to assist with the adoption of lean production practices that can result in waste and cost reductions, and productivity improvements for the industry (further information on page 16 below).

Funding was allocated through contracts to third parties to investigate higher value uses of waste and provide a suite of alternative options for waste avoidance, increased productivity, and circular economy pathways. These projects included:

- investigating the potential for apple and pear growers in the Adelaide Hills to utilise secondary (waste) products as an alternative income stream;

- a scoping study into regional organic waste management solutions across five wine regions (Barossa, McLaren Vale, Langhorne Creek, Riverland, and Limestone Coast) with a focus on options for improved management of grape stalks and stems. This project will be completed in 2016-17; and
- grant assistance for bioenergy pre-feasibility assessments (using regional biomass waste as feedstock for energy-from-waste technologies including anaerobic digestion facilities to produce heat and/or electricity) for three large businesses in the south-east of the State.

During 2015-16, the Office of Green Industries SA also developed case study materials to showcase environmental leaders in the wine sector and encourage further uptake of sustainability practices. These case studies will be published on the agency's website in 2016-17.

Trade Waste Initiative

In December 2015, the South Australian Government allocated funding over two years to the Office of Green Industries SA to deliver the Government's Trade Waste Initiative.

The aim of the Trade Waste Initiative is to help South Australian businesses with high trade waste volume and load (primarily food and beverage producers) make improvements to the way trade waste is managed, focusing on volume reduction and quality improvement, and to help businesses reduce operating costs and increase productivity by improving the way materials, energy and water are used.

By reducing the amount of waste and contaminants discharged by sewer or other means, the Trade Waste Initiative should improve operating costs and environmental outcomes for businesses participating in the initiative.

Removal or treatment of trade waste at the source reduces the risk of contaminants impacting on re-use options or the receiving environment. By looking at trade waste in conjunction with the broader operations of the business and use of other resources, further opportunities for improving performance and productivity may be uncovered.

The Trade Waste Initiative will offer matched grant funding to eligible businesses in two ways:

- (i) Resource productivity assessments to identify opportunities for improving the way trade waste, energy, materials and water are managed, and will recommend areas for improvement to enhance productivity and performance.
- (ii) *Food and Beverage Implementation Grants* towards activities that are expected to lead to reductions in trade waste volume and/or improvement to trade waste quality.

During 2015-16, the Office of Green Industries SA has undertaken a range of tasks in the lead up to grant funding rounds being open in the second half of 2016, including:

- uploading information about the initiative to the Green Industries SA website;
- establishing an Inter-Agency Assessment Panel;

- preparing application guidelines and publishing these on the Green Industries SA website;
- finalising a Preferred Supplier List to deliver resource productivity assessments;
- tendered for provision of expert trade waste advisory services to support the agency in delivering the Trade Waste Initiative;
- staff recruitment to assist with management of the Trade Waste Initiative; and
- developing communication and marketing material to promote the initiative.

Further information on the grant funding and eligibility criteria can be found at www.greenindustries.sa.gov.au.

Lean Production for Wineries Program 2015-16

The Office of Green Industries SA, in partnership with the SA Wine Industry Association and Wine Australia, assisted seven wineries to identify lean improvement opportunities to reduce waste, improve productivity and reduce business costs through the Lean Production for Wineries Program 2015-16 (the LPW Program).

The LPW Program ran in conjunction with Wine Australia's Lean Production for Wineries extension Program, an Australia-wide education campaign to promote uptake of lean practices at wineries. A series of workshops were held across South Australian wine regions, predominantly held at winery facilities so that participants could see first-hand examples where lean systems have been incorporated into production, as well as enabling peer-to-peer learning.

Participants of the workshops were eligible to apply for the LPW Program in 2015-16 in which up to two-thirds of consultancy fees (to a maximum of \$4,000 per winery) were covered to access lean production expertise and mentoring.

Consultants worked with the winery operators onsite to identify opportunities to implement lean production practices by observing operations over the 2016 vintage, provided training to the operations staff while offering practical advice and support to implement opportunities for reducing waste, and improving efficiency and productivity. Each winery received a report on their baseline resource usage and efficiency metrics, recommended projects and steps for implementation and associated resource savings that could be achieved.

The LPW Program is an extension of a successful pilot program ran in a similar format in 2014 and 2015, also in partnership with the SA Wine Industry Association and Wine Australia.

As of 30 June 2016, the Office of Green Industries SA has supported 18 wineries with the implementation of lean production and identified over \$11 million of potential waste and resource cost savings per annum.

In 2016-17, there will be a focus on developing case study material, benchmark data and useful templates to be accessed via the agency's website. A case study is underway with Kay Brothers Winery, who participated in the pilot and has successfully implemented all of the identified opportunities.

The LPW Program will not extend into 2016-17. However, wineries seeking support to implement lean production practices will still be able to apply directly through the agency's Industry Program.

Consumption and waste avoidance

South Australia's Waste Strategy 2015-2020 identifies the need to promote innovative projects that demonstrate effective ways to avoid waste, that reach more people, and that help guide social change to support sustainable consumption.

The Office of Green Industries SA delivers and supports initiatives that are unique or innovative, operate at the 'avoidance', 'reduction' or 'reuse' levels of the waste hierarchy and deliver social, economic or environmental benefits in addition to reduced consumption and improved resource use. Key consumption and waste avoidance initiatives in 2015-16 are summarised below.

Share N Save

The agency's online sharing initiative, Share N Save, assists South Australians to conserve resources, save money and connect with their local communities.

The website - www.shareNsave.com.au - uses web and mobile technology to promote sharing activity and the sharing economy. The website remains the first of its kind for any government in Australia and aims to create social benefits within a community by enabling access to activities, goods and services without ownership or cost. 220 different sharing activities are mapped so that users can search by postcode or across Adelaide, and receive directions on how to find activities.

During the 2015-16 financial year, the website had 2,581 visits, and served 4,323 pages. The Share N Save program continues to grow its social media presence, with 138 followers on *Twitter* and 476 followers on *Facebook*. Social media posts have promoted latest international thinking on the collaborative economy and shared consumption models, as well as promoted the events and activities of the grass roots communities.

The software used to drive the website has been released as 'Open Source', allowing contributions and improvements to the code directly from users. This is a first for a South Australian Government agency. In June 2016, the Urban Engagement Office for Natural Resources Adelaide and Mt Lofty Ranges became the first South Australian Government agency to enter into a partnership with Share N Save, investing in new design and functionality ahead of a campaign to promote Share N Save as a tool for their staff and stakeholders to locate community activities and collaborative opportunities across the State.

The Share N Save program continues to garner international attention. The web platform has been nominated for the 2016 (3rd) Guangzhou International Award for Urban Innovation. The award recognises innovation in meeting social, economic, environmental and governance challenges and is expected to be announced in December 2016.

Incentives

Innovation grants

The aim of the Innovation Grants Program is to provide funding for innovative projects or processes in:

- infrastructure investment (new technology) for cleaner production and resource efficiency;
- solutions to growing problematic new waste streams such as e-waste, plastics, packaging and tyres;
- solutions to issues of potentially global commercial application and best practice waste systems;
- remanufacturing; and
- other technology or better processes that reduce waste in the first place.

In 2015-16, \$300,000 in funding was awarded to Plastics Granulating Services, SA Group Enterprises and CDL Solutions SA under the Innovation Grants Program. An overview of each project is provided below.

Plastics Granulating Services – flake sorter

A grant of \$100,000 was awarded to Plastics Granulating Services for the purchase of a flake sorter, which uses optimal sorting technology to improve the processing mixed plastic waste. This is part of a larger \$7 million project which is automating the sorting of plastics using state of the art technology and new processes. The long term objective is to sell the sorting methodology to overseas partners to generate further income. The project is expected to create an additional 20 jobs.

SA Group Enterprises – electronic waste processing

SA Group Enterprises, trading as Aspitech, was awarded a grant of \$100,000 to improve the dismantling of electronic equipment at its head processing facility in Underdale, Adelaide. In addition to improved productivity and processing capacity, 10 additional jobs will be required as a result of the processing improvements. Aspitech will be able to export an additional 1,000 tonnes of materials for sale on the international commodity market.

CDL Solutions SA – automated machine

CDL Solutions SA was awarded a grant of \$100,000 to complete the development of a prototype for a new automated beverage container counting and sorting machine. The machine is part of a major project which aims to provide the public with super recycling depots throughout metropolitan Adelaide. Based on a forecast of 30 machines over five years, it will support 30 manufacturing jobs with upskilling of unskilled positions and opportunities for indigenous youth employment.

Metropolitan Infrastructure program

The Metropolitan Infrastructure Program previously delivered by Zero Waste SA aimed to:

- increase the ability of local processors to turn recycled material into high-value end-use products; and
- invest in infrastructure that enables greater reuse of waste materials.

Eight rounds of this program were awarded between 2004 and 2015 for 29 metropolitan infrastructure projects, totalling \$6.56 million.

In 2015–16, final milestone payments were made to projects that were awarded funding in previous financial years. These were: Plastics Granulating Services; Advanced Plastic Recycling; and Integrated Waste Services. These projects had matched industry investment of \$7.9 million.

The projects will improve the recovery and processing of wastes from landfill including surplus and quality rejected fruit and vegetables, concrete, timber, metal, electronic waste, batteries, gas cylinders and mattresses.

Regional Implementation program

The Regional Implementation Program previously delivered by Zero Waste SA supported regional local government to improve processes and recovery of materials.

Regional areas, where population densities are low, generate 20 per cent of South Australia's waste. It is often difficult and complex to deliver waste and recycling services in these locations. The agency provided grant support of up to 50 per cent of the implementation costs for infrastructure (up to \$140,000 per project or \$300,000 for consortiums of councils) under its Regional Implementation Program.

In 2015–16, final milestone payments were made to the projects that were awarded total funding of \$1.2 million in 2013-14 for upgraded and new transfer stations using state-of-the-art technologies and sorting equipment, as follows:

- Waste Management Pacific for a Riverland resource recovery facility;
- Penola Recyclers for a recycling depot;
- Adelaide Hills Recycling for a recycling baler;
- Clare Valley Waste for the expansion of its recycling operations;
- District Council of Ceduna for a resource recovery facility;
- District Council of Streaky Bay for a waste transfer and resource recovery centre; and
- Roxby Downs Council for a resource recovery and waste transfer station.

Since its inception in 2004–05, the program has committed a total of \$7.87 million to 112 regional infrastructure improvements.

Zero Waste SA Environmental User System

The Zero Waste Environmental User System (ZEUS) is a web-based system developed by the agency to facilitate the monitoring, analysis and reporting on waste reduction targets in South Australia's Waste Strategy.

ZEUS collects data from:

- annual surveys of recycling activities;
- landfill quantities and audits of landfills;
- public and industry sector specific surveys in waste and recycling such as composting and plastics industry surveys;
- council returns on kerbside collections of waste, dry recyclables, organic material and incidences of illegal dumping;
- container deposit returns;
- litter incidence data from KESAB environmental solutions;
- hazardous waste including household hazardous waste and farm chemicals collections; and
- electronic waste collections.

Councils use ZEUS at no cost, with training and support provided free-of-charge by the Office of Green Industries SA. Data collected from the compost sector is provided back to industry for information and reporting purposes. Increasingly, data from ZEUS is also used for research and policy determination purposes.

In 2015-16, the agency continued to collect, store and monitor data in ZEUS. The Office of Green Industries SA provided data to assist councils to tackle illegal dumping and in particular, one council used this data when revising its policy on hard waste collections. In line with biennial reporting, the agency provided Recycling Activity Survey data for the 2013-14 financial year for the South Australian component of the National Waste Report. ZEUS data was also used to provide baseline and trend data to inform *South Australia's Waste Strategy 2015-2020*, as well as undertake benchmarking of green industries in South Australia.

Expanding and improving the array of data collected by ZEUS will continue to be a key focus of the Office of Green Industries SA to assist in reporting on targets in the Waste Strategy and South Australia's Strategic Plan.

Stakeholders, partnering and linkages

Keep South Australia Beautiful *environmental solutions*

Keep South Australia Beautiful (KESAB *environmental solutions*) has a valued role as a partner delivering programs to schools and households on litter measurement, reduction, education and awareness, and on illegal dumping and compliance awareness.

Individual KESAB programs are funded by the agency under a service level agreement which defines the community education and engagement outcomes to support the objectives of the Waste Strategy.

Activities undertaken under the agreement in 2015-16 are summarised below, with further information available in the *KESAB Annual Report 2015–16*.

Wipe Out Waste schools education program

Wipe Out Waste (WOW) is a State-wide educational program delivered by KESAB *environmental solutions* which encourages schools to reduce waste and increase learning about waste and resource recovery. It is free and open to schools, pre-schools and kindergartens in all sectors. It has been vital in changing students' knowledge, attitudes and behaviour towards waste through education.

Recognising the achievements of many sites and individuals, WOW presented 16 awards in 2015-16. Highlights included:

- Barmera Primary School maintaining its record for sending the smallest amount of material per person to landfill for a primary school – 0.05 litres per person per day. This new low benchmark for a primary school was equalled by Antonio Catholic School and Clapham Primary School.
- Highbury Primary School had a 70 per cent reduction in material sent to landfill per person per day compared to the previous reporting period, as did Christ the King School.

The efforts of two schools with no outdoor bins – Highbury Primary School and Encounter Lutheran College – have been documented in video case studies that are available for viewing on the WOW website.

11 Professional Development sessions at more than 86 sites resulted in over 230 staff attending WOW events. In addition, World Environment Day at the Botanic Gardens, a Natural Resources Management Education Expo at Kadina Memorial School and St Margaret Mary's Eat Well Being Active Day were attended by approximately 850 students and staff from 17 locations. Parent information sessions were also successfully trialled in 2015-16, with KESAB encouraging schools to support families to continue the good work as students transition to higher forms of schooling.

Wally the Wipe Out Waste Wizard performed 34 shows for over 100 sites with more than 8000 attendees.

Litter data and research and branded litter monitoring

KESAB has monitored litter incidence at 151 sites across the State on a quarterly basis since 1998. During 2015-16, the Service Level Agreement between the Office of Green Industries SA and KESAB in relation to monitoring litter incidence was amended, and monitoring counts were undertaken on a six-monthly basis.

Counts are undertaken at beaches, industrial sites, retail sites, parks, highways, car parks and shopping centres. This data provides a longitudinal analysis of trends relating to the total amount of litter (items and volume), the different materials in the litter stream and the geographical distribution of litter across South Australia. The base data is then collated to provide trend comparisons between items and volumes for different materials and across different sites.

The data collected by KESAB is compiled into a national report prepared by Keep Australia Beautiful, available at www.kesab.asn.au/publications/litter-statistic-reports/. Litter data is also stored and analysed in the Office of Green Industries SA's ZEUS system.

Community litter, education, resources and campaigns

KESAB develops and implements a range of litter awareness resources and information materials and collaborates with stakeholders to increase awareness of proper litter disposal and the environmental impacts of littering.

During 2015-16, KESAB undertook the following education and engagement campaigns:

- Litter Less School Education – the Litter Less resource is an education resource for primary school teachers and students. It assists schools in identifying litter issues and then planning and implementing litter reduction and prevention strategies. Litter Less was launched in August 2015 and has already reached over 1000 students, staff, carers and community members. 10 Litter Less presentations were made in 2015-16 to 595 students, and 93 staff, parents and carers. 17 Litter Less resources have been purchased by 14 schools spanning 12 local government areas.
- Beverage Container Recycling Grants – in conjunction with Keep Australia Beautiful National and Coca Cola, KESAB coordinated \$100,000 of grants for 17 community, council and school groups to facilitate or enhance recycling initiatives and infrastructure.
- APY Lands Community Engagement – KESAB continues its partnership with organisations in a strategic approach to educate remote aboriginal communities to reduce litter and improve waste diversion from landfill.
- Tackling Marine Litter – partly funded by the Australian Packaging Covenant and the South Australian EPA, KESAB is delivering a school and community education and action project regarding the impacts of litter on the marine and coastal environment. Over 1,100 students, teachers and carers from 16 schools have had the Litter Less program (as above) delivered through a partnership with the Marine Discovery Centre. Over 750 community members have been involved in litter audits and clean-ups and more than 2,800 litter items have been collected.

- Statewide Recycling Education Centre Upgrade – the Centre underwent a significant revamp during 2015-16 in partnership with Statewide Recycling. New interactive displays were installed to enhance litter and recycling learning and education.
- Road Watch – there are currently 96 active Road Watch Groups targeting road-side litter in the State. Two-thirds of these are regional groups. KESAB continued its partnership with the Department of Communities and Social Inclusion and Community Youth Justice teams on the Road Watch program as part of team community service.
- *Local Nuisance and Litter Control Act 2016* – KESAB engaged with the EPA and Local Government Association of South Australia during the development of the Local Nuisance and Litter Control Bill 2016, which passed Parliament in May 2016. KESAB will support implementation of the legislation with the EPA in 2016-17.

Local Government Association

In 2015-16, the agency continued its partnership with the Local Government Association of South Australia to support the implementation of the Waste Strategy and policy goals for the green economy in relation to the following areas:

- coordinating and advocating for national solutions to problematic waste such as packaging and hazardous waste;
- facilitating access to grant funding such as the Innovation Grants or funding programs offered by other organisations;
- supporting the implementation of the Waste to Resources Policy; and
- facilitating local government discussion of key waste and resource recovery issues.

Waste Management Association of Australia

The Waste Management Association of Australia – SA Branch (WMAA) coordinates and represents its members' views, and provides a link between the industry and Government. It has several working groups including Landfill SA, Carbon Committee and Waste Educators SA Working Group.

The Office of Green Industries SA supports WMAA to:

- run events to improve industry knowledge and expertise and provide networking opportunities; and
- administer working groups and distribute Office of Green Industries SA information to members.

During 2015–16, the agency sponsored three WMAA seminars, with a total of 137 attendees. The seminars comprised a Young Professionals event; Metals, Commodity Markets and Fuel Management; and Community Engagement associated with waste and recycling.

Industry partnerships

In 2015-16, the Office of Green Industries SA partnered with a range of government and non-government organisations to showcase innovation and bring international thought leadership to Adelaide. The following initiatives demonstrate the benefits of the sharing economy and how innovative ideas can help communities live sustainably, promote the priorities of the waste management hierarchy and move towards zero waste.

2015 Adelaide Mini Maker Faire

The agency provided sponsorship to *SA Makers*, a non-profit community organisation established to promote 'makers' and 'making' in South Australia, to produce the 2015 Adelaide Mini Maker Faire that was held on 1 November 2015 at Tonsley, Adelaide's new innovation hub. Auspiced by *Maker Media* in the United States, a Mini Maker Faire is the flagship event of the maker movement in hundreds of cities internationally.

More than 5,000 people attended the Adelaide event, with over 100 exhibitors/speakers and an onsite broadcast by 891 ABC Adelaide.

The event will be held again in November 2016, and has created a focal point for the maker movement in Adelaide, who are now working to establish an Adelaide Makerspace in the CBD to serve as a permanent physical infrastructure for a coalition of groups, including SA Makers, Fab Lab Adelaide and Hackerspace.

Michel Bauwens, Collaborative Economy

In December 2015, the Office of Green Industries SA organised the Adelaide visit of collaborative economy leader, Michel Bauwens. Michel Bauwens is the founder of the Foundation for Peer-to-Peer Alternatives (P2P Foundation) and Head of Research for Commons Transition.

While in Adelaide, Mr Bauwens presented to a Citizens Forum; a co-operatives forum in conjunction with the Department of State Development and New Venture Institute Flinders (NVI); and a session on innovation in conjunction with NVI. He also met with the Minister for Sustainability, Environment and Conservation, the Hon Ian Hunter MLC, the Office of the Public Sector and Office of Digital Government; and presented at the Department of the Premier and Cabinet's 'Better Together' Showcase. All sessions have received overwhelmingly positive feedback.

The Office of Green Industries SA was also represented at Mr Bauwens' events in Melbourne, after being invited to participate in a workshop on 'Disruption and the Digital Economy' hosted by the City of Melbourne's Future Melbourne Project and the Visions and Pathways 2040 initiative, jointly funded by the Cooperative Research Centre (CRC) for Low Carbon Living and the University of Melbourne.

Michael Shuman, Local Economics

The Office of Green Industries SA, partnering with the Department of State Development and Economic Development Australia SA (EDA-SA), brought Michael Shuman to Adelaide in March 2016. Mr Shuman is an economist, attorney, author, entrepreneur and an international expert on local economics.

While in Adelaide, Mr Shuman met with key policy makers from across State Government in a series of morning meetings to discuss how his local economic development approach can create local employment opportunities in a cost-effective way. He also presented at a lunch hosted by EDA-SA and gave a similar presentation to local and State government staff and small businesses as part of the Department of State Development's 'Look North' initiative.

Mr Shuman's talks focused on local economic development and how innovative, self-financing 'pollinator' enterprises can grow jobs and prosperity.

Charles Durrett, Cohousing Pioneer

The agency also facilitated the visit of cohousing pioneer Mr Charles Durrett to Adelaide in March 2016. Mr Durrett has designed and lived in more than fifty cohousing developments, which are intentional communities composed of small private homes, supplemented by extensive common facilities, co-designed with those who live there.

Cohousing can help facilitate everything from low carbon living (shared facilities mean less consumption of materials and embodied energy) to affordable housing and intergenerational living, to addressing the public health issue of social isolation, especially for seniors.

The Office of Green Industries SA partnered with The Australian Centre for Social Innovation (TACSI), ACH Group, Uniting Communities, UniSA and Renewal SA to bring Mr Durrett here. Along with meetings with ACH and Uniting Communities staff, he held two public sessions at TACSI and UniSA.

Mr Durrett's visit drew together people working on co-housing projects, academics undertaking co-housing research, non-government organisations and private practitioners interested in green building and affordable housing, as well as public officers concerned with regulatory and governance models for co-housing. As a result, several partnerships and projects have been fostered, including an emerging Adelaide Cohousing Network as a forum for practice and exchange.

Zero Waste SA Centre for Sustainable Design and Behaviour

The Zero Waste SA Centre for Sustainable Design Behaviour was established in 2009 in partnership with UniSA. Under this partnership, the agency provided \$200,000 per financial year over five years, matched by UniSA.

The research centre was located within the Division of Education, Arts and Social Sciences, UniSA. It delivered several research outputs and achievements across the University, including diversified grant funding, research publications, postgraduate student completions and public engagement initiatives.

As part of its transition to the Office of Green Industries SA, and following a review undertaken in the previous reporting period, the agency decided to adopt a new centralised model for research and development delivery by taking control of this function in-house. The agency's forward research and development plan includes investing in research targeting the rapid commercialisation of innovative ideas through a collaboration with a business incubator accelerator and the establishment of a Research and Advisory Committee to oversee the development of a strategically aligned research program and determine funding priorities.

South Australian Government agencies

In 2015-16, the Office of Green Industries SA also continued to work closely with a number of South Australian Government agencies. These include:

- Environment Protection Authority – investment of the solid waste levy, waste and resources recovery sector reform, solutions for problematic wastes and national waste policy;
- Department of Environment, Water and Natural Resources – contribution of recycling and remanufacturing to reducing greenhouse gas emissions, Carbon Neutral Adelaide, and corporate support through a service level agreement;
- Department of Planning, Transport and Infrastructure – waste and resource recovery infrastructure planning;
- Department of State Development – international trade relating to South Australia's waste management and resource recovery expertise;
- Primary Industries and Regions SA – addressing regional waste issues, and the use of composts and fertilisers derived from waste products;
- SA Fire and Emergency Services Commission – disaster waste management planning; and
- SA Water – the State Government's Trade Waste Initiative.

Hazardous waste

Household hazardous waste and farm chemical collection

The agency offers South Australians a free, responsible and safe collection and disposal service for unwanted chemicals through the Hazardous Waste Depot at Dry Creek.

From March 2004 to June 2016, more than 2,236 tonnes of unwanted hazardous materials have been collected from 48,698 people across the State. During 2015-16, the agency accepted and processed a total of 74.4 tonnes of hazardous waste from 1,631 people (further breakdown in the table below).

This program remains a flagship activity for the agency and is highly valued by local councils and the community. The agency also provided assistance in response to fire affected properties from the Pinery bushfires in late 2015, collecting fire-affected chemicals from residents within the fire zone.

Dry Creek depot collections

In 2015–16, the Hazardous Waste Depot at Dry Creek collected 74.4 tonnes of household hazardous waste and farm chemicals from 1,631 members of the public as summarised in the table below.

Collection month	Number of vehicles	Total weight (tonnes)
July 2015	120	5.46
August 2015	101	5.25
September 2015	110	5.49
October 2015	152	7.03
November 2015	175	5.45
December 2015	140	6.97
January 2016	130	5.76
February 2016	138	7.56
March 2016	152	6.23
April 2016	150	7.37
May 2016	139	6.43
June 2016	124	5.41
TOTAL	1,631	74.41

Light globe recycling

In 2011, Zero Waste SA launched the BackLight Household Light Globe Recycling (BackLight) program. This enabled households to drop off a range of used fluorescent light globes for recycling at any Mitre 10, True Value Hardware, or Banner Hardware stores (more than 60 stores across the State).

The globes are recycled by Chemsal Resource Recovery. The aluminium and mercury is used to make new light globes, the phosphor powder is used in fertiliser, and the glass is reused for a variety of other glass products.

The BackLight program supports several State and Australian Government initiatives including:

- the Waste to Resources Policy bans fluorescent and other mercury containing lighting from being disposed to landfill;
- the Australian Government's ban on the retail sale of incandescent light bulbs from November 2009; and
- the Australian Government's voluntary Fluoro-Cycle scheme that aims to recycle the majority of commercial mercury containing lighting.

From January 2011 to June 2016, the program has collected more than 220,000 lamps and globes from householders for recycling, equating to a total of 23 tonnes.

Reporting obligations

Coordination of activities with the Environment Protection Authority

The Chief Executives and senior staff of the Office of Green Industries SA and the EPA met fortnightly in 2015–16 to discuss a range of waste management issues and matters of mutual interest to both organisations.

Matters discussed included: the EPA's Waste Reform project; electronic waste and issues associated with National Product Stewardship Scheme; end-of-life tyres; industry led voluntary product stewardship scheme; hazardous waste; the Australian Packaging Covenant; container deposits; development of the 'dob in a litterer' mobile application; and the Local Nuisance and Litter Control Bill.

The organisations also maintained frequent business as usual contact on a range of matters relating to waste and recycling.

Ministerial Direction

During the reporting period, the Minister for Sustainability, Environment and Conservation, the Hon Ian Hunter MLC, issued one direction to the Board of Zero Waste SA under section 4(5) of the *Zero Waste SA Act 2004*. This direction related to the delivery of the Government's Trade Waste Initiative from 2015-16 to 2017-18 with total approved funding totalling \$5.29 million from the Waste to Resources Fund. The program will support the food and beverage industry to improve its waste management systems and sustaining those businesses through a new SA Waste trade waste charging regime.

The Minister asked that the Office of Green Industries SA lead the development of the program in partnership with key stakeholders including SA Water, the EPA, and other relevant government agencies and local government where appropriate. Further information on the program can be found on page 15.

Greening Office of Green Industries SA

Sustainability management

The Office of Green Industries SA has committed to a sustainability management policy and system that identifies environmental impacts of its operations and creates mechanisms to address them.

In April 2016, the agency relocated to 81-95 Waymouth Street. The Department of Environment, Water and Natural Resources, as the main Government lessee in the building, has registered with the Green Building Council of Australia (GBCA) its intent to achieve a 6 star Green Star rating. Achieving a 6 star Green Rating is considered 'World Leadership' by the GBCA. A Green Star rating provides independent verification that a building is sustainable. Specific features of the building include:

- low chemical paint;
- recycled materials for all partitions, sourced from post-consumer beverage containers (bottles);
- 'green walls' (plants) on all floors which work to increase air quality and flow;
- end-of-trip facilities – access to showers, lockers and bicycle parking in the basement of the building to encourage staff to run, ride and walk to work;
- energy efficient LED lighting; and
- Australian made Good Environmental Choice Australia (GECA) Certified carpet tiles.

Prior to the move to Waymouth Street, the Office of Green Industries SA was located at 99 Gawler Place.

Energy management

Energy management measures have been achieved by a combination of behaviour change and technological improvements such as improved office lighting.

Through office layout and material selection, fit out of the premises maximised the use of daylight, reducing the need for artificial lighting and energy. The Gawler Place office was fitted with T5 lighting and sensors that automatically switch lights off. LED technology tube lighting was installed in approximately 50% of the main office area. Luxoflexor lighting technology was also installed on two banks of lights on the northern side of the office.

In the move to the Waymouth Street location, LED lighting was installed throughout the retrofit of the main office areas. In the kitchen areas, motion sensor lighting was installed to minimise energy consumption. The meeting areas all have separate lighting controls for when in use.

Water consumption

Efficient water use was considered in meeting requirements to achieve a 6 star Green Star rating for the Waymouth Street building. This includes water efficient appliances and facilities (e.g. dishwashers and shower-heads).

Materials and waste management

The Office of Green Industries SA has an objective to support sustainable procurement practices by purchasing reused products and using 100% recycled products. It has procedures for recycling materials as follows:

- Shredded paper is collected by Shredlogix on an as-needs basis, and the paper is recycled. Veolia collects the non-shredded paper for recycling as part of the waste services provided by building management.
- Used fluorescent tubes are collected and sent to Toxfree to recover metals, glass and mercury.
- Soft plastics are recycled through Remondis.
- Paper and cardboard recycling are managed through the building management waste contracting arrangements.
- Mixed recyclables (metal cans, glass and bottles) collections are facilitated by building management.
- Mobile phones and their batteries are recycled through Mobile Muster.
- Toner cartridges are recycled through Planet Ark.
- Food organics are managed through two worm farms located in the office and managed by staff. Compostable material not suitable for the worm farm is put in the segregated food waste collection service and sent for commercial composting as part of the waste services provided through building management.
- Individual work stations do not have waste bins with only one waste bin in the kitchen for use by the whole office. A very small volume of residual waste is produced.
- Containers eligible for the 10 cent refund are collected and taken to a recycling depot.

The agency also uses the software 'Adobe Leanprint' to reduce printing materials used, through changes to printing layout, colour intensity and toner changes.

Travel and fleet management

The Office of Green Industries SA's travel profile is influenced by its size and location, with most staff and work operations located in Adelaide's CBD. Some staff travel to regional areas and interstate, and use Fleet SA cars when necessary. One staff member works in a regional location where Fleet SA does not service, and uses their personal vehicle for any travel, supported by the agency.

The agency reduces emissions by encouraging staff to use public transport when possible, and in 2016-17 will look into the potential use of car sharing services.

Human resources

The Office of Green Industries SA's recruitment and induction processes incorporate sustainability management criteria, and all job and person specifications include reference to sustainability management responsibilities. Induction includes training in the office recycling systems and what is expected of staff members in sustainability management.

Equal employment opportunity programs

The Office of Green Industries SA's participation in the following public sector wide equal opportunity employment programs is managed by the Department of Environment, Water and Natural Resources as part of a service level agreement:

- SA Government Youth Training Scheme and the Trainee Employment Register;
- SA Public Sector Aboriginal Recruitment and Development Strategy and the Aboriginal Employment Register; and
- Strategy for Employment of People with Disabilities.

In 2015-16, the Office of Green Industries SA commenced work on the development of a Disability Access and Inclusion Plan with staff consultation. The plan will show that the agency recognises the importance of including and being accessible to everyone, has a welcoming attitude and employs well informed staff who are aware of the needs of people with disability.

Appendix 1 – Support for South Australia’s priority areas of Government

Support provided by the Office of Green Industries SA for the State Government’s seven focus areas through the delivery of programs and projects is depicted in the table below.

Agency programs and projects	The South Australian Government’s priority areas						
	Premium food and wine from our clean environment	Realising the benefits of the mining boom for all	Growing advanced manufacturing	Creating a vibrant city in Adelaide	Safe communities, healthy neighbourhoods	An affordable place to live	Every chance for every child
Waste policies	√		√	√	√	√	
Kerbside waste incentives and associated strategies	√			√	√	√	
<i>Recycle Right</i> household education	√			√	√		
Innovation grants	√		√	√		√	
Metropolitan infrastructure program	√		√	√		√	
Electronic waste initiatives			√	√	√	√	
Industry Program	√		√	√		√	
Trade Waste Initiative	√		√	√		√	
Household hazardous waste and farm chemical collections and light globe recycling				√	√	√	
National activities				√	√	√	
International activities	√		√	√			
Litter data and research and branded litter monitoring				√	√		
Community litter, education, resources and campaigns				√	√		
Wipe Out Waste schools program	√			√	√		√
Tertiary education sector (UniSA) partnership	√		√	√	√	√	
Share N Save	√			√	√	√	

Appendix 2 –Support for South Australia’s top 10 economic priorities

Support provided by the Office of Green Industries SA for these priorities through the delivery of programs and projects is depicted in the table below.

Agency programs and projects	South Australia’s top 10 economic priorities									
	Priority 1	Priority 2	Priority 3	Priority 4	Priority 5	Priority 6	Priority 7	Priority 8	Priority 9	Priority 10
Waste policies	√	√				√	√		√	√
Kerbside waste incentives and associated strategies	√	√				√	√			
Recycle Right household education	√									
Innovation grants	√	√				√	√	√	√	√
Metropolitan and regional infrastructure programs	√					√	√			√
Industry Program	√	√				√	√			√
Trade Waste Initiative	√	√				√	√			√
Household hazardous waste and farm chemical collections and light globe recycling						√				
National activities	√	√		√		√			√	√
International activities	√	√		√	√	√			√	√
Litter data and research and branded litter monitoring										
Community litter, education, resources and campaigns	√					√	√			
Wipe Out Waste schools program	√	√		√		√	√			
Tertiary education sector (UniSA) partnership	√	√		√	√	√	√		√	√
Share N Save	√	√			√	√	√		√	

South Australia’s top 10 economic priorities:

Priority 1 – Unlocking the full potential of South Australia’s resources, energy and renewable assets

Priority 2 – Premium food and wine produced in our clean environment and exported to the world

Priority 3 – A globally recognised leader in health research, ageing and related services and products

Priority 4 – The Knowledge State – attracting a diverse student body and commercialising our research

Priority 5 – South Australia - a growing destination choice for international and domestic travellers

Priority 6 – Growth through innovation

Priority 7 – South Australia - the best place to do business

Priority 8 – Adelaide, the heart of the vibrant state

Priority 9 – Promoting South Australia’s international connections and engagement

Priority 10 – South Australia’s small businesses have access to capital and global markets

Appendix 3: Human Resources, Work Health and Safety and Other Information

Employee Numbers, Gender and Status

Persons:	19*
FTEs:	17*

Gender	% Persons
Male	42.1 (8)
Female	57.9 (11)

Numbers of persons

Separated from the agency during the 2015–16 financial year:	1
Recruited to the agency during 2015–16 financial year:	1
Recruited to the agency during 2015–16 financial year and who were active/paid at June 2016:	1
On leave without pay at 30 June 2016:	0

Number of employees by salary bracket

Salary bracket	Male	Female	Total
\$0 - \$56,199	0	0	0
\$56,200 - \$71,499	0	1	1
\$71,500 - \$91,499	1	4	4
\$91,500 - \$115,499	6	6	12
\$115,500+	1	0	1
Total	8	11	19

Status of employees in current position

FTEs					
Gender	Ongoing	Short-term		Casual	Total
		contract	contract		
Male	4.6	1	2	0	7.6
Female	9.8	0	0	0	9.8
Total	14.44	1	2	0	17.4

Number of executives by status in current position, gender and classification

Classification	Ongoing	Contract tenured	Contract untenured	Other (casual)	Total
			Male		Total
EXEC0B			1		1

Average days leave taken per FTE

Leave type taken	
Sick leave	7.7
Family carer's leave	1.1
Miscellaneous special leave	0.1

Number of employees by age bracket by gender

Age Bracket	Male	Female	Total	% of Total
15 - 19			0	0
20 - 24	0	0	0	0
25 - 29	0	1	1	5.26
30 - 34	1	1	2	10.52
35 - 39	0	4	4	21.05
40 - 44	0	1	1	5.26
45 - 49	2	2	4	21.05
50 - 54	1	0	1	5.26
55 - 59	2	1	3	15.80
60 - 64	2	1	3	15.80
65+			0	0
Total	8	11	19	100

Indigenous employees

Number of Aboriginal and/or Torres Strait Islander employees: 0

Cultural and linguistic diversity

	Male	Female	Total	% of agency
Number of Employees born overseas	1	3	4	22.22
Number of Employees who speak language(s) other than English at home	0	2	2	9.52

Total number of employees with disabilities

Number of employees with ongoing disabilities requiring workplace adaptation	0	0	0	0
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Number of employees using voluntary flexible working arrangements by gender

Leave type	Male	Female	Total	
Purchased Leave		0	1	1
Flexitime		7	11	18
Compressed Weeks		0	1	1
Part-time		1	4	5
Job Share		0	0	0
Working from Home		1	7	8

Work health, safety and injury management

Number of notifiable occurrences or injuries pursuant to the OHSW Regulations:	0
Number of workers compensation claims:	0
Cost of workers' compensation:	0

Consultants

The following consultants were engaged during 2015–16:

Below \$10,000	0	Nil
\$10,000 to \$50,000	1	Rawtec Pty Ltd undertook a scoping study for the Disaster Waste Management Contingency Plans project and provided Pinery Fire disaster waste management advice and support to the State Recovery Office. The consultancy totalled \$25,560.
Above \$50,000	1	Rawtec Pty Ltd for the delivery of a waste flow projects and infrastructure economics study, to inform a consultation draft of the SA Waste and Resource Recovery Infrastructure Plan, and an economic analysis for a 5-year scenario waste strategy target. The consultancy totalled \$66,341.

Overseas travel

Number of employees	Destination	Reason for travel	Total cost to agency (\$)
2	India	South Australian Government outbound trade and investment mission	\$10,740
1	Maldives	6th Regional 3R (reduce, reuse, recycle) Forum of Asia and the Pacific	\$984

Documented review of individual performance management

Reviewed within the last 6 months:	88.24%
Review older than 6 months:	05.88%
Not reviewed:	05.88%

Leadership and management training expenditure 2015-16

Total training and development expenditure:	\$9,327
Total leadership and management development:	\$6,933

Equal employment opportunity programs

The Office of Green Industries SA participation in the following public sector wide equal opportunity employment programs is managed through the Department of Environment, Water and Natural Resources (DEWNR) as part of a service level agreement:

- SA Government Youth Training Scheme and the Trainee Employment Register
- SA Public Sector Aboriginal Recruitment and Development Strategy and the Aboriginal Employment Register

Diversity in the workplace

Under its service level agreement with DEWNR, the agency adopts the following policies which promote diversity in the workplace:

- *Diversity in the Workplace* policy
- Diversity Fact Sheet 7 - Working with Indigenous People - Achieving Synergy

During 2015-16, the Office of Green Industries SA started the development of a Disability Action and Inclusion Plan in support of the Australian Government's *National Disability Strategy 2010–2020*. The Plan aims to improve the participation of people with a disability across the agency's policies and program areas.

Fraud

There were no reported incidents of fraud in the 2015-16 financial year. The agency has adopted a Fraud and Corruption Control Plan and has implemented business procedures and internal controls to lower the risk of fraud occurring.

Urban Design Charter

No events occurred in 2015-16 that required the agency to consider the principles of urban design contained in the South Australian Urban Design Charter.

Whistleblowers Statement

The *Whistleblowers Protection Act 1993* encourages disclosure of maladministration and waste in the public sector and corrupt or illegal conduct generally, by providing the means by which disclosures may be made, and subsequent protection (from victimisation and civil or criminal liability) for those who make disclosures.

The agency adopts DEWNR's Whistleblowers Policy and Procedure through its service level agreement with that department. The Chief Executive has also appointed Responsible Officers within the agency to whom whistleblower disclosures can be appropriately made.

The *Whistleblowers Protection Act 1993* requires the agency to report on the number of occasions on which public interest information has been disclosed. There were no disclosures during 2015-16.

Intellectual Property

The Office of Green Industries SA is committed to the whole-of-government Intellectual Property (IP) Policy. Currently, the agency does not commercialise any IP and there are no IP ownership issues. The Chief Executive supports a culture where IP is recognised and appropriately managed. On this basis, the *Recycle Right®* brand is registered with IP Australia as a trademark.

Public Complaints

The Ombudsman's 2014 Report into an Audit of State Government agencies' complaint included Recommendation 3: *That the state government incorporate annual reporting of complaints from members of the public within Premier's Circular 13 – Annual Reporting.*

The agency did not receive any consumer complaints in 2015-16.

Industry Participation Policy

In September 2013, the State Government made changes to the Industry Participation Policy (IPP). These changes included reducing the threshold at which tenderers are required to submit Industry Participation Plans. The commitments made in these plans subsequently become conditions of contract for successful tenderers.

It is a requirement for these tenderers to report to the awarding agency at least annually (or more often depending on the value of the contract) to demonstrate how they have performed against the commitments in their IPP Plan in the areas of jobs, investment and supply chain.

During the reporting period of 2015-16, the agency did not enter into any contracts that triggered the IPP.

Appendix 4: Freedom of Information Statement

Pursuant to the provisions of Section 9 of the *Freedom of Information Act 1991* the following details are provided as part of the information statement of the Office of Green Industries SA.

Agency structure and functions

On 7 May 2004, Zero Waste SA was established as an instrumentality of the Crown by the *Zero Waste SA Act 2004* to promote waste management practices that, as far as possible, eliminate waste or its consignment to landfill and advance the development of resource recovery and recycling. The agency is overseen by a governing board established by the Act.

From 1 July 2015, the Office of Zero Waste SA, the agency that supports the statutory authority Zero Waste SA, became known as the Office of Green Industries SA. This change occurred via a proclamation under section 26(b) of the *Public Sector Act 2009*. The agency will build on the achievements of Zero Waste SA, whilst setting in place foundation actions to encourage innovation and economic growth through development of the green economy.

Description of kinds of documents held by the agency

- Fact sheets produced by the Office of Green Industries SA on a range of waste related matters: available on the agency's website at www.zerowaste.sa.gov.au and at the office on 4th floor, 81-95 Waymouth Street, Adelaide.
- Reports relating to waste management issues prepared by or on behalf of the agency
- This and previous annual reports
- Correspondence files
- Financial records
- Personnel records.

Other records (including asset records and occupational health and safety records) are held by the Department of Environment, Water and Natural Resources under a service level agreement.

Access to agency documents

Requests under the *Freedom of Information Act 1991* for access to documents or amendment of personal records in the possession of the agency should be directed in writing to:

Freedom of Information Officer
Office of Green Industries SA
GPO Box 1047
ADELAIDE SA 5001
Telephone: (08) 8204 2586.

Appendix 5: Financial Statements



Level 9
State Administration Centre
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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
Zero Waste SA**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of Zero Waste SA/Office of Green Industries SA for the financial year ended 30 June 2016. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2016
- a Statement of Financial Position as at 30 June 2016
- a Statement of Changes in Equity for the year ended 30 June 2016
- a Statement of Cash Flows for the year ended 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, the Chief Executive and the Management Accountant.

The Board's responsibility for the financial report

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

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

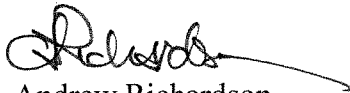
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Members of the Board, as well as evaluating the overall presentation of the financial report.

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

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of Zero Waste SA/Office of Green Industries SA as at 30 June 2016, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson

Auditor-General

29 September 2016

Zero Waste SA/ Office of Green Industries SA

Annual Financial Statements

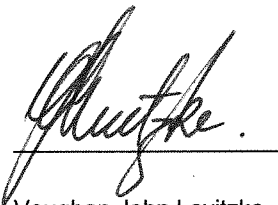
For the year ended 30 June 2016

Zero Waste SA/ Office of Green Industries SA Certification of the Financial Statements

We certify that the attached general purpose financial statements for Zero Waste SA and the Office of Green Industries SA:

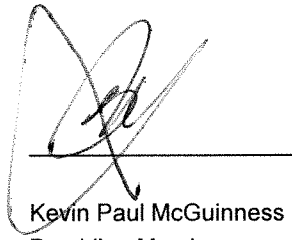
- comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of Zero Waste SA and the Office of Green Industries SA; and
- present a true and fair view of the financial position of Zero Waste SA and the Office of Green Industries SA as at 30 June 2016 and the results of their operations and cash flows for the financial year.

We certify that the internal controls employed by Zero Waste SA and the Office of Green Industries SA for the financial year over their financial reporting and preparation of the general purpose financial statements have been effective throughout the reporting period.



Vaughan John Levitzke
Chief Executive
Zero Waste SA and Office of Green
Industries SA

28/09/2016



Kevin Paul McGuinness
Presiding Member

Board of Zero Waste SA
28/09/2016



Catherine Yin
Management Accountant
Office of Green Industries SA
28/09/2016

Zero Waste SA/ Office of Green Industries SA
Statement of Comprehensive Income
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Expenses			
Employee benefits	5	2 347	2 348
Supplies and services	6	1 609	2 426
Depreciation	7	58	77
Grants and subsidies	8	711	1 795
Other	9	176	15
Total expenses		4 901	6 661
Income			
Grants	10	22 273	20 322
Interest	11	1 386	1 344
Other	12	28	42
Total Income		23 687	21 708
Net benefit from providing services		18 786	15 047
Net result		18 786	15 047
Total comprehensive result		18 786	15 047

The net result and total comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

Zero Waste SA/ Office of Green Industries SA
Statement of Financial Position
as at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Cash and cash equivalents	13	86 803	68 269
Receivables	14	181	175
Total current assets		86 984	68 444
Non-current assets			
Property, plant and equipment	15	630	209
Total non-current assets		630	209
Total assets		87 614	68 653
Current liabilities			
Payables	17	259	854
Employee benefits	18	216	188
Provisions	19	1	1
Other liabilities	20	57	-
Total current liabilities		533	1 043
Non-current liabilities			
Payables	17	72	61
Employee benefits	18	790	693
Provisions	19	2	2
Other liabilities	20	577	-
Total non-current liabilities		1 441	756
Total liabilities		1 974	1 799
Net assets		85 640	66 854
Equity			
Retained earnings		85 640	66 854
Total equity		85 640	66 854

The total equity is attributable to the SA Government as owner

Unrecognised contractual commitments	23
Contingent assets and liabilities	24

The above statement should be read in conjunction with the accompanying notes

Zero Waste SA/ Office of Green Industries SA
Statement of Changes in Equity
for the year ended 30 June 2016

	Retained Earnings	Total
	\$'000	\$'000
Balance at 30 June 2014	51 807	51 807
Net result for 2014-15	15 047	15 047
Total comprehensive result for 2014-15	15 047	15 047
Balance at 30 June 2015	66 854	66 854
Net result for 2015-16	18 786	18 786
Total comprehensive result for 2015-16	18 786	18 786
Balance at 30 June 2016	85 640	85 640

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

Zero Waste SA/ Office of Green Industries SA
Statement of Cash Flows
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(2 211)	(2 317)
Payments for suppliers and services		(2 230)	(2 931)
Payments of grants and subsidies		(711)	(1 795)
Payments for paid parental leave scheme		-	(16)
Other payments		(17)	(15)
Cash used in operations		<u>(5 169)</u>	<u>(7 074)</u>
Cash inflows			
Receipts from grants		22 296	20 271
Interest received		1 377	1 334
Receipts for paid parental leave scheme		1	14
Other receipts		29	42
Cash generated from operations		<u>23 703</u>	<u>21 661</u>
Net cash provided by operating activities	21	<u>18 534</u>	<u>14 587</u>
Net increase in cash and cash equivalents		<u>18 534</u>	<u>14 587</u>
Cash and cash equivalents at the beginning of the reporting period		68 269	53 682
Cash and cash equivalents at the end of the reporting period	13	<u>86 803</u>	<u>68 269</u>

The above statement should be read in conjunction with the accompanying notes

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
For the year ended 30 June 2016

1 Objectives of Zero Waste SA and the Office of Green Industries SA

Zero Waste SA (ZWSA) is a statutory authority established under the *Zero Waste Act 2004*. The authority employs no staff, but makes use of the staff and services of the Office of Green Industries SA (OGISA). Prior to 1 July 2015, OGISA was named the Office of Zero Waste SA (ZWSA). The change occurred via a proclamation under section 26(b) of the *Public Sector Act 2009* by His Excellency, the Governor in Executive Council.

Until legislation to establish Green Industries SA passes Parliament, the *Zero Waste SA Act 2004* remains operational along with Zero Waste SA, the Board, and the Chief Executive.

These audited financial statements are for both the statutory corporation Zero Waste SA and the Public Sector Administrative Unit Office of Green Industries SA. Any reference to 'ZWSA' in these financial statements is a reference to both Zero Waste SA and the Office of Green Industries SA (see note 2(c)).

ZWSA provides strategic policy advice to the Government of South Australia, and funding for programs and projects that will maximise waste reduction and promote resource recovery/recycling, waste avoidance and ecological sustainability. ZWSA also sets in place foundation actions to encourage innovation and economic growth through development of the Green Economy.

The primary objective of ZWSA is to promote waste management practices that, as far as possible:

- eliminate waste or its consignment to landfill
- advance the development of resource recovery and recycling
- are based on an integrated strategy for the State of South Australia.

In achieving its objectives, ZWSA undertakes a number of programs and projects in accordance with South Australia's waste strategy 2015-20 and its annual business plan.

2 Summary of significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987* (PFAA).

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the PFAA.

ZWSA has applied Australian Accounting Standards that are applicable to not-for-profit entities, as ZWSA is a not-for-profit entity.

Except for AASB 2015-7 which the Board has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by ZWSA for the reporting period ending 30 June 2016 (refer note 3).

(b) Basis of preparation

The preparation of the financial statements requires:

- The use of certain accounting estimates and requires management to exercise its judgement in the process of applying ZWSA's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes.
- The selection and application of accounting policies in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
For the year ended 30 June 2016

2(b) Basis of preparation (continued)

- Compliance with Accounting Policy Statements issued pursuant to section 41 of the PFAA. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in these financial statements:
 - (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items applies
 - (b) expenses incurred as a result of engaging consultants
 - (c) employee targeted voluntary separation package information
 - (d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees
 - (e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

ZWSA's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented.

(c) Reporting entity

The Office of Green Industries SA was established by proclamation under the *Public Sector Act 2009* from 1 July 2015. Throughout 2015-16, the Office of Green Industries SA continued to administer the *Zero Waste SA Act 2004* on behalf of and under delegation from Zero Waste SA while governing legislation for Green Industries SA was prepared.

The reporting entity is referred to throughout these statements as ZWSA, and comprises the following:

- Zero Waste SA – a statutory authority with an appointed governing board established by the *Zero Waste Act 2004*.
- An administrative unit named the Office of Green Industries SA established under the *Public Sector Act 2009*.
- The Waste to Resources Fund established under the *Zero Waste SA Act 2004*.

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

The financial statements and accompanying notes reflect the income and expenditure of the Waste to Resources Fund.

(d) Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2015-16 Budget Paper 4). Budget information has been included for the Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Statement of Financial Position or Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/or determined in a different manner to financial statement information. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
For the year ended 30 June 2016

2 Summary of significant accounting policies (continued)

(e) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

(f) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

(g) Taxation

ZWSA is not subject to income tax. ZWSA is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

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

(h) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

(i) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to ZWSA will occur and can be reliably measured.

Income has been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Contributions received

Contributions are recognised as an asset and income when ZWSA obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

Generally, ZWSA has obtained control or the right to receive for:

- Contributions with unconditional stipulations - this will be when the agreement becomes enforceable i.e. the earlier of when the receiving entity has formally been advised that the contribution (i.e. grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- Contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
For the year ended 30 June 2016

2(i) Income (continued)

All contributions received by ZWSA have been contributions with unconditional stipulations attached and have been recognised as an asset and income upon receipt.

Other income

Other income reflects reimbursement of expenses incurred.

(j) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from ZWSA will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Employee benefits expenses

Employee benefits expenses includes all costs related to employment including wages and salaries, leave entitlements and non-monetary benefits. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by ZWSA to superannuation plans in respect of current services of current ZWSA staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole-of-government financial statements.

Depreciation of non-current assets

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

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, which is a change in accounting estimate.

Depreciation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Plant and equipment	5
Furniture and fittings	10
Leasehold improvements	12

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
For the year ended 30 June 2016

2(j) Expenses (continued)

Grants and subsidies

For contributions payable, the contribution will be recognised as a liability and expense when ZWSA has a present obligation to pay the contribution and the expense recognition criteria are met.

All contributions paid by ZWSA have been contributions with conditional stipulations attached.

(k) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, ZWSA has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

(l) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where an asset line item combines amounts expected to be settled within 12 months and more than 12 months, ZWSA has separately disclosed the amounts expected to be recovered after more than 12 months.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

Receivables

Receivables include amounts receivable from goods and services provided and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that ZWSA will not be able to collect the debt. Bad debts are written off when identified.

Non-current assets

Acquisition and 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. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

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, i.e. the amount recorded by the transferor public authority immediately prior to the restructure.

All non-current tangible assets with a value of \$10 000 or greater are capitalised.

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
For the year ended 30 June 2016

2(l) Assets (continued)

Revaluation of non-current assets

All 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 million and estimated useful life is greater than three years.

As ZWSA does not hold assets that meet this criteria assets have not been revalued.

Impairment

All non-current tangible assets are tested for indications of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Fair value measurement

AASB 13 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.

ZWSA 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.

Non-financial assets

In determining fair value, ZWSA has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset) and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

ZWSA's current use is the highest and best use of the assets unless other factors suggest an alternative use is feasible. As ZWSA did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to notes 16 and 17 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

(m) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where a liability line item combine amounts expected to be settled within 12 months and more than 12 months, ZWSA has separately disclosed the amounts expected to be settled after more than 12 months.

Payables

Payables include creditors, accrued expenses and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of ZWSA.

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
For the year ended 30 June 2016

2(m) Liabilities (continued)

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or the date the invoice is first received.

Employee benefits on-costs include payroll tax, WorkCover levies and superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

ZWSA makes contributions 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.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. ZWSA has entered into one or more operating leases.

Operating leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Lease incentives

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefit of lease incentives received by ZWSA in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight line basis.

During the reporting period ZWSA engaged in a new lease incentive for ZWSA's new CBD accommodation. Refer notes 15 and 20 for disclosure regarding the lease incentive asset (leasehold improvements) and liability.

Employee benefits

These benefits accrue for employees 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 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 skills and retention leave liability 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.

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
For the year ended 30 June 2016

2(m) Liabilities (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.

The estimated liability for long service leave is based on actuarial assumptions over 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. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

The unconditional portion of the long service leave provision is classified as current as ZWSA 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.

Provisions

Provisions are recognised when ZWSA has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When ZWSA expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2016 provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

ZWSA is responsible for the payment of workers compensation claims.

(n) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include an operating lease arising from contractual or statutory sources and are disclosed at their nominal value.

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.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office. If GST is not payable to, or recoverable from, the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
For the year ended 30 June 2016

3 New and revised accounting standards and policies

ZWSA did not voluntarily change any of its accounting policies during 2015-16.

Accounting Standards

Except for AASB 2015-7 which ZWSA has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by ZWSA for the period ending 30 June 2016.

AASB 16 Leases will apply for the first time in ZWSA's 30 June 2020 financial report. This standard will require ZWSA to recognise all leased items in the Statement of Financial Position as assets to represent the value of what ZWSA leases, and liabilities to represent expected future lease payments. This could see significant assets and liabilities being recognised and, over the lease term, amortised.

ZWSA has assessed the impact of the other new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of ZWSA.

4 Programs of Zero Waste SA/ Office of Green Industries SA

In achieving its objectives, ZWSA conducts its services through a single program, 'Waste reduction and resource recovery'. The primary objective is to promote waste management practices that, as far as possible, eliminate waste or its consignment to landfill and advance the development of resources recovery and recycling based on an integrated strategy for the State.

5 Employee benefits expenses

	2016	2015
	\$'000	\$'000
Salaries and wages	1 630	1 593
Annual leave	160	147
SERL	6	11
LSL	108	144
Employment on-costs - superannuation	248	250
Employment on-costs - other	111	106
Board and committees fees	81	88
Other employment related expenses	3	9
Total employee benefits expenses	2 347	2 348

Remuneration of employees

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

Remuneration of employees

The number of employees whose remuneration received or receivable falls within the following bands:	2016	2015
	Number	Number
\$145 001 – 155 000*	-	1
\$155 001 – 165 000	1	1
\$165 001 – 175 000	1	-
\$255 001 – 265 000	1	-
\$265 001 – 275 000	-	1
Total	3	3

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2014-15.

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
For the year ended 30 June 2016

5 Employee benefits expenses (continued)

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, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$0.596m (2015: \$0.582m).

6 Supplies and services

	2016	2015
	\$'000	\$'000
Accommodation and property management expenses	315	219
Consultants	92	160
Contractors	-	5
Fee for service	754	1 292
General administration	60	103
Advertising	-	12
Information technology and communication expenses	73	75
Minor works, maintenance and equipment	35	45
Monitoring fees	-	10
Staff development	16	26
Transportation	8	11
Travel and accommodation	31	20
Vehicle	7	37
Waste disposal	189	365
Other	29	46
Total supplies and services	1 609	2 426

Consultants

The number and dollar amount of consultancies paid/payable (included in Consultants expense shown above) fell within the following bands:

	2016	2015	2016	2015
	Number	Number	\$'000	\$'000
Below \$10 000	1	-	2	-
Above \$10 000	4	3	90	160
Total paid/payable to the consultants engaged	5	3	92	160

7 Depreciation expense

	2016	2015
	\$'000	\$'000
Furniture and fittings	49	77
Leasehold improvements	9	-
Total depreciation expense	58	77

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
For the year ended 30 June 2016

8 Grants and subsidies

	2016	2015
	\$'000	\$'000
E-Waste collection incentives	-	5
Commercial food incentives	2	130
Innovation grants	155	-
KESAB grants	5	-
Kerbside performance incentives program	-	344
Metropolitan infrastructure grants	310	304
National and state policies	-	59
Regional implementation grants	128	768
Resource efficiency and assistance program (REAP) (including Industry program assessment and evaluation, and innovation and system)	86	95
Partnership with Tertiary Education	5	90
Waste management association	10	-
Waste strategy - policies and review	10	-
Total grants and subsidies	711	1 795

9 Other expenses

	2016	2015
	\$'000	\$'000
Property, plant and equipment write-offs	160	-
Other (incl audit fees)	16	15
Total other expenses	176	15
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements	16	15
Total audit fees	16	15

Other services

No other services were provided by the Auditor General's Department

10 Grant revenues

	2016	2015
	\$'000	\$'000
Solid waste levies received from Environment Protection Authority*	22 175	20 207
Grants received from SA Government entities	98	-
Private industry and local government	-	115
Total grant revenues	22 273	20 322

* As per section 17 of the *Zero Waste SA Act 2004*, ZWSA receives 50% of solid waste levies collected by the Environment Protection Authority.

11 Interest revenues

	2016	2015
	\$'000	\$'000
Interest from entities within the SA Government	1 386	1 344
Total interest revenues	1 386	1 344

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
For the year ended 30 June 2016

12 Other income

	2016	2015
	\$'000	\$'000
Reimbursement of expenses incurred	25	42
Other sundry revenue	3	-
Total other income	28	42

13 Cash and cash equivalents

	2016	2015
	\$'000	\$'000
Deposits with the Treasurer	86 803	68 269
Total cash and cash equivalents	86 803	68 269

Interest Rate Risk

Cash deposits are recognised at their nominal amounts and interest is credited to revenue as it accrues. ZWSA invests surplus funds with the Treasurer. Interest is earned on the average monthly balance at rates based on the DTF 90 day average overnight cash interest rate and interest is paid at the end of each quarter.

14 Receivables

	2016	2015
	\$'000	\$'000
Current		
Receivables	29	52
Accrued revenues	123	114
Prepayments	29	9
Total current receivables	181	175

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables and accrued revenues are non-interest bearing.

No allowance for doubtful debts has been made as 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.

- a) **Maturity analysis of receivables** - refer note 28.
- b) **Categorisation of financial instruments and risk exposure information** - refer note 28.

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
For the year ended 30 June 2016

15 Property, plant and equipment

	2016	2015
	\$'000	\$'000
Leasehold improvements		
At cost (deemed fair value)	639	-
Less accumulated depreciation	(9)	-
Total leasehold improvements	630	-
Furniture and fittings		
At cost (deemed fair value)	-	765
Less accumulated depreciation	-	(556)
Total furniture and fittings	-	209
Plant and equipment		
At cost (deemed fair value)	13	13
Less accumulated depreciation	(13)	(13)
Total plant and equipment	-	-
Total property, plant and equipment	630	209

Carrying amount of property, plant and equipment

All items of property, plant and equipment had a fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years, and have not been revalued in accordance with APF III. The assets are fully depreciated and the carrying value of these items is zero.

Property, plant and equipment includes \$13 000 of fully depreciated assets still in use.

Impairment

There were no indications of impairment of property, plant and equipment at 30 June 2016.

Movement reconciliation of property, plant and equipment:

	Leasehold improvements	Furniture & fittings	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000
2016				
Carrying amount at the start of period	-	209	-	209
Initial recognition	639	-	-	639
Depreciation expense	(9)	(49)	-	(58)
Write-offs	-	(160)	-	(160)
Carrying amount at the end of the period	630	-	-	630
2015				
Carrying amount at the start of period	-	286	-	286
Depreciation expense	-	(77)	-	(77)
Carrying amount at the end of period	-	209	-	209

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
For the year ended 30 June 2016

16 Fair value measurement

Fair value hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. ZWSA categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement as follows:

Fair value measurements at 30 June 2016	Level 3
	\$'000
Recurring fair value measurements	
Leasehold improvements	630
Total recurring fair value measurements	630
Fair value measurements at 30 June 2015	Level 3
	\$'000
Recurring fair value measurements	
Furniture and fittings	209
Total recurring fair value measurements	209

During 2016 and 2015, ZWSA had no valuations categorised into level 1 or level 2. There were no changes in valuation techniques during 2016.

17 Payables

	2016	2015
	\$'000	\$'000
Current		
Accrued expenses	28	17
Creditors	190	800
Employee benefit on-costs	41	37
Total current payables	259	854
Non-current		
Employee benefit on-costs	72	61
Total non-current payables	72	61

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

- a) **Categorisation of financial instruments and maturity analysis of payables** - refer note 28
- b) **Risk exposure information** - refer note 28

Zero Waste SA/ Office of Green Industries SA
Notes to and forming part of the financial statements
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18 Employee benefits

	2016	2015
	\$'000	\$'000
Current		
Accrued salaries and wages	32	14
Annual leave	149	116
Long service leave	25	40
Skills and experience retention leave	10	18
Total current employee benefits	216	188

All employee benefit amounts shown above are expected to be paid within 12 months after reporting date.

Non-current		
Long service leave	790	693
Total non-current employee benefits	790	693

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave.

AASB 119 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 decreased from 2015 (3.00%) to 2016 (2.00%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The net financial effect of the changes in methodology and actuarial assumptions in the current financial year is an increase in the long service leave liability of \$41 000 and employee benefit expense of \$41 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

19 Provisions

	2016	2015
	\$'000	\$'000
Current		
Provision for workers compensation	1	1
Total provisions current	1	1
Non-current		
Provision for workers compensation	2	2
Total provisions non-current	2	2
Provision movement		
Carrying amount at the beginning of the period	3	4
Reductions resulting from re-measurement	-	(1)
Carrying amount at the end of the period	3	3

Zero Waste SA/ Office of Green Industries SA
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19 Provisions (continued)

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office for the Public Sector. These claims are expected to be settled within the next financial year.

20 Other liabilities

	2016	2015
	\$'000	\$'000
Lease incentive	57	-
Total current other liabilities	57	-
Non-current		
Lease incentive	577	-
Total non-current other liabilities	577	-

21 Cash flow reconciliation

	2016	2015
	\$'000	\$'000
Reconciliation of cash and cash equivalents disclosed in the Statement of Financial Position		
Cash and cash equivalents disclosed in the Statement of Financial Position	86 803	68 269
Balance as per the Statement of Cash Flows	86 803	68 269
Reconciliation of net cash provided by operating activities to net benefit from providing services		
Net cash provided by operating activities	18 534	14 587
Less non-cash items		
Depreciation expense of non-current assets	(58)	(77)
Property, plant and equipment write off	(160)	-
Movements in assets and liabilities		
Increase in receivables	6	52
Decrease in payables	584	540
(Increase) in employee benefits	(125)	(56)
Decrease in other liabilities	5	-
Decrease in provisions	-	1
Net benefit from providing services	18 786	15 047

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22 Transactions with SA Government

The following table discloses revenues, expenses, financial assets, and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature. Transactions with SA Government entities below the threshold of \$100,000 have been included with the non-government transactions, classified according to their nature.

	Note	SA Government		Non-SA Government		Total	
		2016	2015	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses							
Employee benefits expenses	5	111	106	2 236	2 242	2 347	2 348
Supplies and services	6	301	206	1 308	2 220	1 609	2 426
Depreciation expense	7	-	-	58	77	58	77
Grants and subsidies	8	-	-	711	1 795	711	1 795
Other expenses	9	-	-	176	15	176	15
Total expenses		412	312	4 489	6 349	4 901	6 661
Income							
Grant revenues	10	22 175	20 207	98	115	22 273	20 322
Interest revenues	11	1 386	1 344	-	-	1 386	1 344
Other income	12	-	-	28	42	28	42
Total income		23 561	21 551	126	157	23 687	21 708
Financial assets							
Receivables	14						
Receivables			-	29	52	29	52
Accrued revenues		123	114	-	-	123	114
Prepayments		-	-	29	9	29	9
Total financial assets		123	114	58	61	181	175
Financial liabilities							
Payables	17						
Accrued expenses			-	28	17	28	17
Creditors		-	-	190	800	190	800
Employee benefit on-costs		112	95	1	3	113	98
Other liabilities	20						
Lease incentive		634	-	-	-	634	-
Total financial liabilities		746	95	219	820	965	915

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23 Unrecognised contractual commitments

	2016	2015
	\$'000	\$'000
Operating lease commitments		
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	156	228
Later than one year but not longer than five years	681	-
Later than five years	1 404	-
Total operating lease commitments	2 241	228

The operating lease held by ZWSA is a property lease with a penalty clause equal to the amount of residual payments remaining for the lease terms. The lease is payable one month in advance and ZWSA has the right of renewal. There are no existing contingent rental provisions.

During the 2015-16 financial year, ZWSA received lease incentives for a newly leased property amounting to \$0.838 million. After fit-out costs (\$0.639 million), the remaining lease incentive (\$0.199 million) is being amortised over the life of the lease.

24 Contingent assets and liabilities

ZWSA is not aware of the existence of any contingent assets or contingent liabilities.

25 Remuneration of board members

Members during the 2015-16 financial year were:

Green Industries Board

Dyson, M F N

Harvey, A E

Levitzke, V J *

McGuinness, K P (Presiding Member)

Sharp, R A

Wagner, M

Withers, M P

* Denotes government employee

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

	2016	2015
	No. of	No. of
	members	members
\$nil	1	2
\$1 - \$9 999	-	2
\$10 000 - \$19 999	5	5
\$20 000 - \$29 999	1	1
Total number of members	7	10

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25 Remuneration of board members (continued)

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees and super contributions, salary sacrifice benefits and fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$88 000 (2015: \$95 000).

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

Unless otherwise disclosed, transactions between members and ZWSA are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

26 Budgetary reporting and explanations of major variances

The following are brief explanations of variances between original budget and actual amounts.

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

Statement of Comprehensive Income	Note	Original budget ¹	Actual	Variance
		2016 \$'000	2016 \$'000	\$'000
Expenses				
Employee benefits	a	1 699	2 347	648
Supplies and services		1 608	1 609	1
Depreciation		-	58	58
Grants and subsidies		795	711	(84)
Other		19	176	157
Total expenses		4 121	4 901	780
Income				
Grants		22 789	22 273	(516)
Interest		1 200	1 386	186
Other		-	28	28
Total income		23 989	23 687	(302)
Net benefit from providing services		19 868	18 786	(1 082)
Net result		19 868	18 786	(1 082)
Total comprehensive result		19 868	18 786	(1 082)

¹ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2015-16 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

- a) Employee benefits expenses were higher than the original budget, which was a result of additional Full Time Equivalent (FTE) in 2015-16. The original budget consisted of employee benefit expenses for 15 FTE as per Department of Treasury and Finance's (DTF) approval at the beginning of 2015-16. During 2015-16, ZWSA's FTE number increased to 17.6. This was primarily due to an additional 1.5 FTE for the Trade Waste Initiative and an additional 1.1 FTE resulting from an adjustment of the FTE cap associated with actual FTE numbers of the agency. The increase to 17.6 FTE was approved by DTF.

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27 Events after the reporting period

The Statutes Amendment (Budget 2016) Bill 2016, currently before Parliament, includes amendments to the *Zero Waste SA Act 2004* to establish Green Industries SA as a statutory corporation. These amendments rename the Fund the 'Green Industry Fund' and allow it to be applied in accordance with the new functions of the Act. Provisions have also been included to allow the Minister to apply the Fund for climate change initiatives; and towards the costs of managing waste or debris, or harm to the environment, following a disaster declared under the *Emergency Management Act 2004*.

28 Financial risk management/financial instruments

28.1 Financial risk management

Risk management is managed by ZWSA's corporate services section and ZWSA'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.

ZWSA is exposed to financial risk - liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

28.2 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 note 2.

Refer note 28.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Held to maturity investments; receivables; and financial liabilities measured at cost.

ZWSA does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes.

- The carry value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 2, 14 and 17).

28.3 Liquidity risk

Liquidity risk arises from the possibility that ZWSA is unable to meet its financial obligations as they fall due. ZWSA is funded principally from waste levies received under the *Zero Waste SA Act 2004* (refer note 10). ZWSA's expenditure authority is approved by the Treasurer each year, based on budgeted revenues and expenditures outlined in an annual Business Plan. ZWSA settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

ZWSA's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount recorded in note 28.3 represent ZWSA's maximum exposure.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

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28 Financial instruments risk management/financial instruments (continued)

Table 28.1 Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Notes	2016 Carrying amount/fair value \$'000	2016 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents	13	86 803	86 803	-	-	-
Receivables ⁽¹⁾⁽²⁾	14	152	152	-	-	-
Total financial assets		86 955	86 955	-	-	-
Financial liabilities						
Payables ⁽¹⁾	17	202	202	-	-	-
Total financial liabilities		202	202	-	-	-
Category of financial asset and financial liability	Notes	2015 Carrying amount/fair value \$'000	2015 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents	13	68 269	68 269	-	-	-
Receivables ⁽¹⁾⁽²⁾	14	166	166	-	-	-
Total financial assets		68 435	68 435	-	-	-
Financial liabilities						
Payables ⁽¹⁾	17	802	802	-	-	-
Total financial liabilities		802	802	-	-	-

⁽¹⁾ Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Govt 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 etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

⁽²⁾ Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 14 as prepaid supplies and services in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

28.4 Credit risk

Credit risk arises when there is the possibility of ZWSA's debtors defaulting on their contractual obligations resulting in financial loss to ZWSA. ZWSA measures credit risk on a fair value basis and monitors risk on a regular basis.

ZWSA has minimal concentration of credit risk. ZWSA has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. ZWSA does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by ZWSA.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. At reporting date, there is no evidence to indicate that any of the financial assets are impaired.

The carrying amount of financial assets as detailed in note 28.3 represents ZWSA's maximum exposure to credit risk.

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28 Financial instruments risk management/financial instruments (continued)

The following table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

Table 28.2 Ageing analysis of financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			Impaired financial assets \$'000
			Overdue for less than 30 days \$'000	Overdue for 30-60 days \$'000	Overdue for more than 60 days \$'000	
2016						
Receivables ⁽¹⁾	152	152	-	-	-	-
2015						
Receivables ⁽¹⁾	166	166	-	-	-	-

⁽¹⁾ Receivable amounts disclosed here exclude amounts relating to statutory receivables (amounts owing to government). They are carried at cost.

28.5 Market risk

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

ZWSA does not trade in foreign currency, enter into transactions for speculative purposes, nor for hedging. ZWSA 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*.

Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of ZWSA as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.