TRANSPACIFIC

ANNUAL REPORT 2015

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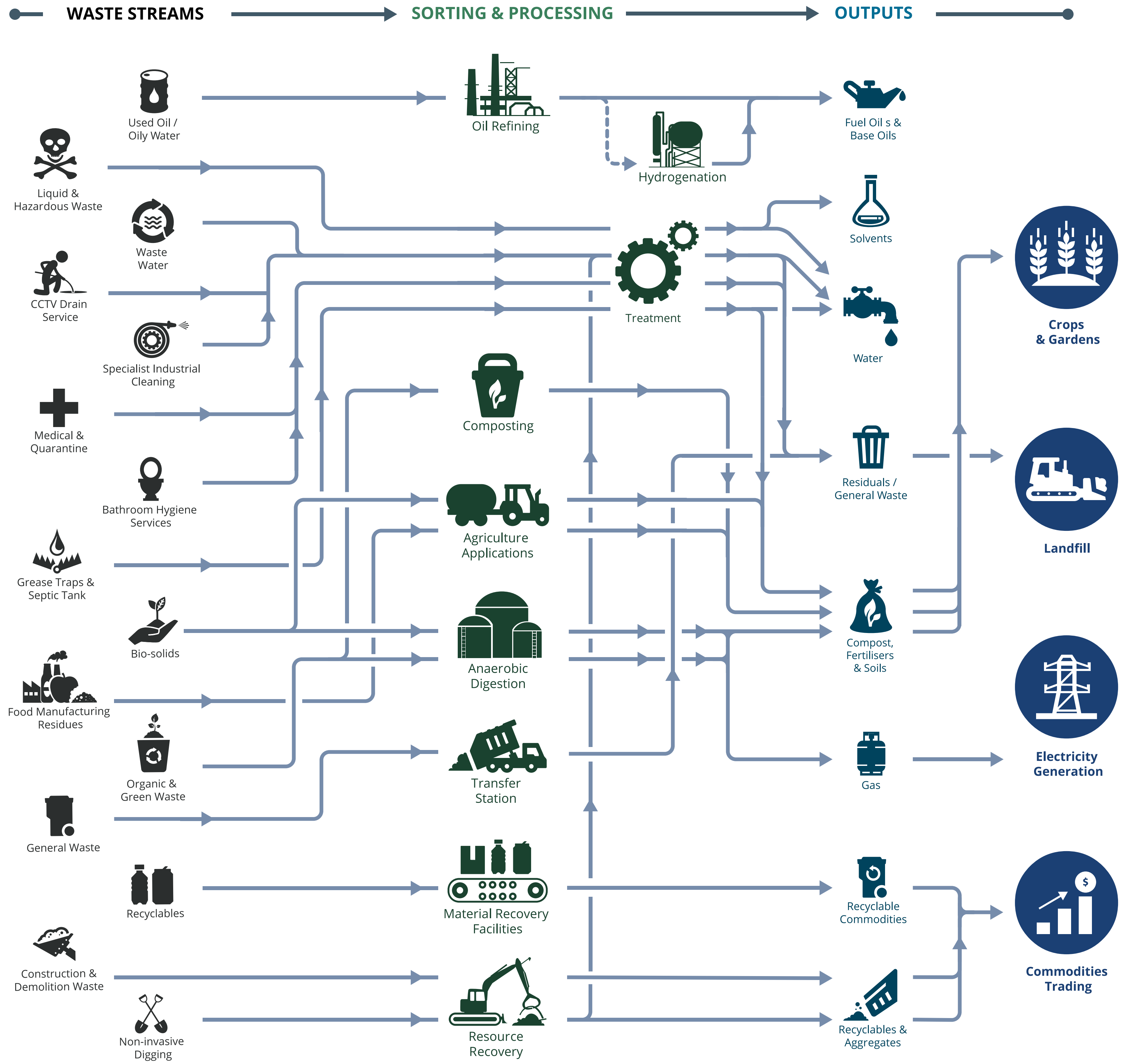
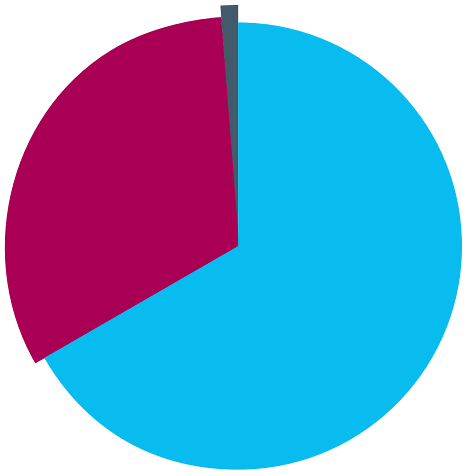
BUSINESS OVERVIEW

Transpacific is Australia's leading waste management company, operating a national network of unique collection, processing, treatment and landfill assets from over 200 locations across Australia. Our philosophy is that all waste is a resource and we aim to incorporate recovery, recycling and reuse throughout our operations and those of our clients. We are strongly committed to the safe and responsible management of waste, regulatory compliance, and the protection and enhancement of the environment.



FINANCIAL HIGHLIGHTS



REVENUE $1,384.9 M

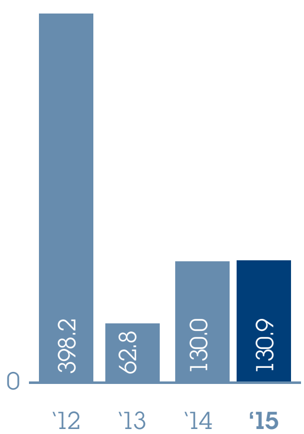
CLEANAWAY	$926.5 M
INDUSTRIALS	$445.9 M
OTHER	$12.5 M

DIVIDENDS PER SHARE

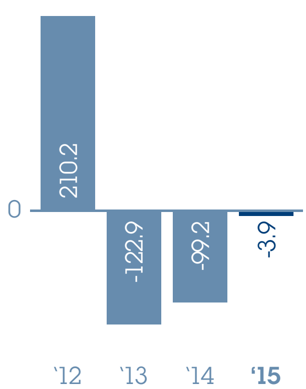
2015	1.5 C
2014	1.5 C

STATUTORY RESULTS

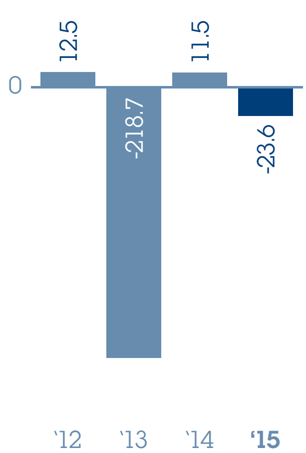
EBITDA ($M)



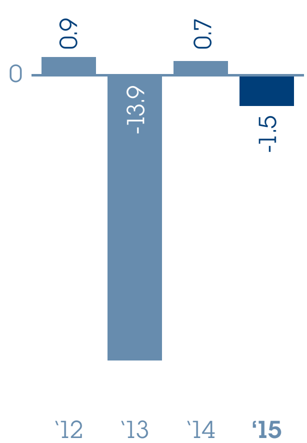
EBIT ($M)



NPAT ($M)

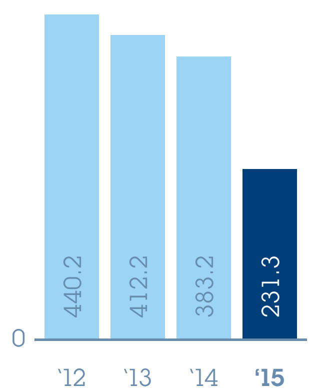


EPS (CPS)

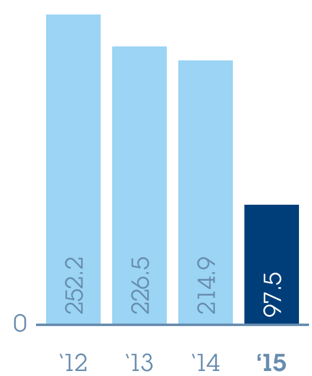


UNDERLYING RESULTS

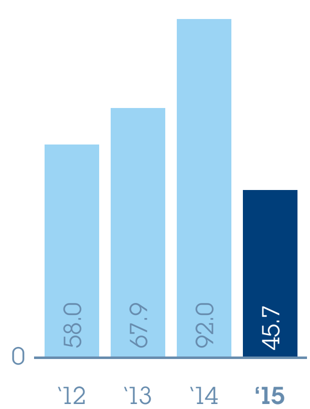
EBITDA ($M)



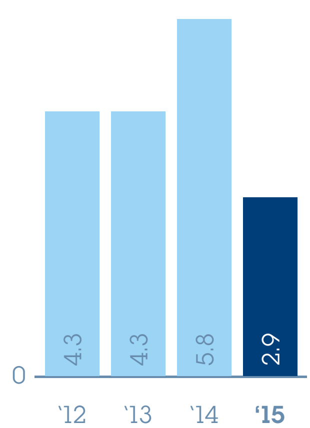
EBIT ($M)



NPAT ($M)



EPS (CPS)



CHAIRMAN'S REPORT
MARTIN HUDSON

IT AGAIN GIVES ME GREAT PLEASURE TO PRESENT TO YOU THE TRANSPACIFIC INDUSTRIES GROUP LIMITED 2015 ANNUAL REPORT.

FOLLOWING A NATIONAL AND INTERNATIONAL SEARCH, IN JULY 2015 WE ANNOUNCED THE APPOINTMENT OF MR VIK BANSAL AS THE GROUP'S CHIEF EXECUTIVE OFFICER.

For the past five years, Vik has worked with Valmont Industries Inc. a US$3.3 billion NYSE listed global leader in designing and manufacturing products for infrastructure and agriculture markets. Vik was appointed Valmont's President/Chief Operating Officer in 2014. For family reasons Vik subsequently stepped away from this opportunity and returned to Australia. For approximately three years Vik was Group President, Engineering Infrastructure Products, Valmont's largest division. During this time he executed a successful turnaround of that business through a combination of sustained growth, asset reorganisation/rationalisation and profit improvement. He has previously held senior roles with Arrium Ltd and Eaton Corporation.

Vik is highly experienced and has a proven track record of leading organisations through transformations. I am confident that his experience, along with his highly engaging personality and inclusive management style will be a great fit for the Company.

The Board and I are impressed with Vik's energy, his strong reputation for delivering results and aligning an organisation around core values, all of which we see as very important for Transpacific.

Turning to the FY15 financial results, Cleanaway produced a pleasing result, particularly during the second half of the year as underlying EBITDA exceeded the previous corresponding period by over 11%. I am confident that the plans we are implementing within our largest business will continue to provide a solid growth platform for the company.

This improved performance from Cleanaway was offset by lower earnings from our Industrials business and an increase in corporate costs. The Industrials business was particularly impacted by further deterioration in trading conditions across a number of major markets such as the resources, manufacturing and industrial sectors as well as lower oil selling prices.

Total revenues declined 26.6% to $1,384.9 million due mainly to the disposal of the Commercial Vehicles and New Zealand businesses which occurred towards the latter part of FY14. For our remaining Australian waste management businesses revenue declined 1.8% compared to FY14.

The statutory loss after tax attributable to ordinary shareholders was $23.6 million. This result was impacted by a number of significant items totalling $92.3 million before tax ($69.3 million after tax).

On a before tax basis, $77.5 million of this amount resulted from the company's impairment of the Hydrocarbons business. This business collects, refines and recycles used mineral oils and the impairment charge reflects the large decrease experienced in the price of fuel and base oil over the past year, as well as an expectation of a slower increase in oil prices over a number of years.

The remaining underlying adjustments before tax comprise:

> $16.5 million representing the financial impact of the decision taken to ground the heavy vehicle fleet nationally on 19 August 2014, after a Transpacific truck was involved in a fatal traffic accident in South Australia

> $8.2 million representing additional gain on sale following the finalisation of the completion accounts of the New Zealand business which was sold on 30 June 2014

> $5.8 million net loss on the disposal of investments, site closures and acquisition costs

Excluding these and other significant items, which in the Boards' view should be excluded to more closely align with the operations of the company, underlying net profit after income tax attributable to ordinary equity holders was $45.7 million, a 50.3% decrease over the previous corresponding period.

This decrease primarily reflects the sale of the Commercial Vehicles and New Zealand businesses last year and the decline in earnings in the Industrials business.

Our balance sheet remains strong with all debt ratios well within banking covenant requirements and a weighted debt maturity at 1 July 2015 of 3.6 years.

During the past eighteen months under the tenure of our previous CEO Bob Boucher, we made good progress towards the transformation of the Company's operations. In particular, we formulated a four point strategy revolving around the following key priorities:

1. Growth – a number of initiatives targeted at increasing customer retention, market share and route efficiencies through a reinvigorated sales force and improved pricing disciplines across the country
2. Landfill – increase landfill capacity via acquisition or airspace agreements as well as the disposal of the waste that we collect into our own landfills, known as the internalisation rate
3. Productivity – increasing operational efficiencies throughout the company
4. Acquisitions – increase profitability and returns through targeted acquisitions where the Company currently has the route infrastructure in place

I am also pleased to report that we have made effective headway during the year on executing against these strategic priorities, including:

> The acquisition in February 2015 of the Melbourne Regional Landfill. This acquisition secures our future in the important Melbourne market with a landfill asset that has a potential capacity in excess of 50 years and supports our large waste collection fleet in that state. The acquisition will significantly increase the level of waste we collect and dispose of into our own landfill asset resulting in improved margins and cash flow

> The establishment of our Growth initiative, headed by David Aardsma, a 40 year veteran of the waste management industry

> Improved procurement processes resulting in cost reductions across a number of consumables purchased on a regular basis such as electricity and telecommunications

> The successful completion of two small acquisitions at a total cost of $6 million. These acquisition are in areas where the Company already has an established market presence and route infrastructure and will improve our returns and efficiencies in those markets

The Board and I are firmly of the view that the execution of these priorities and the numerous initiatives that support them is well on track and will result in future growth for the Company.

Based on this confidence and the financial strength of the Company, the Board have declared a final fully franked dividend of 0.8 cents per share, payable on 9 October 2015. Combined with the 0.7 cents per share paid in April 2015, the total dividends paid and declared for FY15 was 1.5 cents per share, in line with the dividend paid last year. We have also taken the decision to reinstate the Dividend Reinvestment Plan for the final dividend. I hope shareholders will take advantage of the revived DRP as it allows an increase in your shareholdings at no cost to you.

During FY15, another key focus of the management team and the Board has been the health and safety of our employees and contractors. I am pleased to report that over the past year our Total Recordable Injury Frequency Rate has reduced by 24%. This is in addition to the 33% reduction we achieved last year. A number of our operations achieved record periods since a lost time injury was recorded and highlights the continued emphasis and commitment we are making across all the Company in creating a zero harm environment.

As I reported last year, one of our waste collection trucks was involved in a very serious accident in August 2014 and a decision was made to voluntarily ground the entire fleet. While we were able to return the fleet to full operations within two weeks, it was imperative that we worked to improve our fleet management culture and systems. During FY15 a detailed audit of every heavy vehicle in the fleet and every driver's qualifications and training was completed. Our fleet control systems have been upgraded and a non-negotiable "Transpacific Standard" of adherence to strict policies and procedure relating to fleet maintenance and road safety has been implemented across every depot and work site in the company.

Included in this annual report is our Sustainability Report which provides all stakeholders with information about our approach to sustainability and our priorities of safety first, minimising our impact on the environment and connecting with our local communities while maintaining operations that meet our legislative obligations. I recommend shareholders read the report on page 12 or view the report on our website *www.transpacific.com.au*.

Some examples of our key sustainability achievements during the year included:

> The launch of the Transpacific Environment Fund which will support sustainable community initiatives for the reduction of greenhouse gas emissions

> Generating 113 million kWh of renewable energy from the landfill gas we capture at our disposal sites

> Use of landfill gas from our Erskine Park, NSW landfill to power the production of 130 million bricks every year at the nearby Austral Bricks facility

I would like to thank my fellow Board colleagues for their support and wisdom during what has been an eventful year at Transpacific.

In closing, I would like to thank the management team, including Bob Boucher, and all employees for their considerable efforts during the past year. While we have had to contend with difficult trading conditions, the grounding of the fleet and numerous other issues that occur within organisations of this size we have a clear path to growth ahead of us and it is imperative that we do not allow these matters to distract us from delivery on our strategies to improve our operational performance and make Transpacific the waste management company of choice for all our stakeholders.

CHAIRMAN'S REPORT Continued

CEO
Vik Bansal

IT IS A PLEASURE AND AN HONOUR TO INTRODUCE MYSELF AND TO GIVE SOME INSIGHTS INTO MY FIRST IMPRESSIONS OF TRANSPACIFIC.

The Chairman has already highlighted in his report my past experience.

I have spent all my career working in and leading well regarded industrial companies both in Australia and internationally. My 20 plus years experience has helped me to develop a deep understanding of what makes industrial companies such as Transpacific successful and also the impediments that, at times can make achieving success difficult.

Transpacific reminds me of businesses I have been successful at before and I believe we are a very good business with strong fundamentals. There are not many industrial companies that have the ability to generate shareholder value and cash flow like we can. We are the largest waste management company in Australia, our brands are strong and we are the market leader in every segment we participate in. To me, this is impressive by any standards. My commitment is to deliver on this promise.

For any industrial company to be successful, execution and cost discipline combined with passionate focus on customer service is key.

Growing our volumes and pricing, increasing our landfill capacity, improving our productivity and undertaking incremental acquisitions are the four areas that the company has been executing on over the past year. One of my priorities will be to maintain the momentum on these plans, while ensuring we continue to execute them in a sustainable and cost effective manner.

Since I started in this role I have spent considerable time getting to know our people and visiting a number of depots and landfill sites we have around the country. One area that has really impressed me is the quality of our people in the field – their experience, knowledge of the business and their passion for making sure our customers are serviced every day gives me a greater level of comfort that we can be successful in growing our company.

I am a strong believer that true value is only created closest to the customer. Anything we do which dilutes the focus of our people in the field on safety, customer service or market share should be avoided at all costs.

I am also a big believer in simplified organisational structures with minimal layers. Simplified organisational structures reduce costs, streamlines processes, reduces noise and empowers people.

Over the coming 12 months, my management team and I will be working with our people across every level of the company to simplify our processes and management structures. This will ensure that everyone within the organisation, from our local depots to the corporate office have clear and unambiguous goals that are focused on creating value by servicing our customers.

I would also like to assure you that as we progress, safety will not be compromised. As leaders of the company we have a primary responsibility to aspire to zero harm and that we all go home safe to our families and loved ones every day.

Finally, I would like to thank the Board for giving me the opportunity to lead this Company and I look forward to reporting on our successes in the future.

OUR VALUES

AS THE INDUSTRY LEADER IN WASTE MANAGEMENT, RECYCLING AND ENVIRONMENTAL SERVICES, THE STRUCTURING OF OUR INTERNAL VALUES SYSTEM FURTHER ENSURES THE DELIVERY OF AN EXCEPTIONAL SERVICE.

AT TRANSPACIFIC CLEANAWAY WE WORK HARD EVERY DAY TO EARN THE ONGOING LOYALTY OF OUR CUSTOMERS, COLLEAGUES, INVESTORS, AND OF THE COMMUNITIES IN WHICH WE WORK.

THIS IS A PROMISE MADE WITHOUT COMPROMISE.

PROUD

We are proud of what we do and how we do it. We will not settle and are always on the lookout for ways to be better. With a quiet swagger and confidence in ourselves, and our team – we deliver.

TEAM BEFORE SELF

We put team before self, working as one team to grow our business. We value our colleagues, and not only share our success, but celebrate the success of others. We welcome input, share our great ideas and willingly implement the great ideas of others.

OWN IT

We own it, seize opportunities and with unstoppable tenacity, each one of us see things through. We are confident in our ability to deliver on our commitments. We hold ourselves accountable and respect the accountability of others. For us, it is personal.

AGILE

We are agile, sharp and responsive. Quick witted, focussed and full of energy, we don't let issues slow us down. With a gutsy, can-do attitude, we find solutions without sacrificing quality or standards.

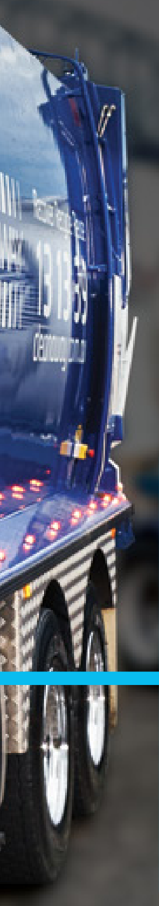
HOME SAFE

We believe that everyone deserves to go home safe. The safety of ourselves, our team and of the communities in which we operate comes first, last and everything in between. It is at the heart of every decision made and everything we do.


CLEANAWAY
2000
AUTO
SITEC SERIES III 350

CLEANAWAY REPORT

CLEANAWAY IS THE LEADING OPERATOR IN THE SOLID WASTE SECTOR IN AUSTRALIA. SERVICES PROVIDED INCLUDE:



> Collections – commercial and industrial (“C&I”), municipal and residential collection services for all types of solid waste streams, including general waste, recyclables, construction and demolition waste and medical and washroom services.

> Post Collections – ownership and management of waste transfer stations, resource recovery and recycling facilities, secure product destruction, quarantine treatment operations and landfills.

> Cleanaway reported stronger earnings during the year with net revenues and underlying EBITDA up 1.6% and 4.3% respectively.

> EBITDA recorded in the second half exceeding the first half by 5.9% and the corresponding second half last year by 11.7%.

> Commercial & Industrial revenues, particularly in the key front lift segment have shown a slight decrease on the previous corresponding period, however, where the pilot sales program was instigated, customer churn rates have declined and revenue has grown. As these new sales programs are rolled out across the company we expect improved results.

> The Post Collections business recorded strong revenue and EBITDA growth during the year. The Melbourne Regional Landfill is performing well following its acquisition in late February, 2015. The business also experienced volume increases across the balance of its landfills.

> Internalisation rates have increased to approximately 17% compared to approximately 12% last year ensuring that less cash leaves the company.

A$ MILLION	FY15	FY14	FY15 V FY14
Commercial & Industrial	594.1	603.8	-1.6%
Municipal	180.0	197.1	-8.6%
Post Collections (excl levies and carbon tax)	148.0	125.3	18.1%
Levies and carbon tax	83.8	62.9	33.2%
Total Cleanaway Revenue	1,005.9	989.1	1.7%
Less Intercompany	(79.4)	(77.3)	2.6%
Net Cleanaway Revenue	926.5	911.8	1.6%
Net Cleanaway Revenue (excl levies and carbon tax)	842.7	848.9	-0.7%
EBITDA	198.0	189.8	4.3%
EBITDA Margin (excl levies and carbon tax)	23.5%	22.4%	
EBIT	99.0	98.8	0.2%
EBIT Margin (excl levies and carbon tax)	11.7%	11.6%	

*Represents Underlying Results

INDUSTRIALS REPORT

INDUSTRIALS IS THE LEADING OPERATOR IN THE AREAS OF:

- Technical Services – collection, treatment, processing and recycling of liquid and hazardous waste.
- Energy, Minerals and Remediation – services include industrial cleaning, vacuum tanker loading, site remediation, sludge management, parts washing, concrete remediation, CCTV, corrosion protection and emergency response services.
- Hydrocarbons – refining and recycling of used mineral oils to produce fuel oils and base oils.
- The Industrials division recorded net revenue and underlying EBITDA declines of 8.1% and 38.1% respectively when compared to the previous corresponding period. Market conditions across the major sectors serviced by this business such as the resources and manufacturing industries remain unchanged.
- The Technical Services business reported reduced revenues and EBITDA as higher margin hazardous liquid processing volumes declined reflecting the general weakness in the manufacturing, mining and industrial markets. This was partially offset by increases in non-hazardous liquid volumes processed.
- Our Energy, Minerals and Remediation business continues to be negatively impacted as resource and mining sector customers implement cost reduction programs due to the fall in commodity prices.
- The Hydrocarbons business reported lower waste oil collection volumes, revenues and EBITDA. Collection volumes declined 14% primarily as a result of internalisation of waste oil volumes by a previous customer and the business has been impacted by an average 30% fall in the sales price of both fuel and base oils during the year caused by the fall in international oil prices.
- The Industrial division is undertaking a number of restructuring programs across all of its business to mitigate the financial impact of the downturn in market activity. These include the implementation of a fee-based structure for oil collection in certain regions, the consolidation of processing facilities and the re-scaling of the business.

A$ MILLION	FY15	FY14	FY15 V FY14
Technical Services	203.3	218.9	-7.1%
Energy, Minerals and Remediation	112.3	115.6	-2.9%
Hydrocarbons	130.3	150.5	-13.4%
Net Industrials Revenue	445.9	485.0	-8.1%
EBITDA	55.8	90.1	-38.1%
EBITDA Margin	12.5%	18.6%	
EBIT	28.9	60.7	-52.5%
EBIT Margin	6.5%	12.5%	

*Represents Underlying Results

SUSTAINABILITY REPORT

AT TRANSPACIFIC WE ARE COMMITTED TO CREATING LONG-TERM ECONOMIC VALUE WHILST CARING FOR OUR PEOPLE, THE ENVIRONMENT, AND THE COMMUNITIES IN WHICH WE WORK. WE RECOGNISE THAT SUSTAINABLE GROWTH REQUIRES US TO BALANCE ECONOMIC PERFORMANCE WITH ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES.

As a business, we are transforming the way we operate, designed to grow and sustain us into the future. This sustainable approach reflects our priorities. Our first commitment is to safety, to ensure that everyone can go Home Safe each day. We connect with local communities, provide new and sustainable solutions to extract more value from waste we collect and strive to improve our systems for ensuring compliance.

FOCUSING ON WHAT'S IMPORTANT

In this section of the Annual Report we present non financial information that is important to Transpacific, our customers and our communities. Focusing on the material issues, both for our business and our stakeholders, is key to ensuring that what we disclose provides a balanced view of the economic, social and environmental context in which our company operates. Building on our prior years' external stakeholder engagement, this year we conducted a review to check validity and importance and refine our material issues.

ACHIEVED **24% REDUCTION**
IN TRIFR TO 9.6 PER MILLION HOURS WORKED

INTRODUCED OUR
3 LIFESAVING RULES

LAUNCHED THE
TRANSPACIFIC ENVIRONMENT FUND
TO SUPPORT SUSTAINABLE COMMUNITY INITIATIVES FOR THE REDUCTION OF GREENHOUSE GAS EMISSIONS

AWARDED THE ARRIUM/ONESTEEL SAFETY CONTRACTOR/SUPPLIER OF THE YEAR

LAUNCHED NEW **COMPANY VALUES**
TO GUIDE OUR CULTURE CHANGE

VALIDATED THE HEALTH OF OUR FLEET MAINTENANCE AND CONFIRMED DRIVER LICENCING AND TRAINING AS A PART OF OUR FLEET REINSTATEMENT PROGRAM.

5686 TOTAL FLEET ASSETS INSPECTED
&
2920 DRIVERS VERIFIED

WE CAPTURED OVER

76 MILLION

CUBIC METRES OF LANDFILL GAS ACROSS OUR OWNED AND MANAGED LANDFILLS WITH AN AVERAGE METHANE CONTENT OF **51%**

AND GENERATED

113 MILLION KWH

OF RENEWABLE ENERGY FROM THE LANDFILL GAS CAPTURED

30

COMMUNITY INFORMATION AND FEEDBACK SESSIONS HELD ACROSS AUSTRALIA

PROCESSED

99,000 TONNES

OF ORGANIC LIQUID WASTE USED TO FERTILISE AGRICULTURAL LAND THROUGH SOIL INJECTION

PROCESSED

80,000 TONNES

OF BIOSOLIDS BENEFICIALLY APPLIED IN AGRICULTURE

COLLECTED **133 MILLION LITRES** OF USED OIL

RECYCLABLES HANDLED

228,221 TONNES

OF PAPER AND CARDBOARD

10,179 TONNES

OF PLASTIC PACKAGING

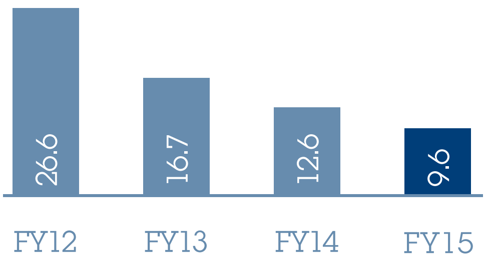
3,758 TONNES

OF METAL PACKAGING

KEY ACHIEVEMENTS

DRIVEN BY SAFETY

At Transpacific, we believe that everyone deserves to go Home Safe. This is our first priority, for our people and for the communities we serve. We continue to make significant progress on injury reductions with our Total Recordable Injury Frequency Rate (TRIFR) dropping by 24% this year to 9.6* per million hours worked.



* TRIFR has been adjusted to exclude the effect of prior year business divestments

Fleet Reinstatement Program

Our major safety program in the reporting period was the Fleet Reinstatement Program, following the tragic accident in Adelaide and subsequent fleet grounding in August 2014. The program was focussed on building capability and consistency, leading to deeply embedded and enduring change across our fleet operations.
We now have an even greater level of confidence that our fleet and drivers are safe and ready – every vehicle, every shift, every day.

The immediate focus of the program was to capture our fleet assets, validate the health of our fleet maintenance, and confirm driver licencing and training across all operational sites. Training was provided and roles and responsibilities reinforced for all operational staff in the new Transpacific way of working. The program has seen:

> 5,686 assets and associated maintenance records verified

> 2,136 heavy vehicle assets confirmed with updated Preventative Maintenance schedules

> 2,920 driver credentials validated

The initial phase has finished, and our focus has moved to embedding the new 'Transpacific way' of working - our standards, processes and governance - into our 'business-as usual' operations.

LIFESAVING RULES

To support and reinforce Our Values, and continue to strengthen our safety culture, we also launched our Life Saving Rules. Designed to save lives, breaking these rules has the potential to put someone's life at risk. Breaches of these rules are therefore treated accordingly, with serious consequences and zero tolerance.

The Life Saving Rules enforce that our people not only have the right, but also the authority and responsibility to stop work if they feel that conditions are unsafe, or if unsafe behaviours are putting people at risk. They articulate clearly that our people have the right to work in a safe and respectful environment, so that we can all go HOME SAFE each day.

A GOOD NEIGHBOUR

BUILDING STRONG AND TRUSTED RELATIONSHIPS WITH THOSE WHO LIVE AND WORK AROUND US

COMMUNITY INVESTMENT

Why this is important

Transpacific has a presence in over 200 communities across Australia. Building constructive and enduring relationships with these communities is essential to establishing a strong and positive reputation in the community. It also supports our ability to attract and retain customers and employees, and in securing our license to operate today and into the future. It is important, therefore, that we are focussed on being a good neighbour.

We have a proud history of supporting Australian communities. Our community investment program covers a range of activities, from national and local fundraising campaigns to education programs that help communities reduce the amount of waste they generate, and reuse and recycle more.

Current activities and performance

In the 2015 financial year, Transpacific invested $359,980 into Australian communities, representing 0.16% of our pre-tax profit or $85 per employee. Our investment comprised:

> 73% Financial donations

> 20% Donation of in-kind services

> 4% Employee volunteering

> 3% Administration costs

Future Actions

In late July 2015, we announced the creation of the Transpacific Environment Fund, established to provide around $5 million in grants for community-based projects and sustainable initiatives. This will form the primary platform for community engagement across the company over FY16.

We are also a recent member of the London Benchmarking Group (LBG). The London Benchmarking Group provides us with an internationally-recognised methodology for measuring the financial value of our investment in the community, as well as the social value created by those investments. It also provides us with the ability to benchmark our investment against other organisations in Australia and around the world.

We will use the information gathered in FY15 through LBG to help guide our community investment strategy going forward, ensuring that we are focusing our investment on issues that are aligned to our business and are of broad relevance to the communities in which we operate, helping deliver social value where it matters most.

MINIMISING OUR IMPACTS

THE WAY WASTE IS MANAGED, COLLECTED, TREATED AND DISPOSED OF HAS THE POTENTIAL TO IMPACT ON RESIDENTS AND COMMUNITIES THROUGH TRANSPORT AND PROCESSING. A NUMBER OF OUR OPERATIONS CO-EXIST WITH LOCAL RESIDENTS AND OTHER BUSINESSES, AND WHAT WE DO MAY IMPACT ON THEM. IMPACTS MAY INCLUDE ODOUR, NOISE FROM TRUCK MOVEMENTS AND OUR PROCESSING, AND THE GENERATION OF DUST, LITTER AND TRAFFIC CONGESTION.

We aim to manage all our operations within the limits set by site licenses and the law, and we have appropriate systems in place, combined with regular monitoring and review, to ensure that we do this. However, we know that there are occasions when our operations negatively affect our neighbours and local communities. Being a good neighbour means being aware of potential issues, listening to the local community and being prepared to make changes when and where possible.

HIGHLIGHTS FROM THE REPORTING PERIOD

Homebush, New South Wales

Transpacific Industrials in Homebush regularly meets representatives from the local community. From these meetings it became apparent that further action was needed to reduce odour emissions from the site. In response to community concerns, we commissioned an independent Odour Audit. As a result we have identified areas for additional monitoring and implemented a number of improvements across the site.

In March 2015 another community consultation session was held and the outcomes of the audit and the measures we undertook to mitigate the impacts of odour were well received by the community.

Since undertaking these measures community complaints to our Homebush site have significantly reduced. We continue to evaluate our odour management processes and engage with the local community as required.

Melbourne Regional Landfill, Victoria

Since acquiring the Melbourne Regional Landfill (MRL) in February this year, we have implemented a major transformation of the site commencing with a program of capping and rehabilitation. Not only have we changed the way the site is managed but we are also taking a fresh approach to our relationship with the local community.

We are delivering a program of site improvements and structural changes, including a more extensive litter management system, enhanced leachate treatment capacity, the installation of a $750,000 wheel wash system to minimise the risk of tracking dirt from the site into nearby streets, and reducing the size of the active tip face. The $500,000 upgrade of our gas collection system will not only fix 90 gas collection wells but will greatly improve our ability to generate renewable energy from the site.

Our number one priority as a good neighbour is to effectively engage with the community, to understand their concerns and to work with them to reduce these, wherever possible. The establishment of the MRL Community Consultation Group which first met in June 2015, is the beginning of a long-term dialogue with the local community. The completion of the onsite Community Centre, a free, 24/7 hotline and regular community meetings are all part of our ongoing commitment to open and transparent engagement.

BUILDING OUR SYSTEMS FOR ENVIRONMENTAL COMPLIANCE

Why this is important

Transpacific operates within the environmental regulatory framework prescribed by each state and territory. As such we are subject to licences and approvals which cover the operation of the site, and set conditions around waste discharge and acceptance. Each of our licenced sites must identify potential environmental risks associated with the operation and demonstrate operational compliance with relevant licences and approvals.

Environmental management is the responsibility of each employee and contractor across our sites and our compliance system is subject to regular audit and review.
Our environmental management system is externally certified to ISO14001 by an international, accredited body. In addition we run an internal 'Monitor and Review' program which is the cornerstone of our Health, Safety and Environment (HSE) governance approach.

We operate at or above the standard

We understand that managing landfills responsibly means ongoing monitoring and management that extends far beyond the operating life of a landfill.

Given the long term nature of these commitments, we maintain an accounting provision to cover the expected future liabilities across both open and closed landfills.

The provision has also allowed for significant work to be completed in FY15 to rectify historic operational issues across all our Victorian landfill sites, as a part of our Operational Excellence Program. It's for this reason we have adopted the Victorian EPA *Best Practice Environmental Management Standard for Landfills* to standardise plans and processes across all of our sites to achieve a higher standard of operating efficiency and environmental performance.

Part of our operating regime includes regular monitoring and visual inspections on a daily, weekly, or monthly basis, checking of leachate levels, groundwater and leachate sampling and analysis, and monitoring of landfill gas for migration and surface emissions. We have also been working to increase the perimeter gas network to assess landfill gas migration risk and enable early action. It is expected that approximately 100 new landfill gas perimeter monitoring bores will be installed in FY16.

GREENHOUSE GAS EMISSIONS

We continue to take action on climate change by reducing our greenhouse gas emissions, by the responsible management of our landfill gas, and by assisting our customers' and the community in managing their waste impacts.

OUR CURRENT ACTIVITIES AND PERFORMANCE

Landfill gas

Greenhouse gas emissions generated through our landfills presents the most significant environmental impact from our operations – contributing approximately 70% of our total scope 1 emissions. Our increased focus on recycling, getting more value out of each tonne of waste, as well as our continued investment in landfill gas projects, has reduced our total greenhouse gas emissions year on year. In FY15 Transpacific's total greenhouse gas emissions were 462,635 tonnes CO_2-e, which represents a significant reduction of 22% compared to the prior year.

Landfill gas is generated through the natural breakdown of waste in landfills. Our landfill gas extraction initiatives go beyond that which is legislatively required to reduce the impact of landfills, whilst at the same time recovers a valuable resource. This year we harnessed the landfill gas to generate over 113 million kWh of renewable power which was fed back into the electricity grid, reducing the reliance on fossil fuels for power generation.

We are continuing to expand landfill gas projects across the country. During the reporting period, we have improved our landfill gas management through increased monitoring to detect and evaluate potential migration issues, installed additional, state-of-the-art gas management infrastructure, and have engaged external experts to assist in its maintenance. Under the Emissions Reduction Fund we sold abatement units generated from our Melbourne Regional Landfill and have registered landfill gas collection projects at a number of our other landfills.

Laying the foundations of Australian homes in partnership with Austral Bricks

A prime example of our sustainable and commercial use of landfill gas is our Erskine Park landfill in Western Sydney. The site is being used to power the production of 130 million bricks every year – enough to build around 145,000 homes for Australian families. In partnership with Austral Bricks, gas is captured through a series of vertical wells and funnelled through a 4.7km long pipeline to the Horsley Park brickworks plant. Conditioned and treated, it's then used to fire massive kilns. An environmentally friendly and sustainable solution that is making the most out of each tonne of waste that goes to landfill.

CREATING VALUE THROUGH THE SUSTAINABLE USE OF WASTE

Why this is important

At Transpacific, we believe all waste is a resource. We are driven by extracting maximum value from every tonne or litre of waste we collect and process. We are continually looking for innovative solutions for our customers to sustainably extract more valuable resources from each tonne of waste generated.

We take a holistic approach to understanding the needs of our customers and as an organisation, we have a strong record of supporting them to develop commercially feasible strategies for the sustainable use of their waste. We are seeing an increasing desire from our customers to move towards integrating their environmental and social strategies, and we are there to help them achieve their goals.

HIGHLIGHTS FROM THE REPORTING PERIOD

Petbarn

Transpacific provides total waste management to over 150 Petbarn stores across Australia. In an effort to improve our service and ensure that more valuable resources were recovered and put to better use elsewhere, reducing the overall volume of waste going to landfill, we implemented an innovative reporting function across all Petbarn stores. The aim was to track recycling percentages, service schedule efficiency, and find the 'big offender' – stores with the largest volumes of waste.

Thirty sample stores were selected and then targeted during a series of comprehensive audits. The findings of these audits revealed that a significant proportion of general waste bins were made up of potentially recoverable materials - nearly half of the contents could be recycled if they were sorted and collected using the appropriate bins. Transpacific along with Petbarn's management team worked together to improve recycling rates. Through staff engagement, education and the addition of an organics collections stream to recycle wet and dry pet food, 1,642.1 tonnes of waste was removed from Petbarn stores, with a total recycling rate of 44.6%.

Organics

In April 2015, Transpacific Cleanaway, in conjunction with Albury City, The City of Wodonga, Corowa Shire and Indigo Shire Council introduced a third green-lidded bin specifically for the collection of food and garden organics. The introduction of the new three bin system means that general waste bins can be collected less frequently. Rolled out under the 'Halve Waste' initiative, the goal is to reduce the amount of waste going to landfill by 60% on 2010 levels, by the year 2017.

By diverting organics from landfill, residents in the area will extend the life of Albury's landfill and drastically reduce the landfill's greenhouse gas emissions. The system is expected to divert 20,000 – 25,000 tonnes a year of organic waste from landfill which is converted to high quality compost for agricultural use.

BOARD OF DIRECTORS

MARTIN HUDSON

Chairman of the Board

Independent Non-Executive Director since 14 September 2009 and appointed Chairman of the Board in March 2013

Non-Executive Director of CNPR Limited (appointed December 2011). Former Non-Executive Director of NM Superannuation Pty Ltd (the Trustee of Axa Asia Pacific Holdings Limited's public superannuation funds) and AMP Superannuation Ltd (the Trustee of AMP's public superannuation fund - appointed April 2012) – resigned June 2014.

Significant board and commercial experience in risk management, executive leadership, governance and strategic direction derived from his varying roles at Foster's Group Limited (Senior Vice President Commercial Affairs and Chief Legal Counsel), Southcorp Limited (Company Secretary and Chief General Counsel), Pacific Dunlop Group of Companies (as General Counsel) and for over 20 years, as a partner of national law firm Herbert Smith Freehills.

Holds tertiary qualifications in Law. Member of the Australian Institute of Company Directors.

VIK BANSAL

Executive Director and Chief Executive Officer

Executive Director (appointed 20 August 2015) and Chief Executive Officer (appointed 3 August 2015)

Extensive experience in a range of executive roles in Australia, Asia and the United States and a proven track record of leading organisations through business transition and improvement.

Previously President and Chief Operating Officer for Valmont Industries Inc., a US$3.3 billion NYSE listed company and global leader in designing and manufacturing products for infrastructure and agriculture markets. Prior to that he held senior roles with Arrium Ltd and Eaton Corporation in Australia.

Holds a Bachelor of Electrical Engineering, a Graduate Diploma in Systems Engineering and an MBA in Technology Management.

RAY SMITH

Chairman of the Audit and Risk Committee

Member of the Remuneration and Nomination Committee

Independent Non-Executive Director since 1 April 2011.

Non-Executive Director of K&S Corporation Ltd (appointed February 2008). Former Non-Executive Director of Crowe Horwath Australasia Limited (resigned January 2015) and Warrnambool Cheese and Butter Factory Company Holdings Limited (resigned May 2014). Trustee of the Melbourne and Olympic Parks Trust (appointed 2008).

Significant corporate and financial experience in the areas of strategy, acquisitions, treasury and capital raisings, and was Chief Financial Officer of Smorgon Steel Group for 11 years.

Holds tertiary qualifications in Commerce. Fellow of CPA Australia and Fellow of the Australian Institute of Company Directors.

EMMA STEIN

Member of the Audit and Risk Committee

Member of the Health, Safety and Environment Committee

Independent Non-Executive Director since 1 August 2011.

Non-Executive Director of DUET Group (appointed June 2004), Programmed Maintenance Services Ltd (June 2010) and Alumina Limited (appointed February 2011). Former Non-Executive Director of Transfield Services Infrastructure Fund (resigned July 2011) and Clough Limited (resigned December 2013).

Significant corporate experience within industrial markets and was the UK Managing Director for French utility Gaz de France's energy retailing operations.

Holds tertiary qualifications in Science and a Masters of Business Administration (MBA). Honorary Fellow of the University of Western Sydney. Fellow of the Australian Institute of Company Directors.

TERRY SINCLAIR

Member of the Audit and Risk Committee

Member of the Remuneration and Nomination Committee

Independent Non-Executive Director since 1 April 2012.

Chairman of Marrakech Road Pty Limited, Director - Australasia P3 Global Management Inc. and member of various advisory boards for private equity ventures in e-commerce and technology/ infrastructure.

Former Managing Director of Service Stream Limited (resigned May 2014), Chairman of AUX Investments (jointly owned by Qantas and Australia Post), Director of Sai Cheng Logistics (China), Director of Asia Pacific Alliance (HK) and Head of Corporate Development at Australia Post.

Significant experience across Industrial, Resources and Consumer Services sectors including 20 years in senior management roles in BHP (Minerals, Steel and Transport /Logistics).

Holds a Masters of Business Administration (MBA), a Graduate Diploma in Management and tertiary qualifications in Mining, including Surveying.

MIKE HARDING

Chairman of the Remuneration and Nomination Committee

Member of the Health, Safety and Environment Committee

Independent Non-Executive Director since 1 March 2013.

Chairman of Lynas Corporation Ltd (appointed January 2015) and Downer EDI Limited (appointed November 2010). Former Chairman of Roc Oil Company Limited (resigned December 2014) and Non-Executive Director of Santos Limited (resigned May 2014).

Significant experience within industrial businesses, having previously held management positions around the world with British Petroleum (BP), including President and General Manager of BP Exploration Australia.

Holds a Masters in Science, majoring in Mechanical Engineering.

MARK CHELLEW

Chairman of the Health, Safety and Environment Committee

Member of the Remuneration and Nomination Committee

Independent Non-Executive Director since 1 March 2013.

Executive Chairman of Manufacturing Australia Limited (appointed March 2015). Former Managing Director and Chief Executive Officer of Adelaide Brighton Limited (retired May 2014).

Over 30 years of experience in the building materials and related industries, including roles such as Managing Director of Blue Circle Cement in the United Kingdom and senior management positions within the CSR group of companies in Australia and the United Kingdom.

Holds a Bachelor of Science (Ceramic Engineering), Masters of Engineering (Mechanical Engineering) and Graduate Diploma in Management.

PHILIPPE ETIENNE

Member of the Audit and Risk Committee

Member of the Health, Safety and Environment Committee

Independent Non-Executive Director since 29 May 2014.

Non-Executive Director of Lynas Corporation Limited (appointed January 2015) and Sedgman Limited (appointed February 2015). Former Managing Director and Chief Executive Officer of Innovia Security Pty Ltd (retired September 2014).

Previously held a range of other senior executive positions with Orica in Australia, the USA and Germany including strategy and planning and responsibility for synergy delivery of large scale acquisitions.

Holds a Bachelor of Science in Physiology and Pharmacology and a Master of Business Administration (MBA). Graduate of the Australian Institute of Company Directors and has completed post-graduate qualifications in marketing.

SENIOR EXECUTIVE TEAM

DAVID (DAVE) AARDSMA

Executive General Manager, Growth

David joined Transpacific as Executive General Manager, Growth in January 2015.

David is a highly experienced sales and marketing executive with over 40 years' experience in the US waste management industry and a proven track record of building, transforming and motivating world-class sales and marketing teams.

Prior to joining Transpacific he held the position of Chief Sales & Marketing Officer at Waste Management Inc., responsible for overseeing the company's sales, marketing, pricing and customer service efforts.

ANTHONY (TONY) RODERICK

Managing Director, Industrials

Tony joined Transpacific in December 2005 and was appointed Managing Director for Industrials in October 2009.

Tony has more than 25 years of experience in the environment and waste management industries.

Prior to joining Transpacific he held the position of General Manager Nuplex Environmental Australia and New Zealand. He has also held landfill, liquid waste and market development management positions with Browning Ferris Industries, and Senior Technical positions with Melbourne Water.

Tony holds qualifications in Civil Engineering and Environmental Management.

MARK CRAWFORD

Executive General Manager, Enterprise Operations

Mark joined Transpacific as Executive General Manager, Enterprise Operations in February 2014.

Mark has more than 10 years operational experience gained in senior and executive roles. He has worked across Australia and Asia Pacific to integrate complex business models and has extensive transformation experience across all business disciplines.

Prior to joining Transpacific, Mark held a number of General Management roles at Australia Post, most recently as General Manager for the International business.

Mark holds qualifications in Information Technology.

VIK BANSAL

Chief Executive Officer

Vik has over 20 years experience in a range of executive roles in Australia, Asia and the United States.

Vik has a proven track record of leading organisations through business transition and improvement. He spent five years with Valmont Industries Inc., a US$3.3 billion NYSE global leader in designing and manufacturing products for infrastructure and agriculture markets. Prior to his appointment in 2014 as Valmont's President and Chief Operating Officer, Vik was Group President of Engineering Infrastructure Products, Valmont's largest division. During this time he executed a successful turnaround of the business through a combination of sustained growth, acquisition and profit improvement.

He has previously held senior roles with Arrium Ltd and Eaton Corporation in Australia.

Vik has a Bachelor of Electrical Engineering, a Graduate Diploma in Systems Engineering and an MBA in Technology Management.

BRENDAN GILL

Chief Financial Officer

Brendan has more than 30 years experience as a finance professional, mainly in the mining, steel and energy sectors.

His career included 26 years at BHP Billiton in finance, including as Vice President Finance Carbon Steel, CFO for both the Stainless Steel Materials and Nickel businesses and Global Lead Risk Management & Audit. Since leaving BHP Billiton, Brendan has held CFO roles, most recently as CFO for Inova Resources (previously named Ivanhoe Australia).

Brendan has a Bachelor of Business and is a member of CPA Australia.

TRISH UNWIN

Executive General Manager, People, Environment and Reputation

Trish joined Transpacific as EGM People, Environment and Reputation in January 2014.

Trish has more than 20 years of experience in human resources gained in a range of senior and executive roles in Australia and Asia.

Prior to joining Transpacific, Trish was the Director of Linea Solutions, a consulting business supporting organisations during times of transformation, and had been working with Transpacific since April 2013.

She has also held senior human resources roles with Australia Post and Mars Incorporated.

Trish has a Bachelor of Applied Science and is a Graduate Member of the Australian Institute of Company Directors.

JACK PERKO

Managing Director, Cleanaway

Jack joined Transpacific as Managing Director, Cleanaway in March 2014.

Jack has more than 25 years of waste management and recycling experience gained in a range of senior operational and executive roles across the United States and Canada.

His recent roles include region president for Republic Services, Inc., responsible for the company's operations in the east, covering 16 states and Puerto Rico, employing over 9,000 people with annual revenue of US$2.6 billion.

Jack has a Bachelor of Public Administration and a Master of Business Management.

DAN LAST

General Counsel and Company Secretary

Dan joined Transpacific as General Counsel and Company Secretary in March 2014.

Dan is an experienced General Counsel and Company Secretary with over 15 years' experience in law firms and senior in-house legal roles.

Prior to joining Transpacific, Dan was the General Counsel and Company Secretary of Foster's Group Limited. He has also worked in top tier law firms in Australia and overseas.

Dan has a Bachelor of Laws (Hons), a Bachelor of Commerce and is a Fellow of the Governance Institute of Australia.

CORPORATE GOVERNANCE STATEMENT

Transpacific Industries Group Limited (**Transpacific** or the **company**) believes that high standards of corporate governance are critical to the achievement of business objectives and, in turn, the creation and protection of shareholders' interests, through effective oversight, risk management and transparency.

The Board of Transpacific has adopted a range of charters and policies which enshrine high standards of corporate governance across the company's operations. Copies of Board and Committee charters and key policies and documents supporting Transpacific's corporate governance practices are available on the 'Corporate Governance' section of the Transpacific website: *www.transpacific.com.au/content/corporate-governance.aspx*

These documents are regularly reviewed by the Board in conjunction with management to ensure that they continue to reflect any changes in governance practices and the law.

This Corporate Governance Statement has been approved by the Board and outlines Transpacific's key corporate governance practices and related charters and policies as at 21 August 2015, which are consistent with the ASX Corporate Governance Council's *'Corporate Governance Principles and Recommendations – 3rd Edition'*.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Transpacific Board is responsible for the overall stewardship, strategic direction, governance and performance of the company. The Board operates under a Charter which sets out its role, powers and responsibilities.

The Board's objectives are to:

- oversee and monitor the strategic direction of Transpacific and provide effective oversight of its management and business activities;
- optimise Transpacific's performance so as to create and build sustainable value for shareholders within a framework of appropriate risk assessment and management; and
- seek to ensure Transpacific acts in accordance with its legal and other obligations.

The key responsibilities of the Board in support of these objectives as set out in the Charter are as follows:

- oversight of Transpacific, including its control and accountability systems, that seeks to ensure the creation and protection of shareholder value;
- monitoring of Transpacific's financial position and its ability to meet its debts and other obligations as they fall due;
- promulgating clear standards of ethical behaviour required of Directors, Senior Executives and employees, and encouraging observance of those standards;
- reviewing, ratifying and monitoring systems of risk management, internal compliance and control, codes of conduct and legal compliance;
- ensuring that an appropriate health, safety and environment framework is in place to support safe workplace practices and to comply with Transpacific's environmental obligations;
- contributing to the development of, and final approval of, management's corporate strategy and performance objectives; and
- monitoring the implementation of the strategic plans and performance objectives of Transpacific, and assessing Transpacific's performance against these.

Key functions reserved to the Board as set out in the Charter are as follows:

- adopting an annual budget for the financial performance of Transpacific and monitoring performance against it;
- approving material capital expenditures, acquisitions and divestments and other material transactions;
- approving the Chief Executive Officer's (CEO) terms of engagement, and where required, his termination benefits;
- reviewing the remuneration and incentive framework for senior management and all Transpacific employees;
- approving Transpacific's annual report and financial report upon recommendations from the Audit and Risk Committee, and in accordance with the Corporations Act, ASX Listing Rules and any other applicable regulations;
- approving capital management matters, including Transpacific's dividend policy and authorising payment of dividends;
- ensuring proper and timely financial and governance reporting to shareholders and other stakeholders;
- reviewing on a continuing basis:

- recruitment, retention and termination policies and procedures for senior management; and
- executive succession planning (in particular the office of CEO);
- reviewing, at least annually, diversity initiatives and progress toward their achievement; and
- monitoring and overseeing the management of shareholder and stakeholder relations.

The Board has delegated the responsibility of day to day management and the performance of Transpacific and the development and implementation of Board-endorsed strategy to the CEO and Management. This delegation is formally reflected in, and governed by, delegated authority limits, which are regularly reviewed and endorsed by the Board.

Appointment of Directors and Senior Executives

Transpacific carefully considers the character, experience, education and skillset, as well as interests and associations, of each potential candidate for appointment to the Board and conducts appropriate checks to verify the suitability of the candidate prior to their appointment as a Director.

Transpacific has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a Director is disclosed in the notice of meeting provided to shareholders.

In addition to being set out in the Charter, the roles and responsibilities of Directors are formalised in the letter of appointment which each Director is required to sign to confirm their appointment.

Each letter of appointment specifies the term of appointment, time commitment envisaged, expectations in relation to committee work or any other special duties attaching to the position, reporting lines, remuneration arrangements, disclosure obligations in relation to personal interests, confidentiality obligations, insurance and indemnity entitlements and details of the company's key governance policies.

Each Senior Executive enters into a service contract with the company which sets out the material terms of their employment, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements. Details of contractual entitlements of Senior Executives who are Key Management Personnel are summarised in the Remuneration Report of the Annual Report.

Company Secretary

The Company Secretary is responsible for ensuring that Board policies and procedures are complied with and that governance matters are addressed. The Company Secretary is accountable to the Board, through the Chairperson, on all matters to do with the proper function of the Board.

Each Director is entitled to access the advice and services of the Company Secretary. The appointment and removal of a Company Secretary is a matter reserved for decision by the Board.

Diversity

Transpacific has a workforce made up of people with diverse values, backgrounds, skills, experiences and needs. Diversity at Transpacific encompasses differences in gender, ethnicity, language, age, sexual orientation, religious beliefs, political beliefs, socio-economic status, physical and mental ability, experience and education.

Transpacific values this diversity, and recognises the benefits that it brings to our company, customers and other key stakeholders. Transpacific's Diversity Policy, which can be found at *www.transpacific.com.au/content/diversity-and-equal-opportunity.aspx* and the supporting processes are aimed at creating a culture where our employees understand that each individual is unique and that managing diversity makes us more flexible, productive, creative and competitive.

Under this Policy, the Board is responsible for establishing measurable objectives for achieving diversity within Transpacific and assessing the progress in achieving these objectives.

As part of Transpacific's commitment to gender diversity, the following measurable objectives were set in 2012:

- To increase representation of females across the whole of Transpacific to 20% by 30 June 2015;
- To increase the representation of females in management roles to 25% by 30 June 2015; and
- To increase the representation of females in operational roles to 6% by 30 June 2015.

CORPORATE GOVERNANCE STATEMENT continued

Diversity (continued)

Performance against these objectives is set out below:

TARGETS FOR 30 JUNE 2015	AS AT JUNE 2015	AS AT 30 JUNE 2014	AS AT 30 JUNE 2013	AS AT 30 JUNE 2012
Increase female representation to 20%	20%	20%	19%	18%
Increase females in management roles to 25%	20%	21%	19%	14%
Increase females in operational roles to 6%	4%	4%	4%	4%

During the three year period to 30 June 2015:

> Transpacific achieved an overall increase in female representation across the whole business from 18% in 2012 to 20.24% as at June 2015 - exceeding the 20% target set in 2012;

> Despite achieving significant improvement in female representation in management roles, having increased from 14% in 2012 to 20.42% as at 30 June 2015, Transpacific did not meet the 25% target set in 2012. However female representation in the emerging leader talent pools of supervisor and specialist roles did increase from 21% in 2012 to 27% as at 30 June 2015. So did female representation in sales roles which increased from 35% in 2013 to 53% as at 30 June 2015; and

> Transpacific did not achieve its target to increase female representation in operational roles from 4% to 6%. While the company had some success in supporting female drivers and operators at a local level to improve retention, it continues to be a challenge to attract females to the industry, and in particular to front-line operational roles. Heavy vehicle licence requirements for the majority of front line roles at the company has also contributed to the reduced pool of available female candidates.

Improvements in diversity results have been achieved through a range of initiatives over the three years which included: the My Mentor program, “Challenging Women to Make it Happen”, with 85 female employees across Victoria, NSW, Queensland and Western Australia participating in the program; updating our external recruitment processes for senior roles to ensure external recruiters provide a shortlist of candidates with 25% female representation; conducting our Annual Salary Review with a gender lens for fair pay and equity; and within our Talent & Succession processes identifying females as successors to our senior leadership positions and creating individual development plans to help accelerate their readiness.

In terms of Transpacific’s overall gender profile, one of the seven Non-Executive Directors is female, and one of the eight senior executive members (comprising the Executive Team) is female. Overall 20% of the Transpacific workforce is female. Whilst gender has been the key target, Transpacific recognises the span of diversity is far broader. Accordingly, in the current financial year there will be a range of diversity initiatives which target age diversity and indigenous engagement in addition to gender diversity.

For the current financial year, as part of Transpacific’s commitment to diversity, the following measurable objectives have been set for achievement by 30 June 2016:

> To increase representation of females across the whole of Transpacific to 21%;

> To increase the representation of females in operational roles to 4.5%; and

> To increase age diversity of operational roles, targeting ages 25 to 45 from 46% to 50%.

Performance Evaluation

The Board considers that reviewing its performance is essential to good governance. Under its Charter, the Board is responsible for undertaking regular reviews of its own performance and that of the Board Committees and individual Directors.

The review process is designed to help optimise performance by providing a mechanism to raise and resolve issues, and to provide recommendations to assist the Board, Board Committees and individual Directors to enhance their effectiveness.

The Board’s performance is externally and internally evaluated from time to time. An external evaluation of the performance of Board members was undertaken in February 2015.

The Board is responsible for evaluating the performance of the CEO on an annual basis, assessed against Transpacific's financial performance, business transformation, management development and enhanced safety and sustainability performance. Given the timing of Mr Boucher's resignation and the terms of his separation from the company, no final performance review was conducted in relation to his performance for the 2015 financial year.

The CEO conducts performance reviews of senior executives on an annual basis and reports on their performance to the Remuneration and Nomination Committee. The performance of senior executives was reviewed by the CEO in June 2015.

Transpacific has a performance management system that includes a scorecard of individual performance measures and standards. The system includes processes for the setting of objectives and the annual assessment of performance against objectives.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Transpacific's constitution calls for at least three but not more than 10 Directors. The Board is currently comprised of seven independent Non-Executive Directors, and one Executive Director (the CEO). Profiles of current Directors outlining their appointment dates, qualifications, directorships of other listed companies (including those held at any time in the three years immediately before the end of the financial year), experience and expertise are set out on pages 20 to 21 of the Annual Report.

Director Independence

The Board comprises a majority of independent Non-Executive Directors.

The Charter states that a Non-Executive Director is independent if he or she is not a member of management and is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of Transpacific and its shareholders generally.

When determining the independent status of a Non-Executive Director, the Board will take into account the factors relevant to assessing the independence of a director as specified by the ASX Corporate Governance Council, including whether that Director:

> is a substantial shareholder of Transpacific or an officer of, or otherwise associated directly with, a substantial shareholder of Transpacific;

> is or has been employed in an executive capacity by the Transpacific Group, and there has not been a period of at least three years between ceasing such employment and serving on the Board;

> is or has within the last three years been a partner, director or senior employee of a provider of material professional services to the Transpacific Group;

> is or has been within the last three years in a material business relationship (for example, as a supplier or customer) with the Transpacific Group, or an officer of, or otherwise associated with, someone with such a relationship;

> has a material contractual relationship with Transpacific other than as a director;

> has close family ties with any person who falls within any of the categories described above; or

> has been a director of Transpacific for such a period that his or her independence may have been compromised.

Whether or not a material relationship exists is determined on a case-by-case basis, giving consideration to the nature of the relationship and the specific circumstances of the Director. Materiality is considered from the perspective of the company, the Director, and the person or entity with which the Director has a relationship.

The Board reviews the independence of directors before they are appointed, on an annual basis, and at any other time where the circumstances of a Director changes such as to require reassessment.

The Board has reviewed the independence of each of the Directors in office at the date of this report and has determined that all Non-Executive Directors are independent. Certain Non-Executive Directors hold directorships in companies with which Transpacific has commercial relationships. Details of these other directorships are set out on pages 20 to 21 of the Annual Report.

The independent status of each Director standing for re-election is identified in the notice of Annual General Meeting. If the Board's assessment of a Director's independence changes, the change is disclosed to the market.

CORPORATE GOVERNANCE STATEMENT continued

Conflicts of interest

Directors are required to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of Transpacific. A Director who has an actual or potential conflict of interest or a material personal interest in a matter is required to declare that potential or actual conflict of interest to the Board. If the Board determines that there is a material conflict of interest, the Board may require the relevant director to:

> not receive the relevant papers;
> not be present at the meeting while the matter is considered; and
> not participate in any decision on the matter.

The Board may resolve to permit a Director to have an involvement in a matter involving a potential or actual conflict of interest. In such instances the Board will minute full details of the basis of the determination and the nature of the conflict, including a formal resolution concerning the matter.

Chair of the Board

The Board Charter requires an independent Non-Executive Director to hold the position of Chairperson, unless the Board otherwise resolves. The Chairman, Mr Martin Hudson, is an independent Non-Executive Director.

The Chairman's responsibilities are set out in the Board Charter.

The roles of the Chairman and CEO are not exercised by the same person.

The Chairman attends Board Committee meetings in an ex-officio capacity.

Board Committees

Under the company's constitution and as set out in the Charter, the Board may delegate any of its powers and responsibilities to a committee of the Board to assist it to effectively and efficiently discharge its responsibilities. The Board has established the following Committees:

> Audit and Risk Committee;
> Remuneration and Nomination Committee; and
> Health, Safety and Environment Committee.

The Charter of each Committee sets out their respective duties and responsibilities and is available on the 'Corporate Governance' section of the Transpacific website: *www.transpacific.com.au/content/corporate-governance.aspx*

Details of individual Director's memberships of Committees are provided in the Director biographies on pages 20 to 21 of the Annual Report.

All Directors are entitled to attend meetings of the Committees where there is no conflict of interest. Papers considered by the Committees, and minutes of each Committee meeting, are provided to all Directors. The proceedings of each Committee meeting are reported at the next Board meeting by the relevant Committee Chair.

Independent advice

The Board, an individual Director and each of the Committees has the authority to seek any information it requires from any employee or external party, including the Internal and External Auditors. After consultation with the Chairman, a Director may take such independent legal, financial or other advice as they consider necessary to fulfil their duties, at the expense of the company. The Chairman may determine that any external advice received by an individual Director be circulated to the other Directors.

Induction

Transpacific's Director Induction Program is designed to enable new Directors to gain an understanding of, among other things, the company's culture and values and its financial, strategic, operational and risk management position.

New Directors are given an induction briefing by the Company Secretary and Chairman and an induction pack containing information about the company, Board and Committee Charters and company policies and procedures. New Directors also meet with Senior Executives to gain an insight into the company's business operations and the corporate structure.

Non-executive Directors are encouraged and given the opportunity to broaden their knowledge of the business by receiving regular briefings on Transpacific's operations from the Senior Executive team, undertaking site visits in different locations and receiving presentations from external parties in a range of fields.

Directors' attendance at Board and Committee meetings

The number of Board and Committee meetings held and attendances by Directors at these meetings during the financial year is set out in the Directors' Report on page 46 of the Annual Report.

The Non-Executive Directors meet without the presence of management during the course of regular Board meetings, and on other occasions as required outside regular Board meetings.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee assists the Board in its oversight of Transpacific's:

> remuneration and incentive strategy and arrangements;
> recruitment, retention and succession planning for the Board to ensure that it is of an effective composition, size and commitment to adequately discharge its responsibilities and duties; and
> corporate culture and diversity strategy.

The Committee consisted of the following independent Non-Executive Directors:

R M Harding (Chairman)
R M Smith
T A Sinclair
M P Chellew

The Committee met four times during the year – see page 46 of the Annual Report for details of the number of meetings held and attendances during the financial year.

The Committee's key responsibilities and functions for nomination matters are as set out in the Remuneration and Nomination Committee Charter, include, among other things:

> determining the appropriate size and composition of the Board (including skills, knowledge, diversity and experience) and making recommendations to the Board with regard to any appropriate changes;
> setting a formal and transparent procedure for selecting new Non-Executive Directors for appointment to the Board;
> making recommendations to the Board on the appointment, re-election and removal of directors and appointment and removal of key executives;
> developing and implementing Board and CEO succession plans;
> developing strategies to address Board diversity; and
> ensuring there is an appropriate induction program in place for new Non-Executive Directors, as well as ongoing training and education programs for the Board to ensure that all directors are provided with adequate information regarding the operation of the business, the industry and their legal responsibilities and duties.

The Committee Charter is reviewed annually and a copy is available on the 'Corporate Governance' section of the Transpacific website: *www.transpacific.com.au/content/corporate-governance.aspx*

Board Composition

When reviewing the composition of the Board and making recommendations to the Board regarding the appointment of Directors, the Remuneration and Nomination Committee aims to ensure that the Board continues to include Directors with an appropriate balance of skills, experience, expertise and diversity to efficiently and effectively discharge its responsibilities and govern the company.

Collectively, the Board has a comprehensive and diverse range of skills and experience relevant for the efficient and effective management of the business. Board members, including some who are also directors of other ASX-listed companies, together have a combination of experience in the following areas:

> industrial services and logistics
> corporate strategy
> accounting
> mergers and acquisitions
> risk management
> law, governance and regulation
> health, safety and environment
> other board and management experience

Biographies of current Directors, including details of their qualifications, tenure in office and independent status are provided on pages 20 to 21 of the Annual Report.

The Board considers its current membership represents an appropriate mix of skills and experience to enable the Board to continue to effectively discharge its responsibilities and deliver the company's strategy and corporate objectives.

CORPORATE GOVERNANCE STATEMENT continued

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct

Transpacific recognises that its reputation is an essential element to its continued success and that its reputation is directly attributable to the ethical behaviour of those who represent it. Transpacific has developed a Corporate Code of Conduct (the Code) which sets out certain basic principles that all Directors, employees, contractors and consultants are expected to follow in all dealings related to Transpacific, to ensure that Transpacific's business is conducted in accordance with the laws and regulations of all areas in which it operates.

The Code is fully endorsed by the Board and is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in Transpacific's integrity.

Any breach of the Code is considered a serious matter which may result in disciplinary action, including termination of employment.

A copy of the Code is available on the 'Corporate Governance' section of the Transpacific website: *www.transpacific.com.au/content/corporate-governance.aspx*

Whistleblower policy

Transpacific's Whistleblower Policy further sets out the company's commitment to high standards of conduct and ethical behaviour in all areas of business activity.

Employees who are aware of any serious misconduct or unethical behaviour that contravenes the Corporate Code of Conduct, any company policies or the law, are encouraged to report this to their manager or make a report under the independent whistleblower service, FairCall. The Policy provides that all reports will be investigated in an appropriate manner and that feedback on the outcome of the investigation will be provided to the person making the report where appropriate.

A copy of the Whistleblower Policy is available on the 'Corporate Governance' section of the Transpacific website: *www.transpacific.com.au/content/corporate-governance.aspx*

Securities Trading Policy

Transpacific's Securities Trading Policy reinforces the Corporations Act 2001 restrictions in relation to insider trading and prohibits Directors, Executives and other employees from dealing in Transpacific securities at any time if that person is in possession of price sensitive information that has not been made publicly available. The policy complies with the ASX Listing Rule requirements on trading policies.

Under the policy, employees (other than Directors and Executives) are only permitted to deal in Transpacific securities during six week trading windows commencing the day after:

> the release of Transpacific's half-year and full-year results to the ASX; and
> the Annual General Meeting has been held,

or at any time Transpacific has a prospectus open or that the Board declares trading in Transpacific securities is permissible in a written note to all staff and released to the ASX.

Before any Director or Executive deals in any Transpacific securities at any time, including during trading windows, they must obtain written approval from:

> the Chairman, in the case of Directors and Executives; or
> the Chairman of the Audit and Risk Committee, in the case of the Chairman on the Board.

Directors, Executives and other employees are prohibited from engaging in short-term or speculative trading in Transpacific securities and must not deal in the same Transpacific securities within any three month period.

Directors, Executives and other employees are also prohibited from trading in derivatives in respect of Transpacific securities, including performance rights issued under Transpacific incentives schemes. This includes entering into any hedging arrangements or acquiring financial products (such as equity swaps, caps and collars or other hedging products) over unvested performance rights which have the effect of reducing or limiting exposure to risks associated with the market value of Transpacific securities.

The policy also applies to parties related to the Directors, Executives and employees of the company.

No Director, Executive or employee may directly or indirectly enter into any margin loan facility against Transpacific securities unless prior written consent of the Chairman of the Board is obtained (in the case of employees, this applies only to the extent their margin loan is considered material).

A copy of the Securities Trading Policy is available on the 'Corporate Governance' section of the Transpacific website: *www.transpacific.com.au/content/corporate-governance.aspx*

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Audit and Risk Committee

In relation to audit matters, the Audit and Risk Committee assists the Board to independently verify and safeguard the integrity of Transpacific's financial reporting, review and evaluate all material capital management, financing and treasury risk management proposals and provide oversight of Transpacific's risk management framework.

The Committee consists of a majority of independent Non-Executive Directors as follows:

R M Smith (Chairman)
T A Sinclair
E R Stein
P G Etienne

The Committee has appropriate financial expertise and all members are financially literate and have an appropriate understanding of the industries in which Transpacific operates. Details of each Committee member's experience and qualifications is set out in pages 20 and 21 of the Annual Report.

The Committee met five times during the year – see page 46 of the Annual Report for details of the number of meetings held and attendances during the financial year.

The Chairman of the Board is not permitted to Chair this Committee.

The Committee's responsibilities and functions, as set out in the Audit and Risk Committee's Charter, include (among other things):

> review financial reports (including the annual report and related regulatory filings) to be issued by the company prior to recommending them to the Board for approval and release to the market, to ensure their integrity and compliance with statutory and contractual requirements;

> assess the management processes supporting external reporting;

> review and approve the audit plan of the External Auditors, monitor their progress against that plan, and ensure that the annual statutory audit and half-year review are conducted in an effective manner;

> review and approve the internal audit plan, ensuring that an appropriate program of internal audit activity is undertaken each year, and monitor the progress of the Internal Auditor against that plan;

> on an annual basis, assess the performance and independence of the External and Internal Auditors;

> make recommendations for the appointment or removal of the External and the Internal Auditors;

> assess and monitor risk management and internal control systems (including the Groups' risk management framework) to ensure that material risks are identified, monitored and appropriately managed at levels determined to be acceptable by the Board; and

> review and monitor the compliance with key company policies (including Securities Trading Policy, Continuous Disclosure Policy, Business Rules and Delegated Authority Levels and the Treasury Policy).

The Committee, or any individual member, has the authority to seek any information it requires from any employee or external party, including the Internal and External Auditors.

The Committee meets with the Internal and External Auditors without management present on a regular basis.

The Committee Charter is reviewed annually and a copy is available on the 'Corporate Governance' section of the Transpacific website: *www.transpacific.com.au/content/corporate-governance.aspx*

CORPORATE GOVERNANCE STATEMENT continued

Assurance from CEO and CFO regarding financial statements

In accordance with sections 295A of the Corporations Act 2001 (Cth), the CEO and Chief Financial Officer (CFO) have provided a written statement to the Board declaring that, in their opinion:

> the company's financial statements and notes thereto comply with accounting standards, and present a true and fair view of the company's and consolidated entity's financial position and performance;

> the company's financial records for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001-

and also states that:

> the financial statements and notes thereto are in accordance with the Corporations Act 2001; and

> as at the date of the written statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The written assurance from the CEO and CFO confirms to the Board that the declarations and statements above regarding the integrity of the financial statements is founded on a sound system of risk management and internal control and that such system was operating effectively and efficiently in all material respects in relation to financial reporting risks.

External Auditor

Ernst & Young were appointed as the company's External Auditors in November 2009.

Following a recommendation from the company's Audit and Risk Committee, and in light of the significant number of strategic and operational initiatives being implemented by the company, in August 2014 the Board resolved to extend the lead External Audit partners term for the 2015 financial year audit. This represents the sixth year that the lead External Audit partner has been involved in the audit of the company. In considering the extension in term, the Board considered the lead External Audit partner's knowledge and understanding of the Group, in particular his understanding of its current operating and reporting systems, transformation strategies and programs. The Board noted that this extension is consistent with maintaining the quality of the audit and will not give rise to a conflict of interest. It is proposed to rotate the lead External Audit partner with respect to the 2016 financial year audit.

All non-audit services to be undertaken by the External Auditor require the prior approval of the Chairman of the Audit and Risk Committee.

Ernst & Young's independence declaration to the Board for the financial year ended 30 June 2015 forms part of the Directors' Report and is provided on page 64 of this Annual Report.

The External Auditor attends the company's Annual General meeting to answer questions which shareholders may have about the conduct of the external audit for the relevant financial year, the preparation and content of the Audit Report, the accounting policies adopted by the company and the independence of the External Auditor in relation to the conduct of the External Audit. Shareholders attending the Annual General Meeting are made aware that they may ask such questions of the External Auditor and are provided an opportunity to submit written questions prior to the meeting.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Transpacific has adopted a Continuous Disclosure Policy which sets out the procedures and requirements expected of all employees of the company, including Directors and Senior Executives, to ensure compliance with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act 2001.

A copy of the Continuous Disclosure Policy is available on the 'Corporate Governance' section of the Transpacific website: *www.transpacific.com.au/content/corporate-governance.aspx*

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Transpacific is committed to ensuring shareholders are provided with full, open and timely material information about its activities. In addition to compliance with its continuous disclosure obligations under the ASX Listing Rules, Transpacific achieves this through:

> ensuring that all communications with shareholders, including the annual report and notice of annual general meeting, satisfy statutory requirements and are easily understandable;

> ensuring investors are kept informed about the company and its corporate governance practices and financial performance via the Transpacific website. Investors can access copies of all announcements to the ASX, presentations and media releases, notices of meetings, annual reports, financial statements, policies and charters under the 'Investor Relations' section of the Transpacific website. Investors can access general information about the company under the 'company Information' section of the Transpacific website;

> ensuring that all shareholders have the opportunity to receive communications from and send communications to, the company and share registry electronically;

> encouraging shareholders to attend annual general meetings to hear the Chairman's and CEO's addresses, and to use the opportunity to ask questions. If shareholders are unable to attend in person, they are encouraged to participate through the appointment of a proxy, or proxies. Shareholders are also invited, at the time of receiving the notice of meeting, to submit written questions they would like addressed at the annual general meeting; and

> the External Auditor attends the company's Annual General meetings to answer questions from Shareholders. Shareholders attending the Annual General Meeting are made aware that they may ask questions of the External Auditor and are provided an opportunity to submit written questions prior to the meeting.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The Board recognises that effective risk management processes are essential to the company achieving its business objectives and to the Board meeting its corporate governance responsibilities.

Audit and Risk Committee

In relation to risk oversight, the function of the Audit and Risk Committee is, among other things, to assist the Board to:

> ensure Transpacific's risk management framework is effective, and capable of identifying and assessing areas of potential material risk, as well as monitoring and managing identified material risks;

> monitor material changes to Transpacific's risk profile; and

> assess and monitor risk management and internal control systems to ensure that material risks are reduced to or managed at levels determine to be acceptable by the Board.

Further details regarding the Audit and Risk Committee, its membership and the number of meetings held during the financial year are set out on page 46 of the Annual Report.

Health, Safety and Environment Committee

Transpacific recognises the importance of health, safety and environmental (HSE) issues and is committed to a Zero Harm philosophy.

The Health, Safety and Environment Committee assists the Board in its oversight of Transpacific's strategies, systems, policies and practices in respect of HSE matters, and compliance with its legal and regulatory obligations.

The Committee consisted of the following independent Non-Executive Directors:

M P Chellew (Chairman)

E R Stein

R M Harding

P G Etienne

The Committee met four times during the year – see page 46 of the Annual Report for details of the number of meetings held and attendances during the financial year.

The Chairperson of the Committee must be an independent Non-Executive Director and must not be the same person as the Chairperson of the Board.

CORPORATE GOVERNANCE STATEMENT continued

The Committee's key responsibilities and functions, as set out in the Health, Safety and Environment Committee Charter, include:

> understanding Transpacific's operations and hazards and risks associates with those operations;

> overseeing Transpacific's HSE framework;

> monitoring compliance with, reviewing and recommending to the Board changes to, company HSE policies;

> considering the Transpacific's HSE performance and issues, assessed by reference to agreed targets and measures, including the impact on employees, third parties and reputation of the Group;

> ensuring that appropriate actions are being taken in respect of health, safety and environment incidents, hazards and risks;

> reviewing Transpacific's performance in relation to HSE matters as determined in internal audit reviews; and

> reviewing reports which are prepared and lodged by the company in compliance with its statutory obligations concerning the environment.

The Committee Charter is reviewed annually and a copy is available on the 'Corporate Governance' section of the Transpacific website: *www.transpacific.com.au/content/corporate-governance.aspx*

Approach to Risk Management

The Board has adopted a Risk Management, Compliance and Assurance Policy that sets out Transpacific's commitment to proactive enterprise risk management and compliance. The policy is supplemented by an Enterprise Risk Management Framework that seeks to embed risk management processes into Transpacific's business activities.

Transpacific also has detailed control procedures in place which cover management accounting, financial reporting, maintenance of financial records, project appraisal, environment, health and safety, IT security, compliance and other risk management issues.

In addition to maintaining appropriate insurance, numerous risk management controls are embedded in the company's risk management and reporting systems. These include:

> risk management systems and internal controls seeking to ensure that financial reporting risks are appropriately managed;

> policies regarding the maintenance of written financial records in accordance with section 286 of the Corporations Act;

> guidelines and limits for approval of all expenditure inclusive of capital expenditure and investments;

> policies and procedures for the management of financial risk and treasury operations, including hedging exposure to foreign currencies and interest rates;

> annual budgeting and monthly reporting systems for all divisions which enable monitoring of progress against performance targets, evaluation of trends and variances to be acted upon;

> preparation and ongoing review of five year strategic plans for all divisions;

> health and safety programs and targets; and

> due diligence procedures for acquisitions.

Management reports to the Audit and Risk Committee on a regular basis regarding Enterprise Risk Management compliance, the results of internal audit reviews, and the effectiveness of Transpacific's management of its material business risks.

The Audit and Risk Committee also reviewed Transpacific's Risk Management, Compliance and Assurance Policy and Enterprise Risk Management Framework during the financial year and concluded that the company's risk management processes continue to be sound and that risks are identified, monitored and appropriately managed at levels determined to be acceptable by the Board.

A copy of the Risk Management, Compliance and Assurance Policy is available on the 'Corporate Governance' page of the Transpacific website: *www.transpacific.com.au/content/corporate-governance.aspx*

Internal Audit

Transpacific has a dedicated Risk and Assurance team responsible for evaluating, reporting on and refining risk management processes within Transpacific and for managing the internal audit function across the company's operations.

Transpacific has adopted a co-sourced approach to internal auditing with the Transpacific Risk and Assurance team and KPMG jointly performing the internal audit function in accordance with the annual internal audit plan and reporting to the Head of Audit and Risk.

KPMG were appointed to assist in the performance of the internal audit function in 2010.

The internal audit function is independent of the External Auditor and the Head of Audit and Risk reports to the Audit and Risk Committee. The Audit and Risk Committee approves the annual internal audit plan and regularly meets with KPMG without Management present.

Sustainability risks

Transpacific identifies and manages material exposures to economic, environmental and social sustainability risks in a manner consistent with its Risk Management, Compliance and Assurance Policy and Risk Management Framework.

Information about key sustainability risks which have the potential to materially impact Transpacific's ability to execute and achieve its business strategies, and the broad approach Transpacific takes to mitigate these risks is set out below. These risks are not listed in order of significance, nor should they be taken to be a complete or exhaustive list of the risks and uncertainties associated with Transpacific.

Economic Conditions

Transpacific provides its services and products to individuals, companies and government across a range of economic sectors in Australia including manufacturing, industrial, construction and resources sectors. Changes in the state of the economy and the sectors of the economy to which the company is exposed may have an adverse impact on the demand and pricing for Transpacific's services and products and the company's operating and financial performance.

To the extent possible, the company manages these risks by incorporating a consideration of economic conditions and future expectations into its corporate and financial plans and forecasts.

Financial Risks

Transpacific is exposed to a variety of financial risks, including credit risk and adverse movements in interest rates and foreign currency exchange rates. These risks may have an adverse effect on the company's operating and financial performance.

Information on how Transpacific manages these risks is included in the Notes to the Financial Statements which is on pages 99 to 106 of the Annual Report.

Health and Safety

Transpacific's operations involve risks to both property and personnel. A health and safety incident may lead to serious injury or death, which may result in reputational damage and adverse operating impacts with consequential effects to Transpacific's financial performance and position.

Transpacific manages these risks by developing and implementing appropriate strategies, systems, policies and procedures in respect of operational health and safety matters to ensure compliance with legal and regulatory obligations.

Regulatory Environment

Transpacific's operations are subject to a variety of federal, state and local laws and regulations in Australia. These laws and regulations, and permits and licences granted by the relevant regulators, establish various standards about the types of operations that can be undertaken and the manner in which they are undertaken. Regulatory requirements which have impacted historical results include state-based waste levies, carbon tax, environmental regulation and planning regulations. Changes in regulatory requirements or failure to comply with conditions of permits and licences could adversely affect Transpacific's ability to continue operations on a site and in turn the company's financial performance.

Transpacific manages these risks by developing and implementing appropriate systems, policies and procedures to ensure compliance with applicable regulatory requirements. Furthermore, to the extent possible, the company incorporates consideration of changes in regulatory requirements into its corporate and financial plans and forecasts.

CORPORATE GOVERNANCE STATEMENT continued

Attract and Retain Key Management

Transpacific's operations are dependent upon the continued performance, efforts, abilities and expertise of its key management personnel. The loss of services of such personnel may have an adverse effect on the operations of Transpacific as the company may be unable to recruit suitable replacements within a short timeframe.

Transpacific has in place human resource strategies and remuneration and employment policies to attract, retain and motivate key management personnel and align the interests of key personnel with those of shareholders.

Operational risk

A prolonged and unplanned interruption to Transpacific's operations could significantly impact the company's financial performance. Transpacific is exposed to a variety of operational risks, including risk of site loss or damage, environmental and climatic events, industrial disputes and systems security breaches.

Transpacific has a range of controls and strategies in place to manage such risks, including site business continuity and crisis management plans, inspection and maintenance procedures, compliance programs, training, site and business interruption insurance and systems security testing and improvements.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Remuneration and Nomination Committee

In relation to remuneration and human resources matters, the Remuneration and Nomination Committee is responsible for assisting the Board to, among other things:

> provide oversight of Transpacific's overall human resources strategy (including remuneration and compensation plans); and

> support management to achieve the company's strategy and corporate objectives by developing the capability and engagement of Transpacific's employees.

The Committee does this by ensuring Transpacific has in place appropriate human resources strategies and remuneration and employment policies that are consistent with best practices and business requirements, and that Transpacific adopts and complies with remuneration and employment policies that:

> attract, retain and motivate high calibre executives so as to ensure the sustainable success of Transpacific for the benefit of all stakeholders;

> are consistent with the human resource needs of Transpacific;

> motivate management to pursue the long-term growth and success of Transpacific within an appropriate control framework; and

> demonstrate a clear relationship between Executive performance and remuneration.

The Committee also oversees Transpacific's diversity policies and practices, including remuneration by gender.

Further details regarding the Committee, its membership and the number of meetings held and attendances during the financial year are set out on page 46 of the Annual Report.

Remuneration Report

The Remuneration Report, which has been included in the Directors' Report, provides information on Transpacific's remuneration policies and payment details for Non-Executive Directors and Key Management Personnel.

CONSOLIDATED FINANCIAL REPORT
For the Financial Year Ended 30 June 2015

Contents

DIRECTORS' REPORT

The Directors present their Report together with the Consolidated Financial Statements of the Group, consisting of Transpacific Industries Group Ltd ("Transpacific" or "the company") and its controlled entities, for the financial year ended 30 June 2015 and the Auditor's Report thereon.

Directors

The names of Directors of the company at any time during or since the end of the financial year are set out below. Directors were in office for this entire period unless otherwise stated.

M M Hudson	Non-Executive Director, Chairman
V Bansal	Executive Director and Chief Executive Officer (Appointed 20 August 2015)
R M Smith	Non-Executive Director
E R Stein	Non-Executive Director
T A Sinclair	Non-Executive Director
R M Harding	Non-Executive Director
M P Chellew	Non-Executive Director
P G Etienne	Non-Executive Director
R C Boucher Jr	Executive Director and Chief Executive Officer (Resigned 26 June 2015)

The office of Company Secretary is held by D J F Last, LLB and K L Smith, B.Com (Hons), CA.

Particulars of Directors' qualifications, experience and special responsibilities are detailed on pages 20 and 21 of the Annual Report.

Principal Activities

During the financial year the principal continuing activities of Transpacific Industries Group Ltd and its subsidiaries (the "Group") were:

- Commercial and industrial, municipal and residential collection services for all types of solid waste streams, including general waste, recyclables, construction and demolition waste and medical and washroom services;
- Ownership and management of waste transfer stations, resource recovery and recycling facilities, secure product destruction, quarantine treatment operations and landfills;
- Sale of recovered paper, cardboard, metals and plastics to the domestic and international marketplace;
- Collection, treatment, processing and recycling of liquid and hazardous waste, including industrial waste, grease trap waste, oily waters and used mineral and cooking oils in packaged and bulk forms;
- Industrial solutions including industrial cleaning, vacuum tanker loading, site remediation, sludge management, parts washing, concrete remediation, CCTV, corrosion protection and emergency response services; and
- Refining and recycling of used mineral oils to produce fuel oils and base oils.

During the current year the Group acquired the Melbourne Regional Landfill business in Victoria. Refer to Significant Changes in the State of Affairs and Section A in the notes to the Financial Statements.

Other than matters noted above, there were no other significant changes in the nature of the activities of the Group that occurred during the year.

Dividends and Distributions

The company declared a fully franked dividend on ordinary shares for the financial year ended 30 June 2015 of 1.5 cents per share, being an interim dividend of 0.7 cents per share and final dividend of 0.8 cents per share. The record date of the final dividend is 18 September 2015 with payment to be made 9 October 2015. The financial effect of the final dividend has not been brought to account in the Financial Statements for the year ended 30 June 2015 and will be recognised in a subsequent Financial Report.

Details of distributions in respect of the financial year are as follows:

	2015 $'M	2014 $'M
ORDINARY SHARES:		
Final dividend for the year ended 30 June 2014 – 1.5 cents per share fully paid	23.7	-
Interim dividend for the year ended 30 June 2015 – 0.7 cents per share fully paid	11.1	-
Total Dividends Paid	**34.8**	**-**
STEP-UP PREFERENCE SECURITIES (SPS):		
Distribution of $3.05 (2014: $3.18) per unit paid on 30 September	7.6	8.0
Distribution of $2.99 per unit paid on 15 April	-	7.5
Total Distributions Paid	**7.6**	**15.5**
Total Dividends and Distributions Paid	**42.4**	**15.5**

On 18 August 2014, Transpacific granted approval to the Responsible Entity of the SPS Trust to redeem the SPS securities on 30 September 2014. The Trust was terminated on 6 February 2015.

Review of Results

Financial Results

The Group's Statutory Loss from Continuing Operations and Discontinuing Operations After Income Tax for the year ended 30 June 2015 was $15.4 million (2014: profit of $28.9 million).

The Group's Underlying Profit After Income Tax (Attributable to Ordinary Equity Holders) for the year ended 30 June 2015 of $45.7 million was down by 50.3% on the prior year (2014: $92.0 million).

The Group comprises three continuing segments. Details of the continuing segments and a summary of the segment and Group's results for the financial year are set out below:

Segment Overview

The Group's segment reporting aligns with the Group's divisional structure.

CLEANAWAY	
Core Business	Cleanaway is the leading operator in the solid waste sector in Australia. Services provided include: • Collections – commercial and industrial ("C&I"), municipal and residential collection services for all types of solid waste streams, including general waste, recyclables, construction and demolition waste and medical and washroom services. • Post Collections – ownership and management of waste transfer stations, resource recovery and recycling facilities, secure product destruction, quarantine treatment operations and landfills. • Commodities trading – sale of recovered paper, cardboard, metals and plastics to the domestic and international marketplace.
Financial Metrics	Compared to the previous corresponding period, revenues and underlying EBITDA increased 1.6% and 4.3% respectively. EBITDA recorded in the second half exceeded the first half by 5.8%. Collection revenues and EBITDA (comprising C&I and Municipal) were down 2.5% and 1.9% respectively on the corresponding period last year.
Performance	**Collections** C&I revenues, particularly in the key front lift segment have shown a slight decrease on the previous corresponding period, however, where the pilot sales program was instigated, customer churn rates have declined and revenue has grown. As these new sales programs are rolled out across the company we expect improved results from the C&I business. **Post Collections** The Post Collections business recorded strong revenue and EBITDA growth during the year. The Melbourne Regional Landfill business that was acquired in late February 2015 is performing well. The business also experienced volume increases in its Victorian and Queensland landfills. Internalisation rates have increased to approximately 17% compared to approximately 12% last year ensuring that less cash leaves the Group.
Market Review and Priorities	Market conditions were consistent with those of last year for the Cleanaway business as general economic conditions did impact collection volumes and to a lesser extent post collection volumes. The market conditions for the 2016 financial year are not expected to vary materially from the 2015 financial year. Cleanaway's main priorities will revolve around new sales strategies targeted at improving market share and pricing, and increasing the level of collection volumes being disposed in company owned landfills. There are also a number of landfill opportunities currently being assessed by the business.

Segment Overview (continued)

INDUSTRIALS	
Core Business	Industrials is the leading operator in the areas of: • Technical Services – collection, treatment, processing and recycling of liquid and hazardous waste. • Energy, Minerals and Remediation – services include industrial cleaning, vacuum tanker loading, site remediation, sludge management, parts washing, concrete remediation, CCTV, corrosion protection and emergency response services. • Hydrocarbons – refining and recycling of used mineral oils to produce fuel oils and base oils.
Financial Metrics	The Industrials division recorded revenue and underlying EBITDA declines of 8.1% and 38.1% respectively when compared to the previous corresponding period. Market conditions across the major sectors serviced by this business such as the resources and manufacturing industries remain unchanged.
Performance	**Technical Services** The Technical Services business reported reduced revenues and EBITDA as higher margin hazardous liquid processing volumes declined reflecting the general weakness in the manufacturing, mining and industrial markets. This was partially offset by increases in non-hazardous liquid volumes processed. **Energy, Minerals and Remediation (EMR)** Our Energy Minerals and Remediation business continues to be negatively impacted as resource and mining sector customers implement cost reduction programs due to the fall in commodity prices. **Hydrocarbons** The Hydrocarbons business reported lower waste oil collection volumes, revenues and EBITDA. Collection volumes declined 14% primarily as a result of internalisation of waste oil volumes by a previous customer and the business has been impacted by an average 30% fall in the sales price of both fuel and base oils during the year, brought about by the fall in international oil prices.
Market Review and Priorities	Market conditions for Industrials remained difficult over the 2015 financial year as the demand for services from the manufacturing and industrial sectors continues to decline. The Industrials division is undertaking a number of restructuring programs across all its business to mitigate the downturn in market activity. These include the implementation of a fee based structure for oil collection, the consolidation of processing facilities and the re-scaling of the business.
CORPORATE	
Core Business	Corporate provides a range of shared services functions that are not directly attributable to other identifiable segments. These functions include management, finance, legal, information technology, marketing and human resources that provide support to the other segments.
Financial Metrics	As indicated in February this year, the company accelerated a number of projects to support its strategic goals. These included the next phase of the fleet management processes, roll out of the sales and pricing programs as well as system and process improvements. This resulted in additional corporate costs of $10.3 million being incurred in the second half of the year and total net corporate costs of $23.9 million for FY2015 compared to $9.1 million in the previous corresponding period.
Market Review and Priorities	The Corporate segment will continue to provide support to the other segments whilst also identifying ways to streamline the administration and support services structure.

Group Results

	STATUTORY (1)		UNDERLYING ADJUSTMENTS (2)		UNDERLYING (1)	
	2015 $'M	2014 $'M	2015 $'M	2014 $'M	2015 $'M	2014 $'M
Cleanaway	187.1	(27.0)	10.9	216.8	198.0	189.8
Industrials	(27.3)	86.7	83.1	3.4	55.8	90.1
Share of profits in Continuing Associates	1.4	1.7	-	-	1.4	1.7
Waste Management	**161.2**	**61.4**	**94.0**	**220.2**	**255.2**	**281.6**
Corporate	(30.3)	(38.4)	6.4	29.3	(23.9)	(9.1)
Continuing Operations EBITDA	**130.9**	**23.0**	**100.4**	**249.5**	**231.3**	**272.5**
New Zealand	-	100.9	-	(6.7)	-	94.2
Commercial Vehicles	-	5.3	-	-	-	5.3
Manufacturing	-	(9.9)	-	10.4	-	0.5
Share of profits in Discontinued Associates	-	10.7	-	-	-	10.7
EBITDA(3)	**130.9**	**130.0**	**100.4**	**253.2**	**231.3**	**383.2**
Depreciation and amortisation expenses	(134.8)	(229.2)	1.0	60.9	(133.8)	(168.3)
EBIT(4)	**(3.9)**	**(99.2)**	**101.4**	**314.1**	**97.5**	**214.9**
Net finance costs	(27.1)	(103.4)	(0.9)	26.7	(28.0)	(76.7)
Profit/(Loss) Before Income Tax	**(31.0)**	**(202.6)**	**100.5**	**340.8**	**69.5**	**138.2**
Income tax (expense)/benefit	7.4	59.4	(23.0)	(88.2)	(15.6)	(28.8)
Profit/(Loss) Before Gain on sale of Divestments and After Income Tax	**(23.6)**	**(143.2)**	**77.5**	**252.6**	**53.9**	**109.4**
Gain on sale of Commercial Vehicles Group after items transferred from reserves and income tax	-	131.0	-	(131.0)	-	-
Gain on sale of NZ business after items transferred from reserves and income tax	8.2	41.1	(8.2)	(41.1)	-	-
Profit/(Loss) from Continuing Operations and Discontinued Operations After Income Tax	**(15.4)**	**28.9**	**69.3**	**80.5**	**53.9**	**109.4**
Attributable to:						
Ordinary Equity holders	**(23.6)**	**11.5**	**69.3**	**80.5**	**45.7**	**92.0**
Non-controlling interest	0.6	1.9	-	-	0.6	1.9
Step-up Preference Security holders	7.6	15.5	-	-	7.6	15.5
	(15.4)	**28.9**	**69.3**	**80.5**	**53.9**	**109.4**

1 The use of the term 'Statutory' refers to IFRS financial information and 'Underlying' to non-IFRS financial information. Underlying earnings are categorised as non-IFRS financial information therefore have been presented in compliance with ASIC Regulatory Guide 230 – Disclosing non-IFRS information, issued in December 2011. Underlying adjustments have been considered in relation to their size and nature, and have been adjusted from the Statutory information, for disclosure purposes, to assist readers to better understand the financial performance of the underlying business in each reporting period. These adjustments include transactions or costs that on their own or in combination with a number of similar transactions contribute to more than five percent of after tax profit. These include the financial effect of fair value changes, being the unrealised gains/(losses) arising from the mark-to-market on derivative financial instruments and the impact of asset revaluations (such as derivatives, financial instruments or property). These adjustments and the comparatives are assessed on a consistent basis year-on-year and include both favourable and unfavourable items. The exclusion of these items provides a result which, in the Directors' view, is more closely aligned with the ongoing operations of the Group. The non-IFRS information has been subject to review by the auditors.

2 Details of adjustments from Statutory to Underlying financial information are set out on page 43.

3 EBITDA represents earnings before interest, income tax, and depreciation and amortisation expense.

4 EBIT represents earnings before interest and income tax expense.

The following table reconciles Profit/(Loss) from Continuing and Discontinued Operations After Income Tax (Attributable to Ordinary Equity Holders) to Underlying Profit After Income Tax (Attributable to Ordinary Equity Holders):

	NOTES	2015 $'M	2014 $'M
Profit/(Loss) From Continuing and Discontinued Operations After Income Tax (Attributable to Ordinary Equity Holders)		**(23.6)**	**11.5**
Underlying Adjustments to EBITDA:			
Costs associated with the fleet grounding	1	15.5	-
Impairment of assets	2	77.5	139.4
Rectification expense on landfill assets and operations	3	-	69.2
Net gain or loss on disposal of investments, site closures and acquisition costs	4	5.8	6.5
Restructuring costs, including redundancy	5	-	7.2
Onerous lease provision	6	-	10.9
Changes in fair value of land and buildings taken to profit and loss	7	-	8.3
Costs associated with transformation program and other strategic projects	8	-	10.5
Other costs	9	1.6	1.2
Total Underlying Adjustments to EBITDA		**100.4**	**253.2**
Underlying Adjustments to Depreciation and Amortisation Expense:			
Costs associated with the fleet grounding (depreciation)	1	1.0	-
Accelerated depreciation on landfill assets	10	-	60.9
Total Underlying Adjustments to Depreciation and Amortisation Expense		**1.0**	**60.9**
Underlying Adjustments to Finance Costs:			
Write off of establishment costs associated with former debt facilities	11	-	17.9
Changes in fair value of derivative financial instruments	12	(0.9)	8.8
Total Underlying Adjustments to Finance Costs		**(0.9)**	**26.7**
Underlying Adjustments to Income Tax:			
Tax impacts of Underlying Adjustments to EBITDA and Finance Costs	13	(23.0)	(100.6)
Tax on deemed FX realisation event from NZ divestment	14	-	12.4
Total Underlying Adjustments to Income Tax		**(23.0)**	**(88.2)**
Gain on sale of Commercial Vehicles Group after items transferred from reserves and income tax		-	(131.0)
Gain on sale of NZ business after items transferred from reserves and income tax		(8.2)	(41.1)
Total Gain on Sale from Divestments		**(8.2)**	**(172.1)**
Underlying Profit After Income Tax (Attributable to Ordinary Equity Holders)		**45.7**	**92.0**

1 Relates to costs associated with the grounding of the Group's fleet as a result of a fatal accident. Lost revenue as a direct result of this incident of $2.1 million has not been recognised in the accounts as it was an opportunity cost.
2 Relates to impairment of plant and equipment and intangible assets. Prior year relates to landfill remediation review conducted during 2014.
3 Relates to rectification expense on landfill assets and operations as a result of the landfill remediation review.
4 Relates to the net realised gain or loss on disposal of investments, sale of properties and assets and acquisition costs.
5 Relates to costs associated with redundancies due to site closures and organisational structure changes.
6 Relates to onerous lease for two leasehold properties.
7 Relates to decreases in the fair value of property, plant and equipment taken to profit and loss.
8 Relates to costs associated with the implementation of transformation programmes and other strategic projects initiated by the CEO during the prior year.
9 Relates to other one off costs.
10 Relates to accelerated depreciation on landfill assets as a results of landfill remediation review.
11 Relates to write off of establishment costs associated with former debt facilities.
12 Relates to changes in the mark-to-market valuation of derivative financial instruments.
13 Relates to the tax impact on the Underlying Adjustments to EBITDA and finance costs.
14 Relates to NZ divestment giving rise to a deemed NZ FX realisation event on Branch loan notes.

DIRECTORS' REPORT
CONTINUED

Principal Risks

The material business risks that could adversely impact the Group's financial prospects in future periods are economic growth and the regulatory environment.

RISK	
Economic Growth	The state of the economy and the sectors of the economy to which the Group is exposed materially impacts future prospects. Factors which have impacted results in recent periods include increases and decreases in GDP and CPI, increases and decreases in manufacturing, industrials, construction industry and resource sector activity.
Regulatory Environment	The regulatory environment materially impacts future prospects. Regulatory requirements which have impacted historical results include state-based waste levies, carbon tax, environmental regulations and planning regulations. Regulatory requirements, including environmental regulations impacting waste management activities, have increased over time and will potentially increase in the future.

The Group manages these risks in accordance with ASX Principle 7: Recognise and Manage Risk as set out in the Corporate Governance Statement on the Transpacific website.

Financial Position Review

Operating Cash Flows

Operating cash flow decreased 21.2% (2014: decrease of 20.9%) to $176.2 million (2014: $223.5 million). The decrease in the operating cash flow was primarily a result of the divestment of businesses in the prior year.

Balance Sheet

The Group's net assets has decreased from $2,058.7 million to $1,754.7 million primarily as a result of the redemption of the SPS Trust loan notes in September 2014, the drawdown of additional debt to fund the Melbourne Regional Landfill acquisition and impairment of plant and equipment and intangible assets in the Hydrocarbons business, partly offset by assets acquired.

Debt Management

On 30 June 2014, the Group repaid loans of $692.0 million and cancelled syndicated banking facilities of $896.0 million. This facility was replaced with a $400.0 million syndicated facility effective from 1 July 2014.

On 17 February 2015, an extension to the syndicated bank facility of $200.0 million was finalised for the purchase of the Melbourne Regional Landfill business. At the balance date the Group had total syndicated debt facilities of $653.9 million (2014: $356.9 million) and an uncommitted bank guarantee facility of $40.0 million.

Significant Changes in the State of Affairs

On 28 February 2015, the Group acquired the Melbourne Regional Landfill business, including existing licences and permits, from Boral Ltd for total cash consideration of $156.7 million and deferred consideration of $89.9 million. Refer to Section A3 in the notes to the accounts.

Other than matters mentioned in this Report, no other significant changes in the state of affairs of the Group occurred during the financial year under review.

Events Subsequent to Reporting Date

There were no significant events subsequent to year end.

Likely Developments and Expected Results of Operations

The Group will continue to pursue strategies aimed at improving the profitability, return on capital employed and market position of its principal activities during the next financial year.

Disclosures of information regarding the likely developments in the operations of the Group and the expected results of those operations in future financial years have been included in the Segment Overview section of this Report.

Environmental Regulation

The Group's operations are subject to significant environmental regulation and the Group holds environmental licences for its sites.

The Group is committed to achieving the highest standards of environmental performance. There were no material breaches of environmental statutory requirements and no material prosecutions during the year. Aggregate fines paid during the year were $110,473 (2014: $20,814).

The Group is registered under the *National Greenhouse and Energy Reporting Act*, under which it is required to report energy consumption and greenhouse gas emissions for its Australian facilities.

In addition, the Group's Australian operations have been required to comply with the Australian Federal Government's *Clean Energy Act* from 1 July 2012.

Indemnification of Auditors

To the extent permitted by law, the company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement, against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

DIRECTORS' REPORT
CONTINUED

Directors' Meetings

The number of Directors' meetings (including circular resolutions) and Committee meetings, and the number of meetings attended by each of the Directors of the company during the financial year were:

	BOARD MEETINGS		AUDIT AND RISK COMMITTEE		HEALTH, SAFETY AND ENVIRONMENT COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE	
	MEETINGS HELD WHILE A DIRECTOR	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED
DIRECTORS								
M M Hudson	13	13	-	-	-	-	-	-
R M Smith	13	13	5	5	-	-	4	4
E R Stein	13	13	5	5	4	4	-	-
T A Sinclair	13	13	5	5	-	-	4	4
R M Harding	13	13	-	-	4	3	4	3
M P Chellew	13	13	-	-	4	4	4	4
P G Etienne	13	13	5	5	4	4	-	-
FORMER DIRECTOR								
R C Boucher Jr	13	11	-	-	-	-	-	-

Directors' Interests

The relevant interest of each Director in the shares and options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the Directors to the Australian Securities Exchange in accordance with section 205G(1) of the *Corporations Act 2001*, at the date of this Report is as follows:

	ORDINARY SHARES	PERFORMANCE RIGHTS
DIRECTORS		
M M Hudson	75,258	-
R M Smith	65,715	-
E R Stein	53,573	-
T A Sinclair	38,789	-
R M Harding	12,644	-
M P Chellew	25,000	-
P G Etienne	13,737	-
FORMER DIRECTOR		
R C Boucher Jr	-	-

REMUNERATION REPORT (AUDITED)

This Remuneration Report (Report) outlines the remuneration arrangements for Key Management Personnel (KMP) of the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. The information in this Report has been audited as required by section 308(3C) of the Corporations Act 2001.

Contents

The Report contains the following sections:

1. Key Management Personnel

For the purposes of this Report, Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the company.

Consistent with last year's Report, this includes the former Chief Executive Officer (CEO), the Chief Financial Officer (CFO) – including his role as Acting CEO, the Managing Directors of the Cleanaway and Industrials businesses, as well as the newly appointed Executive General Manager – Growth. Key changes during the year were:

- The resignation of Mr Boucher (the former CEO);
- The departure of Mr Cummins (the former CFO);
- The appointment of Mr Gill as CFO, following the departure of Mr Cummins; and
- The appointment of Mr Aardsma as Executive General Manager – Growth. This is a newly created position and recognises that growth is one of Transpacific's four key strategic priorities. Mr Aardsma works with the Cleanaway and Industrials businesses to build sustainable growth platforms, boost Transpacific's internal growth disciplines and increase Transpacific's capability to drive future growth and importantly customer retention.

The KMP disclosed in this Report for the financial year ended 30 June 2015 are detailed in the following table.

In addition, on 15 July 2015, the company announced the appointment of Mr Bansal as CEO. Mr Bansal commenced on 3 August 2015. Whilst not an employee for the financial year ended 30 June 2015, as a KMP at the date of signing this Report, Mr Bansal's contractual terms and remuneration arrangements have been outlined in this Report.

Key Management Personnel (continued)

NAME	TITLE	PERIOD KMP (IF LESS THAN FULL YEAR)
EXECUTIVES		
D A Aardsma	Executive General Manager – Growth	From 15 January 2015
B J Gill	Chief Financial Officer (from 30 September 2014) and Acting Chief Executive Officer (from 26 June 2015 to 3 August 2015)	From 30 September 2014
J Perko	Managing Director Cleanaway	
A G Roderick	Managing Director Industrials	
FORMER EXECUTIVES		
R C Boucher Jr	Executive Director and Chief Executive Officer	Until 26 June 2015
S G Cummins	Chief Financial Officer	Until 29 September 2014
NON-EXECUTIVE DIRECTORS		
M M Hudson	Chairman and Non-Executive Director	
R M Smith	Non-Executive Director	
E R Stein	Non-Executive Director	
T A Sinclair	Non-Executive Director	
R M Harding	Non-Executive Director	
M P Chellew	Non-Executive Director	
P G Etienne	Non-Executive Director	

2. GOVERNANCE AND ROLE OF THE BOARD

The Remuneration and Nomination Committee (Committee) assists the Board in its oversight of the Group's:

- Remuneration and incentives strategy and arrangements;
- Recruitment, retention and succession plans for the Board and executive management team;
- Corporate culture; and
- Diversity strategy.

The Committee is comprised entirely of independent Non-Executive Directors.

During the year, to assist in its duties, the Committee and management sought information and support from external providers, including Ashurst, Guerdon Associates, Mercer and PricewaterhouseCoopers. The information provided included market remuneration data, market practice on executive reward structures, advice on incentive plan rules, regulations and awards, and benchmarking of remuneration. In addition, assistance was provided in preparing material for internal and external discussions around proposed reward changes.

The Committee did not receive any remuneration recommendations as defined in the Corporations Act 2001 from remuneration consultants during the year in relation to KMP.

3. NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-Executive Directors are paid a fee for being a Director of the Board and an additional fee if they chair a Board Committee.

Non-Executive Director fees are not linked to the performance of the Group and Non-Executive Directors do not participate in any of the Group's incentive plans.

Non-Executive Director fees are reviewed annually, and are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The current aggregate fee limit of $1,200,000 (inclusive of superannuation contributions) was approved by shareholders at the company's 2010 Annual General Meeting. For the financial year ended 30 June 2015, the aggregate fees (inclusive of superannuation) paid to all Non-Executive Directors was $1,118,058. This represents an increase of 13.8% compared to FY2014 and reflects Mr Etienne's appointment for the full financial year.

Aside from the 0.25% Superannuation Guarantee increases effective 1 July 2013 and 1 July 2014, the base fees paid to Non-Executive Directors have not increased since 2010.

The Chairman's fee was increased to $300,000 effective 1 July 2015 to bring the Chairman's fee into line with peer companies and to recognise the increased effort required of the role of Chairman.

The fee structure for the year ended 30 June 2015 is detailed in the following table:

	BOARD $	AUDIT AND RISK COMMITTEE $	HEALTH, SAFETY AND ENVIRONMENT COMMITTEE $	REMUNERATION AND NOMINATION COMMITTEE $
Chairman	275,630	30,069	20,046	20,046
Non-Executive Director	125,287	-	-	-

The remuneration received by Non-Executive Directors for the financial years ended 30 June 2015 and 30 June 2014 is set out in the following table:

	FINANCIAL YEAR	SALARY AND FEES $	SUPERANNUATION BENEFITS $	TOTAL $
NON-EXECUTIVE DIRECTORS				
M M Hudson	**2015**	**251,712**	**29,747**	**281,459**
	2014	252,288	23,337	275,625
R M Smith	**2015**	**141,875**	**16,766**	**158,641**
	2014	142,199	13,153	155,352
E R Stein	**2015**	**114,415**	**13,946**	**128,361**
	2014	133,025	12,305	145,330
T A Sinclair	**2015**	**114,415**	**13,515**	**127,930**
	2014	123,720	11,444	135,164
R M Harding	**2015**	**132,722**	**15,678**	**148,400**
	2014	123,699	11,442	135,141
M P Chellew	**2015**	**132,722**	**15,260**	**147,982**
	2014	114,677	10,608	125,285
P G Etienne[1]	**2015**	**114,415**	**10,870**	**125,285**
	2014	9,535	882	10,417
Total	**2015**	**1,002,276**	**115,782**	**1,118,058**
	2014	899,143	83,171	982,314

1 Appointed as a Non-Executive Director 29 May 2014

4. Executive Reward Strategy and Framework

4A. Strategy and Framework

The Group's remuneration strategy is designed to attract, retain and motivate high calibre Executives to ensure the sustainable success of the Group for the benefit of all stakeholders.

The Board ensures that executive remuneration satisfies the following key criteria for good remuneration governance practices:

- Aligned to the Group's business strategy;
- Competitive and reasonable as benchmarked against the external market;
- Performance linked to individual and financial performance; and
- Aligned to shareholder value.

The Board, upon the recommendation of the Remuneration and Nomination Committee, has developed and adopted a structure driven by these key criteria which comprises a mix of fixed and variable remuneration components. The mix of these components for the CEO and other Executive Key Management Personnel is summarised below.

4B. Remuneration Elements

The total remuneration packages for the CEO and other Executive KMP (other than Mr Aardsma) consist of the following elements:

FINANCIAL YEAR	TOTAL FIXED REMUNERATION	SHORT TERM INCENTIVE		LONG TERM INCENTIVE	STRATEGIC LONG TERM INCENTIVE COMPONENT (ONE-OFF AWARD)
2015	Annual fixed remuneration, including superannuation and other benefits.	CEO: Outcome based on company and individual performance. 50% of any STI payable in cash; 50% as Performance Rights with vesting deferred for 2 years.	Executive KMP: Outcome based on company and individual performance. 67% of any STI payable in cash; 33% as Performance Rights with vesting deferred for 2 years.	Performance Rights linked to relative TSR and ROIC.	Performance Rights linked to completion of Strategic Initiatives.
2016	As above	As above	As above	As above	N/A in FY2016 and onwards

See Section 5 for further detail on each of the elements listed above.

4C. Shareholding Guideline

The CEO and executive team are encouraged to build and maintain a shareholding in the company equivalent to:

- CEO – 100% of annual total fixed remuneration (TFR); and
- Executive Team – 50% of annual TFR.

It is expected that this shareholding will be accumulated within five years from 1 July 2015, or the initial appointment date to an Executive role, whichever is later.

5. EXECUTIVE KEY MANAGEMENT PERSONNEL – REWARD OUTCOMES

5A. Remuneration Received

The remuneration received by Executive KMP for the financial years ended 30 June 2015 and 30 June 2014 is set out in the following table. Note, as Mr Bansal commenced with the company on 3 August 2015, he has not received any remuneration in either financial year. As previously disclosed, Mr Bansal's TFR is $1,200,000.

The share-based payments reflect the amounts required under the Australian Accounting Standards to be expensed by the Group in relation to any LTI and the deferred component of any STI. They represent the value of vested and unvested equity expensed during the period including reversal for forfeited equity incentives and the probability of the incentives vesting. These figures are accounting values and not the amounts actually received by Executive KMP. Whether or not Executive KMP realise any value from these share based payments will depend upon the satisfaction of the applicable performance conditions.

		SHORT TERM BENEFITS				SHARE-BASED PAYMENTS[1]	POST EMPLOYMENT		
	FINANCIAL YEAR	SALARY AND FEES $	OTHER CASH $	STI CASH $	NON-MONETARY BENEFITS $	PERFORM-ANCE RIGHTS $	SUPER-ANNUA-TION BENEFITS $	TERM-INATION PAY $	TOTAL $
EXECUTIVE KEY MANAGEMENT PERSONNEL									
D A Aardsma[2]	**2015**	**498,439**	**86,507**	-	**26,826**	-	-	-	**611,772**
B J Gill	**2015**	**438,148**	-	-	**1,034**	**49,194**	**14,300**	-	**502,676**
J Perko[3]	**2015**	**752,820**	-	-	**40,019**	**373,704**	-	-	**1,166,543**
	2014	238,457	164,923	59,250	2,814	80,092	-	-	545,536
A G Roderick	**2015**	**707,561**	-	-	**4,443**	**453,641**	**18,783**	-	**1,184,428**
	2014	633,530	188,762	39,100	2,082	30,349	17,775	-	911,598
FORMER EXECUTIVE KEY MANAGEMENT PERSONNEL									
R C Boucher Jr[4]	**2015**	**1,506,068**	**500,000**	-	**32,800**	-	-	**30,315**	**2,069,183**
	2014	654,667	168,348	333,150	4,215	250,000	-	-	1,410,380
S G Cummins[5]	**2015**	**203,867**	-	-	**9,545**	**(234,272)**	**8,853**	**598,954**	**586,947**
	2014	633,530	250,000	209,600	3,685	221,491	17,775	-	1,336,081
Total [6]	**2015**	**4,106,903**	**586,507**	-	**114,667**	**642,267**	**41,936**	**629,269**	**6,121,549**
	2014	2,160,184	772,033	641,100	12,796	581,932	35,550	-	4,203,595

1 The fair value of the Performance Rights is measured at the date of grant using a Monte Carlo simulation method and the Black Scholes model for market based components and the share price on issue for non-market components and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed in the remuneration table above is the portion of the fair value of the Performance Rights allocated to this reporting period.

2 Other cash comprises costs associated with Mr Aardsma's relocation. Non-monetary benefits comprises costs associated with Mr Aardsma's personal travel between Australia and the USA and health insurance.

3 Non-monetary benefits comprises costs associated with Mr Perko's personal travel between Australia and the USA and health insurance.

4 KMP until 26 June 2015. Other cash comprises a $500,000 cash award as part of Mr Boucher's FY2015 Long Term Incentive; termination pay comprises a return flight to the United States and tax advice to cover the completion of his Australian tax return.

5 KMP until 29 September 2014. Termination pay comprises a payment in lieu of notice of $598,954.

6 Former executive key management personnel disclosed in the 2014 remuneration report who did not have any remuneration paid during FY2015 include, K G Campbell (2014: $474,843), C M Carroll (2014: $635,858), N J A Clark (2014: $1,263,025), P A Glavac (2014: $1,301,238) and T H Nickels (2014: $636,330).

An explanation of the key remuneration elements (TFR, STI and LTI) as well as FY2015 outcomes is provided in the following sections.

5B. Total Fixed Remuneration

Total Fixed Remuneration consists of base salary plus statutory superannuation contributions and other benefits. Executives receive a fixed remuneration package which is reviewed annually by the Committee and the Board taking into consideration the following factors:

- Business and individual performance;
- The responsibilities of the role;
- The qualifications and experience of the incumbent; and
- Benchmark market data including those companies with which the Group competes for talent.

There are no guaranteed base pay increases included in any Executive KMP contract.

FY2015 Total Fixed Remuneration Outcomes

As part of transitioning Mr Boucher from an open-ended to a fixed term contract, Mr Boucher's TFR was increased from $1,100,000 to $1,500,000, effective 1 July 2014.

Mr Perko, Managing Director Cleanaway, received an increase in TFR from $726,000 to $826,000, effective 26 March 2015. This increase was intended to ensure that Mr Perko's remuneration remained competitive when considering both the Australian and United States executive employment markets.

For the period Mr Gill was in the role of Acting CEO, he received a monthly allowance of $8,000 in addition to his TFR of $600,000 in order to provide temporary and partial compensation for his additional responsibilities and duties.

5C. Short Term Incentive

Transpacific's STI is an annual plan that is used to motivate and reward Executives across a range of performance measures over the financial year. STI opportunities are expressed as a percentage of TFR:

- Mr Boucher had the ability to earn a target STI of 75% of TFR and a stretch of 150% of TFR.
- Mr Bansal will commence participation in the STI plan in FY2016 and has the ability to earn a target STI of 75% of TFR and a stretch of 150% of TFR.
- Other Executive KMP, with the exception of Mr Aardsma, have the ability to earn a target STI of 50% of TFR with a stretch of 93.75% of TFR. Mr Gill's opportunity remained unchanged for the period he was in the role of Acting CEO.
- Reflecting the two year (with the option for a third) term of his employment contract, Mr Aardsma does not participate in Transpacific's STI plan (nor the LTI plan). Instead Mr Aardsma participates in an Annual Assignment Achievement Bonus plan with a target opportunity of $300,000 (i.e. 50% of his TFR) and a maximum opportunity of $600,000 (i.e. 100% of his TFR). Any payment under this plan is subject to Mr Aardsma's achievement of growth transformation milestones as agreed with the CEO.

Payments under the STI plan are subject to the achievement of a company Performance Multiplier linked to the achievement of Transpacific's FY2015 Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) target. The Board considers EBITDA to be an appropriate performance measure as it aligns with Transpacific's focus on generating cash flow from the existing asset base and financial results that management can influence. Significant extraordinary events are included as a discretionary item for the Board to consider.

Individual STI payments are determined by reference to a scorecard of financial and non-financial measures that are assessed at the Group, Divisional and individual level, depending upon the Executive, and are drawn from the following categories:

- Financial: performance measures include earnings before interest and tax, net profit after tax, and return on total assets
- Strategy, Customer and Market: performance measures include the execution of strategic, Board approved, projects
- Operations: performance measures include execution of business transformation projects, total recordable injury frequency rate and reduction in major and significant environmental incidents
- People: performance measures include succession planning and employee engagement.

Short Term Incentive (continued)

For the CEO, any STI is payable half in cash and half in Performance Rights with vesting deferred for 2 years. For Executive KMP, with the exception of Mr Aardsma, STI payments are payable two-thirds in cash and one-third in Performance Rights with vesting deferred for two years. The Performance Rights portion of the payment is intended to align the longer term interests of Executive KMP and shareholders. For Mr Aardsma, any Annual Assignment Achievement Bonus is payable entirely in cash.

The cash component is paid after finalisation of the audited Consolidated Financial Statements each year. The Performance Rights are allocated around the same time with a two year restriction period, subject to continued employment.

FY2015 Short Term Incentive Outcomes

As FY2015 EBITDA achievement was below the threshold of 95% of target, no STI was payable.

5D. Prior Short Term Incentive Awards

As a participant in the FY2014 STI, Mr Boucher was allocated 372,651 Performance Rights. As vesting of these rights was subject to employment with the Group at 30 June 2016, they were forfeited by Mr Boucher.

As a result of Mr Cummins' departure, he forfeited the Performance Rights that were due to be allocated to him in relation to the FY2014 STI.

5E. FY2015 Long Term Incentive – Former CEO

As disclosed to the Australian Securities Exchange (ASX) on 16 January 2015, there were a number of changes made to Mr Boucher's employment contract and incentive arrangements, including the entitlement to a one-off Long Term Strategic Incentive grant. Approval for the grant of Performance Rights was to be sought at the 2015 Transpacific Annual General Meeting.

As the first Strategic Initiative was satisfied with the successful completion of the company's acquisition of the Melbourne Regional Landfill, Mr Boucher received a cash award of $500,000.

Vesting of the remaining cash award and Performance Rights under the FY2015 LTI was subject to employment with the Group at 30 June 2018 as well as the achievement of the relevant performance standards. As a result, Mr Boucher forfeited the remaining $500,000 in relation to the achievement of the remaining strategic milestones as well as the 3,747,198 Performance Rights that were subject to shareholder approval at the 2015 Annual General Meeting.

5F. FY2015 Long Term Incentive – Executive KMP

In order to underpin the Transpacific transformation plan, a special Strategic Incentive was included in the FY2015 LTI on a one-off basis to Executive KMP (other than Mr Aardsma) in FY2015.

The Strategic Incentive component is included in the LTI for FY2015 only and aims to focus Executives on the key transformational objectives on which the Group has embarked.

The maximum value of these grants for Executive KMP is 100% of TFR. Half of this (i.e. 50% of TFR) relates to relative TSR and Return on Invested Capital (ROIC), and represents the Executives' standard LTI grant. The Board considers ROIC to be an appropriate performance measure as it focuses on managing both the financial returns and the invested capital base used to generate those returns. The remaining half (i.e. a further 50% of TFR) is linked to the achievement of Strategic Initiatives. From FY2016 Executive KMP will revert to the standard LTI structure that consists solely of relative TSR and ROIC.

FY2015 Long Term Incentive – Executive KMP (continued)

The structure of the FY2015 LTI is summarised as follows:

	FY2015 LTI AWARD
Performance period	up to 4 years: 1 July 2014 – 30 June 2018
Overview	Performance Rights, vesting of which is subject to: • Relative TSR (25%) • ROIC (25%) • Strategic Initiatives (50%)
TSR performance standards (measured over 3 years: 1 July 2014 to 30 June 2017)	TSR Ranking against the S&P/ASX200 Industrial Sector Index: • <50^{th} percentile - 0% vesting • 50^{th} percentile - 50% vesting • 50^{th} - 75^{th} percentile - straight line vesting between 50% and 100% • 75^{th} percentile and above - 100% vesting
ROIC performance standards (measured over 3 years: 1 July 2014 to 30 June 2017)	Actual ROIC to be achieved: • <4.29% - 0% vesting • 4.29% - 20% vesting • 4.29% - 5.29% - straight line vesting between 20% and 50% • 5.29% - 7.29% - straight line vesting between 50% and 100%
Strategic Initiatives (measured over 4 years: 1 July 2014 to 30 June 2018)	Details of the other Strategic Initiatives have not yet been disclosed as they relate to significant strategic objectives, and disclosure of the objectives would be prejudicial to the Group's interests. The nature of these targets will be disclosed following the completion of the performance period. Broadly, each initiative will be assessed against predefined success criteria. Where these are met in full for a given tranche, the corresponding full amount will vest.
Vesting date	14 days after the release of the FY2017 and FY2018 results
Number of rights remaining on issue as at 30 June 2015	4,210,624
Grant value for accounting purposes	\$0.17 to \$0.68

Number of Performance Rights

There were 4,210,624 Performance Rights issued under the FY2015 LTI, all of which remain on issue at 30 June 2015. As a share-based payment, these Performance Rights were valued for accounting and reporting purposes using the Monte Carlo simulation method and Black Scholes Model at between \$0.17 and \$0.68 each.

5G. Prior Long Term Incentive Awards

In prior years, Executive KMP participated in an annual LTI plan. The plan varied slightly from year to year but in general each award provided Executives with Performance Rights that vested subject to the relevant performance hurdles being met, at which point they would be converted into ordinary shares in the company.

Where a participant ceased employment prior to the end of the performance period, the Performance Rights were forfeited unless the Board applied its discretion. The Board has discretion to determine the extent of vesting in the event of a change of control, or where a participant dies, becomes permanently disabled, retires or is made redundant.

In previous years, the Board required that Executive KMP held shares in the company to the value of at least 12 months' TFR at the LTI vesting date, in order for the vested shares to be made available on an unrestricted basis. Where this guideline was not met, 50% of the ordinary shares allocated to Executives upon vesting were restricted until such time as the Executive held the equivalent of 12 months' TFR in company shares. As described in Section 4C above the Board has waived this restriction from FY2015, instead putting in place a guideline that applies to all shareholdings, rather than LTI specifically.

The following table outlines the terms of LTI grants made from FY2012 to FY2014:

	FY2012 LTI AWARD	FY2013 LTI AWARD	FY2014 LTI AWARD
Performance period	4 years: 1 July 2011 to 30 June 2015	4 years: 1 July 2012 to 30 June 2016	4 years: 1 July 2013 to 30 June 2017
Overview	Performance Rights, vesting of which is subject to: • Relative TSR (50%) • Earnings Per Share (50%)	Performance Rights, vesting of which is subject to: • Relative TSR (50%) • Earnings Per Share (50%)	Performance Rights, vesting of which is subject to: • Relative TSR (50%) • Earnings Per Share (50%)
TSR performance standards	TSR Ranking against the S&P/ASX200 Industrial Sector Index: • <50th percentile – 0% vesting • 50th percentile and above – 100% vesting	TSR Ranking against the S&P/ASX200 Industrial Sector Index: • <50th percentile – 0% vesting • 50th percentile – 50% vesting • 50th – 75th percentile – straight line vesting between 50% and 100% • 75th percentile and above – 100% vesting	TSR Ranking against the S&P/ASX200 Industrial Sector Index: • <50th percentile – 0% vesting • 50th percentile – 50% vesting • 50th – 75th percentile – straight line vesting between 50% and 100% • 75th percentile and above – 100% vesting
EPS performance standards	Annualised EPS growth: • <15% – 0% vesting • 15% – 50% vesting • 15-20% – straight line vesting between 50% and 75% vesting • 20-25% – straight line vesting between 75% and 100%	Average EPS: • <10 cents per share – 0% vesting • 10 cents per share – 50% vesting • 10 – 12.8 cents per share – straight line vesting between 50% and 75% vesting • 12.8 – 14.0 cents per share – straight line vesting between 75% and 100% • >14 cents per share – 100% vesting	Average EPS: • <10 cents per share – 0% vesting • 10 cents per share – 50% vesting • 10 – 12.8 cents per share – straight line vesting between 50% and 75% vesting • 12.8 – 14.0 cents per share – straight line vesting between 75% and 100% • >14 cents per share – 100% vesting
Vesting date	14 days after the release of the FY2015 results	14 days after the release of the FY2016 results	14 days after the release of the FY2017 results
Number of awards remaining on issue as at 30 June 2015	1,095,005	1,571,389	3,143,287
Grant value for accounting purposes*	$0.54	$0.49	$0.93

* As a share-based payment, the portion of the Performance Rights relating to market based conditions were valued for accounting and reporting purposes using the Monte Carlo simulation method and the portion relating to EPS valued at share price on issue.

Prior Long Term Incentive Awards (continued)

Prior year Long Term Incentive Outcomes

Of the outstanding LTI awards, only the FY2012 award was tested during FY2015. Vesting outcomes and current performance status are summarised below:

FY2012 Award	FY2013 Award	FY2014 Award
Partial vesting with the relative TSR tranche vesting and the EPS tranche lapsing.	Not yet tested. Relative TSR tranche currently tracking above the median; EPS tranche currently tracking below the minimum performance required.	Not yet tested. Relative TSR tranche currently tracking at the median; EPS tranche currently tracking below the minimum performance required.

Current Executive KMP: Mr Roderick is the only current Executive KMP who participated in the FY2012 LTI – half of his 410,526 Performance Rights under this offer will vest (in relation to the relative TSR tranche) and half will lapse (in relation to the EPS tranche).

Former Executive KMP: Mr Boucher forfeited the 1,929,824 Performance Rights allocated to him in relation to the FY2014 LTI. Vesting of the Performance Rights was subject to employment with the Group at 30 June 2018 – being the end of the four year performance period as well as the achievement of certain relative TSR and EPS performance conditions.

As a result of Mr Cummins' departure, he forfeited the 1,152,197 Performance Rights allocated to him in relation to the FY2012, FY2013 and FY2014 LTI.

5H. FY2016 Long Term Incentive – CEO

Mr Bansal will commence participation in the LTI plan in FY2016 and has the ability to earn a target LTI of 75% of TFR and a stretch of 150% of TFR. Participation in the LTI is subject to shareholder approval at the company's 2015 Annual General Meeting.

5I. Executive Engagement Award

Shareholders approved the Executive Engagement Award (EEA) at the 2010 Annual General Meeting. The purpose of the EEA was to provide a one-off incentive to retain certain eligible Executives and Senior Managers, foster a responsible balance between short-term and long-term corporate results and long-term shareholder value creation, and build and maintain a strong spirit of performance and entrepreneurship.

The vesting of the Performance Rights was conditional upon the participant being employed at the vesting date (30 June 2015). The proportion of Performance Rights that could vest was based on the company's share price at that date as follows:

20 DAY VOLUME WEIGHTED AVERAGE SHARE PRICE	PERCENTAGE OF PERFORMANCE RIGHTS VESTING
Less than $3.00	0%
$3.00	50%
$4.50	100%
$6.00	200%
$9.00 or more	300%

The EEA was subject to the same employment and early vesting clauses as the LTI. The company does not intend to make any further awards under the EEA.

FY2015 Executive Engagement Award Outcomes

Following performance testing on 30 June 2015, the EEA lapsed in full with no Performance Rights vesting. The 20 day volume weighted average share price at that time was $0.78, which was below the $3.00 threshold.

Mr Roderick is the only current Executive KMP who participated in the EEA – his 451,458 Performance Rights under this offer lapsed.

6. Executive Key Management Personnel – Contract Terms

6A. CEO and Executive KMP (Other than Mr Aardsma)

The CEO (Mr Bansal) and Executive KMP (other than Mr Aardsma) are employed on the basis of an Executive Service Agreement (Agreement). These Agreements contain a range of terms and conditions including remuneration and other benefits, notice periods and termination benefits. The key contract terms are as follows:

- **Contract term**: no fixed term.
- **Notice period**: 12 months (resignation or termination without cause).
- **Redundancy**: 12 months' notice.

Any payment in lieu of notice and/or redundancy is not to exceed average annual base salary over the previous three years.

The company may terminate Agreements immediately for cause, in which case the Executive is not entitled to any payment in lieu of notice or contractual compensation.

The Agreements also provide for an Executive's participation in the STI and LTI plans subject to Board approval of their eligibility and in accordance with the terms and conditions of the respective plans.

In addition, Mr Bansal is entitled to:

- **One-off equity grant:** a one-off allocation of 328,947 Performance Rights to the value of $250,000 with vesting subject to a two-year service condition. The ASX provided confirmation that shareholder approval for the issue of the Performance Rights was not required.
- **Relocation support**: the company will cover the costs associated with Mr Bansal relocating from Sydney to Melbourne including: flights to Melbourne; temporary accommodation for a period of up to 6 months from the commencement date; personal and household item removal cost and insurance; and a set-up allowance of $10,000 gross.

6B. Executive KMP (Mr Aardsma)

Mr Aardsma is employed on the basis of a fixed term Agreement. Mr Aardsma's Agreement provides for:

- **Contract term**: two years, with the option for Transpacific and Mr Aardsma to mutually agree to extend the Agreement for a further one year.
- **Relocation assistance**: support for Mr Aardsma and his family in moving from the United States to Australia. This support includes an international service premium and motor vehicle allowance, coverage of costs associated with moving personal and household items, health care coverage and tax advice for the duration of his appointment, and flights to and from the USA annually. The cost to the Group in providing this relocation support to Mr Aardsma for the year ended 30 June 2015 is summarised in Section 5.
- **Annual Bonus**: opportunity to earn an Annual Assignment Achievement Bonus of $300,000 at target ($600,000 at maximum) in lieu of participation in the company's STI and LTI plans.

6C. Additional Remuneration

Whilst entered into after the financial year ended 30 June 2015, the company has agreed a retention arrangement with Mr Perko in order to secure his services during the transformation of the company. Under the retention arrangement, Mr Perko has received a one-off allocation of 1,184,210 Performance Rights to the value of $900,000 allocated in two separate tranches and subject to one and two year service conditions. Half of the Performance Rights are subject to continued employment until 23 June 2016 and half are subject to continued employment until 23 June 2017. Vesting of both tranches also require that Mr Perko has not given notice terminating his employment before each respective date.

6D. Former CEO

During the year the Board entered into a new fixed term agreement with the former CEO in order to secure his services in the turnaround of Transpacific and achievement of the four point strategy. The key revised contract terms were as follows:

- **Contract term**: fixed term until 30 June 2018.
- **Remuneration:** TFR of $1,500,000, effective from 1 July 2014, participation in the company's STI plan, a FY2015 LTI grant (as described in Section 5); and a separate cash bonus pool, payable in annual instalments at the end of each financial year subject to the former CEO meeting the annual performance expectations set by the Board over each financial year to 30 June 2018 as follows:
    - two payments of $750,000 (in relation to FY2015 and FY2016 respectively); and
    - two payments of $500,000 (in relation to FY2017 and FY2018 respectively).
- **Resignation**: 12 months' notice.
- **Termination without cause**: 12 months' notice. If either party had terminated by notice after 1 July 2017, the notice period would have been reduced to the unexpired balance of the term to 30 June 2018.
- **Redundancy**: 12 months' notice. Payment not to exceed average annual base salary over the previous three years.

As a result of his resignation, Mr Boucher forfeited the remainder of his FY2015 LTI, as well as the $2.5 million available to him under the separate cash bonus pool. A shorter notice period was mutually agreed.

Mr Boucher's contract did not provide for a return flight to the United States, nor tax advice to cover the completion of his Australian tax return for the tax year in which he returned home. The Board elected to provide these benefits (amounting to $30,315) in recognition of the significant contribution he made to the company during his 19 months as the CEO.

Other than the above, Mr Boucher received no other payments in relation to his termination.

The Board has agreed on consulting arrangements with Mr Boucher should the business require his advice or services in the future and to aid in the on-boarding of a new CEO. Such advice or service would be invoiced at an hourly rate. At the date of this Report, no advice or services have been provided nor payment made.

7. EXECUTIVE KEY MANAGEMENT PERSONNEL – ADDITIONAL REMUNERATION TABLES

7A. Proportion of Performance Related Remuneration

		PERCENTAGE OF TARGET STI RECEIVED [1]	PERCENTAGE OF REMUNERATION CONSISTING OF PERFORMANCE RIGHTS	PERCENTAGE OF REMUNERATION PERFORMANCE RELATED [2]
EXECUTIVE KEY MANAGEMENT PERSONNEL				
D A Aardsma	**2015**	**0%**	**0%**	**0%**
B J Gill	**2015**	**0%**	**10%**	**10%**
J Perko	**2015**	**0%**	**32%**	**32%**
	2014	102%	15%	26%
A G Roderick	**2015**	**0%**	**38%**	**38%**
	2014	24%	3%	8%
FORMER EXECUTIVE KEY MANAGEMENT PERSONNEL [3]				
R C Boucher Jr	**2015**	**0%**	**0%**	**24%**
	2014	128%	18%	41%
S G Cummins [4]	**2015**	**0%**	**(40%)**	**(40%)**
	2014	128%	17%	51%

1 Calculated based on STI as a percentage of pro-rata target.
2 Calculated based on STI cash, other cash bonuses and share based payments as a percentage of TFR.
3 As a result of their departures during the year, former Executive KMP forfeited their participation in the FY2015 STI.
4 As a result of his departure during the year, Mr Cummins forfeited the performance rights that were due to be allocated to him in relation to the FY2014 STI.

7B. Performance Rights Granted and Movement During the Year

The aggregate number of Performance Rights in the company that were granted as compensation, exercised and lapsed to each Executive KMP for the year ended 30 June 2015 is set out in the following table:

YEAR ENDED 30 JUNE 2015	BALANCE AT 1 JULY 2014	RIGHTS GRANTED DURING THE YEAR [1]	VALUE OF RIGHTS GRANTED DURING THE YEAR [2]	RIGHTS EXERCISED DURING THE YEAR	VALUE OF RIGHTS EXERCISED DURING THE YEAR [3]	LAPSED / CANCELLED DURING THE YEAR	VALUE OF LAPSED / CANCELLED [4]	BALANCE AT 30 JUNE 2015	MAXIMUM TOTAL YET TO VEST
	NUMBER	NUMBER	$	NUMBER	$	NUMBER	$	NUMBER	NUMBER
EXECUTIVE KEY MANAGEMENT PERSONNEL									
D A Aardsma	-	-	-	-	-	-	-	-	-
B J Gill	-	671,140	369,832	-	-	-	-	671,140	671,140
J Perko	424,740	878,695	502,030	-	-	-	-	1,303,435	1,303,435
A G Roderick	1,652,339	773,392	437,940	-	-	(451,458)	(604,954)	1,974,273	1,974,273
FORMER EXECUTIVE KEY MANAGEMENT PERSONNEL									
R C Boucher Jr	-	2,302,475	2,100,310	-	-	(2,302,475)	(2,100,310)	-	-
S G Cummins	1,152,197	-	-	-	-	(1,152,197)	(750,256)	-	-

1 Performance Rights were granted to the former CEO under the LTIP - 2014 Offer and Deferred Equity Plan - 2014 Offer on 30 October 2014 and to Executive KMP under the Deferred Equity Plan - 2014 Offer on 1 October 2014 and the LTIP - 2015 Offer on 10 March 2015.
2 The fair value of Performance Rights granted to the former CEO calculated using a Monte Carlo simulation method and Black Scholes Model, is $0.82 to $0.93 per Performance Right. The fair value of Performance Rights granted to Executive KMP calculated using a Monte Carlo simulation method and Black Scholes Model, is $0.17 to $0.68 per Performance Right.
3 Calculated per Performance Right as the market value of Transpacific shares on the date of exercise.
4 Value is calculated at fair market value of the Performance Right on date of grant.

7C. Performance Rights as at 30 June 2015

The number of Performance Rights included in the balance at 30 June 2015 for the Executive KMP is set out in the following table.

ISSUED	2012	2013	2014	2014	2015		
	LTI	LTI	LTI	STI	LTI	BALANCE AT 30 JUNE 2015	VESTED & EXERCISABLE AT THE END OF THE YEAR
EXECUTIVE KEY MANAGEMENT PERSONNEL							
D A Aardsma	-	-	-	-	-	-	-
B J Gill	-	-	-	-	671,140	671,140	-
J Perko	-	-	424,740	66,275	812,420	1,303,435	-
A G Roderick	410,526	409,475	380,880	43,736	729,656	1,974,273	-
FORMER EXECUTIVE KEY MANAGEMENT PERSONNEL							
R C Boucher Jr	-	-	-	-	-	-	-
S G Cummins	-	-	-	-	-	-	-

Subsequent to year end: Mr Bansal was issued with 328,947 Performance Rights, the details of which are outlined in Section 6A; and Mr Perko was issued with 1,184,210 Performance Rights, the details of which are outlined in Section 6C. No terms of Performance Rights transactions have been altered by the Company during the reporting period. The Board has not previously exercised its discretion to allow the early vesting of any Performance Rights under any of the incentive plans.

7D. Securities Trading Policy

The company prohibits Executives from entering into any hedging arrangements or acquiring financial products (such as equity swaps, caps and collars or other hedging products) over unvested Performance Rights which have the effect of reducing or limiting exposure to risks associated with the market value of the company's securities.

No Directors or Executive KMP may directly or indirectly enter into any margin loan facility against the company's securities unless the prior written consent of the Chairman of the Board is obtained.

7E. Company Performance

Over recent years, Transpacific has been addressing a number of operational, transformational and strategic challenges. This is reflected in the financial performance summarised for key metrics below. Importantly, for remuneration purposes, the Board takes a more holistic view of performance than the metrics summarised below: safety, strategic milestones and organisational reputation are all key factors that are taken into account in the determination of rewards. These are explored in more detail in section 5 of this Report.

	FY2011	FY2012	FY2013	FY2014	FY2015
Profit/(Loss) attributable to ordinary equity holders - $M	(296.5)[1]	12.5	(218.7)[2]	11.5[3]	(23.6)[4]
EPS - cents	(26.8)	0.9	(13.9)	0.7	(1.5)
Underlying EPS - cents	5.2	4.3	4.4	5.8	2.9
Dividends per share - cents	-	-	-	1.5	1.5
Shares on issue - number	960,638,735	1,578,209,025	1,578,563,490	1,579,323,967	1,579,914,690
Share price at 30 June	$0.82	$0.73	$0.80	$1.01	$0.77
Change in share price	($0.18)	($0.09)	$0.07	$0.21	($0.24)

1 Includes underlying adjustments of $340.0 million after tax.
2 Includes underlying adjustments of $286.6 million after tax.
3 Includes underlying adjustments of $80.5 million after tax.
4 Includes underlying adjustments of $69.3 million after tax.

8. Share Holdings and Other Related Party Transactions

8A. Share Holdings

The movement for the year ended 30 June 2015 in the number of ordinary shares in the company held, directly or indirectly or beneficially, by each KMP, including their related parties, is detailed in the following table:

NAME	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF RIGHTS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
NON-EXECUTIVE DIRECTOR				
M M Hudson	42,858	-	32,400	75,258
R M Smith	65,715	-	-	65,715
E R Stein	30,300	-	23,273	53,573
T A Sinclair	-	-	38,789	38,789
R M Harding	-	-	12,644	12,644
M P Chellew	-	-	25,000	25,000
P G Etienne	-	-	13,737	13,737
EXECUTIVE KEY MANAGEMENT PERSONNEL				
D A Aardsma	-	-	-	-
B J Gill	-	-	-	-
J Perko	-	-	128,755	128,755
A G Roderick	-	-	-	-
FORMER EXECUTIVE KEY MANAGEMENT PERSONNEL				
R C Boucher Jr [1]	350,514	-	-	350,514
S G Cummins	315,092	-	-	315,092

1 Subsequent to 30 June 2015, Mr Boucher sold the balance (350,514) of his Transpacific shares.

8B. Loans to Executive Key Management Personnel

There were no loans to Executive KMP made during the period and no outstanding balances at reporting date.

8C. Other Transactions and Balances With Executive Key Management Personnel and Their Related Parties

The Group trades on normal commercial terms and conditions on an arm's length basis with the following companies:

- NGT Marketing – Mr Martin Hudson, a Non-Executive Director and Chairman of the Group, holds a beneficial interest in NGT Marketing. Transactions during the current financial year were immaterial;
- K&S Corporation Limited and Crowe Horwath Australasia Limited – Mr Ray Smith, a Non-Executive Director of the Group, is a Non-Executive Director of these companies. Transactions during the current financial year were immaterial;
- Programmed Maintenance Services Limited and Alumina Limited – Ms Emma Stein, a Non-Executive Director of the Group, is a Non-Executive Director of these companies. Transactions during the current financial year were immaterial; and
- Downer EDI Limited and Santos Limited – Mr Mike Harding, a Non-Executive Director of the Group, is the Chairman of Downer EDI and was a Non-Executive Director of Santos. Transactions during the current financial year were immaterial.

Shares under Option

In the financial year ended 30 June 2015 and up to the date of this Report, no options were granted over unissued shares.

As at the date of this Report there are no unissued ordinary shares of the company under option.

Details of Performance Rights granted under the STI and LTI offers in the 2015 and 2014 financial year are set out in a previous section of the Remuneration Report. Total Performance Rights outstanding as at 30 June 2015 is 14,015,315 (2014: 11,586,348). Performance Rights outstanding at the date of this report is 13,909,799.

Shares Issued on the Exercise of Performance Rights

In the financial year ended 30 June 2015 and up to the date of this report, the company issued 481,054 ordinary shares as a result of the exercise of Performance Rights that vested during the year.

In the financial year ended 30 June 2014 and up to the date of the 2014 report, the company issued 862,074 ordinary shares as a result of the exercise of Performance Rights that vested on 30 June 2014.

Directors' and Officers' Insurance

During the financial year, the company paid insurance premiums to insure the Directors and Officers of the company. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of entities in the Group, and any other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the Directors and Officers or the improper use by the Directors and Officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities. Disclosure of the premium paid is not permitted under the terms of the insurance contract.

Non-audit Services

The company may decide to employ the auditors on assignments additional to their statutory audit duties where the auditors' expertise and experience with the company and/or the Group are important. During the financial years ended 30 June 2015 and 2014 non-audit services included due diligence services and other advisory services.

The Directors have considered the position and in accordance with written advice provided by resolution of the Audit Committee, is satisfied that the provision of the non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the company to ensure they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as an advocate for the company or jointly sharing risks and rewards.

Details of the amounts paid or payable to the auditor and its related practices for audit and non-audit services are set out below.

	2015 **$**	**2014** **$**
Audit services	1,547,365	1,451,536
Audit related services	104,467	248,376
Non-audit services		
Due diligence services	197,142	453,000
Other advisory services	165,510	-
Total	**2,014,484**	**2,152,912**

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 64.

Rounding of Amounts

The company is of a kind referred to in ASIC Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars or, in certain cases, to the nearest dollar.

This Report is made in accordance with a resolution of the Board.

M M Hudson	V Bansal
Non-Executive Director and Chairman	Executive Director and Chief Executive Officer

Melbourne, 21 August 2015

AUDITOR'S INDEPENDENCE DECLARATION

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Auditor's Independence Declaration to the Directors of Transpacific Industries Group Ltd

In relation to our audit of the financial report of Transpacific Industries Group Ltd for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Mike Reid
Partner
21 August 2015

CONSOLIDATED INCOME STATEMENT

For the financial year ended 30 June 2015

	NOTES	2015 $'M	2014 $'M
CONTINUING OPERATIONS			
Revenue from continuing operations	B1(a)	1,384.9	1,421.3
Other gains or losses	B1(b)	4.1	(16.2)
Raw materials and inventory		(70.8)	(88.9)
Waste disposal and collection		(269.3)	(261.9)
Employee expenses		(552.6)	(540.0)
Depreciation and amortisation expenses		(134.8)	(195.1)
Repairs and maintenance		(95.1)	(80.6)
Fuel purchases		(46.8)	(55.4)
Leasing charges		(31.5)	(34.5)
Freight costs		(17.9)	(18.6)
Other expenses		(97.5)	(97.0)
Share of profits of associates	E2(b)	1.4	1.7
Impairment of assets		(77.5)	(139.4)
Rectification expense on landfill assets and operations		-	(69.2)
Change in fair value of land and buildings		(0.5)	(8.3)
Loss From Operations		**(3.9)**	**(182.1)**
Net finance costs	B1(c)	(27.1)	(103.4)
Loss Before Income Tax		**(31.0)**	**(285.5)**
Income tax benefit	B1(d)	7.4	76.9
Loss From Continuing Operations After Income Tax		**(23.6)**	**(208.6)**
DISCONTINUED OPERATIONS			
Profit for the period from Discontinued Operations After Income Tax	A4	8.2	237.5
(Loss)/Profit After Income Tax		**(15.4)**	**28.9**

Attributable to:		
Ordinary Equity holders	(23.6)	11.5
Non-controlling interest	0.6	1.9
Step-up Preference Security holders	7.6	15.5
(Loss)/Profit After Income Tax	**(15.4)**	**28.9**

The above Consolidated Income Statement should be read in conjunction with the accompanying Notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2015

	NOTES	2015 $'M	2014 $'M
(Loss)/Profit After Income Tax		**(15.4)**	**28.9**
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss (recycled):			
Cash flow hedges			
Net gain taken to Profit or Loss	E4(d)	-	6.7
Translation of foreign operations			
Exchange differences taken to Equity	E4(c)	-	87.7
Net loss on disposal of foreign operation	E4(c)	-	(59.3)
Items that will not be reclassified subsequently to profit or loss (not recycled):			
Revaluation of assets			
Revaluation of land and buildings	E4(a)	1.4	4.6
Net Comprehensive Income Recognised Directly in Equity		**1.4**	**39.7**
Total Comprehensive (Loss)/Income for the Year		**(14.0)**	**68.6**
Attributable to:			
Ordinary Equity holders		(22.2)	51.2
Non-controlling interest		0.6	1.9
Step-up Preference Security holders		7.6	15.5
Total Comprehensive Income/(Loss) for the Year		**(14.0)**	**68.6**
(Loss)/Earnings per Share Attributable to the Ordinary Equity Holders of the company:			
Basic earnings per share (cents)	E1	(1.5)	0.7
Diluted earnings per share (cents)	E1	(1.5)	0.7
Loss per Share Attributable to the Ordinary Equity Holders of the company From Continuing Operations:			
Basic earnings per share (cents)		(2.0)	(14.3)
Diluted earnings per share (cents)		(2.0)	(14.3)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Notes.

CONSOLIDATED BALANCE SHEET

As at 30 June 2015

	NOTES	2015 $'M	2014 $'M
ASSETS			
Current Assets			
Cash and cash equivalents	B2(a)	37.0	190.1
Trade and other receivables	B2(b)	227.1	233.3
Inventories	B3(a)	19.5	10.7
Income tax receivable		4.7	-
Derivative financial instruments	E2(a)	8.6	-
Land held for sale		6.6	-
Other assets	E3(a)	11.2	11.7
Total Current Assets		314.7	445.8
Non-current Assets			
Investments accounted for using the equity method	E2(b)	12.2	12.1
Property, plant and equipment	B3(b)	862.6	822.0
Land held for sale		-	6.6
Intangible assets	B3(c)	1,564.3	1,272.0
Net deferred tax assets	B1(d)	115.9	174.9
Total Non-current Assets		2,555.0	2,287.6
Total Assets		2,869.7	2,733.4
LIABILITIES			
Current Liabilities			
Trade and other payables	B2(c)	207.8	180.7
Income tax payable		-	2.3
Borrowings	B2(d)	0.7	2.0
Derivative financial instruments	E2(a)	-	3.8
Employee benefits		43.2	36.5
Provisions	B3(d)	75.5	67.1
Other		1.4	2.2
Total Current Liabilities		328.6	294.6
Non-current Liabilities			
Borrowings	B2(d)	351.0	51.4
Employee benefits		8.5	9.3
Provisions	B3(d)	336.1	306.8
Other		90.8	12.6
Total Non-current Liabilities		786.4	380.1
Total Liabilities		1,115.0	674.7
Net Assets		**1,754.7**	**2,058.7**
EQUITY			
Issued capital	B4(a)	2,072.1	2,071.8
Reserves	E4	38.6	33.9
Retained earnings		(364.3)	(305.3)
Parent entity interest		1,746.4	1,800.4
Non-controlling interest	B4(b)	8.3	8.5
Step-up Preference Security holders	B4(c)	-	249.8
Total Equity		**1,754.7**	**2,058.7**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying Notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2015

	ORDINARY SHARES $'M	RESERVES $'M	RETAINED EARNINGS $'M	OWNERS OF THE PARENT $'M	NON – CONTROLLING INTEREST $'M	STEP-UP PREFERENCE SECURITIES $'M	TOTAL EQUITY $'M
At 1 July 2014	**2,071.8**	**33.9**	**(305.3)**	**1,800.4**	**8.5**	**249.8**	**2,058.7**
(Loss)/Profit for period	-	-	(23.6)	**(23.6)**	0.6	7.6	**(15.4)**
Other comprehensive income	-	1.4	-	**1.4**	-	-	**1.4**
Total comprehensive income for the year	-	1.4	(23.6)	**(22.2)**	0.6	7.6	**(14.0)**
Share-based payment	0.3	2.7	-	**3.0**	-	-	**3.0**
Reduction in non-controlling interest	-	-	-	**-**	(0.8)	-	**(0.8)**
Dividends paid	-	-	(34.8)	**(34.8)**	-	-	**(34.8)**
Distribution to Step-up Preference Security Holders	-	-	-	**-**	-	(7.6)	**(7.6)**
Redemption of Step-up Preference Securities	-	-	-	**-**	-	(249.8)	**(249.8)**
Transfer to retained earnings	-	0.6	(0.6)	**-**	-	-	**-**
Balance at 30 June 2015	**2,072.1**	**38.6**	**(364.3)**	**1,746.4**	**8.3**	**-**	**1,754.7**
At 1 July 2013	**2,071.7**	**64.6**	**(385.4)**	**1,750.9**	**6.6**	**249.8**	**2,007.3**
(Loss)/profit for period	-	-	11.5	**11.5**	1.9	15.5	**28.9**
Other comprehensive income	-	39.7	-	**39.7**	-	-	**39.7**
Total comprehensive income for the year	-	39.7	11.5	**51.2**	1.9	15.5	**68.6**
Share-based payment	0.3	(1.8)	-	**(1.5)**	-	-	**(1.5)**
Transaction costs (net of tax)	(0.2)	-	-	**(0.2)**	-	-	**(0.2)**
Distribution to Step-up Preference Security Holders	-	-	-	**-**	-	(15.5)	**(15.5)**
Transfer to retained earnings	-	(68.6)	68.6	**-**	-	-	**-**
Balance at 30 June 2014	**2,071.8**	**33.9**	**(305.3)**	**1,800.4**	**8.5**	**249.8**	**2,058.7**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2015

	NOTES	2015 $'M	2014 $'M
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,518.6	2,097.5
Payments to suppliers and employees		(1,323.8)	(1,784.6)
Interest received		2.2	1.9
Interest paid		(11.9)	(73.3)
Income taxes paid		(8.9)	(18.0)
Net Cash From Operating Activities	E6	**176.2**	**223.5**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(175.9)	(186.1)
Payments for purchase of businesses		(163.7)	-
Proceeds from sale of investments (net of disposed cash)		8.4	1,107.1
Proceeds from disposal of property, plant and equipment		7.2	32.0
Dividends received from associates		1.4	10.6
Net Cash (Used In)/From Investing Activities		**(322.6)**	**963.6**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of distribution on Step-up Preference Securities		(7.6)	(15.4)
Redemption of Step-up Preference Securities		(250.0)	-
Payment of dividends to Ordinary shareholders		(34.8)	-
Payment of debt and equity raising costs		(2.8)	(0.1)
Proceeds from drawdown of bank loans		320.0	-
Repayment of bank loans		(30.0)	(960.7)
Repayment of interest rate hedges		-	(36.4)
Repayment of finance lease liabilities		-	(59.8)
Repayment of loans to related parties		(1.5)	(2.0)
Net Cash Used In Financing Activities		**(6.7)**	**(1,074.4)**
Net Increase/(Decrease) In Cash And Cash Equivalents		(153.1)	112.7
Cash and cash equivalents at the beginning of the year		190.1	76.2
Net foreign exchange differences		-	1.2
Cash And Cash Equivalents At The End Of The Year	B2(a)	**37.0**	**190.1**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.

Prior period includes cash flows from discontinued operations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

These are the Consolidated Financial Statements of Transpacific Industries Group Ltd ("the company") and its subsidiaries ("the Group"). A list of subsidiaries is included in Section E8.

The financial statements are presented in Australian dollars.

The notes are set out in the following main sections:

A Group Structure

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole. In particular, there is information about:

- Operating results by segment; and
- Changes to the structure that occurred during the year as a result of acquisitions.

A1 Segment Information

Description of Segments

The Group has identified its operating segments on the basis of how the Chief Operating Decision Maker reviews the internal reports about the components of the Group in order to assess the performance and allocation of resources to the segment. Information reported to the Group's Chief Executive Officer (Chief Operating Decision Maker) for the purpose of performance assessment and resource allocation is specifically focused on the following reportable segments:

Cleanaway
Comprises the collection, treatment, recycle and disposal of all types of solid waste streams, including general waste, recyclables, construction and demolition waste and medical and washroom services. Cleanaway owns and manages waste transfer stations, resource recovery and recycling facilities, secure product destruction, quarantine treatment operations and landfills and participates in commodities trading of recovered paper, cardboard, metals and plastics to the domestic and international marketplace in order to achieve this end to end service.

Industrials
Comprises the collection, treatment, processing and recycling of liquid and hazardous waste, including industrial waste, grease trap waste, oily waters and used mineral and cooking oils in packaged and bulk forms for resale, disposal and to produce fuel oils and base oils, as well as services including industrial cleaning, vacuum tanker loading, site remediation, sludge management, parts washing, concrete remediation, CCTV, corrosion protection and emergency response services.

Associates
Represents the Group's share of profits from the non-controlled entities in the Group.

Corporate
Shared services functions that are not directly attributable to other identifiable segments. These functions include management, finance, legal, information technology, marketing, and human resources that provide support to the other segments identified above.

No operating segments have been aggregated to form the above reportable segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The Group has the following allocation policies:

- Sales between segments are on normal commercial terms.
- Corporate charges are allocated where possible based on estimated usage of Corporate resources.

Segment assets and liabilities have not been disclosed as these are not provided to the Chief Operating Decision Maker. This information is provided at a Group level only.

Finance income and expenses and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Intra-segment and inter-segment revenues are eliminated on consolidation.

A Group Structure (Continued)

A1 Segment Information (Continued)

Segment Results

2015	CLEANAWAY $'M	INDUSTRIALS AUSTRALIA $'M	ASSOCIATES $'M	CORPORATE $'M	GROUP $'M
Revenue					
Sales of goods and services – external	926.5	430.6		1.0	1,358.1
Inter-segment sales	79.4	90.5		-	169.9
Total Sales Revenue	1,005.9	521.1		1.0	1,528.0
Other revenue	8.1	16.8		1.9	26.8
Total Segment Revenue	1,014.0	537.9		2.9	1,554.8
Inter-segment elimination					(169.9)
Total Revenue					**1,384.9**
Underlying EBITDA:	**198.0**	**55.8**	**1.4**	**(23.9)**	**231.3**
Costs associated with fleet grounding	(6.6)	(5.6)	-	(3.3)	(15.5)
Impairment of assets	-	(77.5)	-	-	(77.5)
Net gain or loss on disposal of investments, site closures and acquisition costs	(4.3)	-	-	(1.5)	(5.8)
Other costs	-	-	-	(1.6)	(1.6)
Underlying adjustments to depreciation and amortisation expense	(0.6)	(0.4)	-	-	(1.0)
Depreciation and amortisation expense	(99.0)	(26.9)	-	(7.9)	(133.8)
Profit/(Loss) From Operations (EBIT)	**87.5**	**(54.6)**	**1.4**	**(38.2)**	**(3.9)**
Net finance costs					(27.1)
Loss Before Income Tax					**(31.0)**
Income tax benefit					7.4
Loss from Continuing Operations After Income Tax					**(23.6)**
Net Profit from Discontinued Operations after income tax					8.2
Loss From Continuing and Discontinued Operations After Income Tax					**(15.4)**
Acquisition of property, plant and equipment	111.5	41.9	-	22.5	175.9

A Group Structure (Continued)

A1 Segment Information (Continued)

Segment Results

2014	CLEANAWAY $'M	INDUSTRIALS AUSTRALIA $'M	NEW ZEALAND[1] $'M	COMMERCIAL VEHICLES[2] $'M	MANUFACT-URING[3] $'M	ASSOCIATES $'M	CORPORATE $'M	GROUP $'M
Revenue								
Sales of goods and services – external	911.8	467.5	390.3	75.7	11.6		4.7	1,861.6
Inter-segment sales	77.3	104.2	8.0	0.7	6.6		-	196.8
Total Sales Revenue	989.1	571.7	398.3	76.4	18.2		4.7	2,058.4
Other revenue	6.5	19.2	1.1	0.2	-		-	27.0
Total Segment Revenue	995.6	590.9	399.4	76.6	18.2		4.7	2,085.4
Inter-segment elimination								(196.8)
Total Revenue								**1,888.6**
Underlying EBITDA:	**189.8**	**90.1**	**94.2**	**5.3**	**0.5**	**12.4**	**(9.1)**	**383.2**
Impairment of assets	(139.4)	-	-	-	-	-	-	(139.4)
Rectification expense of landfill assets and operations	(69.2)	-	-	-	-	-	-	(69.2)
Divestments and site closures from business and operational review	(1.4)	(3.3)	6.7	-	(3.9)	-	(4.6)	(6.5)
Restructuring costs, including redundancy	(0.9)	(0.1)	-	-	-	-	(6.2)	(7.2)
Onerous lease provision	-	-	-	-	(6.5)	-	(4.4)	(10.9)
Changes in fair value of land and buildings taken to profit and loss	(3.9)	-	-	-	-	-	(4.4)	(8.3)
Costs of implementation of transformation program and other strategic projects	(2.0)	-	-	-	-	-	(8.5)	(10.5)
Other costs	-	-	-	-	-	-	(1.2)	(1.2)
Depreciation and amortisation expense	(151.9)	(29.4)	(33.9)	(0.2)	-	-	(13.8)	(229.2)
Profit From Operations (EBIT)	**(178.9)**	**57.3**	**67.0**	**5.1**	**(9.9)**	**12.4**	**(52.2)**	**(99.2)**
Net finance costs								(103.4)
Profit for the period from Discontinued Operations								(82.9)
Loss Before Income Tax								**(285.5)**
Income tax benefit								76.9
Loss from Continuing Operations After Income Tax								**(208.6)**
Net Profit from Discontinued Operations after income tax								237.5
Profit From Continuing and Discontinued Operations After Income Tax								**28.9**
Acquisition of property, plant and equipment	99.6	31.5	41.3	0.3	-	-	13.4	186.1

1 Effective 30 June 2014 the New Zealand segment was dissolved due to the sale of the business. Refer to Section A4.
2 Effective 30 August 2013 the Commercial Vehicles segment was dissolved due to the sale of the business. Refer to Section A4.
3 Effective 30 June 2014 the Manufacturing segment was dissolved due to the sale of the business.

A Group Structure (Continued)

A2 Business Combinations and Disposals

During the year, the Group acquired the Melbourne Regional Landfill business, including existing licences and permits from Boral Ltd for a total cash consideration of $156.7 million and deferred consideration of $89.9 million as disclosed below in Section A3.

During the year, the Group acquired the Dimeo Waste Services business for a total cash consideration of $4.5 million and deferred consideration of $1.2 million as disclosed below in Section A3.

During the year, the Group acquired the remaining 49% share of Transpacific Environmental Services Pty Ltd as well as the Riverland Litter Services, a business that provides commercial and industrial waste collection services. These transactions are not considered to be material to the Group.

During the year ended 30 June 2014, the Group disposed of its interest in the Commercial Vehicles Group and its New Zealand business as disclosed below in Section A4. A working capital adjustment in relation to the New Zealand business has been received in the current financial year.

Refer to Section E13(B) for a summary of the accounting policy for business combinations.

A3 Acquired Operations

Melbourne Regional Landfill

On 28 February 2015, the Group acquired the Melbourne Regional Landfill business, including existing licences and permits, from Boral Ltd. The Melbourne Regional Landfill site is the largest in the Melbourne area and is a key infrastructure asset for the Cleanaway business providing operating efficiencies, volume growth and synergies through internalisation.

From the date of acquisition to 30 June 2015, Melbourne Regional Landfill business contributed $31.5 million of revenue and $3.9 million to profit before tax from continuing operations of the Group. If the business combination had taken place at the beginning of the year, revenue from continuing operations would have been $89.8 million and profit before tax from continuing operations for the Group would have been $20.5 million.

The aggregated fair value of the identifiable assets and liabilities, measured on a provisional basis, as at the date of acquisition were:

FAIR VALUE RECOGNISED ON ACQUISITION	**$'M**
Assets	
Trade receivables	9.4
Inventory	8.2
Property, plant and equipment	26.7
Intangibles	255.0
	299.3
Liabilities	
Trade payables	(20.0)
Employee entitlements	(0.1)
Deferred tax liability	(66.7)
Remediation provision	(32.6)
	(119.4)
Total identifiable net assets at fair value	**179.9**
Goodwill arising on acquisition	66.7
Purchase consideration transferred	**246.6**

The fair value of the trade receivables amounts to $9.4 million measured on a provisional basis. An adjustment of $0.1 million was made for known doubtful debts to fully recognise their provision at the time of acquisition.

A Group Structure (Continued)

A3 Acquired Operations (Continued)

The fair value of inventory amounts to $8.2 million. At the time of acquisition existing stockpiles on the landfill site that were not accounted for in the books of the acquiree were made available to the Group for use. The stockpile volumes have been determined by aerial survey conducted at the time of acquisition and valued in accordance with existing pricing schedules.

The fair value of the property, plant and equipment amounts to $26.1 million. An adjustment of $1.9 million has been made to decrease the property, plant and equipment value in relation to cell development assets in accordance with the Group's accounting policy.

The intangible assets identified as part of the acquisition included customer contracts and landfill assets, including leasehold land, licences and agreements, airspace and support. The nature of a landfill asset is such that there is a finite useful life as they relate to the landfill business, that being the available land, licences and airspace acquired which is separately identifiable from goodwill. Customer contracts have been fair valued at $8.7 million based on the expected cash flows under the existing contracted term discounted back to present value. The remaining intangible landfill asset has been fair valued based on the expected cash flows of the life of the landfill discounted back to present value. Each of these intangibles will be amortised over the life of the asset.

The deferred tax liability of $66.7 million mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets. Entries to account for this deferred tax liability are taken to goodwill. Goodwill is allocated entirely to the Cleanaway segment. None of the goodwill recognised is expected to be deductible for income tax purposes.

At the time of acquisition the remediation provision was assessed by independent consultants and estimated using current expected costs and techniques applicable to the operation of the landfill and the disturbed area. These costs have been adjusted for the future value of the expected costs at the time of works being required and discounted back to present value in line with the Group's accounting policies.

A deferred consideration liability of $89.9 million was recognised at the acquisition date resulting from transaction payments for site preparation and operation under the agreement to be paid to Boral over the life of the landfill. These transactions have been estimated using a discounted cash flow method at a long term borrowing rate of 7%.

The net assets recognised were based on a provision assessment of their fair value.

PURCHASE CONSIDERATION	$'M
Cash paid	156.7
Deferred settlement	89.9
Total consideration	**246.6**
Analysis of cash flows on acquisition:	
Cash paid	156.7
Transaction costs of the acquisition (included in cash flows from operating activities)	8.7
Net cash flow on acquisition	**165.4**

Transaction costs of the acquisition are included in other expenses in the Consolidated Income Statement.

A Group Structure (Continued)

A3 Acquired Operations (Continued)

Dimeo Waste Services

On 1 May 2015, the Group acquired the Dimeo Waste Services business, a leading C&I waste collection business in the Sydney CBD and surrounding areas.

From the date of acquisition to 30 June 2015, the Dimeo business contributed $0.5 million of revenue and $0.1 million to profit before tax from continuing operations of the Group. If the business combination had taken place at the beginning of the year, revenue from continuing operations would have been $6.5 million and profit before tax from continuing operations for the Group would have been $0.8 million.

The aggregated fair value of the identifiable assets and liabilities as at the date of acquisition were:

FAIR VALUE RECOGNISED ON ACQUISITION	**$'M**
Assets	
Property, plant and equipment	1.1
Intangibles	3.7
	4.8
Liabilities	
Deferred tax liability	(1.1)
	(1.1)
Total identifiable net assets at fair value	**3.7**
Goodwill arising on acquisition	2.0
Purchase consideration transferred	**5.7**

The intangible assets identified as part of the acquisition included customer contracts and goodwill. Customer contracts have been fair valued at $3.7 million based on the expected cash flows under the existing contracted term discounted back to present value. Customer contracts will be amortised over the life of the asset.

The deferred tax liability of $1.1 million mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets. Entries to account for this deferred tax liability are taken to goodwill. Goodwill is allocated entirely to the Cleanaway segment. None of the goodwill recognised is expected to be deductible for income tax purposes.

PURCHASE CONSIDERATION	**$'M**
Cash paid	4.5
Deferred settlement	1.2
Total consideration	**5.7**
Analysis of cash flows on acquisition:	
Cash paid	4.5
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Net cash flow on acquisition	**4.5**

Transaction costs of the acquisition are included in other expenses in the Consolidated Income Statement.

A Group Structure (Continued)

A4 Discontinued Operations

During the year ended 30 June 2014 the Group classified two segments, being Commercial Vehicles Group and New Zealand, as Discontinued Operations.

The Commercial Vehicles Group was sold on 30 August 2013 to Penske Automotive Group, Inc.

The New Zealand business was sold to the Beijing Capital Group on 30 June 2014. During the year ended 30 June 2015, the Group received a final payment for a working capital price adjustment of $8.2 million, increasing the gain on sale disclosed at 30 June 2014 to $49.3 million.

The results of the Discontinued Operations included in the Consolidated Income Statement and Statement of Comprehensive Income are set out below:

	NOTE	2014 $'M
Results of Discontinued Operations		
Operating profit of Commercial Vehicles Group after income tax	A4(a)	3.6
Gain on disposal of Commercial Vehicles Group after items transferred from reserves and income tax	A4(a)	131.0
Total Commercial Vehicles Group		134.6
Operating profit of New Zealand after income tax	A4(b)	61.8
Gain on disposal of New Zealand after items transferred from reserves and income tax	A4(b)	41.1
Total New Zealand		102.9
Net Profit From Discontinued Operations Attributable To Ordinary Equity Holders		**237.5**
Earnings per Share:		
Basic earnings per share (cents)		15.0
Diluted earnings per share (cents)		15.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015 (continued)

A Group Structure (Continued)

A4 Discontinued Operations (Continued)

a) Sale of Commercial Vehicles Group

On 30 August 2013, the Group sold the Commercial Vehicles Group ("CVG") business to Penske Automotive Group, Inc.

For the purposes of these Consolidated Financial Statements, the CVG business has been classified as a Discontinued Operation. The results of the Discontinued Operations included in the Consolidated Income Statement and Statement of Comprehensive Income are set out in the following table.

	2014 $'M
Results Of Discontinued Operations From Sale of Commercial Vehicles Group	
Revenue	76.6
Expenses	(71.5)
Profit before income tax from a discontinued operation	5.1
Income tax expense	(1.5)
Net Profit From Discontinued Operation After Income Tax Before Gain On Disposal	**3.6**
Gain on disposal of Commercial Vehicles Group after items transferred from reserves to profit and loss	131.0
Income tax expense	-
Net Profit From Discontinued Operation After Income Tax Attributable To Ordinary Equity Holders	**134.6**

Cash flows from Commercial Vehicles Group

The net cash flows incurred by Commercial Vehicles Group are as follows:

	2014 $'M
Operating	0.8
Investing	(0.4)
Financing	-
Net cash inflow	**0.4**

A Group Structure (Continued)

A4 Discontinued Operations (Continued)

a) Sale of Commercial Vehicles Group (Continued)

Analysis of Assets and Liabilities Over Which Control Was Lost

	2014 $'M
ASSETS	
Current Assets	
Cash and cash equivalents	8.0
Trade receivables	15.8
Inventories	135.9
Derivative financial instruments	6.4
Other current assets	2.9
Total Current Assets	**169.0**
Non-current Assets	
Property, plant and equipment	6.6
Intangible assets	5.5
Deferred tax assets	9.6
Total Non-current Assets	**21.7**
Total Assets	**190.7**
LIABILITIES	
Current Liabilities	
Trade payables	61.1
Employee benefits	2.9
Provision	21.1
Total Current Liabilities	**85.1**
Non-current Liabilities	
Provisions	0.3
Other	0.2
Total Non-current Liabilities	**0.5**
Total Liabilities	**85.6**
Net assets disposed	**105.1**
Consideration received:	
Purchase price consideration	219.0
Working capital adjustment	19.7
Total consideration received	238.7
Less: cash and cash equivalents disposed	(8.0)
Net consideration received	230.7
Gross gain on disposal	131.0
Income tax expense	-
Gain On Disposal of Commercial Vehicles Group After Items Transferred from Reserves and Income Tax	**131.0**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015 (continued)

A Group Structure (Continued)

A4 Discontinued Operations (Continued)

(b) Sale of New Zealand Business

On 30 June 2014, the Group sold its New Zealand business to a wholly owned subsidiary of the Beijing Capital Group.

For the purposes of these Consolidated Financial Statements, the New Zealand business is classified as a Discontinued Operation. The results of the Discontinued Operations included in the Consolidated Income Statement and Statement of Comprehensive Income are set out in the following table.

During the year ended 30 June 2015, the Group received a final payment for a working capital price adjustment of $8.2 million, increasing the gain on sale disclosed at 30 June 2014 to $49.3 million.

	2014 $'M
Results Of Discontinued Operations From Sale Of New Zealand Business	
Revenue	399.4
Expenses	(332.4)
Share of profit of associates	10.7
Profit/(loss) before income tax from a discontinued operation	77.7
Income tax expense	(15.9)
Net Profit From Discontinued Operation After Income Tax Before Gain On Disposal	**61.8**
Gain on sale from disposal of New Zealand after items transferred from reserves to profit and loss	41.1
Income tax expense	-
Other Comprehensive Income	
Items that may be reclassified subsequently to profit or loss (recycled)	
Foreign Currency Translation Reserve taken to profit and loss	(59.3)
Net Profit From Discontinued Operation After Income Tax Attributable To Ordinary Equity Holders	**43.6**

Cash flows from New Zealand business

The net cash flows incurred by New Zealand business are as follows:

	2014 $'M
Operating	83.5
Investing	(36.9)
Financing	(43.7)
Net cash inflow	**2.9**

A Group Structure (Continued)

A4 Discontinued Operations (Continued)

(b) Sale of New Zealand Business (Continued)

Analysis of Assets and Liabilities Over Which Control Was Lost

	2014 $'M
ASSETS	
Current Assets	
Cash and cash equivalents	8.6
Trade receivables	49.6
Inventories	1.6
Derivative financial instruments	7.1
Income tax receivable	6.6
Other current assets	1.1
Total Current Assets	**74.6**
Non-current Assets	
Investments accounted for using the equity method	22.2
Property, plant and equipment	237.0
Intangible assets	640.7
Total Non-current Assets	**899.9**
Total Assets	**974.5**
LIABILITIES	
Current Liabilities	
Trade payables	39.5
Employee benefits	5.0
Provision	0.9
Other current liabilities	0.8
Total Current Liabilities	**46.2**
Non-current Liabilities	
Deferred tax liability	17.7
Deferred income	18.8
Provisions	21.2
Total Non-current Liabilities	**57.7**
Total Liabilities	**103.9**
Net assets disposed	**870.6**
Consideration received:	
Purchase price consideration	885.0
Less: cash and cash equivalent disposed	(8.6)
Net consideration received	876.4
Gross gain on disposal	41.1
Income tax expense	-
Gain On Disposal of New Zealand business After Items Transferred from Reserves and Income	**41.1**

B How Numbers are Calculated

This section provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the Group, including accounting policies that are relevant for an understanding of the items recognised in the financial statements, analysis and sub totals.

B1 Profit and Loss Information

(a) Revenue from Continuing Operations

	2015 $'M	2014 $'M
Sale of goods and services	1,358.1	1,395.6
Product Stewardship for Oil benefits ("PSO")	15.3	17.5
Other revenue	11.5	8.2
	1,384.9	**1,421.3**

Accounting for Revenue from Continuing Operations

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of goods to customers. Revenue from the rendering of services is recognised upon delivery of services to the customer.

Refer to Section E13(F).

(b) Other Gains or Losses

	2015 $'M	2014 $'M
Gain/(loss) on disposal of property, plant and equipment	1.0	(1.1)
Gain/(loss) on disposal of investments	3.0	(15.3)
Foreign currency exchange gains (net)	0.1	0.2
	4.1	**(16.2)**

B How Numbers are Calculated (Continued)

B1 Profit and Loss Information (Continued)

(c) Net Finance Costs

	2015 $'M	2014 $'M
Finance Costs		
Interest on bank overdrafts and loans	(15.3)	(62.8)
Interest on obligations under finance leases	-	(3.6)
Total Interest	(15.3)	(66.4)
Amortisation of deferred borrowing costs	(1.1)	(7.2)
Unwinding of discounts on provisions	(13.8)	(5.0)
Write off of establishment costs associated with former debt facilities	-	(17.9)
Change in fair value of derivative financial instruments	0.9	(8.8)
	(29.3)	**(105.3)**
Finance Income		
Interest revenue	2.2	1.9
	2.2	**1.9**
Net Finance Costs	**(27.1)**	**(103.4)**

Accounting for Finance Costs and Revenue

Finance costs are recognised as expenses in the period in which they are incurred. Finance costs include:

- Interest on bank overdrafts, bank guarantees and short-term and long-term borrowings, including amounts paid or received on interest rate swaps;
- Amortisation of discounts or premiums relating to borrowings;
- Amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- Unwinding of discount on provisions; and
- Finance lease charges.

There have been no qualifying assets and related debt to which borrowing costs could have been applied, and as a result no borrowing costs have been capitalised to qualifying assets.

Interest revenue is recognised on an accruals basis using effective interest rate method, taking into account the interest rates applicable to the financial assets.

B How Numbers are Calculated (Continued)

B1 Profit and Loss Information (Continued)

(d) Income Tax Expense/(Benefit)

	2015 $'M	2014 $'M
(i) Recognised in the Consolidated Income Statement		
Current Tax Expense/(Benefit)		
Current year	3.0	(1.6)
Adjustments for prior years	(1.4)	0.7
	1.6	(0.9)
Deferred Tax Expense/(Benefit)		
Origination and reversal of temporary differences	(6.4)	(55.3)
Adjustment recognised in the current year in relation to deferred tax of prior years	(2.6)	(3.2)
	(9.0)	(58.5)
Income Tax Benefit	**(7.4)**	**(59.4)**
(ii) Numerical reconciliation between tax expense and pre-tax net profit		
(Loss)/Profit before tax		
From Continuing Operations	(31.0)	(285.5)
From Discontinued Operations	8.2	254.9
	(22.8)	(30.6)
Income tax using the corporation tax rate of 30% (2014: 30%)	(6.8)	(9.2)
Increase/(decrease) in income tax expense due to:		
Share of associates' net profits	(0.3)	(0.1)
Non-deductible expenses/(non-assessable income)	0.4	(0.5)
Impairment write downs	10.2	-
(Over) provision in prior years	(4.0)	(2.5)
Research and development	(2.0)	(2.4)
Effect of different tax rates of subsidiaries operating in other jurisdictions	-	2.1
Gain on sale of New Zealand business	(3.5)	(12.4)
Utilisation of previously unrecognised capital losses	(0.9)	(39.3)
Other	(0.5)	4.9
Income Tax Benefit	**(7.4)**	**(59.4)**
Comprises		
Income tax expense/(benefit) from Continuing Operations	(7.4)	(76.9)
Income tax expense/(benefit) from Discontinued Operations	-	17.5
Income Tax Benefit	**(7.4)**	**(59.4)**

B How Numbers are Calculated (Continued)

B1 Profit and Loss Information (Continued)

(d) Income Tax Expense/(Benefit) (Continued)

Deferred income tax on items charged directly to Equity for the year totalled $0.3 million (2014: $5.2 million), which relates to asset revaluation reserve.

(iii) Deferred Tax

Deferred income tax in the Consolidated Balance Sheet relates to the following:

	2015 $'M	2014 $'M
Deferred Tax Assets		
Property, plant and equipment	-	42.1
Employee benefits	15.2	14.8
Provisions	128.1	115.3
Tax losses	-	16.1
Other	8.2	4.9
	151.5	**193.2**
Deferred Tax Liabilities		
Property, plant and equipment	12.7	-
Other	22.9	18.3
	35.6	**18.3**
Total Net Deferred Tax Assets	**115.9**	**174.9**

Deferred income tax benefit in the Consolidated Income Statement for the year relates to the following:

	2015 $'M	2014 $'M
Deferred Tax Assets		
Property, plant and equipment (including impairment)	(11.2)	4.8
Employee benefits	(1.0)	3.4
Provisions	(4.1)	(80.7)
Tax losses	8.5	9.4
Change in fair value of cash flow hedges	-	9.2
Other	1.1	(1.6)
Deferred Tax Liabilities		
Adjustment recognised in the current year in relation to deferred tax of prior years	(2.9)	(5.6)
Other	0.6	2.6
	(9.0)	**(58.5)**

B How Numbers are Calculated (Continued)

B1 Profit and Loss Information (Continued)

(d) Income Tax Expense/(Benefit) (Continued)

Accounting for Income Tax Expense

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to used tax losses.

Tax Consolidation Legislation

The company and all its wholly-owned Australian resident entities are part of a Tax-Consolidated Group under Australian taxation law. Transpacific Industries Group Ltd is the Head Entity in the Tax-Consolidated Group. The Tax-Consolidated Group has entered into a tax sharing and a tax funding agreement.

Refer to Section E13(C).

B2 Financial Assets and Liabilities

(a) Cash and Cash Equivalents

	2015 $'M	**2014 $'M**
Cash at bank and on hand	36.9	189.7
Short-term deposits	0.1	0.4
Cash and Cash Equivalents in the Consolidated Statement of Cash Flows	**37.0**	**190.1**

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are at call, and earn interest at the respective short-term deposit rates.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in Section C2.

Accounting for Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, short-term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management position are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

B How Numbers are Calculated (Continued)

B2 Financial Assets and Liabilities (Continued)

(b) Trade and Other Receivables

	2015 $'M	2014 $'M
Trade receivables	225.9	215.0
Less: impairment of trade receivables	(6.5)	(2.8)
	219.4	212.2
Other receivables	7.7	21.1
	227.1	**233.3**

Accounting for Trade and Other Receivables

All trade receivables are recognised and carried at original invoice amount as they are due for settlement generally on average 30 days from the date of invoice. Some Operating Segments may give extended terms. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known as uncollectable are written off when identified. A provision for impairment is raised when collection of an amount is no longer probable.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in Section C2.

(c) Trade and Other Payables

	2015 $'M	2014 $'M
Trade payables	81.3	56.8
Other payables and accruals	126.5	123.9
	207.8	**180.7**

Accounting for Trade and Other Payables

Trade and other payables are non-interest bearing and recognised and carried at original invoice amount as they are normally settled on 45 day terms.

Other payables and accruals includes tipping and disposal costs accruals as well as general accruals.

Refer to currency and liquidity risk in Section C2.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015 (continued)

B How Numbers are Calculated (Continued)

B2 Financial Assets and Liabilities (Continued)

(d) Borrowings

	2015 $'M	2014 $'M
CURRENT		
UNSECURED		
Loans from related parties and associates	0.5	1.8
Other	0.2	0.2
	0.7	**2.0**
NON-CURRENT		
UNSECURED		
Bank loans	288.2	-
Other	0.3	0.6
	288.5	0.6
SECURED		
US Private Placement Notes	62.5	50.8
	351.0	**51.4**
Total Borrowings	**351.7**	**53.4**

All borrowings are net of prepaid borrowing costs. Due to the refinancing and cancellation of facilities during 2014, borrowing costs associated with refinancing and cancelled syndicated facilities were expensed to the profit and loss.

Financing Facilities

The facility limits and maturity profile of the Group's main financing facilities are as follows:

FACILITY		*AMOUNT*	*MATURITY*
Syndicated Facility Agreement - Facility A	working capital tranche	$135 million	1 July 2016
- Facility B	4 year revolver	$130 million	1 July 2018
- Facility C	5 year revolver	$335 million	1 July 2019
US Private Placement Notes	10 year tenure	US$48 million	December 2017

On 1 July 2014, the Group refinanced its syndicated bank facility by establishing a new $400.0 million syndicated bank facility. Facility C headroom was increased by $200.0 million in February 2015 to fund the Melbourne Regional Landfill acquisition.

At the balance date the Group had total debt facilities of $653.9 million (2014: $356.9 million) and a $40.0 million uncommitted bank guarantee facility. At 30 June 2015, $371.0 million was utilised under the syndicated facility agreement and the USPP was fully drawn.

On 16 July 2015, the maturity date for Facility A was extended to 1 July 2017.

Interest rates are variable under the syndicated facility agreement.

The USPP Private Placement ("USPP") Notes have been swapped to AUD fixed rate debt to mitigate the foreign currency risk arising from these borrowings.

B How Numbers are Calculated (Continued)

B2 Financial Assets and Liabilities (Continued)

(d) Borrowings (Continued)

The Group's finance facilities are summarised below:

	2015 $'M	2014 $'M
DEBT FACILITIES		
Facilities available under Syndicated Facility Agreement	600.0	303.0
Facilities available under USPP Notes	53.9	53.9
Facilities available under uncommitted bank guarantee facilities	40.0	-
Total facilities	**693.9**	**356.9**
Facilities utilised at balance date for bank loans, guarantees and USPP Notes	(460.4)	(149.3)
Facilities Not Utilised at Balance Date	**233.5**	**207.6**

Facilities used at balance date include $114.4 million (2014: $95.4 million) in guarantees and letters of credit which are not included in the Consolidated Balance Sheet.

Accounting for Borrowings

Borrowings are initially recognised at fair value of the consideration received net of issue costs incurred. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Consolidated Income Statement over the period of the borrowings on an effective interest basis.

Borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

B3 Non-Financial Assets and Liabilities

(a) Inventories

	2015 $'M	2014 $'M
Raw materials and consumables – at cost	13.1	5.6
Work in progress – at cost	0.4	-
Finished goods – at cost	6.0	5.1
	19.5	**10.7**

Accounting for Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is based on the method most appropriate to each particular class of inventory and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. The cost of inventory may also include transfers from Equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventory.

B How Numbers are Calculated (Continued)

B3 Non-Financial Assets and Liabilities (Continued)

(b) Property Plant and Equipment

	Land and Buildings – at fair value		Landfill, Cell Development and Remediation Assets		Leasehold Improvements		Plant and Equipment		Capital Work in Progress		Total Property, Plant and Equipment	
	2015 $'M	2014 $'M	**2015 $'M**	2014 $'M	**2015 $'M**	2014 $'M	**2015 $'M**	2014 $'M	**2015 $'M**	2014 $'M	**2015 $'M**	2014 $'M
Opening written down value	**148.6**	210.4	**127.6**	232.4	**6.7**	10.1	**428.8**	527.8	**110.3**	103.7	**822.0**	1,084.4
Additions	**4.7**	4.1	**5.0**	14.2	**27.4**	4.6	**146.6**	157.5	**-**	-	**183.7**	180.4
Acquisitions	**-**	-	**13.1**	-	**-**	-	**14.2**	-	**-**	-	**27.3**	-
Net movement in capital work in progress	**-**	-	**-**	-	**-**	-	**-**	-	**(18.8)**	22.8	**(18.8)**	22.8
Net movement in landfill asset	**-**	-	**24.7**	167.9	**-**	-	**-**	-	**-**	-	**24.7**	167.9
Disposals	**-**	(15.5)	**-**	-	**(0.1)**	(0.3)	**(5.0)**	(11.3)	**-**	-	**(5.1)**	(27.1)
Transfer of assets	**3.0**	-	**6.2**	-	**0.3**	-	**(6.5)**	-	**-**	-	**3.0**	-
Disposal of discontinued operations	**-**	(45.3)	**-**	(55.5)	**-**	(6.6)	**-**	(118.1)	**-**	(18.1)	**-**	(243.6)
Revaluation	**0.7**	(2.0)	**-**	-	**-**	-	**-**	-	**-**	-	**0.7**	(2.0)
Impairment of assets	**-**	-	**-**	(139.4)	**-**	-	**(43.4)**	-	**-**	-	**(43.4)**	(139.4)
Depreciation	**(3.1)**	(4.0)	**(34.0)**	(96.8)	**(1.5)**	(1.2)	**(92.9)**	(127.2)	**-**	-	**(131.5)**	(229.2)
Effect of movements in foreign exchange	**-**	0.9	**-**	4.8	**-**	0.1	**-**	0.1	**-**	1.9	**-**	7.8
Closing Written Down Value	**153.9**	148.6	**142.6**	127.6	**32.8**	6.7	**441.8**	428.8	**91.5**	110.3	**862.6**	822.0
Cost or Fair Value	**159.1**	150.7	**376.3**	327.3	**35.4**	7.8	**1,343.5**	1,237.6	**91.5**	110.3	**2,005.8**	1,833.7
Accumulated Depreciation	**(5.2)**	(2.1)	**(233.7)**	(199.7)	**(2.6)**	(1.1)	**(901.7)**	(808.8)	**-**	-	**(1,143.2)**	(1,011.7)
Written Down Value	**153.9**	148.6	**142.6**	127.6	**32.8**	6.7	**441.8**	428.8	**91.5**	110.3	**862.6**	822.0

B How Numbers are Calculated (Continued)

B3 Non-Financial Assets and Liabilities (Continued)

(b) Property Plant and Equipment (Continued)

Accounting for Property, Plant and Equipment

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation of assets, with the exception of landfill remediation and cell development assets, is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to the Group. Leasehold improvements are depreciated over the period of the lease or estimated useful lives, whichever is the shorter, using the straight-line method. Landfill remediation and cell development assets are depreciated on a usage basis over the individual landfill expected life.

Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Buildings and site improvements	15 to 40 years
Plant and equipment	2.5 to 20 years
Leasehold improvements	5 to 10 years
Landfill assets	1 to 50 years

Refer to Section E13(H).

Valuations of Land and Buildings

Non landfill land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation of buildings. Land and buildings are combined for the purposes of fair value adjustments as this is how management view its property and associated value. The fair values are recognised in the Consolidated Financial Statements of the Group, and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different to their fair values.

Any revaluation increment (net of tax) is credited to the asset revaluation reserve included in the equity section of the Consolidated Balance Sheet. Any revaluation decrement directly offsetting a previous increment in the same asset is directly offset against the surplus in the asset revaluation reserve, otherwise it is charged to the Consolidated Income Statement and Statement of Comprehensive Income.

The following table shows an analysis of the fair values of land and buildings recognised in the Consolidated Balance Sheet by level of the fair value hierarchy:

2015	**Level 1 $'M**	**Level 2 $'M**	**Level 3 $'M**	**Total $'M**	**Total loss in the period taken to profit and loss $'M**
Residential	-	1.7	-	1.7	-
Regional Industrial	-	-	40.0	40.0	(0.5)
Metropolitan Industrial	-	-	108.9	108.9	-
Total	**-**	**1.7**	**148.9**	**150.6**	**(0.5)**
2014					
Residential	-	1.7	-	1.7	-
Regional Industrial	-	-	40.4	40.4	(3.9)
Metropolitan Industrial	-	-	108.3	108.3	(4.4)
Total	**-**	**1.7**	**148.7**	**150.4**	**(8.3)**

Amounts taken to the profit and loss are shown in change in fair value of land and buildings.

There were no transfers between Levels during the year.

B How Numbers are Calculated (Continued)

B3 Non-Financial Assets and Liabilities (Continued)

(b) Property Plant and Equipment (Continued)

Level 2 valuations are based on a direct comparison approach whereby a property's fair value is estimated based on comparable transactions and are then adjusted to take into account any differences in the assets. The unit of comparison applied by the Group is the price per square metre (sqm).

The following table presents the details of the valuation approaches used under Level 3:

	Valuation technique	**Key unobservable inputs**	**Range (Weighted average) 2015**	**Range (Weighted average) 2014**
Regional Industrial	**Summation**	Price per square metre	$60-250	$60-250
		Depreciation replacement cost	$0-1500	$0-1500
	Capitalisation	Capitalisation rate	9.25%	9.25%
		Leased income per square metre	$75-130	$75-130
	Direct Comparison	Price per square metre	$70-525	$70-525
Metropolitan Industrial	**Summation**	Price per square metre	$15-285	$15-285
		Depreciation replacement cost	$0-1500	$0-1500
	Capitalisation	Capitalisation Rate	7.25%-10%	7.25%-10%
		Leased income per square metre	$95-225	$95-225
	Direct Comparison	Price per square metre	$300-1725	$300-1400

Under the summation method a property's fair value is estimated based on comparable transactions for the land on a price per square metre basis together with an estimate of the cost to replace any buildings or structures on site less depreciation.

Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating lease income generated by the property, which is divided by the capitalisation rate (discounted by a rate of return).

Significant increases (decreases) in any of the significant unobservable inputs, in isolation, under the direct comparison, summation or capitalisation methods would result in a significantly higher (lower) fair value measurement.

If land and buildings were measured using the cost model, the carrying amounts would be as follows:

	2015 $'M	**2014 $'M**
LAND (EXCLUDING LANDFILL)		
Cost	82.3	81.5
BUILDINGS		
Cost	68.5	64.6
Accumulated depreciation	(20.0)	(16.8)
Closing Written Down Value	48.5	47.8

Leased plant and equipment

The carrying amount of plant and equipment held under finance lease and hire purchase contracts at 30 June 2015 is $Nil (2014: $Nil).

Refer to Section E13(I).

B How Numbers are Calculated (Continued)

B3 Non-Financial Assets and Liabilities (Continued)

(b) Property Plant and Equipment (Continued)

Accounting for Landfills

The Group owns a total of 16 landfills. Of the 16 landfills, 7 of these are closed. Those that are open are expected to close between 2015 and 2064. The Group's remediation provisions are based on an average 30 year post-closure period.

It is the Group's policy at time of development or acquisition of a landfill and reporting dates to:

a) Capitalise the cost of a developed landfill and cell development to landfills;
b) Capitalise the cost of purchased landfills;
c) Amortise the cost of cell development over the useful life of the cell;
d) Assess impairment of each landfill asset or Group of landfill assets which work together as a unit by reference to tangible values. If impaired an impairment loss is recorded;
e) Measure the tangible value by reference to remaining available airspace and the future earnings it will generate; and
f) Recognise revenue streams in the reporting period earned.

Refer to Section E13(H).

(c) Intangible Assets

	Goodwill		Other Intangibles		Total Intangibles	
	2015	2014	**2015**	2014	**2015**	2014
	$'M	$'M	**$'M**	$'M	**$'M**	$'M
Opening written down value	**1,190.6**	1,777.5	**81.4**	85.3	**1,272.0**	1,862.8
Additions	**69.0**	-	**260.7**	0.4	**329.7**	0.4
Derecognised on disposal of assets	**-**	(643.2)	**-**	(3.0)	**-**	(646.2)
Impairment of intangible assets	**(34.1)**	-	**-**	-	**(34.1)**	-
Amortisation	**-**	-	**(3.3)**	(1.5)	**(3.3)**	(1.5)
Effect of movements in foreign exchange	**-**	56.3	**-**	0.2	**-**	56.5
Net Book Value	**1,225.5**	1,190.6	**338.8**	81.4	**1,564.3**	1,272.0
Cost	**1,225.5**	1,190.6	**386.4**	125.7	**1,611.9**	1,316.3
Accumulated amortisation	**-**	-	**(47.6)**	(44.3)	**(47.6)**	(44.3)
Net Book Value	**1,225.5**	1,190.6	**338.8**	81.4	**1,564.3**	1,272.0

The carrying amount of goodwill and intangibles allocated to each of the CGUs or CGU Groups is as follows:

2015	**Cleanaway $'M**	**Technical Services $'M**	**Hydrocarbons $'M**	**EMR $'M**	**Total $'M**
Goodwill	1,119.2	70.0	-	36.3	1,225.5
Intangible assets	260.0	0.2	-	-	260.2
Indefinite life intangible assets	78.6	-	-	-	78.6
Total	**1,457.8**	**70.2**	**-**	**36.3**	**1,564.3**
2014					
Goodwill	1,050.2	70.0	34.1	36.3	1,190.6
Intangible assets	2.6	0.2	-	-	2.8
Indefinite life intangible assets	78.6	-	-	-	78.6
Total	**1,131.4**	**70.2**	**34.1**	**36.3**	**1,272.0**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015 (continued)

B How Numbers are Calculated (Continued)

B3 Non-Financial Assets and Liabilities (Continued)

(c) Intangible Assets (Continued)

The increase in goodwill and other intangibles is due to the acquisition of the Melbourne Regional Landfill, Dimeo and Riverland businesses during the financial year. Refer to Section A3. Also Refer to Section E13(J).

At 30 June 2015, other intangibles include Melbourne Regional Landfill asset at $245.8 million (2014: Nil), customer contracts valued at $11.8 million (2014: $2.8 million) and brand names valued at $78.6 million (2014: $78.6 million). Contracts are amortised over their useful life. Brand names are not amortised as they are assessed as having an indefinite useful life.

Annual Impairment Testing

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing. In accordance with the Group's accounting policies, the Group performs its impairment testing annually or more frequently if required. Goodwill and non-current assets are reviewed at each reporting period to determine whether there is an indicator of impairment. Where an indicator of impairment exists, a formal review is undertaken to determine the estimate of the recoverable amount.

Intangibles are monitored at an operating segment level for the Cleanaway business and at a CGU level for the Industrials business.

Results of Impairment Testing

During the financial year ended 30 June 2015, all intangible assets and non-current assets were tested for impairment as required by AASB 136 *Impairment of Assets*. Results of impairment testing is summarised in the table below:

	CLEANAWAY		HYDROCARBONS		TOTAL	
$'M	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Intangible assets	-	-	34.1	-	34.1	-
Property, plant and equipment	-	139.4	43.4	-	43.4	139.4
Total impairment	**-**	**139.4**	**77.5**	**-**	**77.5**	**139.4**

The prior period impairment in the Cleanaway operating segment relates to the landfill remediation review.

Hydrocarbons CGU (within Industrials operating segment)

The Hydrocarbons CGU refines and recycles used mineral oils to produce fuel oils and base oils. During the period this CGU experienced increased collection costs and declining sales price indices for fuel and base oils, which all led to a significant decline in results for the Hydrocarbons business.

At 31 December 2014, given the significant decline in results, the CGU's value in use calculations or projected cash flows were updated to reflect the revised five year plan which factored in reduced volumes, a decline in fuel and base oil selling prices and forecast capex spend. The EBITDA growth rate estimated for years 1-5 was negative 4.2% (30 June 2014: positive 2.4%), with cash flows beyond the five-year period (terminal growth rate) using a 1.0% growth rate (30 June 2014: 2.0%). A post-tax discount rate of 7.7% (30 June 2014: 7.8%) was applied.

As a result of this analysis, management recognised an impairment charge of $77.5 million in the profit and loss for the half-year ended 31 December 2014. The impairment charge has been taken firstly against goodwill in the CGU and then the remainder against plant and equipment, leading to recoverable amount equalling carrying value at 31 December 2014.

Key Assumptions Used for Annual Impairment Testing

The recoverable amounts of the cash generating units/groups of cash generating units (CGUs) have been based on value-in-use calculations using four year forecasted cash flows. These calculations use cash flow projections based on actual operating results and financial forecasts approved by the Board.

Capital expenditure included is based on budgeted capital expenditure escalated to align with future growth assumptions.

B How Numbers are Calculated (Continued)

B3 Non-Financial Assets and Liabilities (Continued)

(c) Intangible Assets (Continued)

Key assumptions used in the testing of these CGUs or CGU Groups for both 2015 and 2014 financial years were as follows:

ASSUMPTIONS	**Cleanaway**		**Technical Services**		**Hydrocarbons**		**EMR**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Revenue growth – Excl. MRL	5.0%	3.2%	4.0%	1.3%	2.8%	2.2%	0.2%	1.5%
Revenue growth – MRL	19.4%	-	-	-	-	-	-	-
EBITDA growth – Excl. MRL	6.5%	3.5%	24.3%	1.5%	4.7%	2.4%	11.4%	4.0%
EBITDA growth – MRL	18.0%	-	-	-	-	-	-	-
Terminal value growth rate	3.0%	3.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Post-tax discount rate	7.7%	7.8%	7.7%	7.8%	7.7%	7.8%	7.7%	7.8%
Pre-tax discount rate(i)	11.0%	11.1%	11.0%	11.1%	11.0%	11.1%	11.0%	11.1%

(i) In 2014 reflects the discount rate excluding post collections.

The Melbourne Regional Landfill (“MRL”), was acquired during the period and accordingly, has been identified separately to show the underlying growth rate assumptions of the existing business. MRL revenue and EBITDA have been annualised in 2015 to show comparable growth rates as if the business was held for the entire year.

The short term revenue and EBITDA growth rates of the CGUs or CGU Groups have increased on the prior year due to:

- Purchase of MRL business which will drive revenue and EBITDA growth, greater cash flows and higher return through increased landfill capacity, internalisation and synergies. MRL is strategically located for the Group and as a long term asset is expected to provide significant value to the Group (Cleanaway);
- Growth transformation program being implemented across major markets in order to increase sales revenue via a focus on:
  - pricing strategies;
  - customer retention;
  - market share;
  - route efficiency; and
  - sales force.

  The program outcomes will be measured with clear accountability for results delivery (Cleanaway, Technical Services, Hydrocarbons and EMR).
- Labour and equipment utilisation optimisation strategies reducing costs (EMR); and
- Cost savings through increased operational efficiency, site consolidation and improved purchasing practices as a result of enhanced systems and processes (Cleanaway, Technical Services, Hydrocarbons and EMR).

The revenue growth rates are also impacted by the Reserve Bank of Australia forecast GDP growth of 3.0% and CPI of 2.75%.

The discount rate has been based on an industry Weighted Average Cost of Capital (“WACC”). The terminal value growth rate has been based on published long-term growth rates.

B How Numbers are Calculated (Continued)

B3 Non-Financial Assets and Liabilities (Continued)

(c) Intangible Assets (Continued)

Impact of Possible Changes in Key Assumptions

Whilst there was no impairment in any of the CGUs or CGU Groups, any negative variation in the key assumptions would result in a change in the assessed recoverable amount.

Impact on Recoverable Amounts

Changes in the key assumptions would affect the recoverable amount of the CGUs or CGU Groups both positively and negatively. The table below shows the estimated impact of adverse changes in the key assumptions on the recoverable amount of the CGUs or CGU Groups:

$'M	Cleanaway	Technical Services	Hydrocarbons	EMR
0.25% decrease in compound revenue growth	(54.8)	(12.0)	(4.0)	(4.4)
0.25% decrease in the compound EBITDA annual growth rate	(24.8)	(3.5)	(2.0)	(1.1)
0.25% decrease in terminal value growth rate	(62.5)	(10.3)	(3.5)	(3.7)
0.25% increase in post-tax discount rate	(102.0)	(11.7)	(4.0)	(4.2)

Impact on Difference between Recoverable Amount and Carrying Value

Current modelling provides that the recoverable amount exceeds the carrying amount (headroom) as outlined below. Also presented are the changes required for the recoverable amount to equal the carrying amount:

	Cleanaway	Technical Services	Hydrocarbons	EMR
Headroom $'M	**266.7**	**76.3**	**22.4**	**19.8**
Decrease in compound revenue growth rate [1]	1.8%	1.8%	1.2%	1.1%
Decrease in compound EBITDA annual growth rate [1]	3.0%	6.6%	3.3%	4.1%
Decrease in terminal value growth rate [1, 2]	1.3%	2.6%	2.1%	1.7%
Increase in post-tax discount rate [1]	0.7%	2.2%	1.8%	1.4%

1. Represents absolute change in assumption value (for example post-tax discount rate increasing by 0.7% from 7.7% to 8.4%).
2. Technical Services and Hydrocarbons terminal value would reflect negative value as it is currently modelled at 2.0%.

Impact on Carrying Values

Reasonably possible changes in key assumptions and their impacts on carrying values are as follows:

		Impact on Carrying Values ($M)			
	Reasonably possible change	Cleanaway	Technical Services	Hydrocarbons	EMR
Decrease in compound revenue growth rate	1% to 2%	Nil - (109.0)	Nil - (8.6)	Nil - (15.0)	Nil - (15.7)
Decrease in compound EBITDA annual growth rate	2% to 3%	Nil	Nil	Nil	Nil
Decrease in terminal value growth rate	1%	Nil	Nil	Nil	Nil
Increase in post-tax discount rate	0.3% to 1%	Nil - (94.5)	Nil	Nil	Nil

The sensitivities above assume that the specific assumption moves in isolation, while all other assumptions are held constant. In the event that more than one assumption moves adversely simultaneously, the impact on carrying value would increase.

B How Numbers are Calculated (Continued)

B3 Non-Financial Assets and Liabilities (Continued)

(d) Provisions

	Rectification		Remediation		Other Provisions		Total	
CURRENT	**2015 $'M**	2014 $'M	**2015 $'M**	2014 $'M	**2015 $'M**	2014 $'M	**2015 $'M**	2014 $'M
Balance at beginning of year	**13.4**	-	**36.1**	25.0	**17.6**	34.3	**67.1**	59.3
Provisions transferred from non-current	**20.9**	-	**3.1**	12.2	**2.0**	-	**26.0**	12.2
Provisions made during the year	**-**	13.4	**-**	12.7	**5.2**	5.6	**5.2**	31.7
Provisions used during the year	**-**	-	**-**	-	**(5.0)**	-	**(5.0)**	-
Provisions reversed during the year	**-**	-	**-**	(5.2)	**(2.9)**	(1.0)	**(2.9)**	(6.2)
Provisions disposed due to discontinued operations	**-**	-	**-**	(0.6)	**-**	(22.3)	**-**	(22.9)
Rectification and remediation work completed	**(6.7)**	-	**(8.2)**	(8.0)	**-**	-	**(14.9)**	(8.0)
Effect on movement of foreign exchange	**-**	-	**-**	-	**-**	1.0	**-**	1.0
Balance at end of year	**27.6**	13.4	**31.0**	36.1	**16.9**	17.6	**75.5**	67.1
NON-CURRENT								
Balance at beginning of year	**55.8**	-	**242.4**	117.4	**8.6**	-	**306.8**	117.4
Unwinding of discounts on provision	**2.6**	-	**11.2**	5.0	**-**	-	**13.8**	5.0
Change in discount rate	**1.3**	-	**23.6**	2.9	**-**	-	**24.9**	2.9
Change in assumptions (i)	**1.0**	-	**(22.6)**	6.2	**-**	-	**(21.6)**	6.2
Provisions acquired	**-**	-	**32.6**	-	**-**	-	**32.6**	-
Provisions made during the year	**3.0**	55.8	**-**	141.7	**2.6**	8.6	**5.6**	206.1
Provisions transferred to current	**(20.9)**	-	**(3.1)**	(12.2)	**(2.0)**	-	**(26.0)**	(12.2)
Provisions disposed due to discontinued operations	**-**	-	**-**	(20.6)	**-**	-	**-**	(20.6)
Effect on movement of foreign exchange	**-**	-	**-**	2.0	**-**	-	**-**	2.0
Balance at end of year	**42.8**	55.8	**284.1**	242.4	**9.2**	8.6	**336.1**	306.8

(i) The change in assumptions represents changes in Environmental guidelines and estimate of cost reviews.

Accounting for Provisions

A provision is recognised in the Consolidated Balance Sheet when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Included in other provisions is an amount of $12.8 million (2014: $12.0 million) in relation to workers compensation self-insurance of the Group under the Comcare scheme. The workers compensation self-insurance provision is reassessed annually based on actuarial advice.

Also included in other provisions is an amount of $0.4 million (2014: $0.7 million) in relation to warranties.

The provision for remediation has been estimated using current expected costs and techniques applicable to the operation of each landfill and the disturbed area. These costs have been adjusted for future value of the expected costs at the time of works being required. These costs have then been discounted to estimate the required provision at a rate of 2.81% (2014: 3.20% - 4.57%). Refer to timing of cash flows related to closed landfills at B3(b) and accounting policy at E13H(iii).

During the 2014 year, the Group appointed a specialist US landfill engineering firm to conduct an evaluation of potential remediation liabilities and other operational issues at a number of operational and closed landfill sites. As a result of the evaluation, the Group increased its remediation provision and created a rectification provision to address operational obligations and defects in existing infrastructure, update costs to reflect fuller engineering work and incorporate landfill engineering best practice.

B How Numbers are Calculated (Continued)

B4 Contributed Equity

(a) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs incurred by the company arising on the issue of capital are recognised directly in Equity as a reduction of the share received.

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company. Ordinary shares have no par value.

	2015		2014	
	NUMBER OF SHARES	$'M	NUMBER OF SHARES	$'M
Balance at the beginning of year	**1,579,323,967**	**2,071.8**	1,578,563,490	2,071.7
Issued during financial year:				
- Issue of shares under the company's employee incentive plan	375,538	-	537,263	-
- Issue of shares under employment contract	215,185	0.3	223,214	0.3
- Transaction costs	-	-	-	(0.2)
Balance at End of Year	**1,579,914,690**	**2,072.1**	**1,579,323,967**	**2,071.8**

(b) Non-Controlling Interest

	2015 $'M	2014 $'M
Contributed equity	0.3	2.3
Retained earnings	8.0	6.2
	8.3	**8.5**

(c) Step-up Preference Securities (SPS)

	2015		2014	
	NUMBER OF UNITS	$'M	NUMBER OF UNITS	$'M
Balance at the beginning of year	2,500,000	249.8	2,500,000	249.8
Redemption of securities	(2,500,000)	(249.8)	-	-
Balance at End of Year	**-**	**-**	**2,500,000**	**249.8**

The SPS units are classified as Equity according to AASB 132 *Financial Instruments: Presentation* due to the redemption and settlement features resulting in a fixed amount of equity instruments. AASB 132 states that if a contract is for the exchange of a fixed amount of cash, for a fixed number of shares, the contract is considered to represent a residual interest and to be classified as Equity. The redemption of the shares is at the discretion of the Group rather than the unit holder, therefore the units are classified as Equity.

On 18 August 2014, Transpacific granted approval to the Responsible Entity of the SPS Trust to redeem the SPS units on 30 September 2014. SPS holders were paid, for each Note, its face value of $100 and the distribution amount for the period ended 30 September 2014 of $3.05.

C Risk

C1 Critical Estimates and Judgements

The preparation of financial statements require the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity. It also covers those items which are more likely to be materially adjusted due to estimates and assumptions turning out to be inaccurate or requiring change due to changing circumstances or the availability of more or better information. Detailed information about each of these estimates and judgements is included in Section E together with information about the basis of calculation for each affected line item in the financial statements.

The areas are:

- Estimation of provision for landfill remediation;
- Land and building valuations;
- Recovery of deferred tax assets and taxation; and
- Impairment review and testing.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Consolidated Entity and that are believed to be reasonable under the circumstances.

Refer to Section E13(O).

C2 Financial Risks

The Group's principal financial instruments, other than derivatives, comprise bank loans, US Private Placement Notes and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade receivables, trade payables and equity investments.

The Group is exposed to market risk, credit risk and liquidity risk and its senior management oversees the management of these risks. The Group has in place a Treasury Policy that focuses on managing the main financial risks, interest rate risk, credit risk, liquidity risk and foreign currency risk. The policy is reviewed by the Audit and Risk Committee and approved by the Board. The treasury activities are reported to the Audit and Risk Committee and Board on a regular basis with the ultimate responsibility being borne by the Chief Financial Officer ("CFO").

The Group's overall financial risk management focuses on mitigating the potential financial effects to the Group's financial performance. The Group also enters into derivative transactions, principally interest rate swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

It is the Group's policy that no trading in financial instruments shall be undertaken.

(a) Market Risk

Market risk is a risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of three types of risk: foreign currency risk, interest rate risk, and equity price risk.

Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 30 June 2015 and 2014.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 30 June 2015.

The following assumptions have been made in calculating the sensitivity analyses:

- The Consolidated Balance Sheet sensitivity relates to derivative financial instruments.
- The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 30 June 2015 and 2014 allowing for the effect of hedge accounting on certain instruments.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges at 30 June 2015 for the effects of the assumed changes of the underlying risk.

C Risk (Continued)

C2 Financial Risks (Continued)

(b) Foreign currency risk

Foreign currency risk arises as a result of having assets denominated in a currency that is not the business units functional currency (balance sheet risk) or from transactions or cash flows denominated in a foreign currency (cash flow risk).

Foreign Currency Risk is not material to the Group.

The USPP Notes currency risk has been hedged by a foreign currency swap for the interest and currency exposure which has been in place since inception and converts to AUD fixed rate debt.

At balance date the Group held the following facilities denominated in foreign currency:

	USD $'M	AUD $'M
30 June 2015		
US Private Placement Notes	48.0	62.5
30 June 2014		
US Private Placement Notes	48.0	50.8

(c) Credit risk exposures

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet contractual obligations, with the maximum exposure being equal to the carrying amount of these instruments. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets. For certain export sales the Group requires the vendor to provide a letter of credit.

The Group minimises concentrations of credit risk by undertaking transactions with a large number of customers. In addition, receivable balances are monitored on an ongoing basis with the intention that the Group's exposure to bad debts is minimised.

Credit risk on interest rate and foreign exchange contracts is minimal as counterparties are large Australian and international banks with acceptable credit ratings determined by a recognised ratings agency.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's Treasury policy where the Group only deals with large reputable financial institutions.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. The Group's maximum exposure to credit risk at the reporting date was:

	NOTES	CARRYING AMOUNT	
		2015 $'M	**2014 $'M**
Cash and cash equivalents (excluding bank overdrafts)	B2(a)	37.0	190.1
Trade and other receivables	B2(b)	227.1	233.3
Derivative financial instruments		8.6	-
		272.7	**423.4**

C Risk (Continued)

C2 Financial Risks (Continued)

(d) Interest rate risk exposures

Interest rate risk is the risk that the fair value of the financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates, which could result in an adverse effect on the Group's financial performance. The Group's exposure primarily relates to its exposure to market interest rates on debt obligations.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk whilst borrowings issued at fixed rate expose the Group to fair value interest rate risks. The Group manages the exposure by using interest rate swaps in-line with hedging parameters under its Treasury Policy.

Hedging

The Group's exposure to interest rate risk is predominantly cash flow interest rate risk. The Group adopts a policy of regularly assessing cash flow at risk from movements in interest rates and then determines any interest rate risk mitigation strategy. At 30 June 2015 there were no interest rate swaps in place with the exception of the US Private Placement foreign currency interest rate swap.

The Group classifies interest rate swaps as derivatives and states them at fair value. The Group analyses its exposure to interest rate risk and the impact on cash flow regularly and considers current and future financing positions, alternative financing and hedging arrangements whilst considering the mix of fixed and variable interest rates.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	2015 $'M	**2014 $'M**
Fixed Rate Instruments		
Financial liabilities	(63.5)	(53.4)
	(63.5)	**(53.4)**
Variable Rate Instruments		
Financial assets (cash)	37.0	190.1
Financial liabilities	(288.2)	-
	(251.2)	**190.1**

Sensitivity Analysis for Variable Rate Instruments and Derivatives

An analysis of the interest rates over the 12 month period was performed to determine a reasonable possible change in interest rates on the part of debt affected. A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by $2.9 million.

C Risk (Continued)

C2 Financial Risks (Continued)

(d) Interest rate risk exposures (Continued)

Effective Interest Rates and Repricing Analysis

In respect of income-earning financial assets and interest-bearing financial liabilities of the Group, the following table indicates their effective interest rates at reporting date and the periods in which they reprice. No other financial assets or liabilities are exposed to any interest rate risk.

	EFFECTIVE INTEREST RATE (%)	TOTAL $'M	1 YEAR OR LESS $'M	1 – 2 YEARS $'M	2 – 3 YEARS $'M	3 – 4 YEARS $'M	>4 YEARS $'M
2015							
Financial Assets							
Cash and deposits	2.00	37.0	37.0	-	-	-	-
Total Financial Assets		**37.0**	**37.0**	**-**	**-**	**-**	**-**
Financial Liabilities							
US Private Placement Notes	10.80	62.5	-	-	62.5	-	-
Unsecured bank loans	3.80	288.2	-	-	-	288.2	-
Payable to related parties	10.00	0.5	0.5	-	-	-	-
Other	6.00	0.5	0.2	0.3	-	-	-
Total Financial Liabilities		**351.7**	**0.7**	**0.3**	**62.5**	**288.2**	**-**
2014							
Financial Assets							
Cash and deposits	2.50	190.1	190.1	-	-	-	-
Total Financial Assets		**190.1**	**190.1**	**-**	**-**	**-**	**-**
Financial Liabilities							
US Private Placement Notes	10.80	50.8	-	-	-	50.8	-
Payable to related parties	10.00	1.8	1.8	-	-	-	-
Other	6.00	0.8	0.8	-	-	-	-
Total Financial Liabilities		**53.4**	**2.6**	**-**	**-**	**50.8**	**-**

C Risk (Continued)

C2 Financial Risks (Continued)

(e) Liquidity Risk

Liquidity risk is the risk the Group will not be able to meet its financial obligations as they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, preference shares, finance leases and hire purchase contracts.

The Group regularly reviews existing funding arrangements and assesses future funding requirements based upon known and forecast information provided by each business unit. This allows effective monitoring of the maturity of its debt portfolio.

The following table discloses the contractual maturities of financial liabilities, including estimated interest payment and excluding the impact of netting agreements:

2015	CARRYING AMOUNT $'M	CONTRACTUAL CASH FLOWS $'M	LESS THAN 1 YEAR $'M	1 – 2 YEARS $'M	2 – 5 YEARS $'M	MORE THAN 5 YEARS $'M
Non-derivative Financial Liabilities						
US Private Placement Notes	62.5	(78.8)	(6.8)	(6.8)	(65.2)	-
Loans from associates	0.5	(0.5)	(0.5)	-	-	-
Unsecured bank loans	288.2	(326.1)	(10.1)	(10.1)	(305.9)	-
Trade and other payables	207.8	(207.8)	(207.8)	-	-	-
Other	0.5	(0.5)	(0.2)	(0.3)	-	-
TOTAL	**559.5**	**(613.7)**	**(225.4)**	**(17.2)**	**(371.1)**	**-**
2014						
Non-derivative Financial Liabilities						
US Private Placement Notes	50.8	(69.6)	(5.5)	(5.5)	(58.6)	-
Loans from associates	1.8	(2.0)	(2.0)	-	-	-
Trade and other payables	180.7	(180.7)	(180.7)	-	-	-
Other	0.8	(0.8)	(0.8)	-	-	-
Derivative Financial Liabilities						
Interest rate swaps(i)	3.8	(3.8)	(3.8)	-	-	-
TOTAL	**237.9**	**(256.9)**	**(192.8)**	**(5.5)**	**(58.6)**	**-**

(i) Interest rate swaps include the cross currency swaps for the USPP.

All non-derivative financial liabilities, excluding bank overdraft, are carried at amortised cost.

The Group manages liquidity risk by monitoring forecast cash flows on a weekly basis and ensuring that adequate unutilised borrowing facilities are maintained.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015 (continued)

C Risk (Continued)

C2 Financial Risks (Continued)

(f) Impairment Losses

The ageing of the Group's trade receivables at the reporting date was:

	GROSS 2015 $'M	IMPAIRMENT 2015 $'M	GROSS 2014 $'M	IMPAIRMENT 2014 $'M
Not past due	131.9	-	175.7	-
Past due 0-30 days	61.5	0.1	21.6	0.1
Past due 31-120 days	25.4	1.1	10.6	0.2
Past due 121 days to one year	5.8	4.8	4.3	0.3
More than one year	1.3	0.5	2.8	2.2
	225.9	**6.5**	**215.0**	**2.8**

The impairment at 30 June 2015 of $0.5 million (2014: $2.2 million) greater than one year relates to several minor customers.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2015 $'M	2014 $'M
Balance at 1 July	2.8	4.7
Divestments of discontinued operation	-	(0.7)
Impairment reversed/recognised	3.7	(1.2)
Balance 30 June	**6.5**	**2.8**

No single customer's annual revenue is greater than 3.1% of the Group's total revenue. Trade and other debtors that are neither past due or impaired are considered to be of a high credit quality.

C Risk (Continued)

C2 Financial Risks (Continued)

(g) Fair values

The following table provides the fair value measurement hierarchy of the Group's derivative financial instruments:

2015	**QUOTED MARKET PRICE (LEVEL 1)**	**VALUATION TECHNIQUE – MARKET OBSERVABLE INPUTS (LEVEL 2)**	**VALUATION TECHNIQUE – NON MARKET OBSERVABLE INPUTS (LEVEL 3)**	**TOTAL**
Assets				
Derivative financial instruments:				
Interest rate swaps	-	8.6	-	8.6
2014				
Liabilities				
Derivative financial instruments:				
Interest rate swaps	-	3.8	-	3.8

The carrying value of all financial assets and liabilities other than derivative financial instruments approximate fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are classed within the fair value hierarchy on the basis of nature, characteristics and risks and described as follows and based on the lower level of input that is significant to the fair value measurement as a whole.

Level 1 – the fair value is calculated using prices in active markets.
Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset of liability, either directly (as prices) or indirectly (derived from prices).
Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers during the year.

The Group enters into interest rate swaps and currency rate swaps with financial institutions with investment grade credit ratings. These derivatives are valued using techniques with market observable inputs. The valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies and currency basis spreads between the respective currencies. The changes in counterparty credit risk and the Group's own non-performance risk did not have a material effect on fair value.

Refer to Section E13(Q).

C Risk (Continued)

C3 Capital Management

When managing capital, management's objective is to ensure that the Group uses a mix of funding options, with the objectives of optimising returns to security holders and prudent risk management.

The facility limits and maturity profile of the Group's main financing facilities are contained in Section B2(d).

The capital structure of the Group comprises debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, such equity comprising issued capital, reserves and retained earnings as disclosed in the Consolidated Balance Sheet.

The Group is subject to and complied with externally imposed capital requirements, repurchasing, retiring or repaying in, the USPP Notes, the Transpacific Step-up Preference Securities and any other hybrid equity instrument issued by it prior to its stated maturity or expiry date (other than in circumstances where it is obliged to do so).

At the balance date the Group had total syndicated banking facilities and USPP notes of $653.9 million (2014: $356.9 million).

D Unrecognised Items

D1 Contingent Liabilities

TAXATION AUTHORITY REVIEWS

The New Zealand Taxation Authority commenced a review of particular aspects of the Group's tax position which have arisen during the period of the Group's ownership of the New Zealand business. While assessments have been issued in respect of some aspects of this review, no amounts of tax are currently payable by the Group, as they are subject to challenge in the New Zealand courts. The review process is ongoing and at this time it is too early to identify the outcomes and related adjustments that may arise, if any. It may be some time before the courts and the New Zealand Taxation Authority processes are concluded, as the review awaits the outcome of related cases involving other taxpayers in the New Zealand court system.

COMCARE

Comcare has filed two complaints and summonses in the Adelaide Magistrates Court in relation to a fire at the Wingfield Chemical Waste Processing Plant. Each offence carries a maximum penalty of $1.5 million. At the date of this report no outcome has been determined in relation to this matter.

OTHER CLAIMS

Certain companies within the Group are party to various legal actions or commercial disputes or negotiations that have arisen in the normal course of business. It is expected that any liabilities or assets arising from these legal actions would not have a material effect on the Group.

There have been no material changes to the commitments, contingent liabilities or contingent assets of the Group subsequent to the year ended 30 June 2015.

D2 Commitments

(a) Operating lease commitments

The Group leases property, plant and equipment under operating leases expiring over terms of up to ten years. Leases generally provide the Group with a right of renewal at which time all terms are renegotiated.

	2015 $'M	**2014 $'M**
Future minimum rentals payable under non-cancellable operating lease rentals are payable as follows:		
Within one year	15.9	19.1
Between one and five years	41.2	28.2
More than five years	12.2	15.4
	69.3	**62.7**

D Unrecognised Items (Continued)

D2 Commitments (Continued)

(b) Capital expenditure and other commitments

	2015 $'M	2014 $'M
Commitments in relation to capital expenditure and purchase commitments entered into:		
Within one year	29.1	32.1
More than one year	-	0.7
Commitments Not Recognised in the Consolidated Financial Statements	**29.1**	**32.8**

(c) Guarantees

The Group is, in the normal course of business, required to provide guarantees and letters of credit on behalf of subsidiaries and associates in respect of their contractual performance related obligations. These guarantees and indemnities only give rise to a liability where the entity concerned fails to perform its contractual obligations.

	2015 $'M	2014 $'M
Bank guarantees outstanding at balance date in respect of financing facilities	0.7	3.0
Bank guarantees outstanding at balance date in respect of contractual performance	113.7	92.4
Insurance bonds outstanding at balance date in respect of contractual performance	13.6	15.6
	128.0	**111.0**

D3 Events Occurring after the Reporting Date

There were no significant events subsequent to year end.

E Other Information

This section provides information that is required under Accounting Standards and the *Corporations Act 2001* but that in the Directors view is not critical to understand the financial statements.

E1 Profit and Loss Information

Earnings per Share

	2015	2014
Calculated in accordance with AASB 133:		
From Continuing and Discontinuing Operations		
Basic earnings per share (cents per share)	(1.5)	0.7
Diluted earnings per share (cents per share)	(1.5)	0.7
From Discontinued Operations		
Basic earnings per share (cents per share)	0.5	15.0
Diluted earnings per share (cents per share)	0.5	15.0
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,579,722,575	1,578,656,694
Effect of performance rights on issue	195,415	93,203
Weighted Average Number of Ordinary Shares Used as the Denominator in Calculating Diluted Earnings Per Share	**1,579,917,990**	**1,578,749,897**

	2015 $'M	2014 $'M
Reconciliation of earnings used as the numerator in calculating basic and diluted earnings per share:		
Loss from continuing operations	(23.6)	(208.6)
Profit from discontinued operations	8.2	237.5
Net profit attributable to non-controlling interests	(0.6)	(1.9)
Distribution to Step-up Preference Security holders	(7.6)	(15.5)
Profit/(Loss) from Continuing and Discontinued Operations after Tax Attributable to Ordinary Equity Holders	**(23.6)**	**11.5**

Earnings per share accounting policy

(i) Basic Earnings Per Share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Group, excluding any costs of servicing Equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

E Other Information (Continued)

E2 Other Financial Assets and Liabilities

(a) Derivative Financial Instruments

	2015 $'M	2014 $'M
Current Assets		
Derivatives at fair value	8.6	-
	8.6	**-**
Current Liabilities		
Derivatives at fair value	-	3.8
	-	**3.8**

The Group's exposure to interest rate risk and sensitivity analysis of the variable rate instruments and derivatives is disclosed in Section C.

Derivative financial instruments accounting policy

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange and interest rate risk, including forward foreign exchange contracts and interest rate swaps.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The gain or loss on re-measurement to fair value is recognised immediately in the Consolidated Income Statement. However, where the derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward foreign exchange contracts is their quoted market price at the reporting date, being the present value of the quoted forward price. On entering into a hedging relationship, the Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions (cash flow hedges), or hedges of net investments in foreign operations.

Refer to Section E13(E).

E Other Information (Continued)

E2 Other Financial Assets and Liabilities (Continued)

(b) Equity Accounted Investments

The Group holds a 50% interest in the following associates but does not hold control.

INTERESTS IN ASSOCIATES			OWNERSHIP INTEREST		CARRYING VALUE OF INVESTMENT	
ENTITY	COUNTRY	REPORTING DATE	2015 %	2014 %	2015 $'M	2014 $'M
Cleanaway Management:						
Wonthaggi Recyclers Pty Ltd	Australia	30 June	50	50	0.5	0.6
Earthpower Technologies Sydney Pty Ltd	Australia	30 June	50	50	0.4	-
Industrials Management:						
Total Waste Management Pty Ltd	Australia	31 December	50	50	4.5	4.6
Western Resource Recovery Pty Ltd	Australia	31 December	50	50	6.8	6.9
ERS Co Pty Ltd	Australia	30 June	49	49	-	-
					12.2	**12.1**

Share of associates' balance sheet

	2015 $'M	2014 $'M
Total Asset	30.5	28.8
Total Liabilities	(6.1)	(4.7)
Net Assets as Reported by Associates	24.4	24.1
Share of Associates' Net Assets Equity Accounted	12.2	12.1

Share of associates' revenue and profit

Revenues (100%)	43.6	94.8
Expenses	(39.7)	(65.4)
Profit before income tax (100%)	**3.9**	**29.4**
Share of Associates' profit before income tax	1.9	14.7
Share of income tax expense	(0.5)	(2.3)
Share of Associates' Net Profit Recognised from continuing and discontinuing operations[i]	1.4	12.4

(i) Includes $Nil (2014: $10.7 million) relating to Discontinued Operations.

Impairment losses and commitments

During the year the Associates were tested for impairment and no adjustments were made as a result (2014: $Nil).

As at the reporting date the Associates had capital commitments in relation to contracts of $Nil (2014: $Nil).

Refer to Section E13 A(ii).

E Other Information (Continued)

E3 Other Non-Financial Assets and Liabilities

(a) Other Assets

	2015 $'M	2014 $'M
Prepayments	9.4	10.9
Other current assets	1.8	0.8
	11.2	**11.7**

E4 Other Reserves

	2015 $'M	2014 $'M
Asset revaluation reserve	31.8	29.8
Employee equity benefits reserve	6.8	4.1
Foreign currency translation reserve	-	-
Hedging reserve	-	-
Warrants reserve	-	-
	38.6	**33.9**

(a) Asset Revaluation Reserve

The asset revaluation reserve is used to record revaluations of non-current assets (including non-landfill land and buildings).

	2015 $'M	2014 $'M
Asset revaluation reserve:		
Land and buildings	29.8	32.9
Balance at beginning of year	29.8	32.9
Transferred to retained earnings	0.6	(7.7)
Revaluation of land and building	1.4	4.6
Balance at End of Year	**31.8**	**29.8**

E Other Information (Continued)

E4 Other Reserves (Continued)

(b) Employee Equity Benefits Reserve

The employee equity benefits reserve is used to record the value of equity benefits provided to employees as part of their remuneration. Refer to Section E9 for further details of these plans.

	2015 $'M	2014 $'M
Balance at beginning of year	4.1	5.9
Share based payment expense/(benefit)	2.7	(1.8)
Balance at End of Year	**6.8**	**4.1**

(c) Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the net investment hedged in these securities.

	2015 $'M	2014 $'M
Balance at beginning of year	-	(28.4)
Disposal of foreign discontinued operation	-	(59.3)
Exchange differences taken to Equity	-	87.7
Balance at End of Year	**-**	**-**

(d) Hedging Reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedge transactions that have not yet occurred.

	2015 $'M	2014 $'M
Balance at beginning of year	-	(6.7)
Net gain taken to Equity	-	6.7
Balance at End of Year	**-**	**-**

(e) Warrants Reserve

The warrants reserve is used to record revaluations of warrants issued on recapitalisation.

	2015 $'M	2014 $'M
Balance at beginning of year	-	60.9
Warrants expired during the year	-	(60.9)
Balance at End of Year	**-**	**-**

The warrants expired on 30 June 2014. The balance of reserves has been transferred to retained earnings.

E Other Information (Continued)

E5 Retained Earnings

Dividends and distributions

The company declared a fully franked dividend on ordinary shares for the financial year ended 30 June 2015 of 1.5 cents per share, being an interim dividend of 0.7 cents per share and final dividend of 0.8 cents per share. The record date of the final dividend is the 18 September 2015 with payment to be made on the 9 October 2015.

Details of distributions in respect of the financial year are as follows:

	2015		2014	
RECOGNISED (PAID AMOUNTS)	**AMOUNT PER SHARE/UNIT**	**TOTAL $'M**	**AMOUNT PER SHARE/UNIT**	**TOTAL $'M**
Fully Paid Ordinary Shares				
Final Dividend for the year ended 30 June 2014	1.5c	23.7	0.0c	-
Interim Dividend for the year ended 30 June 2015	0.7c	11.1	0.0c	-
Step-up Preference Securities				
Distribution period ended 30 September: fully franked at 30% tax rate	$3.05	7.6	$3.18	8.0
Distribution period ended 31 March: fully franked at 30% tax rate	-	-	$2.99	7.5
Total Dividends and Distribution Paid		**42.4**		**15.5**
UNRECOGNISED (PROPOSED AMOUNTS)				
Fully Paid Ordinary Shares				
Final Dividend	0.8c	12.6	1.5c	23.7

Franking credit balance

The available amounts are based on the balance of the franking account at year end, adjusted for:

(a) Franking credits that will arise from the payment of current tax liabilities;

(b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end; and

(c) Franking credits that will arise from the receipt of dividends recognised as receivables by the tax Consolidated Group at the year end.

	2015 $'M	**2014 $M**
30% franking credits available for subsequent financial years	19.9	37.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015 (continued)

E Other Information (Continued)

E6 Reconciliation of Profit after Income Tax to Net Cash Inflow from Operating Activities

	2015 $'M	2014 $'M
Profit/(Loss) From Continuing and Discontinuing Operations After Income Tax	(15.4)	28.9
ADJUSTMENTS FOR:		
Net gain/costs on sale of business	(12.8)	(172.1)
Write off of establishment costs associated with former debt facilities	-	17.9
Depreciation and amortisation	134.8	229.2
Change in fair value of derivative financial instruments	(0.9)	8.8
Change in fair value of land and buildings	0.5	8.3
Impairment on non-current assets and intangibles	77.5	139.4
Rectification expense of landfill assets and operations	-	69.2
Share of associates' net profits	(1.4)	(12.4)
Net loss/(gain) on sale of investments and properties	-	(1.9)
Net loss/(gain) on disposal of property, plant and equipment	(1.0)	(3.2)
Performance Rights expense	2.7	(1.9)
Other non-cash items	2.6	11.1
Net Cash Flow From Operating Activities Before Changes in Assets and Liabilities	**186.6**	**321.3**
CHANGES IN ASSETS AND LIABILITIES ADJUSTED FOR EFFECTS OF PURCHASE OF CONTROLLED ENTITIES DURING THE FINANCIAL PERIOD:		
Decrease/(increase) in receivables	7.9	(11.4)
Decrease/(increase) in other assets	3.4	2.8
(Increase)/decrease in inventories	(0.6)	14.1
(Decrease)/increase in payables	(9.2)	(19.7)
(Decrease)/increase in income tax payable	(6.7)	(11.1)
(Decrease)/increase in deferred taxes	(9.2)	(79.9)
(Decrease)/increase in other liabilities	(0.6)	1.9
Increase/(decrease) in other provisions	4.6	5.5
Net Cash From Operating Activities	**176.2**	**223.5**

During the 2015 and 2014 financial year, the Group did not acquire any plant and equipment by means of finance lease.

E Other Information (Continued)

E7 Related Party Transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in the Remuneration Report on pages 47 to 61.

The KMP compensation included in employee expenses are as follows:

	2015 $	2014 $
Short-term employee benefits	5,810,353	4,485,256
Post-employment benefits	157,718	118,721
Termination benefits	629,269	-
Equity compensation benefits	642,267	581,932
	7,239,607	5,185,909

The movement for the year ended 30 June 2015 in the number of ordinary shares in the company held, directly or indirectly or beneficially, by each KMP, including their related parties, is detailed in the following table:

NAME	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF RIGHTS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
NON-EXECUTIVE DIRECTOR				
M M Hudson	42,858	-	32,400	75,258
R M Smith	65,715	-	-	65,715
E R Stein	30,300	-	23,273	53,573
T A Sinclair	-	-	38,789	38,789
R M Harding	-	-	12,644	12,644
M P Chellew	-	-	25,000	25,000
P G Etienne	-	-	13,737	13,737
EXECUTIVE KEY MANAGEMENT PERSONNEL				
D A Aardsma	-	-	-	-
B J Gill	-	-	-	-
J Perko	-	-	128,755	128,755
A G Roderick	-	-	-	-
FORMER EXECUTIVE KEY MANAGEMENT PERSONNEL				
R C Boucher Jr [1]	350,514	-	-	350,514
S G Cummins	315,092	-	-	315,092

1 Subsequent to 30 June 2015, Mr Boucher sold the balance (350,514) of his Transpacific shares.

The Group trades on normal commercial terms and conditions on an arm's length basis with the following companies:

- NGT Marketing – Mr Martin Hudson, a Non-Executive Director and Chairman of the Group, holds a beneficial interest in NGT Marketing. Transactions during the current financial year were immaterial;
- K&S Corporation Limited and Crowe Horwath Australasia Limited – Mr Ray Smith, a Non-Executive Director of the Group, is a Non-Executive Director of these companies. Transactions during the current financial year were immaterial;
- Programmed Maintenance Services Limited and Alumina Limited – Ms Emma Stein, a Non-Executive Director of the Group, is a Non-Executive Director of these companies. Transactions during the current financial year were immaterial; and
- Downer EDI Limited and Santos Limited – Mr Mike Harding, a Non-Executive Director of the Group, is the Chairman of Downer EDI and was a Non-Executive Director of Santos. Transactions during the current financial year were immaterial.

E Other Information (Continued)

E7 Related Party Transactions (Continued)

(b) Wholly-owned Group transactions

The wholly-owned Group consists of Transpacific Industries Group Ltd and its wholly-owned entities listed at Section E8. Transactions between Transpacific Industries Group Ltd and other entities in the wholly-owned Group during the years ended 30 June 2015 and 30 June 2014 consisted of:

(i) Loans advanced by Transpacific Industries Group Ltd and other wholly-owned entities;

(ii) Loans repaid to Transpacific Industries Group Ltd and other wholly-owned entities;

(iii) The payment of interest on the above loans;

(iv) The payment of dividends to Transpacific Industries Group Ltd and other wholly-owned entities;

(v) Management fees charged to wholly-owned entities; and

(vi) Sales between wholly-owned entities.

The above transactions are all eliminated on consolidation.

(c) Other related parties

	2015 $'M	2014 $'M
Aggregate amounts included in the determination of (loss)/profit before tax that resulted from transactions with each class of other related parties:		
Interest expense		
Non-controlling interests	-	-
Aggregate amounts brought to account in relation to other transactions with each class of other related parties:		
Loans advanced to/(from):		
Associates	-	0.2
Loan repayments to:		
Associates	-	-
There are no aggregate amounts receivable from, and payable to, each class of other related parties at balance date.		
Current loans:		
Non-controlling interests	0.5	1.8
	0.5	**1.8**

Transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between the parties. Interest on loans was charged at 10% (2014: 10%).

E Other Information (Continued)

E8 Subsidiaries

ENTITY	COUNTRY OF INCORPORATION	2015 %	2014 %
Transpacific Industries Group Ltd – Parent	Australia		
Transpacific Securities Pty Ltd	Australia	100	100
Transpacific SPS Trust	Australia	-	100
Transpacific Sustain Pty Ltd	Australia	100	100
Transpacific Innovations Pty Ltd	Australia	100	100
Transpacific Co Pty Ltd(ii)	Australia	100	100
Transpacific Resources Pty Ltd(ii)	Australia	100	100
Environmental Recovery Services Pty Ltd(ii)	Australia	100	100
ERS Australia Pty Ltd(ii)	Australia	100	100
Kleenparts Pty Ltd	Australia	100	100
Transpacific Energy Pty Ltd	Australia	100	100
Transpacific Oil Pty Ltd	Australia	100	100
ERS Singapore Pte Ltd	Singapore	100	100
ERS Taiwan Ltd	Taiwan	100	100
Transpacific Industries Pty Ltd(ii)	Australia	100	100
Associated Oils Pty Ltd	Australia	100	100
ATS Developments Pty Ltd	Australia	100	100
Australian Pollution Engineering Pty Ltd	Australia	100	100
Australian Resource Recovery Pty Ltd	Australia	100	100
Australian Terminal Services Pty Ltd	Australia	100	100
Transpacific Organics Pty Ltd (ii)	Australia	100	100
Mann Waste Management Pty Ltd(ii)	Australia	100	100
Nationwide Oil Pty Ltd(ii)	Australia	100	100
Oil & Fuel Salvaging (Qld) Pty Ltd	Australia	100	100
NQ Resource Recovery Pty Ltd(ii)	Australia	100	100
Olmway Pty Ltd(i)	Australia	50	50
QORS Pty Ltd	Australia	100	100
Solidsep Pty Ltd	Australia	100	100
Transpacific Biofuels Pty Ltd(i)	Australia	50	50
Transpacific Environmental Services Pty Ltd(ii)	Australia	100	51
Transpacific Manufacturing Systems Pty Ltd	Australia	100	100
Transpacific Refiners Pty Ltd(i)	Australia	50	50
Transpacific Superior Pak Pty Ltd(ii)	Australia	100	100
Transwaste Technologies (1) Pty Ltd	Australia	100	100
Transwaste Technologies Pty Ltd(ii)	Australia	100	100

(i) Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. As subsidiaries, the Group have power over the investees through management control and the casting vote of Transpacific Refiners Pty Ltd, Olmway Pty Ltd, and Transpacific Biofuels Pty Ltd. The Company has the capacity to dominate decision making in relation to the financial and operating policies so as to enable those entities to operate as part of the Group in pursuing its objectives.

(ii) These subsidiaries have entered into a deed of cross guarantee with Transpacific Industries Group Ltd on 29 June 2007 pursuant to ASIC Class Order 98/1418 and are relieved from the requirement to prepare and lodge an audited Financial Report.

E Other Information (Continued)

E8 Subsidiaries (Continued)

ENTITY	COUNTRY OF INCORPORATION	2015 %	2014 %
Transpacific Baxter Pty Ltd(ii)	Australia	100	100
A J Baxter Pty Ltd	Australia	100	100
Baxter Business Pty Ltd(ii)	Australia	100	100
Baxter Recyclers Pty Ltd	Australia	100	100
Transpacific Cleanaway Pty Ltd(ii)	Australia	100	100
Enviroguard Pty Ltd(ii)	Australia	100	100
Getabin Pty Ltd	Australia	100	100
Transpacific Cleanaway Hygiene Pty Ltd(ii)	Australia	100	100
Transpacific Collections Pty Ltd	Australia	100	100
Transpacific Recycling Pty Ltd	Australia	100	100
Transpacific Ventures Pty Ltd	Australia	100	100
Transpacific Landfill Holdings Pty Ltd(ii)	Australia	100	-
Landfill Operations Pty Ltd(ii)	Australia	100	-
Landfill Land Holdings Pty Ltd(ii)	Australia	100	-
Transpacific Industrial Solutions Pty Ltd(ii)	Australia	100	100
ACN 122 808 324 Pty Ltd	Australia	100	100
Transpacific Industries Holdings Pty Ltd	Australia	100	100
Transpacific Paramount Services Pty Ltd	Australia	100	100
Transpacific Waste Management Pty Ltd(ii)	Australia	100	100
Ashrye Pty Ltd	Australia	100	100
Clarinda Landfill Pty Ltd	Australia	100	100
Max T Pty Ltd	Australia	100	100
Rubus Holdings Pty Ltd(ii)	Australia	100	100
Rubus Intermediate One Pty Ltd(ii)	Australia	100	100
Rubus Intermediate Two Pty Ltd(ii)	Australia	100	100
Transpacific Cleanaway Holdings Pty Ltd(ii)	Australia	100	100
Transpacific Resource Recycling Pty Ltd(ii)	Australia	100	100
Waste Management Pacific (SA) Pty Ltd(ii)	Australia	100	100
Waste Management Pacific Pty Ltd(ii)	Australia	100	100

(ii) These subsidiaries have entered into a deed of cross guarantee with Transpacific Industries Group Ltd on 29 June 2007 pursuant to ASIC Class Order 98/1418 and are relieved from the requirement to prepare and lodge an audited Financial Report.

Refer E10 for Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Balance Sheet of the entities who are a party to the Deed of Cross Guarantee.

E Other Information (Continued)

E9 Share-Based Payments

On 1 June 2010 the Group issued Performance Rights attached to an Executive Engagement Award ("EEA").

The vesting of the Performance Rights issued under the EEA is conditional upon the participant being employed at vesting date (30 June 2015), and the company's ordinary share price at that date being a minimum of $3.00. At the 30 June 2015, the company's ordinary share price was $0.77 and as such these Performance Rights have now lapsed as the hurdles have not been met.

The 2012 LTI will vest in two equal tranches based if the following performance hurdles, which are tested independently, are met:

- Tranche 1 – 50% of the Performance Rights vest if the company achieves a relative TSR of equal to or greater than the 50th percentile of the TSR of the S&P/ASX 200 Industrial Sector Index (excluding companies involved in resources or mining).
- Tranche 2 – 50% of the Performance Rights vest if the company achieves certain EPS growth targets.

The company's TSR ranking as at 30 June 2015 was 55th percentile and EPS was a loss of 1.4 cps. As a result 50% of these Performance Rights relating to the TSR ranking have vested and the remaining 50% relating to the EPS have now lapsed as the hurdle has not been met.

On 24 March 2014 and 19 June 2013 the Group issued Performance Rights attached to a Long Term Incentive Plan ("LTI"). The 2013 and 2014 LTI will vest in two equal tranches if the following performance hurdles, which are tested independently, are met:

- Tranche 1 – Up to 50% of the Performance Rights vest if the company achieves a certain TSR ranking within the S&P/ASX 200 Industrial Sector Index (excluding companies involved in resources or mining). The percentage of the Performance Rights which will vest under this tranche is set out in the table below:
- Tranche 2 – Up to 50% of Performance Rights vest if the company achieves certain EPS performance targets.

The percentage of the performance targets, which will vest under each of these tranches, is set out in the table below:

TRANCHE 1: RELATIVE TSR		TRANCHE 2: EPS	
TRANSPACIFIC'S RELATIVE TSR RANKING	**PROPORTION OF PERFORMANCE RIGHTS THAT WILL VEST**	**UNDERLYING EPS GROWTH HURDLE**	**PROPORTION OF PERFORMANCE RIGHTS THAT WILL VEST**
0 to 49th percentile	0%	< 10 cents per share	0%
50th percentile	50%	10 cents per share	50%
50th to 75th percentile	Straight line vesting between 50% and 100%	Between 10 and 12.8 cents per share	Straight line vesting between 50% and 75%
75th to 100th percentile	100%	Between 12.8 and 14.0 cents per share	Straight line vesting between 75% and 100%
		> 14.0 cents per share	100%

On 10 March 2015, the Group issued Performance Rights attached to a Long Term Incentive Plan ("LTI"). The 2015 LTI will vest in four equal tranches if the following performance hurdles, which are tested independently, are met:

3 Year Performance Rights	Up to 50% of the Performance Rights vest subject to the company achieving a TSR ranking of equal to or greater than the 50th percentile within the S&P/ASX 200 Industrials Sector (XNJ) Index
	Up to 50% of the Performance Rights vest if the company achieves certain Average ROIC targets
Strategic Improvement Initiative Performance Rights	The Strategic Initiative B1 Performance Rights will vest 12 months after the Strategic Initiative B1 Condition is satisfied
	The Strategic Initiative B2 Performance Rights will vest on the date the Strategic Initiative B2 Condition is satisfied

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015 (continued)

E Other Information (Continued)

E9 Share-Based Payments (Continued)

The percentage of the performance targets under the 3 Year Performance Rights, is set out in the table below:

TRANSPACIFIC'S RELATIVE TSR RANKING	PROPORTION OF PERFORMANCE RIGHTS THAT WILL VEST
0 to 49th percentile	0%
50th percentile	50%
50st to 75th percentile	Pro-rata between 50% and 100%
Greater than 75th percentile	100%

TRANSPACIFIC'S AVERAGE ROIC	PROPORTION OF PERFORMANCE RIGHTS THAT WILL VEST
< 4.29%	Nil
4.29%	20%
Greater than 4.29% and less than 5.29%	Pro-rata between 20% and 50%
Greater than 5.29% and less than 7.29%	Pro-rata between 50% and 100%
7.29% or more	100%

During the 2013 and 2014 year the Group issued Performance Rights under the terms of the Group's STI annual incentive plan which vested on 30 June 2015 and 30 June 2016 respectively.

The following Performance Rights have been granted during the 2015 and 2014 years:

DATE GRANTED	FIRST EXERCISE DATE ON OR AFTER	EXPIRY DATE	NUMBER GRANTED 2015	NUMBER GRANTED 2014
Issue (11) 13 September 2013 – STI	30 June 2015	Six months following exercise date	-	125,715
Issue (12) 24 March 2014 – LTI	Release of results for the year ending 30 June 2017	Six months following exercise date	-	4,335,971
Issue (13) 1 October 2014 and 29 October 2014 – STI	30 June 2016	Six months following exercise date	1,361,565	-
Issue (14) 29 October 2014 – LTI	Release of results for the year ending 30 June 2017	Six months following exercise date	1,929,824	-
Issue (15) 10 March 2015 – LTI	30 June 2017	Six months following exercise date	4,210,624	-

The number of Performance Rights are as follows:

	NUMBER OF PERFORMANCE RIGHTS 2015	NUMBER OF PERFORMANCE RIGHTS 2014
Outstanding at the beginning of the period	11,586,348	18,027,039
Granted during the period	7,502,013	4,461,686
Exercised during the period	(375,538)	(537,263)
Cancelled/lapsed during the period	(4,697,508)	(10,365,114)
Outstanding at the End of the Period	**14,015,315**	**11,586,348**
Exercisable at the End of the Period	**105,516**	**375,538**

Total share-based payment expense included in the Consolidated Income Statement is set out in Section E4(b).

E Other Information (Continued)

E9 Share-Based Payments (Continued)

The Performance Rights granted as part of the STI have been valued at the share price on the date of issue as they have a zero exercise price. All other parameters remain consistent to those below.

All other Performance Rights granted during the year were fair valued by an external party using the Monte Carlo simulation method and the Strategic Initiatives Performance Rights using a Black Scholes Model.

The following table sets out the assumptions made in determining the value of these Performance Rights:

SCHEME **NUMBER OF RIGHTS** **DATE OF ISSUE**	**EEA** **9,945,265** **01/06/10**	**2012 LTI** **4,741,101** **28/09/11**	**2013 LTI** **4,992,034** **19/06/13**	**2014 LTI** **4,335,971** **24/03/14**
Vesting period	June 2015	August 2015	August 2016	August 2017
Measurement period (years)	5.1	3.8	3.0	4.0
Risk free interest rate (%)	5.38%	4.36%	2.73%	3.13%
Volatility (%)	54.94%	68.53%	39.74%	37.80%
Fair value	$1.34	$0.54	$0.49	$0.93

SCHEME **TRANCHE** **NUMBER OF RIGHTS** **DATE OF ISSUE**	**2015 LTI** **TSR** **1,052,656** **10/03/15**	**2015 LTI** **ROIC** **1,052,656** **10/03/15**	**2015 LTI** **STRATEGIC** **2,105,312** **10/03/15**
Vesting period	June 2017	June 2017	June 2017
Measurement period (years)	3.0	3.0	3.0
Risk free interest rate (%)	1.93%	1.93%	1.93%
Volatility (%)	32.5%	32.5%	32.5%
Fair value	$0.1673	$0.6823	$0.6773

The vesting date is on or after the date which is 14 days after the date on which the annual financial results of the company for the respective Financial Years are released to ASX.

As a share-based payment, the portion of these Performance Rights relating to market based conditions were valued for accounting and reporting purposes using the Monte Carlo simulation method and the portion relating to EPS valued at share price on issue.

E Other Information (Continued)

E10 Deed of Cross Guarantee

The Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Balance Sheet of the entities who are a party to the Deed of Cross Guarantee are:

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	**2015 $'M**	**2014 $'M**
CONTINUING OPERATIONS		
Revenue from continuing operations	1,353.0	1,324.0
Other income	1.2	42.3
Raw materials and inventory	(52.0)	(68.1)
Waste disposal and collection	(268.0)	(252.0)
Employee expenses	(548.4)	(523.1)
Depreciation and amortisation expenses	(132.8)	(190.0)
Repairs and maintenance	(93.7)	(78.0)
Fuel purchases	(46.0)	(53.2)
Leasing charges	(30.8)	(51.9)
Freight costs	(16.4)	(16.2)
Other expenses	(94.7)	(72.2)
Share of profits of associates	1.2	1.4
Net finance costs	(35.0)	(100.8)
Impairment of assets	(75.7)	(139.4)
Rectification expense of landfill assets and operations	-	(69.2)
Fair value of land and buildings	(0.5)	(8.3)
Gain on divestment of businesses	8.2	172.1
Loss Before Income Tax	**(30.4)**	**(82.6)**
Income tax benefit	7.2	50.2
Loss From Continuing Operations After Income Tax	**(23.2)**	**(32.4)**
DISCONTINUED OPERATIONS		
Profit/(Loss) for the period from Discontinued Operations	**-**	**4.5**
Loss For The Period From Continuing and Discontinued Operations	**(23.2)**	**(27.9)**
Other Comprehensive Income		
Cash flow hedges		
Net gain/(loss) taken to equity	-	-
Net gain/(loss) taken to profit and loss	-	-
Net Comprehensive Income/(Loss) Recognised Directly in Equity	**-**	**-**
Total Comprehensive Loss for the Year	**(23.2)**	**(27.9)**

Refer to Section E8 for parties in the Deed of Cross Guarantee.

E Other Information (Continued)

E10 Deed of Cross Guarantee (Continued)

BALANCE SHEET	2015 $'M	2014 $'M
ASSETS		
Cash and cash equivalents	35.2	181.0
Trade and other receivables	222.5	254.5
Inventories	17.8	8.2
Income tax receivable	4.4	-
Other assets	19.3	8.4
Total Current Assets	**299.2**	**452.1**
Investments accounted for using the equity method	11.6	11.5
Other financial assets	252.1	314.5
Property, plant and equipment	836.1	736.1
Intangible assets	1,558.0	1,239.9
Deferred tax assets	111.6	168.4
Total Non-current Assets	**2,769.4**	**2,470.4**
Total Assets	**3,068.6**	**2,922.5**
LIABILITIES		
Trade and other payables	215.2	209.0
Income tax payable	-	1.6
Borrowings	0.2	244.7
Employee benefits	42.9	36.2
Provisions	72.2	41.4
Other	0.8	5.1
Total Current Liabilities	**331.3**	**538.0**
Borrowings	351.0	56.9
Employee benefits	8.5	9.3
Provisions	336.1	326.7
Other	262.5	74.6
Total Non-current Liabilities	**958.1**	**467.5**
Total Liabilities	**1,289.4**	**1,005.5**
Net Assets	**1,779.2**	**1,917.0**
EQUITY		
Issued capital	2,071.8	2,169.9
Reserves	37.7	32.3
Retained earnings	(330.3)	(285.2)
Total Equity	**1,779.2**	**1,917.0**

The effect of the deed is that Transpacific has guaranteed to pay any deficiency in the event of winding up of any controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event that Transpacific is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

E Other Information (Continued)

E11 Parent Entity Financial Information

	2015 $'M	2014 $'M
Current assets	21.7	149.9
Total assets	2,625.3	2,307.1
Current liabilities	16.0	11.2
Total liabilities	443.5	62.7
Issued capital	2,072.1	2,071.8
Retained earnings	102.9	168.5
Reserves:		
Employee equity benefits	6.8	4.1
Total	2,181.8	2,244.4
Profit/(loss) of the parent entity	(61.7)	48.8
Total comprehensive income of the parent entity	0.1	10.7

The Parent Entity guarantees the contractual commitments of its subsidiaries as requested.

E12 Auditors Remuneration

	2015 $	2014 $
Ernst & Young:		
Audit services	1,547,365	1,451,536
Audit related services	104,467	248,376
Non-audit services		
Due diligence services	197,142	453,000
Other advisory services	165,510	-
	2,014,484	**2,152,912**

E Other Information (Continued)

E13 Summary of Other Accounting Policies

Reporting Entity

Transpacific Industries Group Ltd and its subsidiaries ("the Group") is a group domiciled and incorporated in Australia. The Consolidated Financial Report of Transpacific Industries Group Ltd consists of the Consolidated Financial Statements of the Group and the Group's interest in associates.

The Consolidated Financial Statements of the Group for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the Directors on 21 August 2015.

The significant accounting policies adopted in the preparation of the Consolidated Financial Report are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of Preparation

The Consolidated Financial Report is a general purpose financial report which has been prepared on a going concern basis and in accordance with the Australian Accounting Standards ("AAS") (including Australian Interpretations) adopted by the Australian Accounting Standards Board ("AASB"), the *Corporations Act 2001*.

The Consolidated Financial Report of the Group complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board ("IASB").

The Consolidated Financial Report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets (non-landfill land and buildings) and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted, which is the Group's functional currency.

At 30 June 2015, the Group's current liabilities exceeded current assets by $13.9 million. The Group had Cash and cash equivalents of $37.0 million and undrawn debt facilities of $233.5 million at 30 June 2015 which will ensure that the Group is able to meet its obligations as and when they become due and payable.

The preparation of the Consolidated Financial Statements is in accordance with International Financial Reporting Standards (IFRSs). The standards require Management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Prior year comparatives have been adjusted to comply with current year presentation where appropriate.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2015. The impact of these not yet effective Standards and Interpretations has been determined by Management and are addressed in Section E13(P).

E Other Information (Continued)

Significant Accounting Policies

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below.

The following significant accounting policies have been adopted in the preparation and presentation of the Consolidated Financial Report.

(A) BASIS OF CONSOLIDATION

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the Consolidated Statement of Financial Position, separately from parent shareholders' equity.

If the Group loses control over a subsidiary it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the company's share of components previously recognised in Other Comprehensive Income to Consolidated Income Statement.

E Other Information (Continued)

Significant Accounting Policies (Continued)

(A) BASIS OF CONSOLIDATION (CONTINUED)

(ii) Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control of those policies.

Under the equity method, investments in associates are carried in the Consolidated Balance Sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates. Goodwill included in the carrying amount of the investment in associates is not tested separately, rather the entire carrying amount of the investment is tested for impairment as a single asset. If any impairment is recognised, the amount is not allocated to the goodwill of the associate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Consolidated Income Statement, and its share of post-acquisition movements in reserves is recognised in Reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Dividends receivable from associates are recognised in the Consolidated Income Statement.

Where the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions with associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

(B) BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through the Consolidated Income Statement.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 *Financial Instruments: Recognition and Measurement* in the Consolidated Income Statement. If the contingent consideration is classified as Equity, it shall not be remeasured until it is finally settled within Equity.

E Other Information (Continued)

Significant Accounting Policies (Continued)

(C) INCOME TAX

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in Equity are also recognised directly in Equity.

(D) FOREIGN CURRENCY

(i) Foreign Currency Transactions and Balances

Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Income Statement and are reported on a net basis. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

(ii) Financial Statements of Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on re-translation are recognised directly in a separate component of Equity. Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in Equity.

(iii) Net Investment in Foreign Operations

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to Equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Consolidated Income Statement, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

E Other Information (Continued)

Significant Accounting Policies (Continued)

(E) DERIVATIVE FINANCIAL INSTRUMENTS

Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest method is used is amortised to the Consolidated Income Statement over the period to maturity using a recalculated effective interest rate.

Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Income Statement.

Amounts accumulated in Equity are recycled in profit or loss in the periods when the hedged item affects profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in Equity are transferred from Equity and included in the initial measurement of the cost of the asset or liability.

When the hedging instrument expires or is sold, or terminated, or when a hedge no longer qualifies for hedge accounting, any cumulative gain or loss existing in Equity at that time remains in Equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in Equity is recognised immediately in the Consolidated Income Statement.

Derivatives that do not Qualify for Hedge Accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the Consolidated Income Statement.

(F) REVENUE

Revenue from the rendering of services is recognised upon delivery of services to the customer. Revenue is recognised for the major business activities as follows:

Cleanaway

Revenue is recognised when the service has been provided to customers.

Industrials

Technical Services

Revenue from the collection and treatment of liquid waste is recognised when the waste has been collected and treated.

EMR

Contract revenue is measured by reference to labour hours incurred to date and actual costs incurred. Other revenue is recognised upon the delivery of goods or services to customers.

Hydrocarbons

Revenue is recognised on the sale of oil and by-products to customers on shipment or passing of control of the goods.

Interest

Interest revenue is recognised on an accruals basis, taking into account the interest rates applicable to the financial assets.

Dividends

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting.

E Other Information (Continued)

Significant Accounting Policies (Continued)

(F) REVENUE (CONTINUED)

Other Revenue

Other revenue is recognised when the right to receive the revenue has been established.

(G) IMPAIRMENT OF ASSETS

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. Impairment losses on financial assets are directly written off to the Consolidated Income Statement. Impairment of equity investments classified as available-for-sale is recognised where a significant or prolonged decline in the fair value of the investment occurs. This is determined by reference to current market bid prices. Impairment of loans and receivables is recognised when it is probable that the carrying amount will not be recovered in full due to significant financial difficulty or other loss event of the debtor. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffer an impairment loss are reviewed for possible reversal of the impairment loss at each subsequent reporting date.

(H) PROPERTY, PLANT AND EQUIPMENT

Landfills, Cell Development and Provision for Remediation

(i) Landfills

The Group owns landfill assets. A landfill may be either developed by the Group or purchased by the Group.

The cost of developing a landfill includes the cost of land, permitting and overall site and infrastructure development to bring the asset to the condition necessary for its intended use, that is, to receive and dispose of waste.

The value composition of a landfill changes over time. Initially a landfill's value has the characteristics of an intangible asset including location, permitting and airspace which generates future earnings. Landfill airspace and licences are both considered to be integral components of a landfill asset and as such have been combined with effect from 1 July 2008.

(ii) Cell Development

A landfill will normally be divided into parts, with each part (a cell) being developed one at a time to receive waste. When a cell is nearly full, a new cell is developed in readiness to receive waste from the time the former cell closes.

The closed cell is then capped and may return a revenue stream, such as from the sale of landfill gas, to the Group for years to come. The cost of cell development includes earthworks, gas capture infrastructure and cell lining to bring the asset to its condition necessary for its intended use, that is, to receive and dispose of waste and generate revenue streams. Cell development costs also include the cost of capping on closure of the cell. Expenditure on cell development may be incurred in one reporting period but the airspace in the cell may last for more than that reporting period.

In recognition of the above, it is the Group's policy at time of cell development and reporting dates to:

a) Capitalise the cost of cell development in landfill assets;

b) Amortise the cost of cell development over the useful life of the cell; and

c) Recognise revenue streams in the reporting period earned.

The amortisation for a reporting period is calculated by the tonnes of airspace consumed during the reporting period divided into the total airspace available at the beginning of the reporting period. Future landfill site restoration and aftercare costs capitalised are depreciated at rates that match the pattern of benefits expected to be derived from use of the respective sites.

E Other Information (Continued)

Significant Accounting Policies (Continued)

(H) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(iii) Provision for Landfill Remediation

A landfill is deemed full when its permitted airspace is consumed and it cannot legally accept any more waste. Alternatively, a landfill may be deemed full earlier should other factors exist, for example, if it is not economically viable to continue accepting waste. At that point the cost of cell development is fully amortised to $Nil.

Generally, a landfill must be maintained for a defined period and left in a condition specified by the Environmental Protection Authority or other government authorities. Therefore remediation occurs on an ongoing basis, at the time the landfill closes and post-closure. Certain landfills will also have revenue streams from, for example, the supply of landfill gas into electricity grids for many years.

In recognition of the above, it is the Group's policy at time of development and at each subsequent reporting date to:

a) In the case of developing a landfill, provide for the expected remediation at time of development;

b) In the case of purchasing a landfill, account for the acquisition in accordance with *AASB 3 Business Combinations* at the time of acquisition;

c) Calculate the expected cost of remediation for each landfill asset or group of landfill assets working together; and

d) Assess the adequacy of the provision for remediation against (c) at each reporting date and either confirm its adequacy or increase or decrease the provision to the landfill asset or the Consolidated Income Statement as required and account for the cost of remediation against the provision.

Future landfill site restoration and aftercare costs provided for are initially capitalised in the Consolidated Balance Sheet. Any change in the provision for future landfill site restoration and aftercare costs arising from a change in estimate of those costs is also recognised in non-current assets in the Consolidated Balance Sheet and amortised.

The provision is stated at the present value of the future cash outflows expected to be incurred, which increases each period due to the passage of time and is recognised in current and non-current provisions in the Consolidated Balance Sheet. The annual change in the net present value of the provision due to the passage of time is recognised in the Consolidated Income Statement as a time value adjustment as finance cost. Due to the long term nature of remediation obligations changes in estimates occur over time.

(iv) Landfill Sales

A landfill may be disposed of as an operating landfill or it may be retained until post-closure and then sold. In accordance with the above, it is the Group's policy at time of sale and reporting periods to:

a) If the landfill is sold as an operating landfill, recognise the profit on sale of an asset; or

b) If the completed landfill is intended to be sold in the future, transfer the landfill balance to inventory or non-current assets held for sale as applicable.

Other Property, Plant and Equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation of buildings. The fair values are recognised in the Consolidated Financial Statements of the Group, and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different to their fair values.

Any revaluation increase arising on the revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the Consolidated Income Statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in the Consolidated Income Statement to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

E Other Information (Continued)

Significant Accounting Policies (continued)

(H) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation on revalued buildings is charged to the Consolidated Income Statement. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings.

Plant and equipment, and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable in bringing the asset to the location and condition necessary for its intended use. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition. Cost also may include transfers from Equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Borrowing costs related to the acquisition or construction of qualifying assets are also capitalised as part of that asset.

Gains and losses on disposal of an item of other property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the other property, plant and equipment and are recognised net within “other income” in the Consolidated Income Statement. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to Retained Earnings.

(I) LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) Finance Leases

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Consolidated Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group’s general policy on finance costs. Refer to Section B1(c).

Finance leases are depreciated over the shorter of the estimated useful life of the asset or the lease term.

(ii) Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

E Other Information (Continued)

Significant Accounting Policies (Continued)

(J) INTANGIBLES

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business, subsidiary or associate at the date of acquisition. Goodwill on the acquisition of businesses or subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is not amortised. Instead goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(ii) Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the Consolidated Income Statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the costs of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Borrowing costs related to the development of qualifying assets are also capitalised. Other development expenditure is recognised in the Consolidated Income Statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

(iii) Other Intangible Assets

Other intangible assets include customer contracts recognised on business combinations and licences. Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (see below) and impairment losses (see Section E13(G)).

(iv) Amortisation

Amortisation is charged to the Consolidiated Income Statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite (e.g. brand names). Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives of contracts are 3 to 20 years.

(K) REPAIRS AND MAINTENANCE

Plant and equipment of the Group is required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with Section E13(H). Other routine operating maintenance, repair and minor renewal costs are also charged as expenses as incurred.

E Other Information (Continued)

Significant Accounting Policies (Continued)

(L) EMPLOYEE BENEFITS

(i) Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and vesting sick leave expected to be settled within 12 months of the reporting date are recognised in other creditors and provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long Service Leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on the corporate bond rate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Short-term Incentive Compensation ("STI") Plans

A liability for employee benefits in the form of STI is recognised when it is probable that STI criteria has been achieved and an amount is payable in accordance with the terms of the STI plan.

Liabilities for STI are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iv) Employee Benefit On-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(v) Share-based Payment Transactions

Share-based payments are provided to Executives and employees via the Transpacific Industries Group Limited Annual Incentive Plan, Long Term Incentive Plan and an Executive Engagement Award.

Share-based compensation payments are measured at fair value at the date of grant and expensed to employee benefit expense with a corresponding increase in the Employee Equity Benefits Reserve over the period from grant date to when the employees become unconditionally entitled to the Performance Rights. Fair value is measured by using the Monte Carlo simulation or other appropriate method that takes into account the exercise price, the term of the Performance Right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the Performance Right.

(M) INVESTMENTS AND OTHER FINANCIAL ASSETS

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument at trade date.

Financial assets are initially categorised at fair value plus transaction costs where the instrument is not classified at fair value through the Consolidated Income Statement. Transaction costs related to financial assets classified as fair value through profit and loss are expensed immediately.

The Group's non-derivative financial assets are currently measured after initial recognition as loans and receivables or available-for-sale financial assets. The Group has no non-derivative financial assets classified as fair value through the Consolidated Income Statement or held-to-maturity under accounting standard AASB 139 *Financial Instruments: Recognition and Measurement*. Subsequent measurement of loans and receivables is disclosed in Section B2(b).

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

E Other Information (Continued)

Significant Accounting Policies (Continued)

(N) GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax ("GST"), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Consolidated Statement of Cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(O) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Directors evaluate estimates and judgements incorporated into the Consolidated Financial Report based on historical knowledge and best available current information. Critical accounting estimates and judgements in the Consolidated Financial Report are:

(i) Remediation Provisions

The Group assesses provisions for remediation costs in respect of its landfill sites by reference to external and internal sources to determine the best estimate of costs required to remediate the landfill sites. Further details are disclosed in Section E13(H).

(ii) Land and Building Values

The Group assesses the fair value of all land and property assets held at fair value each reporting date. Fair value is established using recent market transactions between willing buyers and sellers in an arm's length sale in the normal course of business. Movements in market prices and the level of transactions impact the ability of the Group to estimate fair value.

(iii) Recovery of Deferred Tax Assets

Deferred tax assets, including those arising from tax losses not recouped, capital losses and temporary differences, are recognised in the Consolidated Balance Sheet, only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Management considers that it is probable that future taxable profits will be available to utilise those temporary differences. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future profits.

(iv) Taxation

Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on Management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, restoration costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Consolidated Balance Sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Consolidated Income Statement.

(v) Impairment

Details of the key estimates used in assessing value-in-use calculations and impairment generally are disclosed in Section B.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015 (continued)

E Other Information (Continued)

Significant Accounting Policies (Continued)

(P) APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

(i) Standards and Interpretations Affecting Amounts Reported in the Current Period (and/or Prior Periods)

There are no new and revised Standards and Interpretations adopted in these Consolidated Financial Statements that have affected the amounts reported.

(ii) Standards and Interpretations adopted with no effect on financial statements

The following new and revised Standards and Interpretations have been adopted in the current year and have no material impact on the amounts reported in these Consolidated Financial Statements.

- AASB 132 *Financial Instruments - Presentation* and AASB 2012-3 *Amendments to Australian Accounting Standards* – clarifies the offsetting rules of financial assets and financial liabilities in the statement of financial position;
- AASB 136 *Impairment of Assets* and AASB 2013-3 *Amendments to Australian Accounting Standards* – entities are only required to disclose recoverable amount of a cash-generating unit that has significant amounts of goodwill and intangibles with indefinite useful lives when there has been an impairment loss and increases disclosure for recoverable amounts determined based on fair value;
- AASB 1031 *Materiality* – interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality; and
- Interpretation 21 *Levies* – addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

(iii) Standards issued not yet effective

At the date of this report the Standards and Interpretations listed below were issued but not yet effective. Management has not yet finalised their review of the impact of the new standards therefore is unable to determine whether they could have a material effect on the consolidated financial statements in the future.

Standard/Interpretation	*Effective for annual reporting periods beginning on or after*	*Expected to be initially applied in the financial year ending*
AASB 9 ‘Financial Instruments’, and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 ‘Revenue from Contracts with Customers’ and AASB 2014-5 ‘Amendments to Australian Accounting Standards arising from AASB 15	1 January 2018	30 June 2019
AASB 2014-3 ‘Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations’	1 January 2016	30 June 2017
AASB 2014-4 ‘Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation’	1 January 2016	30 June 2017
AASB 2014-9 ‘Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements’	1 January 2016	30 June 2017
AASB 2014-10 ‘Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture’	1 January 2016	30 June 2017
AASB 2015-1 ‘Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle’	1 January 2016	30 June 2017
AASB 2015-2 ‘Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101’	1 January 2016	30 June 2017
AASB 2015-3 ‘Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality’	1 July 2015	30 June 2016

E Other Information (Continued)

Significant Accounting Policies (Continued)

(Q) FAIR VALUE MEASUREMENT

The Group measures financial instruments, such as derivatives and non-financial assets such as land and buildings, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principle market for the asset or liability, or
- In the absence of a principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that the market participants act in their economic best interest.

A fair value measurement of non-financial assets takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes together with the additional disclosures included in the Directors' Report designated as audited, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), and the *Corporations Regulations 2001*;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Section E13;

(c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2015; and

(e) as at the date of this declaration, there are reasonable grounds to believe that the members of the closed Consolidated Group identified in pages 117 to 118 will be able to meet any obligation or liabilities to which they are or may become subject to, by virtue of the deed of cross guarantee.

This declaration is made in accordance with a resolution of the Directors.

M M Hudson
Non-Executive Director and Chairman

V Bansal
Executive Director and Chief Executive Officer

Melbourne, 21 August 2015

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Independent auditor's report to the members of Transpacific Industries Group Ltd

Report on the financial report

We have audited the accompanying financial report of Transpacific Industries Group Ltd, which comprises the consolidated balance sheet as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note E13, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and 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 judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Transpacific Industries Group Ltd is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note E13.

Report on the remuneration report

We have audited the Remuneration Report included in pages 47 to 61 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Transpacific Industries Group Ltd for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Mike Reid
Partner
Brisbane
21 August 2015

TOP 20 SHAREHOLDERS AS AT 31 AUGUST 2015

RANK	NAME	UNITS	% OF UNITS
1	J P MORGAN NOMINEES AUSTRALIA LIMITED	387,835,734	24.55
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	361,110,264	22.85
3	NATIONAL NOMINEES LIMITED	235,561,687	14.91
4	CITICORP NOMINEES PTY LIMITED	209,705,846	13.27
5	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PI POOLED A/C>	63,838,033	4.04
6	BNP PARIBAS NOMS PTY LTD <DRP>	46,765,150	2.96
7	UBS NOMINEES PTY LTD	26,815,623	1.70
8	INDUSTRIAL INVESTMENT HOLDINGS PTY LTD	14,909,788	0.94
9	JJ RICHARDS & SONS PTY LTD	8,891,724	0.56
10	WESTREET INVESTMENTS PTY LTD	8,454,000	0.54
11	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PIIC A/C>	7,966,468	0.50
12	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PISELECT>	7,463,521	0.47
13	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	7,362,310	0.47
14	UBS NOMINEES PTY LTD	4,750,000	0.30
15	UBS NOMINEES PTY LTD	4,713,475	0.30
16	CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	4,660,407	0.29
17	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	4,289,373	0.27
18	BNP PARIBAS NOMS (NZ) LTD <DRP>	4,073,003	0.26
19	BRAZIL FARMING PTY LTD	3,392,452	0.21
20	AMP LIFE LIMITED	3,310,196	0.21

Top 20 holders of FULLY PAID ORDINARY SHARES	1,415,869,054	89.61
Total Remaining Holders Balance	164,151,152	10.39
Total Fully Paid Ordinary Shares on Issue	1,580,020,206	100.00

SHAREHOLDER INFORMATION
(CONTINUED)

SUBSTANTIAL SHAREHOLDERS

The number of shares held by substantial shareholders as disclosed in the shareholding notices given to the Company as at 31 August 2015 were:

Perpetual Limited and subsidiaries	158,920,103	10.06%
Cooper Investors Pty Limited	140,380,864	8.88%
Ellerston Capital Limited	137,895,351	8.73%
Harris Associates L.P.	117,820,400	7.46%
Schroder Investment Management Australia Limited	115,047,158	7.28%
FIL Limited	102,025,617	6.46%
Dimensional Fund Advisors	94,987,449	6.01%

An entity has a substantial shareholding if the total votes attaching to shares in which the entity and their associates have a relevant interest is 5% or more. The list of the 20 largest shareholders is based on the number of shares held in the name of each shareholder (not including their associates), even if the shareholder does not have a relevant interest in the shares for example, because the shareholder holds the share as a nominee. The list of the 20 largest shareholders of the company and the list of substantial shareholders of the company differ for this reason.

Statement of Quoted Securities

The company's total number of shares on issue as at 31 August 2015 was 1,580,020,206 ordinary fully paid shares.

At 31 August 2015 the total number of shareholders owing these shares was 9,672 on the register of members maintained by Computershare Investor Services Pty Ltd.

89.61% of total issued capital is held by or on behalf of the 20 largest shareholders.

Voting Rights

Under the company's Constitution, every member is entitled to vote who is present at a general meeting of the Company in person or by proxy or by attorney or, in the case of a corporation, by representative, shall, upon a show of hands, have one vote only.

Proxies - Where a member is entitled to cast two or more votes it may appoint not more than two proxies or attorneys. Where a member appoints two proxies, neither proxy is entitle to a vote on a show of hands.

Poll - On a poll, every member entitled to vote shall, whether present in person or by proxy or attorney or, in the case of a corporation, by representative, have one vote for every share held by the member.

At 31 August 2015, there were 12,389,380 performance rights on issue to executives under incentive schemes. Voting rights will be attached to the unissued ordinary shares when the performance rights have been exercised.

Distribution Schedule of Shareholders

No. of Shares	1-1,000	1,001-5,000	5,001-10,000	10,001-100,000	100,001 and over	Total
	2,286	3,030	1,566	2,577	213	9,672

The number of shareholders each holding less than a marketable parcel of the company's ordinary shares ($500 in value) at 31 August 2015 was 1,690.

SECURITIES EXCHANGE LISTING

The shares of Transpacific Industries Group Ltd are listed on the Australian Securities Exchange and on the New Zealand Exchange under the trade symbol TPI.

CORPORATE DIRECTORY

Transpacific Industries Group Ltd

ABN 74 101 155 220

REGISTERED OFFICE

Level 1, 159 Coronation Drive
Milton Qld 4064

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CORPORATE OFFICE

Level 4, 441 St Kilda Road
Melbourne VIC 3004

DIRECTORS

Martin Hudson (Chairman)

Vik Bansal (CEO)

Mark Chellew

Philippe Etienne

Richard (Mike) Harding

Terry Sinclair

Ray Smith

Emma Stein

COMPANY SECRETARY

Dan Last

Kellie Smith

SHARE REGISTRY

Computershare Investor Services
Pty Limited

117 Victoria Street
West End Qld 4101

TRANSPACIFIC

Registered Office
Level 1
159 Coronation Drive
Milton QLD 4064

Share Registry
Computershare
Investor Services Pty limited
117 Victoria Street
West End QLD 4101

Company Website
transpacific.com.au