REPORT OF THE CHAIR OF THE JOINT AUTHORITY

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2014

During the 2013/14 financial year the Joint Authority has again progressed a number of significant matters aimed at developing the commercial sustainability of the Joint Authority and its operating business, Southern Waste Solutions.

Strategic and business planning

As with past years, we have again reviewed our Strategic and Business Plans to ensure that the Joint Authority and Southern Waste Solutions are appropriately placed to conduct business operations efficiently, effectively and in accordance with our licencing obligations. The Plans also aim to ensure that the investment by member Councils is protected and wherever possible, maximised. The revised Strategic and Business Plans will be presented to the Authority for endorsement at the Annual General Meeting.

Copping / Dunalley fires

My report at the last Annual General Meeting made particular mention of the role that the Copping site played following the Copping / Dunalley fires in January 2013. The Copping site continued to play a significant role in the clean-up process during the past year. The Australian Government provided a payment of $259,400 to Southern Waste Solutions in recognition of the volume of waste accepted. These funds ensured that Southern Waste Solutions made a small profit for the financial year.

Governance initiatives

The Joint Authority has spent significant time during the past year preparing the Joint Authority for the possible admission of one or more new member Councils as equity partners. This work has included improvements to the governance structures underpinning the Joint Authority, development of amended Rules governing the Joint Authority and other initiatives such as development of new contractual arrangements for member Councils. The Joint Authority is now substantially prepared for admission of new member Councils. The admission of new member Councils, subject to agreement by the existing member Councils, will represent the next significant step forward for the Joint Authority and an improvement to the long term viability of Southern Waste Solutions and the Copping site.

C-Cell

During the year further progress has been made in respect to the C-Cell project. While funding for the project remains an outstanding issue, the planning permit for the project has been extended for a further 2 years thereby providing additional opportunity to develop the business model for the project and to secure the funding necessary to commence the project.

Overall financial performance

The 2013/14 accounts have been audited and the Tasmanian Audit Office has returned an unqualified audit report for the financial year. The financial year concluded with a pre-tax profit of $217,606 for the year.

Resignation of the Secretary

In March 2014 the Secretary, Michael Clarke, resigned his appointment for personal reasons. Notwithstanding his resignation, Michael has provided support and advice to the new Secretary in order to assist with a smooth transition. On behalf of the Joint Authority I would like to express my sincere gratitude to Michael for his advice, support and diligence over the past 7 years.

Retirement of the Chair

This will be my last report as Chair of the Joint Authority. I have elected not to stand for a position with Clarence City Council at the 2014 Local Government elections. As such, my appointment as Chair will end with the presentation of this report at the Annual General Meeting. It has been my pleasure to lead the Authority over the past years and to see it develop into the business that it has become. I sincerely believe that the Joint Authority and Southern Waste Solutions have a very bright future and I wish both the Joint Authority and Southern Waste Solutions all the best for the future.

Conclusion

On behalf of the Joint Authority, I thank the members of the Board, the CEO, past and present Secretaries, and all SWS staff for their hard work and dedication during the past year.

Don Cusick
Chair
Copping Refuse Disposal Site Joint Authority

24 October 2014

Attachment 3

SOUTHERN WASTE SOLUTIONS
ANNUAL REPORT OF THE DIRECTORS – 2013/14

This is the second full financial trading year for the current board following the appointment of the directors Ms Suzy Baker and Messrs John Brennan and Ron Ward in March 2012.

The Board held twelve Board meetings during the year being on: 18 July 2013, 15 August 2013, 19 September 2013, 17 October 2013, 3 December 2013, 18 December 2013, 16 January 2014, 20 February 2014, 20 March 2014, 30 April 2014, 15 May 2014 and 19 June 2014.

In addition to formal minuted meetings, the Directors, Chief Executive Officer (CEO) and Secretary, individually and collectively attended numerous other meetings covering a range of topics with various stakeholders, including service providers such as our public relations advisers and legal advisers, the EPA and potential new Authority members.

The Board, CEO and Secretary attended separate meetings to update the Strategic Plan for the period 2014/15 to 2017/18 and to assist in the process of an independent valuation of the business and the subsequent analysis of that report. Workshops were also held to prepare the business for the possible entry of new Participating Councils and draft suggested amendments to the Rules. In addition, the Chair and CEO held regular monthly un-minuted briefing meetings.

It is the opinion of the Directors that during the year being reported, the business and affairs of the Authority, and the functions and powers delegated to the Board have been carried out in the manner prescribed under Rule 11.

Based on the available information, the Directors believe that the business was managed during the 2013/14 year in a compliant and commercially sound manner under the management of the CEO with the support of the Board. Furthermore it is the view of the Directors the business has been managed in alignment with the prevailing Strategic and Business Plans, and in accordance with all relevant permits, licences and governing legislation.

The Board has sought to provide all relevant advice, information and assistance to the Authority including attendance at all Authority meetings by the Board Chair and / or another Director if he was unavailable.

It is the opinion of the Directors that the Board has effectively fulfilled its other required functions as expressed in Rule 11, including provision of reports, management of resources, employment of senior staff, the maintenance of appropriate policies and procedures, and the application of environmentally sound principles in all its activities.

It is submitted to the Joint Authority that the Board has adequately met the challenge of informing itself about all the relevant elements of the business in meeting its obligations under the Rules of the Authority.

R E Ward

Ron Ward
BOARD CHAIR
SOUTHERN WASTE SOLUTIONS

Appendix

The following is a statement of the attendance of Board Members at meetings of the Southern Waste Solutions Board during the 2013/14 financial year.

	Meetings Held	Meetings Attended
Ron Ward (Chair)	12	12
John Brennan*	12	11
Sue Baker	12	12

Note: * denotes approved leave of absence granted.

Attachment 4

COPPING REFUSE DISPOSAL SITE JOINT AUTHORITY
CHIEF EXECUTIVE OFFICER AND COMPTROLLER'S REPORT
For the Year Ended 30 June 2014

The Chief Executive Officer (CEO) and Comptroller of the Copping Refuse Disposal Site Joint Authority presents the annual financial report of the Authority for the financial year ended 30 June 2014.

The CEO reports as follows:

PRINCIPAL ACTIVITIES
The Authority's principal activities during the financial year were oversight of the operation of the landfill located at Copping including ensuring that the site conformed to the Development Proposal and Environmental Management Plan and Permit conditions; and operation of a waste transfer station and medical waste treatment plant at Derwent Park.

REVIEW OF OPERATIONS
The Authority recorded a profit before income tax of $217,606 for the year ended 30 June 2014 (2013 $906,754). The 2014 result was broadly in line with budget, while the abnormal level of profit recorded in 2013 was mainly attributable to a significant amount of fire debris and other level 2 waste delivered to the landfill during that year.

The lease of the Derwent Park site was renegotiated during the 2014 financial year.

CHANGES IN STATE OF AFFAIRS
There was no significant change in the state of affairs of the business during the financial year.

SUBSEQUENT EVENTS
There are no subsequent events to report.

FUTURE DEVELOPMENTS
It is hoped that other Councils will join the Authority in the near future, making it a truly regional facility. Approvals for the construction of a category C waste cell were obtained in June 2012. A two year extension was granted during the 2014 financial year. Planning approval has been obtained for a soil remediation facility to be constructed and operated at the Copping landfill.

ENVIRONMENTAL RESULTS
Site monitoring continues to show that no pollutants are leaving the site. Monitoring is conducted quarterly and results are posted on the web site. The site operators perform very well in all areas including the control of wind borne litter.

All medical waste sampling results at Lutana were satisfactory.

HEALTH AND SAFETY

There was one incident during the year involving an Authority employee that resulted in a workers compensation claim. Asbestos deliveries to the Lutana waste transfer station have emerged as an issue during the year. Appropriate policies, procedures and training are in place. Regular audit reports were generally positive with only minor issues being raised.

DIVIDENDS

No dividends are recommended.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the year the Authority paid a premium for Directors & Officers Liability/Company Reimbursement Insurance. There has not been any other indemnification of, or agreement to indemnify, an officer or auditor of the Authority during or since the end of the financial year.

PROCEEDINGS ON BEHALF OF THE AUTHORITY

During the financial year the Authority commenced legal action against a protest group in relation to letters containing significant (and known) errors of fact sent by them to the Authority’s customers and potential customers, seeking to damage the Authority’s business. The protesters were first asked to withdraw their erroneous letters but they refused to do so, and so action was commenced. The primary aim of the action is to prevent the protesters from undertaking future campaigns based on errors of fact.

No other proceedings have been initiated since the end of the financial year.

ACHIEVEMENT OF GOALS AND OBJECTIVES

The following progress was made during the 2014 financial year against priorities for that year outlined in the Strategic and Business Plans:

√ goal achieved; ÷ progress made; X goal not achieved.

Goal 1.1	**Maintenance of a financially viable business:**	
	Construct category C cell.	X
	A 2 year extension has been obtained. Negotiations with customers are ongoing.	
Goal 1.2	**Improve environmental outcomes for our communities.**	
	Improve gas capture and recovery.	X
	Leachate volumes have hampered achievement of this goal.	
	Establish the Community Reference Group as a useful resource for the community.	√
	The group has been established and meets regularly.	
	Install weather station in the Coping area.	√
	The system is in operation and data is available on the EPA web site.	
	Become involved in Carlton Catchment environmental program.	X
	NRM does not have a suitable program available and has been unable to design one. No other suitable partners have been identified.	
Goal 2.1	Maintenance compliance across all aspects of the business.	
	Improve leachate evaporation infrastructure.	√
	A wind assisted evaporation system has been installed.	
Prior Year	Secure tenure at Lutana.	√
	A new lease agreement was signed during the year.	
	Facilitate construction by Enviropacific of a remediation facility.	÷
	Necessary planning permission has been received. The facility is ready to construct.	

The comptroller reports as follows:

COMPTROLLER
Christine Bell was appointed to the position of Comptroller.

Participating Councils have agreed to reinvest all income tax payments as Proportionate Payments (that is the Authority's equivalent to an equity injection).

During the 2014 financial year an amount of $521,062 was transferred to equity as a result of the assessment of the Authority's income tax return for the 2012-13 financial year. The 2013-14 Statement of Comprehensive Income includes income tax expense of $65,282. The Authority has a deferred income tax asset of $534,936, a current provision for income tax of $150,351 and a deferred income tax liability of $1,199.

Attachment 5

COPPING REFUSE DISPOSAL SITE JOINT AUTHORITY

Trading As

SOUTHERN WASTE SOLUTIONS

FINANCIAL STATEMENTS

30 JUNE 2014

Copping Refuse Disposal Site Joint Authority *trading as* ***SOUTHERN WASTE SOLUTIONS*** ABN: 87 928 486 460
PO BOX 216, NEW TOWN, TASMANIA 7008, AUSTRALIA
T: (03) 6273 9712 F: (03) 8669 4064 E: swstas@me.com W: swstas.com.au

Southern Waste Solutions.

COPPING REFUSE DISPOSAL SITE JOINT AUTHORITY

BOARD CHAIR'S DECLARATION

For the Year Ended 30 June 2014

The Chair of the Board of Directors for the Copping Refuse Disposal Site Joint Authority declares that:

1. the financial statements and notes:

   (a) comply with Accounting Standards and other mandatory professional reporting requirements; and

   (b) present fairly the Authority's financial position as at 30 June 2014 and its financial performance for the year ended on that date.

2. in the Chair's opinion there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they become due and payable.

3. at the date of signing the Chair is not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.

This declaration is signed by:

R E Ward

R E Ward
BOARD CHAIR

Dated this 22nd *day of* September *2014.*

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2014

	Notes	Budget * 2014 $	2014 $	2013 $
Income				
Gate waste receipts		3,884,122	4,182,794	6,530,551
Other	24	455,956	759,764	414,968
Total Income		4,340,078	4,942,558	6,945,519
Expenses				
Employee benefits expenses	3	618,148	632,101	547,433
Depreciation and amortisation	4	1,022,949	1,061,948	2,424,605
Borrowing costs expense		278,488	275,925	324,297
Property leases		231,856	228,751	315,923
Other expenses	5	291,109	418,922	373,519
Maintenance and operating costs	6	1,778,307	2,107,305	2,052,988
Total expenses		4,220,857	4,724,952	6,038,765
Surplus (deficit) for the year before income tax expense		119,221	217,606	906,754
Income tax expense (benefit)	21		65,282	272,026
Total comprehensive surplus (deficit) for the year			152,324	634,728

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

** Budget figures have not been subject to audit*

COPPING REFUSE DISPOSAL SITE JOINT AUTHORITY

STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Notes	2014	2013
ASSETS		$	$
Current Assets			
Cash and cash equivalents	8, 16	2,284,417	2,599,248
Trade receivables	9, 16	781,744	597,838
Other		131,723	33,696
Total Current Assets		3,197,884	3,230,782
Non-Current Assets			
Other financial assets	16	100,000	100,000
Property plant & equipment	10	6,393,670	6,575,076
Deferred Income Tax	21	534,936	450,126
Total Non-Current Assets		7,028,606	7,125,202
TOTAL ASSETS		10,226,490	10,355,984
LIABILITIES			
Current Liabilities			
Trade and other payables	11, 16	543,612	807,543
Borrowings	12, 16	473,446	443,636
Provision for income tax	21	150,351	521,080
Provisions	13	1,750,639	1,483,940
Total Current Liabilities		2,918,048	3,256,199
Non-Current Liabilities			
Borrowings	12, 16	3,651,699	4,125,141
Provisions	13	25,435	16,480
Deferred Income Tax	21	1,199	1,441
Total Non-Current Liabilities		3,678,333	4,143,062
TOTAL LIABILITIES		6,596,381	7,399,261
NET ASSETS		3,630,109	2,956,723
EQUITY			
Accumulated surplus (deficit)		1,158,535	1,006,211
Reserves	17	627,000	627,000
Contributed equity		1,844,574	1,323,512
TOTAL EQUITY		3,630,109	2,956,723

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

COPPING REFUSE DISPOSAL SITE JOINT AUTHORITY

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2014

	Accumulated Surplus (deficit)		Contribution by Owners		Reserves		Total Equity	
	2014	2013	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$	$	$
Balance at the beginning of the financial year	1,006,211	371,483	1,323,512	23,512	627,000	627,000	2,956,723	1,021,995
Total comprehensive surplus (deficit) for the year	152,324	634,728	0	0	0	0	152,324	634,728
Contribution by owners	0	0	521,062	1,300,000	0	0	521,062	1,300,000
Balance at the end of the financial year	1,158,535	1,006,211	1,844,574	1,323,512	627,000	627,000	3,630,109	2,956,723

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

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2014

	Notes	Inflows (Outflows) 2014 $	Inflows (Outflows) 2013 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,118,423	7,529,147
Interest		49,666	25,747
Net GST refund (payment)		(124,193)	(316,333)
Income tax paid		(16,827)	0
Payments to suppliers and employees (inclusive of GST)		(3,993,508)	(3,464,663)
Net cash provided by (used in) operating activities	15	1,033,561	3,773,898
Cash flows from investing activities			
Payments for property, plant & equipment		(628,835)	(1,511,311)
Proceeds from sale of property, plant & equipment		0	0
Net cash (used) gained in investing activities		(628,835)	(1,511,311)
Cash flows from financing activities			
Finance costs		(275,925)	(324,297)
Repayments of borrowings		(443,632)	(1,216,237)
Proceeds from borrowings		0	0
Contributions from owners		0	1,300,000
Net cash (used) gained in financing activities		(719,557)	(240,534)
Net increase (decrease) in cash held		(314,831)	2,022,053
Cash at beginning of reporting period		2,599,248	577,195
Cash at end of reporting period	8	2,284,417	2,599,248

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

INTRODUCTION

The Copping Refuse Disposal Site Joint Authority was established on 21 March 2001 and is a body corporate with perpetual succession and a common seal. The Authority's office address is 129 Derwent Park Road, Lutana 7008. Its function is to promote and manage a putrescible landfill disposal site which conforms to its Development Proposal and Environmental Management Plan (DP&EMP) and permit conditions.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

This general purpose financial report has been prepared on an accrual basis in accordance with the Framework for the Presentation of Financial Statements, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

This report has been prepared in accordance with the historical cost convention and on the accrual basis of accounting. It has also been prepared on a going concern basis. Accounting policies adopted in the preparation of these general purpose financial statements (comprising Statements of Comprehensive Income, Financial Position, Changes in Equity, Cash Flows and accompanying notes) have been consistently applied throughout all periods presented unless otherwise stated. There have been no changes to these policies. These general purpose financial statements are presented in Australian dollars. They, and the associated notes, comply with International Financial Reporting Standards (IFRS).

In the application of Australian Accounting Standards and other authoritative pronouncements of the AASB management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

b) Judgements and Estimates

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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Assumptions are used in determining the Authority's employee entitlement provisions. These assumptions are discussed in note 1k). They are also used in calculating the Authority's provision for capping.

c) The Reporting Entity

The reporting entity is a Joint Authority under the *Local Government Act 1993*. It was gazetted in March 2001. Its registered office is 129 Derwent Park Road, Lutana 7008. All funds through which the entity controls resources to carry on its functions have been included in these general purpose financial statements. The entity has no subsidiaries.

d) Contributed Equity

Australian Accounting Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities has been applied and such transfers (inward and outward) have been credited or debited direct to equity. These transfers are non reciprocal transactions that do not result in an asset or a liability for either party.

e) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable.
- Revenue in respect of the sale of goods and disposal of other assets is recognised when the significant risks and rewards of ownership control transfer to the purchaser.
- Revenue in respect of rendering of services is recognised on delivery of the service to the customer or by reference to the stage of completion.
- Interest revenue is recognised as the interest accrues.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

f) Expenses

Expenses (including maintenance and operating costs) are recognised as an expense in the period in which they are incurred.

g) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred unless they are capitalised as part of a qulifying asset constructed by the Authority. Where specific borrowinga are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine borrowing costs to be capitalised.

Borrowing costs include interest on bank overdrafts, interest on borrowings, unwinding of discounts and finance lease charges.

h) Property, Plant and Equipment

The cost method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition and all other costs incurred in getting the asset ready for use. Such costs may include engineering design and related consultants fees.

The provision of AASB 136 paragraph AUS 32.1 is observed and the recoverable amount test is not applied unless there is evidence of impairment of any particular class of assets. Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment, or reversal of any prior impairment, at each reporting date. Where there is indication of impairment the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount the asset is considered impaired and is written down to the recoverable amount and the impairment loss recognised in the Income Statement. Any impairment reversal is recognised in the Income Statement only to the extent that it reverses a previous reversal.

Items will not be recognised as assets but treated as expenses if their purchase or construction cost does not reach certain limits. These limits vary according to the asset classification and nature. Attractive assets have a lower threshold. The financial limits range from $500 (office equipment) to $1,000 (other assets).

i) Depreciation of Non-current Assets

Other than landfill cells (refer below) which are included in site works, depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over its expected useful life. Assets are depreciated at rates based on their estimated useful lives commencing from the beginning of the month after which the asset first became available for use.

Major depreciation periods are:	Years
Plant & equipment (computers)	3
Plant & equipment (compactors)	20
Site works	20

Since May 2011 landfill cells have been depreciated according to total capacity as determined by regular volumetric surveys and the number of tonnes of waste received during the reporting period.

j) Technology Development Costs

Medical waste treatment technology development costs are capitalised and included as property plant & equipment in accordance with AASB138 Intangible Assets and AASB116 Property, Plant and Equipment. These costs include development of a prototype and design and construction of working plant from which future economic benefits will be realised by the Joint Authority, and the costs can be measured reliably. In addition the cost of the tangible elements forms the major part of the total cost of the asset concerned. Such amounts are written off over the life of the assets being developed from the time that the assets commence operation.

k) Employee Entitlements

Employee benefits are calculated in accordance with AASB 119 Employee Benefits. On-costs relating to employee benefits, such as workers compensation insurance, are not classified as employee entitlements. Liabilities owed to employees are recognised at the remuneration rate that the Joint Authority expects to pay when the obligation is settled.

(i) Wages and Salaries
Liabilities for wages and salaries are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

(ii) Annual Leave and Sick Leave
Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date. Liabilities for annual leave expected to be settled within 12 months are measured at their nominal value using remuneration rates expected to be paid when entitlements are taken. Annual leave not expected to be settled within 12 months is measured using the present value method. There is no liability for sick leave as sick leave is non vesting.

(iii) Long Service Leave
A liability for long service leave is recognised, although there is no legal liability at this stage as no employees have sufficient length of service. The longest serving employee has less than 5 years of service, with long service leave not payable until 10 years service has been attained.

(iv) Superannuation
Superannuation is payable at the statutory rate only. Employees are members of contribution schemes rather than defined benefits schemes Accordingly there is no liability as at balance date.

The superannuation expense for the reporting period is the amount of the statutory contribution the Authority makes to the superannuation plans that provide benefits to its employees.

(v) Classification of Employee Benefits
An employee benefit is classified as a current liability if there is no unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. This would include all annual leave and unconditional long service leave entitlements.

l) Cash and Cash Equivalents
For the purpose of the Statement of Cash Flows, cash and cash equivalents include restricted cash and cash equivalents. They are comprised of cash on hand and short term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. The amount includes any outstanding bank overdraft.

m) Leases
The Joint Authority currently has no material financing lease arrangements. It has operating leases of the property on which the landfill operates, and of the property on which its waste transfer station operates.

n) Financial Instruments
The Joint Authority has two categories of financial instrument:
Loans and receivables (cash and cash equivalents, and receivables)
Financial liabilities (payables and borrowings)

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurements is at amortised cost using the effective interest rate method.

The fair value of short term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

The Joint Authority assesses whether there is any objective evidence of impairment of its financial assets at each reporting date.

o) Donations and Other Contributions
Donations and other non reciprocal contributions are recognised as revenues when the Joint Authority obtains control over the assets comprising the contributions.

p) Receivables
Receivables are recognised and carried at original invoiced amounts, with these amounts being assessed for possible impairment before any allowance for uncollectible amounts is made. An allowance for uncollectible amounts is only made when there is objective evidence that the Joint Authority will be unable to collect the amount in question.

q) Inventories
No material inventories are held.

r) Payables
Payables are recognised when the Joint Authority becomes obliged to make future payments as a result of a purchase of assets or services. Their carrying amount is equivalent to fair value as they are settled within specific trading terms or 30 days, whichever is earlier.

s) Significant Business Activities
The Joint Authority operates in the waste disposal industry in the southern region of Tasmania.

t) Landfill Remediation
The Joint Authority is required to remediate the landfill at the end of its useful life. Each cell is capped on an ongoing basis, with associated costs being charged to the Income Statement. Remediation costs will primarily consist of landscaping costs which are not material. In addition because the life of the landfill is in excess of 100 years these costs are considerably remote in time. Therefore the present value of any costs of remediation is immaterial and has not been accounted for.

u) Allocation between current and non-current
In determining whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, or non-current if the Authority does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

v) Taxation
The Joint Authority is subject to Part 3A of the *Local Government Act 1993* and is included under the National Taxation Equivalency Regime (NTER) from 1 July 2011. The relevant notice was gazetted on 29 December 2010.

The charge for current tax expense is based on the profit for the year adjusted for any non assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts in the Financial Statements. No deferred income tax is recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability settled. Deferred tax is recognised in the income statement except where it relates to items that may be recognised directly into equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be used.

The amount of benefits brought to account or which may be realised in the future is based on the assumptions that no adverse change will occur in income tax legislation, SWS will derive sufficient future assessable income to enable the benefit to be realised, and compliance with the conditions of deductibility imposed by the law.

w) Goods and Services Tax
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

x) Carbon Pricing
The Authority is subject to the carbon pricing regime, however its remissions remain below the relevant threshold and no liability has been recognised. This matter is under regular review.

y) Finance Costs
Finance costs are expensed as incurred using the effective interest method. Borrowing costs include interest on bank overdrafts, interest on borrowings, unwinding of discounts, and finance lease charges.

z) Interest bearing liabilities

The borrowing capacity of the Joint Authority is limited by the *Local Government Act 1993*. Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition these liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the liability using the effective interest method.

aa) Provision for capping cells

Until 2012-13 the cost of capping cells was included in the site operations contract. Following a tender process and signing of a new contract, the site operator's liability for capping was extinguished. The Authority was obliged to recognise a liability for capping all cells that were partially filled at that time. This liability is recognised on a per tonne basis going forward. In future capping will be undertaken on a more frequent basis. Refer to note 13.

ab) New Accounting Standards

Australian Accounting Standards not yet operative

The Joint Authority has decided against early adoption of certain new accounting standards, including interpretations, that have been published but are not mandatory for the reporting period. They will be applied from their application date:

i) AASB 9	*Financial Instruments* Operative date 1 January 2017 Extends the standard's application date to January 2017, introduces new requirements for the classification and measurement of financial assets and liabilities and introduces a chapter to deal with hedge accounting.
ii) AASB 1031	*Materiality* Operative date 1 January 2014 Removes Australian guidance on materiality that is not available in IFRS and directs constituents to other Australian pronouncements that contain guidance on materiality.
iv) AASB 2010-7	*Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]* Operative date 1 January 2017 Consequential amendments arising from AASB 9.
vi) AASB 2012-3	*Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* Operative date 1 January 2014 Adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132.
viii) AASB 2013-3	*Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* Operative date 1 January 2014 Addresses disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.
xiv) AASB 2013-9	*Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 Dec 2013; Part B Materiality – 1 Jan 2014; Part C Financial Instruments – 1 Jan 2015]* Operative date refer to title Makes amendments to Standards as a consequence of the issue of Accounting Framework AASB CF 2013-1 Amendments to the Australian Conceptual Framework; deletes reference to AASB 1031 Materiality in other Standards; makes amendments to Standards as a consequence of the issuance of IFRS 9 Financial Instruments – Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 by the IASB; and makes editorial corrections.

The Authority is of the view that none of the above new standards or interpretations will materially affect any of the amounts recognised in the financial statements. The above new standards or interpretations may impact certain information otherwise disclosed.

Application of new Australian Accounting Standards

AASB 119 Employee Benefits (as revised) changes the definition of short term employee benefits. Accrued annual leave benefits no longer meet the definition of short term because they are unlikely to be wholly settled within 12 months of the end of the reporting period. This has resulted in a change in measurement for that portion of annual leave provision from an undiscounted to a discounted basis. The effect is immaterial.

2 FUNCTIONS/ACTIVITIES OF THE JOINT AUTHORITY

The Joint Authority was formed under section 30 of the Local Government Act 1993 and was gazetted on 21 March 2001. Members of the Joint Authority are the Clarence City Council, Sorell Council, Tasman Council and Kingborough Council.

The Joint Authority's function is to promote and manage a putrescible landfill disposal site which conforms to its Development Proposal and Environmental Management Plan (DP&EMP) and permit conditions.

	2014	2013
3 EMPLOYEE BENEFITS	$	$
Wages and salaries	546,333	480,843
Annual and long service leave	44,494	33,212
Superannuation	41,274	33,378
	632,101	547,433

4 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and amortisation expense was charged in respect of:		
Plant & equipment	113,257	91,613
Landfill site development	406,441	602,222
Capping costs	251,705	1,447,230
Lutana site works and equipment	290,545	283,539
	1,061,948	2,424,604

5 OTHER EXPENSES		
EPA permits	33,479	28,014
Power	38,880	34,950
Sampling and monitoring	81,064	36,407
Legal expenses	52,770	83,507
Authority administration	27,639	46,780
Gas management system	0	13,768
Other	185,090	130,093
	418,922	373,519

6 MAINTENANCE AND OPERATING COSTS		
Site maintenance and operation	1,733,256	1,774,817
Plant and equipment repairs and maintenance	374,049	278,171
	2,107,305	2,052,988

These costs are expensed as incurred. They include payments for operating the landfill, maintenance of the Authority's plant and equipment and other maintenance and operating costs.

7 AUDIT		
Audit expense includes:		
Audit services	7,170	6,555
Other services	0	0
	7,170	6,555

8 CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	164,751	622,369
Short term deposits	2,119,666	1,976,879
	2,284,417	2,599,248

For the purpose of the Cash Flow Statement cash and cash equivalents include restricted cash and cash equivalents. They are comprised of cash on hand and short term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. The above amounts agree with cash at the end of the financial year as shown in the Cash Flow Statement.

	2014	2013
	$	$
Unrestricted	2,284,417	2,599,248

9 CURRENT ASSETS - TRADE RECEIVABLES

Trade receivables	781,744	597,838
Aged Analysis		
The ageing analysis of receivables is as follows:		
Current	661,849	341,765
0-30 days	112,202	236,261
31-60 days	0	0
61-90 days (past due not impaired)	1,686	19,712
91+ days (past due and partly impaired)	60,133	100
Provision for doubtful debts	(54,126)	0
	781,744	597,838

10 NON-CURRENT ASSETS - PROPERTY PLANT & EQUIPMENT

Plant and equipment at cost	2,065,313	1,629,627
Less accumulated depreciation	(798,774)	(685,517)
	1,266,539	944,110
Opening carrying value	944,110	1,035,723
Additions	435,686	0
Depreciation Expense	(113,257)	(91,613)
Closing Carrying Value	1,266,539	944,110
Copping site development expenses at cost	4,970,037	4,712,092
Less accumulated depreciation	(3,817,171)	(3,159,026)
	1,152,866	1,553,066
Opening carrying value	1,553,066	711,325
Additions	257,945	2,891,193
Depreciation Expense	(658,146)	(2,049,452)
Closing Carrying Value	1,152,866	1,553,066
Lutana site works and equipment at cost	5,082,747	5,020,229
Less accumulated depreciation	(1,467,701)	(1,177,156)
	3,615,046	3,843,073

	2014 $	2013 $
Opening carrying value	3,843,073	4,088,067
Additions	62,518	38,545
Depreciation Expense	(290,545)	(283,539)
Closing Carrying Value	3,615,046	3,843,073
Work in progress at cost	359,219	234,827
Opening carrying value	234,827	192,106
Additions	124,392	1,486,684
Work completed	0	(1,443,963)
Work written off	0	0
Closing Carrying Value	359,219	234,827
	6,393,671	6,575,076

None of the Joint Authority's assets are considered to be impaired so no impairment losses have been recognised, or reversed, in the Income Statement.

11 CURRENT LIABILITIES - TRADE & OTHER PAYABLES

Trade payables	426,638	506,682
Insurance recovery in advance	95,726	0
Other payables	21,248	300,861
	543,612	807,543

Aged Analysis

The ageing analysis of trade payables is as follows:

Current	221,834	174,095
0-30 days	202,730	327,457
31-60 days	0	0
61-90 days (past due not impaired)	0	0
91+ days (past due not impaired)	2,074	5,130
	426,638	506,682

12 BORROWINGS

Current

Unsecured Tascorp loans*	473,446	443,636
Total Current Portion of Long Term Borrowings	473,446	443,636

	2014 $	2013 $
Non-current		
Unsecured Tascorp loans*	3,651,699	4,125,141
Total Long Term Borrowings	3,651,699	4,125,141
Total Borrowings	4,125,145	4,568,777

The Authority's Rules provide for Participating Councils to be responsible for its liabilities in the event that it becomes insolvent. Liabilities would be apportioned according to proportionate payments made to the Authority.

13 PROVISIONS

	2014	2013
Current provision for cell capping		
Opening balance	1,447,230	0
Capping costs provided for	251,705	1,447,230
Capping costs expended	0	0
Closing balance	1,698,935	1,447,230
Refer note 1aa)		
Current Provision for Leave (Annual Leave only)		
Opening balance	36,710	23,058
Leave accrued	24,593	26,581
Leave taken	(9,599)	(12,929)
Closing balance	51,704	36,710
Refer note 1 k) (ii)		
	1,750,639	1,483,940
Non Current Provision for Leave (Long Service Leave only)		
Opening balance	16,480	9,849
Leave accrued	8,955	6,631
Leave taken	0	0
Closing balance	25,435	16,480
Refer note 1 k) (iii)		

14 COMMITMENTS FOR EXPENDITURE

At 30 June 2014 the Joint Authority had commissioned expenditure of approximately $280,000 for capping landfill cell batters. This work is being done in accordance with the site operations contract.

The Joint Authority had no material finance lease commitments at 30 June 2014. It has a landfill site operating lease and a short term lease of its waste transfer station site.

	2014 $	2013 $
Commitments under these leases at reporting date are payable as follows:		
No later than one year	266,300	259,210
Later than one year, no later than five years	1,011,731	1,057,843
Later than five years	10,867,189	11,087,377
	12,145,220	12,404,430

15 RECONCILIATION OF SURPLUS (DEFICIT) TO CASH FLOWS FROM OPERATING ACTIVITIES

	2014 $	2013 $
Surplus (deficit) before income tax expense	217,606	906,754
Depreciation	810,243	977,375
(Profit)/loss on disposal of plant	0	0
Borrowing costs	275,925	324,297
Change in assets and liabilities:		
Increase (decrease) in provision for capping	251,705	1,447,230
Increase (decrease) in creditors & borrowings	(376,479)	209,456
(Increase) decrease in debtors & prepayments	(183,906)	(106,514)
(Increase) decrease in inventories/other current assets	14,518	(4,983)
Increase (decrease) in employee entitlements	23,949	20,283
Net cash provided by (used in) operating activities	1,033,561	3,773,898

16 FINANCIAL INSTRUMENTS

a) Risk exposures

Credit risk:

The amount of any credit risk associated with financial assets is the carrying amount net of any provision for doubtful debts. Such a risk crystallises when one party to the transaction fails to discharge their obligations. The Joint Authority's financial assets comprise receivables and cash and cash equivalents.

There is no significant concentration of credit risk with any single debtor or group of debtors. The amount of debt written off in any one year is immaterial.

The Joint Authority has only short term investments with Tascorp, an interest bearing account with the Commonwealth Bank and an operating account with the Commonwealth Bank.

The Joint Authority's credit risk is therefore immaterial. There has been no change in its exposure to or management of this risk since the previous period.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk, those being currency risk, interest rate risk and other price risk. The Joint Authority's exposure to or management of these risks has not changed since the previous period.

Currency risk -

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Joint Authority has no exposure to currency risk.

Interest rate risk -

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Joint Authority's financial instruments comprise cash and cash equivalents, receivables, payables and interest bearing liabilities. Its main exposure to this risk is through its interest bearing liabilities which are disclosed at note 12 and in this note.

At balance date the Joint Authority had the following mix of financial assets and liabilities exposed to interest rate risk:

	2014	2013
	$	$
Financial Assets		
Cash and cash equivalents	2,284,417	2,599,248
Other financial assets	100,000	100,000
Financial Liabilities		
Interest bearing liabilities	(4,125,145)	(4,568,777)
Net exposure	(1,740,728)	(1,869,529)

The following sensitivity analysis is based on interest rate risk exposures existing at balance date. It shows the effect of interest rate movements on the net result and equity.

	2014	2013
Net Result		
+1%	24,418	15,882
-1%	(24,418)	(15,882)
Equity		
+1%	24,418	15,882
-1%	24,418	(15,882)

16 FINANCIAL INSTRUMENTS continued

The movements in net result and equity are due to higher/lower interest rates relating to cash and cash equivalents. Changing interest rates would not affect interest paid as rates are generally fixed for the long term.

Other price risk -

This is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Joint Authority is not aware of having any exposure to this risk.

Liquidity risk:

This is the risk that the Joint Authority will encounter difficulty in meeting obligations associated with financial liabilities. This risk is guaranteed by the three owner councils. A maturity analysis is included in part b) of this note. The Joint Authority's liquidity risk is immaterial. It's exposure to or management of this risk has not materially changed since the previous period.

16 FINANCIAL INSTRUMENTS continued

b) Interest rate risk exposures
The Joint Authority's exposure to interest rate risk, and the effective weighted average interest rate for relevant classes of financial assets and financial liabilities as at the reporting date was:

			Fixed Interest Rate Maturity				
2014	**Effective or w'ted av int rate %**	**Var int rate $**	**<1 Yr $**	**1 -5 yrs $**	**> 5 yrs $**	**Non int bearing $**	**Total $**
Financial Assets							
Cash at bank & other financial assets	3.35	2,166,716				164,751	2,331,467
Short term deposits	2.52	52,950					52,950
Receivables						781,744	781,744
	Total	**2,219,666**	**0**	**0**	**0**	**946,495**	**3,166,161**
Financial Liabilities							
Interest-bearing	6.04		473,446				473,446
Interest-bearing	6.33			2,145,144			2,145,144
Interest-bearing	6.46				1,506,555		1,506,555
Payables						447,886	447,886
	Total	**0**	**473,446**	**2,145,144**	**1,506,555**	**447,886**	**4,573,031**

			Fixed Interest Rate Maturity				
2013	**Effective or w'ted av int rate %**	**Var int rate $**	**<1 Yr $**	**1 -5 yrs $**	**> 5 yrs $**	**Non int bearing $**	**Total $**
Financial Assets							
Cash at bank & other financial assets	3.78	722,369				1,925,248	2,647,617
Short term deposits	3.13	51,631					51,631
Receivables						597,838	597,838
	Total	**774,000**	**0**	**0**	**0**	**2,523,086**	**3,297,086**
Financial Liabilities							
Interest-bearing	6.26		443,636				443,636
Interest-bearing	6.28			2,069,216			2,069,216
Interest-bearing	6.47				2,055,925		2,055,925
Payables						807,543	807,543
	Total	**0**	**443,636**	**2,069,216**	**2,055,925**	**807,543**	**5,376,320**

16 FINANCIAL INSTRUMENTS continued

c) Net fair value

The carrying amount of the Joint Authority's receivables, payables, cash and short term deposits is a reasonable approximation of fair value.

The net fair value of the Joint Authority's financial assets and liabilities is as follows:

	2014		2013	
	Carrying amount	Net fair value	Carrying amount	Net fair value
Financial assets	$	$	$	$
Cash and cash equivalents	2,284,417	2,284,417	2,599,248	2,599,248
Other financial assets	100,000	100,000	100,000	100,000
Receivables	781,744	781,744	597,838	597,838
	3,166,161	3,166,161	3,297,086	3,297,086
Financial liabilities				
Payables	447,886	447,886	807,543	807,543
Interest bearing liabilities	4,125,145	4,468,634	4,568,777	5,193,973
	4,573,031	4,916,520	5,376,320	6,001,516

Aggregate net fair value is calculated using a discount rate equal to the average of mid rates of Commonwealth Government securities maturing on or near 30 June each year for the next 10 years.

d) Accounting policies

Accounting policies relating to financial assets and financial liabilities are disclosed in note 1.

e) Terms and conditions

There are no terms and conditions associated with financial assets or financial liabilities which may significantly affect the amount, timing and certainty of future cash flows.

f) Fair value measurement in the balance sheet

No financial assets or liabilities have changed classifications.

17 RESERVES

	2014	2013
	$	$
Site development and rehabilitation reserve		
Opening balance	627,000	627,000

A reserve of $3/t may be set aside from profits to provide for future site development and rehabilitation.

18 FINANCING ARRANGEMENTS

Bank overdraft (unused)	200,000	200,000

	2014	2013
19 CONTINGENCIES	$	$

There are no contingencies.

20 SUBSEQUENT EVENTS

There are no subsequent events.

21 INCOME TAX

	2014	2013
a) Income tax recognised in the Statement of Comprehensive Income	65,282	272,026
b) Income tax expense for the year can be reconciled to the Surplus for the year before income tax expense	217,605	906,754
Prima facie tax/(tax benefit) on profit/(loss) from operating	65,282	272,026
Effect of permanent differences	0	0
Income tax expense recognised in Statement of	65,282	272,026
c) Income tax expense recognised directly to equity	0	0
d) Non-current and deferred tax balances		
Deferred tax assets		
Provision for cell capping	509,680	434,169
Employee entitlements	23,141	15,957
Non deductible expenses	2,115	0
	534,936	450,126
Deferred tax liability		
Other assessable income	1,199	1,441
e) Current provision for income tax		
Opening balance	521,080	0
Income tax provided	203,773	521,080
Income taxexpense	(574,502)	0
Closing balance	150,351	521,080

22 KEY MANAGEMENT PERSONNEL

Responsible Persons

Names of those holding positions of resonsibility at any time during the year are:

Directors:

Ron Ward (Chair)	19/03/2012 - current
Suzanne Baker	19/03/2012 - current
John Brennan	19/03/2012 - current

Chief Executive Officer:

Christine Bell	15/10/2009 - current

22 KEY MANAGEMENT PERSONNEL continued

Personnel Compensation

Total remuneration paid to key management personnel of the Authority during the year are as follows:

Short term employee benefits	219,999	187,381

23 RELATED PARTY TRANSACTIONS

During the year the Authority was a party to what could be considered related party transactions with its four Participating Councils. The transactions were as a ratepayer, supplier and tennant. The majority of transactions with Participating Councils were conducted on norrmal trading terms.

Profit for the year includes the following items of revenue and expense that resulted from transactions with Participating Councils other than loans or equity.

Waste disposal income charged	439,698	413,656
Outstanding balances at 30 June	37,524	33,530
Goods and services purchased	165,170	305,087
Outstanding balances at 30 June	94,979	25,011

24 OTHER INCOME

Other income	500,364	414,968
Fire debris gate fee compensation	259,400	0
	759,764	414,968

Attachment 6

Tasmanian Audit Office

Independent Auditor's Report

To Members of the Copping Refuse Disposal Site Joint Authority

Financial Report for the Year Ended 30 June 2014

Report on the Financial Report

I have audited the accompanying financial report of the Copping Refuse Disposal Site Joint Authority (the Authority), which comprises the statement of financial position as at 30 June 2014 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement of compliance by the Board Chair.

Auditor's Opinion

In my opinion:

(a) the Authority's financial report:

  (i) presents fairly, in all material respects, its financial position as at 30 June 2014, and its financial performance, cash flows and changes in equity for the year then ended

  (ii) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

The Responsibility of the Directors for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1993*.This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of 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 my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Directors' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. 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.

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Authority's financial report.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Tasmanian Audit Office

H M Blake
Auditor-General

Hobart
24 September 2014