REPORT OF THE CHAIR OF THE JOINT AUTHORITY FOR THE

FINANCIAL YEAR ENDED 30 JUNE 2021

2020-21 was shaped by planning for the impending introduction of the Tasmanian Government's Waste Action Plan and the associated waste levy to be introduced shortly. This marks a significant step forward for environmental and waste management in the State and provided the impetus for the Authority to assess the impact on the long term future of Southern Waste Solutions.

As a result, the Authority has been considering new business opportunities and strategic partnerships to ensure it is well structured for the future. A composting proposal is now being assessed by the Board and, if it proceeds, represents an exciting expansion of the Authority's business operations and the opportunity to work with experienced partners in the sector.

The Authority is expecting to make a decision early in 2022. If it is to proceed, it is highly likely to require support from Government.

Business focus
During the year, the Authority commissioned a review of new business opportunities that could capitalise on its expertise in the waste sector and its strong balance sheet. Outcomes of this review are expected to underpin future strategic directions and some will involve considerable investment in new or redeveloped existing facilities.

Southern Waste Solutions continued to work with non-member Councils by sharing its expertise to assist with planning of waste transfer stations and transport options. It is also preparing to expand its B cell operations at Copping as has been planned for several years.

Strategic and business planning
The Authority determined its risk appetite at a workshop during the year to guide the Board and Authority's decision making. Since then, strategic and business plans were revised to reflect our changing business environment, identify future opportunities and promote long term sustainability while operating efficiently and with appropriate regard for our risk appetite.

The Plans aim to ensure that Participating Councils' investments are protected and maximised through prudent management of existing activities and development of opportunities.

As required by its Rules, the Strategic and Business Plans were approved by the Authority and will be presented to the Annual General Meeting.

Financial performance
The Authority recorded a consolidated net surplus before tax of $1,671,296 for the financial year ended 30 June 2021. The result was better than budget, but lower than last year. This reflected a return to more typical business conditions compared to the unusually high volumes of contaminated waste received in 2019-20. There were no exceptional financial events to report.

The 2020-21 financial statements have been audited and the Tasmanian Audit Office issued an unqualified audit opinion for the financial year.

Governance
The Authority completed its renewal of the Board of Southern Waste Solutions and its appointed directors to the Board of C Cell Pty Ltd. In March 2021, the Authority farewelled longstanding Board Chair, Ron Ward, and Director John Brennan. During their tenure, Ron and John's leadership was instrumental in strengthening the financial and business performance of Southern Waste Solutions and establishing the C cell facility at Copping.

The Authority also farewelled Ernie Hacker who had been appointed as an additional director for a year to assist with the transition of the Board.

On behalf of the Authority and Participating Councils, I thank Ron, John and Ernie for their commitment, expertise and service to both businesses.

After a rigorous recruitment process, the Authority appointed Dr Christine Mucha as Board Chair and Elspeth Moroni as director of Southern Waste Solutions, commencing in March 2021. The Board has reverted to comprising four directors.

As a result of the retirement of Ron and John from Board of the C Cell Pty Ltd as well, the Authority appointed Dr Mucha and Michael Hunnibell as its directors on that Board.

During the year, the Authority progressed a minor amendment to its Rules to align with its new Dividend Policy. This will be finalised by the end of calendar year 2021.

The Authority has not encountered any governance or risk issues of significance during the 2020-21 financial year.

C Cell Pty Ltd
In 2016, the Authority established C Cell Pty Ltd to act as Trustee of the C Cell Unit Trust. The Authority holds 60% of the Units in the Trust, which oversees the operation of the C Cell at Copping. The Category C Cell opened its gates during 2018-19. It has continued to provide an environmentally safe and readily-available facility to Tasmanian industry for disposal of higher level waste.

The company has exceeded its budgeted performance in 2020-21 and again made a positive contribution to the consolidated financial result.

Conclusion
On behalf of the Joint Authority, I thank Member Council Representatives, members of the Boards, CEO, Secretary and all employees for their hard work and dedication during the past year.

Mayor Kerry Vincent
CHAIR
27 October 2021

SOUTHERN WASTE SOLUTIONS
(incorporating C Cell Pty Ltd)

ANNUAL REPORT OF THE BOARD OF DIRECTORS 2020-21

This report from the Boards of Southern Waste Solutions and C Cell Pty Ltd for the 2020-21 financial year is presented on behalf of all Directors.

The year was characterised by the renewal of the Boards that started in March 2020 and was completed in March 2021. I particularly acknowledge and thank the outgoing Board Chair, Ron Ward, and Directors John Brennan and Ernie Hacker, for their commitment to ensuring a smooth transition that maintained the momentum of the businesses and their ongoing strategic development.

Business performance
As reflected in the financial results, Southern Waste Solutions has continued to grow in a sustainable manner. Revenues returned to more typical levels over the year but remained above budget. While the budget anticipated a significant downturn in waste to be received from businesses during the pandemic, our clients increased usage of our services.

Southern Waste Solutions has a commitment to ongoing facility maintenance and improvement of its business processes and procedures. This year, it focussed on increasing its internal expertise to further enhance its focus on preventative maintenance at all sites it owns or manages. This focus ensures our clients can be confident of reliable waste transfer and disposal services.

The Board has a strong focus on work health and safety, particularly recognising the variety of risks to which our staff are exposed. The Board acknowledges the robust safety culture and proactive systems and practices that the CEO, managers and staff develop and maintain to protect staff, visitors and customers.

The safety outcome this year was especially pleasing given the additional plans required in response to the ongoing COVID pandemic. These plans allowed all our work sites to remain open and provide uninterrupted services to our clients.

Strategic planning
As the Authority Chair reports, the strategic plan was updated during the year through a collaborative process between Authority Representatives, retiring and incoming directors, the CEO and Secretary. This provided the opportunity to discuss challenges and prospects moving forward.

Stakeholder engagement
Directors, CEO and Secretary, individually and collectively, met regularly with key stakeholders to promote strong working relationships and discuss important developments. Stakeholders included member and non-member Councils, Government Ministers, EPA Tasmania, Local Government Association of Tasmania, regulatory authorities, current and potential new customers.

Notably, a public forum was held in Sorell to brief our local community on long-standing plans for further developments at Copping. The outcome of the forum which was very positive.

Plans to engage further with the community through our Landcare corporate membership and our schools' education program were prepared during the year. Unfortunately, delivery of the programs was deferred due to COVID restrictions, but we are keen to roll out these as soon as conditions allow.

Governance

The Board of Southern Waste Solutions held fourteen meetings and the Board of C Cell Pty Ltd as Trustee held four meetings during 2020-21. Southern Waste Solutions' Audit & Risk Committee held four meetings during the year. Meeting attendances by all directors is attached for information.

In accordance with its charter, the Audit & Risk Committee this year focussed primarily on internal audit programs, external audit processes, risk management and other specific projects requested by the Board.

The Board Chair attended all quarterly meetings of the Joint Authority to present reports, provide advice and answer queries in relation to the operation of Southern Waste Solutions and C Cell Pty Ltd. Other directors also attended Authority meetings from time to time during the year.

Lastly, on behalf of the Boards, I thank the Authority Chair and Representatives for their support during the year. I also extend my personal thanks to the directors of both Boards for their contributions and advice, and the CEO and Secretary for their guidance and support.

Dr Christine Mucha
BOARD CHAIR
SOUTHERN WASTE SOLUTIONS

27 October 2021

BOARD AND COMMITTEE MEETING ATTENDANCES 2020-21

Director	SWS Board		SWS Audit & Risk Committee		C Cell Pty Ltd as Trustee Board	
	Eligible to attend	**Attended**	**Eligible to attend**	**Attended**	**Eligible to attend**	**Attended**
Ron Ward Board Chair: SWS, C Cell Pty Ltd (retired 18.3.21)	**9**	9	**2**	2	**3**	3
Christine Mucha Board Chair: SWS, C Cell Pty Ltd (appointed 19.3.21)	**5**	5	**2**	2	**1**	1
Frank Barta Chair, A&R Committee	**14**	14	**4**	4	**4**	4
Brendan Blomeley					**4**	4
John Brennan (retired 18.3.21)	**9**	9	**2**	2	**3**	3
Ernie Hacker (retired 18.3.21)	**9**	9	**2**	2		
Mike Hunnibell (appointed to C Cell Board 19.3.21)	**14**	14	**4**	4	**1**	1
Elspeth Moroni (appointed 19.3.21)	**5**	5	**2**	2		

CHIEF EXECUTIVE OFFICER AND COMPTROLLER'S REPORT

For the Year Ended 30 June 2021

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 2021.

The CEO reports as follows:

Principal activities

The Authority's principal activities during the financial year were in accordance with Rule 8 and included management and / or operation of the Category B and C landfills located at Copping including ensuring that the site conformed to the Development Proposal and Environmental Management Plans and Permit conditions, management of the landfill balance area; and operation of a waste transfer station and medical waste treatment plant at Derwent Park.

Review of operations

The Authority recorded a consolidated profit before income tax of $1,671,296 for the year ended 30 June 2021 (2020 $4,993,876). The 2021 result exceeded budget by approximately 4,800% (2020 306%).

The 2021 result was positively affected by deliveries of low-level contaminated soil to Copping, combined with sustained high throughput at Lutana. The expected reduction in deliveries because of the pandemic did not eventuate.

The Authority owns 60% of the issued units of the C Cell Unit Trust. The Authority has been contracted to manage the business. The first deliveries were received in November 2018.

Changes in state of affairs

During the financial year, there were no significant changes in the Authority's state of affairs.

Subsequent events

There are no subsequent events to report.

Future developments

The Authority is evaluating the potential viability of an in-vessel composting facility on site at the Copping landfill.

COVID-19 impact

COVID-19 has not had a material negative impact on the business

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 B cell site operators perform well in all areas, including the ongoing challenge of control of wind-borne litter.

All medical waste sampling results at Lutana were satisfactory.

Health and safety

There was one Lost Time Injury (an injury causing an employee to lose one or more full day's work other than the day on which the injury occurs) during the year.

Asbestos continues to be delivered to the Lutana waste transfer station on occasion. Appropriate policies, procedures and training are in place to deal with such incidents. External service providers are used to clear and declare the site safe. Costs of the clean-up are passed on to the customer delivering the asbestos. Asbestos awareness booklets are provided to bin hire businesses to pass on to customers.

One load of medical waste delivered during the year included a sealed container of cytotoxic waste. The container was removed from the waste stream and placed in a locked bin for collection by the waste transport operator who delivered the load.

Regular safety audit reports were positive for all sites, with only minor issues being raised.

Dividends

No dividends are recommended. This is in line with the Authority's adopted policy of reinvesting profits to fund future infrastructure needs. However, during the year the Authority developed a framework to assist in any future determination and declaration of dividends.

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

No legal proceedings were initiated during, or since the end of, the financial year.

Achievement of goals and objectives

The following progress was made during the 2021 financial year against initiatives for that year outlined in the Strategic and Business Plans:

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

Goal 1.0	**Sustainably manage the solid waste stream in Southern Tasmania**	
Strategy 1.1	**Maintenance of a financially viable business through:**	
	Generating sufficient profit to fund future obligations and capital expenditure.	√
	Projected capital expenditure for the years covered by the Business Plan are funded without a need to borrow.	
	Reinvesting in the business.	√
	The 2020-21 $2.2m capital works program was undertaken without a need to borrow or seek equity injections.	
	Preparing for the possibility of distributing dividends in future years.	√
	The Authority has adopted a Policy to guide future determination and declaration of dividends.	
	Taking a leadership role in discussions about the management of solid waste in Southern Tasmania.	√
	The CEO is a member of the Tasmanian Branch Committee of the Waste Management & Resource Recovery Association of Tasmania. She has been involved in discussions with the Minister, the EPA and the LGAT in relation to waste management strategies for the state.	
	Managing leachate on site.	√
	Leachate was managed on site, with no need to cart offsite for treatment and disposal.	
	Building and maintaining effective relationships with the Tasmanian government and regulatory organisations.	√
	The Board Chair and CEO meet regularly with the Director of the EPA; and met with the Minister to discuss several issues including implementation of the State's waste strategy.	
	Maintaining access to human resources.	√
	The organisation is appropriately staffed.	
	Maintain access to capital funding.	√
	Sufficient funding is available to achieve the Authority's current Strategic Planning needs.	
	Securing tenure of the Lutana site or a viable alternative location.	√

	In principle agreement for an extension of the lease term has been reached with the landowners, and a viable alternative location has been identified.	
	Influencing the implementation of the Tasmanian Government's Waste Management Plan.	√
	Meetings have been held with consultants and the Minister, and other relevant entities.	
Strategy 1.2	**Be open and receptive to new and emerging markets**	√
	The Board arranged workshops to identify new business opportunities and is conducting a detailed assessment of a one of the major options identified.	
Strategy 1.3	**Contribute to solutions to waste management issues**	√
	The Board is in regular communication with the Minister and local governments to assist in this regard.	
Strategy 1.4	**Achieve sustainable environmental and social outcomes for our communities**	√
	Progress is being made in all Key Result Areas of this strategy.	
Goal 2	**Ensure robust compliance, management and oversight of the business**	
Strategy 2.1	**Maintain compliance across all aspects of the business:**	√
	All material obligations have been met.	
Strategy 2.2	**Ensure that the business is well managed and sufficiently flexible to meet future challenges with a focus on an effective and responsive operating model**	√
	Capital and human resource requirements are regularly reviewed, as is the outsource v insource model when contracts reach an end. The business has up to date Business Continuity and Risk Management Plans.	
Strategy 2.3	**Ensure that stakeholders including customers, shareholders and the broader community are kept appropriately informed, with an emphasis on education and marketing**	√
	All Participating Councils have been offered briefings on an ongoing basis. Newsletters are distributed quarterly. A Stakeholder Engagement Plan is in operation and the schools' program is being developed.	

The comptroller reports as follows:

Comptroller

Christine Bell has been appointed to the position of Comptroller.

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

During the 2021 financial year $1,150,589 (2020 $782,741) was transferred to equity in relation to income tax payable. The 2020-21 Consolidated Statement of Comprehensive Income includes income tax expense of $372,223 (2019-20 $1,296,091). As at 30 June 2021 the Authority had a deferred income tax asset of $1,496,410 (2020 $1,270,828), a current provision for income tax of $1,009,461 (2020 $1,562,319) and a deferred income tax liability of $750 (2020 $750).

Christine Bell
Chief Executive Officer / Comptroller
27 October 2021

COPPING REFUSE DISPOSAL SITE JOINT AUTHORITY

Trading As

SOUTHERN WASTE SOLUTIONS

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2021

COPPING REFUSE DISPOSAL SITE JOINT AUTHORITY
BOARD CHAIR'S DECLARATION
For the Year Ended 30 June 2021

On behalf of the Board of Directors for the Copping Refuse Disposal Site Joint Authority, I declare that:

1. The consolidated financial statements and notes:

   (a) comply with Accounting Standards, other mandatory professional reporting requirements and the *Local Government Act 1993*; and

   (b) present fairly the Authority's financial position as at 30 June 2021 and its financial performance for the year ended on that date.

2. In the Board'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 Board is not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.

This declaration is signed by:

C. Mucha

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Dr C S D Mucha
BOARD CHAIR

Dated this 22nd day of September 2021.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2021

	Notes	Budget * 2021 $	2021 $	Restated 2020 $
Income				
Gate waste receipts		6,916,855	10,620,844	12,956,336
Waste transfer station contracts		417,631	520,391	493,659
Other		381,500	153,000	403,613
Total Income		7,715,986	11,294,235	13,853,608
Expenses				
Employee benefits expenses	3	1,316,749	1,168,380	1,165,546
Depreciation and amortisation tangible assets	4	1,636,545	1,433,351	1,508,139
Depreciation landfill assets post closure costs 2177 / 2143		-	15,683	8,094
Provision for capping	13	254,903	792,900	461,452
Finance costs on borrowings		84,841	65,498	104,688
Finance costs on leases		239,945	186,467	187,952
Finance costs unwinding of discounting costs post 2177 / 2143		-	58,869	26,711
Other expenses	5	769,809	1,677,991	1,325,470
Maintenance and operating costs	6	3,449,000	4,223,800	4,071,680
Total expenses		7,751,792	9,622,939	8,859,732
Surplus for the year before income tax expense		(35,806)	1,671,296	4,993,876
Income tax expense (benefit)	21		372,223	1,296,091
Net surplus			1,299,073	3,697,785
Total comprehensive surplus for the year			1,299,073	3,697,785
Attributable to:				
Clarence City Council as owner of parent			568,400	1,697,080
Sorell Municipal Council as owner of parent			284,200	848,540
Tasman Municipal Council as owner of parent			94,733	282,847
Kingborough Municipal Council as owner of parent			236,833	707,117
			1,184,167	3,535,583
Clarence City Council as minority interest			91,925	129,762
Kingborough Council as minority interest			22,981	32,440
			1,299,073	3,697,785

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	2021	Restated 2020	Restated 1-Jul-19
ASSETS		$	$	$
Current Assets				
Cash and cash equivalents	8, 16	9,176,110	8,109,115	5,811,930
Trade receivables	9, 16	1,222,585	1,463,566	1,416,648
Other		218,460	182,751	174,653
Total Current Assets		10,617,155	9,755,432	7,403,231
Non-Current Assets				
Other financial assets	16	100,000	100,000	100,000
Property plant & equipment	10.1	17,297,409	15,063,882	12,033,674
Right of use assets	10.2	5,778,010	5,901,791	-
Landfill asset post closure costs 2177 / 2143	10.3	3,287,773	2,195,091	1,011,775
Deferred Income Tax	21	1,496,410	1,270,828	1,263,250
Total Non-Current Assets		27,959,602	24,531,592	14,408,699
TOTAL ASSETS		38,576,757	34,287,024	21,811,930
LIABILITIES				
Current Liabilities				
Trade and other payables	11, 16	2,783,759	1,592,736	1,165,618
Borrowings	12, 16, 25	617,917	366,544	489,317
Lease liabilities	14, 25	171,600	164,941	-
Provision for income tax	21	1,009,461	1,562,319	1,061,684
Provision for employee entitlements	13	166,031	140,706	82,998
Provision for capping	13	200,000	200,000	180,000
Total Current Liabilities		4,948,768	4,027,246	2,979,617
Non-Current Liabilities				
Borrowings	12, 16, 25	2,247,092	3,029,249	3,395,793
Lease liabilities	14, 25	5,746,982	5,813,727	-
Provision for employee entitlements	13	32,396	26,692	49,630
Provision for capping	13	2,811,475	2,203,575	1,903,623
Deferred income tax	21	750	750	750
Non refundable deferred grant income	24	1,957,315	1,970,702	1,986,375
Prov'n aftercare & rehab post 2177 / 2143	26	3,397,130	2,229,896	1,011,775
Total Non-Current Liabilities		16,193,140	15,274,591	8,347,946
TOTAL LIABILITIES		21,141,908	19,301,837	11,327,563
NET ASSETS		17,434,849	14,985,187	10,484,367
EQUITY				
Contributed equity		5,319,766	4,169,177	3,386,436
Reserves	17	-	627,000	627,000
Accumulated surplus		10,241,585	8,430,418	4,874,541
Equity attributable to owners of the parent		15,561,351	13,226,595	8,887,977
Attributable to minority interest		1,873,498	1,758,592	1,596,390
TOTAL EQUITY		17,434,849	14,985,187	10,484,367

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

	Accumulated Surplus		Contribution by Owners		Reserves	
	2021	2020	2021	2020	2021	2020
	$	$	$	$	$	$
Balance at beginning of financial year	8,430,418	4,944,834	4,169,177	3,386,436	627,000	627,000
Total comprehensive surplus for year	1,184,167	3,535,583	-	-	-	-
Attributable to minority interest	-	-	-	-	-	-
Adj due to change in tax rate	-	(49,999)	-	-	-	-
Transfer from / to reserves	627,000	-	-	-	(627,000)	-
Contribution by owners	-	-	1,150,589	782,741	-	-
Balance at end of the financial year	10,241,584	8,430,418	5,319,766	4,169,177	-	627,000

	Equity Attributable to Owners		Equity Attributable to Minority Interest		**Total Equity**	
	2021	**2020**	2021	2020	**2021**	**2020**
	$	**$**	$	$	**$**	**$**
Balance at beginning of financial year	**13,226,595**	**8,958,270**	1,758,592	1,596,390	**14,985,187**	**10,554,660**
Total comprehensive surplus for year	**1,184,167**	**3,535,583**	114,906	162,202	**1,299,073**	**3,697,785**
Attributable to minority interest	**-**	**-**	-	-	**-**	**-**
Adj due to change in tax rate	**-**	**(49,999)**	-	-	**-**	**(49,999)**
Transfer from / to reserves	-	**-**	-	-		**-**
Contribution by owners	**1,150,589**	**782,741**	-	-	**1,150,589**	**782,741**
Balance at end of the financial year	**15,561,350**	**13,226,595**	1,873,499	1,758,592	**17,434,849**	**14,985,187**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2021

	Notes	Inflows (Outflows) 2021 $	Inflows (Outflows) 2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		12,792,933	15,043,882
Interest received		23,435	51,962
Net GST refund (payment)		(464,223)	(348,758)
Interest paid on borrowings		(65,498)	(104,688)
Interest paid on leases		(186,467)	(187,952)
Payments to suppliers and employees (inclusive of GST)		(6,885,831)	(7,190,801)
Net cash provided by operating activities	15	5,214,349	7,263,645
Cash flows from investing activities			
Payments for property, plant & equipment		(3,441,541)	(4,319,937)
Proceeds from sale of property, plant & equipment		-	-
Net cash (used) gained in investing activities		(3,441,541)	(4,319,937)
Cash flows from financing activities			
Repayments of borrowings		(530,784)	(489,317)
Repayments of lease liabilities (principal)		(175,029)	(157,206)
Net cash (used) gained in financing activities	25	(705,813)	(646,523)
Net increase (decrease) in cash held		1,066,995	2,297,185
Cash at beginning of reporting period		8,109,115	5,811,930
Cash at end of reporting period	8	9,176,110	8,109,115

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. It is a for profit public sector entity. The Authority's office address is 129 Derwent Park Road, Lutana 7008. Its primary 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.

The Authority owns 100% (2020 100%) of C Cell Pty Ltd (the Corporation) which is a proprietary limited company incorporated in Australia. The address of the Corporation's registered office is 7 Athleen Avenue, Lenah Valley, Tasmania. Its sole purpose is to act as trustee (the Trustee) of the C Cell Unit Trust (the Trust). The principal activity of the Trust is to develop and operate a Category C landfill cell on the landfill site controlled by the Authority. The Authority owns 60% (2020 60%) of the Trust's issued units.

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), and the *Local Government Act 1993* (as amended from time to time).

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.

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 other factors 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). Assumptions are also used in calculating the Authority's provision for capping (note 13).

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 7 Athleen Avenue, Lenah Valley, Tasmania. All funds through which the entity controls resources to carry on its functions have been included in these general purpose financial statements. The entity owns 100% (2020 100%) of C Cell Pty Ltd as Trustee and 60% (2020 60%) of the Trust's issued units.

d) Contributed Equity

Regular equity 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. The nature of the Authority's contracts result in AASB 15 having no effect on disclosure of revenue (refer Note 1 z)).

- Revenue from gate fees is recognised when material has been deposited in the landfill.
- Revenue from other fees and charges is recognised when the customer receives the benefit.
- Profit or loss on sale of assets is determined when control of tha asset passes to the buyer.
- 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.

Grants received, although not refundable, are recognised as a liability rather than as revenue. See note 24.

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) Materials and services expenses

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be reliably measured. Maintenance and operating costs and minor renewal costs are recognised as an expense in the period in which they are incurred. When repairs relate to replacement of asset components and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated, and the carrying value of the replaced asset is expensed.

g) Finance costs

Finance costs are expensed as incurred using the effective interest method. Finance costs include interest on bank overdrafts, borrowings, leases and unwinding of discounts.

h) Property, Plant and Equipment

AASB 116 Property, Plant and Equipment's 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.

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, which is the higher of fair value less costs to sell and value-in-use, 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 $10,000 (other assets).

i) Depreciation of Non-current Assets

Other than landfill cells (refer below) which are included in site works and right of use assets (refer below), 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.

Estimates of remaining useful lives and residual values are made on a regular basis. Where assets have separate identifiable components that are both subject to regular replacement and material in value, those components are assigned distinct useful lives and remaining values and a separate depreciation rate is determined for each.

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

Right of use assets are written off over the remaining term of the underlying lease.

Major depreciation periods are:	Years
Plant & equipment (computers)	3
Plant & equipment (compactors)	20
Site works	20
Right of use assets - remaining term of underlying lease	3 - 41
Refer above. Approved landfill cells are depreciated based on capacity and tonnes received.	
B cells	2 - 3
C cell	100 - 120

j) Technology Development Costs

Medical waste treatment technology development costs are capitalised and included as property plant & equipment in accordance with AASB 116 Property, Plant and Equipment. These costs include development of a prototype and design and construction of working plant from which future economic benefits will continue to 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 from the time that the assets commenced operation.

k) Employee Benefits

Employee benefits include, where applicable, entitlements to salaries and wages, annual leave, sick leave, long service leave, superannaution and any other post employment benefits. Related expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen and can be reliably measured. They 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 benefits. Liabilities owed to employees are recognised at the remuneration rate that the Joint Authority expects to pay when the obligation is settled.

Wages and salaries : Liabilities are recognised and measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

Annual 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 as detailed in point (iii) below. There is no liability for sick leave because sick leave is non vesting.

Long service leave : A liability for long service leave is recognised. The two longest serving employee have achieved 10 years of service, with long service leave payable when 10 years service has been attained. Long service leave obligations in respect of these employees are presented as current liabilities. Long service leave liabilities not expected to be settled within 12 months after the end of the reporting period in which the employees rendered the related service are measured at the present value of expected future payments. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with terms to maturity matching as closely as possible the timing of estimated cash outflows.

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.

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

Classification: Employee benefits are classified as current liabilities if there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. This includes 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 cash on hand, deposits at call and other highly liquid investments with original maturities of three months or less net of any outstanding bank overdraft. There are no restrictions on these assets.

m) Leases

Leases as lessee: The Authority has leases over the property on which the landfill operates, the property on which its waste transfer station operates and an excavator. Refer to notes 10 and 25 for further details. It has no other leases as lessee.

Leases as lessor: The Authority sub leases small parcels of its leased land to LMS Energy, a local gun club and a dairy farm for peppercorn rentals that are not demanded, therefore revenue is nil. The values of these parcels of land are included in Right of Use Assets. The Authority also sub leases a small parcel of land to C Cell Pty Ltd as Trustee. The financial effects of this transaction are eliminated on consolidation.

n) Financial Instruments

The Joint Authority has the following financial instruments:

- Financial assets (cash and cash equivalents, and trade receivables)
- Financial liabilities (trade payables, borrowings and lease liabilities)

Trade receivables do not contain a significant financing component and are measured at amortised cost, which represents their transaction value. Impairment is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk has increased significantly since initial recognition, and when estimating the ECL, the Authority considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Authority's historical experience, an informed credit assessment and forward-looking information.

Liabilities are recognised for amounts to be paid in the future for goods and services provided as at balance date whether or not invoices have been received. Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

The borrowing capacity of the 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. Interest is expensed as it accrues. No interest has been capitalised during the current or comparative reporting periods. There have been no defaults or breaches of agreements.

o) Donations and Other Contributions

Donations and other non reciprocal contributions are recognised as revenues when the Authority obtains control over the assets comprising the contributions.

p) Receivables

Refer to note 1 n) above.

q) Inventories

No material inventories are held.

r) Payables

Refer to note 1 n) above.

s) Significant Business Activities

The Authority operates in the waste disposal industry in the southern region of Tasmania.

t) Landfill capping and rehabilitation

The B cell landfill Permit requires progressive rehabilitation of each landfill cell. Associated costs are charged on a per tonne basis to provision for capping in the Statement of Comprehensive Income with a balance sheet provision for unexpended amounts. The C cell is not required to be capped until it is closed, however an asset and a liability have been recognised for C cell capping based on indexed and discounted estimated costs. These are expected to be due post 2143 and are disclosed in notes 10.3 and 26. Post closure costs including rehabilitation and after care for both the B cells and the C cell are disclosed in notes 10.3 and 26.

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 Authority is subject to Part 3A of the *Local Government Act 1993* and was included under the National Taxation Equivalency Regime from 1 July 2011 by a notice gazetted on 29 December 2010.

The current tax expense is based on 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 tax rates 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 deferred tax is adjusted directly against equity.

Deferred tax is calculated at tax rates 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 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 GST, except where it is not recoverable from the Australian Tax Office, in which case it is recognised as part of the cost of acquisition of the asset or as part of an 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) Interest bearing liabilities

Refer to note 1 n) above.

y) 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. Capping is now undertaken on a regular ongoing basis. Refer to note 13.

z) Comparison with previous year

When necessary comparative figures are adjusted to conform with changes in presentation in the current year.

For the purposes of its statutory financial statements, the Authority's subsidiary removed all transactions relating to its liability for capping the C Cell on closure and its financial assurance fund. It restated comparatives accordingly including balances at 1 July 2019. Changes to its audited 2020 financial statements were:

z) Comparison with previous year continued

	2020
C cell:	$
Increase in comprehensive income from $3,530,617 to $3,530,291	326
Increase in non-current assets (add landfill asset post closure costs)	1,003,681
Reduction in non-current liabilities provisions (remove provision for C cell capping) from $2,247,880 to $2,230,267	17,613
Reduction in non-current liabilities (remove financial assurance fund)	44,870
Increase in non-current liabilities (add provision for aftercare etc)	1,038,486
Increase in retained earnings	27,678
Southern Waste Solutions:	
Southern Waste Solutions added an asset and liability at 30 June 2020 representing an estimate of post closure costs (aftercare & rehabilitation) that may be due post 2177 as follows:	
Increase in non-current assets (add landfill asset post closure costs)	1,191,410
Increase in non-current liabilities (add provision for aftercare & rehabilitation)	1,191,410
Net movement in non-current assets from $25,195,949 to $27,391,040	2,195,091
Net movement in non-current liabilities from $16,223,675 to $18,391,088	2,167,413

aa) Adoption of new and amended Accounting Standards

In the current year, the Authority has adopted all of the new and revised Standards and interpretations issued by the AASB relevant to its operations and effective for the current reporting period. Their effects on the Authority's financial statements are as follows:

i) AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of*

Amends a number of Standards including AASB 101 and AASB 108. It refines the definition of material in AASB 101. It is not expected to have any effect on the Authority.

Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods. These are summarised below.

i) AASB 2017-5 *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

Addresses inconsistencies between AASB 10 and AASB 128 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Authority has no associates or joint ventures, so this standard has no effect on it.

2 FUNCTIONS/ACTIVITIES OF THE JOINT AUTHORITY

The 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 Authority's primary functions include managing and operating the Copping site for the purposes of waste treatment, landfill disposal, resource recovery, energy generation and related purposes and in a manner which conforms to environmental approvals; and to manage the balance area. Management of operations (including the balance area) may be by, or involve, third parties.

		2021	2020
3 EMPLOYEE BENEFITS EXPENSE		$	$
Wages and salaries		1,044,597	1,024,276
Annual and long service leave		26,821	44,136
Fringe benefits tax		16,462	20,559
Superannuation		80,500	76,575
		1,168,380	1,165,546
4 DEPRECIATION AND AMORTISATION			
Plant & equipment		162,716	142,261
Landfill site development		672,135	769,683
Lutana site works and equipment		359,950	362,112
Right of use assets		238,550	234,083
		1,433,351	1,508,139
Landfill assets post closure costs post 2177 / 2143		15,683	8,094
		1,449,034	1,516,233
5 OTHER EXPENSES			
Land management		15,817	15,710
Payments under lease not included in assets and liabilities		312,394	90,475
Permits		51,152	86,660
Power		60,455	55,629
Printing, postage and stationery		8,013	9,492
Rates and land tax*		14,484	61,083
Sampling and monitoring		111,198	36,667
Legal expenses		33,254	29,223
Authority administration		102,799	69,343
Audit - internal & external	7	19,720	21,981
Insurance		74,940	74,448
Public relations, newsletters, advertising etc		52,841	45,597
Sponsorships		120	10,222
Telephone & internet		35,678	22,284
Workplace health & safety		63,400	73,615
Contract variation-based returns to customer		642,626	587,334
Other		79,100	35,707
*2020 includes back payment of land tax		1,677,991	1,325,470
6 MAINTENANCE AND OPERATING COSTS			
Site maintenance and operation		2,952,259	3,179,636
Plant and equipment repairs and maintenance		1,271,541	892,044
		4,223,800	4,071,680

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.

	2021	2020
7 AUDIT		
Payment to our external auditors includes:	$	$
Audit services	15,660	15,135
Other services	-	-
	15,660	15,135

	2021	2020
8 CURRENT ASSETS - CASH AND CASH EQUIVALENTS	$	$
Cash at bank and on hand	947,272	909,656
Short term deposits	8,228,838	7,199,459
	9,176,110	8,109,115

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.

	2021	2020
	$	$
Unrestricted	9,176,110	8,109,115
9 CURRENT ASSETS - TRADE RECEIVABLES		
Trade receivables (refer note 1 n))	1,222,585	1,463,566
Aged Analysis		
The ageing analysis of receivables is as follows:		
Not yet due	1,162,541	1,299,970
1-30 days	30,308	53,808
31-60 days	24,324	103,076
61-90 days (past due not impaired)	-	1,385
91+ days (past due and partly impaired)	115,084	114,999
Provision for expected credit losses	(109,672)	(109,672)
	1,222,585	1,463,566
10 NON-CURRENT ASSETS		
10.1 Property, plant & equipment		
Plant and equipment at cost	3,522,453	2,720,856
Less accumulated depreciation	(1,755,944)	(1,579,841)
	1,766,509	1,141,015
Opening carrying value	1,141,015	1,291,242
Additions	801,597	7,707
Disposals	-	-
Depreciation Expense	(176,103)	(157,934)
Closing Carrying Value	1,766,509	1,141,015
Copping site development expenses at cost	13,400,413	12,874,923
Less accumulated depreciation	(5,875,975)	(5,203,840)
	7,524,438	7,671,083
Opening carrying value	7,671,083	6,912,918
Additions	525,490	1,527,848
Depreciation Expense	(672,135)	(769,683)
Closing Carrying Value	7,524,438	7,671,083

	2021	2020
	$	$
Lutana site works and equipment at cost	6,234,982	6,144,170
Less accumulated depreciation	(3,433,034)	(3,073,083)
	2,801,948	3,071,087
Opening carrying value	3,071,087	3,077,369
Additions	90,811	355,830
Depreciation Expense	(359,950)	(362,112)
Closing Carrying Value	2,801,948	3,071,087
Work in progress at cost	5,204,514	3,180,697
Opening carrying value	3,180,697	752,144
Additions	2,023,817	4,319,938
Work completed *	-	(1,891,385)
Work written off	-	-
Closing Carrying Value	5,204,514	3,180,697
* Includes C cell transfers 2019		
Total property, plant & equipment	17,297,409	15,063,882

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.

10.2 **Right of use assets**	2021	2020
	$	$
Land at cost	6,024,075	5,860,599
Less accumulated amortisation	(407,220)	(201,377)
	5,616,855	5,659,222
Opening carrying value	5,659,222	-
Additions on adoption of AASB16	-	5,860,599
Lease liability restatement	114,770	-
Amortisation expense	(205,844)	(201,377)
Closing carrying value	5,568,148	5,659,222
Plant and equipment	275,274	275,274
Less accumulated amortisation	(65,412)	(32,706)
	209,862	242,568
Opening carrying value	242,568	-
Additions on adoption of AASB16	-	275,274
Amortisation expense	(32,706)	(32,706)
Closing carrying value	209,862	242,568
Total right of use assets	5,778,010	5,901,791

In contracts where the Authority is a lessee it recognises a right of use asset and a lease liability at the commencement date of the lease unless the short-term or low value exemption is applied. Refer to notes 18 and 25 for details of lease liabilities and accounting policies applied.

A right of use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right of use assets are measured as described in the accounting policy for property, plant and equipment in note 1 h). The Authority applies AASB 136 to determine whether a right of use asset is impaired and accounts for any identified impairment loss as described in note 1 h).

Right of use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right of use asset reflects that the Authority expects to exercise a purchase option, the related right of use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

10.3 **Landfill asset post closure costs 2177 / 2143**	2021	2020
Rehabilitation and aftercare	$	$
At valuation	3,311,550	2,203,185
Less accumulated amortisation	(23,777)	(8,094)
	3,287,773	2,195,091
Opening carrying value	2,195,091	-
Additions	1,108,365	2,203,185
Amortisation expense	(15,683)	(8,094)
Closing carrying value	3,287,773	2,195,091

This represents landfill assests associated with rehabilitation and aftercare based on indexed and discounted costs that may be incurred post closure of the landfills, estimated to be 2177 for the B cells and 2143 for the C cell. It should be noted that these costs if incurred are likely to be less than amount to be earned from landfill gas.

11 **CURRENT LIABILITIES - TRADE & OTHER PAYABLES**		
Trade payables	1,077,127	887,175
Other payables	1,706,632	705,561
	2,783,759	1,592,736
The ageing analysis of trade payables is as follows:		
Current	1,077,127	887,175
0-30 days	-	-
31-60 days	-	-
61-90 days (past due not impaired)	-	-
91+ days (past due not impaired)	-	-
	1,077,127	887,175

	2021	2020
12 BORROWINGS	$	$
Current		
Unsecured Tascorp loans*	288,283	366,544
Loans from Unitholders	329,634	-
Total Current Portion of Long Term Borrowings	617,917	366,544
Non-current		
Unsecured Tascorp loans*	337,899	629,249
Loans from Unitholders	1,909,193	2,400,000
Total Long Term Borrowings	2,247,092	3,029,249
Total Borrowings	2,865,009	3,395,793

* 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. Refer Note 16 b) for weighted average effective interest rate. No Authority assets are pledged as security.

13 PROVISIONS	2021	2020
Current Provision for Leave (Annual & Long Service, RDOs)		
Opening balance	140,706	82,998
Leave accrued	57,749	60,878
Transfer from non current	-	36,481
Leave taken	(32,424)	(39,651)
Closing balance	166,031	140,706
Refer note 1 k)		
Non Current Provision for Leave (Long Service Leave only)		
Opening balance	26,692	49,630
Leave accrued	5,704	13,543
Transfer to current	-	(36,481)
Closing balance	32,396	26,692
Refer note 1 k)		
Provision for employee entitlements	198,427	167,398
Current Provision for B Cell Capping		
Opening balance	200,000	180,000
Capping costs transferred (to)/from non current provision	185,000	161,500
Capping costs expended	(185,000)	(141,500)
Closing balance	200,000	200,000
Refer note 1t)		
Non Current Provision for B Cell Capping		
Opening balance	2,203,575	1,903,623
Capping costs transferred from/(to) current provision	(185,000)	(161,500)
Capping costs provided for	792,900	461,452
Closing balance	2,811,475	2,203,575
Refer note 1 t)		
Total provision for capping	3,011,475	2,403,575

14 LEASE LIABILITIES

The lease liability is measured at the present value of outstanding payments that are not paid at balance date, discounted using the incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Refer to note 25.

	Liability Term Years
Landfill site lease	41.8
Waste transfer station site lease	4.3
Excavator operating lease	8.4

	2021 $	2020 $
Commitments under these leases at reporting date are:	10,060,175	10,210,443
No later than one year	352,836	347,865
Finance charges	(181,236)	(182,924)
	171,600	164,941
1 - 2 years	352,836	347,865
Finance charges	(175,840)	(177,738)
	176,996	170,127
2 - 3 years	304,283	347,865
Finance charges	(170,716)	(172,388)
	133,567	175,477
3 - 4 years	280,006	299,312
Finance charges	(167,119)	(167,312)
	112,887	132,000
4 - 5 years	280,006	275,035
Finance charges	(163,569)	(163,763)
	116,437	111,272
Later than five years	8,490,207	8,592,500
Finance charges	(3,277,160)	(3,370,355)
	5,213,047	5,222,145
Net present value	5,924,534	5,975,963
Commitments under these leases are summarised as:		
No later than one year	352,836	347,865
Later than one year, no later than five years	1,217,131	1,270,078
Later than five years	8,490,207	8,592,500
	10,060,175	10,210,443
Opening balance 1 July	10,210,443	10,558,308
Repayments principal and interest year ended 30 June	(150,268)	(347,865)
Balance at 30 June	10,060,175	10,210,443

15 RECONCILIATION OF SURPLUS TO CASH FLOWS FROM OPERATING ACTIVITIES

	2021	2020
	$	$
Surplus (deficit) before income tax expense	1,671,296	4,993,876
Depreciation	1,433,351	1,508,139
Depreciation of landfill assets post closure costs 2177/2143	15,683	-
Change in assets and liabilities:		
Increase (decrease) in provision for B cell capping	607,900	329,682
Increase (decrease) in creditors & borrowings	1,190,949	452,193
(Increase) decrease in debtors & accruals	240,981	(46,919)
(Increase) decrease in other current assets	(35,709)	(8,098)
Increase (decrease) in employee entitlements	31,029	34,772
Increase (decrease) in prov'n aftercare & rehab post 2177/2143	58,869	-
Net cash provided by (used in) operating activities	5,214,349	7,263,645

16 FINANCIAL INSTRUMENTS

a) Risk exposures

Credit risk:

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Statement of Financial Position. The Joint Authority's financial assets comprise trade receivables and cash and cash equivalents.

There is no significant concentration of credit risk with any single debtor or group of debtors other than government related entities. Approximatly 40% of the Authority's revenue is from local governments or State Government businesses. The Authority performs credit and reference checks and obtains guarantees where necessary. The amount of debt written off in any one year is immaterial. Refer to note 1 n) for further information about valuation and impairment of trade receivables.

The Joint Authority has short term investments with Tascorp and both interest bearing and operating accounts 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 financial instruments will fluctuate because of changes in market prices. The Authority's exposure to market risk arises primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

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, trade 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:

	2021	2020
	$	$
Financial Assets		
Cash and cash equivalents	9,176,110	8,109,115
Other financial assets	100,000	100,000
Financial Liabilities		
Interest bearing borrowings	(2,865,009)	(3,395,793)
Net exposure	6,411,101	4,813,322

16 FINANCIAL INSTRUMENTS continued

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.

	2021	2020
Net Result	$	$
+1%	(64,111)	(48,133)
-1%	64,111	48,133
2%	(128,222)	(96,266)
-2%	128,222	96,266
Equity		
+1%	(64,111)	(48,133)
-1%	64,111	48,133
2%	(128,222)	(96,266)
-2%	128,222	96,266

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 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 are as follows. For details of lease liabilities refer to notes 14 and 25.

			Fixed Interest Rate Maturity				
2021	**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	0.00	920,236				947,173	1,867,409
Short term deposits	0.00	7,408,701					7,408,701
Receivables	0.00					1,222,585	1,222,585
	Total	**8,328,937**	**0**	**0**	**0**	**2,169,758**	**10,498,695**
Financial Liabilities							
Interest-bearing	2.21		617,917				617,917
Interest-bearing	1.87			1,708,872			1,708,872
Interest-bearing	1.56				538,220		538,220
Payables	0.00					2,783,759	2,783,759
	Total	**0**	**617,917**	**1,708,872**	**538,220**	**2,783,759**	**5,648,768**

			Fixed Interest Rate Maturity				
2020	**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	0.00	1,998,527				911,278	2,909,805
Short term deposits	1.00	5,299,310					5,299,310
Receivables	0.00					1,463,566	1,463,566
	Total	**7,297,837**	**0**	**0**	**0**	**2,374,844**	**9,672,681**
Financial Liabilities							
Interest-bearing	2.64		366,544				366,544
Interest-bearing	3.15			1,554,323			1,554,323
Interest-bearing	1.18				1,474,926		1,474,926
Payables	0.00					1,592,736	1,592,736
	Total	**0**	**366,544**	**1,554,323**	**1,474,926**	**1,592,736**	**4,988,529**

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:

	2021		2020	
	Carrying amount	Net fair value	Carrying amount	Net fair value
Financial assets	$	$	$	$
Cash and cash equivalents	9,176,110	9,176,110	8,109,115	8,109,115
Other financial assets	100,000	100,000	100,000	100,000
Receivables	1,222,585	1,222,585	1,463,566	1,463,566
	10,498,695	10,498,695	9,672,681	9,672,681
Financial liabilities				
Payables	2,783,759	2,783,759	1,592,736	1,592,736
Interest bearing loans	2,865,009	2,968,971	3,395,793	3,644,349
	5,648,768	5,752,730	4,988,529	5,237,085

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

	2021	2020
	$	$
Site development and rehabilitation reserve		
Opening balance	627,000	627,000
Transfer to retained earnings	(627,000)	0
	-	627,000

18 FINANCING ARRANGEMENTS

Bank overdraft (unused)	200,000	200,000

19 CONTINGENCIES

Neither the Authority nor its advisers are aware of any contingencies.

20 SUBSEQUENT EVENTS

There are no subsequent events of which we are aware that will have a material effect on these statements.

	2021	2020
	$	$
21 INCOME TAX		
a) Income tax recognised in Statement of Comprehensive Income	372,223	1,296,091
b) Income tax expense for the year can be reconciled to the accounting surplus before income tax expense as follows:		
Surplus for the year before income tax expense	1,501,118	4,826,382
Prima facie tax/(tax benefit) on profit/(loss) from operating activities before income tax at 26.0% (2020 27.5%)	390,291	1,327,255
Subsidiary net result (not) subject to income tax	-	(46,448)
Movement in Deferred Income Tax Asset	(2,134)	105,271
Prior year adjustments due to change in tax rate	(27,533)	(89,988)
Prior year adjustments due to post closure cost accounting changes	11,599	-
Income tax expense recognised in Statement of Comprehensive Income	372,223	1,296,091
c) Income tax expense recognised directly to equity	-	-
d) Non-current and deferred tax balances		
Deferred tax assets		
Prior year adj - change in tax rate $2m deferred grant income	-	(80,160)
Provision for cell capping	782,984	665,827
Employee entitlements	51,591	46,034
Right of use assets / lease laibilities	124,343	67,024
Provision for doubtful debts	28,514	30,160
Taxable grant income deferred (refer note 24)	508,978	541,943
	1,496,410	1,270,828
Deferred tax liability		
Other assessable income	750	750
e) Current provision for income tax		
Opening balance	1,562,319	1,061,684
Income tax payable	597,805	1,443,657
Prior year adjustments	28,051	(122,051)
Tax equivalents paid	(1,178,714)	(820,971)
Closing balance	1,009,461	1,562,319

22 KEY MANAGEMENT PERSONNEL

a) Responsible Persons

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

Directors:	***Authority***	***Trustee***
Ron Ward (Chair)	19/03/2012 - 18/03/2021	28/04/2016 - 18/03/2021
Christine Mucha (Chair)	19/03/2021 - current	19/03/2021 - current
John Brennan	19/03/2012 - 18/03/2021	28/04/2016 - 18/03/2021
Elspeth Moroni	19/03/2021 - current	N/A
Brendan Blomeley	N/A	10/12/2018 - current
Frank Barta	19/03/2020 - current	19/03/2020 - current
Michael Hunnibell	19/03/2020 - current	19/03/2021 - current
Earnest Hacker	01/06/2020 - 18/03/2021	N/A
Chief Executive Officer:		
Christine Bell	15/10/2009 - current	

b) Key Management Personnel Compensation

	Salary	***Super-annuation***	***Other***	***Non monetary***	***Total***
2021	**$**	**$**	**$**	**$**	**$**
Ronald Ward	42,937	-	-	-	42,937
Christine Mucha	10,038	946			10,984
John Brennan	27,176	2,583	-	-	29,759
Elspeth Moroni	4,078	387			4,465
Brendan Blomeley	9,280	882			10,162
Francis Barta	28,744	2,730			31,474
Michael Hunnibell	21,733	2,065			23,798
Earnest Hacker	16,008	1,521	-	-	17,529
Christine Bell	156,190	14,838	14,286		185,314
	316,184	25,952	14,286	-	356,422
2020					
Ronald Ward	70,205	-	-	-	70,205
Suzanne Baker	30,324	2,881	-	-	33,205
John Brennan	36,568	3,474	-	-	40,042
Ian Johnston	20,995	1,995	-	-	22,990
Brendan Blomeley	5,238	497	-	-	5,735
Francis Barta	5,728	544	-	-	6,272
Michael Hunnibell	4,046	384	-	-	4,430
Earnest Hacker	-	-	-	-	-
Christine Bell	148,752	14,065	13,608	-	176,425
	321,856	23,840	13,608	-	359,304

The employment terms and conditions of key management personnel are contained in individual contracts of employment. The performance of the Chief Executive Officer is reviewed annually. The CEO is part time.

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 tenant. These transactions were conducted on normal trading terms.

Profit for the year includes the following items of revenue and expense that resulted from transactions with Participating Councils:

	2021	2020
	$	$
Waste disposal income charged	478,365	437,444
Outstanding balances at 30 June	43,685	50,832
Goods and services purchased	641,297	332,980
Outstanding balances at 30 June	6,682	6,463

24 NON REFUNDABLE DEFERRED GRANT INCOME

This amount represents grant income received by the Authority. It is not, and will not be, repayable to the grantor, nor payable to any other entity. As allowed for by the grant deed, the funds were used to purchase units in the C Cell unit trust and used by that entity as a partial contribution to the funding of the construction of a Category C waste cell. The grant is treated as income in the financial statements of the Authority. However, the grant is treated as a liability in these consolidated financial statements. The liability will be progressively reduced into the future by offseting depreciation charged against the Category C waste cell.

25 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2021	2020
Borrowing	$	$
Balance as at 1 July	3,395,793	3,885,110
Cash received	-	-
Cash repaid	(530,784)	(489,317)
Balance as at 30 June	2,865,009	3,395,793

Lease liabilities are measured at the present value of outstanding payments that are not paid at balance date, discounted by using the rate implicit in the lease.

Lease Liabilities		
Balance at 1 July	9,005,610	9,070,498
Cash repaid	(75,386)	(64,888)
Balance at 30 June	8,930,224	9,005,610
Net cash (used) gained in financing activities	(606,170)	(554,205)

26 PROVISION FOR AFTERCARE POST 2177 / 2143

This represents liabilities associated with rehabilitation and aftercare based on indexed and discounted costs that may be incurred post closure of the landfills, estimated to be 2177 for the B cells and 2143 for the C cell. It should be noted that these costs if incurred are likely to be less than amount to be earned from landfill gas.

	2021 $	2020 $
Balance at 1 July	2,229,896	-
New items added	1,108,365	2,203,185
Finance costs on unwinding of discounting costs post 2177 / 2143	58,869	26,711
Balance at 30 June	3,397,130	2,229,896

Tasmanian Audit Office

Independent Auditor’s Report

To the Members of the Copping Refuse Disposal Site Joint Authority

Report on the Audit of the Consolidated Financial Report

Opinion

I have audited the financial report of Copping Refuse Disposal Site Joint Authority and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021 and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification by the Board Chair.

In my opinion, the accompanying financial report:

(a) present fairly, in all material respects, the Group’s financial position as at 30 June 2021 and its financial performance and its cash flows for the year then ended

(b) are in accordance with the *Local Government Act 1993* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General’s opinion are significant.

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

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

Responsibilities of Management and the Directors for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the financial reporting requirements of the *Local Government Act 1993* and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Group is to be dissolved by owner Councils or the directors intend to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the

date of my auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Stephen Morrison
Assistant Auditor-General - Audit
Delegate of the Auditor-General
Tasmanian Audit Office

23 September 2021
Hobart