



**Southern  
Waste  
Solutions**



# Annual Report of the Copping Refuse Disposal Joint Authority 2021-2022

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#### WASTE VOLUMES



~150k

tonnes of waste  
collected per annum

#### PEOPLE



20+

direct employees  
and contractors

#### CAPITAL INVESTMENT



+\$40  
million

#### ENERGY GENERATION

13k



Megawatt hours  
generated every year  
through landfill gas capture

#### ENVIRONMENT

~122k



tonnes of carbon removed  
from the atmosphere



= 49,000 passenger vehicles/year





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# Authority Chair's Report

In financial year 2022, the Authority was firmly focussed on identifying new initiatives to grow the business, particularly in light of the changing legislative and technical dynamics in the waste sector. In line with the strategic plan, the Board and Authority assessed the feasibility of organics processing as a new line of business, and the potential of developing an organics processing facility.

Responding to these changes has been a major learning curve for the Board and Authority and, at the end of the financial year, the Authority is well placed to progress its intentions to the next stage.

## Business focus

After some twenty years with Southern Waste Solutions as an executive director and then CEO, Ms Christine Bell, has moved on to new challenges. The Authority acknowledges Ms Bell's leadership and commitment to the growth and development of Southern Waste Solutions and, more recently, the C cell facility, and wishes her well for the future.

After a thorough process to select a new CEO Mr Chris Adekunle was appointed in March 2022. Mr Adekunle has an extensive background in waste management, including policy and operations, and has worked in the sector in the United Kingdom and throughout Australia.

Consistent with the Board's agreed priorities, Mr Adekunle has taken on leadership of the organics processing project, engaging with key

stakeholders and customers, and reviewing core strategies and plans.

SWS has pursued plans to design and construct a new B cell at Copping which will be needed by the Southern Tasmanian community within the next year. Approvals are now underway, and it is expected the new cell will be operational by mid-next year.

## Strategic and business planning

As noted above, the focus of the Authority for the majority of the year has been the assessment and planning needed to deliver an organics processing solution. Included in this was a funding application with the Tasmanian Government to deliver a regional organics processing solution in the south of the state. While SWS was not successful in its application, engagement with the government and key stakeholders affirmed sufficient market need for additional ongoing processing capacity in Southern Tasmania. The Board is continuing the assessment of options and will make a recommendation to the Authority early in 2023.

The changing market and legislative conditions in the Tasmanian waste industry were reflected in revisions of the Authority's strategic and business plans for the next three years. As required by its Rules, the Strategic and Business Plans were approved by the Authority in May and will be presented to the Annual General Meeting.



## Financial performance

The Authority recorded a consolidated net surplus after tax of \$1,067,210 for the financial year ended 30 June 2022. The result was better than budget, but slightly below that of last year.

The 2021-22 financial statements have been audited and the Tasmanian Audit Office issued an unqualified audit opinion for the financial year.

## Governance

The Authority completed a full renewal of the Board of Southern Waste Solutions in 2021 to ensure it supported the maturing business model. The Authority reviewed the performance of the Board after its first full year of operation, and is satisfied it is functioning effectively.

The Authority recognised that the collective skills held by the Board align with the future needs of the business and that directors are performing strongly. In recognition of this, Director Mike Hunnibell was reappointed for a second term, commencing March 2022, and Directors Frank Barta and Elspeth Moroni, were also renewed for second terms, from March 2023. The Authority confirmed the continuation of Mr Hunnibell and Mr Barta as directors of C Cell Pty Ltd.

On behalf of the Authority and Participating Councils, I acknowledge the considerable extra time and contribution required of the Board Chair, Directors and Secretary during the past year.

During the year, the Authority commenced the five-yearly review of its Rules as required by the *Local Government Act*. While a number of changes are proposed, none is considered to be significant. The process to amend the Rules under the Act is expected to be completed in 2022-23.

## 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 facility 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 controlled waste.

In 2021-22, the company exceeded its budgeted performance and again made a positive contribution to the consolidated financial result.

## Conclusion

It is clear that the coming years will see extensive change as we focus on the transformation underway in the waste sector and the business seeks to capitalise on new opportunities. We will need to approach the future with an open and inquisitive mindset.

Some Participating Council Representatives to the Authority are not re-standing for election this year and others may not be reappointed as Representatives after the elections. I thank each one for their commitment to the strategic development of the Authority over the term of their tenure.

On behalf of the Authority, I extend our thanks to fellow Representatives and General Managers of Participating Councils, Directors, the outgoing and incoming CEO, Secretary and all employees for their commitment and diligence throughout the year.

**Mayor Kerry Vincent**  
Chair

25 October 2022







# Board Chair & CEO's Report

The Board Chair and Chief Executive Officer (Chief Executive) of SWS are pleased to present the annual report of the Authority for the financial year 2021/ 2022.

This year was a transformational year for the Board and Management of Southern Waste Solutions (SWS).

The business navigated through significant internal and external impacts while achieving continued positive business sustainability, ongoing profitability and an expanded customer base.

The achievements and highlights that have characterised this year include the ongoing commitment of the Board of Directors; our team; strong financial performance; continued business growth; commitment to environmental best practice and our safety-first culture.

The business concludes the year with a framework in place for continued success.

## Leadership change

A significant challenge for SWS was the change in leadership brought on by the resignation of key management staff including the Chief Executive Christine Bell, who the Board and Staff of SWS acknowledge and thank for many years of service.

The Board took the opportunity to redefine the role of the Chief Executive to reflect a focus on securing the future sustainability of the business and responding to the challenges of the rapidly

changing technical and legislative environment the waste industry faces.

The business needed to adapt quickly to the introduction of the Waste and Resources Recovery Act (2022), including the implementation of Tasmania's first waste levy. The waste levy is a positive initiative that will support greater resource recovery in Tasmania, though it required changes to our reporting and billing processes to support the collection of the levy on behalf of the State.

## Strategic and business planning

The Board reconfirmed its commitment to advancing resource recovery through its support of a business case to develop an organics processing strategy. Key to this is the move away from a solution focused on composting organic waste to a solution that would consider a host of alternative outcomes, including energy generation. With this commitment comes a renewed focus on engagement with our stakeholders in the development of our strategy, including owner councils, local government colleagues and industry stakeholders.

The Board continues to play a key role in shaping the strategic outlook of the business. The depth of Directors' expertise has been invaluable in the development of a number of key areas, including our organics strategy, business growth and resource planning and financial management.



Along with the Board Chair mentoring the Chief Executive in this transition year, the Authority Secretary's support has also been instrumental.

The Audit and Risk Committee continued its focus on processes and procedures to secure the business' sustainability and address risk by supporting management to implement audit recommendations to enhance our cyber security and systems. The Committee also confirmed the development of an audit program to be delivered across the next 24 months, identifying our processes for supporting and responding to risks associated with our financial systems, climate change and gate fee pricing mechanisms.

## Business focus

The Authority's principal activities during the financial year were successfully delivered, seeing the operation of Copping Landfill and Lutana transfer station continue to support best practice waste management, including post disposal resource recovery, waste treatment and conforming to their respective environmental permits. We continue to operate efficiently in accordance with sound commercial practice, maximising the net worth of the Authority's assets and operating, managing, and maximising the benefit to our owner councils.

The C cell continues to establish itself as a key resource for the State, playing its role in the management of hazardous waste recovered across Tasmania.

## Financial performance

SWS recorded a consolidated profit before income tax of \$1,471,975 for the year ended 30 June 2022 (2021 \$1,671,296). The 2022 result shows sustained profitability in the disposal of key waste classes such as contaminated soils and municipal solid waste. Volumes through the Lutana transfer station remain a key avenue for growth. This was replicated by the growth in volumes from our network of aligned transfer stations, demonstrating the strategic advantage the network plays in our ongoing profitability.

The Joint Authority ratified the pricing equalisation mechanism for owner councils this year, permitting the alignment of their gate fee pricing by financial year end 2024. Owner councils have also recommitted the income tax payments to SWS in lieu of any equity injections.

## Safety, Health, Environment & Community

Throughout the year we continued to develop our focus on delivering environmental compliance across our operations, ensuring a commitment to resource recovery where possible and supporting our owner councils in extracting maximum value through the management of their community waste.

Our environmental management outcomes remain industry leading, with monitoring results demonstrating that our activities continue to have no impact on the environment. All results for groundwater and surface water monitoring were benign. While leachate management continues to be a challenge, we are identifying effective ways of managing its generation, storage and evaporation, including the ongoing trial of a wetlands treatment system.

**We donated over 600 tonnes of free waste disposal** to Hobart City Mission, Lifeline and St Vincent de Paul and we continue to look for ways to support the charitable sector and broader community.



Our programs in place for the management of nuisances associated with our operations such as odour, noise, dust, and vermin continue to deliver positive outcomes.

Staff and contractor safety continues to be an unnegotiable absolute that has resulted in the continued safe and prosperous environment that underpins our business growth. We continue to take every opportunity to learn and enhance our procedures to make an already safe environment safer.

## Governance

The Board of Southern Waste Solutions held 18 meetings and the Board of C Cell Pty Ltd held eight meetings during 2021-22. Southern Waste Solutions' Audit & Risk Committee held 4 meetings during the year. Meeting attendances by all Directors are attached for information.

The Board Chair and Chief Executive 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 Unit Trust. Other Directors also attended Authority meetings from time to time during the year.

## Conclusion

Lastly, the Board Chair and Chief Executive, on behalf of the Board and staff of SWS, thank the Authority Chair and Representatives for their support during the year. We also extend our personal thanks to the Directors of both Boards for their contributions and advice, and the Secretary for her guidance and support across the year.

### Board and Committee Meeting Attendances 2021-22

Director	SWS Board		SWS Audit & Risk Committee		C Cell Unit Trust Board	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Christine Mucha Board Chair: SWS, C Cell Pty Ltd	18	18	4	4	8	8
Frank Barta Chair, A&R Committee	18	18	4	4	8	8
Brendan Blomeley					8	8
Mike Hunnibell	18	18	4	4	8	8
Elspeth Moroni (while not a C Cell director, usually attended as an Observer)	18	18	4	4		



**Dr Christine Mucha**  
Board Chair




**Christopher Adekunle**  
Chief Executive Officer



# Comptroller's Report

Mr Christopher Adekunle assumed the position of Comptroller along with his appointment as CEO.

## The Comptroller reports as follows.

Southern Waste Solutions recorded a consolidated profit before income tax of \$1,471,975 for the year ended 30 June 2022 (2021 \$1,671,296). The 2022 result shows sustained profitability in the disposal of key waste classes such as contaminated soils and municipal solid waste.

Participating Councils confirmed their collective commitment to reinvest all income tax payments as Proportionate Payments (the Authority's equivalent to an equity injection). under the Authority's Rules.




During the 2022 financial year \$625,576 (2021 \$1,150,589) was transferred to equity in relation to income tax payable. The 2021-22 Consolidated Statement of Comprehensive Income includes income tax expense of \$404,765 (2021 \$372,223). As at 30 June 2022, the Authority had a deferred income tax asset of \$1,468,188 (2021 \$1,496,410), a current provision for income tax refundable of \$461,597 (2021 \$162,625) and a deferred income tax liability of \$22,638 (2021 \$750).





# Achievement of goals and objectives



The following progress was made during the 2022 financial year against initiatives agreed in the Strategic and Business Plans.

-  goal achieved
-  progress made
-  goal not achieved



## 1.0

### Grow the business overall within the waste management and resource recovery sector



#### 1.1 Ensure the business is well managed and sufficiently flexible to meet future challenges with a focus on an effective and responsive operating model.

-  Review outsource vs insource models of operation as contracts come up for renewal  
No contracts have come up for renewal. The first contract to become available will be waste transport in September 2023.
-  Succession Plan is in place  
A new CEO has been recruited.

#### 1.2 Resource the business appropriately to deliver its strategies.

-  An effective and experienced suite of resources is in place to deliver the strategic plan and reduce key person dependencies  
A resourcing plan has been developed to identify key person dependencies.
-  Review the organisation structure to ensure sufficient capacity for growth  
A resourcing plan is being developed to identify skills gaps that will flow into the development of resourcing structure to mitigate the gaps.

#### 1.3 Build and maintain effective relationships with the Tasmanian Government and regulatory organisations.

-  Influence the implementation of the State Government's Waste Management Plan, including:
  - collection and distribution of the waste levy
  - allocation of collected funds from the levy;
  - other actions that may impact the businessOngoing engagement with the Minister's Office and members of the Department of Natural Resources & Environment and the EPA have been prioritised and embedded into our strategic communication outlook.
-  Engage with and influence the drafting, amendment and implementation of Government policy or other relevant legislation and regulation  
Refer above.

#### 1.4 Contribute to solutions to waste management issues.

- Participate in discussions with other entities, including the Local Government Association of Tasmania, to assist in resolving their waste management issues  
Discussions have taken place with LGAT, Brighton Council and Tasman Council.  
Broader discussions have taken place with industry in general, particularly salmon farmers, in relation to the Authority's composting project.
- Identify, investigate, assess and report on potential business development and/or improvement opportunities for consideration by the Board/Authority  
Progress continues on exploring options around an organics processing solution that will allow the Authority to diversify its revenue base.
- Implement approved viable business development and/or improvement opportunities  
Refer above.

#### 1.5 Ensure stakeholders including customers, shareholders and the broader community are kept appropriately informed, with an emphasis on education and marketing.

- Participate in workshops and / or meetings with Participating Councils  
Workshops and / or meetings have been held with Clarence City, Sorell and Tasman Councils.
- Maintain the currency of, and implement, the Relationship Management and Communications Plan  
Plan requirements are being met.
- Continue to regularly distribute newsletters to the community  
Newsletters are prepared and distributed each quarter.
- Increase site visits including via implementation of a schools' program  
Education program has been developed but delivery this year has been impacted by change in management and Covid restrictions.

## 2.0

### Optimise use of the Lutana site or a viable, urban alternative

#### 2.1 Secure tenure of the Lutana site or a viable, urban alternative.

- Purchase of the site or signing of a long-term lease  
New lease for five years with an option for five more years signed. Exploring options for securing a longer term lease.

#### 2.2 Identify other business or expansion opportunities for the site.

- More or increased value-adding activities on-site  
Ongoing.



# 3.0

## Optimise use of the Copping landfill site

### 3.1 Continue to investigate the viability of a composting facility on site.

- Finalise a business case for the composting facility  
Project restructured due to new strategic outlook for organics processing.
- Progress construction and implementation of the composting facility subject to the outcomes of the business case  
Project restructured due to new strategic outlook for organics processing.

### 3.2 Identify areas on site that may be suitable for other value-adding activities on site.

- More or increased value-adding activities on-site  
Expansion of gas wells across the site.



# 4.0

## Achieve sustainable environmental and social outcomes for our communities

### 4.1 Ensure robust compliance, management, and oversight of the business.

- Meet all material compliance obligations  
Met.
- No major environmental incidents  
There have been no environmental incidents.

### 4.2 Continue to reduce environmental impacts of operations.

- Increase waste diversions from inefficient/older facilities to increase use of the Copping site  
Brighton and Southern Midlands Councils now deliver to Copping and / or Lutana.
- Progress, monitor and promote the wetland leachate treatment project  
Wetland Pilot completed at end of June 2022.
- Increase tonnage of materials diverted from waste transfer stations operated by SWS compared to the previous year  
Extraction and diversion of recyclables to Mornington Park no longer occurs because of several factors including the lack of receipt of suitable materials.
- Improve carbon footprint compared to the previous year  
A new generator was added to the infrastructure at Copping. An audit of SWS carbon emissions identified areas where we could mitigate our emissions through future procurement processes.
- Progress recycling and education initiatives in conjunction with Mornington Park Waste Transfer Station and others  
Education program has been developed and delivery is scheduled to commence in Q2 of the new financial year.
- Identify, investigate, assess and report on potential collaborative research opportunities  
SWS is participating in a Sustainable Communities and Waste Hub with other participants including UTAS, Monash University and CSIRO.  
  
SWS is also in discussions with UTAS about an ARCH project focused on the Wetlands.

### 4.3 Consider climate impacts in all major decision making.

- Include climate impacts in discussion papers dealing with all major new initiatives  
The organics processing solution currently being procured will have climate mitigation frameworks as a key deliverable.



28 September 2022

Dr Christine Mucha  
Board Chair  
Copping Refuse Disposal Site Joint Authority  
**NEW TOWN TAS 7008**

**Issued by email only**

Dear Dr Mucha

### **Copping Refuse Disposal Site Joint Authority – Audit opinion - Audit of Financial Report for the Year Ended 30 June 2022**

The audit of the financial report for the Copping Refuse Disposal Site Joint Authority (the Authority) has been completed in accordance with the agreed financial audit strategy. I have issued my audit report on the financial report, a copy of which is enclosed.

I have prepared this letter solely for the use of the Authority. As you know, this letter forms part of a continuing dialogue between the Board and the Auditor-General and, therefore, it is not intended to include every matter, whether large or small, that has come to my attention. For this reason I believe that it would be inappropriate for this letter to be made available to third parties and, if such a third party were to obtain a copy without my prior written consent, I would not accept any responsibility for any reliance that they might place on it.

#### **Audit findings**

A memorandum of audit findings is being drafted, setting out matters that came to my attention during the audit and my recommendations for improvements. These matters will be provided to management for review and response. The finalised memorandum of audit findings will be forwarded to you upon completion.

You will appreciate that my normal audit procedures are designed primarily to enable me to form an opinion on the financial report as a whole and therefore do not necessarily bring to light at each audit all the weaknesses in internal control or accounting practice which a special investigation might do.

#### **Review of the annual report**

Please will you forward to me a copy of the final draft of the Authority's annual report for review by my staff prior to its publication. This review will be conducted in accordance with Auditing Standard ASA 720 *The Auditor's Responsibilities Relating to Other Information in*

*Documents Containing Audited Financial Report* to identify any material inconsistencies between the financial report and other information disclosed in the annual report.

### **Appreciation for assistance and co-operation**

Appreciation is expressed for the assistance and co-operation provided to my staff during the course of the audit.

Please note that a copy of this letter together with the auditor's report will be provided to the Minister for Local Government, The Hon N A Street MP in accordance with section 19(2) of the *Audit Act 2008*.

If you have any queries regarding the audit or any other matters, please contact myself or Mark Farrington on (03) 6173 0900.

Yours sincerely



Stephen Morrison  
**Assistant Auditor-General**

Encl.

Copy for:

Mr Chris Adekunle, Chief Executive Officer

Mr Frank Barta, Chair of Audit Committee





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