REPORT OF THE CHAIRMAN OF THE JOINT AUTHORITY

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2015

During the 2014/15 financial year the Joint Authority has progressed a number of significant matters aimed at developing the commercial sustainability of the Joint Authority and its operating business, Southern Waste Solutions. This has included work to amend and update the Rules governing the Authority and its operations, further progress in respect to the C-Cell project and continuation of discussions aimed at the admission of new Councils to the Authority.

Strategic and business planning

Our Strategic and Business Plans have been reviewed and updated to ensure that the Joint Authority and Southern Waste Solutions continue to conduct business operations efficiently, effectively and in accordance with our licencing obligations. The Plans aim to ensure that the investment by member Councils is protected and wherever possible, maximised. In accordance with the requirements of the Authority Rules, the revised Strategic and Business Plans will be presented to the Authority for endorsement at the Annual General Meeting.

Financial performance

The Authority recorded a profit of $115,081 for the financial year ended 30 June 2015. This profit is generally consistent with the budget for the period. There are no exceptional financial events to report.

The 2014/15 accounts have been audited and the Tasmanian Audit Office has returned an unqualified audit report for the financial year.

Governance initiatives

The Joint Authority has spent significant time during the past year working with the Board and participating Councils to review and update the Rules governing the Authority. The updated Rules, expected to be certified early in the next financial year, will assist the Joint Authority with the expected future admission of new member Councils as equity partners. The amended Rules also seek to ‘future proof’ the Authority’s activities by providing improved clarity in respect to certain situations while also modernising the Rules to accommodate future opportunities.

C-Cell

During the year further progress has been made in respect to the C-Cell project. During the past year the Authority, in conjunction with the Board, has been focussed on developing the business model for the C-Cell along with funding proposals to support the business model. The coming financial year is expected to be a definitive time for the C-Cell project.

Conclusion

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

Jock Campbell
Chairman
Copping Refuse Disposal Site Joint Authority

9 November 2015

SOUTHERN WASTE SOLUTIONS
ANNUAL REPORT OF THE DIRECTORS – 2014/15

This is the third full financial trading year for the current board following the appointment of the directors to the new governance structure.

The Board held eleven Board meetings during the year being on: 16 July 2013, 20 August 2013, 17 September 2013, 22 October 2013, 17 November 2014, 19 December 2013, 18 February 2014, 25 March 2014, 22 April 2014, 20 May 2014 and 24 June 2014.

In addition to formal minuted meetings, the Directors, Chief Executive Officer (CEO) and Secretary, individually and collectively, attended numerous other meetings covering a range of topics with various stakeholders; including service providers, regulatory authorities, potential new customers, professional advisors and potential new Authority members, with the aim of continually developing the Southern Waste Solutions business. In addition, the Chair and CEO held regular monthly un-minuted one on one briefing meetings.

The Board, CEO and Secretary attended separate meetings to update the Strategic Plan for the period 2015/16 to 2019/20 to assist with the identification of business opportunities and to assist the Board to plan for emerging risks. The annual Business Plan and other related documents were updated to align with the revised Strategic Plan.

The Board participated in workshops and other discussions, held in conjunction with the Authority, to assist with the development of updated Authority Rules. The Board has also spent significant time and effort during the financial year developing and progressing the C-Cell project.

Following from a suggestion of the Auditor General in the 2013/14 audited financial statements, during the year being reported the Board established an Audit Committee mechanism for a trial period. Being a relatively small Board, the three directors resolved that the full board would act as the Audit Committee. It engaged the services of Crowe Horwath to support its internal audit functions.

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

Based on the available information, the Directors believe that the business was managed during the 2014/15 year in a compliant and commercially sound manner under the day to day management of the CEO, with the support of the Board. Furthermore, it is the view of the Directors the business has been managed in alignment with the prevailing Strategic and Business Plans, and in accordance with all relevant permits, licences and governing legislation.

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

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

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

Ron Ward
BOARD CHAIR
SOUTHERN WASTE SOLUTIONS

Appendix

The following is a statement of the attendance of Board Members at meetings of the Southern Waste Solutions Board during the 2014/15 financial year.

	Meetings Held	**Meetings Attended**
Ron Ward (Chair)	11	11
John Brennan	11	11
Sue Baker*	11	10

Note: * denotes approved leave of absence granted.

COPPING REFUSE DISPOSAL SITE JOINT AUTHORITY
CHIEF EXECUTIVE OFFICER AND COMPTROLLER'S REPORT
For the Year Ended 30 June 2015

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 2015.

The CEO reports as follows:

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

REVIEW OF OPERATIONS
The Authority recorded a profit before income tax of $115,081 for the year ended 30 June 2015 (2014 $217,606). The 2015 and 2014 results were both broadly in line with budget.

The walking floors at the Derwent Park waste transfer station were replaced during the 2015 financial year, resulting in a loss on disposal of $166,667. The old floors were badly damaged by deliveries including broken glass and heavy concrete blocks. The cost of ongoing repairs made replacement a financially viable alternative in the medium to long term. We have also limited acceptance of these materials as much as possible, by significantly increasing fees for those items.

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

SUBSEQUENT EVENTS
There are no subsequent events to report.

FUTURE DEVELOPMENTS
It is hoped that other Councils will join the Authority in the near future, making it a truly regional facility. It is expected that tenders for the construction of the C cell will be advertised towards the end of the 2015 calendar year, with construction planned to begin in early 2016. A soil remediation facility is currently being constructed at the landfill by Enviropacific. This facility will also be operated by Enviropacific. It is expected to open in 2016.

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

All medical waste sampling results at Lutana were satisfactory.

HEALTH AND SAFETY

There were no Lost Time Injuries 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.

Regular audit reports were generally positive, with only minor issues being raised.

DIVIDENDS

No dividends are recommended.

INDEMNIFICATION OF OFFICERS AND AUDITORS

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

PROCEEDINGS ON BEHALF OF THE AUTHORITY

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

ACHIEVEMENT OF GOALS AND OBJECTIVES

The following progress was made during the 2015 financial year against initiatives for that year outlined in the Strategic and Business Plans:

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

Goal 1.1	**Maintenance of a financially viable business:**	
	Facilitate construction by Enviropacific of a remediation facility.	÷
	At its meeting held on 30 July 2015 the Board agreed to sign the contract with Enviropacific. Work on site has now commenced.	
Goal 1.2	**Improve environmental outcomes for our communities:**	
	Obtain necessary Quarantine approvals for the Copping landfill.	÷
	Approvals were not received during the 2015 financial year. However, approval to receive domestic quarantine material was received in July 2015; approval for international quarantine material was received in September 2015.	
	Improve gas capture and recovery.	√
	Leachate volumes have been hampering achievement of this goal. Levels are being reduced, and more bore holes were drilled during the year. The volume and quality of gas produced have both increased significantly.	
	Promote the Community Reference Group as a useful resource for the community.	√
	The group has been established and meets regularly. Calls for new members are included in our quarterly community newsletters.	
	Become involved in Carlton Catchment environmental program.	X
	NRM does not have a suitable program available and has been unable to design one. No other suitable partners have been identified. The Board has agreed to cease pursuing this option in the short term.	
Goal 2.2	**Ensure that the business is well managed:**	
	Design and implement an appropriate Balanced Score Card measurement and reporting system.	√
	A Balanced Score Card report has been designed and reported to the Board.	
	Design and implement an integrated Risk Management Plan.	√
	A comprehensive Risk Management Plan has been prepared, and presented to the Board.	
	Design and implement a Triple Bottom Line report.	X
	During the year the Board decided that the Balanced Score Card provided sufficient information in these areas.	

The comptroller reports as follows:

COMPTROLLER
Christine Bell was appointed to the position of Comptroller.

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

During the 2015 financial year an amount of $70,270 was transferred to equity as a result of the assessment of the Authority's income tax return for the 2013-14 financial year. The 2014-15 Statement of Comprehensive Income includes income tax expense of $36,030. The Authority has a deferred income tax asset of $493,561, a current provision for income tax of $72,357 and a deferred income tax liability of $1,072.

COPPING REFUSE DISPOSAL SITE JOINT AUTHORITY

Trading As

SOUTHERN WASTE SOLUTIONS

FINANCIAL STATEMENTS

30 JUNE 2015

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

COPPING REFUSE DISPOSAL SITE JOINT AUTHORITY

BOARD CHAIR'S DECLARATION

For the Year Ended 30 June 2015

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

1. the financial statements and notes:

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

   (b) present fairly the Authority's financial position as at 30 June 2015 and its financial performance for the year ended on that date.

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

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

This declaration is signed by:

R E Ward

R E Ward
BOARD CHAIR

Dated this 14th *day of* August *2015.*

	Notes	Budget * 2015 $	2015 $	2014 $
Income				
Gate waste receipts		4,294,759	4,827,277	4,182,794
Other	24	492,152	587,338	759,764
Total Income		4,786,911	5,414,615	4,942,558
Expenses				
Employee benefits expenses	3	729,020	739,521	632,101
Depreciation and amortisation	4	842,075	833,851	1,061,948
Borrowing costs expense		248,255	238,798	275,925
Property leases		264,751	320,684	228,751
Other expenses	5	623,785	662,815	418,922
Loss on disposal of assets		0	166,667	0
Maintenance and operating costs	6	1,952,700	2,337,198	2,107,305
Total expenses		4,660,586	5,299,534	4,724,952
Surplus (deficit) for the year before income tax expense		126,325	115,081	217,606
Income tax expense (benefit)	21		36,030	65,282
Net surplus			79,051	152,324
Total comprehensive surplus (deficit) for the year			79,051	152,324

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

** Budget figures have not been subject to audit*

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	2015	2014
ASSETS		$	$
Current Assets			
Cash and cash equivalents	8, 16	1,360,124	2,284,417
Trade receivables	9, 16	572,398	781,744
Other		183,175	131,723
Total Current Assets		2,115,697	3,197,884
Non-Current Assets			
Other financial assets	16	100,000	100,000
Property plant & equipment	10	7,127,020	6,393,670
Deferred Income Tax	21	493,561	534,936
Total Non-Current Assets		7,720,581	7,028,606
TOTAL ASSETS		9,836,278	10,226,490
LIABILITIES			
Current Liabilities			
Trade and other payables	11, 16	697,570	543,612
Borrowings	12, 16	506,428	473,446
Provision for income tax	21	72,357	150,351
Provisions	13	229,578	1,750,639
Total Current Liabilities		1,505,933	2,918,048
Non-Current Liabilities			
Borrowings	12, 16	3,145,267	3,651,699
Provisions	13	1,404,576	25,435
Deferred Income Tax	21	1,072	1,199
Total Non-Current Liabilities		4,550,915	3,678,333
TOTAL LIABILITIES		6,056,848	6,596,381
NET ASSETS		3,779,430	3,630,109
EQUITY			
Accumulated surplus (deficit)		1,237,586	1,158,535
Reserves	17	627,000	627,000
Contributed equity		1,914,844	1,844,574
TOTAL EQUITY		3,779,430	3,630,109

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

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2015

	Accumulated Surplus (deficit)		Contribution by Owners		Reserves		Total Equity	
	2015	2014	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$	$	$
Balance at beginning of financial year	1,158,535	1,006,211	1,844,574	1,323,512	627,000	627,000	3,630,109	2,956,723
Total comprehensive surplus (deficit) for year	79,051	152,324	0	0	0	0	79,051	152,324
Contribution by owners	0	0	70,270	521,062	0	0	70,270	521,062
Balance at end of the financial year	1,237,586	1,158,535	1,914,844	1,844,574	627,000	627,000	3,779,430	3,630,109

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

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2015

	Notes	Inflows (Outflows) 2015 $	Inflows (Outflows) 2014 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		6,105,975	5,118,423
Interest		50,574	49,666
Net GST refund (payment)		(43,002)	(124,193)
Income tax paid		-	(16,827)
Finance costs		(238,798)	(275,925)
Payments to suppliers and employees (inclusive of GST)		(4,786,506)	(3,993,508)
Net cash provided by (used in) operating activitie	15	1,088,243	757,636
Cash flows from investing activities			
Payments for property, plant & equipment		(1,539,086)	(628,835)
Proceeds from sale of property, plant & equipment		-	-
Net cash (used) gained in investing activities		(1,539,086)	(628,835)
Cash flows from financing activities			
Repayments of borrowings		(473,450)	(443,632)
Proceeds from borrowings		-	-
Contributions from owners		-	-
Net cash (used) gained in financing activities		(473,450)	(443,632)
Net increase (decrease) in cash held		(924,293)	(314,831)
Cash at beginning of reporting period		2,284,417	2,599,248
Cash at end of reporting period	8	1,360,124	2,284,417

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

INTRODUCTION

The Copping Refuse Disposal Site Joint Authority was established on 21 March 2001 and is a body corporate with perpetual succession and a common seal. The Authority's office address is 129 Derwent Park Road, Lutana 7008. Its 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

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

b) Judgements and Estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

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

c) The Reporting Entity

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

d) Contributed Equity

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

e) Revenue recognition

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

Gains

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

f) Expenses

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

g) Borrowing Costs

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

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

h) Property, Plant and Equipment

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

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

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

i) Depreciation of Non-current Assets

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

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

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

j) Technology Development Costs

Medical waste treatment technology development costs are capitalised and included as property plant & equipment in accordance with AASB116 Property, Plant and Equipment. These costs include development of a prototype and design and construction of working plant from which future economic benefits will 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 Entitlements

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

(i) Wages and Salaries

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

q) Inventories
No material inventories are held.

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

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

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

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

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

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

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

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

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

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

w) Goods and Services Tax

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

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

x) Carbon Pricing

The Authority was subject to the carbon pricing regime, however its emissions remained below the relevant threshold and no liability was recognised. No amounts are refundable following the repeal of this legislation, because no amounts were collected.

y) Finance Costs

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

z) Interest bearing liabilities

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

aa) Provision for capping cells

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

ab) New Accounting Standards

Australian Accounting Standards not yet operative

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

i) AASB 9 — *Financial Instruments*
Effective date 1 January 2017
Extends the standard's application date to January 2017, introduces new requirements for the classification and measurement of financial assets and liabilities and introduces a chapter to deal with hedge accounting.

ii) AASB 15 — *Revenue from Contracts with Customers*
Effective date 1 January 2017
Clarifies the principles for recognising revenue, superseding *AASB 111 Construction Contracts* and *AASB 118 Revenue.*

iii) AASB 2010-7 — *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]*
Effective date 1 January 2017
Consequential amendments arising from AASB 9.

iv) AASB 2014-3 — *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*
Effective date 1 January 2016
Requires business combination accounting to be applied to acquisitions of interests in a joint operation that meets the definition of a business under *AASB 3 Business Combinations.*

v) AASB 2014-4 — *Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation*
Effective date 1 January 2016
Introduces a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. There is limited opportunity for the presumption to be overcome and clarification that revenue-based depreciation for property, plant and equipment cannot be used.

vi)AASB 2015-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101*

Effective date 1 January 2016
The amendments do not require any significant change, but should facilitate improved reporting, including emphasis on only including material disclosures, clarity on aggregation and disaggregation of line items, presentation of subtotals, ordering of notes and the identification of significant accounting policies.

vii) AASB 2015-6 *Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities*

Effective date 1 January 2016
Extends the scope of *AASB 124 Related Party Disclosures* to include not-for-profit public sector entities.

viii) AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 Dec 2013; Part B Materiality – 1 Jan 2014; Part C Financial Instruments – 1 Jan 2015]*

Effective date refer to title
Makes amendments to Standards as a consequence of the issue of Accounting Framework AASB CF 2013-1 Amendments to the Australian Conceptual Framework; deletes reference to AASB 1031 Materiality in other Standards; makes amendments to Standards as a consequence of the issuance of IFRS 9 Financial Instruments – Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 by the IASB; and makes editorial corrections.

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

2 FUNCTIONS/ACTIVITIES OF THE JOINT AUTHORITY

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

The Joint Authority's 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.

	2015	2014
3 EMPLOYEE BENEFITS	$	$
Wages and salaries	644,624	546,333
Annual and long service leave	43,497	44,494
Superannuation	51,400	41,274
	739,521	632,101

4 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and amortisation expense was charged in respect of:

Plant & equipment	145,764	113,257
Landfill site development	238,955	406,441
Capping costs	151,390	251,705
Lutana site works and equipment	297,742	290,545
	833,851	1,061,948

5 OTHER EXPENSES

EPA permits	48,645	33,479
Power	58,382	38,880
Sampling and monitoring	71,203	81,064
Legal expenses	55,846	40,616
Authority administration	58,996	27,639
Insurance	37,257	19,640
Telephone	11,214	10,246
Other	321,272	167,358
	662,815	418,922

6 MAINTENANCE AND OPERATING COSTS

Site maintenance and operation	1,895,623	1,733,256
Plant and equipment repairs and maintenance	441,575	374,049
	2,337,198	2,107,305

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

7 AUDIT

Audit expense includes:

Audit services	9,500	7,170
Other services	0	0
	9,500	7,170

8 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at bank and on hand	138,459	164,751
Short term deposits	1,221,665	2,119,666
	1,360,124	2,284,417

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

	2015	2014
	$	$
Unrestricted	1,360,124	2,284,417

9 CURRENT ASSETS - TRADE RECEIVABLES

Trade receivables	572,398	781,744
Aged Analysis		
The ageing analysis of receivables is as follows:		
Current	422,529	661,849
0-30 days	103,259	112,202
31-60 days	-	-
61-90 days (past due not impaired)	40,502	1,686
91+ days (past due and partly impaired)	60,234	60,133
Provision for doubtful debts	(54,126)	(54,126)
	572,398	781,744

10 NON-CURRENT ASSETS - PROPERTY PLANT & EQUIPMENT

Plant and equipment at cost	2,123,316	2,065,313
Less accumulated depreciation	(944,374)	(798,774)
	1,178,942	1,266,539
Opening carrying value	1,266,539	944,110
Additions	58,167	435,686
Depreciation Expense	(145,764)	(113,257)
Closing Carrying Value	1,178,942	1,266,539
Copping site development expenses at cost	4,298,328	3,271,102
Less accumulated depreciation	(2,357,193)	(2,118,236)
	1,941,135	1,152,866
Opening carrying value	1,152,866	1,553,066
Additions	1,027,224	257,945
Depreciation Expense	(238,955)	(658,146)
Closing Carrying Value	1,941,135	1,152,866
Lutana site works and equipment at cost	5,305,197	5,082,747
Less accumulated depreciation	(1,682,109)	(1,467,701)
	3,623,088	3,615,046

	2015 $	2014 $
Opening carrying value	3,615,046	3,843,073
Additions	472,451	62,518
Disposals	(166,667)	-
Depreciation Expense	(297,742)	(290,545)
Closing Carrying Value	3,623,088	3,615,046
Work in progress at cost	383,855	359,219
Opening carrying value	359,219	234,827
Additions	1,210,308	124,392
Work completed	(1,185,672)	-
Work written off	0	0
Closing Carrying Value	383,855	359,219
	7,127,020	6,393,671

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

11 CURRENT LIABILITIES - TRADE & OTHER PAYABLES

	2015	2014
Trade payables	283,944	426,638
Insurance recovery in advance	95,726	95,726
Other payables	317,900	21,248
	697,570	543,612

Aged Analysis

The ageing analysis of trade payables is as follows:

	2015	2014
Current	283,944	221,834
0-30 days	0	202,730
31-60 days	0	0
61-90 days (past due not impaired)	0	0
91+ days (past due not impaired)	0	2,074
	283,944	426,638

12 BORROWINGS

Current

	2015	2014
Unsecured Tascorp loans*	506,428	473,446
Total Current Portion of Long Term Borrowings	506,428	473,446

	2015 $	2014 $
Non-current		
Unsecured Tascorp loans*	3,145,267	3,651,699
Total Long Term Borrowings	3,145,267	3,651,699
Total Borrowings	3,651,695	4,125,145

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

13 PROVISIONS

Current Provision for Cell Capping		
Opening balance	1,698,935	1,447,230
Capping costs provided for	151,390	251,705
Capping costs transferred to non current provision	(1,386,003)	
Capping costs expended	(284,321)	-
Closing balance	180,001	1,698,935
Refer note 1aa)		
Current Provision for Leave (Annual Leave, RDOs, accrued hours)		
Opening balance	51,704	36,710
Leave accrued	18,095	24,593
Leave taken	(20,222)	(9,599)
Closing balance	49,577	51,704
Refer note 1 k) (ii)		
	229,578	1,750,639
Non Current Provision for Cell Capping		
Opening balance	0	0
Capping costs transferrred fron current provision	1,386,003	0
Closing balance	1,386,003	0
Refer note 1aa)		
Non Current Provision for Leave (Long Service Leave only)		
Opening balance	25,435	16,480
Leave accrued	(841)	8,955
Leave taken	(6,021)	-
Closing balance	18,573	25,435
Refer note 1 k) (iii)		
	1,404,576	25,435

14 COMMITMENTS FOR EXPENDITURE

At 30 June 2015 the Joint Authority had not commissioned any material expenditure.

The Joint Authority had no material finance lease commitments at 30 June 2015. It has a landfill site operating lease and a short term lease of its waste transfer station site.

	2015	2014
	$	$
Commitments under these leases at reporting date are payable as follows:		
No later than one year	268,697	266,300
Later than one year, no later than five years	949,412	1,011,731
Later than five years	10,475,385	10,867,189
	11,693,494	12,145,220

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

	2015	2014
	$	$
Surplus (deficit) before income tax expense	115,081	217,606
Depreciation	682,461	810,243
(Profit)/loss on disposal of plant	166,667	-
Prior year adjustments in current year (audit require	(55,546)	-
Change in assets and liabilities:		
Increase (decrease) in provision for capping	(132,931)	251,705
Increase (decrease) in creditors & borrowings	151,452	(376,479)
(Increase) decrease in debtors & prepayments	209,346	(183,906)
(Increase) decrease in inventories/other current assets	(39,298)	14,518
Increase (decrease) in employee entitlements	(8,989)	23,949
Net cash provided by (used in) operating activities	1,088,243	757,636

16 FINANCIAL INSTRUMENTS

a) Risk exposures

Credit risk:

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

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

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

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

Market risk:

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

Currency risk -

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

Interest rate risk -

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

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

	2015	2014
	$	$
Financial Assets		
Cash and cash equivalents	1,360,124	2,284,417
Other financial assets	100,000	100,000
Financial Liabilities		
Interest bearing liabilities	(3,651,695)	(4,125,145)
Net exposure	(2,191,571)	(1,740,728)

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.

Net Result		
+1%	18,223	24,418
-1%	(18,223)	(24,418)
Equity		
+1%	18,223	24,418
-1%	(18,223)	(24,418)

16 FINANCIAL INSTRUMENTS continued

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

Other price risk -

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

Liquidity risk:

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

16 FINANCIAL INSTRUMENTS continued

b) Interest rate risk exposures

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

2015	Effective or w'ted av int rate %	Var int rate $	Fixed Interest Rate Maturity <1 Yr $	1 -5 yrs $	> 5 yrs $	Non int bearing $	Total $
Financial Assets							
Cash at bank & other financial assets	2.88	1,267,540				138,459	1,405,999
Short term deposits	2.19	54,125					54,125
Receivables						572,398	572,398
	Total	**1,321,665**	**0**	**0**	**0**	**710,857**	**2,032,522**
Financial Liabilities							
Interest-bearing	5.66		506,428				506,428
Interest-bearing	5.96			2,134,121			2,134,121
Interest-bearing	6.49				1,011,145		1,011,145
Payables						601,844	601,844
	Total	**0**	**506,428**	**2,134,121**	**1,011,145**	**601,844**	**4,253,538**

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

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:

	2015		2014	
	Carrying amount	Net fair value	Carrying amount	Net fair value
Financial assets	$	$	$	$
Cash and cash equivalents	1,360,124	1,360,124	2,284,417	2,284,417
Other financial assets	100,000	100,000	100,000	100,000
Receivables	572,398	572,398	781,744	781,744
	2,032,522	2,032,522	3,166,161	3,166,161
Financial liabilities				
Payables	601,844	601,844	447,886	447,886
Interest bearing liabilities	3,651,695	4,074,960	4,125,145	4,468,634
	4,253,539	4,676,804	4,573,031	4,916,520

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

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

	2015	2014
	$	$
Site development and rehabilitation reserve		
Opening balance	627,000	627,000

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

18 FINANCING ARRANGEMENTS

	2015	2014
Bank overdraft (unused)	200,000	200,000

19 CONTINGENCIES

The Authority is taking legal action against Southern Beaches Conservation Society Inc and Angela Marsh. A liability may be incurred if this action is unsuccessful. The financial outcome and timing are dependant on legal advisors, the defendants and the Supreme Court.

20 SUBSEQUENT EVENTS

There are no subsequent events.

	2015	2014
	$	$
21 INCOME TAX		
a) Income tax recognised in the Statement of Comprehensive Income	36,030	65,282
b) Income tax expense for the year can be reconciled to the accounting surplus before income tax expense		
Surplus for the year before income tax expense	115,081	217,605
Prima facie tax/(tax benefit) on profit/(loss) from	34,524	65,282
Effect of permanent differences	1,506	0
Income tax expense recognised in Statement of	36,030	65,282
c) Income tax expense recognised directly to equity	0	0
d) Non-current and deferred tax balances		
Deferred tax assets		
Provision for cell capping	462,940	509,680
Employee entitlements	20,445	23,141
Tax losses	10,176	0
Non deductible expenses	0	2,115
	493,561	534,936
Deferred tax liability		
Other assessable income	1,072	1,199
e) Current provision for income tax		
Opening balance	150,351	521,080
Income tax provided	(36,030)	203,773
Income tax expense	(41,964)	(574,502)
Closing balance	72,357	150,351

22 KEY MANAGEMENT PERSONNEL

Responsible Persons

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

Directors:

Ron Ward (Chair)	19/03/2012 - current
Suzanne Baker	19/03/2012 - current
John Brennan	19/03/2012 - current
Chief Executive Officer:	
Christine Bell	15/10/2009 - current

22 KEY MANAGEMENT PERSONNEL continued

Personnel Compensation	2015	2014
Total remuneration paid to key management personnel of the Authority during the year are as follows:	$	$
Short term employee benefits	233,565	219,999

23 RELATED PARTY TRANSACTIONS

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

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

Waste disposal income charged	489,281	439,698
Outstanding balances at 30 June	41,853	37,524
Goods and services purchased	253,867	165,170
Outstanding balances at 30 June	36,977	94,979

24 OTHER INCOME

Other income	587,338	500,364
Fire debris gate fee compensation	0	259,400
	587,338	759,764

Independent Auditor's Report

To Members of the Copping Refuse Disposal Site Joint Authority

Financial Report for the Year Ended 30 June 2015

Report on the Financial Report

I have audited the accompanying financial report of the Copping Refuse Disposal Site Joint Authority (the Authority), which comprises the statement of financial position as at 30 June 2015 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement of compliance by the Board Chair.

Auditor's Opinion

In my opinion:

(a) the Authority's financial report:

- (i) presents fairly, in all material respects, its financial position as at 30 June 2015, and its financial performance, cash flows and changes in equity for the year then ended
- (ii) is in accordance with the *Local Government Act 1993* and Australian Accounting Standards

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

The Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Directors' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

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

Independence

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

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

Tasmanian Audit Office

E R De Santi
Deputy Auditor-General
Delegate of the Auditor-General

Hobart
6 October 2015