



**Southern  
Waste  
Solutions**

# Annual Report 2022-23

of the  
Copping Refuse Disposal  
Site Joint Authority



WASTE VOLUMES



~153k

tonnes of waste collected per annum

PEOPLE



20+

direct employees and contractors

CAPITAL INVESTMENT



+\$40 million

ENERGY GENERATION

16k



Megawatt hours generated every year through landfill gas capture

ENVIRONMENT

~147k



tonnes of carbon removed from the atmosphere  
= 59,000 passenger vehicles/year



LEACHATE PROCESSED

1.76m



litres of leachate processed in our BeneVap to date

C CELL VOLUME

4384



tonnes of waste safely disposed



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# Authority Chair's Report

I feel fortunate to have been appointed Chair of the Joint Authority at such a transformational time for the waste sector in Tasmania.

Best-practice waste management is an essential element of so many important policy priorities including climate change mitigation, environmental protection, public health and community amenity.

As the regulatory and technical environment in which we operate becomes more complex, we must respond with increasing sophistication in our governance and policies.

It is this backdrop that has shaped the activities of the Authority over the past financial year.

## Strategy

The Authority approved the Copping Refuse Disposal Site Joint Authority (CRDSJA) Strategic Plan 2023-2028, which reflects our dual responsibility to operate sustainably and commercially while providing leadership for and on behalf of the local government sector in Tasmania.

There is growing recognition of Copping's strategic importance as the largest landfill in Tasmania and one of the best managed facilities in Australia.

The five-year strategy seeks to leverage this advantage through tangible actions based on three strategic pillars:

1. Advocate for and contribute to Tasmanian waste industry.

2. Build capacity, capability and delivery excellence.
3. Strengthen our commercial proposition.

Looking ahead to future opportunities, the Authority is pleased SWS is progressing the business case for the development of a new organics facility.

We strongly believe this significant endeavour will allow all our local government customers to participate equitably in the pursuit of the circular economy and SWS' long-term goal of reducing waste going into landfill.

The Authority has strong confidence in the ability of the SWS board to deliver on the strategy, led capably by Chair, Dr Christine Mucha, and supported by CEO Chris Adekunle and his highly experienced executive team.

After a period of extensive renewal in the previous financial year, the new board and management have made enormous inroads in modernising SWS' operations and positioning the business for future growth and opportunities.

## Financial performance

The Authority recorded a consolidated net surplus after tax of \$5,050,770 for the financial year ended 30 June 2023.

The 2022-23 financial statements have been audited and the Tasmanian Audit Office issued an unqualified audit opinion for the 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 facility at Copping.

In 2022-23, the C Cell received new sources of highly contaminated waste from around the State, allowing commercial, industrial and government entities to remediate older sites, meet environmental standards and maintain cleaner and healthier worksites. The company again exceeded its budgeted performance and made a positive contribution to the consolidated financial result.

## Pricing Review

One of SWS' guiding principles is to always operate within the context of its local government ownership.

To that end, we are pleased to have endorsed a new competitive pricing model that is consistent for all local government customers, not only those who are members of the Joint Authority.

While the new pricing is commercially sustainable, it reflects our commitment to provide value for communities and a recognition of the need to keep cost of living pressures for ratepayers as low as possible.

## Joint Authority Membership

I wish to acknowledge the changes to the Joint Authority membership that were formalised after the Local Government elections in 2022, alongside my own appointment as Chair.

The Authority is made of a diverse and talented group of people, that bring the unique perspectives of their communities and professional backgrounds to the table.

Finally, I want to congratulate my predecessor, Kerry Vincent, on his highly successful four-year term as Chair of the Joint Authority.



## We donated +650 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.

Kerry showed enormous community leadership during the construction and commissioning of the C Cell and help lay the foundations for the opportunities that now lay ahead. I am fortunate that Kerry remains on the Authority as Deputy Chair.

Clr James Walker  
Authority Chair



# Board Chair and CEO's Report



The Board Chair and Chief Executive Officer (Chief Executive), on behalf of the Board of Directors of Southern Waste Solutions (SWS), are pleased to present the annual report of the Authority for the financial year 2022/2023.

The focus of this year was on consolidating the reputation of SWS and positioning the business to take full advantage of opportunities in the rapidly evolving sector.

Significant time and effort were invested to strengthen the team, embed our shared values and principles and plan for the future.

The 2023-2028 Strategic Plan leverages the expertise of our people and our strong financial performance to focus on opportunities for business diversification and growth, underpinned by a commitment to environmental best practice and a safety-first culture.

SWS has emerged as a stronger, more resilient and strategically agile operation, with big plans and aspirations for the years ahead.

## Strategic Focus

SWS is a key player to the future development and advancement of waste management in Tasmania and intends to become a leading force in this crucial area of environmental sustainability.

The 2023-2028 Strategic Plan reflects a dual purpose to ensure the Copping Landfill, continues to be managed in accordance with commercial and environmental best practice, and that SWS is at the forefront of technological advances in waste reduction and resource recovery.

This will require SWS to redefine its role to that of a designer, developer and provider of waste management solutions.

In this context, over the next four years SWS will:

- Build on its established social licence;
- Apply technology to add value to waste, including the production of energy;
- Seek out opportunities for Federal and State funding of special projects; and
- Become a progressive, proactive voice on best practice waste management

The Board reconfirmed its commitment to advancing resource recovery through the support of 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 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, resource planning and financial management.

The Audit and Risk Committee initiated a review of SWS strategic risks to refocus our efforts on risk management as we move forward with our new strategic goals. While this review was underway, the Committee focused on the implementation of the outstanding audit actions from the financial audit commissioned in 2022. It commissioned new internal audits on climate resilience and cyber security.

## Securing the future

A review of our gate fee pricing for waste received across our business was undertaken to ensure SWS was adequately pricing its services to secure capital for short and long-term reinvestment into its assets. The review led to a three-year transition strategy to a new gate fee pricing that will support the delivery of our investment strategy and ensure our operations remain sustainable.

In addition to the pricing strategy, we secured bulk waste disposal contracts with our key commercial and local government customers. This has provided us with the certainty to proceed with our future development and growth agenda.

## Financial performance

Against a backdrop of high inflation, a tight labour market and operational challenges, SWS' financial performance in the financial year 2022-23 was the strongest in its history. We reported growth in waste disposal income of 18% to \$14,537,184 (2022: \$12,342,685).

The 2023 result shows sustained profitability in the disposal of key waste streams, including commercial and industrial waste, contaminated soils, municipal solid waste and category C waste.

The growth in volumes through the Lutana

Waste Transfer Station and other feeder transfer stations at Southbridge, Baretta, and Mornington Park continues to demonstrate the pivotal importance of our bulk disposal network.

Plans are in place to improve our operational efficiency at Lutana to mitigate the growing costs of maintaining our aged assets.

Our strategies to address the legacy leachate issues at Copping Landfill have added unforeseen costs to our operational management of the landfill. However, these strategies will secure our environmental stewardship of the site and position SWS to continue sustainable management and growth at Copping Landfill.

## Business focus

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

A more strategic view is being applied to our support of our regional customers, with our technical capability being applied to support them in redeveloping their long-term waste management strategies.

The C Cell continues to be an integral part of the waste management capability of Tasmania, with a steady contingent of customers from across the state utilising the facility to support their business operations.

## Our People

With the Chief Executive now firmly in place, the Board has been instrumental in supporting CEO's vision to develop a strong management team capable of supporting the business' needs as it responds to its expanding responsibilities.

Key in the delivery of robust financial management



and improvements to our operational processes and commitment to environmental best practices was the addition to our management team of highly qualified leaders in corporate services and environmental operations.

We have also expanded our administrative and operational support personnel with new positions recruited as part of our succession planning and support to our growing business and the changing nature of our operations.

Our improvements in safety management have also seen the appointment of a safety officer embedded within our operations staff. The role is integral in identifying and remedying safety issues and reinforcing our commitment that staff and contractor safety continue to be unnegotiable absolutes.

This has resulted in the continued safe and successful operating environment that underpins our business growth. We continue to take every opportunity to learn and enhance our procedures.

The Board is confident it has the management team to drive its 2023-2028 strategy.

## Governance

The Board of SWS held fourteen meetings and the Board of C Cell Pty Ltd held six meetings

during 2022-23. SWS' Audit & Risk Committee held four meetings during the year.

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.

In addition to the scheduled meetings, the SWS Board and the Chief Executive participated in workshops across the year covering strategy development, risk and specialist information in support of the Organics Processing Strategy.

## Conclusion

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.

SWS appreciates many of its aims and objectives in waste management will require not just the support of customers, regulators and decision-makers but also that of the people of Tasmania.



The groundswell of community concern for sustainable waste management is unstoppable, with the only issue being how quickly decision-making, technology, innovation and leadership can respond.

SWS is committed to championing the cause for best-practice waste management and will seek to provide positive solutions designed to meet the growing expectations of an environmentally-conscious Tasmanian community.



**Dr Christine Mucha**  
Board Chair



**Christopher Adekunle**  
Chief Executive Officer

## Board and Committee Meeting Attendances 2022-23

Director	SWS Board		SWS Audit & Risk Committee		C Cell Unit Trust Board	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
<b>Christine Mucha</b> Board Chair: SWS, C Cell Pty Ltd	14	14	4	4	6	6
<b>Frank Barta</b> Chair, A&R Committee	14	14	4	4	6	6
<b>Brendan Blomeley</b> (to 19 December 2022)					4	4
<b>Heather Chong</b> (from 19 December 2022)					2	2
<b>Mike Hunnibell</b>	14	14	4	4	6	6
<b>Elsbeth Moroni</b> (while not a C Cell director, usually attended as an Observer)	14	14	4	4		

*The Board of Southern Waste Solutions held five workshops during the financial year. All directors attended.*

Right to Information Act (2009): Neither the Authority nor C Cell Pty Ltd has received any requests for information or referred any matters to other entities under the Act in 2022/23.

Public Interest Disclosures Act (2002): Neither the Authority nor C Cell Pty Ltd have received any assessed disclosures in 2022/23.

## Comptroller's Report

Christopher Adekunle has been appointed to the position of Comptroller.

### The comptroller reports as follows:

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

During the 2023 financial year, \$255,147 (2022 \$625,576) was transferred to equity in relation to income tax payable. The 2022-23 Consolidated Statement of Comprehensive Income includes income tax expense of \$1,548,189 (2021-22 \$404,765). As of 30 June 2023, the Authority had a deferred income tax asset of \$975,694 (2022 \$1,468,188), a current provision for income tax of \$354,970 (2022 income tax refundable \$461,597) and a deferred income tax liability of \$6,415 (2022 \$22,638).



# Business Case: BeneVap Trial

Southern Waste Solutions is leading the first trial in Tasmania of a new leachate evaporation system at its Copping Landfill, spearheading the use of advanced technological solutions to improve the impact of waste management on the environment.

The evaporation system, BeneVap, is an Australian designed and managed system developed by BeneTerra, a leader in solving environmental problems in the waste industry. The system is already successfully operating across several landfill sites in Australia and New Zealand but ours is the first of its kind in Tasmania.

The 12-month trial was approved by EPA Tasmania and commenced operation in April 2023. SWS has historically collected leachate from the engineered landfill cells at Copping, and either stored the wastewater in lined ponds or used in passive evaporation systems.

Over the years, SWS has trialled many methods to manage leachate levels, however after lengthy periods of high rainfall, a more active approach was required. The BeneVap system was chosen as a sustainable and effective method to manage leachate and minimise the need for further on-site storage expansion at the Copping facility.

The BeneVap operates by processing leachate through an evaporation chamber heated to 1500°C where contaminants are forcibly evaporated, successfully reducing the volume of waste liquid by 95%. The by-product is carefully disposed in the Category 3 waste facility – the C Cell. The steam emitted from the chamber during processing is semi-odourless and does not pose any risk to human health or the environment.

Elgin Associates are conducting stringent environmental monitoring throughout the 12 month trial; however Southern Waste Solutions is confident the BeneVap, nicknamed Florence, will quickly become the preferred method to manage leachate, negating environmental and transport risks associated with extended storage.



BeneVap project reduced




**+1 million  
megalitres  
of leachate**

since commencement  
of the trial.

# 2022-23 Business Plan Results

## Achievement of goals and objectives


The following progress was made during the 2023 financial year against initiatives for that year outlined 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 | Model impacts of the waste management levy and associated logistics.

-  Identified levy impacts on the following areas of the business:
    - Facility operations
    - Material logistics
    - Resourcing requirements
    - Forward budget
    - Stakeholders
- 
- *Completed financial analysis presented to the board detailing the projected impact of the waste levy.*
  - *Lutana Masterplan Concept design completed.*
  - *Expressions of Interest for organics and waste processing technology progressing.*
  - *Haulage tender awarded.*
  - *Resourcing plan delivered with approved org chart and succession plan.*

### 1.2 | Develop an organics facility or alternative waste project to offset the effect of the introduction of the waste management levy on revenue.

-  Identify and construct an appropriate facility capable of meeting the resource recovery requirements of waste material and seeking to minimise the impact of waste levy on revenue.
- 
- *Expressions of Interest (EOI) for organics processing progressing to Request for Tender (RFT) phase.*
  - *Summary of EOI phase and Vendor engagement provided to Participating Councils.*
  - *Memorandum of Understanding (MOU) committing organics volumes to initiative supported by all Councils.*
  - *Business case will be developed and considered for approval on conclusion of the RFT.*

# 1.0

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

## 1.3 | Resource the business appropriately to deliver its strategies.

- Identify and source skills and capabilities that support the effective delivery of business needs, including:
    - Updated Position Description (PD) for all internal roles.
    - Recruit position of Manager Operations in line with revised PD scope.
    - Resourcing Plan for internal and external skill requirements.
    - Management of Key Personnel Risk, and
    - Identification of parameters to be met in order to internalise skills being accessed externally.
- 
- *All PDs have been updated.*
  - *Manager Operations recruited.*
  - *Manager Corporate Services recruited.*
  - *Resourcing Plan delivered.*

## 1.4 | Maintain effective relationships with regulatory organisations.

- Engage with and influence the drafting, amendment and implementation of Government policy or other relevant legislation and regulation.
- 
- *Input to the review into local government.*
  - *Input into the Waste Levy Board waste and Resource Recovery strategy.*

## 1.5 | Understand and respond to the waste management needs of southern councils.

- Actively engage with southern councils to identify, understand, and respond to their waste management needs.

Engagement with new CEO of regional recycling procurement joint authority to promote SWS' ability to provide technical and operational support in the delivery of future waste management related initiatives.
- 
- *Concept Lutana Masterplan completed.*
  - *Engaging with waste service leads across local government stakeholders.*
  - *Participated in State government Local Government review and met with Minister for Local Government to discuss SWS.*
  - *Supporting Huon Valley Council, Break O'Day Council, Glamorgan Spring Bay Council, Brighton Council and Glenorchy City Council with their waste strategies.*
  - *New waste contract signed with Glamorgan Spring Bay Council and Southern Midlands Council.*
  - *Infrastructure strategy being delivered to align infrastructure for waste compaction across Huon, Glamorgan Spring Bay and Break O'Day Councils.*

# 2.0

Develop a facilities strategy that supports the wider business strategy

## 2.1 | Develop an integrated waste management strategy that considers waste transfer stations, bulk up sites, FOGO and composting sites and takes account of transport and logistics impacts.

- Review waste and resource recovery growth across southern Tasmania to develop an overarching resource recovery capability resulting in:
    - Facilities Plan, and
    - Logistics Plan
- 
- *Concept Lutana Masterplan completed.*
  - *Copping Masterplan completed.*
  - *Haulage tender awarded for another 7 years with 3-year extension possibility.*

## 2.2 | Resolve our position on the purchase of the Lutana site.

- To be incorporated within 2.1 Deliver a Facilities Plan
- 
- *Concept Lutana Masterplan completed.*
  - *Landlord Councils progressed resolutions to grant SWS a 20-year lease for the Lutana site.*

## 2.3 | Finalise Master Plan for the entire footprint of the Copping site.

- To be incorporated within 2.1 Deliver a Facilities Plan
- 
- *Copping Masterplan Concepts completed.*
  - *Will be reviewed again on completion of our current group of strategic projects.*

# 3.0

Lead sustainable environmental and social outcomes for our communities

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

- Meet all material compliance obligations.  
No major environmental incidents

- 
- *Recruited suitably qualified Environmental Engineer to oversee SWS operations.*
  - *Maintained no major breaches to WHS and all environmental matters are being addressed in collaboration with the EPA.*
  - *Commenced leachate management trial with new BeneVap leachate evaporation system.*

## 3.2 | Continue to reduce net environmental impacts to the community.

- Increase waste diversion from inefficient / older facilities to increase use of the Copping site.  
Finish the wetland pilot, gain EPA approval for its operation, and promote the wetlands.

- 
- *Engaging with industry bodies to identify hazardous waste stockpiles, disposed of over 4,000 tonnes of material to the C Cell this financial year, resulting in the largest ever quantity of material disposed of in a single year since it commenced operations.*
  - *BeneVap project reduced over 1 million megalitres of leachate since commencement of the trial.*

## 3.3 | Consider climate impacts in all major decision making.

- Improve carbon footprint compared to the previous year.  
Include climate impacts in discussion papers dealing with all major new initiatives.

- 
- *Included vehicle emissions requirements in haulage tender.*
  - *Commissioned an internal audit to determine the impacts of Climate Change on our business.*

# 4.0

Collaborate with others in the industry to deliver waste management and resource recovery solutions for Tasmania

## 4.1 | Influence action and investment in the industry.

- Engage with Tasmanian Government, its agencies and the Waste Management Board being appointed to oversee the landfill levy expenditure.

Determine viable business development and/or improvement opportunities that could be funded through waste levy grant funding.

- 
- *Ongoing engagement with Department of National Resources and Environment.*
  - *Engagement commenced with Tasmania Waste and Resource Recovery Board.*
  - *Engagement commenced with the Southern Tasmanian Regional Waste Authority .*

## 4.2 | Contribute to solutions to waste management issues, including in conjunction with other entities.

- Participate in discussions with other entities, including the Local Government Association of Tasmania (LGAT), to assist resolving their waste management issues.

Identify, investigate, assess, and report on potential business development and/or improvement opportunities for consideration by the Board/Authority.

Implement approved viable business development and/or improvement opportunities.

- 
- *Contributed to the State government regarding Local Government review.*
  - *Ongoing engagement with LGAT about procurement processes.*
  - *The communication strategy for the C Cell beginning to yield results with the largest ever volume of material proposed this FY.*
  - *Engagement with metro local governments on future waste service solutions.*

# 5.0

## Build and maintain effective stakeholder relationships

### 5.1 | Establish the messages and stories to support our brand and leverage to grow the business.

- Develop brand objective that is succinct and focussed that identifies our point of difference in the context of waste management and resource recovery and what we can do for the community.

Update the SWS website.

- 
- *Social Media presence represented through SWS LinkedIn page.*
  - *Delivered 22/23 communications and engagement strategy and improved awareness of our business and capability.*
  - *New website in place.*
  - *Attended national waste conference promoted our new strategic direction with key industry contacts.*

### 5.2 | Develop a stakeholder engagement strategy that positions SWS as a key source for community focussed waste management solutions in the Southern Tasmanian region in support of our customers, member councils, non-member councils, Tasmania Government, and the broader community.

- Identify, investigate, assess, and report on potential collaborative research opportunities.

Maintain the currency of, and implement, the Relationship Management and Communications Plan.

Continue to regularly distribute newsletters to the community.

Identify additional channels for engagement with the community and industry.

Increase site visits including via implementation of a schools' program.

- 
- *Commenced initial training sessions with UTAS students utilising the Wetlands as a base for scientific research into groundwater.*
  - *Contributing to UTAS Waste Hub Project.*
  - *Delivered 2022-23 SWS Communications Strategy.*
  - *Commenced schools' program with Landcare and Mornington Park Waste Transfer Station.*



# Culture & Values Launch

In early 2023, the management and staff of SWS co-designed a new set of company values to create a strong organisational culture across our Lutana and Copping sites. Revisiting the company's values was timely to prepare the organisation for a new strategic direction and exciting projects on the horizon.

Adaptable HR facilitated several workshops with SWS employees, collating feedback to create key values that resonated with all involved. It was determined the key values of Southern Waste Solutions are:



We put safety and the environment first



We support and respect one another and we are our best when we work together



We consistently deliver

SWS is committed to being a leading company in waste management and resource recovery in Tasmania and is working towards a positive future powered by a team with a shared vision.



# 2023-2028 Strategic Plan

## STRATEGY OBJECTIVE

*To provide solutions for best practice waste management and resource recovery for Tasmanian community and industry.*

## Strategic Pillars

### Advocate for and contribute to the Tasmanian waste industry

Adapt, collaborate, and influence the waste industry.

Be the provider of choice for Local Government.

Improve our value proposition.

### Build capacity, capability and delivery excellence

Focus on environment and safety outcomes.

Deliver a best practice roadmap for the future.

Ensure strong leadership and governance.

### Strengthen our commercial proposition

Elevate our business.

Expand commercial focus of our existing sites.

Promote our service capability and knowledge.

## Our Values



We put safety and the environment first



We support and respect one another and are our best when we work together



We consistently deliver



## **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 the Copping Refuse Disposal Site Joint Authority (Joint Authority) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023 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 Board Chair's declaration.

In my opinion, the accompanying financial report:

- (a) present fairly, in all material respects, the Group's financial position as at 30 June 2023 and its financial performance and its cash flows for the year then ended
- (b) is 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.

## Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p><b>Measurement of rehabilitation landfill asset and provision for capping and aftercare</b>  <i>Refer to Notes 2.25, 13, and 17</i></p>	
<p>At 30 June 2023 the Group had a rehabilitation landfill asset of \$0.53 million and a provision for capping and aftercare liability of \$2.10 million, both of which are associated with the rehabilitation and ongoing monitoring and maintenance activities for existing landfill cells after their closure.</p> <p>The measurement of the asset and liability involves a high degree of estimation uncertainty in relation to key inputs and assumptions which increases the risk of misstatement.</p>	<ul style="list-style-type: none"> <li>Assessing the scope, expertise and independence of management’s expert engaged to assist with the measurement of the provision for capping and aftercare.</li> <li>Reviewing the calculation of provision for capping and aftercare, which included performing an assessment over the measurement methodology and key inputs.</li> <li>Reviewing the adjustment to the landfill assets arising from the remeasurement of the provision for capping and aftercare.</li> <li>Evaluating the adequacy of disclosures within the financial report, including key assumptions used.</li> </ul>

## 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 and 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 management either intend to liquidate the Group 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 is 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.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Rod Whitehead  
**Auditor-General**  
Tasmanian Audit Office

15 September 2023  
Hobart



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Waste  
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