Waste Assets Management Corporation

Annual Report 2018-19

- Financial statements for the year ended 30 June 2019
- Statutory information

Waste Assets Management Corporation
Wallgrove Road, Eastern Creek, NSW 2766
PO Box 336, Horsley Park, NSW 2175
Tel 02 9685 4960 | www.property.nsw.gov.au

The Hon. Melinda Pavey, MP
Minister for Water, Property and Housing
GPO Box 5341
SYDNEY NSW 2001

Dear Minister

Waste Assets Management Corporation Annual Report 2018-19

I am pleased to submit the Annual Report for Waste Assets Management Corporation, for the year ended 30 June 2019, for presentation to Parliament.

This report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983* and regulations under those Acts.

Yours sincerely

Adam Howarth
Chief Executive
Waste Assets Management Corporation

27 September 2019

Contents

1. Charter

The Waste Assets Management Corporation (WAMC) is a statutory corporation created under Section 16 of the *Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010*, which commenced on 23 March 2010. Section 16(3) of the Act outlines the following functions:

- to hold, on behalf of the Crown, WSN Environmental Solutions (WSN)[1] assets acquired by it or transferred to it by or under this or any other Act and to conduct businesses, provide services and carry on activities that relate to or are incidental to the management of any WSN assets held by it
- to undertake, on behalf of the Crown, the development for any purpose for the benefit of the State of any land comprising WSN assets held by it
- such other functions in connection with WSN assets held by it as may be prescribed by the regulations
- such other functions as may be conferred or imposed on the corporation by or under this or any other Act

Since 3 April 2011, and according to clause 4(1)(a) of the *Public Sector Employment and Management (Waste Assets Management Corporation) Order 2011*, WAMC has been subject to the control and direction of the Minister for Finance, Services and Property (section 16 (2)).

From 1 May 2019 in accordance with administrative arrangements (Administration of Acts – General Order (No 2), 2019), WAMC has been subject to control and direction of the Minister for Water, Property and Housing for sections 7 and 16 and Schedule 5 and the Treasurer for all the other sections of the *Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010*.

2. Aims and objectives

In parallel with the sale of the Waste Recycling and Processing Corporation various assets, rights and liabilities of the former WSN were vested in WAMC effective from 31 January 2011.

Under those arrangements, WAMC took ownership of certain WSN landfills and other sites, as well as plant and equipment located at those sites and, in some cases, the sites' contractual obligations and liabilities. WAMC conducts its operations to achieve the following objectives:

- maximise efficiency of its landfill operations and other commercial activities
- protect the environment in compliance with the *Protection of the Environment Operations (POEO) Act 1997*
- maintain a strong working relationship with all stakeholders
- ensure sound operating practices that deliver safe and healthy workplaces for employees, customers and visitors to its sites

The landfill sites vested to WAMC all have the potential to impose significant environmental impacts. Some closed sites are currently public recreation space and others are likely to become public amenities in future.

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[1] WSN means the Waste Recycling and Processing Corporation constituted by the *Waste Recycling and Processing Corporation Act 2001.*

WAMC provides specialised operational management in the following areas:

- managing the rehabilitation of the Eastern Creek 2 landfill and maintenance, post-closure in September 2017
- managing the rehabilitation and maintenance of nine closed landfill sites at Thornleigh, Merrylands, Grange Avenue, Eastern Creek 1, Eastern Creek 2, Castlereagh, Harrington Quarry, Belrose and Lucas Heights 1
- managing the ongoing lease of land at Auburn for operation (by Suez) of a waste transfer station and liquid waste treatment plant
- monitoring and managing leachate treatment facilities at both the open and closed landfill sites
- managing joint venture landfill gas and energy systems to supply electricity into the grid as a sustainable and renewable energy source
- identifying and implementing beneficial reuse of rehabilitated landfill sites, such as construction of a public access bike park over a portion of Belrose landfill

Following closure of the Eastern Creek landfill in August 2017 WAMC has focussed on installation of infrastructure required for long term maintenance and rehabilitation of Eastern Creek. This is now complete and with the closure of the Eastern Creek 2 landfill site, WAMC main operations are has moved into a rehabilitation stage and is now focussed on ensuring that any potential environmental risks are managed and controlled and the potential for reuse of the land is realised as soon as practical.

3. Access

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PO Box 336, Horsley Park, NSW 2175
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feedback@property.nsw.gov.au
www.finance.nsw.gov.au/waste-assets-management-corporation

Core business hours are 8:30am – 4:00pm Monday to Friday.

4. Management and structure

As at 30 June 2019, WAMC's leadership team comprised:

- Adam Howarth, Chief Executive, WAMC
- Peter Graham, Director, Environmental Service Group
- Ezio Di Giovanni, Senior Manager, Gas and Leachate
- Judy White, Senior Manager, Environment/Occupational Health and Safety

The team is part of the Environmental Service Group in Property NSW, part of the Department of Finance, Services and Innovation.

5. Summary review of operations

WAMC is managing rehabilitation and maintenance post closure of Eastern Creek in September 2017. This includes installation and maintenance of leachate and gas extraction systems within the landfill. WAMC continues to manage the rehabilitation and maintenance of eight other closed landfill sites at Thornleigh, Merrylands, Grange Avenue, Eastern Creek 1, Castlereagh, Harrington Quarry, Lucas Heights 1 and Belrose.

In addition, WAMC monitors and manages leachate treatment facilities at both the open and closed landfill sites. WAMC manages joint venture landfill gas and energy systems to supply electricity into the grid as a sustainable and renewable energy source.

6. Management and activities

The staff servicing WAMC are within Property NSW's Environmental Services Group. The team continues to meet its obligations in rehabilitating and mitigating environmental impacts at former landfill sites. These obligations include management of landfill leachate and gas and maintenance of rehabilitation cover. The Chief Executive of WAMC is the Executive Director, Portfolio Management Group of Property NSW. The Environmental Services Group reports to this Executive Director.

Key Achievements 18-19

WAMC Certifications in IS014001:2015 & ISO45001:2018

WAMC gained accreditation for the new health and safety standard ISO 45001:2018 during the FY18-19 period in addition to retaining its Environmental Management System certification (IS014001:2015).

WAMC has been audited by DNV-GL Business Assurance Pty Limited to rigorous standards, giving confidence that WAMC operates to the highest levels of health & safety as well as environmental management.

WAMC Employee Receives Property NSW 2019 Excellence Award

WAMC employee, Amanda Murphy (Environment / OH&S / IMS Officer), received the 2019 Excellence Award for Accountability – Certifications in International Organisation Standards for Health & Safety (ISO45001:2018) & Environment (ISO14001:2015).

Activities

To maximise the potential future beneficial reuse of the legacy landfills under WAMC's management, a range of site utilisation projects for green initiatives and social and community uses are being undertaken. Prominent projects include the Belrose Bike Park and the Castlereagh Biobanking projects.

WAMC is currently developing a mountain bike park on the Belrose landfill for use by the community. Once completed this bike park will be handed over to Northern Beaches Council for ongoing management. The project is anticipated to be completed by April 2020.

To protect native biodiversity, WAMC created a 62.4-hectare biobank site on a block of native bushland in the buffer zone of the Castlereagh landfill. The Office of Environment and Heritage (OEH) reviewed the biobank site and allocated credits which WAMC will now sell on an open trading market. WAMC will be required to maintain the biobanking site in perpetuity and a fund will be established by OEH to ensure ongoing finance is available to WAMC. Other revenue from the Biobanking credit sales will be used for rehabilitation projects at the Castlereagh landfill site.

WAMC continued to work closely with Roads & Maritime Services (RMS) on several projects. This includes provision of technical advice and expertise for landfill management, including design review, environmental & safety management and regulatory compliance.

Projects include:

- Sydney Gateway project - ESG/WAMC team prepared a Landfill Technical report to assess environmental impacts at Tempe Landfill for Sydney Gateway project. WAMC also provided landfill related technical advice on leachate, gas and environmental monitoring requirements for the project.

- St. Peters Interchange, Alexandria landfill, Westconnex project – since 2014 WAMC has been involved in providing landfill related expertise and design advice for construction of St. Peters Interchange (SPI) at Alexandria landfill. This included the design of leachate management and gas collection systems, environmental monitoring and post closure management requirements of the SPI site.

- Belrose spoil management project, RMS - WAMC is working with RMS (including Wards & Ferrovial York JV) to accept spoil material at Belrose landfill from construction of the Northern Beaches Hospital Road Connectivity and Network Enhancement Project. This material is being used to assist with construction of the Belrose bike park.

7. Research and development

WAMC engaged with UNSW to apply for an Australian Research Council grant to undertake research into remediation of leachate and groundwater impacted by Per and poly fluoroalkyl substances.

The Australian Research Council was awarded a research grant valued at $1.2M over a three-year period, commencing during the 2018/2019 financial period. WAMC is now working with UNSW and other industry partners to undertake the research project.

8. Human resources

Division	2015[2,3]	2016[2,3]	2017[2,3]	2018[2,3]	2019[2,3]
Senior Executive	2.0	-	-	-	-
Ongoing	22.8	24.8	17.8	11.0	7.0
Temporary	6.0	4.0	1.5	-	-
Total	**30.8**	**28.8**	**19.3**	**11.0**	**7.0**

[2] Full time equivalent staff (excludes chairpersons, casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave without pay).

[3] Statistics are based on Workforce Profile census data as at 18 June 2015, 30 June 2016, 29 June 2017, 28 June 2018 and 27 June 2019.

	2018[4,5,6]				2019[4,5,6]			
Senior Executive Band	**Female**	**Male**	**Total**	**% Representation by Women**	**Female**	**Male**	**Total**	**% Representation by Women**
Band 4 (Secretary)	0	0	0	**0%**	0	0	0	**0%**
Band 3 (Deputy Secretary)	0	0	0	**0%**	0	0	0	**0%**
Band 2 (Executive Director)	0	0	0	**0%**	0	0	0	**0%**
Band 1 (Director)	0	0	0	**0%**	0	0	0	**0%**
Total	0	0	0	**0%**	0	0	0	**0%**

Employee related costs

Employee related costs 2018-19	**Amount**
Executive	$0
Non-Executive	$804,822
Total	$804,822
Ratio Senior Executive	0%

[4] Senior Executive statistics exclude casuals, contractor/agency staff, statutory appointments, staff on secondment to other agencies and staff on long term leave without pay.
[5] Statistics are based on Workforce Profile census data as at 28 June 2018 and 27 June 2019.
[6] All employees reported in 2018 and 2019 are appointed under the Government Sector Employment Act. Salary band based on current assignment including those on a temporary above level assignment for more than two months.

9. Workforce Diversity

Trends in the Representation of Workforce Diversity Groups					
Workforce Diversity Group	**Benchmark**	**2016[7,8]**	**2017[7,8]**	**2018[7]**	**2019[7]**
Women[9]	**50%**	13.8%	15.4%	21.4%	42.9%
Aboriginal People and/or Torres Strait Islander People[10]	**3.3%**	9.9%	9.9%	7.1%	0%
People whose First Language Spoken as a Child was not English[11]	**22.3%**	10.3%	11.5%	7.1%	14.3%
People with a Disability[12]	**5.6%**	4.9%	4.9%	0.0%	0.0%
People with a Disability Requiring Work-Related Adjustment[12]	**N/A**	0.0%	0.0%	0.0%	0.0%

Trends in the Distribution of Workforce Diversity Groups					
Workforce Diversity Group	**Benchmark[13,14]**	**2016**	**2017**	**2018**	**2019**
Women	**100**	N/A	N/A	N/A	N/A
Aboriginal People and/or Torres Strait Islander People	**100**	N/A	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	**100**	N/A	N/A	N/A	N/A
People with a Disability	**100**	N/A	N/A	N/A	N/A
People with a Disability Requiring Work-Related Adjustment	**100**	N/A	N/A	N/A	N/A

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[7] Statistics are based on Workforce Profile census data as at 30 June 2016, 29 June 2017, 28 June 2018 and 27 June 2019.

[8] Workforce diversity statistics for 2016 and 2017 reflect the current composition of the department and may vary from those reported in previous annual reports.

[9] The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

[10] The NSW Public Sector Aboriginal Employment Strategy 2014 – 17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

[11] A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 22.3% is the percentage of the NSW general population born in a country where English is not the predominant language.

[12] In December 2017, the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: Jobs for People with Disability: A plan for the NSW public sector. The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

[13] A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

[14] The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

10. Disability inclusion action plans

As part of Department of Finance, Services and Innovation (DFSI), WAMC supports the department's Disability Inclusion Action Plan 2015-18. The plan sets out how DFSI will work towards:

- the development of positive community attitudes and behaviours towards people with disability
- the creation of more liveable communities for people with disability
- the achievement of a higher rate of meaningful employment participation by people with disability through inclusive employment practices
- more equitable access to mainstream services for people with disability through better systems and processes

11. Payment of accounts

The table below highlights Waste Assets Management Corporation's account payment performance for 2018-19.

ACCOUNT PAYMENT PERFORMANCE 2018-19	1ST QTR	2ND QTR	3RD QTR	4TH QTR	Grand Total
ALL SUPPLIERS					
Value of Invoices Paid ($'000)					
Paid On / Before Due Date	1,366	2,163	1,983	1,242	**6,754**
<30 Days Past Due Date	78	98	31	406	**613**
>30<60 Days Past Due Date	4	410	54	0	**468**
>60<90 Days Past Due Date	0	122	1	3	**126**
>90 Days Past Due Date	12	17	0	6	**35**
Total Value of Invoices Paid ($'000)	**1,460**	**2,809**	**2,070**	**1,657**	**7,996**
% Paid on Time - By Value	**94%**	**77%**	**96%**	**75%**	**84%**
Number of Invoices Paid					
Paid On / Before Due Date	238	290	235	199	**962**
Paid Past Due Date	30	77	18	20	**145**
Total Number of Invoices Paid	**268**	**367**	**253**	**219**	**1,107**
% Paid on Time - By Number	**89%**	**79%**	**93%**	**91%**	**87%**
SMALL BUSINESS SUPPLIERS					
Value of Invocies Paid ($'000)					
Paid Before Due Date	-	-	-	14	**14**
<30 Days Overdue	-	-	-	-	-
>30<60 Days Overdue	-	-	-	-	-
>60<90 Days Overdue	-	-	-	-	-
>90 Days Overdue	-	-	-	-	-
Total Value of Invoices Paid ($'000)	-	-	-	**100%**	**100%**
% Paid on Time - By Value	-	-	-	-	-
Number of Invocie Paid					
Paid Before Due Date	-	-	-	1	**1**
Paid Past Due Date	-	-	-	1	**1**
Total Number of Invoices Paid	-	-	-	2	**2**
% Paid on Time - By Number	-	-	-	**50%**	**50%**
Interest Paid					
Number of Payments for Interest on:					
Overdue Invoices	-	-	-	-	-
Interest Paid on Overdue Invoices	-	-	-	-	-

12. Risk management and insurance activities

Risk Management

WAMC constantly monitors its environment to assess the risks in its operations and uses its resources to manage these risks. WAMC's approach to risk management seeks to balance risk, cost and growth for the benefits of its stakeholders, by:

- Adopting the DFSI Integrated Risk & Opportunity Management Policy, Risk and Resilience Framework to manage strategic and business risks, which is consistent with WAMC's objectives and responsibilities to its stakeholders
- Development of a Risk Management guideline to support the implementation of the DFSI Framework
- Assessing the impact of proposed changes to laws, regulations and industry codes
- Reporting risks to the Audit and Risk Committee, relevant Boards, Executive Committee and senior leadership team

The DFSI Risk and Resilience Framework has been developed in alignment with:

- NSW Treasury Policy Paper (TPP- 15-03): *Internal Audit and Risk Management Policy for NSW Public Sector;* and
- Australian/New Zealand Risk Management Standard (AS/NZS ISO31000:2009): *Risk Management Principles and Guidelines*

Key achievements during 2018-19

- Integration of risk management with strategic and business planning processes
- Integrated risk management system
- Effective risk governance and reporting (Strategic & operational risk)
- Successfully conducted Business Continuity desktop walkthrough exercise and semi-annual call-tree test. WAMC has approved BCPs for its local sites.
- Completed annual compliance attestation towards mandatory legislative obligations
- Continue to attain ISO accreditation

Insurance Arrangements and Activities

During the period of 2018-19, WAMC had insurance arrangements in place for all its assets and major risk. Insurable risk cover was provided through participation in the NSW Treasury Managed Fund (TMF), a NSW Government self-insurance scheme. Insurable risk exposures covered through the TMF includes:

- Workers compensation
- Legal including liability classes like public liability, products liability, professional indemnity, directors and officer liability
- Property including buildings, plant, equipment, and consequential loss
- Motor vehicle
- Other miscellaneous losses, such as the cost of employee dishonesty, personal accident and protection for overseas travel

The main exposures that are not included are:

- illegal activities
- wear and tear, and inherent vice (Note: *Inherent Vice is an exclusion found in most property insurance policies eliminating coverage if there is a hidden defect in a good or property which causes or contributes to its deterioration, damage, or wastage)*
- pollution (not being sudden and accidental pollution)

Number of claims and net incurred costs

Insurance claims and net incurred cost for WAMC for financial year 2018/19 are shown in the table below:

	Number of Claims		Net incurred cost ($)	
	2017-18	**2018-19**	**2017-18**	**2018-19**
Workers Comp	0	0	-	-
Property	0	0	-	-
Liability	1	0	$350,000	-
Motor vehicle	2	1	$144,840	$19, 455,
Miscellaneous	0	0	-	-
Total	**3**	**1**	**$494,840**	**$19,455**

All incurred claims and relevant costs were sourced from the TMF database. They are based on the claims lodged and relevant assessment to date. The final costs and claim numbers may vary due to the timing of loss incurred, claims reported and the outcome of negotiated settlement.

WAMC, as part of Property and Advisory Group (PAG), had an Audit and Risk Committee (ARC) in place during 2018-19 financial year. The Audit and Risk Committee provides independent assistance to the following participating entities by monitoring, reviewing and providing advice about their governance processes, risk management and control framework, and their external accountability requirements:

- Property NSW (PNSW)
- Teacher Housing Authority (THA)
- Waste Assets Management Corporation (WAMC)
- Place Management NSW (PMNSW)
- Luna Park Reserve Trust (LPRT)

The above participating entities have entered into a collaborative shared arrangement and have established a shared Audit and Risk Committee in compliance with:

- NSW Treasury Policy Paper (TPP15-03): *Internal Audit and Risk Management Policy for NSW Public Sector;* and
- NSW Treasury Policy Paper (TPP16-02): *Guidance on Shared Arrangements and Subcommittees for Audit and Risk Committees*.

The committee met seven times during the 2018-19 financial year.

DFSI, while not a participating entity, has a special role in providing audit, risk and secretariat services to the committee and the participating entities. This shared arrangement aims to maintain an appropriate level of internal oversight for all participating entities in assurance and independent advice, while minimising the associated administration, financial costs and resources.

Membership

The Chair and members of the Audit and Risk Committee are:

- Carol Holley, Independent Chair, from 2 December 2015 to 1 December 2020
- Dianne Hill, Independent Member, from 1 February 2016 to 31 January 2021
- Nirmal Hansra, Independent Member, from 20 December 2017 to 19 December 2020

13. Internal audit and risk management policy attestation

Internal Audit and Risk Management Attestation Statement for the 2018-2019 Financial Year for Waste Assets Management Corporation

I, Adam Howarth, Chief Executive, am of the opinion that the Waste Assets Management Corporation has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee		
3.1	An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Membership

The Chair and members of the Audit and Risk Committee are:

- Carol Holley, Independent Chair, from 2 December 2015 to 1 December 2020
- Dianne Hill, Independent Member, from 1 February 2016 to 31 January 2021
- Nirmal Hansra, Independent Member, from 21 December 2017 to 20 December 2020.

This Audit and Risk Committee has been established under a Treasury approved shared arrangement with the following departments / statutory bodies:

- Luna Park Reserve Trust
- Place Management NSW
- Property NSW
- Teacher Housing Authority
- Waste Assets Management Corporation.

Adam Howarth
Chief Executive
Waste Assets Management Corporation

Date:

Agency Contact Officer
Andrew Pilbeam
Chief Audit Executive, 9219 3077
andrew.pilbeam@finance.nsw.gov.au

14. Digital information security policy attestation

Cyber Security Annual Attestation Statement for the 2018-2019 Financial Year for Waste Asset Management Authority

I, Adam Howarth, am of the opinion that the Waste Asset Management Corporation has managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Risks to the information and systems of the Waste Asset Management Corporation have been assessed and are managed.

Governance is in place to manage the cyber-security maturity and initiatives of the Waste Asset Management Corporation.

There exists a current cyber incident response plan for Waste Asset Management Corporation which has been tested during the reporting period.

An independent review/audit/certification of the Agency's ISMS or effectiveness of controls or reporting against the mandatory requirements of the NSW Cyber Security Policy was undertaken by Protiviti and found to be adequate or being properly addressed in a timely manner.

Adam Howarth
Chief Executive
Waste Asset Management Corporation

15. Multicultural Policies and Services Program

WAMC utilises PAG's multicultural policies and service programs. These are guided by DFSI's Diversity and Inclusion Strategy, Aboriginal Workforce Strategy, Disability Inclusion Action Plan and the Government Sector Employment Act 2013, which prioritises diversity in the workforce.

At an agency level, PAG promotes multiculturalism and diversity through a range of initiatives, including, but not limited to:

- Supporting NAIDOC Week through a series of events and initiatives, including a public ceremony featuring members of the Metropolitan Aboriginal Land Council
- Promoting diversity initiatives, including 'Wear it Purple Day', to support the LGBTQI+ community
- Establishment of the Women's Network 'ICAN'
- Events held for International Day for People with Disability, International Women's Day, Pride and Harmony Day
- The establishment of a Diversity Working Group within PAG, with an initial focus on women in leadership, and improving PAG's performance against key metrics including Indigenous, English as a second language and disability employee representation

In addition, the PAG revised Corporate Plan includes a new KPI that women represent at least 35 per cent of the leadership team, an interim milestone to achieving DFSI's target of 50 per cent of women in leadership roles.

16. Work Health and Safety (WHS)

In 2018-19, WAMC continued to take a proactive approach in managing the safety of all employees, other workers and visitors to its properties, sites and activations.

Specific PAG WHS activities undertaken in 2018-19 include:

- Further development of WAMC's online compliance system to include contractor management
- Initiated the roll-out of Integrum online training and inductions to WAMC staff and contractors
- Safety leadership participation through Director level involvement in safety inspections and walks
- Contractor involvement and participation in WAMC toolbox talk discussions and training.

WHS incidents – WAMC

- Two staff incidents

There were no SafeWork NSW notifiable incidents or dangerous occurrences affecting staff.

WHS induction and training

Property and Advisory Group staff members were required to complete two WHS mandatory courses:

- Introduction to Health and Safety, and
- WHS Due Diligence for Managers.

As of 30 June 2019, there was 100 per cent course completion by eligible workers across the group and contractors are using an on-line contractor induction module within Integrum.

WHS consultation

The WHS Consultative Committee has continued to be active in consultation upon WHS issues notably providing important feedback to on the proposed group-wide DFSI WHS framework.

17. Budgets

Performance against budget

WAMC finished the 2018-19 financial year with a net operating result of $5 million loss.

After the closure of the Eastern Creek Waste Management Centre, there are no landfill related revenue and associated costs. WAMC are now concentrating on land regeneration. The forecast land remediation expense has increased $3.6 million in 2018-19 primarily due to the increased amount of land regeneration work to be carried out.

Budget overview

WAMC is forecast to deliver a deficit of $2.2 million in the 2019/20 budget.

	2017/18 actual $'000	**2018/19 actual $'000**	2018/19 budget $'000	2018/19 variance $'000	**2019/20 budget $'000**
Waste Asset Management Corporation					
Expenses	23,263	**12,093**	8,701	3,392	8,223
Revenues	21,880	**6,852**	10,579	(3,727)	5,979
Other gains/(losses)	236	**262**	584	(322)	-
Net operating result - surplus / (deficit)	**(1,147)**	**(4,979)**	**2,462**	**(7,441)**	**(2,244)**

18. Additional matters for inclusion

Privacy and Personal Information Protection Act 1998 (PPIP Act)

The Privacy and Personal Information Protection (PPIP) Act 1998 contains 12 information protection principles regulating the collection, use and disclosure of personal information by NSW public sector agencies. These principles ensure that agencies collect personal information for lawful purposes, and that such information is protected from misuse and unauthorised release.

NSW Government agencies are required to prepare and implement a privacy management plan in accordance with section 33(1) of the Privacy and Personal Information Protection Act 1998.

Additional information about how WAMC manages its obligations under the PPIP Act is available at http://www.property.nsw.gov.au/government-property-nsw-privacy-statement.

Statistical information about access applications received in relation to WAMC is reported in the DFSI Annual Report.

Accessing this report

This report can be accessed at www.property.nsw.gov.au/aboutus.

19. Investment performance

Financial management

WAMC operates a cash-neutral cost recovery financial model over the life of its landfill operations and energy generation phases and is intended to neither make material profits nor return dividends to the NSW Government. WAMC's sources of revenue are through its operational landfill activities, gas to energy sales and Green Credits sales. Rehabilitation of closed landfills is funded through the WAMC Landfill Rehabilitation Fund (LRF), as established under Section 7 of the *Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010*. WAMC budgets are included in the Property NSW business plan. However, as a separate legal entity, WAMC prepares its Financial Statements in isolation from Property NSW. These statements are audited by the Audit Office.

Landfill Rehabilitation Fund

In January 2011, the Landfill Rehabilitation Fund (LRF) received funding of $48.9 million from sale of WSN proceeds, which is estimated to meet all current and future closed landfill rehabilitation liabilities.

The LRF is currently invested in compliance with Treasury Circular TC15-01 (Treasury Banking System). The fund is restricted cash and, therefore, outside the scope of TC15-01. WAMC has incorporated an investment policy for the LRF with the objective of increasing returns on LRF funds while complying with then *Public Authorities (Financial Arrangements) Act 1987* and the *Government Sector Finance Act 2018.* All restricted funds are either placed into bank term deposits or TCorp investment facilities.

20. Numbers and remuneration of senior executives

See Human Resources.

21. Credit card certification

In accordance with Treasurer's Direction 205.01, credit card usage by officers of WAMC during the reporting period was in accordance with relevant Government policy, Premier's Memoranda and Treasurer's Directions. WAMC is grouped under the umbrella of DFSI for its Credit Card transactions.

22. Government Information (Public Access) Act 2009

The *Government Information (Public Access) Act 2009* (GIPA Act) requires NSW Government agencies to make mandatory disclosures of information, encourages proactive releases of information and provides mechanisms for individuals to apply to access government information.

More information on how to access department information is available at https://www.finance.nsw.gov.au/accessing-ofs-information/how-can-i-access-ofs-information.

Statistical information relating to formal applications under the GIPA Act is provided in the DFSI Annual Report Government Information (Public Access) statistics.

Review of proactive release program

Under section 7(3) of the GIPA Act, agencies must review their proactive release of government information program at least once every 12 months.

WAMC complies with this Act by proactively releasing information on its website www.property.nsw.gov.au.

23. Public Interest Disclosures

As staff members are employees of DFSI, WAMC has adopted and adhered to the DFSI Fraud and Corruption Internal Reporting Policy. All staff members are advised of this policy by means of the Code of Conduct and intranet access.

There were no public interest disclosures made by WAMC officials for the period 1 July 2018 to 30 June 2019.

24. Exemptions and nil reports

Reporting requirement	Reason for exemption
Legal change	No legal change.
Economic or other factors	There were no economic factors affecting WAMC's operational objectives.
Disclosure of controlled entities	WAMC does not control any entities of the kind referred to in section 39 (1A) of *the Public Finance and Audit Act 1983.*
Disclosure of subsidiaries	WAMC does not control or hold shares in any subsidiaries within the meaning of the *Corporations Act 2001* (Cth.).
Agreements with Multicultural NSW	WAMC does not have any agreements with Multicultural NSW under the *Multicultural Act 2000*.
Consultants	WAMC engages consultants in accordance with the *Public Works and Procurement Act 1912*. WAMC did not engage consultants in 2018-2019.
Consumer response	WAMC does not deliver any frontline services to the public.
Promotion	No employee travelled overseas on official business during 2018-19.
Funds granted to non-government community organisations	No funds were granted to non-government community organisations.
Liability management performance	Not applicable, as WAMC had no debts as of the 2018-19 year.
Budgets	Following its consolidation into Property NSW, WAMC's budgets are included in this entity's business plan.
Implementation of Price Determination	WAMC is not subject to determinations or recommendations of the Independent Pricing and Regulatory Tribunal of NSW.
Land disposal	WAMC did not dispose of any land during the 2018-19 financial period.
Requirements arising from employee arrangements	N/A

Waste Assets Management Corporation

Annual Report 2018-19

- Financial statements for the year ended 30 June 2019

INDEPENDENT AUDITOR'S REPORT

Waste Assets Management Corporation

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Waste Assets Management Corporation (the Corporation), which comprise the Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Corporation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Other Information

The Corporation's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Chief Executive of the Corporation is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Chief Executive.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Chief Executive's Responsibilities for the Financial Statements

The Chief Executive of the Corporation is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive is responsible for assessing the Corporation'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 it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Corporation carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Karen Taylor
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

2 October 2019
SYDNEY

Waste Assets Management Corporation

Financial Statements

For the Year Ended 30 June 2019

Statement by Chief Executive Officer

Pursuant to Section 41C of the *Public Finance and Audit Act 1983*, and in my capacity as Chief Executive Officer of the Waste Assets Management Corporation, I declare that in my opinion:

(a) The accompanying financial statements exhibit a true and fair view of the Corporation's financial performance for the financial year ended 30 June 2019 and financial position as at 30 June 2019; and

(b) The financial statements comply with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the Treasurer's Directions mandated by the Treasurer.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Adam Howarth
Chief Executive Officer
Waste Asset Management Corporation

Date: 27 September 2019

WASTE ASSETS MANAGEMENT CORPORATION

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Actual 2019 $'000	Actual 2018 $'000
Expenses excluding losses			
Operating Expenses:			
Personnel services	2(a)	1,398	2,699
Other operating expenses	2(b)	4,735	5,915
Waste levy expense	2(c)	-	11,077
Depreciation and amortisation	2(d)	1,053	1,218
Finance costs	2(e)	1,316	1,370
Rehabilitation provision expense	2(f)	3,591	984
Total expenses excluding losses		**12,093**	**23,263**
Revenue			
Sale of goods and services	3(a)	3,786	8,283
Investment revenue	3(b)	2,168	1,986
Other revenue:			
Waste levy revenue	3(c)	-	11,034
Other	3(d)	898	577
Total Revenue		**6,852**	**21,880**
Gain/(loss) on disposal of non-current assets	4	262	236
NET RESULT		**(4,979)**	**(1,147)**
Other comprehensive income			
Items that will not be reclassified to net result			
Net increase/(decrease) in property, plant and equipment revaluation surplus	12(a)	1,304	-
Total other comprehensive income		**1,304**	**-**
TOTAL COMPREHENSIVE INCOME		**(3,675)**	**(1,147)**

The accompanying notes form part of these financial statements.

WASTE ASSETS MANAGEMENT CORPORATION

STATEMENT OF FINANCIAL POSITION
As At 30 JUNE 2019

	Note	Actual 2019 $'000	Actual 2018 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	64,995	67,594
Receivables	6	771	457
Other assets	7	471	962
Total Current Assets		**66,237**	**69,013**
Non-Current Assets			
Property, plant and equipment	8		
Land and buildings		13,312	12,040
Plant and equipment		3,535	4,655
Total property, plant and equipment		16,847	16,695
Total Non-Current Assets		**16,847**	**16,695**
Total Assets		**83,084**	**85,708**
LIABILITIES			
Current Liabilities			
Payables	10	1,319	2,161
Provisions	11	8,581	8,787
Total Current Liabilities		**9,900**	**10,948**
Non-Current Liabilities			
Provisions	11	46,229	44,130
Total Non-Current Liabilities		**46,229**	**44,130**
Total Liabilities		**56,129**	**55,078**
Net Assets / (Liabilities)		**26,955**	**30,630**
EQUITY			
Asset revaluation reserve	12(a)	1,304	-
Accumulated Funds	12(b)	25,651	30,630
Total Equity		**26,955**	**30,630**

The accompanying notes form part of these financial statements.

WASTE ASSETS MANAGEMENT CORPORATION

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Accumulated Funds $'000	Asset Revaluation Reserve $'000	Total Equity $'000
Balance at 1 July 2018		**30,630**	**-**	**30,630**
Net Result for the Year		(4,979)	-	(4,979)
Other comprehensive income				
Net Increase in Property, Plant and Equipment Revaluation Surplus	12(a)	-	1,304	1,304
Total other comprehensive income		**-**	**1,304**	**1,304**
Total comprehensive income for the year		**(4,979)**	**1,304**	**(3,675)**
Balance at 30 June 2019		**25,651**	**1,304**	**26,955**
Balance at 1 July 2017		**31,777**	**-**	**31,777**
Net Result for the Year		(1,147)	-	(1,147)
Other comprehensive income				
Net Increase in Property, Plant and Equipment Revaluation Surplus	12(a)	-	-	-
Total other comprehensive income		**-**	**-**	**-**
Total comprehensive income for the year		**(1,147)**	**-**	**(1,147)**
Balance at 30 June 2018		**30,630**	**-**	**30,630**

The accompanying notes form part of these financial statements.

WASTE ASSETS MANAGEMENT CORPORATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Actual 2019 $'000	Actual 2018 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel services		(1,398)	(3,631)
Landfill host fees paid		-	(2,158)
Waste levy paid		-	(11,077)
GST remitted		-	(1,310)
Payment to suppliers		(7,538)	(18,760)
Total Payments		**(8,936)**	**(36,936)**
Receipts			
Sale of goods and services		3,808	25,235
Interest received		2,168	1,986
Waste levy received		-	11,034
Total Receipts		**5,976**	**38,255**
NET CASH FLOWS FROM OPERATING ACTIVITIES	5(c)	**(2,960)**	**1,319**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		-	(491)
Proceeds from sale of property, plant and equipment		361	460
NET CASH FLOWS FROM INVESTING ACTIVITIES		**361**	**(31)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(2,599)**	**1,288**
Opening cash and cash equivalents		67,594	66,306
CLOSING CASH AND CASH EQUIVALENTS	5(a)	**64,995**	**67,594**

The accompanying notes form part of these financial statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Waste Assets Management Corporation (the Corporation) operates under the provisions of the Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010 to maintain and operate the only currently operating waste management centre at Eastern Creek, and to manage and rehabilitate a number of closed landfills. The Corporation is a separate reporting entity.

The Corporation is a NSW government statutory body and is a not-for-profit entity. The Corporation is consolidated as part of the NSW Total State Sector Accounts. The Corporation was created on 23 March 2010. Its principal business address is Foreshore House, 66 Harrington St, The Rocks, Sydney NSW 2000.

These financial statements have been authorised for issue by the Chief Executive on 27 September 2019.

(b) Basis of Preparation

The Corporation's financial statements are general-purpose financial statements which have been prepared on a "going concern" basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
- Financial Reporting Directions mandated by the Treasurer.

The accrual basis of accounting has been adopted in the preparation of the financial statements, except for cash flow information.

Judgements, key assumptions and estimations made by management are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars ($'000) and are expressed in Australian currency.

(c) Statement of Compliance

The financial statements and accompanying notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Joint Arrangements

The proportionate interests in the assets, liabilities, revenues and expenses of a joint venture activity have been incorporated in the financial statements. Details of the joint operation are set out in Note 16.

(e) Accounting for the Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except that:

(i) the amount of GST incurred by the Corporation as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expenses; and

(ii) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(f) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

(g) Fair Value Measurement and Hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

A number of the Corporation's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 "Fair Value Measurement", the Corporation categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

Level 1 – quoted prices in active markets for identical assets/liabilities that the Corporation can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Corporation recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Refer to Notes 8 and 14 for further disclosures regarding fair value measurements of financial and non-financial assets.

(h) Going Concern Basis

The Corporation's financial statements have been prepared on a going concern basis. Whilst the Corporation's Eastern Creek site has ceased operation during August 2017, it's role and function is likely to continue.

Current assets exceed current liabilities, adjusted for restricted cash, by $5.4m at 30 June 2019 ($8m at 30 June 2018). The cash flow projections to 30 June 2020 indicate a positive balance for the Corporation. On this basis, the financial statements have been prepared on a going concern basis.

The Corporation's ability to pay it's debts as when they become due and payable is supported by the $20m short term "Come and Go" facility extended by the Treasury Corporation. The Corporation has approval to hold this facility in line with the requirements of the Public Authorities (Financial Arrangements) Act 1987. The Corporation can call upon the "Come and Go" to fund any shortfall in its cash requirements.

(i) Changes in Accounting Policy including New or Revised Australian Accounting Standards

(i) Effective for the First Time in 2018-19

The accounting policies applied in 2018-19 are consistent with those of the previous financial year except as a result of the following revised Australian Accounting Standards that have been applied for the first time in 2018-19:

- AASB 9 "Financial Instruments". The adoption of AASB 9 has fundamentally changed the Corporation's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking Expected Credit Loss (ECL) approach. AASB 9 requires the Corporation to recognise an allowance for ECLs for all debt instruments not held at fair value through profit and loss and contract assets.

The adoption of the above revised Australian Accounting Standard has not had any significant impact on the Corporation.

(ii) Issued but Not Yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods:

- AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 and AASB 1058 Income of Not-for-Profits.

AASB 15 Revenue from Contracts with Customers (AASB 15) is effective for reporting periods commencing on or after 1 January 2019. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised when control of goods or services is transferred to the customer at amounts that reflect the consideration to which the Corporation expects to be entitled in exchange for transferring the goods or services to the customer. Under AASB 118 Revenue (AASB 118), revenue recognition is currently based on when risks and rewards are transferred.

AASB 1058 Income of Not-for-Profits (AASB 1058) is effective for reporting periods commencing on or after 1 January 2019 and will replace most of the existing requirements in AASB 1004 Contributions (AASB 1004). The scope of AASB 1004 is now limited mainly to parliamentary appropriations, administrative arrangements and contributions by owners. Under AASB 1058, the Corporation will need to determine whether a transaction is consideration received below fair value principally to enable the Corporation to further its objectives (accounted for under AASB 1058) or a revenue contract with a customer (accounted for under AASB 15).

The Corporation will adopt AASB 15 and AASB 1058 on 1 July 2019 through application of the full retrospective transition approach. Recognition and measurement principles of the new standards will be applied for the current year and comparative year as though AASB 15 and AASB 1058 had always applied.

The impacts to balances resulting from the adoption of AASB 15 and AASB 1058 have been assessed by the Corporation as not being significant.

- AASB 16 Leases

AASB 16 Leases (AASB 16) is effective from reporting periods commencing on or after 1 January 2019.

For lessees, AASB 16 will result in most leases being recognised on the Statement of Financial Position, as the distinction between operating and finance leases is largely removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised at the commencement of the lease. The only exceptions are short-term and low-value leases.

The accounting for lessors under AASB 16 will not significantly change except that the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

The Corporation will adopt AASB 16 on 1 July 2019 through application of the partial retrospective approach, where only the current year is adjusted as though AASB 16 had always applied. Comparative information will not be restated. Based on the impact assessments the Corporation has undertaken on currently available information, the change is not expected to materially impact the financial statements as the Corporation is not a lessee in its leasing arrangements.

The impact of the following standard in the period of initial application is not expected to be significant.

Standard	Applicable to Annual Reporting Periods Beginning on or After
AASB 1059 "Service Concession Arrangements: Grantors"	1 January 2020

2. EXPENSES EXCLUDING LOSSES

(a) Personnel Services Expenses

	2019 $'000	2018 $'000
Salaries and Wages	781	2,069
Redundancies	138	(198)
Superannuation - Defined Contributions Plans	76	140
Long Service Leave	192	22
Workers Compensation Insurance	16	101
Payroll Tax and Fringe Benefits Tax	113	158
Temporary Contractors (Note 2(b)(iii))	82	407
Total Personnel Services Expenses	**1,398**	**2,699**

(i) Employee costs for the full year were recognised as Personnel Services provided by the Department of Finance, Services and Innovation (DFSI). These personnel services are expensed when incurred. A liability is recognised for the employee-benefit related liabilities recognised by the DFSI and charged to the Corporation.

(b) Other Operating Expenses

	2019 $'000	2018 $'000
Administration	248	341
Auditors Remuneration		
- Audit of the financial statements	45	84
Shared Service Fees (i)	1,757	1,982
Insurance (ii)	282	236
Landfill Operating Expenses	1,156	1,367
Landfill Host Fees	-	591
Legal	28	(180)
Maintenance	137	48
Mobile Plant and Motor Vehicles	467	454
Operating Lease Rental Expense	-	483
Rates and Taxes	-	99
Utilities and Cleaning	426	270
Other Expenses	189	140
Total Other Operating Expenses	**4,735**	**5,915**

(i) Shared Service Fees include fees charged by GovConnect NSW for shared transactional services, by DFSI for personnel services and corporate services provided under the DFSI Corporate Operating Model arrangements and by Property NSW for all administrative and operational services to enable the Corporation to exercise its functions.

(ii) The Corporation's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for government agencies. The expense (premium) is determined by the Fund Manager based on past claims experience.

(iii) Reconciliation – Total Maintenance

	2019 $'000	2018 $'000
Maintenance Expense - contracted labour and other (non-employee related) included above	82	407
Personnel Services related maintenance expense included in Note 2(a)	-	230
	82	**637**

Day-to-day servicing costs or maintenance on the Corporation's Property, Plant and Equipment are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(c) Waste Levy Expense

	2019 $'000	2018 $'000
Waste Levy Expense	-	11,077
Total Waste Levy Expense	**-**	**11,077**

(i) The impact to the Net Result from net Waste Levy revenues over expenses is Nil in 2018-19 (deficit of $43,000 in 2017-18). See also Note 3(c).

(d) Depreciation and Amortisation Expense

	2019 $'000	2018 $'000
Depreciation of:		
Landfill Site Assets	-	33
Buildings	32	25
Plant and Equipment	1,021	1,160
Total Depreciation and Amortisation Expense	**1,053**	**1,218**

Recognition and Measurement - Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Corporation. All material separately identifiable components of assets are depreciated over their shorter useful lives.

The normal life expectancies of major asset categories are as follows:

Asset Class	2019 Years	2018 Years
Buildings	4-20	4-20
Leasehold Improvements	5-10	5-10
Plant & Equipment	1-10	1-10
Specialised Equipment	3-7	3-7
Furniture & Fittings	3-5	3-5
Motor Vehicles	3-5	3-5
Computers	1-4	1-4

(e) Finance Costs

	2019 $'000	2018 $'000
Unwinding of Discount Rate on Landfill Rehabilitation Provision	1,316	1,370
Total Finance Costs	**1,316**	**1,370**

Borrowing costs (including finance costs) are recognised as expenses in the period in which they are incurred.

(f) Rehabilitation Provision Expense

	2019 $'000	2018 $'000
Landfill Rehabilitation Expenses	3,591	984
	3,591	**984**

The Corporation was vested a provision for rehabilitation on 31 January 2011. On 3 February 2011 the Corporation received $48.9m from the Crown Entity to fund the future land rehabilitation liabilities. During 2018-19 the landfill rehabilitation provision was reassessed by management to represent the net present value of the liability and was increased by $3.6m ($0.9m in 2017-18) - (Note 11(b)).

The ability of the Corporation to complete its long-term rehabilitation obligations is dependent upon a number of factors including, long term interest rates, regulatory changes to rehabilitation requirements and licence conditions, realisation of identified potential rehabilitation savings and further contributions to the Landfill Rehabilitation Fund by either the Corporation or the Crown.

3. REVENUE

Revenue is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition and measurement of revenue is discussed within each revenue category below.

(a) Sale of Goods and Services

	2019 $'000	2018 $'000
Waste Charges (iii)	1,115	4,081
Revenue from Joint Operations - "Electricity and Green Products" (iv)	2,671	4,202
Total Sale of Goods and Services	**3,786**	**8,283**

(i) Revenue from the sale of goods is recognised as revenue when the Corporation transfers the significant risks and rewards of ownership of the assets.

(ii) Where services are rendered, revenue is recognised when the service is provided or by reference to the stage of completion. Revenue, based on the stage of completion, is calculated by multiplying the rate per tonne by the number of tonnes of waste received during the period.

(iii) Waste Charges: Revenue from the collection and treatment of liquid waste is recognised after the waste has been collected and treated. The decrease in waste charges since 2018 is due to the closure of the Eastern Creek landfill site.

(iv) Revenue from Joint Operations - "Electricity and Green Products": Revenue from electricity sales and renewable energy certificates are recognised on an accrual basis (see also Note 16).

(b) Investment Revenue

	2019 $'000	2018 $'000
Interest Revenue	2,168	1,986
Total Investment Revenue	**2,168**	**1,986**

(i) Interest revenue is recognised using the effective interest rate to the gross carrying amount of a financial asset. The Corporation's interest revenue is earned from Bank Term Deposits and T-Corp Medium Term Investment. This is in line with the Corporation's Investment Policy.

(c) Other Revenue - Waste Levy Revenue

	2019 $'000	2018 $'000
Waste Levy Revenue (i)	-	11,034
Total Waste Levy Revenue	**-**	**11,034**

(i) Waste Levies are received on behalf of the EPA for every tonne of material disposed and remitted accordingly. The impact to the Net Result from the net Waste Levy revenues over expenses is Nil in 2018-19 (deficit of $43,000 in 2017-18). See also Note 2(c).

(d) Other Revenue – Other

	2019 $'000	2018 $'000
Other Revenue	898	577
Total Other Revenue - Other	**898**	**577**

(i) Bio-banking Trust Fund Revenue: Payments from the trust fund are recognised as revenue in the year in which the cash is received. The Corporation has surrendered any future Bio-banking trust revenue to the National Parks and Wildlife Service on transfer of the Belrose Bio-banked lands. This occurred during 2018-19.

(e) Future Minimum Lease Payments Expected to be Received

	2019 $'000	2018 $'000
Future Non-cancellable Operating Lease Receivable:		
Not Later than One Year	75	71
Later than One Year and Not Later than Five Years	298	284
Later than Five Years	11	82
Total (including GST)	**384**	**437**

The Corporation leases a portion of its property asset at 7 Hill Rd, Sydney Olympic Park to the Sydney Olympic Park Authority (Lease # 6380178, Folio ID 5005/1004785). The lease is scheduled to expire 23 August 2024. The lease is held by the Corporation, however under the term sheet the Rental Income is paid directly to SUEZ Australia.

4. GAINS AND LOSSES

	2019 $'000	2018 $'000
Net Proceeds from Disposal of Non-Current Assets Held for Sale	361	460
Written Down Value (Note 8(b))	(99)	(224)
Net Gain/(Loss) on Disposal	**262**	**236**

5. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

(a) Cash and Cash Equivalents

	2019 $'000	2018 $'000
Cash and Cash Equivalents - Current		
Cash at Bank and On Hand	14,082	18,585
Bank Term Deposits:		
Restricted (b)	50,913	49,009
Total Cash and Cash Equivalents	**64,995**	**67,594**

For the purposes of the Statement of Cash Flows, Cash and Cash Equivalents include cash at bank, cash on hand, restricted cash and short-term deposits.

Interest Rate Risk

The effect on the Net Result and Equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk Corporation operates and variable has been determined after taking into account the economic environment in which the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis assumes that all other variables remain constant.

A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Corporation's exposure to interest rate risk is set out below.

Interest Rate Risk - 2019	**Carrying**	**-1%**		**+1%**	
	Amount $'000	**Net Result $'000**	**Equity $'000**	**Net Result $'000**	**Equity $'000**
Financial Assets					
Cash at Bank and On Hand	14,082	(141)	(141)	141	141

Interest Rate Risk - 2018	**Carrying**	**-1%**		**+1%**	
	Amount $'000	**Net Result $'000**	**Equity $'000**	**Net Result $'000**	**Equity $'000**
Financial Assets					
Cash at Bank and On Hand	18,585	(186)	(186)	186	186

Other Price Risk

Facility	Investment Sectors	Investment Horizon	2019 $'000	2018 $'000
Cash Facility	Cash, money market instruments	Up to 1.5 years	14,082	18,585
Strategic Cash Facility	Cash, money market & other interest rate instruments	Up to 1.5 years	31,789	31,024
Strategic Cash Facility	Cash, money market & other interest rate instruments	1.5 years to 5 years	19,124	17,985

The Corporation's Strategic Cash up to 1.5 years is held within Australian Bank Term Deposits and the Strategic Cash over 1.5 years is held with a TCorpIM Medium Term Growth Fund.

(b) Restricted Cash

	Landfill Rehabilitation Fund $'000	Other Restricted $'000	Total $'000
Year Ended 30 June 2019			
Opening Restricted Funds at Start of Year	45,202	3,807	49,009
Interest Received	1,847	57	1,904
Restricted Funds at the End of the Year	**47,049**	**3,864**	**50,913**
Year Ended 30 June 2018			
Opening Restricted Funds at Start of Year	44,809	3,718	48,527
Interest Received	1,521	89	1,610
Reimbursements for Rehabilitation	(1,128)	-	(1,128)
Restricted Funds at the End of the Year	**45,202**	**3,807**	**49,009**

The Landfill Rehabilitation Fund was established in accordance with Section 7 Part 2 of the Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010. This is a special deposit account administered by the Minister for Finance, Services and Property. Use of funds is restricted to landfill rehabilitation purposes.

Restricted funds can only be spent for the specified purpose, primarily rehabilitation of landfill sites, for which it was granted to the Corporation. The Corporation's restricted cash has been moved from the Treasury Banking System into Bank Term Deposits or The TCorpIM Medium Term Facility, as per the Corporations Investment Strategy released in late 2016.

No withdrawal was undertaken in 2018-19 for rehabilitation expenses (2017-18: Nil).

(c) Reconciliation of Cash Flows from Operating Activities to Net Result

	2019 $'000	2018 $'000
Net Cash Flows from Operating Activities	**(2,960)**	**1,319**
Non Cash (Revenues)/Expenses:		
Depreciation	(1,053)	(1,218)
Gain/(Loss) on Disposal of Assets	262	236
Changes in Operating Assets and Liabilities:		
Increase/(Decrease) in Receivables	347	(14,266)
Increase/(Decrease) in Other Assets	(448)	(786)
(Increase)/Decrease in Payables	766	12,905
(Increase)/Decrease in Rehabilitation Provision	(2,225)	489
(Increase)/Decrease in Other Provisions	332	174
Net Result	**(4,979)**	**(1,147)**

6. CURRENT ASSETS - RECEIVABLES

(a) Receivables

	2019 $'000	2018 $'000
Receivables - Current		
Trade Debtors	764	13
Prepayments	7	444
Total Current Receivables at 30 June	**771**	**457**

(b) Recognition and Measurement - Receivables

All ‘regular way’ purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

(i) Subsequent measurement under AASB 9 (from 1 July 2018)

WAMC holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

(ii) Subsequent measurement under AASB 139 (for comparative period ended 30 June 2018)

Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

(iii) Impairment under AASB 9 (from 1 July 2018)

WAMC recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, WAMC applies a simplified approach in calculating ECLs. WAMC recognises a loss allowance based on lifetime ECLs at each reporting date. WAMC has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

(iv) Impairment under AASB 139 (for comparative period ended 30 June 2018).

The only financial assets that are past due or impaired are Sales of Goods and Services in the Receivables category of the Statement of Financial Position.

Receivables are subject to an annual review for impairment. These are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

WAMC first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not individually significant. Further, receivables are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, if objectively related to an event occurring after the impairment was recognised. Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

7. CURRENT ASSETS - OTHER

(a) Other Assets

	2019 $'000	2018 $'000
Current		
Right to Carbon Emission Units	416	264
Renewable Energy Certificates	-	575
Other	55	123
	471	**962**

(b) Recognition and Measurement - Other Assets

Renewable Energy Certificates generated and Australian Carbon Credit Units are stated at fair value. Fair value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

8. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

(a) Property, Plant and Equipment

	2019 $'000	2018 $'000
Non-Current		
Landfill Cell Costs		
At Fair Value	29,197	29,197
Accumulated Depreciation and Amortisation	(29,197)	(29,197)
Carrying Amount at 30 June	-	-
Land and Buildings		
At Fair Value	17,278	16,027
Accumulated Depreciation	(3,966)	(3,987)
Carrying Amount at 30 June	**13,312**	**12,040**
Plant & Equipment		
At Fair Value	12,203	13,483
Accumulated Depreciation	(8,668)	(8,828)
Carrying Amount at 30 June	**3,535**	**4,655**
Total Property, Plant and Equipment		
At Fair Value	58,678	58,707
Accumulated Depreciation	(41,831)	(42,012)
Total Property, Plant and Equipment at 30 June	**16,847**	**16,695**

The Corporation has 3 lots of freehold land at Lidcombe NSW (DP 1004785) which are currently valued at $1. Any rehabilitation costs are expected to be offset by the value of potential site development. The Environment Protection Authority (EPA) has not directed any remediation of these contaminated land and a provision for remediation is thus not recognised. The remediation cost is expected to be material. An expert assessed provision will be required when management decides to remediate, or a direction is received from the EPA.

The Corporation also has 3 lots of land at Lucas Heights NSW (DPs 818819 and 1149334). These lots have long term leases (expiry June 2025), and may return to the Corporation in the future. The Corporation considers the present value of the emerging asset at the end of the lease will be immaterial to the financial statements.

The freehold lots are Belrose closed landfill (DP 1144741), Castlereagh closed landfill (DP 793517) and Eastern Creek Area 4 closed landfill (DP 1048435).

(b) Reconciliation of Opening and Closing Carrying Amounts

	2019 $'000	2018 $'000
Landfill Cell Costs		
Carrying Amount at 1 July	-	33
Depreciation Expense	-	(33)
Carrying Amount at 30 June	**-**	**-**
Land and Buildings		
Carrying Amount at 1 July	12,040	11,892
Additions	-	173
Net Revaluation Reserve Increment /(Decrement)	1,304	-
Depreciation Expense	(32)	(25)
Carrying Amount at 30 June	**13,312**	**12,040**
Plant & Equipment		
Carrying Amount at 1 July	4,655	5,721
Additions	-	318
Disposal	(99)	(224)
Depreciation Expense	(1,021)	(1,160)
Carrying Amount at 30 June	**3,535**	**4,655**
Carrying Amount at 1 July	16,695	17,646
Additions	-	491
Net Revaluation Reserve Increment /(Decrement)	1,304	-
Disposal	(99)	(224)
Depreciation Expense	(1,053)	(1,218)
Total Property, Plant and Equipment Carrying Amount at 30 June	**16,847**	**16,695**

(c) Recognition and Measurement - Property, Plant and Equipment

(i) Acquisitions of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Landfill, Cell Development and Provision for Rehabilitation

(a) Landfills

The Corporation owns landfill assets. A landfill may be either developed or purchased. The cost of developing a landfill includes the expenses incurred in approval and overall site infrastructure development to bring the asset to a condition necessary to its intended use.

It is the Corporation's policy to:

- Assess and recognise each landfill asset or group of landfill assets as a unit
- Measure the land value by reference to fair value

(b) Cell Development

A landfill will normally be divided into parts, with each part (or cell) developed one at a time. When a cell is nearly full, a new cell is developed in readiness to receive waste from the time the former cell closes. The closed cell is then capped.

The cost of cell development includes earthworks, leachate and gas capture infrastructure and cell lining to bring the asset to a condition necessary for its intended use, that is, to receive and dispose of waste and generate revenue streams.

Expenditure on cell development may be incurred in one reporting period but the airspace in the cell may last more than that reporting period.

In recognition of the above, it is the Corporation's policy at time of cell development and reporting dates to:

- capitalise the cost of cell development in landfill assets
- amortise the expected cost of cell development over the useful life of the cell.
- recognise revenue streams in the reporting period earned

The amortisation for a reporting period is calculated by the volume of airspace consumed during the reporting period divided by the total airspace available when the asset started being used. Future landfill site restoration and aftercare costs capitalised are depreciated at rates that match the pattern of benefits expected to be derived from use of the respective sites.

(c) Landfills Closure and Provision for Rehabilitation

A landfill is deemed full when its permitted airspace is consumed and it cannot legally accept any more waste. Alternatively, a landfill may be deemed full earlier should other factors exist, for example, if it is not economically viable to continue accepting waste. At that point, the cost of cell development is fully amortised to nil.

Generally, a landfill must be maintained and left in a condition specified by the EPA or other government authorities. Therefore, rehabilitation occurs on an ongoing basis, at the time the landfill closes, and post-closure.

In recognition of the above, it is the Corporation's policy at time of development to:

- in the case of developing a landfill, provide for the expected rehabilitation at time of development
- request environmental scientists to calculate the expected cost of rehabilitation for each landfill asset or group of landfill assets working together; and

- assess the adequacy of the provision for rehabilitation at each reporting date and either confirm its adequacy or increase or decrease the provision to the landfill asset and of comprehensive income as required and account for the cost of rehabilitation against the provision.

(iii) Recognition of Rehabilitation Provision

Initial recognition of the provision of land owned by the Corporation is recognised with the asset.

If the related asset is measured using the revaluation model:

Changes in the liability alter the revaluation increase or decrease previously recognised on that asset, so that:

(a) a decrease in the liability shall (be credited directly to the revaluation reserve in equity, except that it shall be recognised in the profit or loss to the extent that it reverses a revaluation decrease on the asset that was previously recognised in profit or loss; or

(b) an increase in the liability shall be recognised in profit or loss, except that it shall be debited directly to the revaluation reserve in equity to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

In the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess shall be recognised in profit or loss.

The provision is stated at the present value of the future cash outflows expected to be incurred, which increases each period due to the passage of time. the annual change in the net present value of the provision due to the passage of time is recognised in the Statement of Comprehensive Income as a time value adjustment.

(iv) Capitalisation Thresholds

Property, Plant and Equipment and Intangible Assets costing $5,000 and above individually (or forming part of a network costing more than $5,000) are capitalised.

(v) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with Treasury Policy and Guidelines Paper TPP 14-01 "Valuation of Physical Non-Current Assets at Fair Value". This policy adopts fair value in accordance with AASB 13 "Fair Value Measurement" and AASB 116 "Property, Plant and Equipment".

Property, Plant and Equipment value is measured on an existing use basis, which is it's highest and best use given existing natural, legal, financial and socio-political environment. In limited circumstances the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use. Land is carried out at un-rehabilitated value.

Fair value of Property, Plant and Equipment is determined based on a market participant's perspective, using valuation techniques (market, cost and income approach) that maximises relevant observable inputs and minimises unobservable inputs. The Corporation assesses the carrying amount of each asset with sufficient regularity to ensure it does not differ materially from its fair value at reporting date.

The Corporation revalue each class of Property, Plant and Equipment every three years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

The last valuation of Land and Buildings was completed on 30 June 2019 and was based on an independent assessment by CBRE.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the Asset Revaluation Reserve in equity, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the Net Result, the increment is recognised immediately as revenue in the Statement of Comprehensive Income.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the Asset Revaluation Reserve in respect of the same class of assets, they are debited directly to the Asset Revaluation Reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the Asset Revaluation Reserve in respect of that asset is transferred to Accumulated Funds.

The Corporation revalued property in accordance with the Independent Valuation report issued June 2019. However, management assessed the value of the Landfill assets to be impaired in value on the basis of management's assessment of the fair value. This is to reflect the highly contaminated nature of the asset and limited available alternative uses for the land, and potential costs of rehabilitation.

(vi) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under "AASB 136 Impairment of Assets" is unlikely to arise. As Property, Plant and Equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount for non-cash generating assets of not-for-profit entities, to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

At each reporting date the Corporation assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the Asset Revaluation Reserve for the class of asset.

(vii) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits. Operating lease payments are charged to the Statement of Comprehensive Income in periods in which they are incurred.

9. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis (Refer to Notes 1(g) and 8):

(a) Fair Value Hierarchy of Non-Financial Assets

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2019				
Land and Buildings	-	-	13,312	13,312
	-	**-**	**13,312**	**13,312**
2018				
Land and Buildings	-	-	12,040	12,040
	-	**-**	**12,040**	**12,040**

(b) Valuation Techniques, Input and Processes

For each class of property, plant and equipment, a description of the valuation technique applied and the inputs used inthe fair value measurement is disclosed in the table below. For the valuation processes refer note 8(c).

Class	Valuation Technique	Key Inputs
Landfill Cell Costs	Depreciated replacement cost approach (recurring) - assets are valued based on the structure, fabric and finishes as a heritage structure, rates reflect modern building techniques with regard to Rawlinson's Australian Construction Handbook 2018	- Current unit replacement costs - Adjustments including capital improvements, remaining useful lives of buildings
Land and Buildings	Depreciated replacement cost approach (recurring) - assets are valued based on the structure, fabric and finishes as a heritage structure, rates reflect modern building techniques with regard to Rawlinson's Australian Construction Handbook 2018	- Current unit replacement costs - Adjustments including capital improvements, remaining useful lives of infrastructure

(c) Reconciliation of Recurring Level 3 Fair Value Measurements

2019	Landfill Cell Costs $'000	Land and Buildings $'000	Total Recurring Level 3 Fair Value $'000
Fair Value as at 1 July 2018	-	12,040	12,040
Net Revaluation Reserve Increment /(Decrement)	-	1,304	1,304
Depreciation	-	(32)	(32)
Fair Value as at 30 June 2019	**-**	**13,312**	**13,312**

2018	Landfill Cell Costs	Land and Buildings	Total Recurring Level 3 Fair Value
	$'000	$'000	$'000
Fair Value as at 1 July 2017	33	11,892	11,925
Additions	-	173	173
Depreciation	(33)	(25)	(58)
Fair Value as at 30 June 2018	**-**	**12,040**	**12,040**

There were no transfers into or out of Level 3 during the periods.

10. CURRENT LIABILITIES – PAYABLES

(a) Payables

	2019	2018
	$'000	$'000
Current		
Trade Payables	292	287
Unearned Revenue	-	110
Personnel Services Payable	-	360
Other Creditors	1,027	1,404
Total Current Payables	**1,319**	**2,161**

(b) Recognition and Measurement - Payables

Payables are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced Payables represent liabilities for goods and services provided to the entity and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short- term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

The Corporation's payables are all non-interest bearing. Payable items which are out of the scope of AASB 9 "Financial Instruments: Disclosures" have been excluded from the carrying amount shown in the Statement of Financial Position.

(c) Liquidity Risk

Liquidity risk is the risk the Corporation will be unable to meet its payment obligations when they fall due. The Corporation continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current period, there were no defaults or breaches on any loan payable. No assets have been pledged as collateral. The Corporation's exposure to liquidity risk is deemed insignificant based on current assessment of risk.

(d) Maturity Profile

All of the Corporation's payables and accruals have a maturity of less than 12 months (2018: less than 12 months). Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasury Circular TC 11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received. Treasury Circular TC 11/12 allows the Minister to award interest for late payment.

11. CURRENT / NON-CURRENT LIABILITIES – PROVISIONS

(a) Provisions - Current and Non-Current

	2019 $'000	2018 $'000
Current		
Provision for Landfill Remediation	5,125	4,999
Provision for Cost to Complete	3,456	3,788
Total Current Provisions	**8,581**	**8,787**
Non-Current		
Provision for Landfill Remediation	46,229	44,130
Total Non-Current Provisions	**46,229**	**44,130**
Total Provisions		
Provision for Landfill Remediation	51,354	49,129
Provision for Cost to Complete	3,456	3,788
Total Provisions Carrying Amount at 30 June	**54,810**	**52,917**

(b) Provision for Landfill Remediation – Movement

	2019 $'000	2018 $'000
Carrying Amount at 1 July	49,129	49,258
Additional Provisions During the Year	5,524	2,052
Amounts Used	(4,615)	(3,551)
Unwinding/Change in Discount Rate	1,316	1,370
Carrying Amount at 30 June	**51,354**	**49,129**

Landfill Rehabilitation Funding was received from Treasury in 2011 to cover landfill rehabilitation costs on closed landfills, until 2055. An external valuation is carried out by appropriately qualified environmental engineers on a triennial basis. This was conducted during the 2018-19 year. Rehabilitation Expenses are charged against the provisions as and when they occur.

Management reviews the Rehabilitation Provision on an Annual basis with an independent review on a triennial basis. The proposed future costs are assessed by Management and determined to be appropriate. The future costs are discounted based on Treasury Bond Rates to derive the Current and Non-Current provisions.

The Corporation has 3 lots of freehold land at Lidcombe NSW (DP 1004785) which are currently valued at $1. The site is not under a clean-up notice from the EPA and the potential end use of the site is currently under review. The potential estimated remediation of the site exceeds the site's current market value, however the site is under a long term lease until 2025 to Suez. After the expiry of the lease any potential provisions relating to the site will be investigated.

(c) Provision for Cost to Complete - Movement

	2019 $'000	2018 $'000
Carrying Amount at 1 July	3,788	4,322
Additional Provisions During the Year	-	257
Writeback of Provision	-	(200)
Amounts Used	(332)	(591)
Carrying Amount at 30 June	**3,456**	**3,788**

A significant proportion of the Provision for Cost to Complete represents the present obligation to provide an enhancement via the Northern Beaches Council to the community of Belrose. Works have commenced on the Belrose Bike Park during the 2018-19 year and are scheduled to be concluded by next financial year.

(d) Recognition and Measurement - Provisions

Provisions exist when the Corporation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted at 1.32% per annum, (2018: 2.62% per annum), which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (ie. Unwinding of discount rate) is recognised as a finance cost.

The majority of the expenses are to be incurred in the first 10 years of works for the rehabilitation of landfills. Due to this impact, the Corporation has weighted the discount rate to reflect this impost therefore implementing the Treasury 10-year Bond Rates.

12. EQUITY

(a) Asset Revaluation Reserve

	2019 $'000	2018 $'000
Carrying Amount at 1 July	-	-
Net Increase in Property, Plant and Equipment		
Revaluation Surplus	1,304	-
Carrying Amount at 30 June	**1,304**	**-**

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Corporation's policy on the revaluation of Property, Plant and Equipment as discussed in Note 8.

(b) Accumulated Funds

The category Accumulated Funds includes all current and prior period retained funds.

Accumulated Funds Movement	**2019**	**2018**
	$'000	**$'000**
Carrying Amount at 1 July	30,630	31,777
Net Result for the Year	(4,979)	(1,147)
Carrying Amount at 30 June	**25,651**	**30,630**

(i) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector agencies are designated or required by Australian Accounting Standards to be treated as a contribution by owners and recognised as an adjustment to Accumulated Funds. This treatment is consistent with Australian Interpretation 1038 "Contributions by Owners Made to Wholly-Owned Public Sector Entities". Transfers arising from an administrative restructure between not-for-profit entities and for-profit government departments are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

13. FINANCIAL INSTRUMENTS

The Corporation's principal financial instruments are outlined below. These financial instruments arise directly from the Corporation's operations or are required to finance the Corporation's operations. The Corporation does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Quantitative and qualitative disclosures together with the Corporation's objectives, policies and processes for measuring and managing risk are included throughout the financial statements.

The Chief Executive has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Corporation, to set risk limits and controls to monitor risks. Compliance with policies is reviewed by the Management on a continuous basis.

(a) Financial Instrument Categories

(i) As at 30 June 2019 under AASB 9

Class	Category	Notes	Carrying amount $'000
Financial Assets			
Cash and Cash Equivalents	n/a	5	64,955
Receivables (i)	Loans and Receivables (at Amortised Cost)	6	764
Other Assets	Rights to Carbon Emission Assets and Renewable Energy Certificates Measured at Amortised Cost	7	416
Financial Liabilities			
Payables (ii)	Financial Liabilities Measured at Amortised Cost	10	1,027

(i) Excludes statutory receivables and prepayments as they are not within the scope of AASB 7.
(ii) Excludes statutory payables and unearned revenue as they are not within the scope of AASB 7.

(ii) As at 30 June 2018 under AASB 139 (comparative period)

Class	Category	Notes	Carrying amount $'000
Cash and Cash Equivalents	n/a	5	67,594
Receivables (i)	Loans and Receivables (at Amortised Cost)	6	13
Other Assets	Rights to Carbon Emission Assets and Renewable Energy Certificates Measured at Amortised Cost	7	839
Financial Liabilities			
Payables (ii)	Financial Liabilities Measured at Amortised Cost	10	1,637

(i) Excludes statutory receivables and prepayments as they are not within the scope of AASB 7.
(ii) Excludes statutory payables and unearned revenue as they are not within the scope of AASB 7.

(b) Credit Risk

Credit risk arises when there is the possibility that WAMC's debtors will default on their contractual obligations, resulting in a financial loss to entity. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from the financial assets of WAMC, including cash and receivables (Notes 5 and 6). No collateral is held by the entity. WAMC has not granted any financial guarantees.

Credit risk associated with WAMC's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Accounting policy for impairment of trade debtors and other financial assets under AASB 9

Receivables - trade debtors

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

WAMC applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. WAMC has identified the GDP to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

Debtors that are not past due as at 30 June 2019 of $0.7mil ($0.4m as at 30 June 2018) represent 100% of the total debtors. There is no expected credit loss for the current financial year, which is consistent with WAMC's historical performance.

(c) 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. The Corporation's exposure to market risk is primarily through interest rate movement of Bank Term Deposits (Note 5). The Corporation has no exposure to foreign currency risk and does not enter into commodity contracts.

(d) Fair Value of Financial Instruments

The Corporation's financial instruments are recognised at cost. The amortised cost of the Corporation's financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short-term nature of the financial instruments. The Corporation has not identified any financial instruments whose fair value differs materially from the carrying amount.

The following table shows the levels within the hierarchy of financial instruments measured at fair value on a recurring basis (Refer to Notes 1(g) and 7):

Fair Value Heirarchy of Financial Instruments	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2019				
Australian Carbon Credit Units	-	416	-	416
	-	**416**	**-**	**416**
2018				
Australian Carbon Credit Units	-	264	-	264
Renewable Energy Certificates	-	575	-	575
	-	**839**	**-**	**839**

The table above only includes financial assets, as no financial liabilities were measured at fair value in the Statement of Financial Position. There were no transfers between Levels 1 and 2 during the year ended 30 June 2019.

(e) Impairment of Financial Assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the Net Result for the year.

Any reversals of impairment losses are reversed through the Net Result for the year, where there is objective evidence. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

14. COMMITMENTS FOR EXPENDITURE

(a) Operating Lease Commitments

There are no operating expenditure commitments as at 30 June 2019 (Nil at 30 June 2018).

(b) Capital expenditure commitments

There are no capital expenditure commitments as at 30 June 2019 (Nil at 30 June 2018).

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent Assets

The Corporation is not aware of any contingent assets as at 30 June 2019 (Nil at 30 June 2018).

(b) Contingent Liabilities

The Corporation is not aware any contingent liabilities at 30 June 2019 (Nil at 30 June 2018).

The Corporation may have costs associated with the remediation of some landfill sites. The costs currently cannot be accurately measured as at 30 June 2019 (Nil at 30 June 2018).

16. INTEREST IN JOINT OPERATION

The Corporation has entered into a joint operation called Eastern Creek 2 Landfill Gas Joint Venture with LMS Generation Pty Ltd to capture gas from landfills and therewith to generate electricity. The Corporation has a 50% participating interest in this joint venture and is entitled to 50% of its output of electricity generated, Australian Carbon Credit Units and Renewable Energy Certificates. The Corporation's interests in the assets employed in the joint venture are included in the Statement of Financial Position in accordance with the accounting policy described in Note 1(d).

(a) Share of Corporation's Assets and Liabilities

	2019 $'000	2018 $'000
Current Assets	130	149
Non-Current Assets	2,109	2,549
Total Assets	**2,239**	**2,698**
Current Liabilities	86	105
Total Liabilities	**86**	**105**
Net Assets	**2,153**	**2,593**

(b) Share of Corporation's Net Result

	2019 $'000	2018 $'000
Expenses	(1,509)	(1,505)
Net Result Before Income Tax	**(1,509)**	**(1,505)**

Each of the shareholders in Eastern Creek 2 Landfill Gas Joint Venture with LMS Generation Pty Ltd is jointly and severally liable for the debts of the company. The assets of the company exceed its debts.

Revenue from the sale of the Corporation's 50% share of the output of the joint venture is disclosed at Note 3(a).

(c) Sales of Goods and Services

	2019 $'000	2018 $'000
Electricity and Green Products	2,671	4,249
	2,671	**4,249**

17. RELATED PARTY DISCLOSURES

(a) Key Management Personnel Compensation

During 2018-19, the Corporation did not pay any compensation directly to its key management personnel (Nil in 2017-18).

In 2018-19, the Corporation did not incur any expense in respect of the Key Management Personnel services that were provided by Property NSW (Nil in 2017-18 for services provided by either Property NSW of the Department of Finance, Service and Innovation).

(b) Transactions and Outstanding Balances with other Related Parties

During 2018-19, the Corporation did not enter into other transactions with Key Management Personnel, their close family members and controlled or jointly controlled entities thereof.

(c) Transactions and Outstanding Balances with other Government Entities

During 2018-19, the Corporation entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by the NSW Government. Refer Note 2(b) for further information.

18. ECONOMIC DEPENDENCY

The Corporation ceased Landfilling operations August 2017. The main source of funds for the Corporation is interest received from the Rehabilitation Funds and Gas Revenue. The Corporation assesses the Cash requirements on an annual basis and alters the Rehabilitation provision accordingly.

19. EVENTS AFTER THE REPORTING PERIOD

As a result of Administrative Arrangements (Administrative Changes – Public Service Agencies) Order 2019, in pursuance of part 7 of the *Constitution Act 1902*, the Corporation will be transferred from DFSI cluster to a newly created Department of Planning, Industry and Environment (DPIE) cluster, effective 1 July 2019.

T*he Lake Macquarie Smelter Site (Perpetual Care of Land) Act 2019* (The Act) has passed recently, which allows transfer of ownership of the former Pasminco Smelter and surrounding Land to Hunter Central Coast Development Corporation (HCCDC). As allowed by the Act, HCCDC intend to immediately transfer responsibility for onsite environmental management to WAMC. HCCDC's ongoing role will be to undertakes necessary works required to subdivide and sell the 70 ha of developable land. The Bill refers to a WAMC budget for care of the site in perpetuity, this budget allows for annual expenditure on staffing, equipment, consultants and contractors.

The source of funding for this budget will initially be from WAMC operating funds (not the WAMC rehabilitation fund which is dedicated to nine specific landfill sites). The Act envisages that a containment cell perpetual care fund will be established using funds from the sale of the developable land. Once HCCDC have sold the land, this fund will be created and costs for these roles will be drawn from the fund.

The Corporation has not identified any other events or transactions that are material to require adjustments or disclosures in the financial report.

End of Audited Financial Statements