

Department of Planning and Environment

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# Waste Assets Management Corporation

Annual Report 2022/2023

Financial statements for the year ended 30 June 2023 and statutory information



# Acknowledgement of Country

Property & Development NSW acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past & present through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Waste Assets Management Corporation

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# Contents

<b>Acknowledgement of Country</b> .....	<b>2</b>
<b>Letter of Submission</b> .....	<b>5</b>
<b>Overview</b> .....	<b>6</b>
<b>Agency’s purpose, vision and values</b> .....	6
<b>Charter</b> .....	6
<b>Aim and objectives</b> .....	7
<b>Access</b> .....	8
<b>Management and structure</b> .....	8
<b>Strategy</b> .....	<b>9</b>
<b>Strategic direction and priorities</b> .....	9
<b>Operations and Performance</b> .....	<b>10</b>
<b>Summary review of operations</b> .....	10
<b>Management and activities</b> .....	10
<b>Key Achievements FY 2022-23</b> .....	10
<b>Research and Development</b> .....	12
<b>Management and Accountability</b> .....	<b>13</b>
<b>Human resources</b> .....	13
<b>Additional matters for inclusion</b> .....	14
<b>Exemptions and nil reports</b> .....	14
<b>Payment of accounts</b> .....	16
<b>Governance matters</b> .....	17
<b>Internal audit and risk management policy attestation</b> .....	20
<b>Membership</b> .....	<b>21</b>
<b>Shared Arrangements</b> .....	<b>21</b>
<b>Chief Executive</b> .....	<b>21</b>
<b>Digital information security policy attestation</b> .....	22
<b>Events arising after the end of the annual reporting period</b> .....	23
<b>Sustainability</b> .....	<b>24</b>
<b>Workforce diversity</b> .....	24
<b>Work Health and Safety</b> .....	24
<b>Budgets</b> .....	25
<b>Disability inclusion action plans</b> .....	26

<b>Additional matters for inclusion</b> .....	<b>27</b>
<b>Numbers and remuneration of senior executives</b> .....	<b>28</b>
<b>Credit card certification</b> .....	<b>28</b>
<b>Government Information (Public Access) Act 2009</b> .....	<b>28</b>
<b>Public Interest Disclosures</b> .....	<b>28</b>
<b>Financial Performance</b> .....	<b>30</b>

# Letter of Submission

The Hon Minister Kamper MP  
Minister for Small Business  
Minister for Lands and Property  
Minister for Multiculturalism  
Minister for Sport  
52 Martin Place  
SYDNEY NSW 2000

Dear Minister

## **Waste Assets Management Corporation Annual Report 2022-23**

I am pleased to submit the Annual Report for Waste Assets Management Corporation, for the year ended 30 June 2023, 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

A handwritten signature in blue ink, appearing to be 'Peter Graham', with a stylized flourish extending to the right.

Peter Graham  
Chief Executive  
Waste Assets Management Corporation

Encl: WAMC Annual Report 2022-23

# Overview

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## Agency's purpose, vision and values

Property and Development NSW partners to deliver end-to-end diversified property services.

As property specialists, we design, deliver and manage workplaces, reimagine and repurpose government assets, lead sustainability and environmental programs and create precincts that help communities to thrive.

Our vision is to be at the forefront of purpose-led property solutions for government, reimagining property, rejuvenating environments and revitalising communities for the benefit of the people of NSW.

Our values and culture are the foundation for everything we do – our way of thinking, working and behaving.

Our values are daring, collaborative, creative, kind, and inclusive, which are underpinned by a culture of integrity, accountability, transparency and trust.

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## 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)<sup>1</sup> 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

Between 3 April 2011 and 1 May 2019, and according to clause 4(1)(a) of the *Public Sector Employment and Management (Waste Assets Management Corporation) Order 2011*, WAMC was subject to the control and direction of the Minister for Finance, Services and Property (section 16 (2)).

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<sup>1</sup> WSN means the Waste Recycling and Processing Corporation constituted by the *Waste Recycling and Processing Corporation Act 2001*.

Between 1 May 2019 and 3 May 2023 in accordance with administrative arrangements (Administration of Acts – General Order (No 2), 2019), WAMC was 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*.

From 3 May 2023 in accordance with administrative arrangements (Administrative changes – Miscellaneous) Order (No 3), 2023), WAMC was subject to control and direction of the Minister for Lands and Property 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*.

A Bill proposing an amendment to the *Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010 No 8* was passed by both the Legislative Assembly and Legislative Council on 19 October 2023. The amended Act is expected to commence in late 2023. These amendments will establish the Waste Assets Management Corporation as a centralised Government entity to hold and manage legacy contaminated land and provide specialist contracting and consulting services to other agencies. It is expected that the Amendment Bill will be considered by the Legislative Council and Assembly later in the year.

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## Aim 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.

WAMC provides specialised operational management in the following areas:

- managing the ongoing maintenance and monitoring of the Former Pasminco Smelter containment cell located at Cockle Creek
- 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 Cleanaway) of a waste transfer station and liquid waste treatment plant
- monitoring and managing leachate treatment facilities at various 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 a potential virtual power plant using batteries at Belrose landfill or large scale solar farm (50MW) at Castlereagh liquid waste disposal facility.

WAMC has been progressively expanding its service offering to include management of contaminated land remediation for NSW Government. New projects include the former Hunter's Hill uranium refinery, the former Truegain oil refinery at Rutherford and the Waratah Gasworks site remediation project.

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## Access

Waste Assets Management Corporation

Wallgrove Road, Eastern Creek  
PO Box 336, Horsley Park, NSW 2175

T: 02 9685 4960

[feedback@property.nsw.gov.au](mailto:feedback@property.nsw.gov.au)

<https://www.dpie.nsw.gov.au/housing-and-property/services/property-and-development-nsw/environmental-service-group>

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

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## Management and structure

As of 30 June 2023, WAMC's leadership team comprised:

- Peter Graham, Chief Executive
- Ezio Di Giovanni, Director Environmental Services Group
- Amanda Murphy Senior Manager Environment/Occupational Health and Safety
- William Tai, Senior Manager Gas and Leachate

WAMC is a division of the Environmental Service Group (ESG). The hierarchy of divisions and agencies WAMC reports to is as follows:

- Waste Assets Management Corporation (WAMC)
- Environmental Service Group
- Property and Development NSW
- Homes, Property and Development
- Department of Planning and Environment (DPE).



# Strategy

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## Strategic direction and priorities

WAMC is responsible for the rehabilitation and aftercare of several closed landfills across the Sydney metropolitan region and (through an MOU with Hunter and Central Coast Development Corporation) a containment cell at Lake Macquarie (Pasminco).

WAMC is a statutory corporation created under section 16 of the *Waste Recycling and Processing Corporation (Authorised Transaction) Act 2010* Amended to *Waste Assets Management Corporation Act 2023*.

WAMC's vision is to be at the forefront of purpose-led property solutions for government, rejuvenating environments and revitalising communities for the people of NSW. This includes management of legacy contaminated lands and rehabilitation of government owned landfills.

WAMC's key priorities are focused on the following activities:

- Support the NSW Government's waste management strategies and policies resulting in enhanced benefits to the people of NSW
- Maximise asset value and ensure the highest and best use of land assets is achieved. E.g., Belrose Renewable Energy project & solar opportunities
- Maintain a zero-harm safe workplace by equipping safe with WHS capabilities and continuation of WAMC's certification in OHS Management systems (ISO45001:2018)
- Seek growth opportunities through improved collaboration with key NSW government agencies (Transport NSW, Crown Lands, OSL) and support the Environmental Service Group (ESG) with delivery of key government site remediation projects.
- Ensure the rehabilitation fund remains a sustainable long term financial solution to WAMC's landfill liabilities.

# Operations and Performance

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## Summary review of operations

Following closure of the Eastern Creek landfill in September 2017, WAMC has been focusing on landscaping and rehabilitation works. 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 2019, WAMC also took over management of the waste containment cell and surrounding ecological land at the former Pasmenco smelter site, in Cockle Creek. Each of the sites require constant ongoing management to control environmental and WHS risk posed by landfill gas and leachate production. The aim on each site is to rehabilitate for future beneficial use. In addition, WAMC manages joint venture landfill gas and energy systems to supply electricity into the grid as a sustainable and renewable energy source.

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## Management and activities

The staff servicing WAMC are within PDNSW's Environmental Service Group. The team continues to meet its obligations in rehabilitating and mitigating environmental impacts at former landfill sites and the former Pasmenco smelter containment cell. These obligations include management of landfill leachate and gas, maintenance of rehabilitation cover as well as the long term environmental monitoring of ground and surface waters, gas and leachate as required by the NSW EPA.

During 2022/2023, the Chief Executive of WAMC was the Executive Director of the Environmental Service Group.

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## Key Achievements FY 2022-23

### WAMC Certifications in ISO14001:2015 & ISO45001:2018

WAMC operates an internal management system (IMS) for both WHS and environmental controls. There are annual external and internal audits of the system. The annual audit was completed in July 2023. The auditors did not identify any major non-conformances and only one minor observation. WAMC holds current certifications in ISO14001:2015 and ISO45001:2018. External contractors are also subject to an audit by WAMC staff every three years.

WAMC has launched the online compliance tracking system (CAMMS) for contractor management across WAMC sites.

### WAMC In-house environmental monitoring

WAMC is required to comply with NSW Environment Protection Authority licence conditions across various landfill sites. This involves routine environmental sampling, monitoring and reporting. WAMC developed a monitoring program in-house and

created two new internal roles to undertake environmental monitoring. This includes increased business efficiencies through the implementation of environmental data management software (EQUIS). This resulted in higher quality data collection, reduced WHS risks and annual cost savings.

### **Contaminated site remediation**

WAMC is supporting the Environmental Service Group (ESG) with delivery of key government remediation projects (project management, technical, WHS, environmental) including Truegain, Hunters Hill and Waratah Gasworks remediation projects.

### **On-going management of Former Pasmaenco Smelter Containment Cell**

WAMC continues to work with Hunter and Central Coast Development Corporation to undertake ongoing environmental management and monitoring of the areas of site with remnant contamination and assist with the sale process to ensure maximum value is reached for surrounding land.

### **WAMC will take on management of former Kurri Kurri smelter site**

WAMC will own and manage the cell after a five-year warranty period, with the government's costs met by a \$6.5 million payment from Hydro (the former smelter operator) under a Voluntary Planning Agreement for the Kurri site. WAMC is due to take on the ownership and management of the Hydro containment cell at Kurri Kurri in 2025.

The funding provided by Hydro provides sufficient capacity to manage the containment cell for the long term, protecting both human and environmental health, so that the people and businesses of the Hunter region can fully utilise the former smelter site while being assured that legacy contamination is suitably managed.

These works supplement the services WAMC already provides to NSW Government and demonstrate the ongoing commitment from WAMC to ensure legacy waste containment cells are managed to minimise risk to human health or the surrounding environment.

## **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, social and community uses are being undertaken.

WAMC has identified opportunities at the Castlereagh and Belrose landfills for installation of virtual power plants or large-scale solar systems.

To protect native biodiversity, WAMC created a Biodiversity Stewardship Agreement (**BSA** – formerly known as a Biobank Agreement) for part of the Castlereagh Waste Assets Management Centre site. The BSA applies to an area of 60.39 hectares including parts of the buffer zone and parts of Area 11. WAMC has been allocated biodiversity credits based on the ecological values of the area, with proceeds from the credit sales going into a trust fund until the amount of the Total Fund Deposit is reached.

WAMC, through the Environmental Service Group, continued to work closely with other NSW Government agencies including Transport for NSW, OSL and EPA on several key projects. This includes provision of technical advice and expertise for landfill management across various Transport NSW sites. WAMC has expanded its service offering to include management of

contaminated land remediation for NSW Government. Projects include the former Hunter's Hill uranium refinery, the former Truegain oil refinery at Rutherford, former BHP steelworks site in Newcastle (Intertrade) and the Waratah Gasworks site remediation.

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## **Research and Development**

### **UNSW PFAS Treatment Methods**

WAMC continues to work with the University of New South Wales (UNSW) on their research work to investigate potential PFAS treatment methods relating to landfill leachate.

# Management and Accountability

## Human resources

Division	2017 <sup>2,3</sup>	2018 <sup>2,3</sup>	2019 <sup>2,3</sup>	2020 <sup>2,3</sup>	2021	2022
Senior Executive	-	-	-	-	-	-
Ongoing	17.8	11.0	7.0	11.0	13.0	15.0
Temporary	1.5	-	-	-	2.0	2.0
Total	19.3	11.0	7.0	11.0	15.0	17.0

## Employee related costs

Employee related costs 2022-23	Amount
Executive	0
Non-Executive	1,852,000
Total	1,852,000
Ratio Senior Executive	0%

Senior Executive Band	2022 <sup>2,3,4</sup>				2023 <sup>4,5,6</sup>			
	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%

<sup>2</sup> Senior Executive statistics exclude casuals, contractor/agency staff, statutory appointments, staff on secondment to other agencies and staff on long term leave without pay.

<sup>3</sup> Statistics are based on Workforce Profile census data as at 28 June 2019 and 27 June 2020.

<sup>4</sup> All employees reported in 2019 and 2020 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.

Band 1 (Director)	0	0	0	0%	0	0	0	0%
Total	0	0	0	0%	0	0	0	0%

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## Additional matters for inclusion

### Privacy and Personal Information Protection Act 1998 (PIPP Act)

The *Privacy and Personal Information Protection Act 1998* (PIPP Act) 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.

There were no requests for information under the PIPP Act received for the period 1 July 2022 to 30 June 2023.

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

Due to the amalgamation of various agencies on 1 July 2019 to create the Department of Planning and Environment, a new privacy management plan is currently under development and is expected to be in place in November 2020. In the interim, the various areas of the Department continue to operate under the plan that was in place for the agency they were previously part of. WAMC therefore currently refers to the privacy management plan for the former Department of Finance, Services and Innovation, which can be found at [https://www.finance.nsw.gov.au/sites/default/files/dfs\\_i\\_pmp.pdf](https://www.finance.nsw.gov.au/sites/default/files/dfs_i_pmp.pdf).

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

### Accessing this report

Following the tabling of this report in Parliament, it will be available for public access from the NSW Government's OpenGov NSW website, [www.opengov.nsw.gov.au](http://www.opengov.nsw.gov.au)

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## 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 <i>Public Finance and Audit Act 1983</i> .

Reporting requirement	Reason for exemption
Disclosure of subsidiaries	WAMC does not control or hold shares in any subsidiaries within the meaning of the <i>Corporations Act 2001</i> (Cth.).
Agreements with Multicultural NSW	WAMC does not have any agreements with Multicultural NSW under the <i>Multicultural Act 2000</i> .
Consultants	WAMC engages consultants in accordance with the <i>Public Works and Procurement Act 1912</i> . WAMC did not engage consultants in 2022-23.
Consumer response	WAMC does not deliver any frontline services to the public.
Promotion	No employee travelled overseas on official business during 2022-23
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 2022-23 year.
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 2022/2023 financial period.
Requirements arising from employee arrangements	N/A

## Modern Slavery Act 2018 (NSW)

PNSW operates under the Department's procurement framework and the Department provides procurement services to the Agency. All Modern Slavery Act 2018 (NSW) requirements are managed through this framework. For further information on please see the Department's Annual Report.

## Payment of accounts

The table below highlights Waste Assets Management Corporation's account payment performance for 2022-23.

<b>ACCOUNTS PAYMENT</b>					
<b>PERFORMANCE 2022/23</b>	<b>1st QTR</b>	<b>2nd QTR</b>	<b>3rd QTR</b>	<b>4th QTR</b>	<b>Grand Total</b>
All Suppliers					
Value of invoices paid (\$,'000)					
Paid within due date	5288	5258	4705	8210	23460
<30 Days Past Due Date	82	39	54	347	522
>30 <60 Days Past Due Date	1				1
>60 <90 Days Past Due Date					
>90 Days Past Due Date					
Total Value of invoice paid (\$'000)	5371	5297	4759	8557	23983
% Paid on time -By Value	98%	99%	99%	96%	98%
Paid on / before due date	303	392	316	435	1446
Paid Past due date	8	3	6	10	27
Number of invoices paid	311	395	322	445	1473
Paid on time by number	97%	99%	98%	98%	98%
Interest paid	0	0	0	0	0
<b>ACCOUNTS PAYMENT</b>					
<b>PERFORMANCE 2022/23</b>	<b>1st QTR</b>	<b>2nd QTR</b>	<b>3rd QTR</b>	<b>4th QTR</b>	<b>Grand Total</b>
Small Business Owners					
Value of invoices paid (\$,'000)					
Paid within due date	44	285	125	291	745
<30 Days Past Due Date	68	19		42	129
>30 <60 Days Past Due Date					
>60 <90 Days Past Due Date					
>90 Days Past Due Date					
Total Value of invoice paid	112	304	125	333	874
%Paid on time by value	39%	94%	100%	87%	85%
Paid on / before due date	7	18	26	50	101
Paid Past due date	3	1	0	4	8
Number of invoices paid	10	19	26	54	109
Paid on time by number	70%	95%	100%	93%	93%
Interest paid	0	0	0	0	0



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## Governance matters

### 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.

DPE supports WAMC to manage risks. In 2022-23, DPE continued to implement its enterprise-wide risk management framework across its business and the Cluster entities to which it provides risk management services. The framework reflects its commitment to provide a consistent and systematic process to manage risks across the Cluster. It is consistent with international risk management standard (ISO 31000-2018) and the NSW Treasury Internal Audit and Risk Management Policy for the NSW Public Sector (TPP15-03). It provides the principles and tools for risk management practice and culture within DPE and Cluster.

Risk reviews at the entity level were conducted during the year, involving senior management participation. A presentation on the risk profile of WAMC was provided to the Audit and Risk Committee for their oversight on the effectiveness of risk management practices.

During 2022-23 DPE revised its Business Continuity Management Framework based on the international business continuity standard (ISO22301:2019) and developed a comprehensive set of tools to support business continuity planning, impact analysis and crisis management to ensure critical activities can be continued in the event of disruption. These tools and related support are available for WAMC to manage any business continuity event.

### WAMC Risk Highlights and Overview 2022-23

- Current WAMC risk residual ratings are *all 'medium'*.
- These residual ratings result from 89% of WAMC risk controls being assessed as *'effective'* or *'substantially effective'*. 11% of the risks are rated as *'partially effective'* with a treatment plan in place.
- The Risk & Resilience team will continue working with PDNSW to identify and record any new risks across the division and its business units as they emerge
- WAMC continue to attain ISO accreditation of its Environment and OH&S Management systems as a tool to reduce risks and integrate risk management across business practices.

### Insurance Arrangements and Activities

During the period of 2022-23, 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), an 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 2022/23 are shown in the table below:

	Number of claims		Net incurred cost (\$)	
	2021-22	2022-23	2021-22	2022-23
Workers Comp	0	0	-	-
Property	0	0	-	-
Liability	0	0	-	-
Motor vehicle	0	0	-	-
Miscellaneous	0	0	-	-
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>

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.

### Audit and Risk Committee

WAMC attended Audit and Risk Committee (ARC) meetings during the 2022-23 financial year.

The DPE collaborative shared 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:

- Cemeteries and Crematoria NSW
- Luna Park Reserve Trust
- Planning Ministerial Corporation
- Hunter and Central Coast Development Corporation

- Place Management NSW
- Property NSW
- Sydney Olympic Park Authority
- Waste Assets Management Corporation.

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 several times during the 2022-23 financial year.

DPE, 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:

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Carol Holley	30 March 2020	30 June 2023*
Independent Member	Arthur Butler	30 March 2020	29 March 2023
Independent Member	Nirmal Hansra	30 March 2020	30 June 2023*
Independent Member	Brendan Crotty	30 March 2023	29 March 2026

\* Extended term of appointment from 30 March 2023 to 30 June 2023.

## Internal audit and risk management policy attestation

Internal Audit and Risk Management Attestation Statement for the **2022-2023** Financial Year for Waste Assets Management Corporation.

I, Peter Graham, Chief Executive, Waste Assets Management Corporation, am of the opinion that the Waste Assets Management Corporation has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

### Core Requirements

Risk Management Framework		
1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	Compliant
1.2	The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant
Internal Audit Function		
2.1	The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	Compliant
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice for Internal Auditing.	Compliant
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Compliant
Audit and Risk Committee		
3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.2	The Accountable Authority shall ensure that the Audit and Risk Committee has a Charter that is consistent with the 'model charter'.	Compliant

## Membership

For the 2022-23 reporting period, the independent Chair and members of the Audit and Risk Committee were:

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Carol Holley	30 March 2020	30 June 2023*
Independent Member	Arthur Butler	30 March 2020	29 March 2023
Independent Member	Nirmal Hansra	30 March 2020	30 June 2023*
Independent Member	Brendan Crotty	30 March 2023	29 March 2026

\* Extended term of appointment from 30 March 2023 to 30 June 2023.

## Shared Arrangements

I, Peter Graham, Chief Executive, Waste Assets Management Corporation, advise that the Waste Asset Management Corporation has entered into an approved shared arrangement comprising the following agencies:

- Hunter and Central Coast Development Corporation
- Luna Park Reserve Trust
- Place Management NSW
- Sydney Olympic Park Authority
- Property NSW
- Waste Assets Management Corporation
- Planning Ministerial Corporation
- Cemeteries and Crematoria NSW

The resources shared include the Audit and Risk Committee, the Chief Audit Executive, and the internal audit function. The shared Audit and Risk Committee is a collaborative shared Audit and Risk Committee.



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Peter Graham  
Chief Executive

Waste Assets Management Corporation

Date: 9 August 2023

Agency Contact:  
Suzette Gay  
Director Audit  
02 9289 6912

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## Digital information security policy attestation

### Cyber Security Annual Attestation for the 2022-2023 Financial Year for

#### Waste Assets Management Corporation

I, Peter Graham, Executive Director Environmental Services Group, am of the opinion that Waste Assets Management Corporation has managed cyber security risks via the Department of Planning and Environment and the Department of Customer Service in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Both Departments have their own Cyber Security Strategy in place to ensure a constant focus on improving and managing cyber security governance, risk, and resilience. Continuous assessment and management of risks to the Department's information and critical systems is accomplished through our cyber security program and routine operational activities.

Throughout the previous financial year, the Department of Planning and Environment has undertaken independent audits of its Information Security Management System, cyber security controls, and compliance with the NSW Cyber Security Policy. These audits uncovered areas of positive progress as well as potential areas for improvement, all in alignment with the dynamic cyber security threat landscape.

Both departments regularly update their own cyber security incident response plan and conduct annual testing to ensure its effectiveness.

The Department of Planning and Environment's Digital Information Office successfully maintained compliance with the international security standard ISO 27001, "*Information Technology - Security techniques - Information security management systems*," as certified by an Accredited Third Party (BSI Certificate Number: IS 645082).

The Departments remain committed to bolstering their technology environments and raising awareness among all employees regarding cyber security and privacy risks.

**Peter Graham**

**Executive Director Environmental Services Group**



Date: 26/10/2023

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## **Events arising after the end of the annual reporting period**

After the end of the annual reporting period, there are no known events having a significant effect on the financial operations, other operations or the clientele and community served for WAMC.

# Sustainability

## Workforce diversity

Trends in the Representation of Workforce Diversity Groups				
Workforce Diversity Group	Benchmark	2021	2022	2023
Women	50%	53.9%	54.8%	53%
Aboriginal and/or Torres Strait Islander People	3.3%	3.2%	1.8%	0.6%
People whose First Language Spoken as a Child was not English	23.2%	9.9%	10.7%	12.6%
People with Disability	5.6%	1.7%	1.2%	2.9%
People with Disability Requiring Work-Related Adjustment	N/A	1.0%	0.6%	0.0%

Note 1: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 2: The NSW Public Sector Aboriginal Employment Strategy 2014–17 introduced an aspirational target of 1.8% of each salary band being filled by Aboriginal employees by 2021 and a cumulative target of 3.3%.

Note 3: 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 it does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

Note 4: 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.

## Work Health and Safety

In 2022-23, 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 Property and Development WHS activities undertaken in 2022-23 include:

- Continuation of DPE COVID-19 safety guidelines, inspections and notification reporting of COVID workplace exposures
- Participation in the DPE Health and Wellbeing initiatives including STEPtember, R U OK? Day, and wellbeing education sessions.
- WAMC launched the online compliance tracking system (CAMMS) for contractor management to record health and safety hazards
- Continued safety leadership participation through Executive Director/Director level involvement in safety inspections and site walks
- Contractor involvement and participation in WAMC toolbox talk discussions and training.



During FY2022-23, there have been six (6) incident and near miss/ hazard reports reported in the WAMC WHS system. None of the incidents resulted in injuries. Two of the incidents and one near miss are detailed below:

- Incident (Feb 2023) - Grass fire on neighbouring property to north of Eastern Creek. Fire controlled by RFS and no impact to WAMC site or staff.
- Incident (Jan 2023) - Grass fire identified on adjacent site to WAMC Pasminco site. WAMC Site Manager provided access for RFS. No damage to WAMC equipment or staff.
- Near miss (Feb 2023) - Strong odour identified at Eastern Creek site, thought to be due to Veolia green waste platform. Management included closing office windows and staff eating lunch indoors.

All incidents are reviewed and included for discussion at the next site based or virtual toolbox meeting. Toolbox discussions around snake bite management has been discussed.

A key strategy for WAMC over the past 12 months was to ensure that all fire trails and fire breaks are maintained in good condition and emergency escape routes are reviewed and updated.

During the FY 2022-23 period, there have been no:

- Incidents involving the public, resulting in modified duties or resulting in a permanent change in the workers quality of life
- WAMC LTIFR for the past twelve months is zero
- No Workers Compensation claims

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

### **WHS induction and training**

The following training has been completed by all WAMC staff:

- CAMMS training to report on incidents and near misses
- Asbestos Awareness training
- Business continuity and incident reporting
- DPE Mandatory WHS online training modules

As of 30 June 2023, there was 100 per cent course completion by eligible workers across the group and contractors are using an on-line contractor induction module within CAMMS.

### **WHS Consultation**

WAMC continue to uphold its WHS Consultation statement which involves toolbox talk meetings as the agreed consultation method across the business.

In addition, WAMC participate in the PDNSW Health and Safety Committee.

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## **Budgets**

### **Performance against budget**

Waste Assets Management Corporation (WAMC) finished the 2022/23 financial year with a net profit of \$6.86 million. The reported revenues increased over the financial year due to an increase in

fee for service projects with various NSW government agencies and a reduction in expenses due to cost savings.

### Budget Overview

WAMC is forecast to deliver a surplus of \$1.54 million in the 2022/23 budget. The forecasted surplus is primarily due to WAMC's involvement in new site investigation and remediation projects that will generate additional revenue. The revenue stream is expected to be stable from Eastern Creek 2 Landfill Gas Joint venture with LMS Generation Pty Ltd.

	2021/22 Actual (\$000)	2022/23 Actual (\$000)	2022/23 Budget (\$000)	2022/23 Variance (\$000)	2023/24 Budget (\$000)
Expenses	2,242	22,662	14,293	8,369	10,674
Revenue	12,828	29,522	15,818	13,704	12,107
Other Gain /Loss	588				
Other Comprehensive Income	1,304				
<b>Net operating Result - Surplus / Deficit</b>	<b>8,694</b>	<b>6,860</b>	<b>1,525</b>	<b>5,335</b>	<b>1,433</b>

### Disability inclusion action plans

As part of DPE, WAMC supports the department's Disability Inclusion Action Plan (2019-2023). The plan is aligned with eight guiding principles of the United Nations Convention on the Rights of Persons with Disabilities. The eight principles are:

1. Respect for inherent dignity and individual
2. autonomy, including the freedom to make one's own choices
3. Non-discrimination
4. Full and effective participation and inclusion in society
5. Respect for difference and acceptance of persons with disabilities as part of human diversity and humanity
6. Equality of opportunity
7. Accessibility
8. Equality between men and women
9. Respect for the evolving capacities of children with disabilities and respect for the right of children with disabilities to preserve their identities

WAMC is committed to include people with disability as employees, customers and as part of our communities.

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## Additional matters for inclusion

### External costs incurred in producing this report

There were no external costs (such as fees for consultants and printing costs) incurred in producing this report.

### Financial Management

Actual Revenue	2023 \$'000	2022 \$'000
Waste Charges	520	633
LMS Joint Venture Operation	6,074	2,998
Fee for Service	20,246	9287
Interest Revenue	1,709	117
Net Gain/(Loss) from TCorpIM Funds measured at fair value through Profit or Loss	129	(1,347)
Grant Revenue		714
Other revenue	844	426
<b>Grand Total</b>	<b>29,522</b>	<b>12,828</b>

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 main sources of revenue include:

- Waste charges - Revenue from the collection and treatment of liquid waste (Leachate)
- Electricity and Green Products: Revenue from electricity export and renewable energy certificates sales
- Fees for Service Revenue: Revenue from providing services for land remediation, soil management, advisory services and environmental compliance.
- Investment Revenue - Interest revenue earned from Bank Term Deposits and Landfill Rehabilitation Fund.

Rehabilitation of closed landfills is funded through the WAMC Landfill Rehabilitation Fund (LRF), as established under Section 7 of the Act.

### 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. The Waste Asset Management Corporation has incorporated an investment policy for the LRF with the objective of increasing returns on LRF funds while complying with the Public Authorities (Financial

Arrangements) Act 1987. All restricted funds are either placed into bank term deposits or T-Corp investment facilities.

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## Numbers and remuneration of senior executives

See Human Resources.

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## 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 DPE for its Credit Card transactions.

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## 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>.

Under Schedule 3 of the Government Information (Public Access) Regulation 2018, WAMC is a subsidiary agency for the purpose of the Government Information (Public Access) Act 2009 (GIPA Act). Any formal applications for information from WAMC are dealt with by the Department of Planning, Industry and Environment and are included in the Department's statistical information.

### 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.

<https://www.dpie.nsw.gov.au/housing-and-property/services/property-and-development-nsw/environmental-service-group>.

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## Public Interest Disclosures

Under the *Public Interest Disclosures Act 1994*, each public authority is required to prepare an annual report on their obligations under this Act. This information for WAMC is captured in the Department of Planning, Industry and Environment Annual Report as all Public Interest Disclosures are managed centrally by the Department.

There were no public interest disclosures made by WAMC officials for the period 1 July 2022 to 30 June 2023.

The Department launched its Code of Ethics and Conduct on 1 April 2020. The Code is web-based and is a resource to support WAMC employees to understand and comply with their obligations. Prior to the new Code being adopted, employees of the Department observed the compliance obligations of the relevant policies that applied prior to the machinery of government change in July 2019.

The Code of Ethics and Conduct underpins the Department's compliance framework, which includes:

- Systems to assist employees with their personal compliance obligations (declaration and management of conflicts of interest, approval of secondary employment, senior executive private interests and gifts, benefits and hospitality)
- The Fraud and Corruption Control Framework and Policy
- Public Interest Disclosures Policy and Procedure (which includes access to an anonymous reporting tool)
- Lobbying of Government Officials Policy

# Financial Performance

## Waste Assets Management Corporation

Annual Report 2022/2023

Financial statements for the year ended 30 June 2023



## 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 by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Corporation's financial position, financial performance and cash flows

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 (including Independence Standards)' (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 have fulfilled my other ethical responsibilities in accordance with APES 110.

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

## **Chief Executive's Responsibilities for the Financial Statements**

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Chief Executive's responsibility also includes 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.

## **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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf) . The description forms part of my auditor's report.

The scope of my audit does not include, nor 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.



Min Lee  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

6 October 2023  
SYDNEY





# Waste Assets Management Corporation

## Financial Statements

For the Year Ended 30 June 2023

### Statement by the Accountable Authority

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), I state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and
- present fairly Waste Assets Management Corporation's financial position, financial performance and cash flows.

A handwritten signature in blue ink, appearing to read "Peter Graham".

**Peter Graham**  
Chief Executive  
Waste Assets Management Corporation

Date: 6 October 2023

**WASTE ASSETS MANAGEMENT CORPORATION**

Start of Audited Financial Statements

**Statement of Comprehensive Income**

For the Year Ended 30 June 2023

	Note	Actual 2023 \$'000	Actual 2022 \$'000
<b>Continuing Operations</b>			
<b>Expenses</b>			
Operating Expenses:			
Personnel services	2(a)	1,852	1,501
Other operating expenses	2(b)	13,974	2,824
Depreciation	2(c)	520	607
Finance costs	2(d)	1,668	1,144
Rehabilitation provision expense	2(e)	4,648	(3,834)
<b>Total Expenses</b>		<b>22,662</b>	<b>2,242</b>
<b>Revenue</b>			
Sale of goods and services	3(a)	26,840	12,918
Investment revenue	3(b)	1,709	117
Net Gain/(Loss) from TCorpIM Funds measured at FV through Profit or Loss	3(b)	129	(1,347)
Grant Revenue	3(c)	-	714
Other revenue	3(d)	844	426
<b>Total Revenue</b>		<b>29,522</b>	<b>12,828</b>
<b>Operating Result</b>			
		<b>6,860</b>	<b>10,586</b>
Gain/(loss) on disposal of non-current assets	4(a)	-	182
Gain/(loss) on revaluation	4(b)	-	(770)
<b>NET RESULT</b>		<b>6,860</b>	<b>9,998</b>
<b>Other Comprehensive Income</b>			
<i>Item that will not be Reclassified to Net Result:</i>			
Net Increase/(Decrease) in Property, Plant and Equipment Revaluation Surplus	14(a)	-	(1,304)
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>(1,304)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>6,860</b>	<b>8,694</b>

The accompanying notes form part of these financial statements.

**WASTE ASSETS MANAGEMENT CORPORATION**

**Statement of Financial Position**

As at 30 June 2023

	Note	Actual 2023 \$'000	Actual 2022 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	61,278	62,778
Receivables	6	2,062	1,858
Inventories	7	76	76
Other	8	6,865	724
<b>Total Current Assets</b>		<b>70,281</b>	<b>65,436</b>
<b>Non-Current Assets</b>			
Receivables	6	2,235	1,903
Property, plant and equipment			
Land and buildings	9	11,064	11,123
Plant and equipment	9	1,917	1,795
Work in Progress	9	-	135
Total property, plant and equipment		12,981	13,053
Intangible assets	11	1,542	843
<b>Total Non-Current Assets</b>		<b>16,758</b>	<b>15,799</b>
<b>Total Assets</b>		<b>87,039</b>	<b>81,235</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	12	2,056	1,982
Provisions	13	5,068	4,273
<b>Total Current Liabilities</b>		<b>7,124</b>	<b>6,255</b>
<b>Non-Current Liabilities</b>			
Provisions	13	46,737	48,662
<b>Total Non-Current Liabilities</b>		<b>46,737</b>	<b>48,662</b>
<b>Total Liabilities</b>		<b>53,861</b>	<b>54,917</b>
<b>Net Assets / (Liabilities)</b>		<b>33,178</b>	<b>26,318</b>
<b>EQUITY</b>			
Accumulated Funds	14(b)	33,178	26,318
<b>Total Equity</b>		<b>33,178</b>	<b>26,318</b>

The accompanying notes form part of these financial statements.

**WASTE ASSETS MANAGEMENT CORPORATION**

**Statement of Changes in Equity**

For the Year Ended 30 June 2023

	Note	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
<b>Balance at 1 July 2022</b>		26,318	-	26,318
<b>Net Result for the Year</b>		6,860	-	6,860
<b>Total Comprehensive Income for the Year</b>		<u>6,860</u>	<u>-</u>	<u>6,860</u>
<b>Balance at 30 June 2023</b>		<u><u>33,178</u></u>	<u><u>-</u></u>	<u><u>33,178</u></u>
<hr/>				
	Note	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
<b>Balance at 1 July 2021</b>		16,320	1,304	17,624
<b>Net Result for the Year</b>		9,998	-	9,998
<b>Other comprehensive income</b>				
Net Increase in Property, Plant and Equipment Revaluation Surplus	14(a)	-	(1,304)	(1,304)
<b>Total other comprehensive income</b>		<u>-</u>	<u>(1,304)</u>	<u>(1,304)</u>
<b>Total Comprehensive Income for the Year</b>		<u>9,998</u>	<u>(1,304)</u>	<u>8,694</u>
<b>Balance at 30 June 2022</b>		<u><u>26,318</u></u>	<u><u>-</u></u>	<u><u>26,318</u></u>

The accompanying notes form part of these financial statements.

**WASTE ASSETS MANAGEMENT CORPORATION**

**Statement of Cash Flows**

For the Year Ended 30 June 2023

	Note	Actual 2023 \$'000	Actual 2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Personnel services		(1,795)	(1,781)
Payment to suppliers		(23,283)	(10,449)
<b>Total Payments</b>		<b>(25,078)</b>	<b>(12,230)</b>
<b>Receipts</b>			
Sale of goods and services		22,557	10,370
Contributions for remediation obligation		-	6,561
Interest received		1,136	117
Grant received		-	714
<b>Total Receipts</b>		<b>23,693</b>	<b>17,762</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	5(c)	<b>(1,385)</b>	<b>5,532</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(448)	(135)
Proceeds from sale of property, plant and equipment		-	182
Proceeds from sale of intangible assets		333	118
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(115)</b>	<b>165</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(1,500)</b>	<b>5,697</b>
Opening cash and cash equivalents		62,778	57,081
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	5(a)	<b>61,278</b>	<b>62,778</b>

The accompanying notes form part of these financial statements.

# WASTE ASSETS MANAGEMENT CORPORATION

## Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### 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* (the Act) 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 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 4 Parramatta Square, 12 Darcy Street, Parramatta NSW 2150.

Under the Act, the Corporation is unable to employ staff. However, to enable it to exercise its functions, the Corporation can obtain personnel services from Government agencies who are able to engage staff under Part 4 of the *Government Sector Employment Act 2013*. During 2022-23, personnel services were provided by the Department of Planning and Environment (DPE). DPE, a principal department, is a separate reporting entity and does not control the Corporation for financial reporting purposes.

These financial statements have been authorised for issue by the Chief Executive on 6 October 2023.

#### (b) Basis of Preparation

The Corporation's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- (i) applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- (ii) the requirements of the *Government Sector Finance Act 2018* (GSF Act); and
- (iii) Treasurer's Directions issued under the GSF Act.

Property, Plant and Equipment are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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 management has made are disclosed in the relevant notes to the financial statements.

The Corporation's financial statements are prepared on a going concern basis as the assumption that the Corporation is a going concern is justified.

All amounts are rounded to the nearest one thousand dollars 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.

# WASTE ASSETS MANAGEMENT CORPORATION

## Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### (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 18.

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

Revenue, expenses assets and liabilities 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 expense; 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) Changes in Accounting Policy including New or Revised Australian Accounting Standards

- (i) Effective for the First Time in 2022-23

The accounting policies applied in 2022-23 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 2022-23:

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

The adoption of the above revised Australian Accounting Standards has not had any significant impact on WAMC's financial statements.

# WASTE ASSETS MANAGEMENT CORPORATION

## Section A: Entity Information and Basis of Preparation

### Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

#### (ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to adopt new Australian Accounting Standards in advance of their implementation date unless Treasury determines otherwise. Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods.

The following new standards have not been applied and are not yet effective. The impact of the following standards in the period of initial application is not expected to be significant:

- AASB 17 Insurance Contracts (Appendix D)
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments
- AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector
- AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities



# WASTE ASSETS MANAGEMENT CORPORATION

## Section B: Financial Performance

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### 2. EXPENSES

#### (a) Personnel Services Expenses

	2023 \$'000	2022 \$'000
Salaries and Wages	1,558	1,659
Superannuation	167	171
Long Service Leave	33	(426)
Payroll Tax and Fringe Benefits Tax	94	97
<b>Total Personnel Services Expenses</b>	<b>1,852</b>	<b>1,501</b>

Employee costs for the full year were recognised as Personnel Services provided by DPE. These personnel services are expensed when incurred. A liability is recognised for the employee-benefit related liabilities recognised by the DPE and charged to the Corporation.

#### (b) Other Operating Expenses

	2023 \$'000	2022 \$'000
Administration	166	160
Auditors Remuneration - Audit of the financial statements	60	69
Consultancy	-	75
Shared Service Fees (i)	538	625
Insurance (ii)	410	327
Landfill Operating Expenses	40	43
Maintenance (iii)	933	1,030
Mobile Plant and Motor Vehicles	140	124
Utilities and Cleaning	567	104
Fees for Service (iv)	11,120	267
<b>Total Other Operating Expenses</b>	<b>13,974</b>	<b>2,824</b>

- (i) Shared Service Fees include fees charged by GovConnect NSW for shared transactional services and by Property NSW for all administrative and operational services to enable the Corporation to exercise its functions. There were corporate services charges from DPE of \$0.4m in 2022-23.
- (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) 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.
- (iv) Fees for Service mainly represent costs of environmental works payable to external contractors and service providers. The significant increase compared to 2021-22 is mainly due to increase in providing services for land remediation of the Truegain and Hunters Hill sites (Note 3(a)(iii))

#### (c) Depreciation Expense

	2023 \$'000	2022 \$'000
Depreciation of:		
Buildings (Note 9(a))	59	43
Plant and Equipment (Note 9(a))	461	564
<b>Total Depreciation Expense</b>	<b>520</b>	<b>607</b>

# WASTE ASSETS MANAGEMENT CORPORATION

## Section B: Financial Performance

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### 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	2023 Years	2022 Years
Buildings	4-20	4-20
Plant & Equipment	1-10	1-10

### (d) Finance Costs

	2023 \$'000	2022 \$'000
Unwinding of Discount Rate on Landfill Rehabilitation Provision (Note 13(b))	1,668	1,144
<b>Total Finance Costs</b>	<b>1,668</b>	<b>1,144</b>

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

### (e) Rehabilitation Provision Expense

	2023 \$'000	2022 \$'000
Landfill Rehabilitation Expenses	4,648	(3,834)
	<b>4,648</b>	<b>(3,834)</b>

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 2022-23 the landfill rehabilitation provision was reassessed by management to represent the net present value of the liability and was increased by \$1.4m (decreased by \$10.6m in 2021-22) - (Note 13(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

### Recognition and Measurement - Revenue

Income is recognised in accordance with the requirements of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities, dependent on whether there is a contract with a customer defined by AASB 15 Revenue from Contracts with Customers.

The Corporation recognises revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of the asset. Revenue is measured at the amount of the transaction price that is agreed under the contract. When determining the transaction price, Management considers the effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration, and consideration to a customer.

Additional comments regarding the accounting policies for the recognition and measurement of revenue are noted within each revenue category below.

# WASTE ASSETS MANAGEMENT CORPORATION

## Section B: Financial Performance

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

**(a) Sale of Goods and Services**

	2023 \$'000	2022 \$'000
Waste Charges (i)	520	633
Revenue from Joint Operations - "Electricity and Green Products" (ii)	6,074	2,998
Fees for Service Revenue (iii)	20,246	9,287
<b>Total Sale of Goods and Services</b>	<b>26,840</b>	<b>12,918</b>

- (i) Waste Charges: Revenue from the collection and treatment of liquid waste is recognised after the waste has been collected and treated.
- (ii) 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 18).
- (iii) Fees for Service Revenue: Revenue from providing services for land remediation, soil management and environmental compliance, as well as from biodiversity credits sales. The significant increase compared to 2021-22 is mainly due to increase in providing services for land remediation of the Truegain and Hunters Hill sites.

**(b) Investment Revenue**

	2023 \$'000	2022 \$'000
Interest Revenue (i)	1,709	117
Net Gain/(Loss) from TCorpIM Funds measured at fair value through Profit or Loss (ii)	129	(1,347)
<b>Total Investment Revenue</b>	<b>1,838</b>	<b>(1,230)</b>

- (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.
- (ii) Net Gain/(Loss) from TCorpIM Funds measured at fair value through Profit or Loss is earned from TCorp Medium Term Investment. This is in line with the Corporation's Investment Policy.

**(c) Grants and Contributions**

	2023 \$'000	2022 \$'000
Grant Revenue	-	714
<b>Total Grants and Contributions</b>	<b>-</b>	<b>714</b>

Revenue from grants and contributions without sufficiently specific milestones/performance obligations is recognised when the Corporation obtains control over the granted assets (i.e. cash received) in accordance with AASB 1058 "Income of Not-for-Profit Entities".

**(d) Other Revenue**

	2023 \$'000	2022 \$'000
Other Revenue	844	426
<b>Total Other Revenue - Other</b>	<b>844</b>	<b>426</b>

Other revenue mainly represents revenue from rent and site license.

**WASTE ASSETS MANAGEMENT CORPORATION**

**Section B: Financial Performance**

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

**(e) Future Minimum Lease Payments Expected to be Received**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Future Non-cancellable Operating Lease Receivable:		
Not Later than One Year	75	75
Later than One Year and Not Later than Five Years	9	84
<b>Total (including GST)</b>	<b>84</b>	<b>159</b>

The Corporation leases a portion of its owned property asset at 7 Hill Rd, Sydney Olympic Park to the Sydney Olympic Park Authority (Lease # 6380178, Folio ID 5005/1004785) for 25 years. The lease is scheduled to expire 23 August 2024. The lease is held by WAMC, however under the term sheet the Rental Income is paid directly to SUEZ Australia.

**4. GAINS AND LOSSES**

**(a) Gain/(Loss) on Disposal of Non-Current Assets**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Net Proceeds from Disposal of Non-Current Assets	-	182
<b>Net Gain/(Loss) on Disposal</b>	<b>-</b>	<b>182</b>

**(b) Gain/(Loss) on Revaluation**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Net Loss on Revaluation of Property, Plant and Equipment (Note 9(a))	-	(770)
<b>Total Gain/(Loss) on Revaluation</b>	<b>-</b>	<b>-</b>

# WASTE ASSETS MANAGEMENT CORPORATION

## Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### 5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

#### (a) Cash and Cash Equivalents

	2023 \$'000	2022 \$'000
<b>Cash and Cash Equivalents - Current</b>		
Cash at Bank and On Hand	5,241	14,541
Bank Term Deposit	6,644	-
Restricted Cash:		
Restricted Cash at Bank	24,706	28,696
Restricted Bank Term Deposit	24,687	19,541
<b>Total Restricted Cash (b)</b>	<b>49,393</b>	<b>48,237</b>
<b>Total Cash and Cash Equivalents</b>	<b>61,278</b>	<b>62,778</b>

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 variable has been determined after considering the economic environment in which the Corporation operates and 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.

	Carrying Amount \$'000	-1%		1%	
		Net Result \$'000	Equity \$'000	Net Result \$'000	Equity \$'000
<b>Interest Rate Risk - 2023</b>					
<b>Financial Assets</b>					
Cash at Bank and On Hand	5,241	(52)	(52)	52	52
Restricted Cash at Bank	24,706	(247)	(247)	247	247
<b>Interest Rate Risk - 2022</b>					
<b>Financial Assets</b>					
Cash at Bank and On Hand	14,541	(145)	(145)	145	145
Restricted Cash at Bank	28,696	(287)	(287)	287	287

#### Other Price Risk - TCorp Facilities

			2023 \$'000	2022 \$'000
<u>Facility</u>	<u>Investment Sectors</u>	<u>Investment Horizon</u>		
Cash Facility	Cash, money market instruments	Up to 1.5 years	5,241	14,541
Strategic Cash Facility	Cash, money market & other interest rate instruments	Up to 1.5 years	24,706	28,696
Strategic Cash Facility	Cash, money market & other interest rate instruments	1.5 years to 5 years	31,331	19,541

The Corporation's Strategic Cash is held within Australian Bank Term Deposits.

# WASTE ASSETS MANAGEMENT CORPORATION

## Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### (b) Restricted Cash

	Landfill Re- habilitation Fund \$'000	Other Restricted \$'000	Total \$'000
<b>Year Ended 30 June 2023</b>			
Opening Restricted Funds at Start of Year	48,237	-	48,237
Interest Received and Net Income/(Loss) from Financial Assets	1,156	-	1,156
<b>Restricted Funds at the End of Year</b>	<b>49,393</b>	<b>-</b>	<b>49,393</b>
<b>Year Ended 30 June 2022</b>			
Opening Restricted Funds at Start of Year	49,488	-	49,488
Interest Received and Net Income/(Loss) from Financial Assets	(1,251)	-	(1,251)
<b>Restricted Funds at the End of the Year</b>	<b>48,237</b>	<b>-</b>	<b>48,237</b>

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 Water, Property and Housing. 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 on Land Rehabilitation Fund has been moved from the Treasury Banking System into Bank Term Deposits or The Treasury Corporation Medium Term Facility, as per the Corporations Investment Strategy released in late 2016.

No withdrawal was undertaken in 2022-23 for landfill rehabilitation expenses (2021-22: \$Nil).

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

	2023 \$'000	2022 \$'000
<b>Net Cash Flows from Operating Activities</b>	<b>(1,385)</b>	<b>5,532</b>
<b>Non-Cash (Revenues)/Expenses:</b>		
Depreciation	(520)	(607)
Gain/(Loss) on Disposal of Assets	-	(182)
<b>Changes in Operating Assets and Liabilities:</b>		
Increase/(Decrease) in Receivables	536	229
Increase/(Decrease) in Other Assets	6,141	(362)
(Increase)/Decrease in Payables	(74)	(722)
(Increase)/Decrease in Rehabilitation Provision	2,245	6,515
(Increase)/Decrease in Other Provisions	(83)	(405)
<b>Net Result</b>	<b>6,860</b>	<b>9,998</b>

## 6. CURRENT/NON-CURRENT ASSETS - RECEIVABLES

### (a) Receivables

	2023 \$'000	2022 \$'000
<b>Receivables - Current</b>		
Trade Debtors	1,784	1,491
Prepayments	1	5
GST Receivable	277	362
<b>Total Current Receivables at 30 June</b>	<b>2,062</b>	<b>1,858</b>
<b>Receivables - Non-Current</b>		
Biobanking - Management Payments Receivables	2,235	1,903
<b>Total Non-Current Receivables at 30 June</b>	<b>2,235</b>	<b>1,903</b>

# WASTE ASSETS MANAGEMENT CORPORATION

## Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### (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

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) Impairment

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. The WAMC recognises a loss allowance based on lifetime ECLs at each reporting date. The 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.

## 7. CURRENT ASSETS - INVENTORIES

### (a) Inventories

	2023	2022
	\$'000	\$'000
Inventories	76	76
	<u>76</u>	<u>76</u>

### (b) Recognition and Measurement - Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the Corporation would incur to acquire the asset. Net realisable 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. CURRENT ASSETS - OTHERS

### (a) Other Assets

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Accrued Income	5,868	608
Other	997	116
	<u>6,865</u>	<u>724</u>

# WASTE ASSETS MANAGEMENT CORPORATION

## Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### 9. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

#### (a) Total Property, Plant and Equipment

	2023 \$'000	2022 \$'000
<b>Non-Current</b>		
<b>Landfill Cell Costs</b>		
At Fair Value	29,197	29,197
Accumulated Depreciation and Amortisation	(29,197)	(29,197)
<b>Carrying Amount at 30 June</b>	<b>-</b>	<b>-</b>
<b>Land and Buildings</b>		
At Fair Value	12,746	12,746
Accumulated Depreciation	(1,682)	(1,623)
<b>Carrying Amount at 30 June</b>	<b>11,064</b>	<b>11,123</b>
<b>Plant &amp; Equipment</b>		
At Fair Value	6,450	6,296
Accumulated Depreciation	(4,533)	(4,501)
<b>Carrying Amount at 30 June</b>	<b>1,917</b>	<b>1,795</b>
<b>Work in Progress</b>	<b>-</b>	<b>135</b>
<b>Total Property, Plant and Equipment</b>		
At Fair Value	48,393	48,374
Accumulated Depreciation	(35,412)	(35,321)
<b>Total Property, Plant and Equipment at 30 June</b>	<b>12,981</b>	<b>13,053</b>

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).

#### Reconciliation of Opening and Closing Carrying Amounts

	2023 \$'000	2022 \$'000
<b>Land and Buildings</b>		
<b>Carrying Amount at 1 July</b>	11,123	13,240
Depreciation Expense (Note 2(c))	(59)	(43)
Net Revaluation Decrement (Note 14(a))	-	(1,304)
Net Revaluation Decrement Recognised in the Net Result (Note 4(b))	-	(770)
<b>Carrying Amount at 30 June</b>	<b>11,064</b>	<b>11,123</b>
<b>Plant &amp; Equipment</b>		
<b>Carrying Amount at 1 July</b>	1,795	2,130
Additions	448	134
Transfer from Work in Progress	135	95
Depreciation Expense (Note 2(c))	(461)	(564)
<b>Carrying Amount at 30 June</b>	<b>1,917</b>	<b>1,795</b>
<b>Work in Progress</b>		
Carrying Amount at 1 July	135	95
Additions	-	135
Transfer to Plant & Equipment	(135)	(95)
<b>Carrying Amount at 30 June</b>	<b>-</b>	<b>135</b>
<b>Total Property, Plant and Equipment Carrying Amount at 30 June</b>	<b>12,981</b>	<b>13,053</b>



**WASTE ASSETS MANAGEMENT CORPORATION**

**Section C: Assets**

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

**(b) Property, Plant and Equipment Held and Used by the Entity**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-Current</b>		
<b>Landfill Cell Costs</b>		
At Fair Value	29,197	29,197
Accumulated Depreciation and Amortisation	(29,197)	(29,197)
<b>Carrying Amount at 30 June</b>	<b>-</b>	<b>-</b>
<b>Land and Buildings</b>		
At Fair Value	12,746	12,746
Accumulated Depreciation	(1,682)	(1,623)
<b>Carrying Amount at 30 June</b>	<b>11,064</b>	<b>11,123</b>
<b>Plant &amp; Equipment</b>		
At Fair Value	6,450	6,296
Accumulated Depreciation	(4,533)	(4,501)
<b>Carrying Amount at 30 June</b>	<b>1,917</b>	<b>1,795</b>
<b>Work in Progress</b>	<b>-</b>	<b>135</b>
<b>Total Property, Plant and Equipment</b>		
At Fair Value	48,393	48,374
Accumulated Depreciation	(35,412)	(35,321)
<b>Total Property, Plant and Equipment at 30 June</b>	<b>12,981</b>	<b>13,053</b>
<b>Reconciliation of Opening and Closing Carrying Amounts</b>		
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land and Buildings</b>		
<b>Carrying Amount at 1 July</b>	11,123	13,240
Depreciation Expense	(59)	(43)
Net Revaluation Decrement (Note 14(a))	-	(1,304)
Net Revaluation Decrement Recognised in the Net Result (Note 4(b))	-	(770)
<b>Carrying Amount at 30 June</b>	<b>11,064</b>	<b>11,123</b>
<b>Plant &amp; Equipment</b>		
<b>Carrying Amount at 1 July</b>	1,795	2,130
Additions	448	134
Transfer from Work in Progress	135	95
Depreciation Expense	(461)	(564)
<b>Carrying Amount at 30 June</b>	<b>1,917</b>	<b>1,795</b>
<b>Work in Progress</b>		
Carrying Amount at 1 July	135	95
Additions	-	135
Transfer to Plant & Equipment	(135)	(95)
<b>Carrying Amount at 30 June</b>	<b>-</b>	<b>135</b>
<b>Total Property, Plant and Equipment Carrying Amount at 30 June</b>	<b>12,981</b>	<b>13,053</b>

# WASTE ASSETS MANAGEMENT CORPORATION

## Section C: Assets

### Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

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

##### (i) Acquisitions of Assets

Assets acquired are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. 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.

# WASTE ASSETS MANAGEMENT CORPORATION

## Section C: Assets

### Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

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 TPP21-09 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 its 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 revalues 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 comprehensive valuation of Land and Buildings was completed on 31 March 2022 and was subsequently updated on 30 June 2022 by an independent valuer CBRE. An interim management revaluation was performed on 30 June 2023.

# WASTE ASSETS MANAGEMENT CORPORATION

## Section C: Assets

### Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

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.

#### (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.

## 10. 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 Note 9):

### (a) Fair Value Hierarchy of Non-Financial Assets

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2023</b>				
Land and Buildings	-	-	11,064	11,064
	-	-	<b>11,064</b>	<b>11,064</b>
<b>2022</b>				
Land and Buildings	-	-	11,123	11,123
	-	-	<b>11,123</b>	<b>11,123</b>

# WASTE ASSETS MANAGEMENT CORPORATION

## Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### (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 in the fair value measurement is disclosed in the table below. For the valuation processes refer Note 9(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 2023	- Current unit replacement costs - Adjustments including capital improvements, remaining useful lives of buildings
Land and Buildings	Market approach (recurring) - assets are valued based on comparable property sales transactions and where identical properties are not available, adjustments have been made to reflect the following characteristics of the asset, including condition, location or comparability of the asset.  Current 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 2023	- Comparable property sales - Adjustments including condition, location, capital improvements or comparability of the asset  - Current unit replacement costs - Adjustments including capital improvements, remaining useful lives of infrastructure

### (c) Reconciliation of Recurring Level 3 Fair Value Measurements

	Landfill Cell Costs	Land and Buildings	Total Recurring Level 3 Fair Value
	\$'000	\$'000	\$'000
<b>2023</b>			
Fair Value as at 1 July 2022	-	11,123	11,123
Depreciation	-	(59)	(59)
<b>Fair Value as at 30 June 2023</b>	<b>-</b>	<b>11,064</b>	<b>11,064</b>
<b>2022</b>			
Fair Value as at 1 July 2021	-	13,240	13,240
Revaluation Increments/(Decrements)	-	(2,074)	(2,074)
Depreciation	-	(43)	(43)
<b>Fair Value as at 30 June 2022</b>	<b>-</b>	<b>11,123</b>	<b>11,123</b>

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

# WASTE ASSETS MANAGEMENT CORPORATION

## Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### 11. INTANGIBLE ASSETS

#### (a) Intangible Assets

	2023 \$'000	2022 \$'000
<b>Non-Current</b>		
<b>Intangible Assets - Biodiversity Credits</b>		
Gross Carrying Amount	-	333
Less Accumulated Amortisation	-	-
<b>Total Intangible Assets - Biodiversity Credits at 30 June</b>	<b>-</b>	<b>333</b>
<b>Intangible Assets - Right to Carbon Emission Units</b>		
Gross Carrying Amount	1,542	510
Less Accumulated Amortisation	-	-
<b>Total Intangible Assets - Right to Carbon Emission Units at 30 June</b>	<b>1,542</b>	<b>510</b>
<b>Total Intangible Assets</b>		
Gross Carrying Amount	1,542	843
Less Accumulated Amortisation	-	-
<b>Total Intangible Assets at 30 June</b>	<b>1,542</b>	<b>843</b>

#### (b) Reconciliation of Opening and Closing Carrying Amounts

	2023 \$'000	2022 \$'000
<b>Intangible Assets - Biodiversity Credits</b>		
Carrying Amount at 1 July	333	333
Disposal	(333)	-
<b>Carrying amount at 30 June</b>	<b>-</b>	<b>333</b>
<b>Intangible Assets - Right to Carbon Emission Units</b>		
Carrying Amount at 1 July	510	628
Addition	1,032	-
Disposal	-	(118)
<b>Carrying amount at 30 June</b>	<b>1,542</b>	<b>510</b>
<b>Total Intangible Assets at 30 June</b>	<b>1,542</b>	<b>843</b>

#### (c) Recognition and Measurement - Intangible Assets

The Corporation recognises intangible assets only if it is probable that future economic benefits will flow to the Corporation and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

In January 2019, the Corporation entered the BioBanking scheme ("the Agreement") with Office of Environment & Heritage (OEH) over the land at 158 the Northern Road, Berkshire Park, NSW 2765. The Agreement granted the Corporation Biodiversity credits saleable in an open market in exchange for the Corporation's commitment to carry out those management actions specified in the Agreement, with the purpose to conserve and improve the biodiversity value of the subjected land.

Biodiversity credits are recognised as an intangible asset upon signing the Biodiversity agreement. The credits are recognised at cost. The value of the asset initially recognised was considered to be the value of the BioBanking liability (Note 13(c)).

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.

# WASTE ASSETS MANAGEMENT CORPORATION

## Section D: Liabilities

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### 12. CURRENT LIABILITIES - PAYABLES

#### (a) Payables

	2023 \$'000	2022 \$'000
<b>Current</b>		
Trade Payables	394	414
Other Creditors	1,662	1,568
<b>Total Current Payables</b>	<b>2,056</b>	<b>1,982</b>

#### (b) Recognition and Measurement - Payables

Payables are recognised for amounts due to be paid in the future for goods or services received, whether 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 7 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 the Corporation's payables and accruals have a maturity of less than 12 months (2022: 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.

### 13. CURRENT/NON-CURRENT LIABILITIES - PROVISIONS

#### (a) Provisions - Current and Non-Current

	2023 \$'000	2022 \$'000
<b>Current</b>		
Provision for Landfill Remediation	4,799	4,004
Provision for Personnel Services	269	269
<b>Total Current Provisions</b>	<b>5,068</b>	<b>4,273</b>
<b>Non-Current</b>		
Provision for Landfill Remediation	37,858	39,866
Provision for Biobanking liability	2,235	2,235
Provision for Kurri Kurri Site	6,644	6,561
<b>Total Non-Current Provisions</b>	<b>46,737</b>	<b>48,662</b>
<b>Total Provisions</b>		
Provision for Landfill Remediation (b)	42,657	43,870
Provision for Biobanking liability (c)	2,235	2,235
Provision for Personnel Services (d)	269	269
Provision for Kurri Kurri Site (e)	6,644	6,561
<b>Total Provisions Carrying Amount at 30 June</b>	<b>51,805</b>	<b>52,935</b>

# WASTE ASSETS MANAGEMENT CORPORATION

## Section D: Liabilities

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

**(b) Provision for Landfill Remediation - Movement**

	2023 \$'000	2022 \$'000
<b>Carrying Amount at 1 July</b>	43,870	56,945
Addition/(Reduction) in Provisions During the Year	1,414	(10,632)
Amounts Used	(4,295)	(3,587)
Unwinding/Change in Discount Rate (Note 2(d))	1,668	1,144
<b>Carrying Amount at 30 June</b>	<b>42,657</b>	<b>43,870</b>

Landfill Rehabilitation Funding was received from Treasury in 2011 to cover landfill rehabilitation costs on closed landfills, until 2055. Rehabilitation Expenses are charged against the provisions as and when they occur.

Management reviews the Rehabilitation Provision on an Annual 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/remediation notice from the EPA, therefore the Corporation has not recognised any provision. 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.

**(c) Provision for Biobanking Liability - Movement**

	2023 \$'000	2022 \$'000
<b>Carrying Amount at 1 July</b>	2,235	2,235
Addition/(Reduction) in Provisions During the Year	-	-
<b>Carrying Amount at 30 June</b>	<b>2,235</b>	<b>2,235</b>

The Provision for Biobanking Liability represents the constructive liability of the Corporation for future management costs on the land under the Biodiversity Agreement.

**(d) Provision for Personnel Services**

	2023 \$'000	2022 \$'000
<b>Carrying Amount at 1 July</b>	269	283
Provision Recognised/Derecognised during the Year	-	(14)
<b>Carrying Amount at 30 June</b>	<b>269</b>	<b>269</b>

**Provision for Personnel Services - Dissection**

	2023 \$'000	2022 \$'000
Annual Leave (i)	156	161
Long Service Leave On-costs (ii)	113	108
<b>Carrying Amount at 30 June</b>	<b>269</b>	<b>269</b>

The Corporation receives personnel services from the DPE. The DPE is not a Special Purpose Service Entity and does not control the Corporation under this arrangement (Note 1(a)). As the Corporation is not an employer, the disclosure requirements of AASB 119 "Employee Benefits" in respect of employee benefits do not apply. However, for clarity and transparency, a Personnel Services Provision is disclosed where the substance of the underlying liability recognised effectively represents employee benefits.

**(i) Annual Leave**

A liability for annual leave and associated on-costs is recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.



# WASTE ASSETS MANAGEMENT CORPORATION

## Section D: Liabilities

### Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

#### (ii) Long Service Leave On-costs

A liability is recognised for certain long service leave related on-costs and additional employee benefit costs that arise on incurring long service leave, including payroll tax, workers compensation insurance, annual leave, accrued leave while on long service leave taken in service and defined contribution superannuation. This long service leave on-cost liability is calculated in accordance with the requirements of Treasury Circular 21-03 and is based on the long service leave liability recognised by the DPE in respect of employees of the Corporation.

The DPE's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The DPE accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

All long service leave taken by employees of the Corporation is reimbursed to the DPE by the Crown Entity's "Non-Budget Sector Long Service Leave Pool Scheme". Accordingly, The Corporation only recognises the consequential costs associated with long service leave.

#### (e) Provision for Kurri Kurri Site

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>Carrying Amount at 1 July</b>	6,561	-
Addition	83	6,561
<b>Carrying Amount at 30 June</b>	<u>6,644</u>	<u>6,561</u>

The provision for Kurri Kurri Site represents the monetary contribution of \$6.5 million received by the Corporation in 2021-22, as the Minister's nominee for the monetary contribution, under the Voluntary Planning Agreement (VPA) between the Minister for Planning and Public Spaces and Hydro Aluminium Kurri Kurri Pty Ltd. The Corporation holds the received monetary contribution "on trust" for the purpose of the long-term management of the containment cell site at Kurri Kurri, NSW. The Kurri Kurri site is yet to be transferred to WAMC for ongoing management of the containment cell site as at 30 June 2023.

#### (f) 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 weighted average rate of 4.7% per annum, (2022: 3.8% 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 (i.e. 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 impact therefore implementing the Treasury 10-year Bond Rates.

# WASTE ASSETS MANAGEMENT CORPORATION

## Section E: Equity

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### 14. EQUITY

#### (a) Asset Revaluation Reserve

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Carrying Amount at 1 July	-	1,304
Net Decrease in Property, Plant and Equipment Revaluation Surplus (Note 9(a))	-	(1,304)
<b>Carrying Amount at 30 June</b>	<u>-</u>	<u>-</u>

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 9.

#### (b) Accumulated Funds

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

#### Accumulated Funds Movement

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Carrying Amount at 1 July	26,318	16,320
Net Result for the Year	6,860	9,998
<b>Carrying Amount at 30 June</b>	<u>33,178</u>	<u>26,318</u>

# WASTE ASSETS MANAGEMENT CORPORATION

## Section F: Financial Instruments and Other Notes

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### 15. 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 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 2023 under AASB 9

Class	Category	Notes	Carrying amount \$'000
<b>Financial Assets</b>			
Cash and Cash Equivalents	Amortised Cost	5	61,278
Receivables (i)	Amortised Cost	6	4,019
Other Assets	Rights to Carbon Emission Assets and Renewable Energy Certificates	8	6,865
<b>Financial Liabilities</b>			
Payables (ii)	Financial Liabilities Measured at Amortised Cost	12	2,056

(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 2022 under AASB 9

Class	Category	Notes	Carrying amount \$'000
<b>Financial Assets</b>			
Cash and Cash Equivalents	Amortised Cost	5	62,778
Receivables (i)	Amortised Cost	6	3,394
Other Assets	Rights to Carbon Emission Assets and Renewable Energy Certificates	8	724
<b>Financial Liabilities</b>			
Payables (ii)	Financial Liabilities Measured at Amortised Cost	12	1,982

(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 a counterparty will default on their contractual obligations, resulting in a financial loss to the Corporation. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

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

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

# WASTE ASSETS MANAGEMENT CORPORATION

## Section F: Financial Instruments and Other Notes

### Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

#### 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.

#### 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.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery includes, 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 2023 of \$0.8m (\$1.1m as at 30 June 2022) represent 48% of the total debtors. There is no expected credit loss for the current financial year, which is consistent with WAMC's historical performance.

#### **(c) Liquidity Risk**

Liquidity risk is the risk that 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 and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. The Corporation's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, 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 a statement is received.

# WASTE ASSETS MANAGEMENT CORPORATION

## Section F: Financial Instruments and Other Notes

### Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

The table below summarises the maturity profile of the Corporation's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

	<u>Payables</u>	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Weighted Average Effective Interest Rate %	0%	0%
Nominal Amount	2,056	1,982
<b><u>Interest Rate Exposure</u></b>		
Non-interest Bearing	2,056	1,982
<b><u>Maturity Dates</u></b>		
< 1 year	2,056	1,982

#### (d) Maturity Profile

All of WAMC's trade payables, sundry payables and accruals have a maturity of less than 12 months (2022: less than 12 months). Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, 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 a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, WAMC may automatically pay the supplier simple interest. The rate of interest applied by WAMC accords with the current rate applicable under section 22 of the *Taxation Administration Act 1996*.

#### (e) 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 commodity contracts.

#### (f) 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.

#### (g) 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.

# WASTE ASSETS MANAGEMENT CORPORATION

## Section F: Financial Instruments and Other Notes

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### 16. COMMITMENTS FOR EXPENDITURE

#### (a) Operating Lease Commitments

There are no operating expenditure commitments as at 30 June 2023 (\$Nil at 30 June 2022).

#### (b) Capital expenditure commitments

There are no capital expenditure commitments as at 30 June 2023 (\$Nil at 30 June 2022).

### 17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### (a) Contingent Assets

The Corporation is not aware of any contingent assets as at 30 June 2023 (\$Nil at 30 June 2022).

#### (b) Contingent Liabilities

The Corporation is not aware any other contingent liabilities at 30 June 2023 (\$Nil at 30 June 2022) except that the Corporation may have costs associated with the remediation of the following landfill sites:

- (i) Castlereagh Subsidence: The majority of trenches at the Castlereagh landfill site have subsided and are now holding stormwater. This may result in the perched stormwater forcing hazardous chemicals out into the underlying groundwater and broader contamination of the surrounding groundwater system. The cost to remediate the issue is expected to be nil as the Corporation could obtain free materials from the tunnelling projects in Sydney to remediate the landfill site.
- (ii) Eastern Creek Cell 4 Gas Migration: Landfill gas has been identified in an off-site location adjacent to Cell 4 at Eastern Creek and it is currently in a stable state. However, the mechanism for gas migration in this scenario is not understood and therefore a risk remains. As at the reporting date, the possibility of gas migration was remote based on the latest monitoring of the site.

### 18. INTEREST IN JOINT OPERATION

The Corporation has entered 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

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Current Assets	197	181
Non-Current Assets	874	988
<b>Total Assets</b>	<u><b>1,071</b></u>	<u><b>1,169</b></u>
Current Liabilities	172	237
<b>Total Liabilities</b>	<u><b>172</b></u>	<u><b>237</b></u>
<b>Net Assets</b>	<u><b>899</b></u>	<u><b>932</b></u>

# WASTE ASSETS MANAGEMENT CORPORATION

## Section F: Financial Instruments and Other Notes

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

### (b) Share of Corporation's Net Result

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Expenses	(1,093)	(1,263)
<b>Net Result Before Income Tax</b>	<b><u>(1,093)</u></b>	<b><u>(1,263)</u></b>

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

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Electricity and Green Products	6,074	2,998
	<b><u>6,074</u></b>	<b><u>2,998</u></b>

## 19. RELATED PARTY DISCLOSURES

### (a) Key Management Personnel Compensation

During 2022-23, the Corporation did not pay any compensation directly to its key management personnel (\$Nil in 2021-22).

In 2022-23, the Corporation did not incur any expense in respect of the Key Management Personnel services that were provided by Property NSW (\$Nil in 2021-22 for services provided by Property NSW).

### (b) Transactions and Outstanding Balances with other Related Parties

During 2022-23, the Corporation did not enter 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 2022-23, the Corporation entered transactions with other entities that are controlled/jointly controlled/significantly influenced by the NSW Government. Refer Note 2(b) for further information.

## 20. ECONOMIC DEPENDENCY

The main source of funds for the Corporation are interest received from the Rehabilitation Funds, Gas Revenue, Joint Operations Revenue, Biodiversity Credits sales and Fees for Service revenue. The Corporation assesses the Cash adequacy on an annual basis.

## 21. EVENTS AFTER THE REPORTING PERIOD

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

**End of Audited Financial Statements**