

ANNUAL REPORT 2023





Acknowledgement of Country

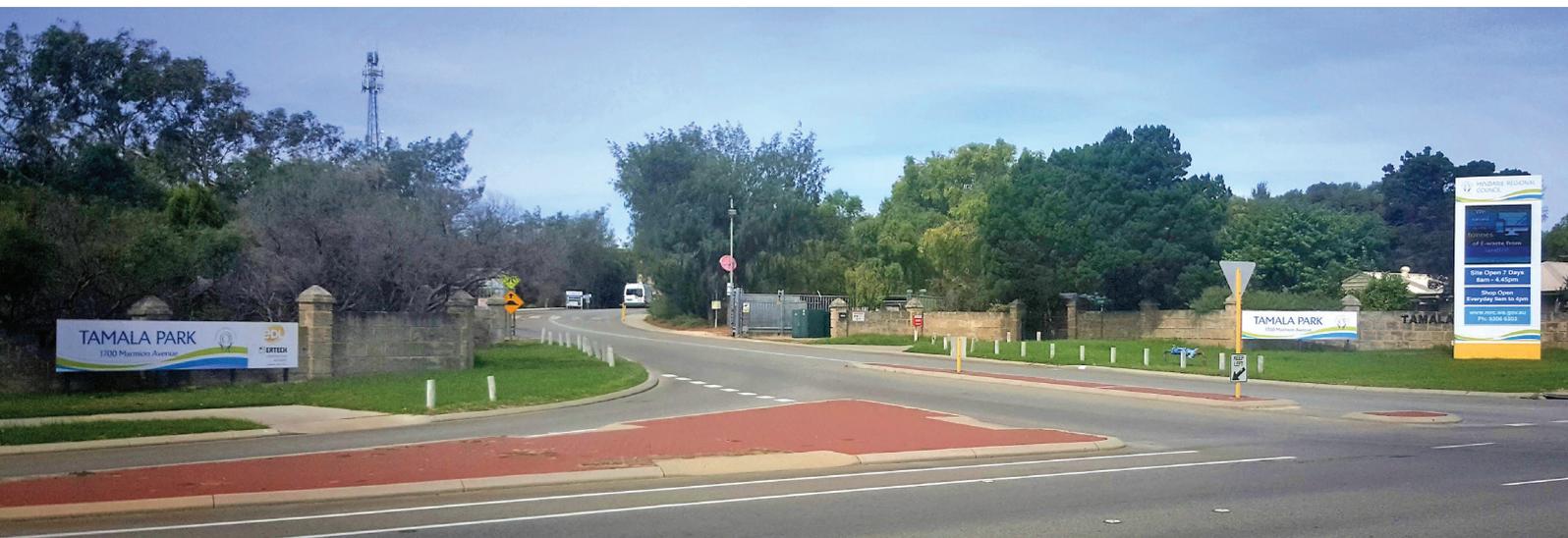
The Mindarie Regional Council acknowledges the Traditional Custodians of the land we are working on, the Whadjuk people. We would like to pay respect to the Elders of the Noongar nation, past, present and future, who have walked and cared for the land. We acknowledge and respect their continuing culture and the contributions made to the life of this region.





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Vision, Mission and Values

Our Vision

Collaborating for a regional Circular Economy

Our Mission

To deliver sustainable waste management options for members

Our Values

Teamwork: Is how we achieve

Innovation: Is how we create

Positive: Is what we are





Chairpersons Foreword

I am pleased to present the Mindarie Regional Council (MRC) Annual Report for 2022 – 2023.

The last 12 months have provided MRC an opportunity to review its priorities for the next decade. With the endorsement of a new Strategic Community Plan, in April 2023, Council has now set its direction.

Guided by its new Vision: **Collaborating for a Regional Circular Economy** the MRC will seek to promote higher order resource recovery options within the Mindarie Regional District into the future. The MRC's new Mission: **To deliver sustainable waste management options for members** aims to enhance the MRC's status as the state's largest local government waste management authority and provides a stellar opportunity for collaboration between its seven member councils on what are key issues for their communities. Council is committed to continue to provide its carefully considered guidance and support to the CEO and his team as they strive towards these goals.

Since 1991 the Tamala Park Landfill has provided to all seven member councils and their communities a high quality disposal service for their residential waste materials. Accessing alternative higher order resource recovery options is now of prime importance. As the landfill nears its end, the MRC is working to ensure that those operations close effectively and in a manner which is sensitive to the surrounding residential environment.

Over the last 12 months, the administration has worked in collaboration with all seven member councils to provide them access to better environmental options, and I would hope to see that work bears fruit in the months ahead. This has the potential to drive the region's resource recovery performance in a positive direction as all member councils seek to align themselves with the state's Waste Avoidance and Resource Recovery Strategy 2030.

Alternative resource recovery processes such as Waste to Energy and Food Organics and Garden Organics (FOGO) recycling services are fundamental outcomes, and these are the avenues which Council are keen to access. The MRC will work to deliver these within our northern region to ensure that residents' waste materials contribute to the delivery of resources of value wherever possible.

On behalf of Council, I would like to take this opportunity to acknowledge and thank outgoing councillors Keri Shannon (Cambridge), Elizabeth Re and Cr Lisa Thornton (Stirling) and Cr Frank Cvitan (Wanneroo) for their contributions over their years on Council.

Following the October 2023 local government elections, 4 new councillors joined the Council – Cr Gary Mack (Cambridge), Cr Andrea Creado and Cr Stephanie Proud (Stirling), and Cr Jordan Wright (Wanneroo). I congratulate them on their nomination.

I would like to take this opportunity to thank Council for its commitment and courage over the past year and now look forward to working together in the year ahead as we strive to deliver collectively for our communities.

Cr Paul Miles



CEO's Foreword

2023 has proved, yet again, to be a very busy but rewarding year for the MRC. The team continues to deliver services of the highest quality to our communities and member councils whilst always striving for improvement; a team which this year has seen substantial change. I commend everyone across all sections on their willingness to move forward and their dedication to the continued delivery of the high quality services which we deliver.

Council has also experienced significant change in the past year with a new Chair being elected (Cr Paul Miles) and the nomination of four new councillors from our member councils. I welcome Cr Andrea Creado, Cr Gary Mack, Cr Jordan Wright and Cr Stephanie Proud and look forward to receiving their direction and guidance. I must also thank Cr Elizabeth Re, Cr Frank Cvitan, Cr Keri Shannon and Cr Lisa Thornton for their valued contribution as past councillors and Cr Karen Vernon for her wise counsel and support as Chair in my first two years in the role of CEO; it is much appreciated.

In the previous 12 months, the MRC has worked closely with its member councils to access those higher order resource recovery alternatives that they require in the shorter term, collaborating together as we attempt to access the best possible options that are currently available in Western Australia. This has not been without its challenges given the dearth of options that exist within the northern Perth metropolitan corridor, but I am convinced that the group's combined efforts and the buying power of a population of approximately three quarters of a million people will prove successful in the months ahead as we, together, finalise the good work that has gone before.

In April 2023, Council adopted a new Strategic Community Plan. I believe that this may prove to be a pivotal moment for the region as it provides our organisation with a clear direction for the future. **'Collaborating for a regional circular economy' to 'Deliver sustainable waste management options for members'** defines how the MRC will move forward.

In alignment with our new Plan, the MRC will look to identify resource recovery options with the ability to realise the inherent value within the waste materials generated by member councils' communities. The delivery of these new infrastructure options within the Mindarie Regional District has the potential to improve member councils' environmental performance and to reduce their transport costs.

The MRC team is dedicated to achieving this outcome for the benefit of all of our member councils.

Scott Cairns



MRC Councillor Details



Cr Paul Miles (Chairperson), City of Wanneroo

Councillor Paul Miles was first elected to the Council in 2007. Then in 2008, Cr Miles was elected as a State Member of Parliament for the electorate of Wanneroo. In 2016, he was appointed Minister for Local Government; Communities; Youth; Seniors; Volunteering and Cemeteries. Following his time as Wanneroo MLA and Minister for Western Australia, Cr Miles was re-elected to Council in October 2017.



Cr Christopher May, City of Joondalup

Councillor Christopher May was elected as councillor for the City of Joondalup in 2021, Cr May has a proven track record backing his community - delivering real, positive outcomes locally. A finance professional, he identifies and eliminates wasteful expenditure. A lifetime local who serves on school boards in Kallaroo and Craigie, volunteers in Yellagonga Regional Park and employed in commercial banking.



Cr Albert Jacob JP, City of Joondalup

Councillor Albert Jacob was elected as Mayor for the City of Joondalup in 2017 having previously served the City of Joondalup for 3 years in the North Central Ward. He was the member for the Western Australian Legislative Assembly seat of Ocean Reef from 2008 to 2017, and the Minister for the Environment and Heritage in Colin Barnett's government.



Cr Liam Gobbert, City of Perth

Councillor Liam Gobbert was elected for the City of Perth in 2020, he has over 10 years local government experience. He was a councillor for the City of Joondalup for 8 years including a year as deputy mayor. A project support officer at the Public Transport Authority, a Justice of the Peace, and a qualified town planner.



Cr Frank Cvitan, City of Wanneroo

Councillor Frank Cvitan was elected to the City of Wanneroo Council in 1999 and remained a Councillor until 2009. After a gap of 2 years, he was re-elected in 2011. A resident of the City for more than 5 decades, Cr Cvitan is committed to ensuring that development across the City is underpinned by proper and orderly planning. East Wanneroo is of particular interest in this regard, where he has been working to ensure the sustainability of the area's wetlands (alongside development planning), since 2005.



Cr Elizabeth Re, City of Stirling

Councillor Elizabeth Re was elected as councillor for the City of Stirling in 2005, she was born in Mount Lawley and has loved living in Woodlands for most of her life. Cr Re has worked for over 30 years for state and local governments in sustainability, environmental and public health. She was given the honour of being made Fellow of Environmental Health Australia for her services in the field of environmental public health and promotion of women in the workforce.



Cr Joe Ferrante, City of Stirling

Councillor Joe Ferrante was elected as councillor for the city of Stirling in 2011, he has lived in the City of Stirling for over 50 years, growing up in Tuart Hill and its surrounding suburbs. Over the last 14 years, Cr Ferrante and his family have been residents of Mount Lawley and Menora. Cr Ferrante works with a global logistics provider as a national sales executive managing international companies. Cr Ferrante has particular interests in community safety, heritage protection and preservation of green open spaces.



Cr Chris Hatton, City of Stirling

Councillor Chris Hatton was elected as councillor for the City of Stirling in 2019, Cr Hatton and his family have lived in Stirling for over 30 years, in the Hamersley Ward. He has a strong belief in keeping suburbs safe, vibrant and family friendly. Cr Hatton is a local school teacher and a Board Member of Balcatta Senior High School. He is also a former State Member of Parliament and a former Board Member of the Constable Care Child Safety Foundation.

Cr Hatton believes in working for community and ensuring that Council spends wisely on essential services and infrastructure.



Cr Lisa Thornton, City of Stirling

Councillor Lisa Thornton was elected as councillor for the City of Stirling in 2019, she was born in Mount Lawley, with her family making Western Australia home for eight generations - first arriving on the ship Marquis of Anglesea. A long-term Stirling resident working as a Science educator, she is an active member of the community. Through working in the fields of genetics and the minerals and resources sector has seen Lisa engaged in industry and academia.



Cr Alex Castle, City of Vincent

Councillor Alex Castle is a long-term resident, with a background in law, governance and communication. She has been a City of Vincent Councillor since 2017 and Deputy Mayor since 2023. As a regular volunteer, serving on school and local committees and Boards, she is deeply committed to supporting our community. She is passionate about greening in our neighbourhoods and efficient and sustainable management of our waste.



Cr Keri Shannon, Town of Cambridge

Councillor Keri Shannon was elected as Mayor for the Town of Cambridge in 2015. She has lived in the Town of Cambridge for 16 years. Cr Shannon brings both public and private sector experience to the Council having worked as a lawyer for over 20 years, firstly in litigation and, for the past 10 years, as a legal counsel for mining and other service companies. She has a commerce degree majoring in Finance and Accounting, and a company secretary qualification with the Institute of Governance Australia. She is a graduate member of the Australian Institute of Company Directors and has served on the ethics committee at Sir Charles Gairdner Hospital and as a volunteer for St Vincent de Paul and community legal centres. Mayor Shannon believes that Local Government serves a unique role in residents' lives and wants to ensure that the amenity and liveability of the Town's suburbs is enhanced.



Cr Karen Vernon, Town of Victoria Park

Councillor Karen Vernon was elected as a councillor for the Town of Victoria Park in 2017, and elected Mayor in 2019, adding public sector governance to existing professional skills, and expanding the passion for a good cause into a wider framework. A Senior Barrister with more than 25 years' experience working in the legal profession, including as a law firm partner and government prosecutor before specialising as a barrister since 2005. Extensive corporate governance experience with more than 10 years as a Company Director and Board Member in the private and not for profit sectors. Skilled in policy, strategic planning and risk management. Graduate of the Australian Institute of Company Directors, and Fellow of the Governance Institute of Australia.

Mindarie Regional Council

The Mindarie Regional Council (MRC) was constituted as a regional council in 1987. The MRC is an incorporated body established under the Western Australian Local Government Act 1995. The MRC's operations are governed by its Council under an Establishment Agreement section 3.64 of the Act.

The MRC is one of the State's largest waste management authorities. In 1981 the Cities of Perth, Stirling and Wanneroo purchased land in Perth's northern corridor that included a parcel of land deemed suitable for a landfill. The MRC's primary role is to manage and dispose of waste delivered to it by its member council. These currently being: the City of Joondalup, Perth, Stirling, Vincent and Wanneroo and the Towns of Cambridge and Victoria Park.

Mindarie Regional Council Councillors

Attendance at Council Meetings

The following table details the type and number of meetings held during 2022/23 and the attendance record of each Council Member.

Elected Members	Ordinary Council	Special Council
No. of Meetings held	8	1
Cr Vernon	8	1
Cr Cvitan	8	1
Cr Shannon	5	1
Cr Jacob	7	1
Cr Sargent (resigned Aug 22)	2	-
Cr Castle	7	1
Cr Thornton	7	1
Cr May	7	1
Cr Gobbert	8	1
Cr Hatton	8	1
Cr Re	5	1
Cr Miles	8	1
Cr Ferrante (appointed Sept 22)	4	1
Cr Proud (alternate)	2	-
Cr Hill (alternate)	1	-
Cr Mack (alternate)	1	-

Council Decisions

The Council recognises the importance of being transparent and accountable. All Council meetings are open to the public, except when sensitive confidential matters are being considered. Recommendations are submitted by the Administration to the Council at its ordinary or special Council meetings and agendas and minutes for these meetings are published on the MRC's website and are available for review. A link to Council meetings and agendas is available on the MRC's website

Council Register of Complaints

Section 5.121 of the Local Government Act 1998 requires a local government to maintain a register of complaints. There were no complaints reported to the Local Government Standards Panel during 2022/23 financial year.

Committees and working groups

Section 5.8 of the LG Act enables Councils to form committees to assist with its functions. Committee members can include Council Members, employees and members of the public in a variety of combinations. Committees can operate with Council-delegated decision-making powers or solely on an advisory basis. Committees and working groups are established as required to consider and provide advice to the Council on a number of issues.

The terms of reference and membership of each committee is determined by the Council. Where the terms of reference for the committee or working group provide for membership by community members, nominations are sought through an open expression of interest process. All expressions of interest are reviewed by the council administration and a report is prepared for the Council for appointment of the recommended nominees. Members of advisory committees are drawn from both Council and the community.

This gives the community a significant opportunity to provide input into the Council's decision-making meeting process. Short-term advisory committees (sometimes called 'working groups' or 'ad hoc groups') are a group of experts working together for a particular purpose and are disbanded when that purpose is achieved.

The decisions or recommendations of committees and working groups have no legal standing unless they are adopted by the Council at a formal meeting. The Council is not bound to accept a recommendation of an advisory committee.

The Council currently has two committees and one advisory groups that require Councillor membership as follows:

- Audit and Risk Committee
- Chief Executive Officer's Recruitment and Performance Review Committee
- Municipal Waste Advisory Council (established as part of the MRC's commitment to the Western Australia Local Government Association membership).

Committee	Member	Purpose
Audit and Risk Committee	Cr Vernon, Cr Cvitan, Cr Miles and Cr Re	To support the Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management, internal and external audit functions and ethical accountability
Chief Executive Officer's Recruitment and Performance Review Committee (CEO R&PRC)	Cr Vernon, Cr Cvitan, Cr Hatton and Cr Jacob	To review annually the performance of the CEO against pre-set performance measures and setting of measure for the next year. The extension of the CEO contract and or the process of recruitment.
Municipal Waste Advisory Council (MWAC)	Cr Vernon and Cr Re as deputy member	To assist the MWAC to encourage and promote economically sound, environmentally safe waste management practices and to ensure that the shared interest of all WA Local Governments, as they relate to waste management, are effectively managed.

Attendance at Committee Meetings

The following table details the type and number of meetings held during 2022/23, and the attendance of each Council Member.

Elected Members	Audit Committee	CEO R&PRC	MWAC
No. Meetings	4	3	6
Cr Vernon	4	3	4
Cr Cvitan	4	3	-
Cr Miles	3	-	-
Cr Re	3	-	-
Cr Hatton	-	3	-
Cr Jacob	-	-	-

Councillor Member's Remunerations

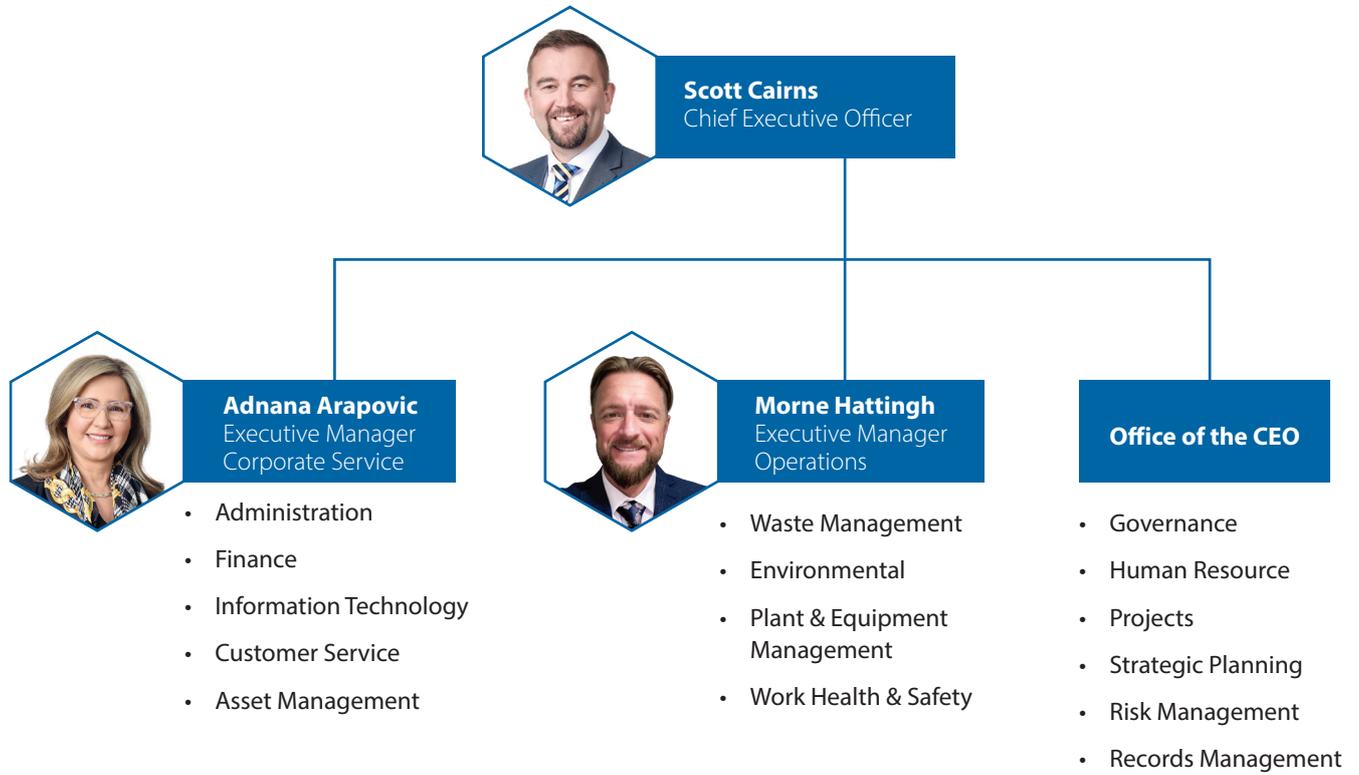
The Salaries and Allowances Tribunal determines remuneration for Council members under the Salaries and Allowances Act 1975 (SAA). On 12 April 2023, the tribunal determined the rates applicable for 2022/23. The MRC is classified as a Band 3 local government for the purposes of the SAA.

The Council made payments to Councillors in line with the Council Members' Fees, Allowances, Reimbursements and Benefits Policy that sets out the payments available to Council members.

	Fee (\$)	LG Allowance (\$)	Allowance (\$) (Technology)
Chairperson	16,108	20,448	1,023
Deputy Chairperson	10,739	4,568	1,023
Councillor	10,739	-	1,023
Deputy Councillor	Nil	-	-
Expenses Other	Child Care and Travel Costs were reimbursed in accordance with Reg. 31 and 32 of the Local Government (Administration) Regulations 1996		



The Executive Management and Services



2022/23 Highlights

Everyone produces waste that has the potential to harm the environment. When waste cannot be avoided, everyone must work together to reduce and reuse it. This is extremely important for our health, the economy, and the environment. Tamala Park is well-known for delivering exceptional waste management services to both commercial and residential clients, and whilst municipal waste is the most common type of waste delivered to the site, the MRC has also received alternative materials on site for resource recovery.

The site, which caters to an estimated population of 750,000, containing households and businesses, received and processed 77,405 transactions throughout the fiscal year. Tamala Park received 217,900 tonnes of waste to landfill, 2.3% down from the 223,131 tonnes received in 2021/2022. In light of the 1.2% increase in local population during the same period, it is apparent that landfill waste is beginning to decrease as Member Councils assess their waste disposal alternatives and seek to transition to more advanced waste processing alternatives. As an example of this, an unprecedented inflow of 4,460 mattresses and 4,945 tyres were received, amongst other materials, all of which were subsequently transported off-site for the purpose of resource recovery.

The state government's ban of electronic waste disposal in landfills is imminent, and the MRC is already making preparations to adapt to these rules and regulations.

While there has been a decline in landfill waste, the Recycling Shop area that is accessible to the public continues to offer its complete range of services. The MRC has enhanced its collaboration with Workpower Inc., the designated service provider, in order to advance the promotion of social business employment.

Furthermore, The onsite power plant at Tamala Park, operated by Energy Developments Limited (EDL), generated an average of 2.72MW of electricity each month by increasing the the landfill gas extraction infrastructure network all year-round. This important facility reduces the environmental impacts of the landfill operations on site and generates a revenue which reduces costs to the ratepayer.

Preparations have commenced for the detailed design and installation of infrastructure to cap the western portion of the landfill by late 2024, now that this section has reached capacity. The forward integration of Stage 1, Phase 3, and the filling of Stage 2 landfill cells should complete the landfill's final fill profile by late 2028; however the final closure date will continue to depend on waste compaction density and the overall volumes received in the future.

Since the landfill began operations in 1991 it has risen from a below ground level facility into a series of elevated landfill benches that extend above the surrounding area. Consequently, operations are currently situated at higher elevations, which are exposed to increased wind conditions and therefore result in enhanced environmental considerations. The MRC has consistently placed the utmost importance on the reduction of odours aired during landfill operations, a task that has at times presented difficulties given the landfill's maturity and increased elevation.

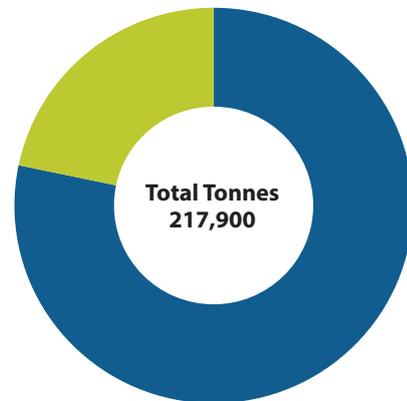
The MRC continues to liaise closely with the environmental regulator, the Department of Water and Environmental Regulation (DWER), to manage the essential services that are delivered at Tamala Park effectively. The MRC produced its second Mandatory Audit Report (MAR); the actions from which will be implemented in the year ahead.

The requirement for a renewed strategic perspective for Tamala Park is something that the MRC is fully aware of. The MRC's new Strategic Community Plan and Corporate Business Plan include objectives and actions that will define how the MRC moves forward. The MRC is exploring other processing alternatives for organic resource recovery at the MRC's Neerabup site. A number of operational and strategic plans related to the Tamala Park site's future are currently being considered. These will seek to accommodate the demands of the surrounding community, businesses, and member councils, and should offer an integrated and resilient strategic guide for the future management of the Tamala Park. It is anticipated that this work will be completed by mid-2024.

Financial Overview

Tonnes by source

	tonnes
Members' waste	170,539
Casuals / Trade Waste	47,361
Total Tonnes	217,900



Other revenue by source

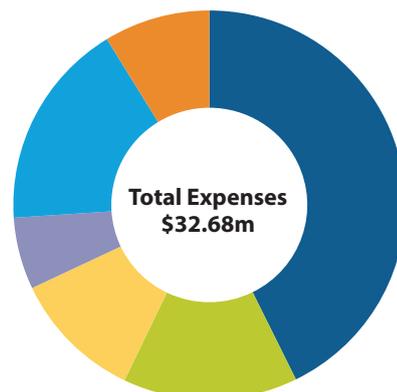
	\$
Gas generation	816,100
Re-imbursements/grants	4,224,742
Interest earnings	1,512,800
Other revenue	271,044
Total other revenue	6,824,686

*Recycling - contracted out from Sept. 2020



Expenses by class

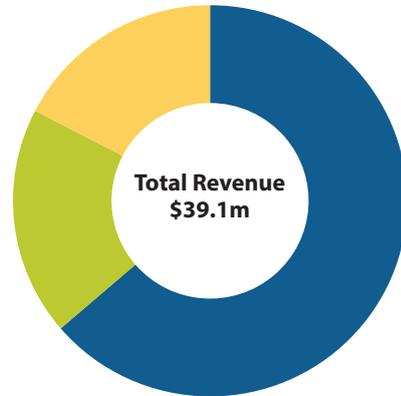
	\$m
DWER Landfill Levy	13.959
Employee costs	4.708
Materials & contracts	3.549
Amortisation	1.953
Depreciation	5.653
Other expenses	2.859
Total expenses	32.68



Financial Overview (continued)

Revenue by source

	\$m
Members' waste	24.9
Non-members	7.4
Other revenue	6.8
Total revenue	39.1



Diversion from landfill



4,460
tonnes of
mattresses



14
tonnes of
polystyrene



74
tonnes
of tyres



1,883
tonnes of
metal



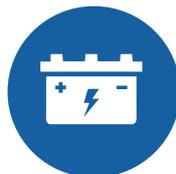
167
tonnes of
e-waste



21
tonnes
of textiles



1,183
tonnes of
greens



120
tonnes of
batteries



55
tonnes of HHW
inc chemicals



548
tonnes of
paper/
cardboard



1.2
tonnes
of fluros



18
tonnes
of glass



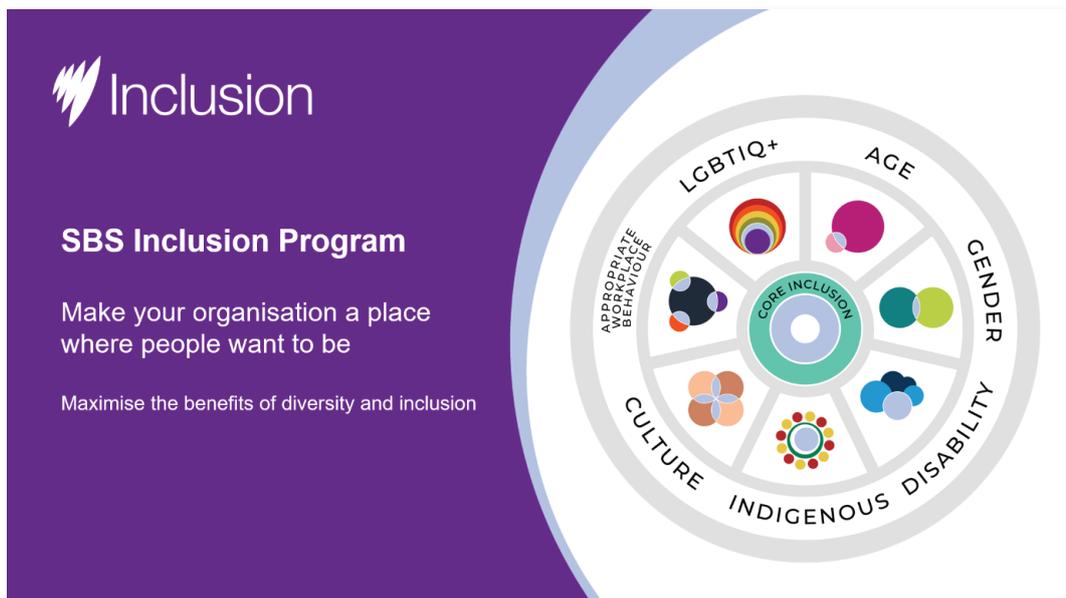
133
tonnes
of paint

Disability Access & Inclusion Plan 2023

The MRC has reviewed and further developed the Disability Access and Inclusion Plan (DAIP) during the financial year 2023. It is a dynamic document that commits to achieving seven desired outcomes:

- People with disability have the same opportunities as other people to access the services of, and any events organised by, the MRC
- People with disability have the same opportunities as other people to access the buildings and other facilities of the MRC
- People with disability receive information from the MRC in a format that will enable them to access the information as readily as other people are able to access it
- People with disability receive the same level and quality of service from the staff and contractors of the MRC as other people receive from the MRC
- People with disability have the same opportunities as other people to make complaints to the MRC
- People with disability have the same opportunities to participate in any public consultation by the MRC
- People with disability have the same opportunities as other people to obtain and maintain employment by the MRC

The MRC's first DAIP plan was implemented in 2006 to address barriers for people with disability as per our statutory requirements under the Disability Services Act (1993). Since the adoption of the initial DAIP, the MRC has implemented several initiatives and made progress towards better access.



Items progressed since 2020 under the DAIP	
New signage for the Tamala Park site, providing for larger lettering and picture icons to assist the visually impaired, and overall improved communication.	✓
Introduction of video messaging and tutorial workshops to assist those people who cannot leave their homes, and also provides opportunities to engage with those with sight or hearing impairments.	✓
Review of the MRC website and social media platforms to improve our community engagement. Improved A-Z waste disposal guide includes picture icons.	✓
Entered into a significant contract with Workpower to run the recycling area and reuse shop at Tamala Park Waste Facility Site. This contract created employment opportunities for people with a disability. The induction form for Workpower assisted employees was modified to suit to better suit their needs, i.e. picture based, the induction form is attached. Several safety videos have also been produced.	✓
Implemented an online training and awareness program, developed by the SBS multicultural broadcaster. The courses are designed to give all employees core skills and knowledge around inclusion in general, and specifically around other diversity dimensions: <ul style="list-style-type: none"> • Aboriginal and Torres Strait Islander • Cultures • LGBTIQ+ • Gender equity • Disability • Age • Appropriate workplace behaviour 	✓
In the 2022/23 year the MRC entered into an agreement with Workpower for the delivery of a NDIS assisted living program. On a portion of the site that includes the caretakers house and surrounding yard areas.	✓
In the 2022/23 year the MRC invited feedback from people with disability, their families and carers, disability service providers and community groups to provide comment on previously unidentified access issues or ongoing access issues to help inform the new five-year Disability Access and Inclusion plan.	✓
The MRC has received several submissions that has identified a number of new initiatives that will be implemented in 2023/24.	✓

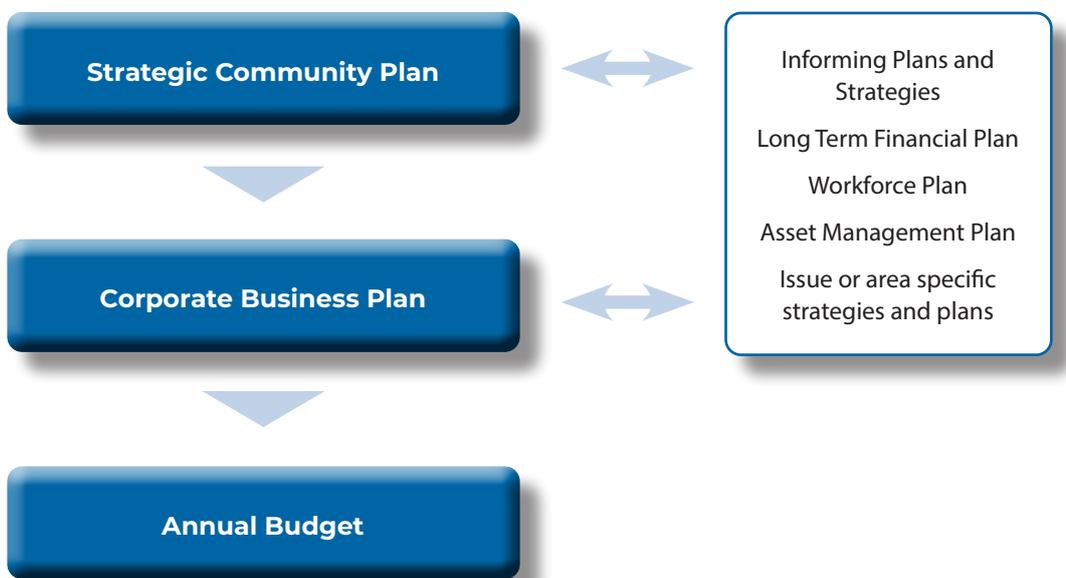
Integrated Planning and Reporting

Integrated Planning and Reporting (IPR) provides local government with a framework for translating member community aspirations and priorities into operational objectives of the Mindarie Regional Council (MRC).

The core components of the IPR are the Strategic Community Plan, Corporate Business Plan, along with informing documents including the Long-Term Financial Plan, Asset Management Plan and Workforce Plan.

The diagram below depicts how the IPR is applied at the MRC which is used to guide our planning processes.

Integrated Planning And Reporting Framework



Strategic Community Plan

The Strategic Community Plan 2023-2032 guides the future direction of the MRC and its member's community. The MRC's long-term strategic direction expresses our member's vision for the future, together with strategies to deliver agreed outcomes.

The MRC's previous Strategic Community Plan (SCP) 2018-2027 was reviewed and a new SCP was adopted by Council on 27 April 2023, with a new vision of **Collaborating for a Regional Circular Economy**. The new SCP 2023-2032 marks an evolution from the MRC's previous Winning Back Waste strategy and addresses the key challenges which face our members' communities over the coming decade, namely waste avoidance, resource recovery and environmental protection.

Strategic Community Plan - Performance

Performance Targets were assigned to each of the key actions and are reported here. Their status for the 2023 year is shown as:

● Completed
 ● In Progress - on track
 ● Not Commenced
 ● Scheduled for 2024/25

Objective 1: Deliver best practice services		
1.1 Operate waste management activities effectively	Landfill processes have been reviewed to ensure compliance with license conditions and to enhance the delivery of services in 23/24. A full review of the landfill site's strategic requirements are also under way. An Odour Management Key Stakeholder Working Group has been established to improve communications and obtain feedback from the local community.	●
1.2 Utilise the best practice waste diversion and resource recovery solutions	Operations are continually reviewed and industry memberships are maintained to ensure that the MRC's practices remain contemporary and in alignment with best practice. Investigations and feasibility studies have commenced for the consideration of alternative service delivery options and waste treatment solutions.	●
1.3 Maintain responsive business practices and systems	Reviews of the MRC's current business systems and practices are being undertaken on a priority basis. The facility management technology currently being employed is being reviewed to improve alignment with MRC weighbridge services. The current financial management system's internal capabilities are under review. A full review of operational processes and structures has been undertaken, with changes implemented.	●
1.4 Promote the organisation's profile with external stakeholders	The MRC maintains good relationships with waste industry experts and holds membership with numerous recognised organisations. MRC officer representation is maintained on the following bodies: Green Deal Alliance, WALGA Waste Management Advisory Council and Officers Advisory Group, Department of Water and Environmental Regulation's FOGO Working Group, Waste Management and Resource Recovery Association of Australia's (WMRR) WA Branch.	●
1.5 Enhance organisational environmental sustainability	An environmental impact report and action plan is scheduled for 24/25.	●
Objective 2: Position MRC to provide world class waste management options		
2.1 Identify and access infrastructure for the resource recovery of member councils' materials in alignment with the state waste strategy	On June 2023 the MRC Council approved negotiations with a preferred supplier to provide the member councils with a Waste to Energy (WtE) solution. Negotiations are ongoing and a contract is expected to be agreed by the end of this financial year. On September 2022 the MRC Council approved the release of a public tender for Food Organic and Garden Organics (FOGO) with an intention to provide member councils a FOGO solution by 2025. The tender is currently published and due to close in March 2024.	●
2.2 Build the circular economy within the district	A new website went live on 30 June 2023, providing opportunity for the publication of greater promotional materials for the MRC and members in 2024. The MRC continues to advocate through the Green Deal Alliance for the development of a FOGO product market, based upon the potential of a FOGO processing facility within the Mindarie Regional District. MRC is an active participant of the WMRR WA Branch who acts as an advocate on behalf of the waste industry to support circular economy objectives. The administration has communicated with a number of potential resource recovery operators with interests in the development of secondary manufacturing facilities within the Mindarie Regional District.	●
2.3 Maximise use of MRC's assets and technical capabilities	A number of assessments are currently under way which will inform the development of the Tamala Park site's Post Closure Management Plan. These include: Landfill Void Space Modelling, Tamala Park Critical Infrastructure Plan, Service Review, Options Assessment and Tamala Park Site Master Plan.	●
Objective 3: Deliver best practice governance process and structures		
3.1 Maintain efficient and equitable governance	The development of a new Establishment Agreement is pending the outcome of the current WtE contract negotiations and FOGO tender process scheduled to start 2024.	●
3.2 Ensure responsible use of organisational resources	Review of the Integrated Planning Framework, Audit Programs, Policy documents, Risk Management systems are all on track with additional Corporate Business Plan reporting mechanisms to commence in 2024. New Project Management, Procurement Management and Contract Management Frameworks/Systems are currently under development; all three are due for implementation later in the financial year.	●
3.3 Retain financial sustainability with a commercial focus	The Long Term Financial Plan was reviewed and updated in 2023. With the adoption of the SCP and CBP. Alternative revenue generating opportunities will be considered in the following period with a plan to support greener supply chains.	●

Corporate Business Plan - Performance

Performance Targets were assigned to each of the key actions and are reported here. Their status for the 2023 year is shown as:

● Completed
 ● In Progress - on track
 ● Not Commenced
 ● Scheduled for 2024/25

1.1 Operate waste management activities effectively	
1.1.1	Operate activities in line with licence conditions, as a minimum
	<ul style="list-style-type: none"> Review landfill cell fill sequence plans quarterly, reported annual basis ● Review Surface Water Management Plans quarterly, reported annual basis ● Review fit for purpose landfill leachate management plans quarterly, reported annual basis ● Establish an Odour Management Key Stakeholder (OMKS) working group. ●
1.1.2	Ensure infrastructure meets future needs and invest in emerging technologies
	<ul style="list-style-type: none"> Establishment of a fit for purpose Strategic Fleet Management Plan (SFMP), solution ●
1.2 Utilise the best practice waste diversion and resource recovery solutions	
1.2.1	Continually assess solutions used
	<ul style="list-style-type: none"> Investigated opportunities to increase landfill airspace utilisation ● Identify and access the highest resource recovery solutions for member councils key waste streams ● Identify and develop processes and procedures to improve waste to landfill diversion rates ● Implement a quarterly fleet and plant utilisation and maintenance reporting system ● Monitor and continuously update quarterly fleet and plant utilisation and maintenance reports ● Develop internal systems, which are consistent with the WA Government Fleet Policy and Guidelines, to document MRC's fleet related procedures and practices ●
1.3 Maintain responsive business practices and systems	
1.3.1	Evaluate the effectiveness of systems and procedures in light of changing business requirements
	<ul style="list-style-type: none"> Review market options for a facility management software system which integrates with Weighbridge functions ● Implementation a facility management software system which integrates with Weighbridge functions ●
1.3.2	Ensure quality value proposition for members
	<ul style="list-style-type: none"> Establish members key metrics for Tamala Park services. ● Survey members views on Tamala Park services and develop recommendations report ●
1.4	Promote the organisation's profile with external stakeholders
1.4.1	Engage through formal industry memberships
	<ul style="list-style-type: none"> Maintain relevant industry memberships to keep up with the trends in Waste Management ●
1.4.2	Broaden the MRC's wider industry profile through collaboration and partnership
	<ul style="list-style-type: none"> Actively participate in the wider industry committees, advisory groups, workshops and seminars ● Promote MRC and member council waste achievements / key activities / website links ● Promote state waste reduction initiatives ●
1.4.3	Neighbourhood stakeholder engagement
	<ul style="list-style-type: none"> Establish an Neighbourhood stakeholder communication plan ●
1.5 Enhance organisational environmental sustainability	
1.5.1	Measure the MRC's environmental impact including carbon footprint
	<ul style="list-style-type: none"> Develop report on the MRC's environmental impact and provide recommendation for improvement ●
1.5.2	Develop an implementation action plan to reduce the MRC's environmental impact
	<ul style="list-style-type: none"> Develop an environmental sustainability action plan ●
1.5.3	Allocate budget to address implementation plan
	<ul style="list-style-type: none"> Deliver environmental sustainable recommendations endorsed by Council ●

2.1 Identify and access infrastructure for the resource recovery of member councils' materials in alignment with the state waste strategy	
2.1.1	Assess processing facilities within the district for the following streams (FOGO, Residual Waste, and Commingled Recyclables)
	<ul style="list-style-type: none"> • Research and identify alternative waste processing opportunities within the district
2.1.2	Deliver opportunities above, as resolved by Council
	<ul style="list-style-type: none"> • Deliver recommendations endorsed by Council
2.2 Build the circular economy within the district	
2.2.1	Investigate potential and feasibility of other revenue generating resource recovery facilities within the district (Tamala Park, MRC Neerabup site, etc.)
	<ul style="list-style-type: none"> • Develop a waste resource flow model for MRC and its member councils • Develop Circular Economy Options Report for Tamala Park • Develop Circular Economy Options Report for Neerabup Site • Develop a Circular Economy Master Plan
2.2.2	Deliver opportunities above, as resolved by Council
	<ul style="list-style-type: none"> • Deliver circular economy Master Plan as endorsed by Council
2.2.3	MRC to advocate for the establishment of a circular economy
	<ul style="list-style-type: none"> • Support the member Councils advocacy for their circular economy objectives through digital platforms
2.2.4	Collaborate with external stakeholders including federal and state government, private sector, and not-for-profit sector
	<ul style="list-style-type: none"> • Utilise CEO forums to actively participate in the circular economy establishment within the wider industry
2.3 Maximise use of MRC's assets and technical capabilities	
2.3.1	Future options appraisal of the Tamala Park site
	<ul style="list-style-type: none"> • Develop Future Use Feasibility Study for Tamala Park
2.3.2	Develop and agree a post-closure plan for the Tamala Park site
	<ul style="list-style-type: none"> • Develop and agree a post-closure plan for the Tamala Park site
2.3.3	Identify and deliver highest value outcome for the MRC's Neerabup site
	<ul style="list-style-type: none"> • Develop future use options report for Neerabup site. • Deliver Neerabup future use recommendations endorsed by Council

3.1 Maintain efficient and equitable governance	
3.1.1 New Establishment Agreement	
• Review of MRC Services and desired outcomes	●
• Assessment of stakeholder arrangements	●
3.1.2 Ensure compliance with all legislative, probity, and regulatory requirements	
• Review and deliver Integrated planning framework	●
• Deliver External Reporting and Regulatory Audit Programs	●
• Review the Risk Management Plan and Appetite Statement and maintain reporting systems	●
• Introduce Corporate Business Plan periodical reporting to the Audit and Risk Committee	●
• Introduce a Fraud and Misconduct Control and Resilience Policy	●
3.2 Ensure responsible use of organisational resources	
3.2.1 Resources will be deployed in line with the objectives of the Strategic Community Plan	
• Develop project management framework.	●
• Implement the contract management system	●
• Review future infrastructure needs and emerging technologies	●
• Strategically plan and manage MRC plant and equipment and fleet to gain the best value and efficiencies	●
• Review and consolidate Tamala Park Waste management facility plans into one single master plan.	●
• Implement a Pollution Incident Response Management Plan (PIRMP) and update the plan on an annual basis.	●
• Review and update the Workforce Plan	●
• Review and update the Asset Management Plan	●
• Review and update the Long Term Financial Plan	●
3.3 Retain financial sustainability with a commercial focus	
3.3.1 Operate in alignment with the organisation's Long Term Financial Plan	
• Review of MRC Services and desired outcomes	●
• Review of previous Draft Establishment Agreement with consideration given to a regional authority model	●
• Develop New Establishment Agreement for Council endorsement	●
3.3.2 Explore opportunities for alternative revenue generation and return to members	
• Based on endorsed circular economy / commercial opportunities, maintaining positive unrestricted cash and investment balance	●
3.3.3 Promote and support greener supply chains	
• Review and deliver procurement processes that support sustainable procurement objectives	●

Payments to Employees

Regulation 19B of the Local Government (Administration) Regulations 1996 requires the MRC to include the following information in the Annual Report:

- number of employees entitled to an annual salary of \$130,000 or more
- number of those employees with an annual salary entitlement that falls within each band of the \$10,000 over \$130,000

Salary Band (\$)	Number of Employees
130,000 - 139,999	0
140,000 - 149,999	1
150,000 - 159,999	0
160,000 - 169,999	1
170,000 - 179,999	0
180,000 - 189,999	0
190,000 - 199,999	0
200,000 - 209,999	1

Chief Executive Officer Remuneration Package \$249,600.



Employee Performance

Employee performance appraisals are conducted on an annual basis, as required by the Local Government Act 1995.

The process aim to:

- assess an employee's performance as it relates to his/her substantive position;
- strengthen constructive communication between management and employees;
- monitor changes in individual responsibilities;
- determine annual training and development requirements;
- review previous commitments agreed in previous reviews;
- set individual specific goals and targets for the forthcoming year;
- provide constructive impersonal feedback on relevant job performance and objective outcomes; and
- provide input to the employee classification review and to reward any exceptional performance.

Learning and Development

The MRC's Training Program provides employees with access to development opportunities that meet the needs of the individual and build greater capability within the organisation. Development opportunities for eligible employees include but are not limited to:

- Individual Learning and Development Plans;
- A Study Assistance Program;
- A Leadership Program; and
- Workshops and conferences to upskill, extend knowledge and keep abreast of changes in their related field.

Health and Wellbeing Programs

The MRC offers programs which contribute to employee health and wellbeing.

These include but are not limited to:

- An Employee Assistance Program;
- Flu vaccinations;
- Skin cancer screening; and
- Wellbeing education and assistance programs.

Employee Awards and Recognition

The MRC acknowledges its employees through a range of award programs which recognise outstanding and consistent achievement, innovation, safety initiatives, service milestones and demonstration of the MRC's values.

Record Keeping

The MRC reviewed its Recordkeeping Plan in February 2023 in accordance with the State Records Act 2000, it was subsequently endorsed by State Records Commission in May 2023. The plan is the primary means of compliance with current legislation in Western Australia and of best practice in record keeping processes at the MRC.

All staff undergo record keeping training when they join the MRC and subsequently attend refresher courses periodically. The training helps the employees understand their record management responsibilities both from an organisational and legislative point of view. Elected members also receive an annual reminder as to their records management compliance obligations.

Performance indicators	2022/2023	2021/2022
Number of new files created	328	379
Number of documents registered	12,828	10,791
Number of Freedom of Information applications received	-	-
Response time for Freedom of Information applications (average number of days)	-	-





MINDARIE REGIONAL COUNCIL

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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The Mindarie Regional Council conducts the operations of a local government on behalf of its member councils

Our vision:

Collaborating for a regional Circular Economy

Our Mission

To deliver sustainable waste management options for members

Principal place of business:

1700 Marmion Avenue,
TAMALA PARK WA 6030



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Mindarie Regional Council

To the Council of the Mindarie Regional Council

Opinion

I have audited the financial report of the Mindarie Regional Council (Council) which comprises:

- the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended.
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Council for the year ended 30 June 2023 and its financial position at the end of that period.
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

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

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Council is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Council's ability to continue as a going concern.
- disclosing, as applicable, matters related to going concern.
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Council.

The Council Members are responsible for overseeing the Council's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with *ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Mindarie Regional Council for the year ended 30 June 2023 included in the annual report on the Council's website. The Council's management is responsible for the integrity of the Council's website. This audit does not provide assurance on the integrity of the Council's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Council to confirm the information contained in the website version.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
15 November 2023



**Mindarie Regional Council Statement of Comprehensive Income
for the Year Ended 30 June 2023**

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Contributions and reimbursements	2(a)	4,224,742	4,219,742	4,216,397
Fees and charges	2(a)	33,102,536	31,518,890	38,240,997
Interest revenue	2(a)	1,512,800	212,000	154,778
Other revenue	2(a)	271,044	256,401	659,862
		39,111,122	36,207,033	43,272,034
Expenses				
Employee costs	2(b)	(4,707,843)	(4,417,735)	(4,164,419)
Materials and contracts	2(b)	(17,508,295)	(17,920,720)	(37,349,793)
Utility charges		(632,002)	(738,250)	(548,964)
Depreciation/Amortisation	2(b)	(7,606,255)	(6,022,764)	(11,525,324)
Finance costs	2(b)	(1,074,941)	(327,828)	(1,275,947)
Insurance		(684,881)	(1,529,375)	(701,652)
Other expenditure	2(b)	(466,879)	(6,090,607)	(502,953)
		(32,681,096)	(37,047,279)	(56,069,052)
		6,430,026	(840,246)	(12,797,018)
Profit on asset disposals		0	0	210,628
Loss on asset disposals		0	0	(65,239)
		0	0	145,389
Net result for the period		6,430,026	(840,246)	(12,651,629)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	10,263,654	0	20,140,272
Total other comprehensive income for the period	15	10,263,654	0	20,140,272
Total comprehensive income for the period		16,693,680	(840,246)	7,488,643

This statement is to be read in conjunction with the accompanying notes.

**Mindarie Regional Council Statement of Financial Position
as at 30 June 2023**

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	20,262,141	7,145,355
Trade and other receivables	5	2,273,228	2,710,144
Other financial assets	4(a)	40,495,910	39,420,410
Inventories	6	15,792	23,889
Other assets	7	1,226,341	981,694
TOTAL CURRENT ASSETS		64,273,412	50,281,492
NON-CURRENT ASSETS			
Property, plant and equipment	8	31,577,144	34,006,184
Infrastructure	9	62,543,977	55,115,539
Right-of-use assets	11(a)	6,203,572	6,476,940
TOTAL NON-CURRENT ASSETS		100,324,693	95,598,663
TOTAL ASSETS		164,598,105	145,880,155
CURRENT LIABILITIES			
Trade and other payables	12	4,144,896	4,318,590
Lease liabilities	11(b)	628,560	559,266
Employee related provisions	13	754,925	727,921
TOTAL CURRENT LIABILITIES		5,528,381	5,605,777
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	6,161,220	6,332,939
Employee related provisions	13	141,000	112,885
Rehabilitation provisions	14	20,052,694	17,807,424
TOTAL NON-CURRENT LIABILITIES		26,354,914	24,253,248
TOTAL LIABILITIES		31,883,295	29,859,025
NET ASSETS		132,714,810	116,021,130
EQUITY			
Retained deficit		(29,893,807)	(35,597,552)
Reserve accounts	25	19,493,371	18,767,090
Council Contributions	16	89,085,726	89,085,726
Revaluation surplus	15	54,029,520	43,765,866
TOTAL EQUITY		132,714,810	116,021,130

This statement is to be read in conjunction with the accompanying notes.

**Mindarie Regional Council Statement of Changes in Equity
for Year Ending 30 June 2023**

	NOTE	RETAINED DEFICIT \$	COUNCIL CONTRIBUTIONS	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		(23,933,584)	4,085,726	19,754,751	23,625,594	23,532,487
Comprehensive income for the period						
Net result for the period		(12,651,629)	0	0	0	(12,651,629)
Council Contributions		0	85,000,000	0	0	85,000,000
Other comprehensive income for the period	15	0	0	0	20,140,272	20,140,272
Total comprehensive income for the period		(12,651,629)	85,000,000	0	20,140,272	92,488,643
Transfers from reserve accounts	25	2,091,625	0	(2,091,625)	0	0
Transfers to reserve accounts	25	(1,103,964)	0	1,103,964	0	0
Balance as at 30 June 2022		(35,597,552)	89,085,726	18,767,090	43,765,866	116,021,130
Comprehensive income for the period						
Net result for the period		6,430,026	0	0	0	6,430,026
Council Contributions		0	0	0	0	0
Other comprehensive income for the period	15	0	0	0	10,263,654	10,263,654
Total comprehensive income for the period		6,430,026	0	0	10,263,654	16,693,680
Transfers from reserve accounts	25	98,550	0	(98,550)	0	0
Transfers to reserve accounts	25	(824,831)	0	824,831	0	0
Balance as at 30 June 2023		(29,893,807)	89,085,726	19,493,371	54,029,520	132,714,810

This statement is to be read in conjunction with the accompanying notes.



**Mindarie Regional Council Statement of Cashflow
for Year Ending 30 June 2023**

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Contributions and reimbursements		4,224,742	4,216,397
Fees and charges		33,655,229	39,460,451
Interest revenue		939,304	78,231
Goods and services tax received		2,782,222	10,440,264
Other revenue		271,044	656,680
		41,872,541	54,852,023
Payments			
Employee costs		(4,776,643)	(4,107,470)
Materials and contracts		(17,328,430)	(25,931,227)
Payment for RRF Facility		0	(50,189,280)
Utility charges		(632,002)	(548,964)
Finance costs		(331,820)	(879,845)
Insurance paid		(684,880)	(1,157,719)
Goods and services tax paid		(2,785,569)	(10,336,310)
Other expenditure		(466,879)	(502,953)
		(27,006,223)	(93,653,768)
Net cash provided by (used in) operating activities		14,866,318	(38,801,745)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(97,215)	(4,061,359)
Payments for construction of infrastructure	9(a)	(10,334)	0
Payment for purchases of RRF property and infrastructure		0	(33,959,469)
Members Equity Contributions		0	85,000,000
Proceeds for financial assets at amortised cost		(1,075,500)	(7,113,057)
Proceeds from sale of property, plant & equipment		0	610,384
Net cash provided by (used in) investing activities		(1,183,049)	40,476,499
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for principal portion of lease liabilities	24(a)	(566,483)	(506,322)
Net cash provided by (used in) financing activities		(566,483)	(506,322)
Net increase (decrease) in cash held		13,116,786	1,168,432
Cash at beginning of year		7,145,355	5,976,923
Cash and cash equivalents at the end of the year		20,262,141	7,145,355

This statement is to be read in conjunction with the accompanying notes.

**Mindarie Regional Council Statement of Financial Activity
for the Year Ending 30 June 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
Contributions and reimbursements		4,224,742	4,219,742	4,216,397
Fees and charges		33,102,536	31,518,890	38,240,997
Interest revenue		1,512,800	212,000	154,778
Other revenue		271,044	256,401	659,862
Profit on asset disposals		0	0	210,628
		39,111,122	36,207,033	43,482,662
Expenditure from operating activities				
Employee costs		(4,707,843)	(4,417,735)	(4,164,419)
Materials and contracts		(17,508,295)	(17,920,720)	(16,652,220)
RRF Expenses		0	0	(20,697,573)
Utility charges		(632,002)	(738,250)	(548,964)
Depreciation		(7,606,255)	(6,022,764)	(11,525,324)
Finance costs		(1,074,941)	(327,828)	(1,275,947)
Insurance		(684,881)	(1,529,375)	(701,652)
Other expenditure		(466,879)	(6,090,607)	(502,953)
Loss on asset disposals		0	0	(65,239)
Loss on revaluation of non-current assets		(17,512)	0	0
		(32,698,608)	(37,047,279)	(56,134,291)
Non-cash amounts excluded from operating activities	23(a)	8,427,132	6,694,901	11,802,785
Amount attributable to operating activities		14,839,646	5,854,655	(848,844)
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from disposal of assets		0	0	610,384
		0	0	610,384
Outflows from investing activities				
Purchase of plant and equipment	8(a)	(54,835)	0	(1,638,421)
Purchase of land and buildings	8(a)	(25,279)	(150,000)	(12,002,169)
Purchase of computer equipment	8(a)	(17,101)	(45,000)	(172,534)
Purchase and construction of infrastructure	9(a)	(10,334)	(7,145,062)	(24,208,065)
		(107,549)	(7,340,062)	(38,021,189)
Amount attributable to investing activities		(107,549)	(7,340,062)	(37,410,805)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	25	98,550	7,340,062	2,091,625
		98,550	7,340,062	2,091,625
Outflows from financing activities				
Payments for principal portion of lease liabilities	24(a)	(566,483)	(330,550)	(506,322)
Transfers to reserve accounts	25	(824,831)	(596,079)	(1,103,964)
		(1,391,314)	(926,629)	(1,610,286)
Amount attributable to financing activities		(1,292,764)	6,413,433	481,339
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	23(b)	27,195,812	27,921,500	64,974,122
Amount attributable to operating activities		14,839,646	5,854,655	(848,844)
Amount attributable to investing activities		(107,549)	(7,340,062)	(37,410,805)
Amount attributable to financing activities		(1,292,764)	6,413,433	481,339
Surplus or deficit	23(b)	40,635,145	32,849,526	27,195,812

This statement is to be read in conjunction with the accompanying notes.

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1. BASIS OF PREPARATION

The financial report of the Mindarie Regional Council which is a Band 3 local government comprises general purpose financial statements which have been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the Local Government Act 1995 read with the Local Government (Financial Management) Regulations 1996 prescribe that the financial report be prepared in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 1054 Australian Additional Disclosures paragraph 16

The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Mindarie Regional Council to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

There is no impact to the financial position of the Mindarie Regional Council (MRC) with regard to the above amendments to the FM Regulations as the MRC does not have any vested land.

The local government reporting entity

All funds through which the Mindarie Regional Council (MRC) controls resources to carry on its functions have been included in the financial statements forming part of this financial report. In the process of reporting on the Mindarie Regional Council (MRC) as a single unit, all transactions and balances between those funds (for example, loan and transfers between funds) have been eliminated.

Judgements and estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

A key forecasting variable is the expected tonnes to landfill. Estimates of future tonnes have been based on the expected population growth forecasts for each of the member councils. There is inherent volatility in these estimates as they are subject to changes in consumer behavior, advances in technology and intervention by State Government through mechanisms such as the landfill levy.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimated useful lives of non-current assets.

Landfill Cells

There are three general components of landfill cell construction:

- Cell excavation and development,
- Cell liner costs, and
- Cell capping costs.

All cell excavation and development costs, cell liner costs and cell capping costs are capitalised and depreciated over the useful life of the cell, based on the volumetric consumption of the air space in the cell. Once a cell has been capped and is no longer available for use, the costs associated with the cell are written off.

Amortisation on excavation assets

The calculation of amortisation on the excavation assets is based on specific estimates and judgements on the total capital costs and capacity of the landfill site. The amortisation rate charged is reviewed regularly and is based on an average cost per tonne. The cost per tonne is arrived at after taking into account a standard engineering cost per cubic metre of landfill and the estimated density of the waste. The amortisation expense is arrived at by applying the amortisation rate to the actual tonnages sent to landfill during the period.

Rehabilitation Provision

The rehabilitation provision is based on specific estimates and judgements with regard to the rehabilitation of the landfill cells as and when they reach the end of their useful life. A periodic review of the provision is conducted and the provision altered to reflect the findings.

Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and interpretations were implied, became mandatory and were applicable to MRC's operations.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- 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 or Definition of Accounting Estimates
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

It is not expected these standards will have material impact on the financial reports

2.REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	Timing of revenue recognition
Contributions and reimbursements	Reimbursement of MRC's administration and governance expenses by members.	No obligation	Monthly in advance	None	Upon issue of invoice
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Gas Power Generation Income	Landfill gas (LFG) from the decomposition of organic material in landfills.	Single point in time	Not applicable	None	On sale of renewable energy certificates

Consideration from contracts with customers is included in the transaction price.

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2023

Nature	Contracts with customers		Total
	\$	\$	
Contributions and reimbursements	0	4,224,742	4,224,742
Fees and charges	25,677,374	7,425,162	33,102,536
Interest revenue	0	1,512,800	1,512,800
Other revenue	0	271,044	271,044
Total	25,677,374	13,433,748	39,111,122

For the year ended 30 June 2022

Nature	Contracts with customers		Total
	\$	\$	
Contributions and reimbursements		4,216,397	4,216,397
Fees and charges	32,637,995	5,603,002	38,240,997
Interest revenue		154,778	154,778
Other revenue		659,862	659,862
Total	32,637,995	10,634,039	43,272,034

Fees and charges

	2023 Actual	2022 Actual
	\$	\$
Member Council Charges	24,861,274	32,037,486
Casual Fees	7,425,162	5,603,001
Gas Power Generation Income	816,100	600,510
	33,102,536	38,240,997

Interest revenue

	2023 Actual	2022 Actual
Interest on reserve account funds	537,926	145,925
Other interest revenue	974,874	8,853
	1,512,800	154,778

(b) Expenses

Auditors remuneration

	2023 Actual	2022 Actual
	\$	\$
- Audit of the Annual Financial Report	125,818	111,000
- Additional prior year audit fees	25,200	46,920
	151,018	157,920

Employee Costs

	2023 Actual	2022 Actual
Employee benefit costs	4,408,116	3,863,117
Other employee costs	299,727	301,302
	4,707,843	4,164,419

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Note	2023 Actual	2022 Actual
	\$	\$
Materials and contracts		
Consultants and Contracts	368,751	434,108
Communications and Public Consultation	31,134	29,549
Landfill Expenses	1,244,379	1,292,610
Office Expenses	196,107	160,492
Information Systems Expenses	238,196	347,739
Building Maintenance	426,136	518,465
Plant and Vehicles Operating and Hire	1,044,953	827,538
Government Levies	13,958,639	13,041,718
Resource Recovery Facility (RRF) Expenses	0	20,697,574
	17,508,295	37,349,793
Depreciation		
Buildings	200,908	388,441
Buildings - RRF	1,339,074	1,085,005
Service Concession Asset	0	640,738
Furniture and Office Equipment	18,917	27,104
Computing Equipment	33,165	86,919
Vehicles and Mobile Plant	291,208	1,016,146
Infrastructure	329,178	613,132
Right of Use Asset	737,427	637,080
Depreciation on RRF Infrastructure	2,702,929	2,204,465
	5,652,806	6,699,030
Amortisation		
Excavation/Cell Development	1,472,167	3,142,973
Rehabilitation Assets	481,282	1,097,916
Resource Recovery Facility establishment	0	585,405
	1,953,449	4,826,294
Depreciation/Amortisation	7,606,255	11,525,324
Finance costs		
Interest and financial charges for lease liabilities	331,820	335,060
Provisions: unwinding of discount	743,121	396,102
Interest expense - service concession	0	544,785
	1,074,941	1,275,947
Other expenditure		
Audit Fees	151,018	157,920
Bank Charges	19,554	18,304
Legal Expenses	110,624	159,850
Doubtful and Bad Debts Expense	122	123
Donations	0	1,929
Elected Member Costs	185,561	164,827
	466,879	502,953
	2023	2022
	\$	\$
Cash at bank and on hand	20,262,141	7,145,355
Total cash and cash equivalents	20,262,141	7,145,355
Held as		
- Unrestricted cash and cash equivalents	20,262,141	7,145,355
	20,262,141	7,145,355

3. CASH AND CASH EQUIVALENTS

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

	Note	2023	2022
		\$	\$
(a) Current assets			
Financial assets at amortised cost		40,495,910	39,420,410
		40,495,910	39,420,410
Other financial assets at amortised cost			
Term deposits		40,495,910	39,420,410
		40,495,910	39,420,410
Held as			
- Unrestricted other financial assets at amortised cost		21,002,539	20,653,320
- Restricted other financial assets at amortised cost	17	19,493,371	18,767,090
		40,495,910	39,420,410

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Council classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

5. TRADE AND OTHER RECEIVABLES

	Note	2023	2022
		\$	\$
Current			
Trade receivables		1,976,494	2,529,189
Other receivables		208,666	57,646
GST receivable		88,068	123,309
		2,273,228	2,710,144

SIGNIFICANT ACCOUNTING POLICIES

Trade receivables

Trade and other receivables include amounts due from member councils for waste processing and gate fees earned in the ordinary course of business.

Other Receivables

Other receivables are amounts receivables from contractual arrangements with third parties other than contracts with customers.

5. TRADE AND OTHER RECEIVABLES (continued)

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Council measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

6. INVENTORIES

Current

	2023	2022
	\$	\$
Fuel	15,792	23,889
	15,792	23,889
Balance at beginning of year	23,889	15,666
(Decrease) / increase to inventory	(8,097)	8,223
Balance at end of year	15,792	23,889

The following movements in inventories occurred during the year:

SIGNIFICANT ACCOUNTING POLICIES

General

Inventories are measured at the lower of cost and net realisable value.

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.



7. OTHER ASSETS

	2023	2022
	\$	\$
Other assets - current		
Prepayments	190,058	545,648
Accrued interest	660,378	86,882
Accrued income	375,905	349,164
	1,226,341	981,694

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Accrued interest

Interest is accrued over the period in which it is earned. This is typically based on the effective interest rate and outstanding principal amount of the financial asset.



8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land \$	Buildings - non- specialised \$	Building - Resource Recovery Facility \$	Total land and buildings	Furniture and equipment \$	Plant and equipment \$	Computer Equipment \$	Total property, plant and equipment \$
Balance at 1 July 2021	4,567,043	3,290,149	0	7,857,192	127,537	4,219,713	183,169	12,387,611
Additions	2,192,597		9,809,572	12,002,169	0	1,638,421	172,534	13,813,124
Disposals	0	(32,307)	0	(32,307)	0	(281,847)	(169,335)	(483,489)
Revaluation increments / (decrements) transferred to revaluation surplus	2,490,360	789,649	7,806,533	11,086,542	0	0	0	11,086,542
Depreciation	0	(388,441)	(1,085,005)	(1,473,446)	(27,104)	(1,016,147)	(86,919)	(2,603,616)
Transfers	0	(150,307)	0	(150,307)	(43,681)	0	0	(193,988)
Balance at 30 June 2022	9,250,000	3,508,743	16,531,100	29,289,843	56,752	4,560,140	99,449	34,006,184
Comprises:								
Gross balance amount at 30 June 2022	9,250,000	3,508,743	16,531,100	29,289,843	145,404	6,543,962	380,928	36,360,137
Accumulated depreciation at 30 June 2022	0	0	0	0	(88,652)	(1,983,822)	(281,479)	(2,353,953)
Balance at 30 June 2022	9,250,000	3,508,743	16,531,100	29,289,843	56,752	4,560,140	99,449	34,006,184
Additions	0	25,279	0	25,279	0	54,835	17,101	97,215
Revaluation increments / (decrements) transferred to revaluation surplus	550,000	(1,364,764)	898,475	83,711	0	0	0	83,711
Depreciation	0	(200,908)	(1,339,074)	(1,539,982)	(18,918)	(291,207)	(33,165)	(1,883,272)
Transfers to infrastructure.	0	0	0	0	0	(726,694)	0	(726,694)
Balance at 30 June 2023	9,800,000	1,968,350	16,090,501	27,858,851	37,834	3,597,074	83,385	31,577,144
Comprises:								
Gross balance amount at 30 June 2023	9,800,000	1,968,350	16,090,501	27,858,851	145,404	3,888,282	398,030	32,290,567
Accumulated depreciation at 30 June 2023	0	0	0	0	(107,570)	(291,208)	(314,645)	(713,423)
Balance at 30 June 2023	9,800,000	1,968,350	16,090,501	27,858,851	37,834	3,597,074	83,385	31,577,144

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

At 30 June 2023, a desktop revaluation of land and building was performed by an independent valuer. The last on-site inspection of land and building by the independent valuer was performed during the year ending 30 June 2022. These asset classes were revalued to fair value in line with the independent valuer's report, with the increase in fair value being reflected in a revaluation surplus account.

The Resource Recovery Facility (RRF) comprise the asset classes of Land and Buildings – Resource Recovery Facility (Note 8) and the Resource Recovery Facility (Note 9). These collectively total \$73.45m. Subsequent to taking legal ownership of the RRF, on 31 August 2021, the RRF continued to operate until 17 December 2021 to empty, clean and make safe all stationary plant and equipment in a manner that maintained its operational state. Since then, the MRC has continued to employ a Technical Officer who ensures the facility's operational viability.

Since 17 December 2021, the MRC, in collaboration with its member council administrations, has actively investigated and assessed options for the repurposing of the RRF as a Food Organic Green Organic (FOGO) facility, as below:

- The MRC made an application for funding through the Commonwealth Government's Food Waste for Healthy Soils Fund to upgrade facets of the facility for its future use as a FOGO processing plant. The WA Minister for Environment supported the application.
- An in-principle State Government co-funding commitment has been offered to the MRC to repurpose the RRF. This commitment is subject to the appointment of a suitable facility operator, a formal funding commitment by MRC, and the MRC member councils providing FOGO services by 2025.
- MRC's Council endorsed the 2024 budget in July 2023 which includes costings for the continuation of the RRF's future operational state.
- MRC Council endorsed the publication of a tender for the provision of FOGO processing services at its Ordinary Council Meeting in September 2022. In alignment with Council's previous decision of September 2022, to publish a tender for FOGO Processing Services, that tender was thereafter published on 24 August 2023. The tender is due to close on 16 November 2023. The tender documents propose the utilisation of the MRC's Neerabup facility, in alignment with the previous responses received from an Expression of Interest that was published in March 2022.

Given the MRC Council has continued to support the repurposing of the RRF asset and the publication of a tender the MRC does not consider the RRF impaired at 30 June 2023. Post the completion of the FOGO tender the MRC Council will be in a position to make an informed decision for the future of the RRF asset. The MRC envisages this will take place in February 2024.

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land		2	Market Approach	Independent valuer	June 2023	Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes which are restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre
Buildings - non-specialised		3	Cost approach using current replacement cost	Independent valuer	June 2023	Price per square metre/market borrowing rate, adjusted for restricted use. This required estimating the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value.
Building - Resource Recovery Facility		3	Cost approach using current replacement cost	Independent valuer	June 2023	

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

(ii) Cost

Furniture and equipment	Not applicable	Cost	Not applicable	Not applicable
Plant and equipment	Not applicable	Cost	Not applicable	Not applicable

9. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Resource Recovery Facility	Excavation and Rehabilitation	Other infrastructure	Other infrastructure - Work in Progress	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2021	0	27,465,281	6,661,334	25,264	34,151,879
Additions	24,149,897	0	0	58,168	24,208,065
(Disposals)	0	0	(7,132)	0	(7,132)
Revaluation increments / (decrements) transferred to revaluation surplus	18,768,818	(11,503,701)	(3,637,892)	0	3,627,225
Depreciation/Amortisation	(2,204,465)	(4,240,889)	(613,132)	0	(7,058,486)
Transfers	0	0	193,988	0	193,988
Balance at 30 June 2022	40,714,250	11,720,691	2,597,166	83,432	55,115,539
Comprises:					
Gross balance at 30 June 2022	40,714,250	33,731,046	2,597,166	83,432	77,125,894
Accumulated depreciation at 30 June 2022	0	(22,010,355)	0	0	(22,010,355)
Balance at 30 June 2022	40,714,250	11,720,691	2,597,166	83,432	55,115,539
Additions	0	10,334	0	0	10,334
Revaluation increments / (decrements) transferred to revaluation surplus	8,854,677	2,913,682	(86,268)	0	11,682,091
Depreciation/Amortisation	(2,702,929)	(1,953,449)	(329,178)	0	(4,985,556)
Transfers from property, plant and equipment	726,694	0	0	0	726,694
Transfers	0	23,957	54,350	(78,307)	0
Transfers to Operations (P/L)	0	0	0	(5,125)	(5,125)
Balance at 30 June 2023	47,592,692	12,715,215	2,236,070	0	62,543,977
Comprises:					
Gross balance at 30 June 2023	47,592,692	12,715,215	2,236,070	0	62,543,977
Accumulated depreciation at 30 June 2023	0	0	0	0	0
Balance at 30 June 2023	47,592,692	12,715,215	2,236,070	0	62,543,977

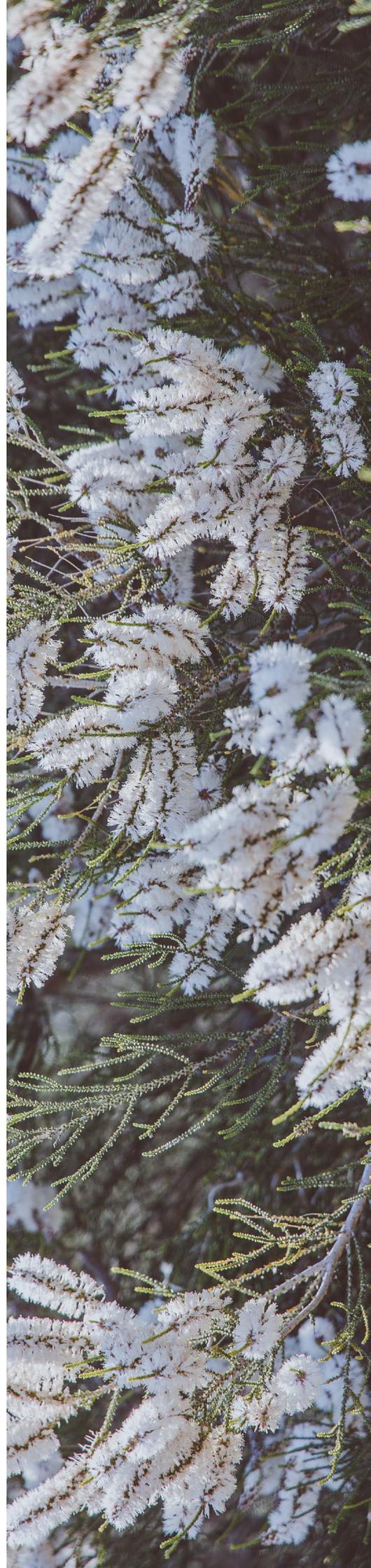
9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Resource Recovery Facility	3	Cost approach using current replacement cost	Independent valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Excavation and Rehabilitation	3	Cost approach using current replacement cost	Independent valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure	3	Cost approach using current replacement cost	Independent valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.



10. FIXED ASSETS

(a) Depreciation

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings - non-specialised	5-20 years
Building - Resource Recovery Facility	13 years
Furniture and equipment	5 years
Plant and equipment	6 2/3 years
Computer Equipment	3 Years
Resource Recovery Facility	13 years
Excavation and Rehabilitation	% of actual usage
Other infrastructure	5-20 years
Right of Use Assets	lease period

Revision of useful lives of plant and equipment

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment, excavation and rehabilitation asset and infrastructure

Property, plant and equipment, excavation and rehabilitation asset and infrastructure assets are brought to account at cost, or fair value, less any accumulated depreciation or impairment losses, where applicable.

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with Financial Management Regulation 17A. Where acquired at no cost, the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the MRC includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. Assets less than \$5,000 are not capitalised and they are expensed immediately.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the MRC and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred. Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed below.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to an asset revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Revaluation gains in respect of the landfill excavation asset are transferred to retained earnings in line with the volume of tonnes landfilled in the period. The fair value of fixed assets is determined at least once every five years for the asset classes Land, Buildings and Infrastructure in accordance with regulatory framework, or when Council is of the opinion that the fair value of an asset is materially different from its carrying amount. At the end of each period the carrying amount is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2), which requires land, buildings, infrastructure and investment properties to be shown at fair value.

Fixed assets are written down to recoverable amount where the carrying value of any fixed asset exceeds its recoverable amount. In determining the recoverable amount of fixed assets, the expected net cash flows are discounted to their present value.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 2(b).

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income in the period in which they arise.



11 LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

	Note	Tamala Park SiteTotal	Right-of-use assets Total
		\$	\$
Balance at 1 July 2021		7,114,020	7,114,020
Depreciation		(637,080)	(637,080)
Balance at 30 June 2022		6,476,940	6,476,940
Gross balance amount at 30 June 2022		8,229,154	8,229,154
Accumulated depreciation at 30 June 2022		(1,752,214)	(1,752,214)
Balance at 30 June 2022		6,476,940	6,476,940
Increase resulting from rent review and CPI adjustments		464,059	464,059
Depreciation		(737,427)	(737,427)
Balance at 30 June 2023		6,203,572	6,203,572
Gross balance amount at 30 June 2023		8,693,214	8,693,214
Accumulated depreciation at 30 June 2023		(2,489,641)	(2,489,641)
Balance at 30 June 2023		6,203,572	6,203,572

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

		2023 Actual	2022 Actual
		\$	\$
Depreciation on right-of-use assets		(737,427)	(637,080)
Finance charge on lease liabilities	24(a)	(331,820)	(335,060)
Total amount recognised in the statement of comprehensive income		(1,069,247)	(972,140)
Total cash outflow from leases		(898,302)	(841,382)
(b) Lease Liabilities			
Current		628,560	559,266
Non-current		6,161,220	6,332,939
	24(a)	6,789,780	6,892,205

The lease liability relates to the land at 1700 Marmion Avenue, Tamala Park, WA 6030, the lease expires in 2032.

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Mindarie Regional Council assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined.

If that rate cannot be readily determined, the Mindarie Regional Council uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 24(a).

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

11. LEASES (Continued)

(b) Lease Liabilities

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Mindarie Regional Council anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.



12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Accrued payroll liabilities
 ATO liabilities
 Accrued Expenses

	2023	2022
	\$	\$
	3,435,041	3,593,150
	40,256	125,587
	289,642	328,230
	379,957	271,623
	4,144,896	4,318,590

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Mindarie Regional Council becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Mindarie Regional Council prior to the end of the financial year that are unpaid and arise when the Mindarie Regional Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.



13. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	303,980	289,868
Long service leave	254,353	220,462
Other employee leave provisions	165,131	160,029
	723,464	670,359
Employee related other provisions		
Employment on-costs	31,461	57,562
	31,461	57,562
Total current employee related provisions	754,925	727,921
Non-current provisions		
Employee benefit provisions		
Long service leave	141,000	112,885
	141,000	112,885
Total non-current employee related provisions	141,000	112,885
Total employee related provisions	895,925	840,806

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Mindarie Regional Council's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

Provision is made for the Mindarie Regional Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave.

Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Mindarie Regional Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations.

Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Mindarie Regional Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Mindarie Regional Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

14. REHABILITATION PROVISIONS

Note	Make good provisions	Total
	\$	\$
Balance at 1 July 2021	22,165,743	22,165,743
Revaluation decrement	(4,754,420)	(4,754,420)
Charged to profit or loss - unwinding of discount	396,101	396,101
Balance at 30 June 2022	17,807,424	17,807,424
Comprises		
Non-current provisions	17,807,424	17,807,424
Balance at 30 June 2022	17,807,424	17,807,424
Revaluation increment	1,502,149	1,502,149
Charged to profit or loss - unwinding of discount	743,121	743,121
Balance at 30 June 2023	20,052,694	20,052,694
Comprises		
Non-current provisions	20,052,694	20,052,694
Balance at 30 June 2023	20,052,694	20,052,694

Provisions for restoration, rehabilitation, and site monitoring costs

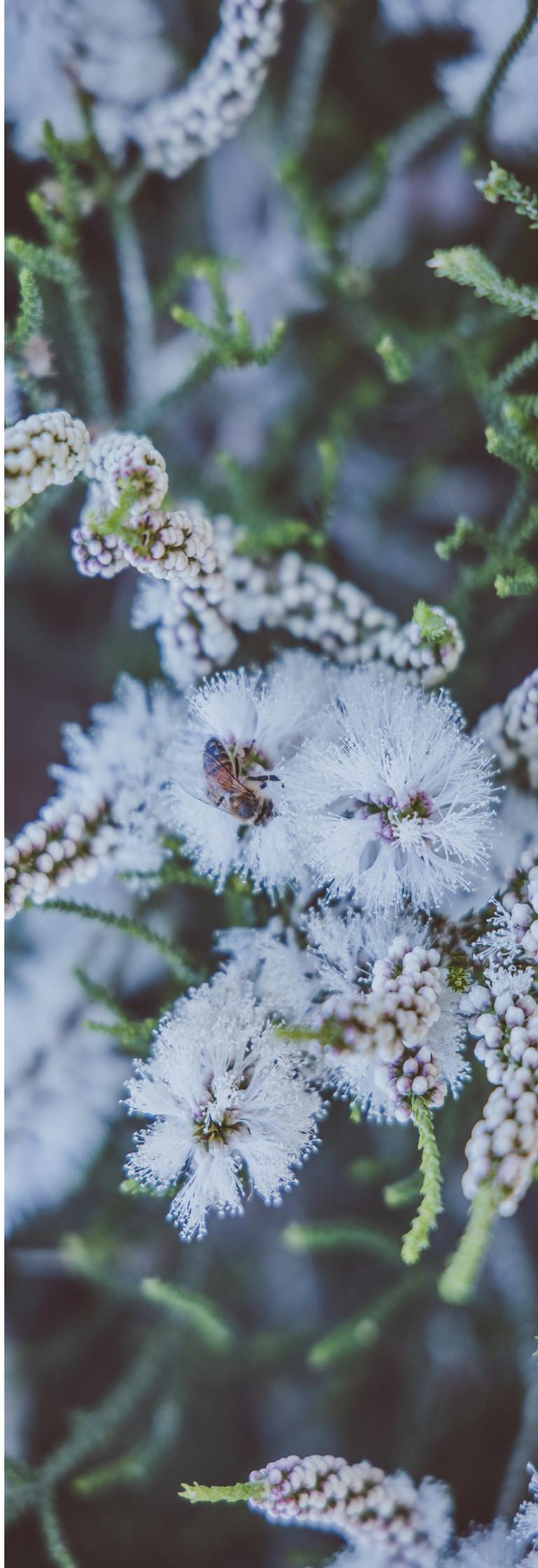
Provisions are recognised when the Mindarie Regional Council has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Future capping expenditure

The liability for estimated future capping expenditure is provided for through a rehabilitation provision on a phase-by-phase basis and is discounted to its present value, with the unwinding of the discount being charged to the statement of comprehensive income within the finance charge. The discounted present value of the future capping expenditure is also capitalised as part of the rehabilitation asset and is amortised on a straight-line basis. Changes in estimates are recognised prospectively with corresponding adjustments to the provision and associated costs.

15. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
Revaluation surplus - Land - freehold land	\$ 6,591,873	\$ 550,000	\$ 7,141,873	\$ 4,101,513	\$ 2,490,360	\$ 6,591,873
Revaluation surplus - Buildings - non-specialised	3,387,620	(1,364,764)	2,022,856	2,597,971	789,649	3,387,620
Revaluation surplus - Building - Resource Recovery Facility	7,806,533	898,475	8,705,008	0	7,806,533	7,806,533
Revaluation surplus - Furniture and equipment	337,230	0	337,230	337,230	0	337,230
Revaluation surplus - Plant and equipment	304,797	0	304,797	304,797	0	304,797
Revaluation surplus - Computer Equipment	628,917	0	628,917	628,917	0	628,917
Revaluation surplus - Excavation and Rehabilitation	7,142,268	1,411,533	8,553,801	13,219,464	(6,077,196)	7,142,268
Revaluation surplus - Resource Recovery Facility and Other infrastructure	17,566,628	8,768,410	26,335,038	2,435,702	15,130,926	17,566,628
	43,765,866	10,263,654	54,029,520	23,625,594	20,140,272	43,765,866



16. COUNCIL CONTRIBUTIONS

		2023 Actual	2022 Actual
Member Council's interest in the MRC		\$	\$
City of Joondalup	16.67%	14,847,625	14,847,625
City of Wanneroo	16.67%	14,847,625	14,847,625
City of Stirling	33.33%	29,695,240	29,695,240
City of Perth	8.33%	7,533,618	7,533,618
City of Vincent	8.33%	7,387,206	7,387,206
Town of Cambridge	8.33%	7,387,206	7,387,206
Town of Victoria Park	8.33%	7,387,206	7,387,206
		89,085,726	89,085,726

Cities of Joondalup, Wanneroo, Stirling, Perth and Vincent and Towns of Cambridge and Victoria Park are participants in the Mindarie Regional Council (MRC), each member council's equity in the net assets of the MRC is represented as per Constitution agreement (dated 25 November 1996).

In 2005 a piece of land in Neerabup was acquired. Portion of land cost was calculated according to the share of member councils' equity and a portion that related to the interest on borrowings was calculated in accordance with the tonnage at the time (2005) resulting in the variation in their actual contribution values reported in the table above.

17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual	2022 Actual
		\$	\$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Financial assets at amortised cost	4	19,493,371	18,767,090
		19,493,371	18,767,090
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	25	19,493,371	18,767,090
Total restricted financial assets		19,493,371	18,767,090

18. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	50,000	50,000
Credit card balance at balance date	(10,845)	0
Total amount of credit unused	39,155	50,000

19. CONTINGENT LIABILITIES

The most recent 2021 Mandatory Auditor's Report (MAR) report recommended that further works were required to close out the following:

- The adequacy of the landfill gas monitoring network including confirmation of screening intervals.
- Assessment of the potential for off-site migration of landfill gas particularly with relation to preferential pathways.
- Ongoing assessment of landfill gas and groundwater as part of an ongoing site management plan to inform long term trends and to inform the need or otherwise for mitigation measures.
- The MAR noted further long-term assessment of Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) (in addition to other Contaminant of Potential Concern (COPCs) in groundwater including arsenic, nickel, ammonia, benzene and pathogens) would be appropriate.

The October 2023 MAR reports on those further investigations completed and provides an update on the conditions of the source site and affected site. The MRC MAR report is required by the Department of Water and Environmental Regulation (DWER) in respect of the Tamala Park Waste Management Facility site.

The purpose of the 2023 MAR audit was to:

- Confirm that the investigations undertaken adequately characterized the contamination status of the site.
- Confirm whether potentially significant risks to human health, the environment or environmental values exist on-site or off-site.
- Confirm the suitability of the site for the current and proposed land uses.
- Recommend a site classification under the Contaminated Sites Act 2003

The MAR auditor has determined, based on the analysis contained in the assessed reports, that:

- Source Site: Remains suitable for ongoing use as a Class II landfill, subject to implementation of a site management plan to prevent exposure to landfill gas, soil and groundwater contamination
- Affected Site: Remains suitable for current use as a development "buffer zone". The site is situated to the north of the MRC landfill.

The MAR report summary of findings for the Source and Affected sites are listed below:

Source Site:

- Soil – No soil investigations were completed in 2021 and 2023
- Groundwater – Groundwater results indicate impact to aquifer immediately below the landfill. Elevated levels of contaminants were above the relevant drinking water guidelines, some also exceeded the criteria for non-potable water use. No contaminants of potential concern (COPCs) were detected in samples collected from the onsite abstraction bore above the non-potable criteria.
- Landfill gas – The site is considered capable of generating a significant quantity of landfill gases and vapours. Methane was detected at elevated levels in boreholes outside the waste mass and along the northern wall of the landfill. The extraction system appears to be effectively mitigating methane with negligible detections outside of the extraction well network. There are indications of fugitive emissions through damages areas of the cap which would require repair and maintenance.

Affected Site:

- Groundwater results indicate some contaminants above the relevant drinking water guidelines but were below criteria for non-potable water uses. Certain COPCs detected above drinking water criteria were considered to be a reflection of natural site conditions.
- No methane has been recorded in recent events at monitoring wells outside the site boundary.

Site management plan (SMP)

A SMP was developed and received by the MRC in May 2020 and updated in May 2022. The SMP was required to provide a management plan for the site to ensure that potential hazards associated with soil, landfill gas, and groundwater contaminants are appropriately managed for the site's continued use as a landfill facility and leachate management. There are no "results" associated with this SMP, it is an ongoing document that continues to evolve to address the comprehensive management of landfill gas and groundwater in light of the most recent information obtained from periodic tests results.

The October 2023 MAR report concludes that:

- The auditor is satisfied that the information contained in the reviewed reports, considered as a whole, is sufficient to inform the current site and surrounding site condition and restrictions that may be applicable.
- Expectations of concerted effort to improve future reporting and reports to comply with relevant standards and guidelines.
- The assessments were sufficient to define the potential extents and types of contaminated media with an appropriate level of confidence.
- Investigation methodologies were sufficient to assess and manage risk.
- Ongoing assessment of landfill gas and groundwater as part of an ongoing Site Management Plan should be undertaken to inform long term trends and to inform the need or otherwise for mitigation measures.

Based on the above, MRC has no new information indicating that an additional landfill rehabilitation provision is required to address any specific remediation requirements nor do the October 2023 MAR report recommend such action.

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
Chairman's annual allowance	20,448	19,570	19,226
Chairman's meeting attendance fees	16,108	15,450	15,448
Chairman's annual allowance for ICT expenses	1,000	1,000	1,000
	37,556	36,020	35,674
Deputy Chairman's annual allowance	4,569	4,893	4,901
Deputy Chairman's meeting attendance fees	10,300	10,300	10,300
Deputy Chairman's annual allowance for ICT expenses	1,000	1,000	1,000
	15,869	16,193	16,201
All other council member's meeting attendance fees	107,066	103,000	100,089
All other council member's annual allowance for ICT expenses	10,202	13,000	10,513
All other council member's travel and accommodation expenses	14,868	0	2,351
	132,136	116,000	112,953
20(b)	185,561	168,213	164,828

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Mindarie Regional Council during the year are as follows:

Note	2023 Actual	2022 Actual
	\$	\$
Short-term employee benefits	386,872	307,407
Post-employment benefits	65,415	44,508
Employee - other long-term benefits	81,651	63,252
Council member costs	185,561	164,828
20(a)	719,499	579,995

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Mindarie Regional Council's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

Transactions with related parties

Transactions between related parties and the Mindarie Regional Council are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	2023 Actual	2022 Actual
	\$	\$
Sale of goods and services	30,134,001	38,723,064
Purchase of goods and services	1,001,109	1,117,458
Council Contributions	0	85,000,000
Amounts outstanding from related parties:		
Trade and other receivables	1,609,234	2,277,033
Amounts payable to related parties:		
Trade and other payables	18,742	324

20. RELATED PARTY TRANSACTIONS (Continued)

Related Parties

The Mindarie Regional Council's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 20(a) and 20(b)

ii. Other Related Parties

There is no person or entity identified as other related parties.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Mindarie Regional Council (MRC).

Outside of normal citizen type transactions with the Mindarie Regional Council, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the Mindarie Regional Council

There were no such entities requiring disclosure during the current or previous year.

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Details of subsequent events particularly with respect to Resource Recovery Facility (RRF) processing services are disclosed within Note 8.



22. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Mindarie Regional Council's operational cycle. In the case of liabilities where the Mindarie Regional Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Mindarie Regional Council's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Mindarie Regional Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation

The Mindarie Regional Council contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Mindarie Regional Council contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Mindarie Regional Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Mindarie Regional Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Mindarie Regional Council are consistent with one or more of the following valuation approaches:

22. OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Mindarie Regional Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards the Mindarie Regional Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.



23. DETERMINATION OF SURPLUS OR DEFICIT

	2022/23 (30 June 2023 Carried Forward) \$	2022/23 Budget (30 June 2023 Carried Forward) \$	2021/22 (30 June 2022 Carried Forward) \$
Note			
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with Financial Management Regulation 32.			
Adjustments to operating activities			
Less: Profit on asset disposals	0	0	(210,628)
Add: Loss on disposal of assets	0	0	65,239
Add: Loss on revaluation of fixed assets	9(a) 17,512	0	0
Add: Depreciation	2(b) 7,606,255	6,022,764	11,525,324
Non-cash movements in non-current assets and liabilities:			
Employee benefit provisions	60,245	76,058	26,749
Other provisions ^[1]	743,120	596,079	396,101
Non-cash amounts excluded from operating activities	8,427,132	6,694,901	11,802,785
(b) Surplus or deficit			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with Financial Management Regulation 32 to agree to the surplus/(deficit)			
Adjustments to net current assets			
Less: Reserve accounts	25 (19,493,371)	(11,042,928)	(18,767,090)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of lease liabilities	11(b) 628,560	383,098	559,266
- Employee benefit provisions	754,925	1,241,043	727,921
Total adjustments to net current assets	(18,109,886)	(9,418,787)	(17,479,903)
Net current assets used in the Statement of Financial Activity			
Total current assets	64,273,412	49,163,643	50,281,492
Less: Total current liabilities	(5,528,381)	(6,895,330)	(5,605,777)
Less: Total adjustments to net current assets	(18,109,886)	(9,418,787)	(17,479,903)
Surplus or deficit	40,635,145	32,849,526	27,195,812

⁽¹⁾ Only movements recognised within the statement of comprehensive income such as finance cost are included. Movements arising from revised estimates, including changes in the scope, timing or amount of payments are excluded as they are recognised through the revaluation surplus (Note 15).

24. LEASE LIABILITIES

(a) Lease Liabilities

Purpose	Actual				Budget			
	Principal at 1 July 2021	New Leases During 2021-22	Principal at 30 June 2022	Principal at 30 June 2023	Principal at 1 July 2022	New Leases During 2022-23	Principal at 30 June 2023	Principal at 30 June 2023
1700 Marmion Ave, Tamala Park	6,959,596	438,931	6,892,205	6,789,781	7,170,426		6,839,876	
Total Lease Liabilities	6,959,596	438,931	6,892,205	6,789,781	7,170,426	0	6,839,876	0

Purpose	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023		Budget for year ending 30 June 2023	
					Actual	Budget	Actual	Budget
1700 Marmion Ave, Tamala Park	1	Member Councils	4.50%	30/06/2032	(331,820)	(327,828)	(331,820)	(327,828)
Total Finance Cost Payments					(331,820)	(327,828)	(331,820)	(327,828)

25. RESERVE ACCOUNTS

	2023 Actual		2023 Budget		2022 Actual		2022 Budget	
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
Restricted by Council	\$	\$	\$	\$	\$	\$	\$	\$
(a) Site Rehabilitation Reserve	16,242,161	824,831	(10,334)	17,056,658	15,138,197	1,103,964	0	16,242,161
(b) Capital Expenditure Reserve	2,033,853	(0)	(86,216)	1,945,637	2,977,954	0	(944,101)	2,033,853
(c) Carbon Abatement Reserve	491,076	(0)	0	491,076	491,076	0	0	491,076
(d) RRF Maintenance Fund Reserve	0	0	0	0	1,147,524	(1,147,524)	(1,147,524)	0
Total	18,767,090	824,831	(86,550)	19,493,371	19,754,751	1,103,964	(2,091,625)	18,767,090

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of reserve account

Restricted by Council

- (a) Site Rehabilitation Reserve – to be used to fund the rehabilitation following the closure of the landfill.
- (b) Capital Expenditure Reserve – to be used to fund ongoing capital expenditure requirements.
- (c) Carbon Abatement Reserve – to be used to fund carbon abatement projects.
- (d) RRF Maintenance Fund Reserve – to be used to fund RRF maintenance obligations.

26. FINANCIAL ACTIVITY INFORMATION AND MEMBER CHARGES

See note 2(a)

BUDGET	Processable Tonnes	Non Processable Tonnes	Total Tonnes	Average rate	Revenue
				\$	\$
City of Perth	13,500	0	13,500	145.00	1,957,458
City of Wanneroo	51,500	3,500	55,000	145.00	7,974,827
City of Joondalup	33,080	600	33,680	145.00	4,883,494
City of Stirling	44,000	3,500	47,500	145.00	6,887,351
Town of Cambridge	6,000	25	6,025	145.00	873,606
City of Vincent	6,000	1,250	7,250	145.00	1,051,227
Town of Victoria Park	12,000	0	12,000	145.00	1,739,962
	166,080	8,875	174,955		25,367,925

ACTUAL	Processable Tonnes	Non Processable Tonnes	Total Tonnes	Average rate	Revenue
				\$	\$
City of Perth	12,842	1	12,843	145.63	1,870,272
City of Wanneroo	50,700	2,379	53,079	146.22	7,761,291
City of Joondalup	31,895	573	32,468	145.58	4,726,847
City of Stirling	37,939	12,170	50,109	145.58	7,294,835
Town of Cambridge	5,848	0	5,848	145.56	851,223
City of Vincent	4,450	959	5,409	145.61	787,628
Town of Victoria Park	10,783	0	10,783	145.52	1,569,178
	154,457	16,082	170,539		24,861,274

**Average tonnage rates may vary as a result of certain waste types being charged at the approved non-standard rates for that waste category.*





Mindarie Regional Council

1700 Marmion Ave, Tamala Park WA 6030

Phone: (08) 9306 6303

Website: www.mrc.wa.gov.au