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**Financial Statements for the period ended 31 October 2022**

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**APPENDIX 1**

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# **MANAGEMENT FINANCIAL STATEMENTS**

**FOR THE MONTH ENDED  
31 October 2022**

**Mindarie Regional Council**  
**STATEMENT OF COMPREHENSIVE INCOME (by nature and type)**  
**For the month ended 31 October 2022**

	Original Budget	YTD Budget	YTD Actual	\$ Variance	% Variance	Note
<b>Operating revenue</b>						
<b>Member user charges</b>						
User Charges - City of Perth	1,957,458	673,670	631,105			
User Charges - City of Wanneroo	7,974,827	2,713,095	2,576,551			
User Charges - City of Joondalup	4,883,494	1,675,475	1,573,126			
User Charges - City of Stirling	6,887,351	2,338,705	2,766,945			
User Charges - Town of Cambridge	873,606	300,730	283,709			
User Charges - City of Vincent	1,051,227	350,610	260,970			
User Charges - Town of Victoria Park	1,739,962	598,850	552,181			
	<b>25,367,925</b>	<b>8,651,135</b>	<b>8,644,586</b>	<b>(6,549)</b>	<b>(0.08%)</b>	
<b>Non member user charges</b>						
User charges - casual tipping fees	5,400,965	1,972,475	3,394,364	1,421,889	72.09%	
	<b>5,400,965</b>	<b>1,972,475</b>	<b>3,394,364</b>	<b>1,421,889</b>	<b>72.09%</b>	
<b>Total user charges</b>	<b>30,768,890</b>	<b>10,623,610</b>	<b>12,038,950</b>	<b>1,415,340</b>	<b>13.32%</b>	1
<b>Other charges</b>						
Gas power generation sales	750,000	36,448	36,448	-	0.00%	
Contributions, reimbursements & donations	-	-	-	-		
Reimbursement of administration expenses	4,219,742	1,406,581	1,406,581	-	0.00%	
Interest earnings	212,000	212,000	269,251	57,251	27.01%	
Other revenue	256,401	48,958	62,952	13,994	28.58%	
<b>Total other charges</b>	<b>5,438,143</b>	<b>1,703,987</b>	<b>1,775,232</b>	<b>71,245</b>	<b>4.18%</b>	
<b>Total operating income</b>	<b>36,207,033</b>	<b>12,327,597</b>	<b>13,814,182</b>	<b>1,486,585</b>	<b>12.06%</b>	
<b>Operating expenses</b>						
Employee Costs	4,417,735	1,351,301	1,355,806	(4,505)	(0.33%)	
<b>Materials and contracts</b>						
Consultants and contract labour	525,740	124,711	124,711	-	0.00%	
Communications and public consultation	65,250	3,121	3,121	-	0.00%	
Landfill expenses	1,581,200	454,924	466,826	(11,902)	(2.62%)	
Office expenses	216,575	46,045	50,282	(4,237)	(9.20%)	
Information system expenses	299,495	73,934	69,408	4,526	6.12%	
Building maintenance	773,300	184,314	184,582	(268)	(0.15%)	
Plant and equipment operating & hire	1,188,250	307,334	306,024	1,310	0.43%	
RRF expenses	-	-	600	(600)		
Utilities	738,250	224,728	232,497	(7,769)	(3.46%)	
Depreciation	5,640,318	1,855,466	1,622,818	232,648	12.54%	2
Depreciation - Right of Use Asset	382,446	222,454	222,454	-	0.00%	
Finance costs (leases)	327,828	110,344	110,344	-	0.00%	
Insurance	1,511,025	402,266	375,704	26,562	6.60%	
DEP landfill levy	13,289,260	4,580,772	5,171,771	(590,999)	(12.90%)	3
Members costs	250,413	5,962	5,962	-	0.00%	
Administration expenses	306,250	37,271	37,180	91	0.24%	
Amortisation for cell development	3,206,760	1,105,360	1,247,971	(142,611)	(12.90%)	4
Amortisation for decommissioning asset	1,731,105	577,032	577,032	-	0.00%	
Capping accretion expense	237,079	79,024	79,024	-	0.00%	
Post closure accretion expense	359,000	119,664	138,727	(19,063)	(15.93%)	
<b>Total operating expenses</b>	<b>37,047,279</b>	<b>11,866,027</b>	<b>12,382,844</b>	<b>(516,817)</b>	<b>(4.36%)</b>	
<b>Profit/(loss) from ordinary activities</b>						
Profit on Sale of Assets	-	-	-	-		
Loss on Sale of Assets	-	-	-	-		
	-	-	-	-		
<b>Net result for the period</b>	<b>(840,246)</b>	<b>461,570</b>	<b>1,431,338</b>	<b>969,768</b>	<b>210.10%</b>	
<b>Other comprehensive income for the period</b>						
Changes in asset revaluation	-	-	-	-		
	-	-	-	-		
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(840,246)</b>	<b>461,570</b>	<b>1,431,338</b>	<b>969,768</b>	<b>210.10%</b>	

## NOTES FOR VARIATIONS - INCOME STATEMENT BY NATURE AND TYPE

Note Description	<p><b>Materiality threshold for variance:</b></p> <p><b>1. Member Revenue (Aggregated) variances greater than \$250,000.</b></p> <p><b>2. Non Member Revenue (Aggregated) variances greater than \$100,000.</b></p> <p><b>3. Other Revenues Charged (Per Line Item) variances greater than \$100,000.</b></p> <p><b>4. All Expense variances (Per Line Item) greater than \$100,000.</b></p>
<p>1 User Charges - Members and Non Members</p>	<p>Total user charges are \$1.42m in excess of year to date budget, similar to previous months this variance is a result of the Trade Waste Discount Contracts.</p> <p>Overall 9,844 additional tonnes have been received year to date, exceeding budget significantly due to Non Member tonnages. Budgets continue to be monitored and will be amended as part of mid-year budget review.</p> <p>Member Councils delivered 4,322t less processable tonnes and 3,548t more of non processable tonnes than budget to date.</p>
<p>2 Depreciation</p>	<p>Depreciation is \$233k below budget as a result of 2021/22 revaluation in land, building and infrastructure that changed the opening balance of the assets. The depreciation adjustment of impacted fixed assets for July-September 2022 were reflected in October 2022.</p>
<p>3 DEP Landfill Levy</p>	<p>DWER landfill levy exceeded budget by \$171k due to 2,654 tonnes-additional waste levied.</p>
<p>4 Amortisation for Cell Development</p>	<p>Amortisation for Cell development is \$41k above budget which is tonnage driven.</p>

**Mindarie Regional Council**  
**INCOME STATEMENT BY PROGRAM**  
For the month ended 31 October 2022

	Original Budget	YTD Budget	YTD Actual	\$ Variance	% Variance
<b>Operating Revenues</b>					
General Purpose Funding	36,207,033	12,327,597	13,814,182	1,486,585	12.06%
Community Amenities	-	-	-	-	
Resource Recovery Facility	-	-	-	-	
	<b>36,207,033</b>	<b>12,327,597</b>	<b>13,814,182</b>	<b>1,486,585</b>	<b>12.06%</b>
<b>Operating expenses</b>					
Governance	3,914,393	1,084,100	1,020,237	63,863	5.89%
Community Amenities	26,082,455	8,640,125	9,199,359	(559,234)	(6.47%)
Resource Recovery Facility	6,722,603	2,031,458	2,052,903	(21,446)	(1.06%)
<b>Total operating expenses</b>	<b>36,719,451</b>	<b>11,755,683</b>	<b>12,272,499</b>	<b>(516,816)</b>	<b>(4.40%)</b>
<b>Finance costs</b>					
Governance	327,828	110,344	110,344	-	0.00%
Community Amenities	-	-	-	-	
Resource Recovery Facility	-	-	-	-	
<b>Total finance costs</b>	<b>327,828</b>	<b>110,344</b>	<b>110,344</b>	<b>-</b>	<b>0.00%</b>
<b>Net result for the period</b>	<b>(840,246)</b>	<b>461,570</b>	<b>1,431,338</b>	<b>969,768</b>	<b>210.10%</b>
<b>Other comprehensive income for the period</b>					
Revaluation of Assets	-	-	-	-	
<b>Changes in Net Assets Resulting from Operations</b>	<b>(840,246)</b>	<b>461,570</b>	<b>1,431,338</b>	<b>969,768</b>	<b>210.10%</b>

**Mindarie Regional Council**  
**Statement of Financial Position**  
**As at 31 October 2022**

Description	ACTUAL 2022/2023	Movement	ACTUAL 2021/2022
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6,585,010	(560,344)	7,145,355
Other financial assets	41,389,794	1,969,385	39,420,410
Debtors and other receivables	5,106,949	1,541,602	3,565,347
Inventories	17,105	(6,784)	23,889
Other current assets	133,993	7,502	126,491
<b>TOTAL CURRENT ASSETS</b>	<b>53,232,851</b>	<b>2,951,360</b>	<b>50,281,491</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	32,657,771	(1,348,413)	34,006,184
Work in progress - property, plant and equipment	5,125	-	5,125
Right of Use Asset	6,254,486	(222,454)	6,476,940
Infrastructure	43,037,010	(274,405)	43,311,415
Work in progress - Infrastructure	55,075	725	54,350
Excavation asset	7,585,029	(1,247,971)	8,833,000
Rehabilitation asset	2,310,659	(577,032)	2,887,691
Work in progress - Rehabilitation	34,291	10,334	23,957
<b>TOTAL NON-CURRENT ASSETS</b>	<b>91,939,447</b>	<b>(3,659,216)</b>	<b>95,598,663</b>
<b>TOTAL ASSETS</b>	<b>145,172,298</b>	<b>(707,855)</b>	<b>145,880,154</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	2,136,934	(2,181,656)	4,318,590
Provisions	722,176	(5,745)	727,921
Right of Use Asset (leases)	382,106	(177,160)	559,266
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,241,216</b>	<b>(2,364,560)</b>	<b>5,605,776</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions for Leave	120,499	7,615	112,884
Rehabilitation provision	18,025,176	217,751	17,807,424
Right of Use Asset (leases)	6,332,939	-	6,332,939
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>24,478,614</b>	<b>225,367</b>	<b>24,253,248</b>
<b>TOTAL LIABILITIES</b>	<b>27,719,830</b>	<b>(2,139,193)</b>	<b>29,859,024</b>
<b>NET ASSETS</b>	<b>117,452,468</b>	<b>1,431,338</b>	<b>116,021,130</b>
<b>EQUITY</b>			
Retained Surplus/(Losses)	(34,265,558)	1,331,994	(35,597,552)
Reserves (Cash Back)	18,975,233	208,143	18,767,090
Reserves To/From	(108,799)	(108,799)	-
Reserves (Non Cash Back)	43,765,866	-	43,765,866
Council Contribution	89,085,726	-	89,085,726
<b>TOTAL EQUITY</b>	<b>117,452,468</b>	<b>1,431,338</b>	<b>116,021,130</b>

**Mindarie Regional Council**  
**STATEMENT OF RESERVES**  
For the month ended 31 October 2022

<b>Description</b>	<b>ACTUAL 2022/2023</b>
<b>Opening Balance - 1 July 2022</b>	
Site Rehabilitation	16,242,161
Capital Expenditure	2,033,853
Carbon Abatement	491,076
	<u><b>18,767,090</b></u>
<b>Interest on Investments</b>	
Site Rehabilitation	-
Capital Expenditure	-
Carbon Abatement	-
	-
<b>Transfer to Reserves</b>	
Site Rehabilitation	207,418
Capital Expenditure	-
Carbon Abatement	-
	<b>207,418</b>
<b>Total Transfer to Reserves</b>	<u><b>207,418</b></u>
<b>Transfer from Reserves</b>	
Site Rehabilitation	-
Capital Expenditure	(725)
Carbon Abatement	-
	<u><b>(725)</b></u>
<b>Closing Balance 31 October 2022</b>	
Site Rehabilitation	16,449,579
Capital Expenditure	2,034,578
Carbon Abatement	491,076
	<u><b>18,975,233</b></u>

**Mindarie Regional Council**  
**STATEMENT OF INVESTING ACTIVITIES**  
For the month ended 31 October 2022

	Original Budget	Revised Budget	YTD Actual	% to Adopted Budget	Note
<b>PLANT, VEHICLES AND MACHINERIES</b>					
Plant and Vehicles					
Machinery and Equipment					
<b>TOTAL PLANT, VEHICLES AND MACHINERIES</b>	-	-	-		
<b>FURNITURE AND EQUIPMENT</b>					
Furniture and Fittings					
Office Equipment					
<b>TOTAL FURNITURE AND EQUIPMENT</b>	-	-	-		
<b>COMPUTING EQUIPMENT</b>					
Computing Equipment					
Server replacement	45,000	-	-		
<b>TOTAL COMPUTING EQUIPMENT</b>	<b>45,000</b>	-	-		
<b>LAND AND BUILDINGS</b>					
Buildings					
Weighbridge modifications	150,000	-	-		
<b>TOTAL LAND AND BUILDINGS</b>	<b>150,000</b>	-	-		
<b>INFRASTRUCTURE</b>					
Operations					
Telemetry (Airwell) - Stage2	21,262	-	-		
Enviro drilling (g/w (1x nest and 5x gas wells))	36,000	-	-		
6x Leachate pumps (western edge Stage2 phase3)	20,000	-	-		
Compressor upgrade	80,800	-	725		
	<b>158,062</b>	-	<b>725</b>		
<b>Landfill Infrastructure Phase 3</b>					
Installation of piggy back liner	3,492,000	-	2,225	0.06%	
Capping and revegetation of western batter	3,495,000	-	8,109	0.23%	
	<b>6,987,000</b>	-	<b>10,334</b>		
<b>TOTAL INFRASTRUCTURE</b>	<b>7,145,062</b>	-	<b>11,059</b>	0.15%	

<b>Tonnage Report for the month ended 31 October 2022</b>
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Item 9.1	APPENDIX 2	Item 9.1
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## **Waste to Landfill Tonnages Report for the period to 31<sup>st</sup> October 2022**

### **Members**

At 31 October 2022 the Member Councils delivered 4,322 less processable waste while Non processable waste at this time is 3,548 tonnes above budget. One member council the City of Stirling delivering more waste than anticipated.

Overall the net position for MRC is 774 less tonnes year to date and 1.30% less than target.

### **Trade & Casual**

The Casual and Trade continue to contribute to the positive variance, tonnages in total are 10,618 tonnes above budget for the month. Trade Customers delivered 11,140t more waste due to the Trade Waste Discount contracts and Cash Customers delivering 522t less tonnes than anticipated.

For the period ended 31<sup>st</sup> October 2022, the tonnes received are 9,844 tonnes over phased budget.

	TONNAGE						
	Actual Tonnage	Original Budget 2022/23	Variance YTD	Target % Year to Date	Note	% Act/Bgt Year to Date	Year to date Tonnage 2021/22
<b>MEMBERS</b>							
<b>Processable</b>							
Cambridge	1,934	2,065	(131)	34.4%	1	93.7%	1,992
Joondalup	10,540	11,386	(846)	34.4%		92.6%	10,863
Perth	4,297	4,646	(349)	34.4%		92.5%	4,313
Stirling	13,934	15,143	(1,209)	34.4%		92.0%	14,671
Victoria Park	3,768	4,130	(362)	34.4%		91.2%	4,207
Vincent	1,479	2,065	(586)	34.4%		71.6%	3,248
Wanneroo	16,886	17,725	(839)	34.4%		95.3%	17,161
<b>Sub Total Processable</b>	<b>52,838</b>	<b>57,160</b>	<b>(4,322)</b>	<b>34.4%</b>		<b>92.4%</b>	<b>56,456</b>
<b>Non-Processable</b>							
Cambridge	-	9	(9)	28.2%	1	0.0%	13
Joondalup	180	169	11	28.2%		106.2%	171
Perth	-	-	-	28.2%		0.0%	1
Stirling	4,948	986	3,962	28.2%		501.8%	1,935
Victoria Park	-	-	-	28.2%		0.0%	-
Vincent	300	353	(53)	28.2%		85.1%	306
Wanneroo	623	986	(363)	28.2%		63.2%	651
<b>Sub Total Non-Processable</b>	<b>6,051</b>	<b>2,503</b>	<b>3,548</b>	<b>28.2%</b>		<b>241.7%</b>	<b>3,076</b>
<b>SUB TOTAL MEMBERS</b>	<b>58,889</b>	<b>59,663</b>	<b>(774)</b>	<b>(1.30)</b>		<b>98.7%</b>	<b>59,531</b>

<b>CASUALS</b>							
Cash Customers	4,226	4,748	(522)	36.5%	1	89.0%	4,308
Trade	1,790	1,242	548	36.5%		144.1%	1,125
Trade Waste Tender	16,069	5,477	10,592	36.5%		0.0%	6,344
<b>Sub Total Casuals</b>	<b>22,085</b>	<b>11,467</b>	<b>10,618</b>	<b>36.5%</b>		<b>192.6%</b>	<b>11,776</b>
<b>TOTAL</b>	<b>80,974</b>	<b>71,130</b>	<b>9,844</b>				<b>71,308</b>

**RECYCLING**

Recycling centre sales							
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	REVENUE				
	\$ Actual Revenue	Original Budget 2022/23	Target % Year to Date	Note	% Act/Bgt Year to Date
<b>MEMBERS</b>					
<b>Processable</b>					
Cambridge	\$ 283,709	299,425	34.4%	1	94.8%
Joondalup	\$ 1,546,526	1,650,970	34.4%		93.7%
Perth	\$ 631,105	673,670	34.4%		93.7%
Stirling	\$ 2,020,472	2,195,735	34.4%		92.0%
Victoria Park	\$ 552,181	598,850	34.4%		92.2%
Vincent	\$ 217,014	299,425	34.4%		72.5%
Wanneroo	\$ 2,477,818	2,570,125	34.4%		96.4%
<b>Sub Total Processable</b>	<b>\$ 7,728,825</b>	<b>\$ 8,288,200</b>	<b>34.4%</b>		<b>93.3%</b>
<b>Non-Processable</b>					
Cambridge	\$ -	1,305	28.2%	1	0.0%
Joondalup	\$ 26,600	24,505	28.2%		108.5%
Perth	\$ -	-	28.2%		-
Stirling	\$ 746,473	142,970	28.2%		522.1%
Victoria Park	\$ -	-	28.2%		0.0%
Vincent	\$ 43,955	51,185	28.2%		85.9%
Wanneroo	\$ 98,733	142,970	28.2%		69.1%
<b>Sub Total Non-Processable</b>	<b>\$ 915,761</b>	<b>\$ 362,935</b>	<b>28.2%</b>		<b>252.3%</b>
<b>SUB TOTAL MEMBERS</b>	<b>\$ 8,644,586</b>	<b>\$ 8,651,135</b>			<b>99.9%</b>

Cash Customers	\$ 912,501	1,020,820	36.5%	1	89.4%
Trade	\$ 751,193	267,030	36.5%		281.3%
Trade Waste Tender	\$ 1,730,670	684,625	36.5%		-
<b>Sub Total Casuals</b>	<b>\$ 3,394,364</b>	<b>\$ 1,972,475</b>	<b>36.5%</b>		<b>172.1%</b>
<b>TOTAL</b>	<b>\$ 12,038,950</b>	<b>\$ 10,623,610</b>			

Notes 1\* Based on 21/22 actual tonnages

<b>List of Payment for the month ended 31 October 2022</b>
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Item 9.2	APPENDIX 3	Item 9.2
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**Schedule of Payments for October 2022  
Council Meeting - 15th December 2022**

Cheque Posting Date	Document No.	Vendor Name	Description	Amount
6/10/2022	848	Cancelled	Cancelled	\$0.00
6/10/2022	849	Water Corporation	Water Use 30/06/22 - 21/09/22	\$1,133.76
10/10/2022	850	Cash	Staff Lotto	\$250.00
24/10/2022	851	Cash	Staff Lotto	\$250.00
<b>Total CBA cheques</b>				<b>\$1,633.76</b>
7/10/2022	DP-02111	Easi Salary Pty Ltd	Staff Salary Sacrifice	\$1,850.62
7/10/2022	DP-02112	Australian Taxation Office	PAYG	\$33,628.00
2/10/2022	DP-02113	Commonwealth Bank	CBA Merchant Fee	\$1,578.41
2/10/2022	DP-02114	Commonwealth Bank	CBA Merchant Fee	\$137.79
17/10/2022	DP-02115	Commonwealth Bank	CommBiz Fees Trans Fees	\$38.28
17/10/2022	DP-02116	Commonwealth Bank	Acc Serv Fee Trans	\$6.40
21/10/2022	DP-02117	Australian Taxation Office	PAYG	\$30,432.00
21/10/2022	DP-02118	Easi Salary Pty Ltd	Staff Salary Sacrifice	\$1,850.62
21/10/2022	DP-02119	Australian Taxation Office	September 2022 BAS	\$279,615.00
31/10/2022	DP-02120	SuperChoice	Superannuation	\$47,802.71
27/10/2022	DP-02121	Commonwealth Bank	Transfer from Online Saver to Muni Account	\$2,000,000.00
31/10/2022	DP-02122	National Australia Bank	Account Fee	\$10.00
4/11/2022	DP-02123	Australian Taxation Office	Reporting November	\$0.00
4/11/2022	DP-02124	Easi Salary Pty Ltd	Reporting November	\$0.00
26/10/2022	DP-02125	MRC Credit Card	See Attached Schedule	\$10,153.21
<b>Total Direct Payments &amp; Fees</b>				<b>\$2,407,103.04</b>
<b>Total Inter account Transfers</b>				<b>\$0.00</b>

Posting Date	Document No.	Vendor Name	Details	EFT Amount
7/10/2022	27	Payroll	Staff Payroll	\$97,725.71
21/10/2022	28	Payroll	Staff Payroll	\$91,200.53
7/10/2022	EFT-02269	Ausrecord	Filing labels K,O,V,W and 4, 5, 6, 7, 8, 9	\$192.39
7/10/2022	EFT-02269	Banhams WA Pty Ltd	Routine Monthly Fire System Inspection at RRF	\$578.79
7/10/2022	EFT-02269	BOQ Finance (Aust) Limited	Printer Rental - October 2022	\$421.53
7/10/2022	EFT-02269	Envirocare Systems	Monthly Hygiene Services	\$751.08
7/10/2022	EFT-02269	Great Southern Fuel Supplies	Diesel delivered 06/09/22	\$15,634.08
7/10/2022	EFT-02269	Great Southern Fuel Supplies	Diesel delivered 13/09/22	\$14,369.85
7/10/2022	EFT-02269	Great Southern Fuel Supplies	Diesel delivered 20/09/22	\$11,135.03
7/10/2022	EFT-02269	Great Southern Fuel Supplies	Diesel delivered 27/09/22	\$13,012.21
7/10/2022	EFT-02269	Komatsu Australia	Plt 131 Filter housing and engine oil	\$5,164.96
7/10/2022	EFT-02269	Komatsu Australia	Plt 134 Step and guard	\$1,869.40
7/10/2022	EFT-02269	Komatsu Australia	Plt 134 Mirror x 2	\$337.37
7/10/2022	EFT-02269	NAPA Parts	Plt 151 Service kits	\$272.48
7/10/2022	EFT-02269	NAPA Parts	Plt 120 Filters	\$163.63
7/10/2022	EFT-02269	NAPA Parts	Plt 110 Filters	\$163.63
7/10/2022	EFT-02269	NAPA Parts	Plt 146 Filters	\$163.63
7/10/2022	EFT-02269	NAPA Parts	Plt 148 Filters	\$163.63
7/10/2022	EFT-02269	NAPA Parts	Plt 131 Emergency stop switch	\$87.45
7/10/2022	EFT-02269	NAPA Parts	Hydraulic ram tool	\$202.20
7/10/2022	EFT-02269	NAPA Parts	Plt 151 Fuel filter	\$29.70
7/10/2022	EFT-02269	NAPA Parts	Plt 150 Fuel filter	\$14.85
7/10/2022	EFT-02269	NAPA Parts	Plt 151 Fuel filter spin on	\$19.58
7/10/2022	EFT-02269	Security Specialists Australia Pty Ltd	Cash Collection August 2022	\$174.57
7/10/2022	EFT-02269	Spectur Ltd	RRF - CCTV System Hire - September 2022	\$3,300.00
7/10/2022	EFT-02269	TOOLMART	Toolbox for ute - incorrect amount paid \$20 underpaid	\$20.00
7/10/2022	EFT-02269	Vertical Telecoms Pty Ltd	RRF Comm System 01/10/22 - 31/12/22	\$1,534.19
7/10/2022	EFT-02269	Vinidex P/L	63mm fittings - delivered 14/09/22	\$261.78
7/10/2022	EFT-02269	Waterchem Australia P/L	Ecosorb - 20l drums x 6	\$8,307.75
7/10/2022	EFT-02269	West Coast Lining Systems	Supply of Liner for liner insurance 06/09/22	\$16,132.60
7/10/2022	EFT-02269	Western Tree Recyclers	Greens recycled from Tamala Park early September 2022	\$6,806.05
7/10/2022	EFT-02269	Winc Australia P/L	Kleenex, hand sanitiser & heavy duty wipes	\$176.77
7/10/2022	EFT-02269	Wren Oil	Waste engine oil collection - September 2022	\$49.50
14/10/2022	EFT-02270	Advanced Liquid Waste	Service - Pump out pits and tanks on site	\$1,555.13
14/10/2022	EFT-02270	All Fence U Rent P/L	Temporary Security Fencing	\$165.00
14/10/2022	EFT-02270	Ampol Australia Petroleum Pty Ltd	Fuel September 2022	\$1,205.49
14/10/2022	EFT-02270	Aussie Natural Spring Water	Water	\$31.76
14/10/2022	EFT-02270	Banhams WA Pty Ltd	Service Hydrant Diesel Pump RRF	\$198.00
14/10/2022	EFT-02270	BOC Limited	Supply of Gas Cylinders	\$167.31
14/10/2022	EFT-02270	Brendan Twine	Plt 141 Reimburse Car Service	\$514.00
14/10/2022	EFT-02270	Digrite	Takeuchi Fuel Car	\$163.00
14/10/2022	EFT-02270	Enforcer Group Australia Pty Ltd	Convex Mirror and Poles	\$159.50
14/10/2022	EFT-02270	Global Synthetics Pty Ltd	GeoFrima Liner Material	\$8,919.48
14/10/2022	EFT-02270	ITR Pacific Pty Ltd	Workshop Materials Assorted	\$2,291.14
14/10/2022	EFT-02270	Komatsu Australia	Investigate SCR Fault	\$1,323.64
14/10/2022	EFT-02270	Komatsu Australia	Hydraulic Oil	\$2,013.00
14/10/2022	EFT-02270	Nutrien Water Joondalup ( Total Eden P/L)	Leachate Parts	\$187.97
14/10/2022	EFT-02270	Office National Canning Vale	Stationery	\$127.38
14/10/2022	EFT-02270	Olivers Lawn & Landscaping Pty Ltd	Quarterly Hedge health and tidyup	\$675.00
14/10/2022	EFT-02270	Open Office	Development of Additional Field in Business Centre	\$3,740.00
14/10/2022	EFT-02270	Plants & Garden Rentals	Plant Hire Admin Building	\$330.00
14/10/2022	EFT-02270	Synergy	Power Tamala Park	\$10,473.45
14/10/2022	EFT-02270	Synergy	Power RRF September 2022	\$40,935.95
14/10/2022	EFT-02270	Telstra	Internet and Data Service Equipment Rental September 2022	\$1,210.00
14/10/2022	EFT-02270	Town of Victoria Park	TP Lease Victoria Park October 2022	\$6,588.64
14/10/2022	EFT-02270	Town of Victoria Park	Victoria Park Rates Arrears 2017 - 2022	\$21,352.35
14/10/2022	EFT-02270	Tree Amigos Tree Surgeons	Storm Damage clean up around compressor	\$2,376.00
14/10/2022	EFT-02270	West Coast Lining Systems	Insurance Claim Weighbridge building incident	\$19,650.40
21/10/2022	EFT-02271	Airwell Group Pty Ltd	Labour to assist recommission the Western ELD/Airwell pumps - 20/09/22	\$924.00
21/10/2022	EFT-02271	Airwell Group Pty Ltd	Technician Site Works for September 2022 (12th, 27th)	\$1,905.75
21/10/2022	EFT-02271	Allpest WA	Rabbit warren treatment - September 2022	\$187.50
21/10/2022	EFT-02271	Australian Training Management	Dump Truck Training / assessment x 1 staff member	\$1,150.00
21/10/2022	EFT-02271	BOC Limited	Acetylene bottle rental 29/08/22 - 27/09/22	\$12.71
21/10/2022	EFT-02271	Brendan Twine	DoT refund paid to MRC incorrectly	\$200.00
21/10/2022	EFT-02271	Bunnings	Trojan Bolt Cutters & Fiskars tool	\$179.50
21/10/2022	EFT-02271	Bunnings	Polypropylene rope	\$74.10
21/10/2022	EFT-02271	Bunnings	Rope and carabinas for liner install	\$221.88
21/10/2022	EFT-02271	Cabcharge Australia Ltd	Taxi fares for Councillor to attend Conference	\$239.07
21/10/2022	EFT-02271	City of Vincent	TP Lease Vincent - October 2022	\$6,588.64
21/10/2022	EFT-02271	Cleanaway Co Pty Ltd formally TOX FREE	Comingled recycling bin collection - September 2022	\$95.36
21/10/2022	EFT-02271	Construct Services	Insurance Claim Weighbridge uilding incident 22.04.22	\$7,586.15

**Schedule of Payments for October 2022  
Council Meeting - 15th December 2022**

<b>Cheque Posting Date</b>	<b>Document No.</b>	<b>Vendor Name</b>	<b>Description</b>	<b>Amount</b>
21/10/2022	EFT-02271	Crossland & Hardy Pty Ltd	Survey landfill gas wells /compressed air	\$632.50
21/10/2022	EFT-02271	EMRC	CCA to Red Hill - September 2022 - 3.35 tonnes	\$566.15
21/10/2022	EFT-02271	Enviro Sweep	Monthly road sweeping	\$1,350.25
21/10/2022	EFT-02271	Enviro Sweep	RRF Road Sweep - September 2022	\$584.38
21/10/2022	EFT-02271	Fennell Tyres International Pty Ltd	Plt 137 Tyres	\$2,205.50
21/10/2022	EFT-02271	Herbert Smith Freehills	Legal Expenses to 15/09/22 - Waste Services Procurement Project	\$10,059.45
21/10/2022	EFT-02271	Instant Products Group	Portable toilet hire, clean and restock - 2022-23 financial year	\$305.78
21/10/2022	EFT-02271	Iron Mountain Australia Pty Ltd	Data Cartridge Storage - September 2022	\$43.86
21/10/2022	EFT-02271	ITR Pacific Pty Ltd	Plt 151 Cutting edges x 8	\$1,969.35
21/10/2022	EFT-02271	Komatsu Australia	Plt 133 Diagnose fault and supply heat sensor	\$3,237.87
21/10/2022	EFT-02271	Komatsu Australia	Plt 133 5000hr service	\$4,132.60
21/10/2022	EFT-02271	MA Services Group Pty Ltd	RRF Onsite security services - September 2022	\$29,136.80
21/10/2022	EFT-02271	Moore Australia (WA) Pty Ltd	Accounting advice Neerabup Facility 2021-2022	\$9,240.00
21/10/2022	EFT-02271	OCP Sales	Site two way radios x 5	\$1,964.57
21/10/2022	EFT-02271	Pirtek (Malaga) Pty Ltd	Plt 138 Hydraulic repairs	\$848.83
21/10/2022	EFT-02271	Pirtek (Malaga) Pty Ltd	Plt 134 Replacement grease lines and repairs	\$2,529.00
21/10/2022	EFT-02271	Probiotics & Soil Nutrition Australia	BioWish 1kg (18 in carton)	\$10,084.00
21/10/2022	EFT-02271	SafeWork Laboratories Pty Ltd	Drug and Alcohol testing September 2022	\$707.69
21/10/2022	EFT-02271	Smart Waste Solutions Pty Ltd	Plt 121 Engineer and fit EPS motor bracket	\$3,046.45
21/10/2022	EFT-02271	Smart Waste Solutions Pty Ltd	Plt 121 Blocked auger	\$373.45
21/10/2022	EFT-02271	Soft Landing	COS On Demand Mattresses	\$28,056.60
21/10/2022	EFT-02271	Soft Landing	COS RCB Mattresses	\$23,298.00
21/10/2022	EFT-02271	Soft Landing	CoW Mattresses	\$64,515.00
21/10/2022	EFT-02271	Soft Landing	MRC Mattress Collections	\$11,352.00
21/10/2022	EFT-02271	Super Choice Services Pty Ltd	Single Touch Monthly - September 2022	\$14.01
21/10/2022	EFT-02271	T & C Couriers	Courier Expenses - September 2022	\$91.97
21/10/2022	EFT-02271	Total Green Recycling Pty Ltd	E-waste recycling for - September 2022	\$3,643.15
21/10/2022	EFT-02271	Tutt Bryant Equipment WA	Plt 135 5500hr Service	\$3,435.30
21/10/2022	EFT-02271	Tyrecycle P/L	Tyre recycling for - September 2022	\$7,560.52
21/10/2022	EFT-02271	Walkers Plant Maintenance	Plt 132 Repair electrical fault	\$528.55
21/10/2022	EFT-02271	Western Tree Recyclers	CoP Greens Handling	\$984.46
21/10/2022	EFT-02271	Western Tree Recyclers	CoJ Greens Handling	\$5,071.44
21/10/2022	EFT-02271	Western Tree Recyclers	Greens grind and removal 22/08/22 - 23/08/22	\$3,352.91
21/10/2022	EFT-02271	WesTrac Pty Ltd	Plt 139 1,000 service	\$5,083.42
21/10/2022	EFT-02271	Winc Australia P/L	Black bags & Kleenex	\$172.65
21/10/2022	EFT-02271	Wormald	Fire panel inspection and test - September 2022	\$57.64
21/10/2022	EFT-02271	Zirco Data Services	Data storage carton retrieval	\$95.82
26/10/2022	EFT-02272	Department of Water & Environment Regulation	DEP Landfill levy April 22 - June 22	\$3,857,511.70
28/10/2022	EFT-02273	360 Environmental P/L	September 2022 landfill gas monitoring	\$7,227.00
28/10/2022	EFT-02273	Aussie Natural Spring Water	Bottled Water	\$23.82
28/10/2022	EFT-02273	Benara Nurseries	Plants for admin garden	\$501.77
28/10/2022	EFT-02273	Bunnings	Metal paint primer	\$53.11
28/10/2022	EFT-02273	Bunnings	Respirator 3M and curved knives	\$127.24
28/10/2022	EFT-02273	City of Joondalup	TP Lease Joondalup - November 2022	\$13,177.26
28/10/2022	EFT-02273	City of Perth	TP Lease Perth - November 2022	\$6,588.64
28/10/2022	EFT-02273	City of Stirling	TP Lease Stirling - November 2022	\$26,354.56
28/10/2022	EFT-02273	City of Wanneroo	TP Lease Wanneroo - October 2022	\$13,177.29
28/10/2022	EFT-02273	Command A Com	Telephone Expenses - October 2022	\$1,289.52
28/10/2022	EFT-02273	Envirocare Systems	Toilet rolls	\$143.33
28/10/2022	EFT-02273	Fennell Tyres International Pty Ltd	Plt 132 Tyres x 6	\$16,500.00
28/10/2022	EFT-02273	Gutters Supa Kleen	RRF Ed Centre - Site wide gutter cleaning	\$3,730.00
28/10/2022	EFT-02273	Herbert Smith Freehills	Legal Expenses to 20/07/2022 - Waste Services Procurement Project	\$2,597.10
28/10/2022	EFT-02273	Joondalup Mowers & Machinery	Pole Saw Maintance and Service	\$315.00
28/10/2022	EFT-02273	LGISWA	Prepaid Insurance - Property 6 months	\$167,804.54
28/10/2022	EFT-02273	MRP Pest Control	Pest Control October 2022	\$825.00
28/10/2022	EFT-02273	Oceanside Power & Communications	RRF Electrical panel works	\$154.00
28/10/2022	EFT-02273	Oceanside Power & Communications	Western Power - Distribution Board Design Works	\$4,758.49
28/10/2022	EFT-02273	Paul Miles	Travel Expenses to MRC meetings to 29/09/22 - Councillor	\$481.74
28/10/2022	EFT-02273	Position Partners	Compaction Monitoring System - monthly subscription	\$2,200.00
28/10/2022	EFT-02273	REPCO AUTO PARTS- Clarkson	Starter Motor for the Waugal Pump	\$484.00
28/10/2022	EFT-02273	SEEK Limited	Advertising for Project Officer Position - October 2022	\$313.50
28/10/2022	EFT-02273	Specialist News P/L	OHS alert subscription - 1 yr to 17/11/23	\$1,329.00
28/10/2022	EFT-02273	Sunhawk Pty Ltd	Dustex 5 IBC delivered to site	\$7,480.00
28/10/2022	EFT-02273	Talis Consultants P/L	Consultancy - WtE Evaluation Variations	\$22,000.00
28/10/2022	EFT-02273	Total Green Recycling Pty Ltd	E-waste recycling for - September 2022	\$1,194.59
28/10/2022	EFT-02273	Town of Cambridge	TP Lease Cambridge - November 2022	\$6,588.63
28/10/2022	EFT-02273	Tyrecycle P/L	Tyre recycling for October 2022	\$3,743.50
28/10/2022	EFT-02273	Veolia Recycling & Recovery Pty Ltd	Confidential Bin - September 2022	\$70.82
28/10/2022	EFT-02273	Wren Oil	Waste engine oil collection - October 2022	\$33.00
<b>Total EFT Payments</b>				<b>\$4,845,265.24</b>

<b>CBA Cheque No. 848 - 851</b>	<b>\$1,633.76</b>
<b>Electronic Payments:</b>	
<b>DP - 02111 to DP - 02125</b>	<b>\$2,407,103.04</b>
<b>Inter-Account Transfers</b>	<b>\$0.00</b>
<b>EFT- 02269 to EFT- 02273</b>	<b>\$4,845,265.24</b>
<b>Grand Total</b>	<b>\$7,254,002.04</b>

**CERTIFICATE OF CHIEF EXECUTIVE OFFICER**

This schedule of accounts which was passed for payment, covering vouchers as above which was submitted to each member of Council on 15 December 2022 has been checked and is fully supported by vouchers and invoices which are submitted herewith and which have been duly certified as to the receipt of goods and the rendition of services and as to prices, computations, and costing and the amounts due for payment.

**Credit Card detailed analysis for October 2022**  
**Council Meeting - 15th December 2022**

<b>Date</b>	<b>Payment to</b>	<b>Description</b>	<b>Amount</b>
27-Sep-22	Charity Greeting Card	Birthday and Christmas Cards	\$336.85
29-Sep-22	Wilson Parking	Parking	\$30.38
29-Sep-22	Snap Joondalup	Business Cards - Finance Manager	\$145.00
29-Sep-22	WALGA	Annual State Conference x 2 pax	\$2,970.00
30-Sep-22	ASIC	Creditor Checks	\$72.00
03-Oct-22	Who Gives a Crap	Toilet Paper	\$180.00
04-Oct-22	Euro Laminated Designs	Blinds Office Admin Building	\$362.00
05-Oct-22	Battery World	1 x Drypower 12V Battery	\$149.00
06-Oct-22	City Rubber Stamps	Self Inking Stamps x 3	\$124.45
10-Oct-22	Ashby Bar and Grill	Business Meeting	\$49.50
14-Oct-22	ERGT Training	Staff Training x 4 pax	\$1,320.00
19-Oct-22	Coles Group	Staff Gift Vouchers / Awards / Service Awards	\$3,464.85
19-Oct-22	Secure Parking	Parking	\$8.18
24-Oct-22	Company Director	AICD Membership	\$620.00
25-Oct-22	Kennards Hire	RRF Water Pump Hire	\$291.00
<b>Total CBA Credit Card - 27th September 2022 - 26th October 2022</b>			<b>\$10,123.21</b>

**Financial Statements for the period ended 30 November 2022**

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**APPENDIX 4**

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**LATE ITEM**

<b>Tonnage Report to 30 November 2022</b>
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APPENDIX 5
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**LATE ITEM**

<b>List of Payments made for the month ended 30 November 2022</b>
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APPENDIX 6

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LATE ITEM

## Annual Report 2022

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### APPENDIX 7

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# Annual Report 2022



MINDARIE  
REGIONAL  
COUNCIL

## 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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The first half of 2022 saw the introduction of sweeping public health restrictions as widespread community transmission of COVID-19 occurred throughout Western Australia, after almost 2 years of no community spread of the disease. ”



## Chairperson's Foreword

### **I am pleased to present the Annual Report to 30 June 2022.**

Between July and December 2021, 3 key events have occurred which signalled significant changes in the operations and leadership of Mindarie Regional Council (MRC).

Firstly, MRC concluded its contract with BioVision for the management of the Resource Recovery Facility (RRF) at Neerabup after more than a decade of operations diverting waste from landfill. Council determined that this was a necessary prerequisite to developing new strategic waste management opportunities for MRC aligned with the WA Waste Strategy.

Secondly, MRC welcomed a new Chief Executive Officer with the appointment of Scott Cairns from 28 September 2021, who quickly began pursuing those strategic opportunities for future consideration by Council. Mr Cairns brings a wealth of specialist waste and management experience in the UK and Western Australia over the last 20 years to the role, and we look forward to maximising every bit of that experience as he leads MRC towards its future.

Finally, following the October 2021 local government elections, 6 new councillors joined the Council – Cr Christopher May (Joondalup), Cr Paul Miles (Wanneroo), Cr Lisa Thornton, Cr Chris Hatton and Cr Elizabeth Re (Stirling) and Cr Liam Gobbart (Perth).

The first half of 2022 saw the introduction of sweeping public health restrictions as widespread community transmission of COVID-19 occurred throughout Western Australia, after almost 2 years of no community spread of the disease. This brought with it new challenges and disruptions to the workplace of the MRC, its member councils, our communities and society in general.

Despite these interruptions, the CEO, management and staff of MRC have worked tirelessly throughout the last financial year to navigate the impacts

of the significant change in operational capacity of the RRF, whilst maintaining core services. The landfill site continues to be managed to exceptionally high standards of regulatory compliance, best practice and with excellent results for workplace health and safety.

Revenue diversification from the private sector delivering commercial and industrial waste to our landfill has begun to pay dividends. The “tip shop” continues to be a community favourite, among the services available at Tamala Park, empowering people with disabilities into employment under the continuing leadership of Workpower Inc.

On behalf of Council, I acknowledge and sincerely thank the CEO, management and staff for their passion, skills and commitment to producing valuable outcomes for all member councils, despite the ongoing impacts of the global pandemic, and continuing the important work of planning for the future.

On behalf of Council, I would like to take this opportunity to acknowledge and thank outgoing Councillors Russell Fishwick (Joondalup), Cr Stephanie Proud and Cr Joseph Ferrante (Stirling), Cr Dorothy Newton (Wanneroo) and Cr Rebecca Gordon (Perth) for their invaluable contributions over the years to the good governance of MRC. We wish them every success in their future endeavours.

Last, but not least, my personal thanks to my colleagues on Council for their support of me as Chairperson, and for their dedication to ensuring that MRC continues to deliver high quality, reliable waste management services to our combined community of more than 700,000 West Australians.

**Cr Karen Vernon BA(Hons) LLB GAICD**  
**Mayor, Town of Victoria Park**  
**Chairperson**



The Mindarie Regional Council (MRC) was constituted as a regional council in 1988. 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 councils. 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 2021/22 and the attendance record of each Council Member.

Elected Members	Ordinary Council	Special Council
No. of Meetings held	7	2
Cr Vernon	7	2
Cr Cvitan	7	2
Cr Shannon	7	2
Cr Jacob	7	2
Cr Sargent	6	2
Cr Castle (appointed Jul 21)	7	2
Cr Thornton (appointed Aug 21)	7	1
Cr May (appointed Oct 21)	5	-
Cr Gobbert (appointed Oct 21)	4	-
Cr Hatton (appointed Oct 21)	5	-
Cr Re (appointed Oct 21)	5	-
Cr Miles (appointed Oct 21)	5	-
Cr Fishwick (finished Oct 2021)	2	2
Cr Ferrante (finished Oct 21)	-	2
Cr Gordon (finished Oct 2021)	2	2
Cr Newton (finished Oct 2021)	2	2
Cr Proud (finished Oct 2021)	2	2
Cr Thornton (alternate Jul 21)	-	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.

### 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 group that requires 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 Cr Proud (finished Oct 21) Cr Boothman (finished Jul 21)	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 the setting of new measures for the next year. The extension of the CEO contract and or the process of recruitment.



## Attendance at committee meetings

The following table details the type and number of meetings held during 2021/22, and the attendance of each Council Member.

Elected Members	Audit Committee	CEO R&PRC	MWAC
No. Meetings	4	3	6
Cr Vernon	3	3	4
Cr Cvitan	3	3	-
Cr Miles	3	-	-
Cr Re	3	-	-
Cr Hatton	-	3	-
Cr Jacob	-	1	-
Cr Sargent	-	3	-
Cr Proud	1	-	-
Cr Boothman	1	-	-

## Councillor member's remunerations

The Salaries and Allowances Tribunal determines remuneration for Council members under the *Salaries and Allowances Act 1975 (SAA)*. On 11 April 2022, 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 has adopted a Council Members' Fees, Allowances, Reimbursements and Benefits Policy that sets out the payments available to Council members as follows:

	Fee (\$)	LG Allowance (\$)	Allowance (\$) (Technology)
Chairperson	16,235	20,565	1,025
Deputy Chairperson	10,824	2,015	1,025
Councillor	10,824	-	1,025
Deputy Councillor	Nil	-	-
Expenses Other	Child Care and Travel Costs will be reimbursed in accordance with Reg. 31 and 32 of the Local Government (Administration) Regulations 1996		

## MRC Councillor Details



**Cr Karen Vernon**  
(Chairperson)  
**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.



**Cr Paul Miles**  
**City of Wanneroo**

Councillor Paul Miles was first elected to the Council in 2007. Then in 2008, Paul was elected as a State Member of Parliament for the electorate of

Wanneroo. In 2016, Paul was appointed Minister for Local Government; Communities; Youth; Seniors; Volunteering and Cemeteries. Following his time as Wanneroo MLA and Minister for Western Australia, Paul was re-elected to Council in October 2017.



**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 Christopher May**  
**City of Joondalup**

Councillor Christopher May was elected as councillor for the City of Joondalup in 2021.

Chris 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**  
(Deputy Chair)  
**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 Alex Castle**  
**City of Vincent**

Councillor Alex Castle was elected as Councillor for City of Vincent in 2017. Alex is a small-business owner and

long-term resident of Mt Hawthorn and has been actively involved in the Mt Hawthorn Primary School P&C and Board for many years, where her 2 daughters have attended. She was also on the committee of the Mt Hawthorn Hub for 3 years and is keen to continue to support Vincent's unique town centres, public open spaces and wonderful lifestyle.

## MRC Councillor Details cont...



**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. Keri 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 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 Elizabeth Re**

**City of Stirling**

Councillor Elizabeth Re was elected as councillor for the City of Stirling in 2005. Elizabeth was born in Mount

Lawley and has loved living in Woodlands for most of her life. Elizabeth 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 Chris Hatton**

**City of Stirling**

Councillor Chris Hatton was elected as councillor for the City of Stirling in 2019, Chris 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. Chris 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.

Chris 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, Lisa 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, Lisa 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.



**Local residents at  
Tamala Park**



## CEO Report

**2022 has proved to be a very busy and challenging year for the MRC but also one that, as it nears its end, has the potential to provide opportunity for the future.**

In my first year as CEO, I have been fortunate to inherit a team that delivered outstanding service to the community and managed our business operations with composure. With the reopening of Western Australia to the world, and the introduction of COVID-19 as a norm in our society, the organisation pivoted to new ways of working for a large part of the year, both operationally and administratively. I am grateful to staff for their openness to change and dedication to the cause, both of which have ensured 100% service delivery during these challenging times. Well done.

The Tamala Park Waste Management Facility delivers industry-leading community recycling and landfill facilities for member councils, residents and businesses. These operations are recognised across the State for their exemplary standards and their scale. As an essential service provider to a community that covers over a third of the population of the Perth Metropolitan Area, approximately three quarters of a million people, arguably Tamala Park can be described as an essential cog in Western Australia's machine.

Throughout the year, the MRC and its member councils have collaborated closely to assess what higher order waste management opportunities exist in the current marketplace. Western Australia's Waste Avoidance and Resource Recovery Strategy 2030 sets the direction for local governments to follow in this regard.

Providing options for the recycling of organic materials and accessing Waste to Energy for the treatment of residual waste have been identified as necessary by member councils in their attempts to meet their WARR Strategy targets and community expectations; we are working hard with them to provide a choice on both of these fronts.

An Expression of Interest on the future use of the MRC's Resource Recovery Facility in Neerabup has been undertaken, and a tender for the recovery of residual waste materials in preference to landfill is currently ongoing. A successful outcome in both could improve the region's resource recovery performance markedly.

Looking further into the future, the MRC has begun discussions over what the region's resource recovery priorities are for the longer term. A review process has commenced to identify what strategic waste management issues are key and how best the MRC can provide solutions for these.

The dearth of contemporary resource recovery options available in our region has and continues to inhibit the MRC and its member councils' progress in providing more positive environmental outcomes for waste materials and meeting the State's WARR Strategy targets. The development of new processing infrastructure in the Mindarie Regional District could remedy this and would also result in an overall reduction in transport emissions and costs for the longer term; both positive outcomes.



The Tamala Park Waste Management Facility delivers industry-leading community recycling and landfill facilities for member councils, residents and businesses.”

The fact that all major resource recovery projects under development and/or construction in the Perth Metropolitan Area are sited south of the Swan River indicates that strategic collaboration and commitment by member councils is likely to be required to make a change. The Mindarie Regional District’s current scale and future growth plans hint at the potential that exists for the MRC and its members in the longer term to effect that change.

At the beginning of the year, the MRC joined the Green Deal Alliance, a group that includes four of Western Australia’s regional councils and representatives from state government agencies.

This coalition of like-minded partners is working hard to fast track recycled organic product specifications and encourage a market for products manufactured from the contents of the wider community’s FOGO bins of the future. If successful, this alliance has the potential to make a real difference in the sector and could encourage the development of new organic processing facilities in our respective regions.

Over the past 12 months, the MRC has worked hard for its member councils. By maintaining the excellent services the MRC already delivers, advocating effectively as a regional council for the benefit of our members, and working hard to identify and provide options both now and in to the future, I am convinced that the MRC also has the potential to deliver for the longer term and provide value for many years to come.

The year in front of us is once again shaping up to be busy and challenging. We welcome the challenge.

**Scott Cairns**  
Chief Executive Officer



## 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 \$10,000 over \$130,000

To remove confusion associated with the treatment of benefits other than cash salary, we have adopted a total employee cost approach to remuneration. This packages all remuneration into one total number. This is considered a more transparent, open approach to payment, and exceeds the requirement of the Regulations.

The table below, which shows the salary bands, is based on the remuneration each employee actually received over the reporting period, whether employed for a full year or not, and includes:

- annual cash component
- statutory 10% superannuation, plus Council matching contributions to additional superannuation, where applicable
- salary sacrifice
- allowance for motor vehicle or cash value equivalent (managers/CEO)
- overtime payments
- cash-out of leave (either on request or termination)
- higher duties
- termination payments

Salary Band (\$)		No. of Employees
130,000	139,999	1
140,000	149,999	1
150,000	159,999	2
160,000	169,999	1
170,000	179,999	1

## Employee Performance

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

The process aims 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.



## Disability Access and Inclusion Plan 2022

The MRC has reviewed and further developed the Disability Access and Inclusion Plan (DAIP) during the financial year 2022. 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

• Installation of a disabled toilet at the ReUse Shop.	
• Installation of a level crossing.	
• Installation of automatic doors at the ReUse Shop.	
• Disabled toilet installed at education centre.	
• 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.	
• 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 better suit their needs, i.e. picture based. 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"> <li>– Aboriginal and Torres Strait Islander</li> <li>– Cultures</li> <li>– LGBTIQ+</li> <li>– Gender equity</li> <li>– Disability</li> <li>– Age</li> <li>– Appropriate workplace behaviour</li> </ul>	

## Record Keeping

The MRC continued with improvements to its record keeping system within the year. Record keeping training and a data cleanse project have both been conducted in the year to ensure compliance with the *State Records Act 2000*.

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.

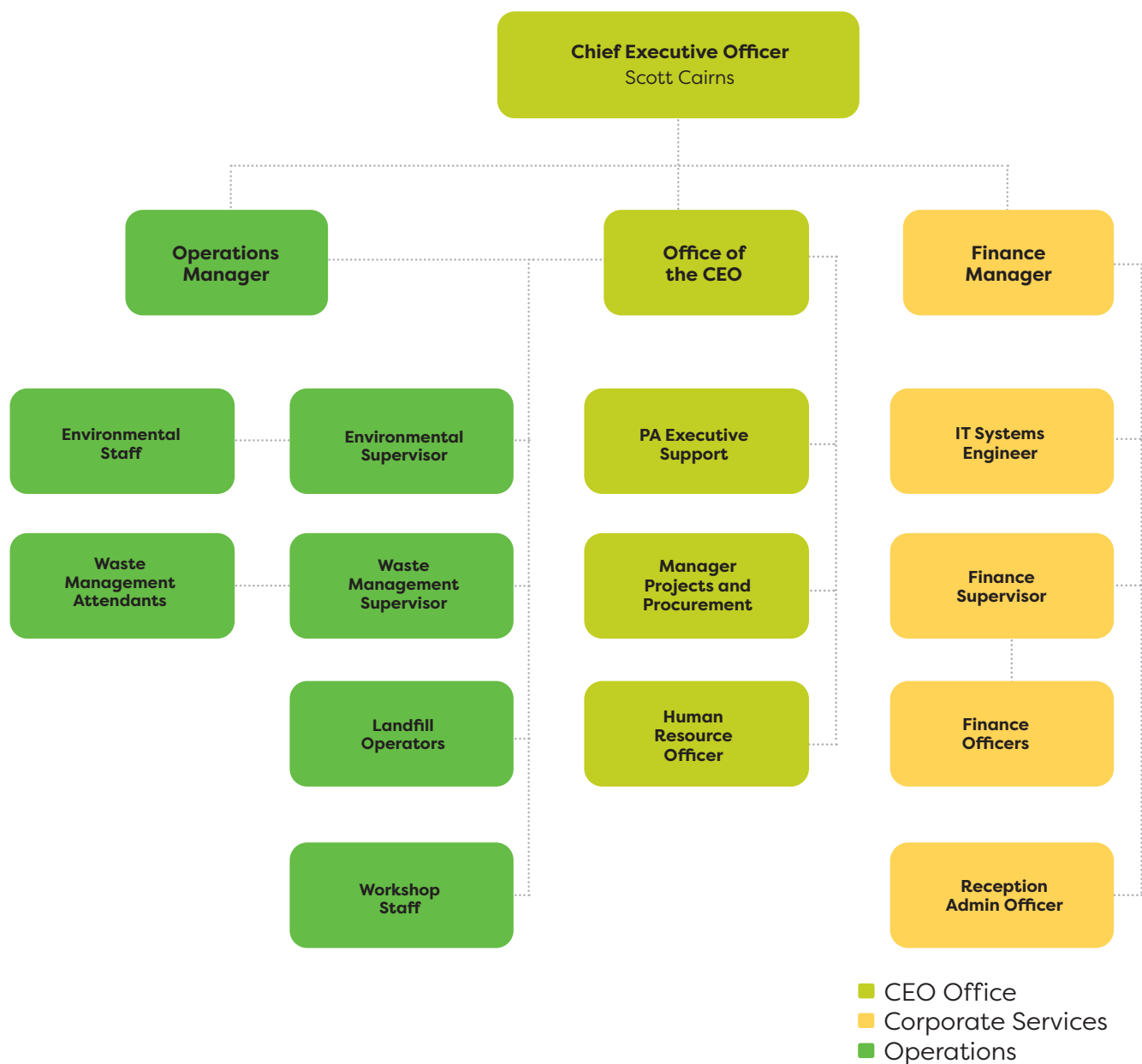
The MRC's record keeping practices are governed by its Record Keeping Plan which is approved by the State Records Office of Western Australia in accordance with the *State Records Act 2000*.

The plan is the primary means of compliance with current legislation in Western Australia and of best practice record keeping processes at the MRC

Performance indicators	2021/ 2022	2020/ 2021
Number of new files created	379	477
Number of documents registered	10791	12,778
Number of Freedom of Information applications received	-	-
Response time for Freedom of Information applications (average number of days)	-	-



## Organisational chart



## Leadership team



**Scott Cairns**  
Chief Executive Officer



**Brendan Twine**  
Operations Manager



**Adnana Arapovic**  
Finance Manager



**Deb Toward**  
PA Executive Support



**Aaron Griffiths**  
Projects and Procurement Manager

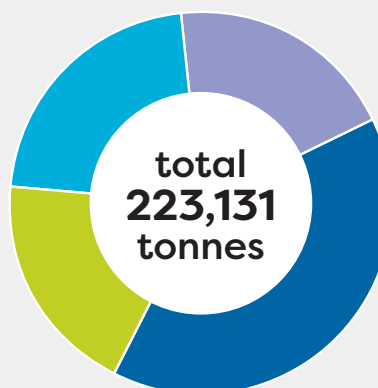


**Sonia Cherico**  
Human Resource Officer

# Financial year 2022

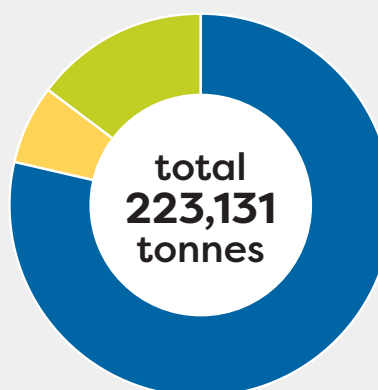
## Tonnes processed by destination

	tonnes
Landfill member councils	156,976
RRF	17,965
Landfill residues	15,938
Landfill casuals	32,252
<b>Total Tonnes</b>	<b>223,131</b>



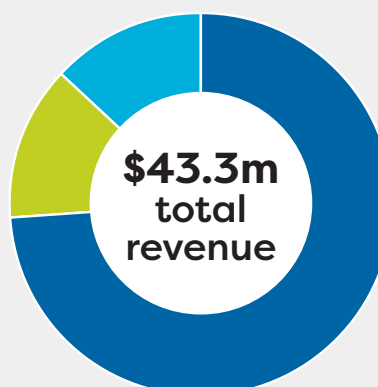
## Tonnes by source

	tonnes
Members' waste	174,941
Residues	15,938
Casuals	32,252
<b>Total Tonnes</b>	<b>223,131</b>



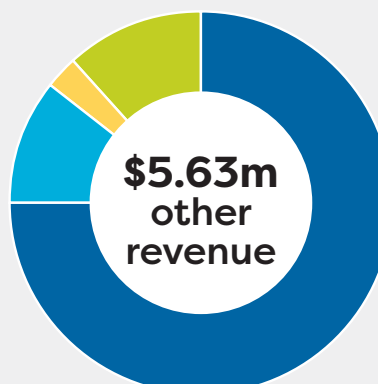
## Revenue by source

	\$m
Members' waste	32.0
Non-members	5.6
Other revenue	5.7
<b>Total revenue</b>	<b>43.3</b>



## Other revenue by source

	\$m
Recycling income (2 months)*	0
Gas generation	0.60
Re-imbursements/grants	4.22
Interest earnings	0.15
Other revenue	0.66
<b>Total other revenue</b>	<b>5.63</b>



\*Recycling - contracted out from Sept. 2020

## Expenses by class

	\$m
RRF	20.69
DWER Landfill Levy	13.04
Employee costs	4.16
Materials & contracts	3.61
Amortisation	4.83
Other expenses	9.74
<b>Total expenses</b>	<b>56.07</b>



## Diversion from landfill



**4,789**  
mattresses



**17**  
tonnes  
of glass



**3**  
tonnes  
of fluros



**1,721**  
tonnes of  
metal



**23**  
tonnes of  
polystyrene



**143**  
tonnes  
of paint



**952**  
tonnes of  
greens



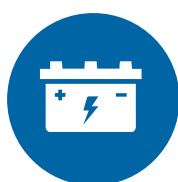
**166**  
tonnes of  
e-waste



**118**  
tonnes  
of tyres



**555**  
tonnes of  
paper/  
cardboard



**112**  
tonnes of  
batteries



# Strategic Community Plan

## Performance Against Targets 2021/22

Performance targets were assigned to each of the key performance indicators and are reported here.

Their status for the year 2021/22 is shown as:

● Achieved ● Partially achieved ● Under separate review

Indicator		Performance History	Target	Status
<b>Objective 1: Long Term Viability</b>				
1.1	Good Corporate Governance	The MRC's corporate track record has been good to date, with only minor non-compliances recorded against the Annual Compliance Report submitted to the WA Department of Local Government	100% compliance as recorded in the Annual Compliance Report	●
1.2	Responsible use of Resources	The needs of a diverse group of stakeholders have seen the MRC not always engaging in activities directly aligned with its objectives, resulting in organisational creep. This has improved with a concentration on core business as it relates to our Strategic Direction.	Resources will be deployed in line with the objectives of the Strategic Community Plan	●
1.3	Maintaining a sound financial footing with a commercial focus	The MRC has historically generated surpluses from its operations, but with increased costs of processing, has rationalised its operations and services, to provide market competitive services to stakeholders.	Performance in line with the Financial Plan, maintaining a debt ratio at or below 65% and Liquidity Ratio above 1.1 in the long term.	●
<b>Objective 2: Effective Management</b>				
2.1	Industry leading waste management and practices	The MRC has long been seen as a market leader with highly regarded facilities and waste management practices. Both international and domestic delegates and waste professionals visit the MRC on a regular basis with a view to improving their knowledge and practices.	Maintaining the MRC's position as a market leader through peer review and by continued visits by private and government delegations, and recognition of excellence by external parties.	●
2.2	Improving resource recovery and waste diversion	Regional waste data has been used to establish a baseline for resource recovery and waste diversion for the region. This will be used in conjunction with waste audit data to measure progress and assist in identifying new initiatives.	Improved waste avoidance, resource recovery and environmental protection, including the diversion of waste disposed to landfill, in line with the State Waste Strategy 2030.	●
2.3	Reliable systems and processes	The MRC has a strong history of providing and maintaining reliable systems and processes, as evidenced by compliance with legislative obligations.	Maintaining a high level of system reliability, as evidenced by IT uptime of greater than 99% and no material systems failures.	●
<b>Objective 3: Sustainable Waste Management</b>				
3.1	Engaging with new opportunities to achieve an optimal mix of waste solutions	The MRC's strategic direction is focussed on providing a number of solutions to address the variable waste streams from the region.	Pursuing new waste management opportunities at each level of the waste hierarchy in preference over landfill.	●
3.2	Evaluating and implementing initiatives	Over the years, new waste management initiatives have been regularly presented to Council in response to contemporary waste management practices and changes in legislation and state government targets.	Present four new initiatives per annum for consideration by the Strategic Working Group.	●
3.3	Being an effective advocate for improved waste outcomes	The MRC is taking a proactive role in setting strategic waste management direction for the region.	Continue to influence member councils to act in line with the State Waste Strategy and the MRC's strategic direction. Continue to influence and support the state government to adopt more progressive waste practices and provide strategic leadership.	●

# Corporate Business Plan

## Performance Against Targets 2021/22

Performance targets were assigned to each of the strategic actions and are reported here.

Their status for the year 2021/22 is shown as:

● Achieved ● Partially achieved ● Under separate review

Strategic Actions		Status	Comments
<b>Objective 1: Long Term Viability</b>			
<b>1.1 Managem review and improve existing systems for the governance of the council.</b>			
1.1.1	Develop Council Policies requiring the discretion of the Council	●	
1.1.2	Review the relevance of the delegations from the Council and report findings to Council	●	
1.1.3	Ensure registers and records required by legislation are kept and maintained in compliance with the State Records Act	●	
1.1.4	Provide a report to the Audit Committee/Council on the effectiveness of the systems in place in regard to risk management, internal control and legislative compliance, in compliance with the requirements of the Local Government Act.	●	
1.1.5	Maintain a robust system of internal controls	●	
1.1.6	Maintain a monthly and annual financial reporting system that provides useful information to stakeholders.	●	
<b>1.2 Improve collaboration between participating councils as primary Stateholders on matters associated with waste management.</b>			
1.2.1	Continue with the Strategic Working Group and encourage attendance by all member council directors/executives.	●	
1.2.2	Meet with the Chief Executive Officers of the member councils at least every six months	●	
1.2.3	Assist the Waste Education Strategy Steering Group members in raising their profile at Council level	●	Under separate review
1.2.4	Liaise with member councils regarding direction of waste to processing facilities	●	
1.2.5	Ongoing communications with member councils to deal with issues and unforeseen events	●	
1.2.6	Provide ongoing induction and site training for employees of the member councils	●	
1.2.7	Facilitate an online user group communication tool to enhance information dissemination to relevant officers of the member councils	●	
<b>1.3 Manage and procure suitable assets to achieve an optimal mix of waste management solutions.</b>			
1.3.1	Procure land to accommodate future waste processing facilities	●	Under separate review
1.3.2	Manage land sites owned or leased by the MRC	●	
1.3.3	Manage landfill infrastructure to support the MRC's operations	●	
1.3.4	Procure new sorting facility	●	Under separate review
1.3.5	Manage and maintain buildings owned by the MRC	●	
1.3.6	Acquire and manage heavy plant and vehicles owned by the MRC	●	
1.3.7	Acquire and maintain information systems	●	
1.3.8	Prepare business cases to underpin the acquisition of major infrastructure projects	●	
1.3.9	Develop integrated waste transport plan	●	Under separate review
1.3.10	Procure Energy from Waste processing capacity	●	
1.3.11	Procure materials recovery facility processing capacity	●	Under separate review

Strategic Actions		Status	Comments
<b>1.4 Maintain a liquidity and debt profile appropriate for an infrastructure based waste operation.</b>			
1.4.1	Manage debt profile through the use of external borrowings and cash raised through the gate fee	●	
1.4.2	Manage the organisation's liquidity through appropriate cash flow forecasting and budgeting	●	
<b>1.5 Ensure the council is commercially relevant to the regional market.</b>			
1.5.1	Maintain strong networks with major commercial customers	●	
1.5.2	Survey our commercial customers to ensure we are providing a full range of services and meeting their expectations	●	
1.5.3	Provide services in line with market/industry trends to maintain/improve the MRC's market share	●	
1.5.4	Manage the costs of the landfill operations in line with other benchmark landfill sites	●	
1.5.5	Astutely manage the RRF contract	●	
1.5.6	Pursue opportunities which may present savings to the organisation (i.e. CFI credits, alternative revenue streams)	●	

# Corporate Business Plan

## Performance Against Targets 2021/22

Performance targets were assigned to each of the strategic actions and are reported here.

Their status for the year 2021/22 is shown as:

● Achieved ● Partially achieved ● Under separate review

Strategic Actions		Status	Comments
<b>Objective 2: Effective Management</b>			
<b>2.1 Operate waste management activities effectively.</b>			
2.1.1	Manage the environmental issues associated with operating a landfill site	●	
2.1.2	Comply with the DWER license conditions for sites owned and managed by the MRC, as well as guidelines for landfill sites	●	
2.1.3	Comply with OSH legislative requirements	●	
2.1.4	Continually review and improve Standard Operating Procedures / Job Safety Analysis	●	
2.1.5	Comply with Tamala Park site lease conditions	●	Ongoing consideration of environmental risk insurance and assessment of pull back of the Catalina development buffer zone
<b>2.2 Continually assess and utilise appropriate best practice waste management solutions.</b>			
2.2.1	Keep current with new developments in applied waste management, through networking with peer groups and attending conferences	●	
2.2.2	Annual review of current operations with a view to continuously improving the MRC's waste management practices	●	
<b>2.3 Make ongoing reviews of waste streams to ensure optimal recovery/diversion is achieved.</b>			
2.3.1	Maintain accurate records of the nature and composition of waste streams being processed	●	
2.3.2	Educate member councils and community as to how best to manage their problematic waste streams	●	
2.3.3	Pursue alternative treatment options for the Resource Recovery Facility residue, to improve waste recovery/diversion and reduce processing costs	●	
2.3.4	Education team to continue to pursue an education campaign focussed on achieving improved long term waste recovery/diversion performance and better uses for materials recovered	●	
<b>2.4 Adhere to policy and procedures with regards to processes.</b>			
2.4.1	Provide appropriate employee training to ensure awareness and importance of complying with the policies and procedures of the Council	●	
2.4.2	Review policies and procedures on an annual basis and report findings to the management group (procedures) and Council (policies)	●	
<b>2.5 Evaluate the effectiveness of systems and procedures in light of changing business requirements.</b>			
2.5.1	Ensure that the systems are fit for purpose and flexible enough to deal with change	●	Under separate review
2.5.2	Assess current systems in the light of changes in legislation and new processes	●	

Strategic Actions		Status	Comments
<b>Objective 3: Sustainable Waste Management</b>			
<b>3.1 Identify and adopt improved approaches to waste minimisation, resource recovery and the associated community engagement.</b>			
3.1.1	Assist member councils in finalising a new Establishment Agreement	●	Under separate review
3.1.2	Ensure that a new Establishment Agreement provides the MRC with flexibility to avail itself of commercial and partnership opportunities, including recycling and bulk verge collections	●	Under separate review
3.1.3	Keep up with trends in the waste industry by networking and attending relevant courses and conferences	●	
3.1.4	Explore options with waste industry and member councils to improve/expand services	●	
3.1.5	Actively pursue new business opportunities through partnerships with other organisations	●	
<b>3.2 Develop an integrated regional plan for waste management.</b>			
3.2.1	Work with the Strategic Working Group to develop an integrated regional plan	●	
3.2.2	Engage with stakeholder groups to determine their needs and industry trends	●	
3.2.3	Ensure that the integrated regional plan contains a marketing and communication strategy focused on achieving improved long term waste diversion performance as per the plan	●	
<b>3.3 Identify opportunities for the MRC to participate in the operation of additional waste management ventures based on proven technologies.</b>			
3.3.1	Develop relationships with relevant commercial operators with a view to identifying possible joint ventures	●	
3.3.2	Collaborate with peer organisations with like facilities to benefit from each other's intellectual property or identify opportunities for shared projects	●	
<b>3.4 Partner with organisations in order to advocate for new and innovative approaches to waste minimisation and resource recovery.</b>			
3.4.1	Actively participate as a member of the Municipal Waste Advisory Council (MWAC)	●	
3.4.2	Develop further our working relationship with the Waste Authority and the Department of Water, Environment Regulation (DWER)	●	
3.4.3	Participate as an active member of professional and operational industry groups/associations	●	
3.4.4	Engage with councils to improve waste recovery/diversion targets through sorting at source and varied collection strategies	●	
<b>3.5 Provide and contribute to community and industry leadership, through a strong focus on environmental, economic, social and governance principles and practices.</b>			
3.5.1	Participate in community groups/forums that are relevant to the MRC's operations	●	
3.5.2	Develop new opportunities to educate the community about the waste hierarchy and the impact they can have on improving waste outcomes	●	
3.5.3	Provide leadership on improving waste recovery/diversion through participation in relevant forums, committees and public consultation groups	●	
3.5.4	Evaluate projects and initiatives against the MRC's Vision and Mission imperatives	●	



# The Year at a Glance

**The landfill opened in 1991, and since accepting its first load of waste, it has received nearly 8 million tonnes of broadly what is termed Municipal Solid Waste (MSW).**

This is the everyday type of waste generated by households and small commercial establishments. During the financial year 2021/2022, there were 220,475 tonnes (155,648 tonnes during 2020/2021) of waste landfilled at Tamala Park. Progress with filling the last remaining stage of the landfill, referred to as Stage 2, Phase 3 continues, with the expected completion date of the landfill remaining late 2028. However, this anticipated closure date remains dependent upon the volume of waste we receive in the coming years. The MRC is working on an end-of-life landfill plan for Stage 2, Phase 3 cell, to ensure sensitive issues such as odour, leachate, wind-blown litter and dust are considered together with the rehabilitation of the land.

As Member Councils evaluate their waste disposal options and look to pivot towards higher order waste processing alternatives other than landfill, the total volume of waste delivered to Tamala Park this year has increased. It is anticipated that this increase will be temporary in nature, as alternative methods of disposal are pursued. Onsite landfilling activities have now transitioned to the eastern portion and are no longer visible from Marmion Avenue. This should result in a reduced visual and audible impact on the surrounding environment.

Notwithstanding the trend of reduced tonnes to landfill, the public-facing resource recovery area continues to provide the full provision of services, despite the challenges presented by COVID-19 throughout the year. The MRC has welcomed the engagement with Workpower Inc. as the contracted service provider for this area whilst providing employment opportunities for members of the community with a disability.

Environmentally, considerable time and effort has been dedicated to minimising the odours associated with operating the landfill, which has proven challenging at times. The onsite landfill gas power station operated by Energy Developments Limited (EDL) has continued to expand the network of gas extraction infrastructure throughout the year, improving their ability to access the landfill gas. This plant works to mitigate the landfill gas odour and beneficially generates electricity which is exported to the main electrical grid.

With respect to the site as a whole, efforts to manage and rehabilitate vegetation have resulted in improvements to the bushland to the north of the site by planting more native species, aided by irrigation systems to ensure the longevity of these saplings through the dry summer months. The planting activities of last year in the quarry are beginning to show signs of taking hold as the MRC continues to rehabilitate areas of the site no longer required for operational use.



# Financial Statements 2022



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**MINDARIE REGIONAL COUNCIL****Financial Report  
For the year ended 30 June 2022**

*Local Government Act 1995*

*Local Government (Financial Management) Regulations 1996*

**STATEMENT BY THE CHIEF EXECUTIVE OFFICER**

The attached financial report of the Mindarie Regional Council for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Mindarie Regional Council as at 30 June 2022 and the results of its operations for the financial year then ended, in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 01 December, 2022



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**Scott Cairns**  
Chief Executive Officer



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022 Mindarie Regional Council

#### To the Councillors 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 at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial 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 2022 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, 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 Members for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, 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 have nothing to report in this regard.

## **Responsibilities of the Chief Executive Officer and Council Members for the financial report**

The Chief Executive Officer of the Council is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and 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](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## **My independence and quality control 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 ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control 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 2022 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.



Caroline Spencer  
Auditor General For Western Australia  
Perth, Western Australia  
5 December 2022

## FINANCIAL OVERVIEW FOR THE YEAR ENDED 30 JUNE 2022

The Annual Financial Report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material Accounting policies which have been adopted in the preparation of the financial report are stated in the notes and have been consistently applied unless stated otherwise.

Except for cash flow, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of the selected non-current assets, financial assets and liabilities.

The financial statements included in this report reflect the results and financial position of the Mindarie Regional Council (MRC) for the year ended 30 June 2022 and should be read in conjunction with the updated comparatives.

### STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income is prepared on an accrual basis. This process recognises income as it is earned and expenses as they are incurred. In addition it makes adjustments for unearned income, credit sales, pre-payments, accrued expenses and non-cash provisions (i.e. depreciation and leave entitlements). This method provides a more accurate reflection of the transactions which actually occurred during the accounting period, and is a better reflection of the actual business activities undertaken by the MRC.

### OPERATING REVENUE

The MRC's operating income of \$43.3m has decreased by \$12.5m (22.39%) compared with the previous year (2020/21 \$55.8m), primarily as a result of the exit of the Resource Recovery Facility Agreement (RRFA).

Revenue classified by Nature or Type identify the inputs by the type of revenue. These classifications are defined by Regulation under the Local Government Act WA.

### OPERATING EXPENSES

The total operating expenditure for the year was \$56.0m, a decrease of \$4.5m (7.5%) over the prior year; significant variances in operating expenditure are mainly explained by expenses with regard to the RRF and the unwinding of the Service Concession Asset that also related to the RRF (\$20.7m).

Actual expenses are \$533k less than the adopted budget for 2021/22, mainly as a result of contracted fees with regard to the RRF ceasing on 31 August 2021.

Materials and Contracts represented the second largest item of expenditure. Materials and Contracts came to \$16.6m (\$13.2m in 2020/21) or 29.70% of operating costs.

Expenses classified by Nature or Type identify the outputs by the type of expenditure. These classifications are defined by Regulation under the Local Government Act WA.

### OTHER COMPREHENSIVE INCOME

The statements recognise the fair value of land, buildings and all infrastructure assets. Regulation 17A of the Local Government (Financial Management) Regulations 1996, lays down a regulatory framework and mandatory timetable for revaluations. The changes in assets revaluation \$20.1m are shown as Other comprehensive income in the Statement of comprehensive income and are not included in the calculation of the year's net result.

Overall, the MRC's Net position for the year ended 30 June 2022 was \$12.7m deficit and \$12.8m more than the adopted budget of \$109k. The budget was amended at mid-year review to reflect the exit of the RRFA on 31 August 2021. The gate fee for Members reduced from 1 September 2021.

The total comprehensive income for the year ended 30 June 2022 was a surplus \$7.5m resulting from the net changes in assets revaluation of \$20.1m (2020/21: restated deficit \$4.8m).

**STATEMENT OF COMPREHENSIVE INCOME (by nature or type)**

For the year ended 30 June 2022

	NOTE	ACTUAL 2022 \$	BUDGET 2022 \$	ACTUAL 2021 \$
<b>Revenue from ordinary activities</b>				
Contributions, reimbursements and donations	2	4,216,397	4,217,836	56,427
Fees and charges	2	37,640,487	50,525,970	53,897,629
Gas generation services	2	600,510	1,130,000	770,777
Interest earnings	2	154,778	139,812	153,198
Other revenue	2	659,862	555,370	875,778
		<b>43,272,034</b>	<b>56,568,988</b>	<b>55,753,809</b>
<b>Total operating income</b>				
<b>Operating expenses</b>				
Employee costs		(4,164,419)	(4,090,266)	(4,709,335)
Materials and contracts	2	(16,652,220)	(12,239,454)	(13,194,288)
RRF Expenses	2	(20,697,573)	(30,873,481)	(23,342,589)
Utilities		(548,964)	(308,350)	(299,369)
Depreciation	2	(6,699,030)	(2,840,714)	(6,472,660)
Amortisation Expenses	2	(4,826,294)	(3,688,418)	(7,725,263)
Finance/Borrowing Costs	2	(1,275,947)	(1,441,086)	(4,181,163)
Insurance		(701,652)	(233,745)	(223,678)
Other expenses		(502,953)	(886,913)	(460,810)
		<b>(56,069,051)</b>	<b>(56,602,427)</b>	<b>(60,609,155)</b>
		<b>(12,797,017)</b>	<b>(33,439)</b>	<b>(4,855,346)</b>
<b>Profit/(loss) from ordinary activities</b>				
Profit on asset disposal	22	210,628	173,789	56,441
Loss on asset disposal	22	(65,239)	(31,219)	-
		<b>145,389</b>	<b>142,570</b>	<b>56,441</b>
<b>Net result for the period</b>		<b>(12,651,628)</b>	<b>109,131</b>	<b>(4,798,905)</b>
<b>Other Comprehensive income for the period</b>				
Changes in asset revaluation	18	20,140,272	-	-
		<b>20,140,272</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>7,488,644</b>	<b>109,131</b>	<b>(4,798,905)</b>

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

## STATEMENT OF COMPREHENSIVE INCOME (by program)

For the year ended 30 June 2022

	NOTE	ACTUAL 2022 \$	BUDGET 2022 \$	ACTUAL 2021 \$
<b>Operating revenues</b>				
General Purpose Funding		43,272,034	56,568,988	55,753,809
<b>Total operating revenues</b>		<b>43,272,034</b>	<b>56,568,988</b>	<b>55,753,809</b>
<b>Profit on disposal of assets</b>				
Governance		36,605	48,974	-
Community amenities		174,023	124,815	56,441
<b>Total profit on disposal of assets</b>	22	<b>210,628</b>	<b>173,789</b>	<b>56,441</b>
<b>Operating expenses</b>				
Governance		(4,634,419)	(4,545,439)	(7,436,333)
Community amenities		(24,150,723)	(20,139,298)	(21,913,317)
Resource recovery facility		(26,007,963)	(31,580,570)	(27,078,342)
<b>Total operating expenses</b>		<b>(54,793,105)</b>	<b>(56,265,307)</b>	<b>(56,427,992)</b>
<b>Loss on sale of assets</b>				
Governance		(5,882)	-	-
Community amenities		(55,321)	(31,219)	-
Resource recovery facility		(4,035)	-	-
<b>Total loss on sale of assets</b>	22	<b>(65,238)</b>	<b>(31,219)</b>	<b>-</b>
<b>Finance costs</b>				
Governance		(335,060)	(337,120)	(304,716)
Community amenities		(396,102)	-	(349,482)
Resource recovery facility		(544,785)	-	(3,526,965)
<b>Total finance costs</b>	2	<b>(1,275,947)</b>	<b>(337,120)</b>	<b>(4,181,163)</b>
<b>Net result for the period</b>		<b>(12,651,628)</b>	<b>109,131</b>	<b>(4,798,905)</b>
<b>Other Comprehensive income for the period</b>				
Changes in asset revaluation	18	20,140,272	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>7,488,644</b>	<b>109,131</b>	<b>(4,798,905)</b>

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

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2022

	NOTE	ACTUAL 2022 \$	BUDGET 2022 \$	ACTUAL 2021 \$
<b>Current assets</b>				
Cash and cash equivalents	3	7,145,355	7,700,482	5,976,923
Trade and other receivables	4	3,143,008	3,955,518	4,503,939
Other financial assets	3	39,420,410	30,359,288	32,307,354
Inventories	5	23,889	10,175	15,666
Other current assets	6	548,830	341,993	89,581
<b>Total current assets</b>		<b>50,281,492</b>	<b>42,367,456</b>	<b>42,893,463</b>
<b>Non current assets</b>				
Property, plant and equipment	7	34,089,616	14,363,861	12,412,875
Infrastructure	7	43,311,416	9,995,146	6,661,334
Right of Use Assets	8	6,476,940	5,761,422	6,675,089
Service Concession Assets	9	-	-	36,793,165
Excavation and rehabilitation assets	10	11,720,691	24,864,730	27,465,281
Resource Recovery Facility Establishment	11	-	2,437,410	585,404
Other non current assets		-	734,843	-
<b>Total non-current assets</b>		<b>95,598,663</b>	<b>58,157,412</b>	<b>90,593,148</b>
<b>TOTAL ASSETS</b>		<b>145,880,155</b>	<b>100,524,868</b>	<b>133,486,612</b>
<b>Current liabilities</b>				
Trade and other payables	12	4,318,590	3,267,905	7,453,440
Employee related provisions	13	727,921	1,256,800	744,559
Lease liabilities	14	559,266	267,360	502,818
Service Concession liabilities	15	-	-	6,145,462
Other current liabilities		-	1,886,549	-
<b>Total current liabilities</b>		<b>5,605,777</b>	<b>6,678,614</b>	<b>14,846,279</b>
<b>Non-current liabilities</b>				
Employee related provisions	13	112,884	211,196	69,496
Rehabilitation provision	16	17,807,424	23,269,709	22,165,743
Lease liabilities	14	6,332,939	6,903,066	6,456,778
Service Concession liabilities	15	-	-	66,415,830
Other non current liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>24,253,248</b>	<b>30,383,971</b>	<b>95,107,847</b>
<b>TOTAL LIABILITIES</b>		<b>29,859,024</b>	<b>37,062,585</b>	<b>109,954,126</b>
<b>NET ASSETS</b>		<b>116,021,130</b>	<b>63,462,283</b>	<b>23,532,486</b>
<b>EQUITY</b>				
Accumulated losses		(35,597,552)	15,715,348	(23,933,585)
Reserves	3,17	18,767,090	18,184,709	19,754,751
Revaluation surplus	18	43,765,866	25,476,500	23,625,594
Council contributions	20	89,085,726	4,085,726	4,085,726
<b>TOTAL EQUITY</b>		<b>116,021,130</b>	<b>63,462,283</b>	<b>23,532,486</b>

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

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	NOTE	Accumulated losses	Reserves	Revaluation Surplus	Council Contributions	Total
		\$	\$	\$	\$	\$
Opening Balance as at 1 July 2020		(23,943,474)	22,712,639	25,476,500	4,085,726	28,331,391
Comprehensive income for the period						
Net result		(4,798,905)	-	-	-	(4,798,905)
Other comprehensive income for the period		-	-	-	-	-
Total comprehensive income for the period		(4,798,905)	-	-	-	(4,798,905)
Transfer (to)/from Reserves		2,957,888	(2,957,888)	-	-	-
		(25,784,491)	19,754,751	25,476,500	4,085,726	23,532,486
Realisation of revaluation reserve on assets disposals		1,850,906	-	(1,850,906)	-	-
Net increase - revaluation of assets		-	-	-	-	-
Council Contributions		-	-	-	-	-
Closing Balance as at 30 June 2021		(23,933,585)	19,754,751	23,625,594	4,085,726	23,532,486

		Accumulated losses	Reserves	Revaluation Surplus	Council Contributions	Total
		\$	\$	\$	\$	\$
Opening Balance as at 1 July 2021		(23,933,585)	19,754,751	23,625,594	4,085,726	23,532,486
Comprehensive income for the period						
Net result		(12,651,628)	-	-	-	(12,651,628)
Other comprehensive income for the period	18	-	-	20,140,272	-	20,140,272
Total comprehensive income for the period		(12,651,628)	-	20,140,272	-	7,488,644
Transfer (to)/from Reserves	17	987,661	(987,661)	-	-	-
Total Reserves		987,661	(987,661)	-	-	0
Council Contributions	20	-	-	-	85,000,000	85,000,000
		987,661	(987,661)	-	85,000,000	85,000,000
Closing Balance as at 30 June 2022		(35,597,552)	18,767,090	43,765,866	89,085,726	116,021,130

**STATEMENT OF CASH FLOW**

For the year ended 30 June 2022

	NOTE	ACTUAL 2022 \$	BUDGET 2022 \$	ACTUAL 2021 \$
<b>Cash flows from operating activities</b>				
<u>Receipts</u>				
Grants and subsidies		-	-	-
Contributions, reimbursements and donations		4,216,397	4,217,836	56,427
Gas generation services		600,510	1,130,000	558,374
Fees and charges		38,859,941	50,525,970	60,006,866
Interest earnings		78,231	139,812	196,220
Other revenue		656,680	555,370	1,036,907
GST		10,440,264	-	-
<u>Payments</u>				
Employee costs		(4,107,470)	(3,750,966)	(5,326,131)
Materials and contracts		(25,931,227)	(34,284,015)	(45,972,015)
Payment for RRF Facility Service Concession		(50,189,280)	-	-
Utilities		(548,964)	(308,350)	(299,369)
Finance costs		(879,845)	-	(3,831,681)
Insurance		(1,157,719)	(233,745)	(223,678)
Other expenditure		(502,953)	(9,715,833)	(460,810)
GST		(10,336,310)	-	(1,654,175)
<b>Net cash provided by (used in) operating activities</b>	19(b)	<b>(38,801,746)</b>	<b>8,276,079</b>	<b>4,086,935</b>
<b>Cash flows from investing activities</b>				
Members equity contributions		85,000,000	-	-
Payments for purchases of property and infrastructure		(4,061,359)	(5,290,625)	(1,593,631)
Payment for purchases of RRF property and infrastructure		(33,959,469)	-	-
Investments in term deposits		(7,113,056)	(139,812)	(4,317,615)
Proceeds from sale of assets		610,384	302,000	108,218
<b>Net cash provided by (used in) investing activities</b>		<b>40,476,500</b>	<b>(5,128,437)</b>	<b>(5,803,028)</b>
<b>Cash flows from financing activities</b>				
Lease payments		(506,322)	-	(468,191)
Repayment of loans		-	-	-
<b>Net cash provided by (used in) financing activities</b>		<b>(506,322)</b>	<b>-</b>	<b>(468,191)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,168,432</b>	<b>3,147,642</b>	<b>(2,184,284)</b>
Cash and cash equivalents at the beginning of the year		5,976,923	4,552,840	8,161,207
Cash and cash equivalents at the end of the year	19(a)	<b>7,145,355</b>	<b>7,700,482</b>	<b>5,976,923</b>

This statement should be read in conjunction with the accompanying notes.

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT 2021/22 THE YEAR ENDED 30 JUNE 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been adopted in the preparation and presentation of this financial report:

#### (a) Basis of preparation

The financial report 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 where no inconsistencies exist.

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 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 and rate setting information, 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 MRC financial position with regard to the above amendments to the FM Regulations as the MRC does not have any vested land.

#### (b) Critical accounting estimates

The preparation of the financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, 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 for judgements made in the absence of alternative sources of information. 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 and infrastructure
- estimation uncertainties made in relation to lease accounting
- estimated useful life

#### 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.

### **(c) The Local Government reporting entity**

All funds through which the 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 MRC as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

### **(d) Good and services tax**

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST. 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 included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### **(e) Cash and cash equivalents**

Cash and cash equivalents on the statement of financial position are comprised of cash at bank and in hand, and short term deposits with an original maturity of 3 months or less,

which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Term deposits with an original maturity of over 3 months have been reclassified as financial assets at amortised costs in order to comply with AASB 9 Financial Instruments and AASB 107 Statement of Cash Flow.

**(f) Trade and other receivables**

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

Classification and subsequent measurement

Trade receivables are recognised at original invoice amount less any allowances for uncollectable amounts (i.e. impairment).

Receivables expected to be collected within twelve months at the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Trade receivables are held with the objective to collect the contractual cash flows and therefore they are subsequently measured 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.

**(g) Inventories**

Inventories are valued 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.

**(h) Other current assets**

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

**(i) 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 between Mandatory Revaluation Dates

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.

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.

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 a 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.

#### **(j) Depreciation and amortisation**

Depreciation and amortisation is provided on infrastructure, property, plant and equipment, including buildings but excluding freehold land. All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated or amortised on a straight-line basis using rates which are reviewed each financial year to take into account changes in the estimated useful lives of assets. The following estimated useful lives are used in the calculation of depreciation:

Resource Recovery Facility	12 years
Buildings	20 years
Plant and equipment	6½ years
Furniture and fittings	5 years
Computers and equipment	3 years
Infrastructure (Roads, landscaping, fences, walls and Security lighting)	20 years
Excavation	% of actual usage

Rehabilitation assets	useful life
Resource Recovery Facility Establishment	1 year
Right of use asset	Lease period

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

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.

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

#### **(k) Right of Use assets and leases**

At inception of a contract, the MRC assesses if the contract contains 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 MRC uses its incremental borrowing rate.

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

All contracts that are classified as short term leases (i.e. a lease with a remaining 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. Leases for right of use assets are secured over the asset being leased.

#### **(l) Impairment**

In accordance with Australian Accounting Standards, the MRC's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication that they may be impaired. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 Impairment of Assets and appropriate adjustments made.

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard whereby an impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

#### **(m) Trade and other payables**

Trade payables and other accounts payable are recognised when the MRC becomes obliged to make future payments resulting from the purchase of goods and services. The

amounts are unsecured, recognised as a current liability and are usually paid within 30 days of recognition.

**(n) Employee benefits**

A provision is made for benefits accruing to employees in respect of salaries and wages, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Under the MRC workplace agreement, employees are paid for any unused sick leave on termination, based on a graduated entitlement defined in the agreement.

**(i) Short term benefits**

The provision for employees' benefits made in respect of salaries and wages, annual leave, sick leave and other employee benefits expected to be settled with 12 months represents the amount for which the MRC has an obligation arising from employee services received up to the year-end date. The provision has been calculated at the nominal amounts due, based on the remuneration rates the MRC expects to pay and includes related on-costs.

The MRC's obligations for short-term employee benefits such as salaries and wages are recognised as a part of current trade and other payables in the statement of financial position. The MRC's obligations for employees' sick leave, annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**(ii) Long term benefits**

Employee benefits payable later than one year have been measured at the present value of the expected future payments to be made in respect of the services provided by employees up to the reporting date. Consideration is given to expect future remuneration rates, anticipated employee departures and periods of service. Expected future payments are discounted using an appropriate risk-free discount rate, 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 re-measurements 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 MRC's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the MRC does not have the unconditional right to defer settlement beyond 12 months after the end of the reporting period, in which case the liability is recognised as a current liability.

**(o) Interest bearing loans and borrowings**

All loans and borrowings are recognised at the fair value of the consideration received less any directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised in the income statement. Borrowings are classified as non-current liabilities, with repayments due in the 12 months after year end date recognised as current liabilities.

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the particular asset until such time as the asset is substantially ready for its intended use or sale.

**(p) Superannuation**

In line with Superannuation Guarantee statutory requirements, the MRC makes a mandatory 10% contribution of the normal salary of qualifying employees, to the employees' nominated superannuation funds. In addition to this, the MRC matches contributions made by employees to these nominated superannuation funds on a sliding scale up to a limit of 7%.

**(q) Provisions**

Provisions are recognised when the MRC has a present legal or constructive obligation as a result of past events, which is likely to result in a reliably measurable outflow of resources to settle the obligation.

When the obligation is matched by a claim against a third party, the receivable from the third party claim is recognised as an asset to the extent that it is reliably measurable and likely to be realised.

**(r) Provisions for restoration, rehabilitation, and site monitoring costs**

The MRC complies with the full provision method for accounting provisions in respect of restoration, rehabilitation and site monitoring costs. Charges are made to expenses based on the estimated costs of restoring, rehabilitating and monitoring the Tamala Park landfill site. The rate charge is reviewed annually and is based on an estimated cost per tonne. The cost per tonne is arrived at after taking into account a standard engineering cost per cubic metre of landfill, the density of the waste and the most recent aerial surveys. Engineering rates differ according to the nature of the obligation to provide the service.

**(s) 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.

**(t) Revenue recognition**

Revenue from waste services is recognised when the waste is received.

Revenue from the disposal of assets is recognised when control of the asset has passed to the buyer. Revenue from royalties is recognised on an accrual basis. Proceeds from the sale of Renewable Energy Certificates are only recognised when the certificates are sold.

Interest income is recognised on an accrual basis.

Grants, donations and other contributions without any performance obligation are recognised as revenues when received. Where conditional contributions are received and the conditions attaching to the contributions have not yet been satisfied, they are disclosed as a liability in the financial statements as per AASB 15 Revenue from contracts with customers.

**(u) Comparative figures and rounding**

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

When the MRC applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

All figures shown in this annual financial report, other than where it refers to a dollar rate, are rounded to the nearest dollar.

**(v) Current and non-current classifications**

In the determination of whether an asset or liability is current or non-current, consideration is given to the timing of expected settlement of the item. The item is classified as current if there is an expectation that it will be settled within 12 months. Notwithstanding the above, where the MRC does not have the unconditional right to defer settlement of a liability beyond 12 months, the amount is classified as current.

**(w) Budget figures**

Unless otherwise stated, the budget figures shown in this financial report relate to the original budget adopted pertaining to the relevant item.

**(x) Rates**

The MRC does not levy rates. Accordingly rating information as required under the Local Government (Financial Management) Regulations 1996 has not been presented in this financial report.

**(y) Intangible Assets**Easements

Regulation 16 of the Local Government (Financial Management) Regulations 1996 requires easements to be recognised as assets. The MRC does not have any easements.

**(z) Financial Assets**Other financial assets at amortised cost

The MRC classifies financial assets at amortised costs if both of the following criteria is met:

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

Financial assets at fair value through profit and loss

The MRC classifies the following financial assets at fair value through profit and loss;

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the MRC has not elected to recognise fair value gains and losses through other comprehensive income.

### Impairment and risk

Information regarding impairment and exposure can be found at Note 28.

#### **(aa) Financial Liabilities**

Financial liabilities are recognised at fair value when the MRC becomes a party to the contractual provisions to the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measures at amortised cost. Gains or losses are recognised in profit or loss.

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 the fair value of the consideration paid including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### **(ab) Fair Value of Assets and Liabilities**

When performing a revaluation, the MRC uses a mix of both independent and management valuations using the following as a guide: Fair Value is the price that the MRC 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.

### 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 MRC 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 MRC are consistent with one or more of the following valuation approaches:

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 an asset at its current service capacity.

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 MRC 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 and 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.

**(ac) Landfill Cells**

There are three general components of landfill cell construction:

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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.

## 2. REVENUES AND EXPENSES

	ACTUAL 2022 \$	ACTUAL 2021 \$
The result from operating activities includes:		
<b><u>Revenue</u></b>		
<b>Contributions, reimbursements and donations</b>		
Reimbursement of Administration expenses	4,216,397	56,427
<b>Fees and charges</b>		
Member tipping fees	32,037,486	49,448,151
Casual tipping fees	5,603,001	4,288,349
Sale of recyclable materials	-	161,129
	<b>37,640,487</b>	<b>53,897,629</b>
<b>Gas generation services</b>		
Gas royalty and energy certificates	600,510	770,777
<b>Interest earnings</b>		
Interest on reserve funds	145,925	139,455
Interest on other funds	8,853	13,743
	<b>154,778</b>	<b>153,198</b>
<b>Other revenue</b>		
Miscellaneous income	659,862	875,778
<b><u>Expenses</u></b>		
<b>Materials and Contracts</b>		
DWER Landfill levy	13,041,718	10,318,078
Landfill Operating expenses	1,292,610	1,518,535
Other Material and contracts	2,317,892	1,357,675
	<b>16,652,220</b>	<b>13,194,288</b>
<b>RRF Expenses</b>		
RRF Termination expenses	13,780,415	-
RRF Operating Expenses	3,782,810	23,342,589
RRF Post Closure Operating Expenses	3,134,348	-
	<b>20,697,573</b>	<b>23,342,589</b>

## 2. REVENUES AND EXPENSES (cont.)

	ACTUAL 2022 \$	ACTUAL 2021 \$
<b>Depreciation</b>		
Buildings	1,473,446	405,040
Furniture and equipment	27,104	61,548
Computing equipment	86,919	194,560
Plant and machinery	3,220,611	967,675
Infrastructure	613,132	474,771
Service Concession Asset	640,738	3,844,427
Right of Use Asset	637,080	524,639
	<b>6,699,030</b>	<b>6,472,660</b>
<b>Amortisation</b>		
Cell Development	3,142,973	2,486,593
Rehabilitation asset	1,097,916	1,726,239
Resource Recovery Facility establishment	585,405	3,512,431
	<b>4,826,294</b>	<b>7,725,263</b>
<b>Finance/Borrowing costs</b>		
Interest expense - leases	335,060	304,716
Interest expense – service concession	544,785	3,526,965
Capping Accretion Expense	85,064	191,721
Post Closure Accretion Expense	311,038	157,761
	<b>1,275,947</b>	<b>4,181,163</b>
<b>Auditors' remuneration</b>		
Audit of the financial report	111,000	52,720
Additional audit fee	46,920	23,000
	<b>157,920</b>	<b>75,720</b>

**3. CASH AND CASH EQUIVALENTS**

	NOTE	ACTUAL 2022 \$	ACTUAL 2021 \$
Cash in hand		3,000	3,000
Cash at bank		<u>7,142,355</u>	<u>5,973,923</u>
<b>Cash and cash equivalents</b>		<b>7,145,355</b>	<b>5,976,923</b>
Financial assets at amortised cost		<u>39,420,410</u>	<u>32,307,354</u>
		<b>46,565,765</b>	<b>38,284,277</b>
Unrestricted cash		27,798,675	18,529,526
Restricted cash	17	<u>18,767,090</u>	<u>19,754,751</u>
		<b>46,565,765</b>	<b>38,284,277</b>

**4. TRADE AND OTHER RECEIVABLES**

Trade and other receivables	<b>3,143,008</b>	<b>4,503,939</b>
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**5. INVENTORIES**

Fuel	<b>23,889</b>	<b>15,666</b>
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**6. OTHER CURRENT ASSETS**

Prepaid expenses	545,648	89,581
Insurance Claims	<u>3,182</u>	<u>-</u>
	<b>548,830</b>	<b>89,581</b>

## 7. PROPERTY, PLANT AND EQUIPMENT & INFRASTRUCTURE

Movements in the carrying amounts of each class of property, plant and equipment and infrastructure between the beginning and end of the financial year are shown in the table below:

	Land \$	Buildings \$	Buildings RRF \$	Furniture and fittings \$	Computer and equipment \$	Plant and equipment \$	Work in progress \$	Infrastructure RRF	Infrastructure Other	Total \$
Opening balance 1 July 2020	4,567,043	3,695,189	-	189,085	287,869	4,016,226	-	-	6,880,537	19,635,949
Additions	-	-	-	-	-	10,997	1,327,066	-	-	1,338,063
Transfers from/(to) other asset classes	-	-	-	-	89,860	1,211,942	(1,301,802)	-	255,568	255,568
Disposals	-	-	-	-	-	(51,777)	-	-	-	(51,777)
Depreciation	-	(405,040)	-	(61,548)	(194,560)	(967,675)	-	-	(474,771)	(2,103,594)
Balance at 30 June 2021	<b>4,567,043</b>	<b>3,290,149</b>	-	<b>127,537</b>	<b>183,169</b>	<b>4,219,713</b>	<b>25,264</b>	-	<b>6,661,334</b>	<b>19,074,209</b>
<u>Comprises:</u>										
Gross carrying amount as at 30 June 2021	4,567,043	3,695,189	-	189,085	377,729	5,187,388	25,264	-	7,605,341	21,647,039
Accumulated depreciation as at 30 June 2021	-	(405,040)	-	(61,548)	(194,560)	(967,675)	-	-	(944,007)	(2,572,830)
Balance at 30 June 2021	<b>4,567,043</b>	<b>3,290,149</b>	-	<b>127,537</b>	<b>183,169</b>	<b>4,219,713</b>	<b>25,264</b>	-	<b>6,661,334</b>	<b>19,074,209</b>
Additions	2,192,597	-	9,809,572	-	172,534	1,638,421	58,168	24,149,897	-	38,021,189
Revaluations Increments/(Decrements)	2,490,360	789,649	7,806,533	-	-	-	-	18,768,818	(3,637,892)	26,217,468
Transfers from/(to) other asset classes	-	(150,307)	-	(43,681)	-	-	-	-	193,988	0
Disposals	-	(32,307)	-	-	(169,335)	(281,847)	-	-	(7,132)	(490,621)
Depreciation	-	(388,441)	(1,085,005)	(27,104)	(86,919)	(1,016,147)	-	(2,204,465)	(613,132)	(5,421,213)
Balance at 30 June 2022	<b>9,250,000</b>	<b>3,508,743</b>	<b>16,531,100</b>	<b>56,752</b>	<b>99,449</b>	<b>4,560,140</b>	<b>83,432</b>	<b>40,714,250</b>	<b>2,597,166</b>	<b>77,401,032</b>
<u>Comprises:</u>										
Gross carrying amount as at 30 June 2022	9,250,000	3,508,743	16,531,100	145,404	380,928	6,543,962	83,432	40,714,250	2,597,166	79,754,985
Accumulated depreciation as at 30 June 2022	-	-	-	(88,652)	(281,479)	(1,983,822)	-	-	-	(2,353,953)
Balance at 30 June 2022	<b>9,250,000</b>	<b>3,508,743</b>	<b>16,531,100</b>	<b>56,752</b>	<b>99,449</b>	<b>4,560,140</b>	<b>83,432</b>	<b>40,714,250</b>	<b>2,597,166</b>	<b>77,401,032</b>

## 7. PROPERTY, PLANT AND EQUIPMENT & INFRASTRUCTURE (CONT)

All land, building and infrastructure assets were valued during the financial year. 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. Any impairment in values were recognised directly in the statement of comprehensive income.

Subsequent to taking legal ownership of the Resource Recovery Facility (RRF), on 31 August 2021, the RRF continued to operate until 17 December 2021 to empty, clean and make safe all 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 Expression of Interest for the future use of the facility was published in March 2022 and closed in April 2022 which received responses from industry that reinforced the MRC's view that the facility is operationally viable as a FOGO processing facility.
- MRC's Council endorsed the 2023 budget in June 2022 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 which will seek to identify an operator to process FOGO materials at the RRF.
- MRC Council has approved an increase in the 2023 budget for the costs relating to the financial implication associated with the development of the FOGO tender and project management resources, at its Ordinary Council Meeting in September 2022.

Given the MRC Council has supported the repurposing of the RRF asset and the publication of a tender the MRC does not consider the RRF impaired at 30 June 2022. 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 mid-2023.

## 8. RIGHT OF USE ASSETS

The right of use asset refers solely to the lease of the land for the Tamala Park facility. The lease expires in 2032. The sub lease relates to the land that houses the power station.

Movement in carrying amounts between the beginning and the end of the current financial year are shown:

	<b>LAND</b> <b>\$</b>
<b>Balance as 1 July 2020</b>	7,085,936
Net results for rent review and CPI Adjustments	113,792
Depreciation expense	<u>(524,639)</u>
<b>Balance as at 30 June 2021</b>	<b><u>6,675,089</u></b>
Net results for rent review and CPI Adjustments	438,931
Depreciation expense	<u>(637,080)</u>
<b>Balance as at 30 June 2022</b>	<b><u>6,476,940</u></b>

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

	<b>ACTUAL</b> <b>2022</b> <b>\$</b>
Depreciation expense on lease liability	637,080
Interest expense on lease liability	<u>335,060</u>
Total amount recognised in the statement of comprehensive income	<b><u>972,140</u></b>

	<b>ACTUAL</b> <b>2021</b> <b>\$</b>
Depreciation expense on lease liability	524,639
Interest expense on lease liability	<u>304,716</u>
Total amount recognised in the statement of comprehensive income	<b><u>829,355</u></b>

## 9. SERVICE CONCESSION ASSETS

The service concession asset relates to the Resource Recovery Facility Agreement (RRFA). Under this agreement the operator has responsibility to manage the facility for the purpose of processing Member Council waste on behalf of the Council. The agreement was originally entered into for a 20-year term ending June 2030, but was terminated on 31 August 2021.

Movement in carrying amounts between the beginning and the end of the current financial year.

	LAND \$	RRF \$
<b>1 July 2020</b>		
Gross carrying amount	2,192,957	42,289,060
Accumulated depreciation	-	(3,844,426)
<b>Carrying amount</b>	<b>2,192,957</b>	<b>38,444,634</b>
Additions	-	-
Transfers from/(to) other asset classes	-	-
Revaluations	-	-
Depreciation Expense	-	(3,844,426)
<b>Carrying amount 30 June 2021</b>	<b>2,192,957</b>	<b>34,600,208</b>
<b>1 July 2021</b>		
Gross carrying amount	2,192,957	42,289,060
Accumulated Depreciation	-	(7,688,852)
<b>Carrying amount at start of period</b>	<b>2,192,957</b>	<b>34,600,208</b>
Additions	-	-
Disposal	(2,192,957)	(33,959,470)
Depreciation expense	-	(640,738)
<b>Carrying amount 30 June 2022</b>	<b>-</b>	<b>-</b>

### Initial measurement

A service concession asset is initially measured at current replacement cost in accordance with the cost approach to fair value in AASB13 Fair Value Measurement.

This same measurement approach applies to existing assets of the Council that have been reclassified as service concession assets at the date of reclassification. Any difference between the carrying amount of the asset and its current replacement cost is accounted for as if it's a revaluation of the asset.

### Subsequent measurement

After initial recognition, service concession assets are subsequently measured applying the revaluation model.

### Depreciation and impairment of service concession assets

Subsequent to initial recognition or reclassification, a service concession asset is depreciated in accordance with AASB 116 Property, Plant and Equipment, with any impairment recognised in accordance with AASB 136 Impairments of Assets.

## 10. EXCAVATION AND REHABILITATION ASSETS

Movements in the carrying amount of Excavation and Rehabilitation assets between the beginning and end of the financial year are reflected as follows:

The excavation asset relates directly to the creation of the landfill cells.

The rehabilitation asset refers to the rehabilitation, closure and post closure monitoring costs of the landfill cells.

	Excavation Asset \$	Rehabilitation Asset	Total \$
Opening Balance at 1 July 2020	22,251,063	9,427,049	31,678,112
Amortisation Expense	(2,486,592)	(1,726,239)	(4,212,831)
Balance at 30 June 2021	<b>19,764,471</b>	<b>7,700,810</b>	<b>27,465,281</b>

### Comprises:

Gross carrying amount at 30 June 2021	26,914,614	18,320,133	45,234,747
Accumulated Amortisation at 30 June 2021	(7,150,143)	(10,619,323)	(17,769,466)
Carrying amount at 30 June 2021	<b>19,764,471</b>	<b>7,700,810</b>	<b>27,465,281</b>
Amortisation Expense	(3,142,973)	(1,097,916)	(4,240,889)
Revaluation Increase/(Decrease)	(7,788,498)	-	(7,788,498)
Increase/(Decrease) to Rehabilitation Provision	-	(3,715,203)	(3,715,203)
Carrying amount at 30 June 2022	<b>8,833,000</b>	<b>2,887,691</b>	<b>11,720,691</b>

### Comprises:

Gross carrying amount at 30 June 2022	19,126,116	14,604,930	33,731,046
Accumulated Amortisation at 30 June 2022	(10,293,116)	(11,717,239)	(22,010,355)
Carrying amount at 30 June 2022	<b>8,833,000</b>	<b>2,887,691</b>	<b>11,720,691</b>

## 11. RESOURCE RECOVERY FACILITY

	ACTUAL 2022 \$	ACTUAL 2021 \$
The Resource Recovery Facility establishment (RRF) relates to the facility at 109 Pederick Road, Neerabup.		
Capital expenditure	7,728,481	7,728,481
Less Accumulated amortisation	<u>(7,728,481)</u>	<u>(7,277,992)</u>
	-	<b>450,489</b>
Pre-operating expenses (commissioning)	2,093,000	2,093,000
Less Accumulated amortisation	<u>(2,093,000)</u>	<u>(1,958,085)</u>
	-	<b>134,915</b>
<b>Total</b>	<u>-</u>	<u><b>585,404</b></u>

The RRF assets comprise the directly associated costs with regard to the implementation of the facility. Historically these assets have been depreciated over the term of the Resource Recovery Facility Arrangement (RRFA). The RRFA capitalised cost has been written down to Nil as MRC terminated the RRFA on 31 Aug 2021.

Movements in carrying amounts of the RRF assets during the financial year are shown in the table below.

	CAPITAL EXPENDITURE \$	PRE- OPERATING EXPENSES \$	TOTAL \$
Opening balance	450,489	134,915	585,404
Amortisation	<u>(450,489)</u>	<u>(134,915)</u>	<u>(585,404)</u>
Closing balance	-	-	-

Movements in carrying amounts of the RRF assets during the previous financial year are shown in the table below.

	CAPITAL EXPENDITURE \$	PRE- OPERATING EXPENSES \$	TOTAL \$
Opening balance	3,153,424	944,412	4,097,836
Amortisation	<u>(2,702,935)</u>	<u>(809,497)</u>	<u>(3,512,432)</u>
Closing balance	<b>450,489</b>	<b>134,915</b>	<b>585,404</b>

## 12. TRADE AND OTHER PAYABLES

	ACTUAL 2022 \$	ACTUAL 2021 \$
<u>Current</u>		
Sundry creditors	3,593,149	6,478,394
Accrued expenses	271,623	412,088
Accrued salaries and wages	125,587	95,388
GST Payable	328,230	467,569
	<u>4,318,590</u>	<u>7,453,440</u>

## 13. EMPLOYEE RELATED PROVISIONS

<u>Current</u>		
Provision for annual leave and sick leave	449,897	414,589
Provision for long service leave	220,462	285,176
	<u>670,359</u>	<u>699,765</u>
Employment on costs	57,562	44,793
	<u>727,921</u>	<u>744,559</u>
<u>Non-current</u>		
Provision for long service leave	112,884	65,321
Employment on costs - adjustment	-	4,175
	<u>112,884</u>	<u>69,496</u>
<b>Total employee related provisions</b>	<u><b>840,804</b></u>	<u><b>814,055</b></u>

### Annual and sick leave liability

Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months after the reporting date	220,000	220,000
More than 12 months after the reporting date	229,897	194,589
	<u>449,897</u>	<u>414,589</u>

The provision for annual leave and sick leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

### Long service leave liability

Unconditional long service leave provisions are classified as current liabilities as the MRC does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities as the MRC has an unconditional right to defer settlement of the liability until the employee has completed the required years of service. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

**13. EMPLOYEE RELATED PROVISIONS (CONT.)**

	<b>ACTUAL 2022 \$</b>	<b>ACTUAL 2021 \$</b>
Within 12 months after the reporting date	100,000	80,000
More than 12 months after the reporting date	<u>233,345</u>	<u>270,497</u>
	<b>333,345</b>	<b>350,497</b>

The provision for long service leave is calculated at present value as the MRC does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by the employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

**Employee on costs**

The settlement of the above leave liabilities give rise to the payment of employee on-costs including worker's compensation insurance. The provision is the present value of expected future payments.

Carrying amount at start of period	48,969	64,729
Additional / (reversal of) provisions recognised	<u>8,593</u>	<u>(15,759)</u>
	<b>57,562</b>	<b>48,968</b>

**14. LEASE LIABILITIES**

Lease liability - current	559,266	502,818
Lease liability – non-current	<u>6,332,939</u>	<u>6,456,778</u>
<b>Total lease liability</b>	<b><u>6,892,205</u></b>	<b><u>6,959,596</u></b>

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

**15. SERVICE CONCESSION LIABILITIES**

The service concession arrangement relates to the 20-year Resource Recovery Facility Agreement (RRFA) with an agreement end date of 2030. Under the agreement the operator has responsibility to manage the facility for the purpose of processing Member Council waste on behalf of the Council. Termination of the agreement was as at 31 August 2021 and the Council then assumed all rights and responsibilities in relation to the assets and liabilities of the Service Concession Arrangement.

## 15. SERVICE CONCESSION LIABILITIES (CONT)

	RRFA \$
<b>1 July 2020</b>	
Opening carrying amount	78,334,144
Additions	-
Repayment of SCA Liability	(9,299,817)
Interest expense	3,526,965
<b>Carrying amount 30 June 2021</b>	<b>72,561,292</b>
Additions	-
Repayment of SCA Liability	(73,106,077)
Interest expense	544,785
<b>Carrying amount 30 June 2022</b>	<b>-</b>

The Service Concession liability is made up of Current and Non Current liabilities

	ACTUAL 2021/2022 \$	ACTUAL 2020/2021 \$
Current	-	6,145,462
Non Current	-	66,415,830
<b>Carrying amount</b>	<b>-</b>	<b>72,561,292</b>

## 16. REHABILITATION PROVISION

Balance as 1 July 2020	21,816,261
Unwinding of discount	349,482
<b>Balance as at 1 July 2021</b>	<b>22,165,743</b>
Additional provisions made	-
Net revaluation	(4,754,420)
Unwinding discount	396,101
<b>Closing balance as at 30 June 2022</b>	<b>17,807,424</b>

**17. RESERVES**

	ACTUAL 2022 \$	BUDGET 2022 \$	ACTUAL 2021 \$
<b>CASH BACKED</b>			
<u>Site rehabilitation reserve</u>			
Opening balance	15,138,197	15,138,197	14,788,715
Transfer to reserve	1,103,964	1,103,966	349,482
Transfer from reserve	-	-	-
Closing balance	<b>16,242,161</b>	<b>16,242,163</b>	<b>15,138,197</b>
<u>Capital expenditure reserve</u>			
Opening balance	2,977,954	2,444,570	4,535,324
Transfer to reserve	-	2,900,000	-
Transfer from reserve	(944,101)	(5,290,625)	(1,557,370)
Closing balance	<b>2,033,853</b>	<b>53,945</b>	<b>2,977,954</b>
<u>Participants' surplus reserve</u>			
Opening balance	-	-	2,000,000
Transfer to reserve	-	-	-
Transfer from reserve	-	-	(2,000,000)
Closing balance	-	-	-
<u>Carbon abatement reserve</u>			
Opening balance	491,076	491,076	491,076
Transfer to reserve	-	-	-
Transfer from reserve	-	-	-
Closing balance	<b>491,076</b>	<b>491,076</b>	<b>491,076</b>
<u>RRF Maintenance fund reserve</u>			
Opening balance	1,147,524	1,147,524	897,524
Transfer to reserve	-	250,000	250,000
Transfer from reserve	(1,147,524)	-	-
Closing balance	-	<b>1,397,524</b>	<b>1,147,524</b>
<b>Total Cash Backed Reserves</b>	<b>18,767,090</b>	<b>18,184,708</b>	<b>19,754,751</b>

**RESERVES SUMMARY**

Opening Balance	19,754,751	19,221,367	22,712,639
Transfers to reserves	1,103,964	4,253,966	599,482
Transfers from reserves	(2,091,625)	(5,290,625)	(3,557,370)
<b>Closing Balance 2022</b>	<b>18,767,090</b>	<b>18,184,708</b>	<b>19,754,751</b>

## 17. RESERVES (CONT.)

All of the cash-backed reserve accounts are supported by money held with financial institutions which matches the amounts shown as restricted cash in note 3 to the financial report.

In accordance with Council resolutions in relation to each cash-backed reserve account, the purposes for which the respective funds are set aside for are as follows:

**Site rehabilitation reserve** – to be used to fund the rehabilitation following the closure of the landfill. Anticipated date of use – ongoing.

**Capital expenditure reserve** – to be used to fund ongoing capital expenditure requirements. Anticipated date of use – ongoing.

**Participants' Surplus Reserve** – to be used to fund a deficit as shown in the year end accounts. Expended in the prior financial year.

**Carbon abatement reserve** - to be used to fund carbon abatement projects. Anticipated date of use – ongoing.

**RRF maintenance reserve** – to be used to fund RRF maintenance obligations. Expended in the current financial year.

## 18. REVALUATION SURPLUS

	ACTUAL 2022 \$	BUDGET 2022 \$	ACTUAL 2021 \$
<u>Land and Buildings</u>			
Opening balance	6,699,484	-	6,699,484
Net revaluation increment/(decrement)	11,086,542	-	-
	<b>17,786,026</b>	-	<b>6,699,484</b>
<u>Furniture and fittings</u>			
Opening balance	337,230	-	337,230
	<b>337,230</b>	-	<b>337,230</b>
<u>Computers and equipment</u>			
Opening balance	628,917	-	628,917
	<b>628,917</b>	-	<b>628,917</b>
<u>Plant and equipment</u>			
Opening balance	304,797	-	304,797
	<b>304,797</b>	-	<b>304,797</b>
<u>Infrastructure</u>			
Opening balance	2,435,702	-	2,435,702
Net revaluation increment/(decrement)	15,130,926	-	-
	<b>17,566,628</b>	-	<b>2,435,702</b>
<u>Landfill Cell excavation and rehabilitation</u>			
Opening balance	13,219,464	-	13,219,464
Net revaluation increment/(decrement)	(6,077,196)	-	-
	<b>7,142,268</b>	-	<b>13,219,464</b>
<b>Total revaluation surplus</b>	<b>43,765,866</b>	-	<b>23,625,594</b>
<b>Revaluation surplus summary</b>			
Opening Balance	23,625,594	-	23,625,594
Net revaluation increment/(decrement)	20,140,272	-	-
<b>Total revaluation surplus</b>	<b>43,765,866</b>	-	<b>23,625,594</b>

## 19. NOTES TO THE STATEMENT OF CASH FLOWS

### 19(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the year is reconciled to the related items in the statement of financial position as follows:

	ACTUAL 2022 \$	BUDGET 2022 \$	ACTUAL 2021 \$
Cash and cash equivalents	7,145,355	7,700,482	5,976,923

### 19(b) Reconciliation of the Net Result to net cash provided by operating activities

	ACTUAL 2022 \$	BUDGET 2022 \$	ACTUAL 2021 \$
<b>Net Result</b>	(12,651,628)	109,131	(4,798,905)
<u>Non cash items</u>			
Depreciation	6,699,030	2,840,714	10,685,491
Amortisation	4,826,293	3,688,418	3,512,431
Finance charges	1,275,947	1,103,966	349,482
(Profit)/loss on sale of assets	(145,389)	(142,570)	(56,441)
<u>Changes in assets and liabilities</u>			
(Increase)/decrease in receivables	1,360,931	-	477,446
(Increase)/decrease in inventories	(8,223)	-	(2,376)
(Increase)/decrease in prepayments and accrued income	(459,249)	337,120	(208,994)
(Increase)/decrease in SCA	(36,152,427)	-	-
(Decrease)/increase in payables	(3,134,850)	-	203,424
(Decrease)/increase in employee provisions	26,750	339,300	(301,772)
(Increase)/decrease in Right Of Use assets	(438,931)	-	-
(Increase)/decrease in Service Concession liabilities	-	-	(5,772,851)
<b>Net cash provided by operating activities</b>	<b>(38,801,746)</b>	<b>8,276,079</b>	<b>4,086,935</b>

## 20. COUNCIL CONTRIBUTIONS

		ACTUAL 2022 \$	ACTUAL 2021 \$
The following table shows the respective Council's interest in the MRC;			
City of Joondalup	(16.67%)	14,847,625	680,958
City of Wanneroo	(16.67%)	14,847,625	680,958
City of Stirling	(33.33%)	29,695,240	1,361,906
City of Perth	(8.33%)	7,533,618	450,285
City of Vincent	(8.33%)	7,387,206	303,873
Town of Cambridge	(8.33%)	7,387,206	303,873
Town of Victoria Park	(8.33%)	7,387,206	303,873
		<b>89,085,726</b>	<b>4,085,726</b>

A council contribution of \$85 million was received in year relating to the exit of the Resource Recovery Facility Agreement (RRFA).

## 21. FAIR VALUE MEASUREMENTS

The MRC measures the following non-current assets at fair value on a recurring basis:

- Land and buildings
- Infrastructure
- Landfill Cell Excavation and Rehabilitation asset

The following table provides the fair values of the MRC's non-current assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

### Recurring fair value measurements

	30 June 2022			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Land	-	9,250,000		9,250,000
Buildings	-		20,039,843	20,039,843
Infrastructure	-		43,311,416	43,311,416
Landfill Cell Excavation	-		8,833,000	8,833,000
Rehabilitation	-		2,887,691	2,887,691
	-	9,250,000	75,071,950	84,321,950

## 21 FAIR VALUE MEASUREMENTS (CONT.)

30 June 2021			
	Level 1	Level 2	Level 3
	\$	\$	\$
Total	\$		
Land	-	6,760,000	
Buildings	-		3,290,149
Infrastructure	-		6,661,334
Excavation	-		19,764,471
Service Concession assets	-		36,793,165
	-	6,760,000	66,509,119
			73,269,119

### 21(a) Transfers policy

The policy of the MRC is to recognise transfers into and transfer out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers in and out of Levels 1, 2 or 3 measurements.

### 21(b) Highest and best use

There were no assets valued where it was assumed that the highest and best use was other than their current use.

### 21(c) Valuation techniques and inputs used to derive fair values

The following table summarises valuation inputs and techniques used to determine the fair value for each asset class.

Asset class	Level of valuation input	Fair Value at 30 June 2022	Valuation techniques	Inputs used
		\$		
Land	2	9,250,000	Market approach	A
Buildings	3	20,039,843	Cost approach	B
Infrastructure	3	43,311,416	Cost approach	B
Landfill Cell Excavation	3	8,833,000	Cost approach	B
Rehabilitation	3	2,887,691	Cost approach	B
<b>Total</b>		<b>84,321,950</b>		

**A** - Sales of similar properties

**B** - Estimates of residual value, useful life, pattern of consumption, construction costs and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.

## 21. FAIR VALUE MEASUREMENTS (CONT.)

### Recurring fair value measurements

In order to estimate the price implied by the appropriate basis of value, the valuer will need to apply one or more valuation approaches. A valuation approach or method refers to generally accepted analytical methodologies that are in common use.

### Land

Level 2 inputs refer to a comparative approach that considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, a property being valued (a subject property) is compared with sales of similar properties that have been transacted in the market. Listing and offerings may also be considered.

### Buildings

The MRC's buildings are considered to be of a specialised nature (non-market type properties which are not readily traded in the market place), such assets valued by a professionally qualified registered valuer using the cost approach. This approach is commonly referred to as the current replacement cost (CRC) approach.

The CRC approach considers the cost (sourced from cost guides such as Rawlinson's, Cordell, professional quantity surveyors and recent construction costs for similar projects throughout Western Australia) to reproduce or replace similar assets with an asset in new condition, including allowance for installation, less an amount for depreciation in the form of accrued physical wear and tear, economic and functional obsolescence.

The depreciation consists of a combination of unit rates based on square metres and quantification of the component parts of the asset. Other inputs (i.e. remaining useful life, asset condition and utility) required extensive professional judgement and impacted significantly on the final determination of fair value. Therefore, all the MRC's buildings were classified as having been valued using Level 3 valuation inputs.

### Infrastructure

The MRC's infrastructure assets are considered to be of a specialised nature (non-market type assets which are not readily traded in the market place), such assets are valued by a professionally qualified registered valuer using the cost/CRC approach.

The depreciation consists of a combination of unit rates based on square metres and quantification of the component parts of the asset. Other inputs (i.e. remaining useful life, asset condition and utility) required extensive professional judgement and impacted significantly on the final determination of fair value. Therefore, all the MRC's infrastructure assets were classified as having been valued using Level 3 valuation inputs.

## 21. FAIR VALUE MEASUREMENTS (CONT.)

### Landfill Cell excavation and rehabilitation

The MRC's landfill cell excavation and rehabilitation asset is considered to be of a specialised nature (non-market type asset which is not readily traded in the market place), the landfill cell excavation is valued by a professionally qualified registered valuer using the cost/CRC and the rehabilitation component of the asset is measured on remaining useful life approach.

The depreciation of the asset is based upon its useful life and airspace availability. All inputs require extensive professional judgement. Therefore, the MRC's landfill cell excavation and rehabilitation assets were classified as having been valued using Level 3 valuation inputs.

## 22. ASSET DISPOSALS

### BY ASSET CLASS

	2022			2022			2022			2022			2021			2021		
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual
	Net Book Value	Sale Proceeds	Profit	Loss	Loss	Loss	Net Book Value	Sale Proceeds	Profit	Loss	Loss	Loss	Net Book Value	Sale Proceeds	Profit	Profit	Profit	Loss
Land																		
Buildings	32,308	-	-	(32,308)			-	-	-	-	-	-	-	-	-	-	-	-
Computer equipment	1,733	-	-	(1,733)			-	-	-	-	-	-	-	-	-	-	-	-
Furniture and equipment	-	-	-	0			-	-	-	-	-	-	-	-	-	-	-	-
Plant and equipment	281,847	468,408	210,628	(24,067)			159,430	302,000	173,788	(31,219)			51,777	108,218	56,441			
Infrastructure	7,132	-	-	(7,132)			-	-	-	-	-	-	-	-	-	-	-	-
	<b>323,019</b>	<b>468,408</b>	<b>210,628</b>	<b>(65,239)</b>			<b>159,430</b>	<b>302,000</b>	<b>173,788</b>	<b>(31,219)</b>			<b>51,777</b>	<b>108,218</b>	<b>56,441</b>			

The following assets were disposed of during the year.

### BY PROGRAM

	2022			2022			2022			2022			2021			2021		
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual
	Net Book Value	Sale Proceeds	Profit	Loss	Loss	Loss	Net Book Value	Sale Proceeds	Profit	Loss	Loss	Loss	Net Book Value	Sale Proceeds	Profit	Profit	Profit	Loss
Buildings																		
Community amenities	32,308	-	-	(32,308)			-	-	-	-	-	-	-	-	-	-	-	-
Computer equipment																		
Community amenities	1,733	-	-	(1,733)			-	-	-	-	-	-	-	-	-	-	-	-
Furniture and equipment																		
Community amenities																		
Plant and equipment																		
Community amenities	247,461	397,417	174,023	(24,067)														
Governance	34,386	70,991	36,605	0														
Infrastructure																		
Community amenities	7,132	-	-	(7,132)			-	-	-	-	-	-	-	-	-	-	-	-
	<b>323,019</b>	<b>468,408</b>	<b>210,628</b>	<b>(65,239)</b>														

## 23. ASSETS CLASSIFIED BY TYPE AND LOCAL GOVERNMENT PROGRAM

### Statement of objective

*The MRC was formed in 1987 to undertake '...the orderly and efficient treatment and/or disposal of waste...' on behalf of its seven member councils.*

### Component of Functions

The activities relating to the Council's functions reported in the Statement of Comprehensive Income:

#### **General Purpose Funding**

Objective: To provide responsible and accountable financial practices.

Comprises: interest from investments, fees and charges.

#### **Governance**

Objective: To provide responsible, accountable governance and management of the MRC.

Comprises: Member Council elected delegates, corporate support services.

#### **Community Amenities**

Objective: To provide sustainable waste disposal, resource recovery and recycling operations and solutions in partnership with Member Councils.

Comprises: Costs of the recycling centre, transfer station and landfill.

#### **Resource Recovery Facility**

Objective: To provide recycling operations and solutions in partnership with Member Councils.

Comprises: Costs associated with the Resource Recovery Facility.

**23. ASSETS CLASSIFIED BY TYPE AND LOCAL GOVERNMENT PROGRAM (CONT.)**

	ACTUAL 2022 \$	ACTUAL 2021 \$
<b>Current assets</b>		
Community amenities	50,281,492	42,893,463
<b>Non-current assets</b>		
<u>Land and Buildings</u>		
Governance	2,035,694	1,275,903
Community amenities	10,723,049	1,597,490
RRF	16,531,100	4,983,799
<u>Furniture &amp; Fittings</u>		
Community amenities	56,752	127,537
<u>Computers &amp; Equipment</u>		
Community amenities	99,449	208,433
<u>Right of Use Asset</u>		
Community amenities	6,476,940	6,675,089
<u>Service Concession Asset</u>		
RRF	-	36,793,165
<u>Plant &amp; Equipment</u>		
Governance	52,042	19,981
Community amenities	3,781,405	4,199,733
RRF	726,693	-
<u>Infrastructure</u>		
Community amenities	2,680,599	6,661,334
RRF	40,714,250	-
<u>Excavation work</u>		
Community amenities	8,833,000	19,764,471
<u>Resource recovery facility</u>		
RRF establishment	-	585,404
<u>Rehabilitation asset</u>		
Community amenities	2,887,691	7,700,810
<b>TOTAL ASSETS</b>	<b>145,880,155</b>	<b>133,486,612</b>

## 24. FEES AND CHARGES AND OTHER SERVICES CLASSIFIED BY TYPE AND LOCAL GOVERNMENT PROGRAM

	ACTUAL 2022 \$	BUDGET 2022 \$	ACTUAL 2021 \$
General Purpose Funding	43,272,034	56,568,988	55,753,809
<b>Total Fees and charges and other services</b>	<b>43,272,034</b>	<b>56,568,988</b>	<b>55,753,809</b>

## 25. FINANCIAL ACTIVITY INFORMATION AND MEMBER CHARGES

BUDGET	Processable Tonnes t	Non processable tonnes t	Total tonnes t	Ave. Rate \$	Revenue \$
<u>Waste</u>					
Town of Cambridge	5,900	25	5,925	213.00	1,262,025
City of Joondalup	32,150	620	32,770	213.00	6,980,010
City of Perth	13,000	-	13,000	213.00	2,769,000
City of Stirling	42,000	4,000	46,000	213.00	9,798,000
Town of Victoria Park	12,250	-	12,250	213.00	2,609,250
City of Vincent	6,750	1,000	7,750	213.00	1,650,750
City of Wanneroo	43,250	4,900	48,150	213.00	10,255,950
<u>Residue</u>					
Biovision	56,700	-	56,700	213.00	12,077,100
<b>Closing Balance</b>	<b>212,000</b>	<b>10,545</b>	<b>222,545</b>		<b>47,402,085</b>

ACTUAL	Processable Tonnes t	Non processable tonnes t	Total tonnes t	Ave. Rate * \$	Revenue \$
<u>Waste</u>					
Town of Cambridge	5,989	13	6,002	170.99	1,026,300
City of Joondalup	32,709	547	33,256	170.94	5,684,594
City of Perth	12,573	2	12,575	171.14	2,152,051
City of Stirling	43,146	6,790	49,936	170.60	8,519,020
Town of Victoria Park	12,062	-	12,062	171.20	2,065,109
City of Vincent	6,284	1,424	7,708	174.01	1,341,292
City of Wanneroo	51,270	2,132	53,402	171.12	9,137,929
<u>Residue</u>					
Biovision	-	15,938	15,938	132.46	2,111,192
<b>Closing Balance</b>	<b>164,034</b>	<b>26,845</b>	<b>190,879</b>		<b>32,037,486</b>

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

Members gate fee was changed as at 1 September 2021 due to the exit of the RRFA.

**26. COUNCILLORS' REMUNERATION**

	<b>ACTUAL 2022 \$</b>	<b>BUDGET 2022 \$</b>	<b>ACTUAL 2021 \$</b>
The following fees, expenses and allowances have been paid to council members and the Chairperson:			
Meeting fees	125,837	128,750	127,078
Chairperson's and Deputy Chairperson's allowance	24,127	24,463	24,457
Conference expenses	2,351	78,200	-
Council meeting expenses	-	4,000	-
Members' allowances	<u>12,513</u>	<u>15,000</u>	<u>12,228</u>
	<b><u>164,828</u></b>	<b><u>250,413</u></b>	<b><u>163,763</u></b>

**27. EMPLOYEE NUMBERS**

	<b>ACTUAL 2022</b>	<b>ACTUAL 2021</b>
The number of full-time equivalent employees at the end of the financial year was:	31.8	29.1

## 28. FINANCIAL RISK MANAGEMENT

This note explains the Councils exposure to financial risks and how these risk could affect the Councils future financial performance.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<b>Market risk – interest rates</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy.
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The MRC does not engage in transactions in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the other operating areas. Council have approved the overall risk management plan and provide policies on specific areas such as investment policy.

### 28(a) Interest rate risk

#### Cash and cash equivalents

The MRC's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. A monthly report is provided to Council summarising the cash and investment portfolio.

Cash and investments are subject to interest rate risk and credit risk. The MRC has entered into rolling short term cash investments to partially mitigate the effects of interest rate risk. The MRC has a significant concentration of credit risk, given that its cash investments are all held with one counterparty, however the institution has a sound credit rating which is considered to sufficiently ameliorate any potential credit risk.

## 28. FINANCIAL RISK MANAGEMENT (CONT.)

The MRC held the following financial instruments at year end:

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non- Interest Bearing
	%	\$	\$	\$	\$
<b>2022</b>					
Cash and cash equivalents	0.16%	7,145,355	-	7,142,355	3,000
Financial asset at amortised cost - Term deposits	1.23%	39,420,410	39,420,410	-	-
<b>2021</b>					
Cash and cash equivalents	0.16%	5,976,923	-	5,973,923	3,000
Financial asset at amortised cost - Term deposits	0.23%	32,307,354	32,307,354	-	-
<b>Sensitivity</b>					
Impact of 1% movement in interest rate on profit and loss and equity, holding all other variables constant.				2022 \$ 71,454	2021 \$ 59,769

## 28. FINANCIAL RISK MANAGEMENT (CONT.)

### 28(b) Credit risk

#### Trade and Other Receivables

The MRC's major receivables comprise of member council user fees and charges. These receivables are subject to a level of credit risk, however, given the counterparties, this is considered negligible. Significant exposures to individual counterparties are monitored on an ongoing basis.

The MRC applies AASB 9 simplified approach to measuring expected credit losses using a loss allowance for all trade receivables. To measure the expected credit losses, member council user fees and charges are separated from other trade receivables. Any expected loss rates are based on the payment profiles of fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced in this period.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

30 June 2022	Current \$	More than 15 days past due \$	More than 29 days past due \$	More than 43 days past due \$	Total \$
Trade and Other Receivables					
Expected credit loss	0%	0%	0%	0%	0%
Gross Carrying amount	2,187,420	491,521	237,010	103,748	3,019,699
Loss allowance	-	-	-	-	-

30 June 2021	Current \$	More than 15 days past due \$	More than 29 days past due \$	More than 43 days past due \$	Total \$
Trade and Other Receivables					
Expected credit loss	0%	0%	0%	0%	0%
Gross Carrying amount	3,741,980	362,338	12,080	20,940	4,137,338
Loss allowance	-	-	-	-	-

There have been no doubtful debts over the past 36 months and therefore no expected credit loss for the current financial year.

### 28(c) Liquidity risk

#### Payables

Payables, lease liabilities and service concession liabilities are subject to liquidity risk.

The MRC manages its liquidity risks by monitoring its cash flow requirements and liquidity levels on an ongoing basis and through maintaining an adequate cash buffer. In addition, the MRC has access to an overdraft facility to cover any short-term liquidity issues. Interest rate risk is managed through the negotiation of long term facilities and fixing interest rates where it is considered advantageous to do so.

## 28. FINANCIAL RISK MANAGEMENT (CONT.)

The table below sets out the maturity profile of the MRC's payables, lease liabilities and service concession liabilities.

	Due within 1 Year \$	Due between 1 and 5 years \$	Due after 5 years \$	Total contractual cash flow \$	Carrying value \$
<b>30 June 2022</b>					
Trade and other payables	3,990,360	-	-	3,990,360	3,990,360
Lease Liability	862,512	3,450,048	4,312,560	8,625,120	6,892,205
	<b>4,852,872</b>	<b>3,450,048</b>	<b>4,312,560</b>	<b>12,615,480</b>	<b>10,882,565</b>

	Due within 1 Year \$	Due between 1 and 5 years \$	Due after 5 years \$	Total contractual cash flow \$	Carrying value \$
<b>30 June 2021</b>					
Trade and other payables	6,985,870	-	-	6,985,870	6,985,870
Lease Liability	816,000	3,264,000	4,896,000	8,976,000	6,959,596
Service Concession Liability	9,414,175	39,187,261	41,756,081	90,357,517	72,561,292
	<b>17,216,045</b>	<b>42,451,261</b>	<b>46,652,081</b>	<b>106,319,387</b>	<b>86,506,758</b>

## 29. CONTINGENT LIABILITIES

In February 2020, MRC received its first Mandatory Auditor's Report (MAR) as requested by the Department of Water and Environmental Regulation (DWER) in respect to the Tamala Park Waste Management Facility site.

Among other things, the purpose of the MAR is to confirm that earlier investigations adequately characterised the contamination status of the site and whether potentially significant risks to human health, the environment or environmental values exist on-site or off-site.

The MRC received a second iteration of the MAR in November 2021, which has further assessed the contamination status of the site. In reaching their conclusion, the independent auditor has evaluated the information contained in the investigative reports as generally complete, accurate and compliant with the relevant guidelines. Also, the assessments were sufficient to define the potential extent and types of contamination.

The MAR auditor has determined, based on the analysis contained in the assessed reports, that the site remains suitable for ongoing use as a Class II landfill ('source site'). Likewise, the affected site to the north of the facility remains suitable for its current use as a development buffer zone ('affected site'). A summary of findings for the source site are listed below;

### Source site:

- All soil samples returned results below established criteria.
- Groundwater results indicate impact to the aquifer immediately below the landfill levels above relevant drinking water established criteria, although some results are reflective of naturally occurring conditions. Groundwater on site remains suitable for controlled industrial use on site without an unacceptable risk.
- Landfill gas results indicate that the existing extraction system is working effectively, with negligible detection of landfill gas outside the extraction network.

Affected site:

- Groundwater results indicate some contaminants above relevant drinking water established criteria. Elevated levels of some identified contaminants are also known to occur naturally in the local environment.
- No landfill gas detected outside the site boundary.

Currently, DWER has classified the site as “Contaminated – Remediation Required” and the affected site as “Contaminated – Restricted Use”.

The MAR report received in November 2021 required further investigation to confirm 2 main areas:

- Adequacy of the landfill gas monitoring network and assessment of the potential for off site migration of landfill gas
- On going assessment of landfill gas and groundwater as part of the ongoing Site Management Plan to inform long term trends and need for mitigation measures.

Since receiving the MAR in November 2021:

*Groundwater monitoring*

The MRC has commissioned 2 rounds of groundwater testing (December 2021 and June 2021), with the final report on the testing received August 2022. One of the report’s conclusions were based on the groundwater monitoring results in 2021, no significant changes to the overall risk profile at the TPWMF, buffer zone and nearby residential development have been identified, compared to the 2020 assessment. This report also recommended ongoing monitoring required and the recommendation to rationalise the groundwater monitoring network and the number of analytical suites included in each sampling round.

*Site management plan (SMP)*

A SMP was developed and received in May 2022 for the MRC. The SMP is required to provide a management plan for the site to ensure that potential risks associated with soil, landfill gas and groundwater contaminants are appropriately managed for the ongoing use of the site as a landfill facility and leachate management. There are no specific “results” from this plan. This Plan remains an evolving document that addresses the overall management of landfill gas and groundwater based on the latest advice.

*Landfill gas monitoring*

The most recent gas monitoring report was obtained in Sept 2021 this covered 3 sampling rounds (January to March 2021). One of the report’s conclusions were “Under the current site conditions (i.e. active landfill gas extraction and continuous landfill gas monitoring in the workshop), the risks to the site’s workers and off-site residents from landfill gas are considered Low. The risks to site’s infrastructure and terrestrial ecosystem is however considered Negligible.” Gas testing was also conducted in December 2021 and October 2022, however, the MRC has not yet received the gas monitoring report for these test.

At this time, the MRC has no new information to suggest that an additional landfill rehabilitation provision is required to address any specific remediation requirements, nor do the recommendations from groundwater or gas reports recommend any such action.

### 30. RELATED PARTY DISCLOSURES

#### KEY MANAGEMENT PERSONNEL (KMP)

The total remuneration of KMP of the Council during the year is given below:

	ACTUAL 2022 \$	ACTUAL 2021 \$
Short term employee benefits	307,407	330,377
Post employment benefits	44,508	38,243
Other long term benefits	63,252	8,554
Termination benefits		-
	<b>415,166</b>	<b>377,174</b>

##### ***Short-term employee benefits***

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 26.

##### ***Post-employment benefits***

These amounts are the current-year's estimated cost of providing for the Council's superannuation contributions made during the year.

##### ***Other long-term benefits***

These amounts represent long service benefits accruing during the year.

##### ***Termination benefits***

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

#### **The 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 elected member, are considered key management personnel.

##### **(ii) Entities subject to significant influence by the Council**

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

## TRANSACTIONS WITH RELATED PARTIES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. No provision for doubtful debts or guarantees exist in relation to related parties

The following transactions occurred with related parties:

	ACTUAL 2022 \$	ACTUAL 2021 \$
<b><i>Associated local government entities:</i></b>		
Sales of goods and services	38,723,064	42,366,783
Purchase of goods and services	1,117,458	1,007,914
Council contribution	85,000,000	-
<b><i>Amounts outstanding from related parties:</i></b>		
Trade and other receivables	2,277,033	2,330,383
<b><i>Amounts outstanding to related parties:</i></b>		
Trade and other payables	324	11,297

## 31. EVENT AFTER THE REPORTING PERIOD

Details of subsequent events that occurred in September 2022 are disclosed within Note 7.

## 32. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS

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 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies or Definition of Accounting Estimates.

AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

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