



INFORMATION BULLETIN

Issue No. 66



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MRC Audit Committee Meeting 13 January 2022
Unconfirmed Minutes



MINUTES

AUDIT COMMITTEE MEETING

THURSDAY 13 JANUARY 2022

TIME: 4.30 PM

CITY OF STIRLING

*Constituent Members: Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo
Towns of Cambridge and Victoria Park*



Town of
Cambridge



City of
Joondalup



City of Perth



City of Stirling
City of Choice



TOWN OF
VICTORIA PARK



CITY OF VINCENT



City of
Wanneroo

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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The CEO declared the meeting open at 4.33 pm and welcomed officers from the Office of Auditor General to the meeting.

2 ELECTION OF CHAIR

The CEO invited nominations from the committee for the position of Chair.

Cr Miles nominated Cr Vernon for the position of Chair.

The CEO asked Cr Vernon if she accepted the nomination. Cr Vernon confirmed that she accepted the nomination.

The CEO asked if there were any further nominations. No further nominations were received.

Cr Vernon was declared elected as Chair unopposed.

3 ELECTION OF DEPUTY CHAIR

Cr Vernon invited nominations from the committee for the position of Deputy Chair.

Cr Frank Cvitan nominated himself and was declared elected as Deputy Chair unopposed.

4 ATTENDANCE / APOLOGIES**ATTENDANCE****AUDIT COMMITTEE MEMBERS**

Cr Karen Vernon (Chair)	Town of Victoria Park
Cr Frank Cvitan (Deputy Chair)	City of Wanneroo
Cr Paul Miles	City of Wanneroo
Cr Elizabeth Re	City of Stirling

MRC OFFICERS

Mr Scott Cairns	Chief Executive Officer
Ms Andrea Slater	Director Corporate Services
Ms Deborah Toward	PA Executive Support

VISITORS

Mr Kien Neoh	Office of the Auditor General
Ms Huei Chie Soh	Office of the Auditor General

5 TERMS OF REFERENCE

At an Ordinary Council Meeting held on 7 July 2005 the Audit Committee was established by Council under s7.1A of the Local Government Act 1995 and at an Ordinary Council Meeting held on 27 October 2005 Council adopted the Terms of Reference for the operation of the Audit Committee. These terms of reference were subsequently revised by Council at an Ordinary Council Meeting held on 24 April 2014.

The primary objective of the Audit Committee is to accept responsibility for the annual external audit and liaise with the Council's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

The Committee is to facilitate:

- The enhancement of the credibility and objectivity of external financial reporting;
- Effective management of financial and other risks and the protection of Council assets;
- Compliance with laws and regulations as well as use of best practice guidelines relative to auditing;
- The provision of an effective means of communication between the external auditor, the CEO and the Council.

6 DECLARATION OF INTERESTS

Nil

7 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

The minutes of the Audit Committee meeting of 22 July 2021, can be found at Attachment 1.

RECOMMENDATION

That the Minutes of the Audit Committee Meeting held on 22 July 2021 be taken as read, confirmed and the Chair invited to sign same as a true record of the proceedings.

Cr Vernon moved, Cr Cvitan Seconded

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 4/0)

8 REPORTS

8.1 ANNUAL FINANCIAL STATEMENTS 2020/2021

BACKGROUND

The Mindarie Regional Council (MRC), in accordance with the Local Government Act 1995 Section 5.53, is required to submit an Annual Report. The Local Government Act specifies that the Annual Report is to contain:

- A report from the Chairman.
- A report from the Chief Executive Officer (CEO).
- A report of the principal activities commenced or continued during the Financial Year.
- An assessment of the Local Government's performance in relation to each principal activity.
- An overview of the principal activities that are proposed to commence or to continue in the next Financial Year.
- The Financial Report for the Financial Year.
- Such information as may be prescribed in relation to the payments made to employees.
- The Auditor's Report for the Financial Year.
- Such other information as may be prescribed.

The annual audit of the Financial Statements for the financial year ended 30 June 2021 has been completed and the Financial Report is now submitted to the Audit Committee for consideration. The draft Financial Report is included as **Attachment 2** to this agenda.

The full Annual Report, including the Financial Report, will be presented to the Council at its Ordinary Council Meeting on 27 January 2022.

DETAIL

Annual Audit Process

The Auditor, in accordance with the Local Government (Audit) Regulations 1996 Sections 10.2 and 10.3 is required to issue an audit report after the completion of the annual audit that expresses an opinion on the financial position and results of the operations of the local government for each financial year.

The Audit Completion Letter from the Auditor General (OAG) is included as part of **Attachment 3**. The MRC, in accordance with the Local Government (Financial Management) Regulations 1996 Section 51.1, is required to include in the annual Financial Statements a signed Statement of Declaration by the CEO after this report has been audited in accordance with the Local Government Act 1995. This declaration is on page 5 of **Attachment 2**.

STATUTORY ENVIRONMENT

The submission of the Financial Report for 2020/2021 is in conformity with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996. The Auditor's Report for 2020/2021 conforms to the requirements of the Local Government (Audit) Regulations 1996.

POLICY IMPLICATIONS

Not applicable.

STRATEGIC IMPLICATIONS

Not applicable.

COMMENT

The Financial Report of the MRC has been prepared in accordance with the requirements of Local Government Act 1995 and applicable Australian Accounting Standards.

Section 51 of the Local Government (Financial Management) Regulations state the following;

(1) After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1.

(2) A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee recommends that Council adopt the Financial Report for year ended 30 June 2021.

Cr Cvitan moved, Cr Vernon Seconded

The Director Corporate Services provided a verbal presentation of the Financial Report.

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 4/0)

8.2 AUDIT COMPLETION REPORT 2020/2021

The Auditor's audit completion report is included in **Attachment 3** to this agenda. The final exit brief document provided by OAG can be seen as **Attachment 3a**, the Interim audit results for the year ended 30 June 2021 are at **Attachment 3b** and the representation letter at **Attachment 3c**.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee note the Audit Completion Report for year ended 30 June 2021 issued by the Auditors.

That the Audit Committee note the final exit brief for year ended 30 June 2021 issued by the Auditors.

That the Audit Committee note the interim audit results for year ended 30 June 2021 issued by the Auditors.

That the Audit Committee note the representation letter for the year ended 30 June 2021 issued by the Auditors.

Cr Miles moved, Cr Cvitan seconded

The Chair invited officers from the Office of the Auditor General (OAG) to provide a verbal report of the Annual Financial Audit Exit brief.

Mr Neoh (OAG) provided a verbal report.

The Chair thanked OAG Officers for their time working with the MRC.

6.16 pm OAG officers and Cr Re left the meeting.

6.22 pm Cr Re re-entered the meeting.

PROPOSED AMENDMENT

Moved Cr Vernon, seconded Cr Cvitan

That the recommendation be amended as follows:

- 1) Number each points in the recommendation 1 to 4.
- 2) Point 2, 3 and 4 be amended to insert the following words after committee "recommends that council":
- 3) Points 2, 3 and 4 of the recommendation and the attachments be confidential pursuant to section 5.23 of the Local Government Act.

Rationale for Amendment

To ensure that appropriate audit documents are presented confidentially to Council rather than as unconfidential attachments to the minutes of the Audit Committee.

(CARRIED UNANIMOUSLY 4/0)

SUBSTANTIVE RECOMMENDATION AS AMENDED

- 1. That the Audit Committee note the Audit Completion Report for year ended 30 June 2021 issued by the Auditors.**
- 2. That the Audit Committee recommends that Council note the final exit brief for year ended 30 June 2021 issued by the Auditors.**
- 3. That the Audit Committee recommends that Council note the interim audit results for year ended 30 June 2021 issued by the Auditors.**
- 4. That the Audit Committee recommends that Council note the representation letter for the year ended 30 June 2021 issued by the Auditors.**
- 5. Points 2, 3 and 4 of the recommendation and the attachments be confidential pursuant to section 5.23 of the Local Government Act.**

(CARRIED UNANIMOUSLY 4/0)

8.3 EXTERNAL AUDIT COMMITTEE MEMBER

The MRC has historically appointed an external audit committee member to the MRC audit committee in line with good governance practice.

The incumbent external member's appointment expired on 16 October 2021. As a result, a recruitment process was conducted for a replacement member.

The MRC placed adverts in the West Australian and on the Australian Institute of Company Directors (AICD) website, with three compliant responses received. After initial contact with the applicants one withdrew their application.

The remaining two applicants' details can be found at **Attachment 4**.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee recommend to Council that _____ be appointed as an external audit committee member, subject to their acceptance of the appointment, for the period ending June 2024.

Cr Vernon moved, Cr Miles seconded

A ballot was conducted for the position of External Audit Committee Member. 4 votes were received in total.

The votes were counted by Ms Toward and verified by Mr Cairns.

The result of the ballot was:

3 votes for Mr Kumar

1 vote for Mr Draber

The Chair declared Mr Kumar as the successful candidate with 3 votes.

PROPOSED AMENDMENT

Moved Cr Vernon, seconded Cr Cvitan

To amend the recommendation as follows to insert Aswin Kumar being appointed as Audit Committee member for the period ending 14 October 2023.

(CARRIED UNANIMOUSLY 4/0)

SUBSTANTIVE RECOMMENDATION AS AMENDED

That the Audit Committee recommend to Council that Aswin Kumar be appointed as an external audit committee member, subject to their acceptance of the appointment, for the period ending 14 October 2023.

(CARRIED UNANIMOUSLY 4/0)

8.4 PENETRATION TESTING

The MRC engaged InfoTrust to perform a security assessment of their external network infrastructure presence. The overall test was conducted as a black box testing approach, where the testing team were only provided with the in-scope domains and no login credentials were supplied.

InfoTrust team tried to compromise the in-scope item from an external threat actor's perspective. The assessment was undertaken to test the exposure of the MRC from a malicious party's perspective; trying to breach the applications defences from an external perimeter by simulating multitude of attacks.

The report can be found at **Attachment 5**, page 10 of the report showing the status of identified vulnerabilities found.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee note the Penetration Testing Report.

Moved Cr Re, seconded Cr Cvitan

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 4/0)

8.5 RISK REGISTER – FULL

SUMMARY

The MRC's initial Risk Register summary was tabled at the Audit Committee meeting held on 1 March 2018.

At the meeting it was agreed that a summarised risk register would be tabled with the Audit Committee twice ever financial year and a full risk register would be tabled at least once a year.

A full risk register is included as **Attachment 6** to this agenda. The risk criteria tables can be found at **Attachment 6a**.

Management have prepared management plans for each of the risks included in this register.

Management conducted a risk register review on 24 November 2021 and the following risks have been changed, removed from or added to the full risk register since it was last presented to the Audit Committee:

STRAT-04	Risk decreased from 12 to 9 due to EDL Investments in wells.
STRAT-08	Risk increase from 5 to 15 due to end of life plan requirement for the landfill.
STRAT-10	Minor comments added.
STRAT-18	Minor comments added.
CEO-04	Minor comments added.
COR-01	Minor comments added.
COR-10	Minor comments added.
COR-11	Minor comments added.
COR-14	Risk removed due to RRFA exit.
COR-15	Risk added due to MRC taking ownership of RRF.
OPS-02	Minor comments added.
OPS-11	Minor comments added.
OPS-12	Minor comments added.
OPS-17	Minor comments added.
OPS-21	Reclassification of risk to "significant quantities". Minor comments added.
OPS-28	Minor comments added.
OPS-32	Minor comments added.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee note the Full Risk Register presented.

Moved Cr Vernon, seconded Cr Miles

RESOLVED

That the amended recommendation be adopted.

(CARRIED UNANIMOUSLY 4/0)

9 NEW BUSINESS

Nil

10 NEXT MEETING

09 March 2022, 4.30pm at the City of Stirling.

11 CLOSURE

The Chair closed the meeting at 6.57 pm.

These minutes were confirmed by the Audit Committee as a true and accurate record of the Audit Committee held on 13 January 2022.

Signed Chair

Dated..... day of2022



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Minutes of Previous Meeting

Item 7

ATTACHMENT 1

Item 7



MINUTES

AUDIT COMMITTEE MEETING

THURSDAY 22 JULY 2021

TIME: 4.30 PM

CITY OF STIRLING

*Constituent Members: Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo
Towns of Cambridge and Victoria Park*



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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chair declared the meeting open at 4.57 pm

2 ATTENDANCE / APOLOGIES**ATTENDANCE****MEMBERS**

Cr Stephanie Proud JP (Chair)
Cr David Boothman JP
Mr Phillip Draber

MEMBERS' APOLOGIES

Cr Karen Vernon (Deputy Chair)
Cr Keri Shannon

MRC OFFICERS

Mr Gunther Hoppe, Chief Executive Officer
Ms Deborah Toward, PA Executive Support

MRC OFFICER APOLOGIES

Ms Andrea Slater, Director Corporate Services

INVITED GUESTS

Nil

3 TERMS OF REFERENCE

At an Ordinary Council Meeting held on 7 July 2005 the Audit Committee was established by Council under s7.1A of the Local Government Act 1995 and at an Ordinary Council Meeting held on 27 October 2005 Council adopted the Terms of Reference for the operation of the Audit Committee. These Terms of Reference were subsequently revised by Council at an Ordinary Council Meeting held on 24 April 2014.

The primary objective of the Audit Committee is to accept responsibility for the annual external audit and liaise with the Mindarie Regional Council's (MRC) auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

The Committee is to facilitate:

- The enhancement of the credibility and objectivity of external financial reporting;
 - Effective management of financial and other risks and the protection of Council assets;
 - Compliance with laws and regulations as well as use of best practice guidelines relative to auditing;
 - The provision of an effective means of communication between the external auditor, the CEO and the Council.
-

4 DECLARATION OF INTERESTS

Interest Type	Impartiality Interest
Name and Position of Person	Mr Philip Draber – External Audit Committee Member
Report No and Topic	6.4 External Audit Member
Name of Interest	Potential applicant for the position that will be advertised

5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**RECOMMENDATION**

That the Minutes of the Audit Committee Meeting held on 25 February 2021 be taken as read, confirmed and the Chair invited to sign same as a true record of the proceedings.

Moved Cr Boothman, seconded Mr Draber

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 3/0)

6 REPORTS

6.1 FINANCIAL MANAGEMENT REVIEW REPORT 2021

SUMMARY

Under regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 (as amended June 2018), the CEO is to undertake reviews of appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

The MRC appointed Macri Partners to conduct a financial management review which was carried out during the period March to May 2021. The audit covered a review of policies, procedures and controls which are designed to ensure effective and efficient management of the MRC's resources.

The object of the review is to assist the CEO to discharge his responsibilities in respect of Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 (as amended June 2018). The review was conducted for the period 1 July 2020 to 28 February 2021.

The Financial Management review letter is ***Attachment 1***.

Appropriate steps have been taken to address the matters raised in the letter.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee note the Financial Management review letter issued by Macri Partners.

Moved Cr Boothman, seconded Mr Draber

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 3/0)

6.2 ANNUAL FINANCIAL REPORT AUDIT PLANNING SUMMARY

The Office of the Auditor General (OAG) has prepared an Annual Financial Report Audit Planning Summary in respect of the financial year ended June 2021.

The focus areas are identified in the planning summary and are considered appropriate in relation to the MRC's operations.

An entrance meeting was held on 2 June 2021, with representatives from OAG, MRC and the chair of the audit committee, to review the audit planning summary.

Under the Audit Committee's terms of reference, the Committee is required to:

"6(j) Review the scope of the audit plan and its effectiveness"

The Annual Financial Report Audit Planning Summary can be found at ***Attachment 2***.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee note its review of the scope and effectiveness of the 2020/21 Annual Financial Report Audit Planning Summary issued by the Auditors.

Moved Mr Draber, seconded Cr Boothman

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 3/0)

6.3 RISK REGISTER – HIGH RISK SUMMARY

SUMMARY

The MRC's initial Risk Register Summary was tabled at the Audit Committee meeting held on 24 November 2014.

At the meeting of 7 November 2018, it was agreed that a summarised risk register would be tabled with the Audit Committee twice every financial year and a full risk register would be tabled at least once a year.

The full risk register was last tabled on 25 February 2021.

A High Risk Register is included as **Attachment 3** to this agenda.

Management have prepared management plans for each of the risks included in this register.

Management completed a Risk Register review on 8 July 2021 which saw minor wording amendments that are notated in red on the attachment.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee note the High Risk Register presented.

Moved Mr Draber, seconded Cr Boothman

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 3/0)

6.4 EXTERNAL AUDIT MEMBER

The MRC has historically appointed an external audit committee member to the MRC audit committee in line with good governance practice.

The incumbent external member's appointment is due to expire on 16 October 2021, the date of the next local elections. As a result, a recruitment process will be required to take place in the coming weeks.

Historically the MRC has placed adverts in the West Australian and on the Australian Institute of Company Directors (AICD) website.

The draft advert can be found at ***Attachment 4***.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee note the advert for the recruitment of an external audit committee member.

Moved Cr Proud, seconded Cr Boothman

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 3/0)

7 NEW BUSINESS

CEO provided an update on the ledger project:

The MRC is currently in testing phase with a go-live date estimated to be September 2021.

8 NEXT MEETING

To be arranged - estimated November 2021.

9 CLOSURE

Prior to closing the meeting, the Chair thanked Cr David Boothman for his hard work and dedication as Chair and Deputy Chair of the MRC and Chair of the MRC Audit Committee.

The Chair thanked Mr Philip Draber for his valuable input as the External Committee Member.

The Chair also thanked Mr Gunther Hoppe, CEO, Ms Andrea Slater, Director Corporate Services and the Administration staff for their work over the last year.

The Chair closed the meeting at 5.41pm.

These minutes were confirmed by the Audit Committee as a true and accurate record of the Audit Committee meeting held on 22 July 2021.

Signed..... Chair

Dated.....day of2021

MRC Annual Financial Statements for year ended 30 June 2021

Item 8.1

ATTACHMENT 2

Item 8.1

REVIEW OF FINANCIAL PERFORMANCE FOR THE YEAR

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 2021 and should be read in conjunction with the accounting policies and precepts adopted by the MRC.

Total comprehensive income

The total comprehensive income for the year ended 30 June 2021 was a deficit of \$4,798,905 (2019/20: restated deficit \$775,409).

The adopted budgeted deficit for the financial year was \$4,182,077, the variance being attributable to the implementation of new accounting standards; mainly AASB 1059 Service Concession Assets, combined with non-member trade waste tenders and general efficiency savings.

Total operating revenues

The total operating income of \$55,753,809 has decreased by \$438,805 (0.79%) compared with the previous year, primarily as a result of the decreasing Member Council tonnes and reduced return on gas generation sales.

Operating expenses

The total operating expenditure for the year of \$60,609,155 has increased by \$3,951,713 (6.52%) compared to the previous year, significant variances in operating expenditure compared to the prior year are mainly explained by expenses with regard to the Resource Recovery Facility, landfill expenses and the implementation of Accounting Standard AASB 1059 Service Concession Assets.

Actual expenses are \$521,238 more than the adopted budget for 2020/21, mainly as a result of lower levied tonnes received from member councils during the year and savings on employee costs, abated by the impact of the implementation of Accounting Standard AASB 1059 Service Concession Assets.

Overall, the MRC's net position for the year ended 30 June 2021 was more than the adopted budgeted deficit by \$616,828.

DISPOSAL FEES AND CHARGES

Disposal fees and charges for the year ended 30 June 2021 are shown in the table below, as dollars per tonne inclusive of GST, unless otherwise indicated.

GENERAL ENTRY

0. Member local government	\$225.50
----------------------------	----------

1. Minimum entry to site	\$17.00
2. General waste – price per tonne	\$212.00

SPECIFIED MATERIALS

3. Asbestos – per tonne	\$250.00
4. Mattresses – per item <i>(in addition to general entry rate where part of a mixed load)</i>	\$27.00
5. Tyres – per tonne	\$355.00
6. Small animals – per animal	\$17.00
7. Large animals – per animal	\$35.00
8. Controlled waste – per tonne	\$240.00
9. Lightweight bulk material – per cubic metre	\$80.00
10. Special burials – per 5 cubic metres <i>(in addition to general entry rate)</i>	\$240.00
11. Odorous loads – per tonne	\$240.00
12. Car gas cylinders/industrial gas cylinders – per item	\$65.00
13. Fluorescent tubes – commercial loads – per item	\$0.40
14. Clean green waste – per tonne	\$80.00

PENALTY CHARGES

15. Replacement of Driver Control Station cards	\$60.00
16. Replacement of gate access remotes	\$160.00
17. Tipping with no payment (drive-aways)	\$110.00
18. Clean up charge (per half hour) plus any 3 rd party costs	\$150.00

WEIGHBRIDGE UNAVAILABILITY

19. Uncompacted waste – per axle	\$45.00
20. Compacted waste – per axle	\$90.00

WASTE PROCESSED BY THE MINDARIE REGIONAL COUNCIL

The table below reflects the waste received for processing by the MRC over the period since it commenced operations in 1991.

Period/Year	Total tonnes received by the MRC	Tonnes diverted to the RRF	Residue returned from RRF	Tonnes landfilled at Tamala Park	Tonnes landfilled offsite
1991	32,991	-	-	32,991	-
1992	150,487	-	-	150,487	-
1993	156,024	-	-	156,024	-
1994	151,945	-	-	151,945	-
1995	163,818	-	-	163,818	-
1996	179,006	-	-	179,006	-
1997	186,875	-	-	186,875	-
1998	225,620	-	-	225,620	-
1999	249,114	-	-	249,114	-
2000	336,502	-	-	336,502	-
2001	339,285	-	-	339,285	-
2002	331,576	-	-	331,576	-
2003	319,756	-	-	319,756	-
2004	328,655	-	-	328,655	-
2005	333,437	-	-	333,437	-
2006	349,156	-	-	349,156	-
2007	352,544	-	-	352,544	-
2008	380,189	-	-	380,189	-
2009	368,495	7,868	2,112	362,739	-
2010	352,035	65,010	28,889	315,914	-
2011	323,834	97,353	44,489	270,970	4,276
2012	249,783	105,213	45,414	189,984	6,239
2013	234,237	97,957	48,016	184,296	965
2014	339,262	101,622	44,059	281,699	-
2015	320,785	105,657	51,575	266,703	-
2016	267,798	76,126	39,076	230,748	-
2017	249,062	106,463	51,134	193,733	-
2018	233,884	105,531	49,929	178,282	-
2019	217,895	104,239	51,419	165,075	-
2020	202,078	105,443	59,013	155,648	-
2021	268,808	106,114	57,781	220,475	-
TOTAL	8,194,936	1,184,596	572,906	7,583,246	11,480

WASTE DELIVERED ANALYSED BY SOURCE

Waste received by the MRC is analysed by major source in the table below for the current and previous year.

Source	Tonnes received by the MRC 2021	Tonnes diverted to the RRF	Tonnes landfilled at Tamala Park	Tonnes received by the MRC 2020	Variance
Town of Cambridge	5,850	3	5,847	5,785	65
City of Joondalup	33,010	5,738	27,272	32,692	318
City of Perth	12,823	316	12,507	12,400	423
City of Stirling	47,128	20,659	26,468	48,068	(940)
Town of Victoria Park	11,918	11,370	549	11,725	193
City of Vincent	11,545	10,040	1,505	13,027	(1,482)
City of Wanneroo	61,125	57,988	3,137	64,553	(3,428)
Total members	183,399	106,114	77,285	188,250	(4,851)
Discounted rate	12,304	-	12,304	-	12,304
Other casuals	15,324	-	15,324	13,828	1,495
Total casuals	27,628	-	27,628	13,828	13,800
RRF residue*	57,781	-	57,781	59,013	(1,232)
Total other	57,781	-	57,781	59,013	(1,232)
TOTAL	268,808	106,114	162,694	261,091	7,717

* Not considered as part of the external tonnes received by the MRC in calculating the 211,027 tonnes (2020: 202,078) of waste received by the MRC.

MINDARIE REGIONAL COUNCIL
Financial Report
For the year ended 30 June 2021

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 2021 is based on proper accounts and records to present fairly the financial position of the Mindarie Regional Council as at 30 June 2021 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 xx day of January, 2022.

Scott Cairns
Chief Executive Officer

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MINDARIE
REGIONAL COUNCIL**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MINDARIE
REGIONAL COUNCIL**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MINDARIE
REGIONAL COUNCIL**

	Notes	ACTUAL 2020/2021 \$	BUDGET 2020/2021 \$	RESTATED ACTUAL 2019/2020 \$
Revenue from ordinary activities				
Contributions, reimbursements and donations		56,427	1,500	30,343
Fees and charges	2	53,897,629	53,882,884	53,999,460
Gas generation services	2	770,777	1,130,000	1,055,512
Interest earnings	2	153,198	326,752	492,225
Other revenue	2	875,778	554,380	615,074
		55,753,809	55,895,516	56,192,614
Total operating income				
Operating expenses				
Employee costs		(4,709,335)	(5,778,105)	(5,516,114)
Materials and contracts		(26,218,800)	(34,895,577)	(25,899,536)
Utilities		(299,369)	(311,167)	(242,374)
Depreciation	2	(10,685,491)	(6,049,096)	(9,620,070)
Amortisation	2	(3,512,431)	(462,791)	(462,790)
Finance/Borrowing costs	2	(4,181,163)	(815,486)	(4,562,496)
Insurance		(223,678)	(222,072)	(210,186)
Other expenses	2	(10,778,888)	(11,553,623)	(10,143,876)
		(60,609,155)	(60,087,917)	(56,657,442)
Total operating expenses				
		(4,855,346)	(4,192,401)	(464,828)
Total operating income less expenses				
Profit/(loss) from ordinary activities				
Profit on sale of assets	23	56,441	18,287	37,804
Loss on sale of assets	23	-	(7,963)	(328,740)
Impairment of assets		-	-	(19,645)
		56,441	10,324	(310,581)
NET RESULT				
		(4,798,905)	(4,182,077)	(775,409)
TOTAL COMPREHENSIVE INCOME				
		(4,798,905)	(4,182,077)	(775,409)

This statement is to be read in accordance with the attached notes in the financial report.

	Notes	ACTUAL 2020/2021 \$	BUDGET 2020/2021 \$	RESTATED ACTUAL 2019/2020 \$
Operating revenues				
General Purpose Funding		55,753,809	55,895,516	56,192,614
Total operating revenues		55,753,809	55,895,516	56,192,614
Profit on disposal of assets				
Governance		-	-	-
Community amenities		56,441	18,287	37,804
Total profit on disposal of assets	23	56,441	18,287	37,804
Operating expenses				
Governance		(7,436,333)	(4,910,785)	(3,549,175)
Community amenities		(22,262,799)	(23,760,402)	(21,808,491)
Resource recovery facility		(27,078,342)	(31,416,730)	(26,737,280)
Total operating expenses		(56,777,474)	(60,087,917)	(52,094,946)
Loss on sale of assets				
Governance		-	-	-
Community amenities		-	(7,963)	(328,740)
Total loss on sale of assets	23	-	(7,963)	(328,740)
Finance costs				
Governance		(304,716)	-	(346,323)
Community amenities		-	-	(405,771)
Resource recovery facility		(3,526,965)	-	(3,810,402)
Total finance costs	2	(3,831,681)	-	(4,562,496)
Impairment of assets				
		-	-	(19,645)
		-	-	(19,645)
NET RESULT		(4,798,905)	(4,182,077)	(775,409)
TOTAL COMPREHENSIVE INCOME		(4,798,905)	(4,182,077)	(775,409)

This statement is to be read in accordance with the attached notes in the financial report.

	Notes	ACTUAL 2020/2021 \$	BUDGET 2020/2021 \$	RESTATED ACTUAL 2019/2020 \$	ACTUAL 2019/2020 \$
Current assets					
Cash and cash equivalents	3	5,976,923	-	8,161,207	8,161,207
Other financial assets	3	32,307,354	31,486,682	27,989,739	27,989,739
Trade and other receivables	4	3,811,668	5,415,214	4,289,114	4,289,114
Inventories	5	15,666	14,168	13,290	13,290
Other current assets	6	415,251	325,018	206,258	206,258
Total current assets		42,526,862	37,241,082	40,659,608	40,659,608
Non current assets					
Property, plant and equipment	7	12,412,875	15,106,897	12,755,412	14,948,369
Infrastructure	8	6,661,334	7,639,567	6,880,537	6,880,537
Right of Use Assets	9	6,675,089	-	7,085,936	7,085,936
Service Concession Assets	10	36,793,165	-	40,637,590	-
Excavation and rehabilitation assets	11	27,465,281	25,442,535	31,678,112	31,678,112
Resource recovery facility	12	585,404	2,795,416	4,097,836	4,097,836
Other non current assets		-	839,628	-	-
Total non-current assets		90,593,148	51,824,043	103,135,423	64,690,790
TOTAL ASSETS		133,120,010	89,065,125	143,795,031	105,350,398
Current liabilities					
Trade and other payables	13	7,086,838	3,283,655	6,883,413	6,883,413
Employee related provisions	14	744,559	1,689,926	1,061,187	1,061,187
Lease liabilities	15	502,818	-	410,929	410,929
Service Concession liabilities	16	6,145,462	-	5,772,852	-
Other current liabilities		-	1,410,049	-	-
Total current liabilities		14,479,677	6,383,630	14,128,381	8,355,529
Non-current liabilities					
Employee related provisions	14	69,496	243,525	54,640	54,640
Rehabilitation provision	17	22,165,743	17,100,197	21,816,261	21,816,261
Lease liabilities	15	6,456,778	-	6,903,066	6,903,066
Service Concession liabilities	16	66,415,830	-	72,561,292	-
Other non current liabilities		-	39,983	-	-
Total non-current liabilities		95,107,847	17,383,705	101,335,259	28,773,967
TOTAL LIABILITIES		109,587,524	23,767,335	115,463,640	37,129,496
NET ASSETS		23,532,486	65,297,790	28,331,391	68,220,902
EQUITY					
Retained surplus		(23,933,585)	7,653,062	(23,943,474)	15,946,037
Reserves	18	19,754,751	21,568,748	22,712,639	22,712,639
Revaluation surplus	19	23,625,594	31,990,254	25,476,500	25,476,500
Council contributions	21	4,085,726	4,085,726	4,085,726	4,085,726
TOTAL EQUITY		23,532,486	65,297,790	28,331,391	68,220,902

This statement is to be read in accordance with the attached notes in the financial report.

	Note	Retained Surplus \$	Reserves \$	Revaluation Surplus \$	Council Contributions \$	Total \$
Opening Balance as at 1 July 2019		10,313,069	21,953,499	34,194,632	4,085,726	70,546,926
<u>Prior Period Adjustments</u>						
Change in Accounting Policy	32	(41,440,126)				(41,440,126)
Restated Balance as at 1 July 2019		(31,127,057)	21,953,499	34,194,632	4,085,726	29,106,800
Net Result		(775,409)				(775,409)
Council Contributions		-	-	-	-	-
Transfer (to)/from Reserves		(759,140)	759,140	-	-	-
Net increase - revaluation of assets		-	-	-	-	-
Realisation of revaluation reserve on assets disposals		8,718,132	-	(8,718,132)	-	-
Restated Balance as at 30 June 2020		(23,943,474)	22,712,639	25,476,500	4,085,726	28,331,391

	Retained Surplus \$	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
Net result	(4,798,905)	-	-	-	(4,798,905)
Council Contributions	-	-	-	-	-
Transfer (to)/from Reserves	2,957,888	(2,957,888)	-	-	-
Net increase - revaluation of assets	-	-	-	-	-
Realisation of revaluation reserve on assets disposals	1,850,906	-	(1,850,906)	-	-
Closing Balance as at 30 June 2021	(23,933,585)	19,754,751	23,625,594	4,085,726	23,532,486

This statement is to be read in accordance with the attached notes in the financial report.

	Note	ACTUAL 2020/2021 \$	BUDGET 2020/2021 \$	RESTATED ACTUAL 2019/2020 \$	ACTUAL 2019/2020 \$
Cash flows from operating activities					
<u>Receipts</u>					
Grants and subsidies			-	-	-
Contributions, reimbursements and donations		56,427	1,500	30,343	30,343
Gas generation services		558,374	1,130,000	1,891,138	1,891,138
Fees and charges		60,006,866	53,882,884	59,265,556	59,265,556
Interest earnings		196,220	326,752	613,771	613,771
Other revenue		1,036,907	554,380	615,074	615,074
<u>Payments</u>					
Employee costs		(5,326,131)	(5,298,205)	(5,436,403)	(5,436,403)
Materials and contracts		(35,653,937)	(34,895,577)	(34,668,092)	(38,435,905)
Utilities		(299,369)	(311,167)	(242,374)	(242,374)
Borrowing/Finance costs		(3,831,681)	-	(4,156,723)	(388,910)
Insurance		(223,678)	(222,072)	(210,186)	(210,186)
Other expenditure		(10,778,888)	(12,369,109)	(10,143,876)	(10,143,876)
GST paid		(1,654,175)	-	(1,739,077)	(1,739,077)
Net cash provided by (used in) operating activities	20(b)	4,086,935	2,799,386	5,819,151	5,819,151
Cash flows from investing activities					
Payments for purchases of property, plant and equipment and infrastructure		(1,593,631)	(2,106,154)	(1,147,395)	(1,147,395)
Investments in term deposits		(4,317,615)	-	(2,266,220)	(2,266,220)
Proceeds from sale of assets		108,218	345,000	608,117	608,117
Net cash provided by (used in) investing activities		(5,803,028)	(1,761,154)	(2,805,498)	(2,805,498)
Cash flows from financing activities					
Lease payments		(468,191)	-	(382,081)	(382,081)
Repayment of loans		-	-	(855,078)	(855,078)
Write back security deposits		-	-	(39,983)	(39,983)
Net cash provided by (used in) financing activities		(468,191)	-	(1,277,142)	(1,277,142)
Net increase/(decrease) in cash and cash equivalents		(2,184,284)	1,038,232	1,736,511	1,736,511
Cash and cash equivalents at the beginning of the year		8,161,207	30,448,450	6,424,696	6,424,696
Cash and cash equivalents at the end of the year	20(a)	5,976,923	31,486,682	8,161,207	8,161,207

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

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 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 of the Australian Accounting Standards Board (AASB) and the Local Government Act 1995 and accompanying regulations.

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

Amendment to Local Governments (Financial Management) Regulations 1996.

The Local Government (Financial Management) Regulations (FM Regs.) take precedence over Australian Accounting Standards. The FM Regs have been amended to specify that vested land is a Right of Use (ROU) asset to be measured at cost. All ROU assets (other than vested improvements) under zero concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land 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 cost. The measurement of vested improvements at fair value is a departure from AASB 16 *Leases* which requires to measure any vested improvements at zero cost.

There is no impact to the MRC financial position with regard to the above amendments to the FM Regs 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.

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 in the Settlement of Financial Position 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 measures them subsequently at amortised cost using the effective interest rate method. Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value.

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

(i) Property, plant and equipment, excavation and infrastructure assets

Property, plant and equipment, excavation 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, Infrastructure and Investment Property 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 valuation 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

Depreciation is provided on 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 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:

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 assets	% of actual usage
Rehabilitation assets	Lease period
Resource Recovery Facility (see Note 12)	1 year
Right of use asset	Lease period
Service Concession Asset	10 years

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 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, 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 expenditure 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 expected 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 9.5% 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.

(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 30.

(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.

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.

	ACTUAL 2020/2021 \$	RESTATED ACTUAL 2019/2020 \$
2. REVENUES AND EXPENSES		
The result from operating activities includes:		
<u>Revenue</u>		
Fees and Charges		
Member tipping fees	49,448,151	50,698,504
Casual tipping fees	4,288,349	2,661,582
Sale of recyclable materials	<u>161,129</u>	<u>639,374</u>
	53,897,629	53,999,460
Gas generation services		
Gas royalty and energy certificates	770,777	1,055,512
Interest earnings		
Interest on reserve funds	139,455	462,499
Interest on other funds	<u>13,743</u>	<u>29,726</u>
	153,198	492,225
Other revenue		
Miscellaneous income	875,778	615,074
<u>Expenses</u>		
Finance costs		
Decommissioning provision accretion	349,482	405,771
Interest expense - leases	304,716	346,323
Interest expense – service concession	3,526,965	3,767,813
Interest expense – loans	<u>-</u>	<u>42,589</u>
	4,181,163	4,562,496
Other expenses		
State landfill levy	10,318,078	9,846,997
Other expenses	<u>460,810</u>	<u>296,879</u>
	10,778,888	10,143,876
Auditors' remuneration		
Audit of the financial report	75,720	40,000
Amortisation		
Resource Recovery Facility	3,512,431	462,790

2. REVENUES AND EXPENSES (cont.)

	ACTUAL 2020/2021 \$	RESTATED ACTUAL 2019/2020 \$
Depreciation		
Buildings	405,040	383,655
Furniture and equipment	61,548	112,487
Computing equipment	194,560	219,748
Plant and machinery	967,675	1,187,970
Infrastructure	474,771	469,237
Right of use assets	524,639	590,495
Service Concession assets	3,844,427	3,844,426
Excavation asset	2,486,592	2,266,861
Decommissioning and Post Closure	<u>1,726,239</u>	<u>545,191</u>
	10,685,491	9,620,070

	ACTUAL 2020/2021 \$	ACTUAL 2019/2020 \$
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3. CASH AND CASH EQUIVALENTS

Cash in hand	3,000	3,200
Cash in bank	<u>5,973,923</u>	<u>8,158,007</u>
Cash and cash equivalents	5,976,923	8,161,207

Financial assets at amortised cost	<u>32,307,354</u>	<u>27,989,739</u>
	38,284,277	336,150,946

Unrestricted cash	18,529,526	13,438,307
Restricted cash	<u>19,754,751</u>	<u>22,712,639</u>
	38,284,277	36,150,946

The following restrictions have been imposed by Council resolution, regulation or external requirements:

Site rehabilitation reserve	15,138,197	14,788,715
Carbon abatement reserve	491,076	491,076
Capital expenditure reserve	2,977,954	4,535,324
RRF maintenance reserve	1,147,524	897,524
Participants' surplus reserve	<u>-</u>	<u>2,000,000</u>
Total reserves	19,754,751	22,712,639

	ACTUAL 2020/2021	ACTUAL 2019/2020
	\$	\$
4. TRADE AND OTHER RECEIVABLES		
Trade and other receivables	3,811,668	4,289,114
GST Receivable	<u>-</u>	<u>-</u>
	3,811,668	4,289,114
 5. INVENTORIES		
Fuel	15,666	13,290
 6. OTHER CURRENT ASSETS		
Prepaid expenses	89,581	111,527
Accrued income	<u>325,670</u>	<u>94,731</u>
	415,251	206,258

7. PROPERTY, PLANT AND EQUIPMENT

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

	Note	Land \$	Buildings \$	Furniture and fittings \$	Computer and equipment \$	Plant and equipment \$	Work in progress \$	Total \$
Opening balance 1 July 2019		6,760,000	3,916,570	242,752	440,832	5,931,963	-	17,292,117
Net adjustment on initial application of AASB 1059	32	(2,192,957)	-	-	-	-	-	(2,192,957)
Restated Opening Balance		4,567,043	3,916,570	242,752	440,832	5,931,963	-	15,099,160
Additions		-	162,274	58,820	66,785	171,287	-	459,166
Disposals		-	-	-	-	(899,054)	-	(899,054)
Depreciation		-	(383,655)	(112,487)	(219,748)	(1,187,970)	-	(1,903,860)
Carrying amount at 30 June 2020		4,567,043	3,695,189	189,085	287,869	4,016,226	-	12,755,412
<u>Comprises:</u>								
Gross carrying amount as at 30 June 2019		4,567,043	4,078,844	301,572	507,617	5,204,196	-	14,659,272
Accumulated depreciation as at 30 June 2019		-	(383,655)	(112,487)	(219,748)	(1,187,970)	-	(1,903,860)
Carrying amount as at 30 June 2020		4,567,043	3,695,189	189,085	287,869	4,016,226	-	12,755,412
Additions		-	-	-	-	10,997	1,327,066	1,338,063
Transfers from/(to) other asset classes		-	-	-	89,860	1,211,942	(1,301,802)	-
Disposals		-	-	-	-	(51,777)	-	(51,777)
Depreciation		-	(405,040)	(61,548)	(194,560)	(967,675)	-	(1,628,823)
Carrying amount at 30 June 2021		4,567,043	3,290,149	127,537	183,169	4,219,713	25,264	12,412,875
<u>Comprises:</u>								
Gross carrying amount as at 30 June 2021		4,567,043	4,078,844	301,572	597,477	6,375,358	25,264	15,945,558
Accumulated depreciation as at 30 June 2021		-	(788,695)	(174,035)	(414,308)	(2,155,645)	-	(3,532,683)
Carrying amount at 30 June 2021		4,567,043	3,290,149	127,537	183,169	4,219,713	25,264	12,412,875

The land owned by the MRC is the site which houses the RRF at 109 Pederick Road, Neerabup. Refer to Note 22 for detailed disclosures regarding fair value measurements.

All property, plant and equipment and infrastructure assets (refer Note 8) were independently valued during the 2018/19 financial year. The excavation asset (refer note 11) was independently valued in the 2017/18 financial year. These asset classes were revalued to fair value in line with the 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.

The next valuations will be carried out in the 2021/22 financial year which will cover all assets. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

8. INFRASTRUCTURE

	ACTUAL 2020/2021 \$	ACTUAL 2019/2020 \$
Infrastructure – at fair value	7,605,341	7,349,773
Less Accumulated Depreciation	<u>(944,007)</u>	<u>(469,236)</u>
	6,661,344	6,880,537
Work in Progress	<u>-</u>	<u>-</u>
	<u>6,661,344</u>	<u>6,880,537</u>

Infrastructure assets comprise mainly of roads, fencing, leachate, gas wells and groundwater monitoring assets.

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

	ACTUAL 2020/2021 \$	ACTUAL 2019/2020 \$
Opening balance	6,880,537	6,661,544
Additions	-	688,229
Transfers from/to other assets	255,568	-
Disposals	-	-
Depreciation	(474,771)	(469,236)
Net revaluation of assets	-	-
	<u>6,661,344</u>	<u>6,880,537</u>

9. 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:

	RIGHT OF USE ASSET LAND \$
Balance as 1 July 2019	7,696,076
Less: Sub lease	(19,645)
Depreciation expense	(590,495)
Balance as at 30 June 2020	<u>7,085,936</u>
Net results for rent review and CPI Adjustments	113,792
Depreciation expense	(524,639)
Balance as at 30 June 2021	<u>6,675,089</u>

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

	ACTUAL 2020/2021 \$
Depreciation expense on lease liability	524,639
Interest expense on lease liability	304,716
Total amount recognised in the statement of comprehensive income	<u>829,355</u>

	ACTUAL 2019/2020 \$
Depreciation expense on lease liability	590,495
Interest expense on lease liability	346,323
Total amount recognised in the statement of comprehensive income	<u>936,818</u>

10. 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 entered into for a 20-year term ending June 2030. Please refer to Note 32.

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

	LAND \$	RRFA \$
1 July 2019		
Opening carrying amount		
Net adjustment on initial application of AASB 1059	2,192,957	42,289,060
Restated carrying amount	2,192,957	42,289,060
Additions	-	-
Transfers from/(to) other asset classes	-	-
Revaluations	-	-
Depreciation	-	(3,844,426)
Carrying amount 30 June 2020	2,192,957	38,444,634
Gross carrying amount	2,192,957	42,289,060
Accumulated Depreciation	-	(3,844,426)
1 July 2020		
Gross carrying amount	2,192,957	42,289,060
Accumulated Depreciation	-	(3,844,426)
Carrying amount at start of period	2,192,957	38,444,634
Additions	-	-
Transfers from/(to) other asset classes	-	-
Revaluations	-	-
Depreciation	-	(3,844,426)
Carrying amount 30 June 2021	2,192,957	34,600,208
Gross carrying amount	2,192,957	42,289,060
Accumulated Depreciation	-	(7,688,852)
Carrying amount 30 June 2021	2,192,957	34,600,208

10. SERVICE CONCESSION ASSETS (CONT.)

Initial measurement

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

Subsequent to taking legal ownership of the RRF, MRC is actively assessing options for the RRF to be repurposed to operate as a FOGO facility going forward. To date, a FOGO trial was conducted at the RRF which confirmed that it could be repurposed to process FOGO with minor modifications required. The following key areas still need to be successfully completed to enable the RRF to process FOGO planned in the future:

- The employment of technical employees with detailed working knowledge the facilities along with additional plant employees to operate the RRF. MRC has employed 1 technical employee to date.
- Obtain MRC Council support and approval of the MRC CEO's plans to repurpose the RRF to process FOGO.
- Investigate further the replacement of the roof and secondary steelwork of the Maturation Hall within the RRF as advised by an independent engineering condition assessment report.

MRC management expects the completion of these areas by the first quarter of 2022.

11. 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:

	Excavation Asset \$	Rehabilitation Asset		Total \$
		Decommissioning Asset, Stage 2 Phase 3 \$	Rehabilitation Asset, Post Closure \$	
Balance at 30 June 2019	24,517,926	2,842,375	2,064,319	29,424,620
Depreciation Expense	(2,266,863)	(311,494)	(233,697)	(2,812,054)
Increase to Rehabilitation Provision	-	-	5,065,546	5,065,546
Balance at 30 June 2020	22,251,063	2,530,881	6,896,168	31,678,112
<u>Comprises:</u>				
Gross carrying amount at 30 June 2020	26,914,614	9,203,830	9,116,303	45,234,747
Accumulated Depreciation at 30 June 2020	(4,663,551)	(6,672,949)	(2,220,135)	(13,556,635)
Carrying amount at 30 June 2020	22,251,063	2,530,881	6,896,168	31,678,112
Depreciation Expense	(2,486,592)	(864,218)	(862,021)	(4,212,831)
Increase to Rehabilitation Provision	-	-	-	-
Carrying amount at 30 June 2021	19,764,471	1,666,663	6,034,147	27,465,281
<u>Comprises:</u>				
Gross carrying amount at 30 June 2021	26,914,614	9,203,830	9,116,303	45,234,747
Accumulated Depreciation at 30 June 2021	(7,150,143)	(7,537,167)	(3,082,156)	(17,769,466)
Carrying amount at 30 June 2021	19,764,471	1,666,663	6,034,147	27,465,281

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.

	ACTUAL 2020/2021 \$	ACTUAL 2019/2020 \$
12. RESOURCE RECOVERY FACILITY		
The Resource Recovery Facility (RRF) asset relates to the facility at 109 Pederick Road, Neerabup.		
Capital expenditure	7,728,481	7,728,481
Less Accumulated amortisation	<u>(7,277,992)</u>	<u>(4,575,057)</u>
	450,489	3,153,424
Pre-operating expenses (commissioning)	2,093,000	2,093,000
Less Accumulated amortisation	<u>(1,958,085)</u>	<u>(1,148,588)</u>
	134,915	944,412
	585,404	4,097,836

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). As negotiations have resulted in the exit of this contract (see Note 31) the depreciation expense for this financial year has been accelerated. As such the useful life has been amended in Note 1.

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

	Capital ex- penditure \$	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	450,489	134,915	585,404

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

	Capital ex- penditure \$	Pre- operating expenses \$	Total \$
Opening balance	3,511,430	1,049,196	4,560,626
Amortisation	<u>(358,006)</u>	<u>(104,784)</u>	<u>(462,790)</u>
Closing balance	3,153,424	944,412	4,097,836

	ACTUAL 2020/2021 \$	ACTUAL 2019/2020 \$
13. TRADE AND OTHER PAYABLES		
<u>Current</u>		
Sundry creditors	6,478,394	6,427,784
Accrued expenses	412,088	236,761
Accrued salaries and wages	95,388	136,451
GST Payable	100,968	82,417
	<u>7,086,838</u>	<u>6,883,413</u>
14. EMPLOYEE RELATED PROVISIONS		
<u>Current</u>		
Provision for annual leave and sick leave	414,589	655,924
Provision for long service leave	285,176	342,029
	<u>699,765</u>	<u>997,953</u>
Employment on costs	44,793	66,234
	<u>744,559</u>	<u>1,061,187</u>
<u>Non-current</u>		
Provision for long service leave	65,321	53,146
Employment on costs	4,175	1,494
	<u>69,496</u>	<u>54,640</u>
Total employee related provisions	<u>814,055</u>	<u>1,115,827</u>

Movements in carrying amounts of employee related provisions during the financial year are shown in the table below.

	Provision for annual and sick leave \$	Provision for on- costs \$	Provision for long service leave \$	Total \$
Opening balance 1 July 2020	655,924	64,728	395,175	1,115,827
Additional provisions made	266,294	23,989	31,209	321,492
Amounts used	(507,629)	(39,748)	(75,887)	(623,264)
Closing balance 30 June 2021	<u>414,589</u>	<u>48,969</u>	<u>350,497</u>	<u>814,055</u>

14. EMPLOYEE RELATED PROVISIONS (CONT.)

Movements in carrying amounts of employee related provisions during the previous financial year are shown in the table below.

	Provision for annual and sick leave \$	Provision for on- costs \$	Provision for long service leave \$	Total \$
Opening balance 1 July 2019	676,228	67,835	306,694	1,050,757
Additional provisions made	249,798	51,763	96,256	397,817
Amounts used	(270,102)	(54,870)	(7,775)	(332,747)
Closing balance 30 June 2020	655,924	64,728	395,175	1,115,827

ACTUAL 2020/2021 \$	ACTUAL 2019/2020 \$
---------------------------	---------------------------

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	496,439
More than 12 months after the reporting date	<u>194,589</u>	<u>159,482</u>
	414,589	655,924

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:

Within 12 months after the reporting date	80,000	112,463
More than 12 months after the reporting date	<u>270,497</u>	<u>282,712</u>
	350,497	395,175

14. EMPLOYEE RELATED PROVISIONS (CONT.)

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.

	ACTUAL 2020/2021	ACTUAL 2019/2020
	\$	\$
Carrying amount at start of period	64,728	67,835
Additional / (reversal of) provisions recognised	<u>(15,759)</u>	<u>(3,107)</u>
	48,969	64,728

15. LEASE LIABILITIES

Lease liability - current	502,818	410,929
Lease liability – non-current	<u>6,456,778</u>	<u>6,903,066</u>
Total lease liability	<u>6,959,596</u>	<u>7,313,995</u>

The lease liability relates to the land at 1700 Marmion Avenue, Tamala Park, WA 6030, the lease expires in 2032 and is reviewed every 5 years.

16. 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. On termination of the agreement the Council will assume all rights and responsibilities in relation to the assets and liabilities of the Service Concession Arrangement. Please refer to Note 32 for the accounting policy for the Service Concession assets and liabilities.

	RRFA
	\$
1 July 2019	
Opening carrying amount	-
Net adjustment on initial application of AASB 1059	83,729,186
Carrying amount 30 June 2019	<u>83,729,186</u>
Additions	-
Repayment of SCA Liability	(9,162,855)
Interest expense	3,767,813
Carrying amount 30 June 2020	<u>78,334,144</u>
Additions	-
Repayment of SCA Liability	(9,299,817)
Interest expense	3,526,965
Carrying amount 30 June 2021	<u>72,561,292</u>

The Service Concession Lease is made up of Current and Non Current Liabilities

	ACTUAL	ACTUAL
	2020/2021	2019/2020
	\$	\$
Current	6,145,462	5,772,852
Non Current	66,415,830	72,561,292
Carrying amount	<u>72,561,292</u>	<u>78,334,144</u>

17. REHABILITATION PROVISION

	Stage 2 Phase 2 East	Stage 2 Phase 2 West	Stage 2 Phase 3	Post Closure	Total
	\$	\$	\$	\$	\$
Balance as 1 July 2019	528,200	528,186	8,880,782	6,407,776	16,344,944
Additional provisions made	-	-	248,010	5,223,307	5,471,317
Amounts used	-	-	-	-	-
Balance as at 1 July 2020	528,200	528,186	9,128,792	11,631,083	21,816,261
Additional provisions made	-	-	191,721	157,761	349,482
Amounts used	-	-	-	-	-
Closing balance as at 30 June 2021	528,200	528,186	9,320,513	11,788,844	22,165,743

18. RESERVES

	ACTUAL 2020/2021	BUDGET 2020/2021	ACTUAL 2019/2020
CASH BACKED			
<u>Site rehabilitation reserve</u>			
Opening balance	14,788,715	16,223,972	13,082,944
Transfer to reserve	349,482	349,482	1,705,771
Transfer from reserve	-	-	-
Closing balance	15,138,197	16,573,454	14,788,715
<u>Capital expenditure reserve</u>			
Opening balance	4,535,324	3,379,516	5,731,955
Transfer to reserve	-	-	-
Transfer from reserve	(1,557,370)	(2,106,154)	(1,196,631)
Closing balance	2,977,954	1,273,362	4,535,324
<u>Participants' surplus reserve</u>			
Opening balance	2,000,000	2,000,000	2,000,000
Transfer to reserve	-	-	-
Transfer from reserve	(2,000,000)	-	-
Closing balance	-	2,000,000	2,000,000
<u>Carbon abatement reserve</u>			
Opening balance	491,076	491,076	491,076
Transfer to reserve	-	-	-
Transfer from reserve	-	-	-
Closing balance	491,076	491,076	491,076
<u>RRF Maintenance fund reserve</u>			
Opening balance	897,524	980,856	647,524
Transfer to reserve	250,000	250,000	250,000
Transfer from reserve	-	-	-
Closing balance	1,147,524	1,230,856	897,524
 Total Cash Backed Reserves	 19,754,751	 21,568,748	 22,712,639

RESERVES SUMMARY

Opening Balance 2020	22,712,639	23,075,420	21,953,499
Transfers to reserves	599,482	599,482	1,955,771
Transferred from reserves to retained surplus	(3,557,370)	(2,106,154)	(1,196,631)
Closing Balance 2021	19,754,751	21,568,748	22,712,639

18. 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 current 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. Anticipated date of use – ongoing.

19. REVALUATION SURPLUS

	ACTUAL 2020/2021 \$	BUDGET 2020/2021 \$	ACTUAL 2019/2020 \$
<u>Land and Buildings</u>			
Opening balance	6,699,484	-	6,699,484
Revaluation increment	-	-	-
	6,699,484	-	6,699,484
<u>Furniture and fittings</u>			
Opening balance	351,331	-	351,331
Revaluation increment	-	-	-
Realised on Sale	(14,101)	-	-
	337,230	-	351,331
<u>Computers and equipment</u>			
Opening balance	696,241	-	696,241
Revaluation increment	-	-	-
Realised on Sale	(67,324)	-	-
	628,917	-	696,241
<u>Plant and equipment</u>			
Opening balance	494,447	-	1,030,969
Revaluation increment	-	-	-
Realised on Sale	(189,650)	-	(536,522)
	304,797	-	494,447
<u>Infrastructure</u>			
Opening balance	2,435,702	-	2,435,702
Revaluation increment	-	-	-
Revaluation decrement	-	-	-
Realised on Sale	-	-	-
	2,435,702	-	2,435,702
<u>Landfill cell development excavation</u>			
Opening balance	14,799,295	-	22,980,905
Revaluation increment	-	-	-
Revaluation decrement	-	-	-
Realised on Usage	(1,579,831)	-	(8,181,610)
	13,219,464	-	14,799,295
Total revaluation surplus	23,625,594	-	25,476,500
 Revaluation surplus summary			
Opening Balance	25,476,500	-	34,194,632
Revaluation Increment	-	-	-
Realised on asset disposals	(1,850,906)	-	(8,718,132)
Total revaluation surplus	23,625,594	-	25,476,500

20. NOTES TO THE STATEMENT OF CASH FLOWS

20(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 2020/2021 \$	BUDGET 2020/2021 \$	ACTUAL 2019/2020 \$
Cash and cash equivalents	5,976,923	31,486,682	8,161,207

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

	Note	ACTUAL 2020/2021 \$	BUDGET 2020/2021 \$	RESTATED ACTUAL 2019/2020 \$	ACTUAL 2019/2020 \$
Net Result		(4,798,905)	(4,182,077)	(775,409)	(2,326,024)
<u>Non cash items</u>					
Depreciation	2	10,685,491	6,049,096	9,620,070	5,775,644
Amortisation	2	3,512,431	462,791	462,790	462,790
Finance charges	2	349,482	-	405,771	405,771
(Profit)/loss on sale of assets	23	(56,441)	(10,324)	290,936	290,936
Impairment of assets on revaluation			-	19,645	19,645
Assets written off			-	-	-
<u>Changes in assets and liabilities</u>					
(Increase)/decrease in receivables		477,446	-	476,811	476,811
(Increase)/decrease in inventories		(2,376)	-	(323)	(323)
(Increase)/decrease in prepayments and accrued income		(208,994)	-	113,847	113,846
(Decrease)/increase in payables		203,424	-	534,985	534,985
(Decrease)/increase in employee provisions		(301,772)	-	65,070	65,070
(Increase)/decrease in Right Of Use assets		-	-	-	-
(Increase)/decrease in Service Concession liabilities		(5,772,851)	-	(5,395,042)	-
(Increase)/decrease in leased assets		-	479,900	-	-
Net cash provided by operating activities		4,086,935	2,799,386	5,819,151	5,819,151

ACTUAL
2020/2021
\$

ACTUAL
2019/2020
\$

21. COUNCIL CONTRIBUTIONS

The following table shows the respective Council's interest in the MRC;

City of Joondalup	(16.67%)	680,958	680,958
City of Wanneroo	(16.67%)	680,958	680,958
City of Stirling	(33.33%)	1,361,906	1,361,906
City of Perth	(8.33%)	450,285	450,285
City of Vincent	(8.33%)	303,873	303,873
Town of Cambridge	(8.33%)	303,873	303,873
Town of Victoria Park	(8.33%)	303,873	303,873
		<u>4,085,726</u>	<u>4,085,726</u>

22. FAIR VALUE MEASUREMENTS

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

- Land and buildings
- Infrastructure
- Excavation asset
- Service Concession assets

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 2021			
	Level 1	Level 2	Level 3
	\$	\$	\$
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

22. FAIR VALUE MEASUREMENTS (CONT.)

RESTATED 30 June 2020			
	Level 1	Level 2	Level 3
	\$	\$	\$
Land	-	6,760,000	-
Buildings	-	-	3,695,189
Infrastructure	-	-	6,880,537
Excavation	-	-	22,251,063
Service Concession assets	-	-	40,637,590
	-	6,760,000	73,464,379
			80,224,379

22(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.

22(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.

22(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 2021	Valuation techniques	Inputs used
		\$		
Land	2	6,760,000	Market approach	A
Buildings	3	3,290,149	Cost approach	B
Infrastructure	3	6,661,334	Cost approach	B
Excavation	3	19,764,471	Cost approach	B
Service Concession assets	3	36,793,165	Cost approach	B
Total		36,475,954		

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.

22. 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.

22. FAIR VALUE MEASUREMENTS (CONT.)

Excavation

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

Service Concession assets

The MRC's service concession asset relates directly to the Resource Recovery Facility Agreement (RRFA), such assets are valued by a professionally qualified registered valuer using the cost/CRC approach.

The depreciation of the asset is based upon the length of the agreement. All inputs require extensive professional judgement. Therefore, the MRC's service concession assets were classified as having been valued using Level 3 valuation inputs.

23. ASSET DISPOSALS

	Net Book Value \$	Selling Price \$	Profit/(Loss) \$
BUDGET			
Plant and equipment			
Tana compactor Plant 107	307,963	300,000	(7,963)
Caterpillar 12G Grader Plant 01	20,802	30,000	9,198
Toyota Forklift Plant 98	5,911	15,000	9,089
	334,676	345,000	10,324

Net Profit on sale of assets

	Net Book Value \$	Selling Price \$	Profit/(Loss) \$
ACTUAL 2020/2021			
Hook Lift Bin Equip 1122	-	31,799	31,799
ARCA FHBS-916M Bandsaw Equip 189	-	1,574	1,574
Caterpillar Grader Plant 01	31,465	46,088	14,623
Kia Carnival Plant 125	20,312	28,757	8,445
	51,777	108,218	56,441

Net Profit on sale of assets

	Net Book Value \$	Selling Price \$	Profit/(Loss) \$
ACTUAL 2019/2020			
Komatsu WA470 Plant 93	137,440	111,435	(26,005)
Komatsu WA470 Plant 94	126,853	102,793	(24,060)
Komatsu dump truck Plant 90	101,552	139,356	37,804
Sumitomo excavator Plant 89	36,653	36,537	(116)
Bomag compactor Plant 100	447,996	193,424	(254,572)
Cat skid steer loader Plant 108	48,558	24,571	(23,987)
	899,052	608,116	(290,936)

Net Loss on sale of assets

In accordance with Local Government (Financial Management) Regulations 17(A)5, all historic assets with a cost of less than \$5,000 at the date of acquisition were transferred to operating expenditure as indicated below.

Computers and equipment	139,844
Furniture and equipment	75,651
Plant and equipment	91,741
Infrastructure	2,000
Total transfer of assets	309,236

24. FINANCIAL RATIOS

	ACTUAL 2020/2021	RESTATED ACTUAL 2019/2020	RESTATED ACTUAL 2018/2019
Current ratio	1.57	1.27	2.04
Asset sustainability ratio	0.61	0.48	1.79
Debt service cover ratio	1.32	1.64	48.31
Operating surplus ratio	(0.09)	(0.01)	0.05
Own source revenue coverage ratio	0.92	0.99	1.01
Asset consumption ratio	0.67	0.78	0.76
Asset renewal funding ratio	1.00	1.00	1.00

Ratio formulas

Current ratio

(Current assets – restricted current assets) / (Current liabilities – liabilities associated with restricted current assets)

Asset sustainability ratio

Capital renewal and replacement expenditure / depreciation expense

Debt service cover ratio

Annual operating surplus before interest and depreciation / principal and interest

Operating surplus ratio

Operating revenue - operating expense / own source operating revenue

Own source revenue ratio

Own source operating revenue / operating expenses

Asset consumption ratio

Depreciated replacement cost of assets / current replacement cost of depreciated assets

Asset renewal funding ratio

NPV of planned capital renewals over 10 years / NPV of capital expenditure over 10 years

25. 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.

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

	ACTUAL 2020/2021 \$	RESTATED ACTUAL 2019/2020 \$	RESTATED ACTUAL 2018/2019 \$
Current assets			
Community amenities	42,526,862	40,659,608	37,247,209
Non-current assets			
<u>Land and Buildings</u>			
Governance	1,275,903	1,414,324	1,532,015
Community amenities	1,597,490	1,827,593	1,894,769
RRF	4,983,799	5,020,314	7,249,786
<u>Furniture & Fittings</u>			
Governance	-	940	2,243
Community amenities	127,537	188,145	240,509
<u>Computers & Equipment</u>			
Governance	-	-	-
Community amenities	208,433	287,868	440,832
<u>Right of Use Asset</u>			
Community amenities	6,675,089	7,085,936	-
<u>Service Concession Asset</u>			
RRF	36,793,165	40,637,591	-
<u>Plant & Equipment</u>			
Governance	19,981	27,490	35,000
Community amenities	4,199,733	3,988,736	5,896,963
<u>Infrastructure</u>			
Community amenities	6,661,334	6,880,537	6,661,544
<u>Excavation work</u>			
Community amenities	19,764,471	22,251,063	24,517,926
<u>Resource recovery facility</u>			
RRF	585,404	4,097,836	4,560,626
<u>Rehabilitation asset</u>			
Community amenities	7,700,810	9,427,049	4,906,694
TOTAL ASSETS	133,120,010	143,795,032	95,186,116

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

	ACTUAL 2020/2021 \$	BUDGET 2020/2021 \$	ACTUAL 2019/2020 \$
General Purpose Funding	55,544,184	55,567,264	55,547,197
Total Fees and charges and other services	55,544,184	55,567,264	55,547,197

27. 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	5,400	55	5,455	205.00	1,118,275
City of Joondalup	31,070	600	31,670	205.00	6,492,350
City of Perth	13,000	-	13,000	205.00	2,665,000
City of Stirling	42,000	6,000	48,000	205.00	9,840,000
Town of Victoria Park	12,800	100	12,900	205.00	2,644,500
City of Vincent	12,000	1,400	13,400	205.00	2,747,000
City of Wanneroo	58,250	6,600	64,850	205.00	13,294,250
<u>Residue</u>					
Biovision	-	56,700	56,700	205.00	11,623,500
Closing Balance	174,520	71,455	245,975		50,424,875

ACTUAL	Processable Tonnes t	Non processable tonnes t	Total tonnes t	Ave. Rate \$	Revenue \$
<u>Waste</u>					
Town of Cambridge	5,829	21	5,850	205.00	1,199,240
City of Joondalup	32,446	564	33,010	205.02	6,767,633
City of Perth	12,821	2	12,823	205.00	2,628,701
City of Stirling	42,478	4,649	47,128	205.00	9,661,200
Town of Victoria Park	11,918	-	11,918	205.00	2,443,277
City of Vincent	10,425	1,120	11,545	205.00	2,366,749
City of Wanneroo	59,560	1,565	61,125	205.09	12,536,341
<u>Residue</u>					
Biovision	-	57,781	57,781	205.00	11,845,011
Closing Balance	175,478	65,702	241,180		49,448,151

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

	ACTUAL 2020/2021 \$	BUDGET 2020/2021 \$	ACTUAL 2019/2020 \$
28. COUNCILLORS' REMUNERATION			
The following fees, expenses and allowances have been paid to council members and the Chairman:			
Meeting fees	127,078	128,750	124,462
Chairman's and Deputy Chairman's allowance	24,457	24,463	25,941
Conference expenses	-	-	983
Members' allowances	<u>12,228</u>	<u>15,000</u>	<u>11,584</u>
	<u>163,763</u>	<u>168,213</u>	<u>162,970</u>

	ACTUAL 2020/2021	ACTUAL 2019/2020
29. EMPLOYEE NUMBERS		
The number of full-time equivalent employees at the end of the financial year was:		
	29.1	44.0

30. FINANCIAL RISK MANAGEMENT

The MRC's activities expose it to a variety of financial risks, including, but not limited to, price risk, credit risk, liquidity risk and interest rate risk. The MRC's overall risk management focuses on the unpredictability of financial markets and seeks to minimise the effect of potentially adverse events on the financial performance of the MRC.

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 under policies approved by the Council.

The MRC held the following financial instruments at year end:

	Carrying value		Fair value	
	2020/2021	RESTATED 2019/2020	2020/2021	RESTATED 2019/2020
	\$	\$	\$	\$
Financial assets				
Cash and equivalents	5,976,923	8,161,207	5,976,923	8,161,207
Financial assets at amortised costs:				
Term Deposits	32,307,354	27,989,739	32,307,354	27,989,739
Receivables	3,811,668	4,289,114	3,811,668	4,289,114
	42,095,945	40,440,060	42,095,945	40,440,060
Financial liabilities				
Financial liabilities at amortised costs:				
Payables	6,985,870	6,800,996	6,985,870	6,800,996
Lease Liabilities	6,959,596	7,313,995	6,959,596	7,313,995
Service Concession Liabilities	72,561,292	78,334,184	72,561,292	78,334,184
	86,506,758	92,449,175	86,506,758	92,449,175

Fair value is determined by:

Cash and equivalents, receivables and payables - estimated to the carrying values which approximate fair value.

The amounts for receivables and payables exclude the GST recoverable from/payable to the ATO.

30. FINANCIAL RISK MANAGEMENT (CONT.)

30(a) 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.

	2020/2021	2019/2020
Impact of 1% movement in interest rate on profit and loss and equity, holding all other variables constant;	59,769	81,612

30(b) 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 2020 or 1 July 2021 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 ageing profile and loss allowance of the MRC's receivables at year end was:

	Current \$	More than 15 days past due \$	More than 29 days past due \$	More than 43 days past due \$	Total
Trade and other receivables	3,416,310	362,338	12,080	20,940	3,811,668
Expected credit loss	0%	0%	0%	0%	
Loss Allowance	-	-	-	-	-

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

30. FINANCIAL RISK MANAGEMENT (CONT.)

The ageing profile and loss allowance of the MRC's receivables for the previous year was:

	Current \$	More than 15 days past due \$	More than 29 days past due \$	More than 43 days past due \$	Total
Trade and other receivables	3,101,409	724,963	113,042	349,700	4,289,114
Expected credit loss	0%	0%	0%	0%	
Loss Allowance	-	-	-	-	-

30(c) 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.

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 \$
30 June 2021					
Payables	7,086,838	-	-	7,086,838	7,086,838
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
	17,317,013	42,451,261	46,652,081	106,420,355	86,607,726
RESTATED					
30 June 2020					
Payables	6,883,413	-	-	6,883,413	6,883,413
Lease Liability	772,202	3,264,000	5,712,000	9,748,202	7,313,995
Service Concession Liability	9,265,920	38,570,138	51,787,378	99,623,437	78,334,144
	16,921,535	41,834,138	57,499,378	116,255,052	92,531,552

31. EVENTS AFTER THE REPORTING PERIOD

The MRC was until recently a party to a 20-year waste processing agreement with BioVision 2020 Pty Ltd (BioVision) which commenced in 2009. Under the agreement, BioVision processed 100,000 tonnes of waste per year for the MRC at the Resource Recovery Facility (RRF) in Neerabup, extracting the organic material from the largely unsorted waste stream for beneficial use.

To date, the processing facility and the contract have operated well and have diverted over 600,000 tonnes of waste from landfill.

With the introduction of the State's Waste Avoidance and Resource Recovery Strategy 2030 (WARR Strategy), there is a clear change to the way in which organics will be separated and sorted at the household level through the use of a third bin for Food Organics and Garden Organics (FOGO).

A number of the MRC's member councils have been progressively providing Garden Organics (GO) bins to their residents as a transition step. The organics collected in these bins is currently being processed by external recyclers.

The change to organics handling in Perth, now and into the future, means that the RRF is no longer the most suitable processing infrastructure and technology for this material stream.

To this end, the MRC and BioVision mutually agreed to terminate their processing agreement with effect from 31 August 2021, through a payment by the MRC to BioVision of \$85.2m and both parties releasing each other in respect of their respective obligations and agreement.

The MRC has taken legal ownership of the facility and is currently assessing how best it can be used in the future.

32. APPLICATION OF NEW ACCOUNTING STANDARD

During the current year, the MRC adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

AASB 1059 Service Concession Arrangements: Grantors

Initial recognition of Service Concession Arrangement

Service Concession assets are those assets where a third-party operator constructs assets for the Council, upgrades existing assets of the Council or uses existing assets of the Council to operate and maintain the assets for a public service, for a specified period of time. Where, in these circumstances, the third-party operator provides a public service on behalf of the Council and is deemed to manage at least some of the services under its own discretion, the assets are classified as service concession assets.

Subsequent to initial recognition or reclassification, service concession assets are accounted for by depreciating or amortising in accordance with AASB 116 *Property, Plant and Equipment* or AASB 138 *Intangible Assets*. Where appropriate, any impairment is recognised in accordance with AASB 136 *Impairment of Assets*.

The Council recognised its Resource Recovery Facility Agreement (RRFA) as a service concession arrangement. The Asset was recognised at current replacement cost and the portion of land relevant was also reclassified as Service Concession arrangement. Please refer to Note 10 to the accounts.

Initial recognition of Service Concession Liability

Subsequent to initial recognition, the Council accounts for the liability as the unearned portion of the revenue arising from the exchange of assets with the third-party operator and reduces the liability according to the economic substance of the service concession arrangement.

The Council adopted AASB 1059 Service Concession Arrangements: Grantors (issued December 2014) on 1 July 2019 resulting in changes to accounting policy. Please refer to Note 16 to the accounts. The initial recognition of the liability referred to the remaining capital portion of the RRFA adjusted for capital costs paid since July 2019.

The difference between the recognition of the service concession asset and the service concession liability is taken to the retained earnings.

In accordance with transition provisions of AASB 1059, the Council adopted the new rules retrospectively by recognising and measuring service concession assets and related liabilities on 1 July 2019.

The Council adopted AASB 1059 Service Concession Arrangements: Grantors (issued December 2014) on 1 July 2019 resulting in changes to accounting policies. In accordance with transition provisions of AASB 1059, the Council adopted the new rules retrospectively by recognising and measuring service concession assets and related liabilities on 1 July 2020. In

32. APPLICATION OF NEW ACCOUNTING STANDARD (CONT.)

summary the adjustments as stated below, were made to the amounts recognised in the statement of financial position at the date of the initial application (1 July 2019).

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. On termination of the agreement the Council will assume all rights and responsibilities in relation to the assets and liabilities of the Service Concession Arrangement.

The impact of adopting AASB 1059 Service Concession Assets is as follows:

STATEMENT OF COMPREHENSIVE INCOME (EXTRACT)

	Note	Previously Reported 30 June 2020 \$	Application of AASB 1059 Increase (Decrease) \$	Restated 30 June 2020 \$
Total Operating Income		56,192,614	-	56,192,614
Less: Expenses				
Employee costs		5,516,114	-	5,516,114
Material and contracts		35,062,390	(9,162,854)	25,899,536
Utilities		242,374	-	242,374
Depreciation		5,775,644	3,844,426	9,620,070
Amortisation		462,790	-	462,790
Finance/Borrowing costs		794,683	3,767,813	4,562,496
Insurance		210,186	-	210,186
Other expenses		10,143,876	-	10,143,876
Total operating expenses		58,208,057	(1,550,615)	56,657,442
Total operating income less expenses		(2,015,443)	1,550,615	(464,828)
Profit on sale of assets		37,804	-	37,804
Loss on sale of assets		(328,740)	-	(328,740)
Impairment of assets		(19,645)	-	(19,645)
		(310,581)	-	(310,581)
Net Result		(2,326,024)	1,550,615	(775,409)
Other comprehensive income				
Net change on revaluation of assets		-	-	-
Total other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		(2,326,024)	1,550,615	(775,409)

32. APPLICATION OF NEW ACCOUNTING STANDARD (CONT.)

STATEMENT OF FINANCIAL POSITION (EXTRACT)

	Note	Previously Reported 30-Jun-20 \$	Application of AASB 1059 Increase (Decrease) \$	Restated 30-Jun-20 \$
Total current assets		40,659,608	-	40,659,608
Non Current assets				
Property, plant and equipment		14,948,369	(2,192,957)	12,755,412
Infrastructure		6,880,537	-	6,880,537
Right of Use Assets		7,085,936	-	7,085,936
Service Concession Assets		-	40,637,590	40,637,590
Excavation and rehabilitation assets		31,678,112	-	31,678,112
Resource recovery facility		4,097,836	-	4,097,836
Total non-current assets		64,690,790	38,444,633	103,135,423
TOTAL ASSETS		105,350,398	38,444,633	143,795,031
Total current liabilities		8,355,529	5,772,852	14,128,381
Non-current liabilities				
Employee related provisions		54,640	-	54,640
Rehabilitation provision		21,816,261	-	21,816,261
Lease liabilities		6,903,066	-	6,903,066
Service Concession liabilities		-	72,561,292	72,561,292
Total non-current liabilities		28,773,967	72,561,292	101,335,259
TOTAL LIABILITIES		37,129,496	78,334,144	115,463,640
NET ASSETS		68,220,902	(39,889,511)	28,331,391
EQUITY				
Retained surplus		15,946,037	(39,889,511)	(23,943,474)
Reserves		22,712,639	-	22,712,639
Revaluation surplus		25,476,500	-	25,476,500
Council contributions		4,085,726	-	4,085,726
TOTAL EQUITY		68,220,902	(39,889,511)	28,331,391

This statement is to be read in accordance with the attached notes in the financial report.

33. 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 but not criteria for non-potable uses. 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 MRC has commenced further work on implementing the recommendations of this most recent MAR, to determine the magnitude and extent of contamination including risks to human health, the environment and environmental values. Specifically, this work is focused upon assessing the adequacy of the landfill gas monitoring network, the potential for the subterranean migration of landfill gas, and the continued compilation and assessment of both gas and groundwater results to further inform future mitigation measures. Therefore,

it is not possible to make a reasonable estimate as to the financial impact that may arise from any possible future remedial action at this time.

34. RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL (KMP)

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

	ACTUAL 2020/2021 \$	ACTUAL 2019/2020 \$
Short term employee benefits	330,377	341,009
Post employment benefits	38,243	41,370
Other long term benefits	8,554	8,721
Termination benefits	-	-
	<u>377,174</u>	<u>391,100</u>

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 28.

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

34. RELATED PARTY DISCLOSURES (CONT.)

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 2020/2021 \$	ACTUAL 2019/2020 \$
<i>Associated local government entities:</i>		
Sales of goods and services	42,366,783	43,866,605
Purchase of goods and services	1,007,914	924,332
<i>Amounts outstanding from related parties:</i>		
Trade and other receivables	2,330,383	3,070,408
<i>Amounts outstanding to related parties:</i>		
Trade and other payables	11,297	11,204

35. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current. Management has not assessed the financial impact on the MRC.

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments. Management has not assessed the financial impact on the MRC.

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies or Definition of Accounting Estimates. Management has not assessed the financial impact on the MRC.

Audit Completion Letter for year ended 30 June 2021

Item 8.1

ATTACHMENT 3

Item 8.1

**INDEPENDENT AUDITOR'S REPORT
2021
Mindarie Regional Council**

To the Councillors of the Mindarie Regional Council

Report on the audit of the annual financial report

Opinion

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

- the Statement of Financial Position at 30 June 2021, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, 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
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Mindarie Regional Council:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Council for the year ended 30 June 2021 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 section below. I am independent of the Council in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – Service Concession Asset and Contingent Liabilities

I draw attention to the following matters:

- Note 10 “Service Concession Asset” of the annual financial report, which discloses key areas that still need to be completed to enable the Neerabup facility to process Food Organics, Garden Organics (‘FOGO’) in the future
- Note 33 “Contingent Liabilities” of the annual financial report, which discloses a contingent liability relating to Tamala Park Waste Management Facility site.

My opinion is not modified in respect of these matters.

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

The Chief Executive Officer (CEO) of the Council is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for 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 and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Council.

The Council is responsible for overseeing the Council’s financial reporting process.

Auditor’s responsibility 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.

Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate a significant adverse trend in the financial position of the Council:
 - a) The debt service cover ratio as reported in Note 24 of the financial report has been below the Department of Local Government, Sport and Cultural Industries’ basic standard for the current year and past 2 years.

- b) The operating surplus ratio as reported in Note 24 of the financial report has been below the Department of Local Government, Sport and Cultural Industries' basic standard for the current year and past 2 years.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a) The incorrect take up and depreciation of revalued assets increases the risk of material misstatements in the Council's fixed asset balances and related depreciation expense.
 - b) No evidence was retained to demonstrate whether general journal entries were being authorised by an officer other than the person posting the entries. This increases the risk that fraudulent transactions may not be detected.
 - c) The Long-Term Financial Plan and the Asset Management Plan have not been reviewed by the Council in the current year.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Council for the year ended 30 June 2021 included 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 described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
XX January 2022

Audit exit brief for year ended 30 June 2021

Items
8.2

ATTACHMENT 3a

Items
8.2

SENT UNDER CONFIDENTIAL COVER TO MRC COUNCILLORS

Refer to item 14.2 – Ordinary Council Meeting Agenda, 27.01.2022

Interim Audit results for year ended 30 June 2021

Items
8.2

ATTACHMENT 3b

Items
8.2

SENT UNDER CONFIDENTIAL COVER TO MRC COUNCILLORS

Refer to item 14.2 – Ordinary Council Meeting Agenda, 27.01.2022

Representation Letter for year ended 30 June 2021

Items
8.2

ATTACHMENT 3c

Items
8.2

SENT UNDER CONFIDENTIAL COVER TO MRC COUNCILLORS

Refer to item 14.2 – Ordinary Council Meeting Agenda, 27.01.2022

External Audit Committee Member

Items
8.3

ATTACHMENT 4

Items
8.3

CONFIDENTIAL – CANDIDATES RESUMES WILL BE AVAILABLE TO MRC COUNCILLORS UPON
REQUEST 30 MINUTES PRIOR TO THE ORDINARY COUNCIL MEETING, 27 JANUARY 2022

External Penetration Testing for year ended 30 June 2021

Items
8.4

ATTACHMENT 5

Items
8.4

SENT UNDER CONFIDENTIAL COVER TO MRC COUNCILLORS

Refer to item 14.2 – Ordinary Council Meeting Agenda, 27.01.2022

Risk Register – FULL

Item 8.5

ATTACHMENT 6

Item 8.5

Ref No	Org Unit	Context (Strategy, Activity, Function, Phase)	Sub-Context (Critical Success Factor, Key Dependency)	Risk Description	Causal Factors	Risk Theme	Resulting In	Existing Controls	Consequence Category	Consequence	Likelihood	Level of Risk	Risk Treatment Options
STRAT-01	Mindarie Regional Council	Objective - Long Term Viability	Regional community, Member Councils expectations	Fail to meet regional community expectations of MRC in relation to service delivery and gate fees	Increased service delivery expectations Too high gate fee Service interruptions	Stakeholder Engagement and Expectations	Reputational issues; media interest Interference by Member Councils Complaints Loss of business	Surveys (Happy or Not) Stakeholder consultation Open days Regular communication Integrated Planning framework	Reputation	1	3	3	
STRAT-02	Mindarie Regional Council	Objective - Long Term Viability	Regional community, Member Councils expectations	Fail to meet regional community expectations of MRC in relation to the environment	Increased environmental and sustainability awareness Surrounding Community expectations Noticable environmental impacts (Vermin, litter, dust, equipment, odour, noise)	Stakeholder Engagement and Expectations	Reputational issues; media interest Interference by Member Councils Complaints Loss of business Financial cost Licensing impact	Surveys/CSM SOP - fire ban Stakeholder consultation Open days Regular communication Integrated Planning Framework Tamala Park Regional Council relationship Site Management Plan Responsive complaint investigation	Reputation Operational Efficiency Financial	2 1 2	5 5 5	10	Operational Changes Residential encroachment Update 8/7/21 HR review
STRAT-03	Mindarie Regional Council	Objective - Long Term Viability	Regional community, Member Councils expectations	Fail to meet Member Council expectations by not being able to agree on the strategic direction for the MRC	Perceived inefficiencies Lack of communication and correspondence Change in Council Members Differing agendas and priorities Inability to finalise the Establishment Agreement	Stakeholder Engagement and Expectations	Interference by Member Councils Delays in decision making Loss of support Delays in projects	Regular meetings Established working groups Constitution Commitment to strong relations with Member Councils Future options modelling (Talis)	Operational Efficiency Financial Efficiency	4 4 4	5 5 5	20	MRC strategy not supported by Member Council
STRAT-04	Mindarie Regional Council	Objective - Long Term Viability	Working relationships with third parties	Failure of commercial partners to fulfil MRC expectations	Overcommitted Company liquidation Poor quality of service Key contractors Contract Manager ability to review and oversee contracts obligation on the MRC	Supplier / Contract Management	Increased stockpiles/quantities of product MRC not operating within licence conditions Increased costs of alternative arrangements Increased labour costs	Contracts and agreements Contract management Communication of operational development Relationship management Appointed a Contract Manager InControl event for all contract Major incident debriefs	Compliance Financial Operational Efficiency Reputation	3 3 2 3	2 3 3 2	9	EDL investment in well-field Level of risk decreases 12 to 9
STRAT-05	Mindarie Regional Council	Objective - Long Term Viability	Federal / State Government change directions or new initiatives	Federal/State Government changes to Environmental Law	Community pressure Government agenda	Political	Increased operational costs Stakeholder frustration with increased costs Potential closure of landfill site	Stakeholder communication Industry network and consultation Monitoring of environmental law Membership with industry bodies	Operational Efficiency Reputation Financial	4 3 4	1 2 2	8	
STRAT-07	Mindarie Regional Council	Objective - Long Term Viability	Regional community, Member Councils expectations	Increased exposure to landfill operations	Landfill consumption	Managing Onsite Hazards - Health & Safety	Public visibility of operations and potential for increased complaints	Visual buffers Landfill design Community engagement	Reputation Financial	1 2	5 5	10	
STRAT-08	Mindarie Regional Council	Objective - Long Term Viability	Tamala Park end of asset life cycle	Fail to adequately plan and transition for Tamala Park landfill	Council indecision Lack of alternatives Expensive alternatives Change in State Government rules Reduced expected asset life cycle	Asset Management	Increased operating costs Early closure of Tamala Park Not meeting community expectations	Strategy review Gate commercialisation Future options modelling (Talis)	Operational Efficiency Reputation Financial	5 5 5	3 2 3	15	Review 24.11.21 increase risk from 5 to 15 due to the End of life plan required for operational plan
STRAT-09	Mindarie Regional Council	Objective - Effective Management	Statutory, regulatory and licence requirements	Fail to comply with material DWER licence conditions and guidelines	Seasonal factors State Government forced closure Onerous conditions External Service providers Failure of internal staff controls	Statutory, Regulatory and Licence Compliance	Increased scrutiny Additional costs of rectifying issues Reputation issues Environmental impacts Loss of licence	Compliance registers and records Incident reporting External accreditation Site Management Plan External audits Communication with DWER Revised licence conditions Staff training Insurance	Compliance (worst case) Compliance Natural Environment Reputation Financial Operational Efficiency Health & Safety	5 4 3 4 5 5 5	1 1 1 1 1 1 1	5	Amendments to licence for compliance, better operational preparedness

Ref No	Org Unit	Context (Strategy, Activity, Function, Phase)	Sub-Context (Critical Success Factor, Key Dependency)	Risk Description	Causal Factors	Risk Theme	Resulting In	Existing Controls	Consequence Category	Consequence	Likelihood	Level of Risk	Risk Treatment Options
STRAT-10	Mindarie Regional Council	Objective - Effective Management	Statutory, regulatory and licence requirements	Fail to provide safe and suitable work environment at MRC in compliance with WHS legislation	Lack of understanding Complacency Lack of awareness of change Lack of staff training Changes to legislation Inherent nature of Regional Council operations Public interaction with staff and recycled goods Nature of recycled goods Loading and unloading of vehicles Plant and equipment operating in area People behaviours Household chemicals Third party vehicle damage Wildlife	Managing Onsite Hazards Health & Safety	Staff harm Public harms Non compliance Emergency/evacuation	SOP's Training WHS committee/ reps Encourage safe culture WHS procedure and management system Incident reporting Emergency exercises Safety management systems Environmental monitoring (dust, odours, air) Inspections Recruitment Inductions Revised driver inductions Technical Officer Inspect and review plant and equipment Thermographic survey COVID-19 register (PHO) Positive reporting culture	Health & Safety Compliance Reputation	5 5 3	1 1 2	6	Aware of WHS legislation changes Jan 2022
STRAT-11	Mindarie Regional Council	Objective - Effective Management	Statutory, regulatory and licence requirements	Fail to comply with Tamala Park site lease conditions	Difficulty obtaining necessary insurances Not meeting lease obligations	Statutory, Regulatory and Licence Compliance	Jeopardising our ability to continue to operate as a result of a catastrophic uninsurable event	Site management plan Compliance register	Compliance Reputation Financial Operational Efficiency	4 4 5 5	1 1 1 1	5	
STRAT-12	Mindarie Regional Council	Objective - Sustainable Waste Management	Challenges and change of waste management including traditional new technologies and infrastructure	Inability to capitalise and utilise new waste management technologies	Cost prohibitive Community perceptions Untested technologies Increased technologies being offered on market Stakeholder resistance Member Council assessment of perceived risk Volatility in waste volumes and compositions	Systems and Technology	Public outcry and loss of credibility Inability to meet State Government strategies	Council commitment to new strategic plan Use of proven technologies Industry subscriptions (WMRR, OARA etc.) MWAC Membership	Reputation Operational Efficiency	4 4	2 3	12	Recent experience with energy from waste tender Note: review relevance after 1 January 2022 (MRC Strategy review) Update 8/7/21 HR reiew
STRAT-14	Mindarie Regional Council	Objective - Sustainable Waste Management	Maximise value of waste	Inability to maintain viable contracts for recyclable/usable materials	Volatility of markets Market perception of quality of product in the RRF Compost Location and distance from market	Secure and Maintain Funding	Stockpile of products Financial loss Recyclable products to landfill	Short term contracts offering fixed prices Maintaining market awareness Recognising the volatility of recyclable markets	Financial Environmental Operational Efficiency	3 1 2	3 3 3	9	
STRAT-15	Mindarie Regional Council	Objective - Effective Management	Maximise value of waste	Inability to provide a sustainable gate fee to Member Councils	Diversion of waste from landfill Alternative waste treatment technologies Inability to reduce scale of operations in a responsive manner Increasing commercial competition Pandemic / COVID 19 Diversion of Waste from Landfill RRFA negotiations	Stakeholder Engagement and Expectations	Political pressure from Members Increased gate fee to Members Unsustainable business model Significant deficit budget	Engagement with Member Council representatives Transparent communication Prudent financial management Internal efficiency reviews Commercialising unused air space	Financial Operational Efficiency	5 5	3 3	15	Review post SCM 08/07/2021 Update 8/7/21 HR review
STRAT-16	Mindarie Regional Council	Objective - Long Term Viability	Regional community, Member Councils expectations	Changing Waste Streams	Introduction of 3 bin system Change in collection systems Increased recycling Waste to Energy State Waste Strategy DWER position for red bin waste (residual)	Business Continuity	Loss of revenue Loss of volume Inability to service existing and potential contracts effectively	Establishment agreement	Operational Efficiency Reputation Financial	5 5 5	4 3 3	20	Waste to Energy State Waste Strategy Level of risk Increased from level 15 to 20

Ref No	Org Unit	Context (Strategy, Activity, Function, Phase)	Sub-Context (Critical Success Factor, Key Dependency)	Risk Description	Causal Factors	Risk Theme	Resulting In	Existing Controls	Consequence Category	Consequence	Likelihood	Level of Risk	Risk Treatment Options
STRAT-17	Mindarie Regional Council	Objective - Long Term Viability	Safety and Health	Contamination of landfill by emerging contaminates of concern	Contaminated material delivered to site undisclosed Newly identified contaminated legacy material contained in landfill	Business Continuity	Health and Safety Staff harm Public harm Non compliance	Employee awareness training SOP's Encourage Safe culture WHS Procedure and Management system Incident reporting Leachate monitoring Not accepting known contaminated material to site Consultation with DWER and Water Corp Mandatory Audit Report (MAR) version 2.0	Compliance Health and Safety Reputation Environmental	1 1 2 2	5 5 2 5	10	
STRAT-18	Mindarie Regional Council	Objective - Long Term Viability	Safety and Health	Contamination of emerging contaminants of concern in areas surrounding landfill	Contaminated material delivered to site undisclosed Historic landfill design Newly identified contaminated legacy material contained in landfill	Business Continuity	Health and Safety Staff harm Public harm Non compliance	Employee awareness training SOP's Encourage safe culture WHS Procedure and Management system Incident reporting Not accepting known contaminated material to site Groundwater monitoring on site and off site Consultation with DWER, Water Corp and TPRC MAR version 2.0 Community awareness	Compliance Health and Safety Reputation Environmental	5 5 5 5	2 2 2 2	10	Risk increased from 8 to 10 due to the link to Risk OPS 1 Inability to contain leachate within site boundaries
STRAT-19	Mindarie Regional Council	Objective - Long Term Viability	Federal / State Government change directions or new initiatives	Changes in Federal / State Waste Initiatives (mandatory collection systems, bans on products to landfill, etc)	Public pressure International trends State Waste Strategy Federal Government export bans Landfill levy Increase	Business Continuity	Loss of revenue Loss of volume Inability to service existing and potential contracts effectively Inability to develop new infrastructure services	Lobbying State Government MRC strategy review	Operational Efficiency Reputation Financial	3 3 5	2 2 4	20	State Waste Strategy Federal Government export bans Level of risk increased from level 6 to 20 Update 8/7/21 HR review
CEO-02	CEO Office	Governance	Governance systems and processes	Failure to develop and implement organisational policies, procedures and systems.	Lack of awareness of impacts of actions Increasing governance requirements Changes in legislation Lack of care	Statutory, Regulatory and Licence Compliance	Reduced effectiveness of organisation Non compliance Audit recommendations	Council policies Delegations Audit committee Council business systems Policy manual SOP's Information management External accreditation and auditing Legislative changes updates External audits	Compliance Operational Efficiency	5 5	1 1	5	
CEO-04	CEO Office	Human Resources	Organisational culture	Fail to define and communicate vision, mission and strategies to employees to guide and influence organisational culture	Lack of leadership and communication Lack of awareness of consequences	People Management	Poor culture Silo mentality Us and them culture Poor productivity Lack of direction Employee dissatisfaction Staff turnover	Council policies and procedures Employee training Employee Induction Reward and recognition program Cultural development program Employee performance reviews Tip talk meetings Toolbox meetings	Operational Efficiency Financial Compliance Health and Safety	3 3 1 5	1 1 1 1	5	Review after new plans
CEO-05	CEO Office	Human Resources	Recruitment and Retention	Inability to attract and retain employees to meet operational requirements	Labour market conditions Staff turnover Specific qualifications and experience requirements Uncompetitive payment with resources sector	People Management	Inability to obtain experienced employees Inability to retain employees	Favourable Workplace agreement Wellness program Working conditions Organisational culture Training program Recruitment selection and induction	Operational Efficiency Financial Compliance Health and Safety	3 3 2 2	1 1 1 1	3	

Ref No	Org Unit	Context (Strategy, Activity, Function, Phase)	Sub-Context (Critical Success Factor, Key Dependency)	Risk Description	Causal Factors	Risk Theme	Resulting In	Existing Controls	Consequence Category	Consequence	Likelihood	Level of Risk	Risk Treatment Options
CEO-06	CEO Office	Human Resources	Recruitment and Retention	Fail to maintain specialist knowledge and skills of identified key positions (CEO, DCS, Managers, Env Sup, WHS)	Highly specialised knowledge Labour market conditions Location limitations	People Management	Not meeting legislative / licence obligations Less effective operations	Transfer of knowledge through internal coaching and development Information sharing as part of succession planning Current operational manual for key positions Cross skilling between positions Specialist training Use of EDRMS for retention of corporate knowledge	Operational Efficiency Financial Compliance Health and Safety Environmental	3 2 3 2 1	2 2 2 2 2	6	
CEO-08	CEO Office	Human Resources	Performance management	Failure to performance manage employees	Lack of know how Ineffective management of employees Performance management process not adhered to	People Management	Reduced productivity Increased exposure to HR or IR law Damaged culture	Strong commitment to cultural training HR procedures in place Commitment to performance management process Updated performance review process Use of InControl to track events	Operational Efficiency Financial Compliance Health and Safety	1 1 1 1	3 3 3 3	3	
COR-01	Corporate Services	Records	Effective records management	Inefficiencies in storing, retaining and accessing corporate records	Multiple storage sites Difficulty interpreting storage and disposal requirements	Records and Document Management	Inability to recover records Inefficiencies in recovering records	Effective records management system (EDRMS) (updated software 2021) Designated Records Officer Training in records management for relevant employees Continuous improvement	Operational Efficiency Financial Compliance	2 1 3	2 1 1	4	
COR-02	Corporate Services	Records	Compliance	Fail to maintain records in accordance with State Records Act	Non compliance with records system Lack of knowledge	Records and Document Management	Inability to retrieve records Inability to meet requirements of State Records Act.	Effective records management system (EDRMS) (updated software 2021) Designated Records Officer Training in records management for relevant employees and Councillors Indepth review of records retention	Operational Efficiency Financial Compliance	2 1 3	2 1 1	4	
COR-03	Corporate Services	Finance	Maintain appropriate liquidity and debt profile	Inability to maintain organisations liquidity ratio at or above 1.1 in the long term	Unforeseen environmental, legal liability Inability to raise capital Lack of financial planning	Secure and Maintain Funding	Reduces liquidity ratio Censure by Department of Local Government	Cash flow forecasting Budgeting Monthly financial reporting Annual financial reporting Ability to obtain funding by increasing gate fee	Financial Compliance	3 3	2 2	6	
COR-04	Corporate Services	Finance	Maintain appropriate liquidity and debt profile	Inability to maintain organisations debt profile at or bEDRMSw 65% in the long term	Inappropriate funding of long term infrastructure projects Lack of financial planning	Secure and Maintain Funding	Higher debt costs Censure by Department of Local Government	Financial modelling Budgeting Annual financial reporting Ability to obtain funding by increasing gate fee	Financial Compliance	3 2	2 2	6	
COR-08	Corporate Services	Finance	Compliance reporting	Failure to meet compliance dates for compliance reporting	System failure Human error	Statutory, Regulatory and Licence Compliance	Censure from Dept of Local Government Reportable non compliance	Officer training Key dates logged in IN Control System Reporting calender	Compliance Reputation	1 2	3 3	6	
COR-09	Corporate Services	Finance Resource Recovery	Contract management	Failure to effectively manage/ deliver on new and existing MRC contracts	Lack of assigned internal contract owners Lack of contract management skills Lack of data input within system Differing expectations of performance Poor management of processes Unclear contracts and agreements Lack of communication MRC failure to meet contract obligations Project Managers ability to review and oversee contracts obligation on the MRC	Supplier / Contract Management	Contracts being mis-managed Non compliance with contract terms Inability to achieve best economic outcome Reduced efficiencies Loss of storage space Staff frustration Financial penalties Reputational damages	Key dates logged in InControl system Assigned Project Manager Contracts with commercial partners Tender process WALGA preferred suppliers Point of contact Contract contained in EDRMS Contracts listed permanently on management meeting agenda Officer responsible for contracts ensures that the contract obligations are met Contract on InControl Appropriate Insurances for increased levels of contract risk exposure	Compliance Financial Operational Efficiency	4 4 4	2 2 2	8	

Ref No	Org Unit	Context (Strategy, Activity, Function, Phase)	Sub-Context (Critical Success Factor, Key Dependency)	Risk Description	Causal Factors	Risk Theme	Resulting In	Existing Controls	Consequence Category	Consequence	Likelihood	Level of Risk	Risk Treatment Options
COR-10	Corporate Services	Finance	Systems availability and suitability	Failure to maintain continuity of operating and business systems within critical service areas (weighbridge, EDMS, INX)	Changing and evolving technology Ad hoc system development Lack of system integration	Systems and Technology	Decreased operating efficiency Potential loss of revenue Service interruption	Ongoing system maintenance Built in system redundancy On call IT support Disaster recovery plan (backups, remote site etc.) Performance monitoring IT strategy Contracts in place for business systems (SLA) Alerts to mobile phones	Financial Operational Compliance	4 3 4	2 2 2	8	
COR-11	Corporate Services	Finance	Systems availability and suitability	Failure to select the most appropriate business systems	Insufficient/inadequate due diligence	Systems and Technology	Decreased operating efficiency Potential loss of revenue Service interruption	Establishment of project teams Clear definition of business requirements Use of external expertise as required IT strategy IT systems implemented (Ledger) Continuous improvements	Financial Operational Compliance	3 3 3	2 2 2	6	
COR-13	Corporate Services	Education	Influence attitude and behaviours	Inability to influence State Agencies in relation to waste solutions	Unclear direction within State Government	Stakeholder Engagement and Expectations	Constraints placed on solutions available to Council Inability to deliver against Strategic Plan	Stakeholder communication Industry network and consultation Active lobbying State Government Positive working relationship with Minister	Financial Operational Efficiency	4 4	2 2	8	
COR-14	Corporate Services	Facility Management	Facility availability	Failure of Resource Recovery Facility (RRF)	Mechanical failure Force majeure	Business-Continuity	Additional tonnes to landfill Contract dispute	Contract contained in EDRMS Contracts listed permanently on mangement meeting agenda Officer responsible for contracts ensures that the contract obligations are met The contract requires that the parties from a Project Advisory Group (PAG)- Performance report presented to every Council meeting via the Members Information Bulletin- Additional funding for maintenance	Financial Operational Efficiency Compliance Reputation	3 3 3 3	3 3 3 3	9	RRF Contract dissolved
COR-15	Corporate Services	Facility Management	Facility availability	Damage to Resource Recovery Facility (RRF)	Mechanical failure Major weather event Fire Vandalism	Business Continuity	Financial loss Reputation Loss of opportuntiy Increase cost to Members Media scrutiny	Empty clean make safe plant Secure technical knowledge Technical Officer (Process) Insurance External Contractors Environmental licence	Financial Operational Efficiency Compliance Reputation	5 1 2 4	2 1 2 2	10	New Risk RRF Asset
OPS-01	Operations	Landfill	Contain landfill gas	Inability to contain landfill gas within landfill boundaries	Stage 1 unlined Insufficient capture Natural migration of gas Power station failure Infrastructure failure Liner failure	Managing Onsite Hazards - Environmental	Environmental impacts Financial penalties Loss of licence Poor public perception	Power station monitoring DWER licence conditions Third party design of landfill BEPM Liners and membranes Stakeholder relationships CSM Contract arrangement with EDL Engaged Environmental consultancy services Gas management plan Third Party Risk Assessment Inclusion of 6th Turbine EDL Operational Gas extraction Wells MAR Version 2.0	Natural Environment Financial Compliance Reputation	3 3 3 3	5 5 1 1	15	Implementation of the gas management plan Extensive gas well drilling campaign Likelihood increased from 3 to 5 Financial Consequence reduced from 4 to 3

Ref No	Org Unit	Context (Strategy, Activity, Function, Phase)	Sub-Context (Critical Success Factor, Key Dependency)	Risk Description	Causal Factors	Risk Theme	Resulting In	Existing Controls	Consequence Category	Consequence	Likelihood	Level of Risk	Risk Treatment Options
OPS-02	Operations	Landfill	Contain landfill leachate	Inability to contain leachate within landfill boundaries	Stage 1 unlined Liner failure Environmental factors Water table rise Third party influence on ground water	Managing Onsite Hazards Environmental	Water plume Contaminated sites branch status Damaged reputation Urban extraction requirements	Lined landfill Stage 2 Monitoring/Remediation extraction Redirecting leachate, irrigation and reinjection Best Environmental Management Practice (BEMP) CSM Leachate level testing DWER Contaminated sites branch Contractor engaged for maintenance and service of leachate pumping system Rainfall management plan Site Management Plan Additional monitoring wells installed MAR Version 2.0	Natural Environment Financial Reputation Compliance	3 3 2 3	5 5 1 2	15	Financial Consequence reduced from 4 to 3
OPS-03	Operations	Landfill Resource Recovery	Continuity of access	Inability to provide continuity of access and services	Power failure Staff availability Weighbridge failure Front gate failure Lack of tipping space Access obstruction Bushfire Plant and equipment failure Criminal activity	Business Continuity	Loss of revenue Reputation damage Disgruntled customers Disgruntled Stakeholders Penalties Increased costs of transporting waste	Backup generator Internal expertise After hours callouts Internal fire fighting crew Landfill management Alternate pricing if weighbridge not available Manual workarounds at weighbridge Exemption for Total fire ban and Total vehicle movement ban Staff rosters Security measures SOP Business Continuity Plan	Reputation Financial Operational Efficiency	2 2 2	2 2 2	4	
OPS-04	Operations	Landfill Resource Recovery	Emergency response	Fail to effectively implement response to significant natural or man made hazards on site (weather, shutdowns)	Lack of training Complacency After hours incidents Lack of plant maintenance	Managing Onsite Hazards Health & Safety	Safety issues Environmental issues Unnecessary escalation	Emergency Management Plan SOP's Training and drills Wardens/Safety Reps Safety Audits licence conditions EMMP Plant maintenance schedules Automated weather alerts	Health & Safety Natural Environment Financial	5 5 5	1 1 1	5	
OPS-05	Operations	Landfill	Site access control	Fail to prevent unauthorised access to Tamala Park site	Public access Not following signage Criminal behaviours Front gate failure Fence failure Single perimeter fence	Managing Onsite Hazards Health & Safety	Safety issues Theft Damage	Daily inspection Perimeter fence Front gate CCTV Signage Upgraded fencing Upgraded security systems	Health & Safety Financial Financial (worst case) Operational Efficiency Reputation	5 1 5 2 4	1 3 1 4 1	8	Exposure to loss of personal data
OPS-06	Operations	Landfill	Contain landfill odours	Inability to contain odours within site boundaries	Type of waste received/accepted Inadequate cover Poor gas capture Extreme weather events Poor leachate management Tying in to existing landfill Urban encroachment Increased exposure to landfill operations	Managing Onsite Hazards Environmental	Complaints Non compliance with licence Investigations Financial penalties Reputation damage	Gas collection Daily cover Leachate management Alternate cover Class 2 Solid Waste landfill Odorous load management Biological odour control DWER licence Landfill Planning Working with EDL to improve gas extraction	Compliance Financial Reputation	3 3 3	5 5 5	15	Increased exposure to landfill operations
OPS-07	Operations	Landfill	Contain landfill litter	Inability to contain litter within Tamala Park boundaries	Wind Vehicle cartage Inadequate cover	Managing Onsite Hazards Environmental	Complaints Non compliance with licence Investigations Financial penalties Reputation damage Vegetation degradation	Daily cover Alternative cover Waste compaction Litter crew Environmental inspection DWER condition Litter fence Daily boundary checks	Compliance Financial Natural Environment Reputation	1 2 1 2	4 1 4 4	8	

Ref No	Org Unit	Context (Strategy, Activity, Function, Phase)	Sub-Context (Critical Success Factor, Key Dependency)	Risk Description	Causal Factors	Risk Theme	Resulting In	Existing Controls	Consequence Category	Consequence	Likelihood	Level of Risk	Risk Treatment Options
OPS-08	Operations	Landfill	Workshop meets operational requirements	Inability to maintain and service fleet, plant and equipment to meet operational requirements	Unique pieces of plant and equipment No local supplier Unavailability of parts	Asset Management	Frustration Operational delays	Plant service contract Onsite fitter Outsource repairs Competent operators Plant and equipment workarounds Prestart checks Plant and equipment scheduled maintenance Asset Management Plan	Operational Efficiency Financial	3 3	3 3	9	
OPS-11	Operations	Environment	Site Management Plan	Failure to maintain appropriate systems and controls to an appropriate standard	Lack of staff buy in and cooperation Onerous process Lack of staff and contractor awareness Lack of commitment from senior management Change in key staff	Statutory, Regulatory and Licence Compliance	Poor public perception Poor Stakeholder perception	Audits Inspections Annual reviews Site Management Plan Staff awareness / involvement Training Senior management support Legislative compliance updates Software systems Positive organisational culture	Compliance Financial Natural Environment Reputation	2 3 3 2	3 3 3 1	9	
OPS-12	Operations	Environment	Manage pests and vermin	Fail to manage pests and vermin levels within site boundaries	Site size and location Attraction to waste Natural fauna and flora Difficult to control Introduced pests	Managing Onsite Hazards - Environmental	Harm to staff and public Harm to native fauna and flora Disruption to neighbouring communities	Pest control program Scare tactics Boundary fence Third party handlers and removers Millipede barrier Feral culling program Eradication program Community Awareness DPIRD relationship	Health & Safety Reputation Natural Environment	3 3 2	1 3 4	9	
OPS-13	Operations	Resource Recovery	Safety and Health	Fail to provide a safe public facility at recycling centre and transfer station	Public interaction with staff and recycled goods Nature of recycled goods Loading and unloading of vehicles Plant and equipment operating in area People behaviours Household chemicals Third party vehicle damage Wildlife	Managing Onsite Hazards - Health & Safety	Harm to public	Traffic Management Plan SOP Signage Safety inspections Informal alerts of dangerous materials Technical Officer Separation of operations Staff training (third party safety videos) Website info Traffic realignment Transfer station readesign Signage upgrade Third party handlers and removers Improved shop fitout REDRMScation of DG Compound	Health & Safety Health & Safety-worst case Reputation	2 5 4	4 1 2	8	
OPS-17	Operations	Resource Recovery	Customer Service	Failure to deliver consistent and quality levels of customer service	Unreasonable customer expectations Staff response to customers Lack of training Cultural diversity Organisational cultural issues	Stakeholder Engagement and Expectations	Reputation damage Safety concerns and issues Aggressive behaviour and conflict Discussions at Toolbox	Training Customer Service Charter (being revised) EAP Code of conduct Policies and procedures Customer feedback form Employee performance reviews Toolbox meetings Recruitment Selection and Induction process Happy or Not data	Reputation Health & Safety	2 2	4 1	8	
OPS-18	Operations	Resource Recovery	Cash Handling	Inability to accurately, securely and accountably handle, store and transfer cash	Criminal behaviours Lack of cash handling procedures Staff's ability to handle cash	Theft or Fraud	Theft Money loss Staff frustration and stress	Safe Electronic tills Outsource offsite cash transfer CCTV Cash reconciliation process Security measures Monitored alarms Two person counting procedure Cash Handling procedure	Financial Operational Efficiency	1 1	3 3	3	

Ref No	Org Unit	Context (Strategy, Activity, Function, Phase)	Sub-Context (Critical Success Factor, Key Dependency)	Risk Description	Causal Factors	Risk Theme	Resulting In	Existing Controls	Consequence Category	Consequence	Likelihood	Level of Risk	Risk Treatment Options
OPS-19	Operations	Resource Recovery	Weighbridge	Inability to measure accurate weight of waste at Tamala Park weighbridge to determine gate fee	System failure Staff availability Power failure Equipment failure	Business Continuity	Loss of revenue (gate fee) Operational delays Stakeholder frustration Inability to comply with DWER reporting requirements	Weighbridge maintenance Calibration Alternate set gate fee (per axle) Two weighbridges Backup generator CCTV After the event revenue collection Onsite IT support and on call rosters	Financial Reputation Operational Efficiency	2 2 2	2 2 2	4	
OPS-21	Operations	Resource Recovery	Winning Back Waste	Inability to keep significant quantities of recyclable materials out of landfill	Lack of recycling business Lack of education and awareness Lack of recycling options Pandemic / COVID 19 Cleanaway fire Regional infrastructure unavailable	Stakeholder Engagement and Expectations	Longevity of landfill Costs to landfill Reduces life cycle of landfill Poor public perception Increased global warming potential	Engage with recycling contractors Grants for resource recovery Waste segregation Resell from shop Recover recycled material from transfer Manage hazardous waste Green waste contract Mattress recycling contract EPS Recycling Government / Industry advocacy Member Council recycling and organics bins State Waste Strategy Steel recycling E-Waste recycling Cardboard recycling.	Financial Operational Efficiency Reputation	3 2 3	3 5 3	9	Update HR review 23/11/21 Reclassify the risk to significant quantities
OPS-22	Mindarie Regional Council	Operations	Emergency Response	Major Fire or Explosions	Bush fire Major vehicle fire Criminal activity Methane gas leak resulting in explosion Damage to gas bottle Inadequate segregation of chemicals Landfill ignition sources (chemical ignition/hot loads) Explosive devices delivered to site Hot works Lithium battery fires	Business Continuity	Inability to deliver service Legal action Loss of revenue Personal injury Property damage Poor public perception	Business Continuity Plan Emergency Management Plan Emergency exercises Fire fighting equipment Trained personnel - Wardens Site Management Plan SOP's DWER licence Risk assessment of leachate and gas impact Engagement with Butler Fire Station to run scenarios Bush Management Plan (fire loading); Dangerous goods licence; Total fire ban and harvest vehicle movement ban; EDL Reporting of Landfill hot spots	Financial Operational Efficiency Reputation Health and Safety Environmental	5 5 5 5 5	2 2 2 2 2	10	Update HR review 8/7/21
OPS24	Mindarie Regional Council	Operations	Emergency Response	Chemical Spill	Chemical delivered to site in damaged containers Staff and customer inattentive Damage by plant Unidentified loads	Business Continuity	Inability to deliver services Legal Action Personal injury Property Damage Temporary closure of part or all of site Loss of Revenue Health and Safety Disgruntled customers Poor public perception	Business Continuity Plan SOP's Trained personnel - Wardens Emergency Management Plan DWER licence Emergency equipment Dangerous goods licence requirements and compliance SMP Environmental Inspections WHS Inspections HHW App for clearer identification	Financial Operational Efficiency Reputation Health and Safety Environmental	3 4 5 5 5	2 2 2 2 2	10	Update HR review 8/7/21
OPS-25	Mindarie Regional Council	Operations	Emergency Response	Bomb Threat	Disgruntled customer Criminal behaviour Terrorist behaviour	Business Continuity	Staff wellness Temporary Closure of whole Site Public perception	EMP Trained personnel - Wardens Wellness program	Financial Operational Efficiency Reputation Health and Safety	2 2 1 3	1 1 1 1	3	

Ref No	Org Unit	Context (Strategy, Activity, Function, Phase)	Sub-Context (Critical Success Factor, Key Dependency)	Risk Description	Causal Factors	Risk Theme	Resulting In	Existing Controls	Consequence Category	Consequence	Likelihood	Level of Risk	Risk Treatment Options
OPS-26	Mindarie Regional Council	Operations	Emergency Response	Earth Quake and Flood	Earthquake Severe weather	Business Continuity	Personal injury Property Damage Temporary Closure of whole Site Loss of Revenue	Business Continuity Plan Emergency Management Plan (EMP) Emergency exercises Trained personnel - Wardens	Financial Operational Efficiency Reputation Health and Safety	5 5 2 5	1 1 1 1	5	
OPS-27	Mindarie Regional Council	Operations	Emergency Response	Theft / Armed Hold Up / Hostage Situation / Dangerous intruder	Disgruntled customer Criminal behaviour Terrorist behaviour Mental illness / intoxicated person Theft of chemicals (security risk substances)	Business Continuity	Personal injury Property damage Temporary closure of whole site Loss of revenue	Business Continuity Plan Emergency management guidelines Emergency exercises Trained personel - Wardens SOP's Secured premises	Financial Operational Efficiency Reputation Health and Safety	1 2 2 5	1 1 1 1	5	
OPS-28	Mindarie Regional Council	Operations	Emergency Response	Data Cyber Attack or Data Breach		Business Continuity	Partial inability to deliver services Inability to retrieve records Inability to meet requirements of State Records Act. Loss or disclosure of confidential records or information Service interruptions	Business Continuity Plan Preventative IT measures Clear definition of business requirements IT professional on staff Use of external expertise as required Penetration testing intrusion-testing (planned) Office Auditor General advisories / reports	Financial Operational Efficiency Reputation	3 3 3	3 3 3	9	Changing Technicological environment
OPS-29	Mindarie Regional Council	Operations	Emergency Response	Industrial Action	Breakdown in EBA negotiations Adverse working conditions	Business Continuity	Temporary Inability to deliver services Legal action Temporary closure of part or all of site Loss of revenue Staff wellness disgruntled customers Poor public perception	Positive workplace culture "One Team" Favourable workplace agreement Wellness program Excellent working conditions	Operational Efficiency Financial Compliance Health and Safety	3 3 2 3	1 1 1 1	3	
OPS-30	Mindarie Regional Council	Operations	Emergency Response	Worksafe Shutdown	Fatality or reportable incident on site	Business Continuity	Inability to deliver services Legal action Temporary Closure of part or all of site Loss of revenue Staff wellness Disgruntled customer Poor public perception Health & safety	Safety Inductions / tool box's Recruitment Encourage a safety culture Reportable incident procedure EMP SOP's WHS procedures Behaviour based safety observations LGIS safety audit	Operational Efficiency Financial Compliance Health and Safety Reputation	3 5 5 5 5	2 1 1 1 1	6	Review of likelihood of fatality Level of risk decreased from level 10 to 6
OPS-31	Mindarie Regional Council	Operations	Emergency Response	Medical contamination / Police investigation	Undisclosed / illegal medical waste Blood products / body parts Buried evidence	Business Continuity	Inability to deliver services Loss of revenue Disgruntled customer Health & Safety	EMP SOP's	Operational Efficiency Financial Compliance Health and Safety Reputation	3 3 3 3 3	1 1 1 1 1	3	

Ref No	Org Unit	Context (Strategy, Activity, Function, Phase)	Sub-Context (Critical Success Factor, Key Dependency)	Risk Description	Causal Factors	Risk Theme	Resulting In	Existing Controls	Consequence Category	Consequence	Likelihood	Level of Risk	Risk Treatment Options
OPS-32	Mindarie Regional Council	Operations	Emergency response	Pandemic	Pandemic eg. Swine flu, Bird flu, Ebola, COVID-19.	Business Continuity	Possible fatality Inability to deliver full suite of services Loss of revenue Disgruntled customer Health & Safety Staff wellness Non compliance to licences Disruption to landfill gas monitoring Loss of volunteer workforce Increased pressure on services	Business Continuity Plan Wellness program EAP support Contractor / Agency agreements Staff succession plans Federal and State Government Information Crisis Managment Team meetings and updates Off-site capabilities, video conferencing, working from home. Staff hygiene education Social distancing Daily cleaning program Emergency management procedures Consistent communication Reduction in non-essential services Obtain exemptions from regulators Collaboration with other stakeholders Essential Service (State wide Emergency) Public Health Order - vaccine mandate Vaccination register	Operational Efficiency Financial Compliance Health and Safety Reputation	5 3 5 5 5	2 2 2 2 2	10	Due to the COVID-19 Pandemic. Materially business as usual, no infections and no fatalities. Measured scaleable response.
OPS-033	Operations	Landfill	Contain landfill gas	Inability to contain landfill gas within leased site boundaries	Stage 1 unlined Insufficient capture Natural migration of gas Power station failure Infrastructure failure Liner failure	Managing Onsite Hazards Environmental	Environmental impacts Financial penalties Loss of licence Poor public perception	Power station Monitoring DWER licence conditions Third party design of landfill BEPM Liners and membranes Stakeholder relationships CSM Contract arrangement with EDL Engage environmental consultancy services Implementation of recommendations from MAR Version 2.0	Natural Environment Financial Compliance Reputation	5 5 5 5	2 2 2 2	10	Implementation of the gas management plan Extensive gas well drilling campaign
OPS-034	Operations	Landfill	Contain landfill leachate	Inability to contain leachate within leased site boundaries	Stage 1 unlined Liner failure Environmental factors Water table rise Third party influence on ground water	Managing Onsite Hazards Environmental	Water plume Contaminated sites branch status Damaged reputation Urban extraction requirements Site classification upgraded to contaminated-remediation required	Lined landfill Remediation extraction Rediverting leachate BEMP CSM Leachate level testing DWER contaminated sites branch Groundwater monitoring and annual report Rainfall management plan Site Managemant Plan MAR Version 2.0 Community consultation Advocacy with Water Corporation / Q40 well turned off	Natural Environment Financial Reputation Compliance	4 5 5 3	5 2 2 1	20	

Risk Tables

Item 8.5	ATTACHMENT 6a	Item 8.5
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RISK ASSESSMENT & ACCEPTANCE CRITERIA
(As at 11 February 2020)

EXISTING CONTROLS RATING

LEVEL	RATING	FORESEEABLE	DESCRIPTION
E	Excellent	Doing more than what is reasonable under the circumstances	Controls are fully in place, are being well addressed / complied with, are subject to ongoing maintenance and monitoring and are being continuously reviewed and tested
A	Adequate	Doing what is reasonable under the circumstances	Controls are in place, are being addressed / complied with and are subject to periodic review and testing
I	Inadequate	Not doing some or all things reasonable under the circumstances	Controls do not exist, or are not being addressed / complied with, or have not been reviewed or tested for some time

MEASURES OF CONSEQUENCE

LEVEL	RATING	HEALTH & SAFETY	FINANCIAL	NATURAL ENVIRONMENT	REPUTATION	COMPLIANCE	OPERATIONAL EFFICIENCY
1	Insignificant	Negligible injuries	Less than \$20,000	No Significant Environmental Risk, Contained, reversible impact managed by localised staff response	Unsubstantiated, localised low impact on key stakeholder trust, low profile or no media item	Occasional notifiable temporary non-compliances	Isolated interruption of services
2	Minor	First aid injuries	\$20,000 - \$50,000	No Significant Environmental Risk, Contained, reversible impact managed by escalated internal response	Substantiated, localised impact on key stakeholder trust or low media item	Multiple notifiable non-compliances	Short term interruption of services – backlog cleared < 1 day
3	Moderate	Medical type injuries or Lost time injury < 5 days	\$50,000 - \$500,000	Contained, reversible impact managed by external agencies	Substantiated, local public embarrassment, moderate impact on key stakeholder trust or moderate media profile	Non-compliance with significant regulatory requirements imposed	Medium interruption of services – backlog cleared by additional resources < 1 week
4	Major	Lost time injury > 5 days	\$500,000 - \$2M	Uncontained, reversible impact managed by a coordinated response from external agencies	Substantiated, public embarrassment, widespread high impact on key stakeholder trust, high media profile, third party actions	Non-compliance results in termination of services or imposed penalties	Prolonged interruption of critical services – additional resources required and performance affected < 2 months
5	Catastrophic	Fatality, permanent disability	More than \$2M	Uncontained, extensive remediation required	Substantiated, public embarrassment, widespread loss of key stakeholder trust, high state widespread multiple media profile, third party actions	Non-compliance results in criminal charges or significant damages or penalties	Indeterminate prolonged interruption of critical services – non-performance > 2 months

RISK ASSESSMENT & ACCEPTANCE CRITERIA
(As at 11 February 2020)

MEASURES OF LIKELIHOOD

LEVEL	RATING	DESCRIPTION	FREQUENCY
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year
4	Likely	The event will probably occur in most circumstances	At least once per year
3	Possible	The event should occur at some time	At least once in 3 years
2	Unlikely	The event could occur at some time	At least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	Less than once in 15 years

RISK MATRIX

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	MODERATE (5)	HIGH (10)	HIGH (15)	EXTREME (20)	EXTREME (25)
Likely	4	LOW (4)	MODERATE (8)	HIGH (12)	HIGH (16)	EXTREME (20)
Possible	3	LOW (3)	MODERATE (6)	MODERATE (9)	HIGH (12)	HIGH (15)
Unlikely	2	LOW (2)	LOW (4)	MODERATE (6)	MODERATE (8)	HIGH (10)
Rare	1	LOW (1)	LOW (2)	LOW (3)	LOW (4)	MODERATE (5)

RISK ACCEPTANCE CRITERIA

RISK RANK	DESCRIPTION	CRITERIA FOR RISK ACCEPTANCE	RESPONSIBILITY
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Director / CEO
EXTREME	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

<p>Declaration of Interest Form</p>

	<p>ATTACHMENT 7</p>	
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Mindarie Regional Council

DECLARATION OF FINANCIAL INTEREST/INTEREST THAT MAY AFFECT IMPARTIALITY

To: **CHIEF EXECUTIVE OFFICER,
MINDARIE REGIONAL COUNCIL**

Name & Position	
Meeting Date	
Item No/ Subject	
Nature of Interest	
Extent of Interest	.
Signature	
Date	

Section 5.65(1) of the Local Government Act 1995 states that:

“A member who has an interest in any matter to be discussed at a Council or Committee meeting that will be attended by that member must disclose the nature of the interest:

- (a) in a written notice given to the CEO before the meeting; or
- (b) at the meeting immediately before the matter is discussed

Nomination Forms

Items
2 & 3

ATTACHMENT 8

Items
2 & 3



**NOMINATIONS FOR ELECTION OF CHAIR OF THE MINDARIE REGIONAL COUNCIL
AUDT COMMITTEE**

Cr Frank Cvitan	
Cr Paul Miles	
Cr Elizabeth Re	
Cr Karen Vernon	



**NOMINATIONS FOR ELECTION OF DEPUTY CHAIR OF THE MINDARIE REGIONAL
COUNCIL AUDT COMMITTEE**

Cr Frank Cvitan	
Cr Paul Miles	
Cr Elizabeth Re	
Cr Karen Vernon	

MINUTES – MUNICIPAL WASTE ADVISORY COUNCIL (MWAC)



Municipal Waste Advisory Council

Minutes

4.00pm Wednesday
8 December 2021
Online

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ATTENDANCE

Cr Doug Thompson (Fremantle)

Cr Les Price (Cue)

Mayor Ruth Butterfield (Armadale)

Cr Peter Abetz

Cr Giorgia Johnson (City of Bayswater)

Cr Karen Wheatland (Melville)

Cr Andrew Maurice (Mosman Park)

Mr Douglas Bruce

Mr Scott Cairns

Mr Stefan Frodsham

Mr Chris Hoskisson (Joondalup)

Ms Ruth March (Albany)

Ms Hayley Willaimson

Mr Marcus Geisler

Ms Rebecca Brown

Ms Candy Wong

Ms Tazra Hawkins

Ms Gráinne Whelan

Ms Nicole Matthews

Mayor Logan Howlett

Cr Stephanie Stroud

WALGA State Council

WALGA State Council

WALGA State Council

City of Gosnells

Eastern Metropolitan Regional Council

Resource Recovery Group

Western Metropolitan Regional Council

Eastern Metropolitan Regional Council

Mindarie Regional Council

Western Metropolitan Regional Council

Metropolitan Local Government

Non-Metropolitan Local Government

City of Greater Geraldton

Eastern Metropolitan Regional Council

Municipal Waste Advisory Council

Municipal Waste Advisory Council

Municipal Waste Advisory Council

Municipal Waste Advisory Council

WA Local Government Association

City of Cockburn

City of Subiaco

*Chair**Observer**Observer***APOLOGIES**

Cr Karen Vernon (Victoria Park)

Ms Kate Shaw

Mindarie Regional Council

Bunbury Harvey Regional Council

1 PROCEDURAL MATTERS

1.1 MWAC Minutes tabled at WALGA State Council

A summary of the Minutes of the Municipal Waste Advisory Council meeting held Wednesday, 13 October will be noted at the next WA Local Government Association State Council meeting.

2 MINUTES OF PREVIOUS MEETING

2.1 Confirmation of the Previous MWAC Minutes

MUNICIPAL WASTE ADVISORY COUNCIL MOTION (CR PRICE/MAYOR BUTTERFIELD)

The Minutes of the meeting of the Municipal Waste Advisory Council held on Wednesday, 13 October were confirmed as a true and accurate record of the proceedings.

2.2 Business Arising from the Previous MWAC Minutes

A	Issue	June 2021 MWAC Item 5.8 FOGO in MUDS		
	Action	1. Executive Officer will follow up to determine if information on the <i>Waste Avoidance and Resource Recovery Act 2007</i> can be provided to DAPs so the members understand the regulatory requirements regarding Local Government waste collection. 2. The Chair requested that the Executive Officer provide information on how the amount/type of education a Local Government undertakes can impact on their contamination rate.		
	Timeframe		Status	1. Examples are requested from Members regarding this issue. 2. To be completed

B	Issue	August 2021 MWAC Item 3.3 Local Government Support for Single Use Plastics		
	Action	That the Municipal Waste Advisory Council: 1. Write to the Environment Minister supporting the Single-use Plastics Ban 2. Encourage Local Governments to write to the Environment Minister supporting the Ban. 3. MWAC request State Council to place this item on the agenda for the next round of Zone Meetings.		
	Timeframe		Status	Complete

E	Issue	August 2021 MWAC Item 7 General Business		
	Action	That the Municipal Waste Advisory Council undertake a workshop with the Goldfields Esperance Country Zone at their earliest convenience to identify ways that MWAC can further represent and assist the Zone.		
	Timeframe		Status	The Zone have requested that MWAC hold a Waste Summit in the Regional.

3 DECISION ITEMS

3.1 Proposal to control non-hazardous e-waste under the Basel Convention***

MUNICIPAL WASTE ADVISORY COUNCIL MOTION (CR PRICE/MAYOR BUTTERFIELD)

That the Municipal Waste Advisory Council endorse the Draft Submission on the Proposal to Control non-hazardous e-waste under the Basel Convention.

In Brief

- There is a Ghanaian and Swiss Proposal to amend requirements for the export and import of e-waste. The proposal seeks to control all e-waste (hazardous and non-hazardous) to ensure that e-waste recycling and recovery is to best practice.
- The potential implications of the proposal include additional costs for the export of e-waste materials (such as plastic) which have been separated for recovery. However, as the export of these materials has currently been halted (due to the plastic export ban) this proposal provides a pathway for the material to be recovered.

Background

The Basel Convention is a global environmental treaty that regulates the transboundary movement of waste materials. There is a process to amend the Convention via consideration of proposals for change by all signatories. Ghana and Switzerland have put forward a *Proposal to amend requirements for the export and import of e-waste*. The proposal seeks to control all transboundary movement of e-waste, regardless of whether it is hazardous or non-hazardous. This would result in proposals to dispose of non-hazardous e-waste being assessed to ensure appropriate recycling and recovery techniques are utilised and the e-waste is transported and managed in accordance with best practice.

Comment

The Association has developed a Draft Submission. The Submission indicates in principle agreement with the proposal to ensure that all transboundary movements of e-waste (including e-waste components) are managed in an environmentally sound manner, which protects human health and contributes to the circular economy. However, for Western Australia there is still a heavy reliance on export of certain materials as there are no local recycling options. Therefore, for this amendment to not overly impact the recycling of these materials in WA, the following would be required:

- Clear and timely process for Prior Informed Consent
- A Product Stewardship Scheme for electronic and electrical waste which covers *all* costs associated with the recycling of the materials
- That there is proper diligence and enforcement of the changes by the regulator and customs authorities.

In developing this Submission, WALGA undertook consultation with Total Green Recycling. As the primary e-waste recycler in WA, Total Green Recycling were supportive of the Proposal, as long as sufficient resources were allocated to audit and enforcement. The draft Submission was attached (p. 1).

Discussion at the Municipal Waste Advisory Council

Australia is a signatory to the Basel Convention which regulates the transboundary movement of waste materials which includes the movements of hazardous waste from developed to less developed nations. The regulations that govern the Convention can impact Local Governments involved with recovering material from kerbside waste streams and exporting them overseas.

4 DISCUSSION ITEMS

4.1 WARR Act Review

In Brief

- The WARR Act Review report recommends changes to the Act which will impact Local Government.
- In particular the definition of essential services, enforcement of better practice approaches and waste plans.

For Discussion

- Process for providing input into the next phase of the Act Review

Background

The *Waste Avoidance and Resource Recovery Act 2007* (WARR Act) was reviewed in 2020 in line with the requirement to review the WARR Act every 5 years. On 27 October 2021, the Minister for Environment tabled the [report on the second statutory review of the Waste Avoidance and Resource Recovery Act 2007](#) in Parliament in accordance with the requirements of section 99 of the WARR Act.

The Report includes 19 recommendations in relation to the Act, most significant are:

- Several recommendations relating to clarifying the role of the Waste Authority
- Inclusion of provisions in the Act for better practice approaches to be adopted and enforcement measures
- Following consultation with Local Government, define essential waste services and clarify the sector's role in relation to essential waste services.
- Amend provision for waste plans to improve their operation and alignment to the outcomes of the waste strategy, including powers that ensure the plans are implemented
- Improved powers in the Act for Product Stewardship.

The Executive Officer is following up with the Department of Water and Environmental Regulation on a timeline for the legislative amendments.

Discussion at the Municipal Waste Advisory Council

Proposed amendments to improve powers in the Act for Product Stewardship will enable the WA Government to implement future Product Stewardship Schemes without having to amend legislation. For example, the Act as it is currently written did not provide sufficient head of power to allow the implementation of the Container Deposit Scheme (CDS) through new regulation. Instead, legislative changes were required to enable the CDS to be put in place. This Review may address the Department of Water and Environmental Regulation's role in administering the Waste Levy, but the way in which the Levy is distributed does not form part of the scope. There is a separate process for the review of the Waste Levy.

4.2 Local Government Act Reforms Waste Implications

In Brief

- The Government has released a wide range of [Local Governments Reforms](#), some of which relate to waste management, in particular streamlining local laws, resource sharing and waste charges.
- Feedback on the reforms is due February 2022.

For Discussion

- Feedback on these issues for incorporation into the WALGA Submission.

Background

The key reforms for waste management include:

- Streamlining local laws: Local laws will be streamlined to create greater consistency and reduce the complexity of regulation, particularly for rules about installing minor signage for small business, and the planning of community events. There will be new, simple model local laws that Local Governments can easily adopt.
- Creating flexibility to enable resource sharing: Legislation will specifically enable and encourage Local Governments to share resources, including CEOs and senior employees. For instance, it will be easier for two or three Local Governments to hire one shared CEO.
- The cost of waste collection services provided to a property will be required to be separately stated on any rates notice for that property. This provides ratepayers with clear transparency for what waste collection services cost.

The Officers Advisory Group suggested that there should be a list of which costs should be included in the waste collection service charge to ensure a transparent process of comparison. In regard to separating out costs, the Pensioner rebate was capped at \$750.

Discussion at the Municipal Waste Advisory Council

A streamlined approach to local laws is already in place for Local Government through the use of the Waste Local Law template. The review may provide an opportunity to revisit the Waste Local Law and make any necessary amendments particularly if there are changes to the WARR Act. There is potentially support for separating out rates charges relating specifically to waste services, however a number of factors, including the introduction of new services such as FOGO systems, can significantly influence the costs of services provided by Local Governments. It would be reasonable to include factors that are comparable between Local Governments and there needs to be agreement or direction from the State Government clearly indicating inclusions and exclusions. The Executive Officer will investigate how many Local Governments separate waste charges and what they currently include.

5 INFORMATION ITEMS

5.1 Productivity Commission Right to Repair Report

- MWAC made two Submissions on the Productivity Commission Right to Repair investigation. The Productivity Commission handed their Report to the Australian Government on 29 October 2021. The [Report](#) has been released and a short summary will be provided at the meeting.

Discussion at the Municipal Waste Advisory Council

Three of five issues raised in the MWAC submission were addressed by the Productivity Commission. A summary of the recommendations is included in the Minutes Attachments (p. 3).

5.2 Polyphagous Shot-Hole Borer

- The [PSHB quarantine zone](#) has been significantly expanded, from the original 3 Local Government areas to 17.
- There may be waste management implications if additional restrictions are put in place on the movement of green waste.
- Feedback from the Officers Advisory Group indicated that the expansion of the zone had made it administratively more straightforward to move green waste from one area to another.

Discussion at the Municipal Waste Advisory Council

The expansion of the Quarantine Area (QA) indicates that the Department of Primary Industries and Regional Development is concerned about the spread of Polyphagous shot-hole borer (PSHB) *Euwallacea fornicatus*. Local Governments within the QA do not need to apply for exemptions to transport green waste within the QA. The

Department have set up PSHB traps around the perimeter of all sites that process green waste and FOGO, whether it be through mulching or compost, within the QA. At this point in time, Local Governments should be aware of the issue as long-term impacts may influence considerations to plant PSHB resistant species for street and urban canopy projects. In the short term, Local Governments can encourage their communities to download the [My PestGuide Reporter App](#) and contact the Department to set up traps at Local Government facilities to assist to help with early detection. MWAC will make a recommendation to State Council to note this as an emerging issue.

5.3 Program Update

- Bin Tagging Program
 - The Bin Tagging App is currently being developed, anticipated completion by February 2022
 - WALGA is working with Resource Recovery Group, Western Metropolitan Regional Council, Town of Bassendean, City of Wanneroo and City of Vincent.
 - As part of the Program, Waste Audits will be conducted prior to and post Bin Tagging of approximately 200 households.
- Better Practice Guidelines for Multiple Dwelling Developments (MDDs)
 - Talis Consulting have developed a Draft Better Practice Guideline for new MDDs
 - WALGA are working to update the Better Practice Guideline for existing MDDs
 - Talis will be working with several Local Governments, in early 2022, to undertake pilot projects to test the various communications/infrastructure approaches to reduce contamination and increase resource recovery from MDDs.
- E-waste Recycling Program
 - An e-waste collection was held on 30 October in the City of Albany and was attended by nearly 500 community members.
 - E-waste is being collected over a longer period at the Shires of Jerramungup, Plantagenet and Denmark.
 - An e-waste collection day is scheduled for 27 November in Geraldton.
- Community Sharps Program
 - WALGA has placed an order for 277 sharps containers, to be provided to 24 Local Governments across WA.
 - Delivery of the containers will occur over the next few months.

5.4 Great Southern Waste Summit

- The fourth annual non-metropolitan Waste Summit was held on 11 and 12 November in Albany. It was attended by 45 representatives from Local Government, State Government, community groups and industry.
- Results from the post-Summit survey indicated that:
 - A high percentage of respondents were satisfied (50%) and very satisfied (39%) with the information provided by speakers*.
 - The format of the event was very well received with 100% of respondents liking the number and duration of presentations, time allocated for questions, discussions, breaks etc.
 - 100% of respondents who attended the Tour were satisfied with the duration and number of sites visited.
- General comments from the post-Summit survey noted that the event provided a good overview of regional waste issues as well as great networking opportunities, and respondents would like to see this event continue to be held throughout regional WA.

- WALGA will be seeking expressions of interest from Local Governments to host future Waste Summits in early 2022.

**Based on a satisfaction rating scale where 5-stars = very satisfied.*

Discussion at the Municipal Waste Advisory Council

The Chair recognised the value of these events in providing opportunities to visit regional areas and local processing facilities to hear about waste issues specific to the regions.

5.5 Waste Authority Annual Report

- The [Waste Authority 2020/21 Annual Report](#) has been tabled in Parliament. The Report includes some details regarding the expenditure of the budget (p. 29).

Discussion at the Municipal Waste Advisory Council

The 31% recovery rate for the metropolitan area was questioned. The Executive Officer indicated there are many factors which influence this, including those outside the waste industry, so it can be difficult to determine why recovery rates have fallen as indicated in the latest Annual Report. A time lag in the data of several years combined with incidents of Waste Levy avoidance could mean there is discrepancy in the reported figures. The Executive Officer will investigate if there is more information available.

5.6 Rivers Regional Council Regional Subsidiary

- Rivers Regional Council's (RRC) proposal for a Regional Subsidiary is with the Local Government Minister for consideration. RRC is not contributing financially to MWAC in the current financial year, therefore is no longer a member. Once the Regional Subsidiary is established it will consider membership of MWAC.

Discussion at the Municipal Waste Advisory Council

The Rivers Regional Council has received correspondence from the Local Government Minister indicating that it's proposal to form a Regional Subsidiary has not been approved. The Executive Officer will seek further information from the Council.

6 REPORTS

6.1 Working Groups/Committee Reports

MWAC Groups

1. Metropolitan Regional Council Working Group

Delegates/Nominees: Mr Tim Youé, Working Group Chair

The Working Group met on Monday 29 November to discuss the MWAC Partnership Agreement and re-affirmed Tim Youé as Working Group Chair.

2. Reducing Illegal Dumping Working Group

Delegates/Nominees: n/a

This Group has not met since the previous MWAC Meeting.

3. Vergeside Collection Working Group

Delegates/Nominees: n/a

This Group has not met since the previous MWAC Meeting. However it anticipated that the DWER Better Practice Guideline for Vergeside Collection and Drop off will be released in early 2022.

4. Consistent Communications Collective

Delegates/Nominees: n/a

This Group met on Wednesday, 1 December to discuss the single use plastic ban.

5. Industry Training Reference Group

Delegates/Nominees: n/a

This Group met on Tuesday, 30 November to discuss the landfill elements of the Certificate III in Waste Management. It is anticipated the Group will have one final meeting in January to finalise all the unit materials.

6. Household Hazardous Waste Advisory Group / Operators Meeting

The HHW Operators meeting was held on 18 November and discussed the requirements for the battery product stewardship scheme which will commence in early 2022.

External Committees and Working Groups**1. DWER Waste Reform Advisory Group**

Representative: MWAC Chair, MWAC Executive Officer and CEO of SMRC

The Group met on 2 November.

2. DWER Regulatory Reference Group

Representative: WALGA Executive Manager, Strategy Policy and Planning

This Group has not met since the previous MWAC Meeting.

3. DWER FOGO Reference Group

Representative: MWAC Executive Officer, SMRC, EMRC, WMRC,

This Group met on 13 October.

4. DWER Single Use Plastic Working Group

Representative: MWAC Executive Officer

This Group met on 9 November.

5. WARRRL Local Government Reference Group

Representative: MWAC Executive Officer

This Group has not met since the previous MWAC Meeting.

6. Australasian Packaging Label Marketing and Communications Working Group

Representative: MWAC Executive Officer

This Group met on 30 November.

7. Hazard Coordinating Committee

Representative: MWAC Executive Officer

This Group has not met since the previous MWAC Meeting.

8. Across Agency Asbestos Group

Representative: MWAC Executive Officer

This Group has not met since the previous MWAC Meeting.

9. Main Roads Waste Forum

Representative: MWAC Executive Officer / Waste Management Specialist

This Group met on 3 November. The Waste Authority have now established a C&D Reference Group, which may supersede the Main Roads Waste Forum.

10. Waste Management and Resource Recovery Association

Representative: MWAC Executive Officer, CEO of SMRC

This Group is meeting on 2 December.

11. Charitable Recyclers Australia

Representative: MWAC Executive Officer

This Group has not met since the previous MWAC Meeting.

7 OTHER GENERAL BUSINESS**7.1 Meeting with Environment Minister**

- The Chair, Executive Officer and Acting WALGA President, Cr Karen Chappel met with the Environment Minister on Monday, 29 November to discuss:
 - Extended Producer Responsibility
 - FOGO
 - National TV and Computers Product Stewardship Scheme

7.2 MWAC Elections

- Elections for Chair and Deputy Chair of MWAC will take place at the first meeting of 2022.

The meeting closed at 4:47pm.

8 NEXT MEETING

The next meeting of the Municipal Waste Advisory Council will be held online at **4:00pm on Wednesday, 16 February 2022***.

**Please note that the first meeting of 2022 will now be held online and that the date has been moved forward one week to allow for a meeting of State Council to take place on the originally scheduled date.*



Submission to the Department of Agriculture, Water and Environment Proposal to control transboundary movement of non-hazardous e-waste

November 2021

Status of this Submission

This Submission has been prepared through the Municipal Waste Advisory Council (MWAC) for the Western Australian Local Government Association (WALGA). MWAC is a standing committee of WALGA, with delegated authority to represent the Association in all matters relating to solid waste management. MWAC's membership includes the major Regional Councils (waste management) as well as a number of Local Government representatives. This makes MWAC a unique forum through which all the major Local Government waste management organisations cooperate.

This Submission therefore represents the consolidated view of Western Australia Local Government. However, individual Local Governments and Regional Councils may have views that differ from the positions taken here.

Due to the timeframe for Submissions, this Submission has not yet been considered by MWAC. It will be put before the Council at the upcoming meeting on Wednesday, 8 December 2021. The Department will be informed of any changes to this Submission following consideration by MWAC.

Introduction

The Western Australian Local Government Association (Association) welcomes the opportunity to comment on Ghanaian and Swiss *Proposal to amend requirements for the export and import of e-waste*. The proposal seeks to control all transboundary movement of e-waste, regardless of whether it is hazardous or non-hazardous. This would result in proposals to dispose of non-hazardous e-waste being assessed to ensure appropriate recycling and recovery techniques are utilised and the e-waste is transported and managed in accordance with best practice.

Existing controls for transboundary movement of hazardous waste

Currently exporters and importers of hazardous waste require Prior Informed Consent (PIC) for transboundary movement of hazardous waste via a hazardous waste permit. The permit can be issued for up to 12 months and can cover multiple waste shipments.

In relation to e-waste the Basel Convention Technical Guidelines clarify when e-waste is considered **hazardous** and requires a PIC. Examples include:

- cathode ray tubes (CRTs) and solder on circuit boards containing lead and lead compounds
- nickel-cadmium batteries, semiconductors or CRTs with cadmium and cadmium compounds
- semiconductors and flame retardants in plastics containing antimony and its compounds
- button-cell batteries, fluorescent tubes and liquid crystal displays containing mercury and mercury compounds
- photoconductive material in photocopier drums containing selenium or cadmium sulphide
- capacitors and transformers containing polychlorinated biphenyls
- plastic components of electronics and electric appliances, including printed circuit boards and electrical wire insulation, containing brominated flame retardants (BFRs) and short-chain chlorinated paraffins.

In relation to e-waste with all hazardous components removed or sorted non-hazardous e-waste components a PIC is not currently required for transboundary movement. However, under the Ghanaian and Swiss proposal these components will now require a PIC (export permit). It is proposed the following plastic fractions from e-waste will require a PIC:

- Plastics that are not sorted into a single polymer or resin
- Plastics that are sorted into a single polymer or resin that are contaminated with other materials (e.g., other polymers, resins, metals, etc.)
- Plastics that are not going for a recycling operation (e.g., landfill, incineration, or use as a fuel)
- Certain fluorinated polymers such as polyvinyl chloride (PVC)
- Hazardous plastics (e.g. plastics containing BFRs).

Feedback from a WA based e-waste recycler has identified they are currently unable to export these plastic components due to the Recycling and Waste Reduction Act 2020 export ban on plastics. This has reduced the recovery rate for electronic waste, as there are not local recycling options. As it is proposed there will be fees and levies associated with obtaining hazardous permits this will contribute additional costs for exporters and importers of electronic waste components. Obtaining PIC's can also take several months which may lead to delayed shipments.

Conclusion

The Association agrees in principle with the proposal to ensure that all transboundary movements of e-waste (including e-waste components) are managed in an environmentally sound manner, which protects human health and contributes to the circular economy. However, for Western Australia there is still a heavy reliance on export of certain materials as there are no local recycling options. Therefore, for this amendment to not overly impact the recycling of these materials in WA, key requirements are:

- Clear and timely process for Prior Informed Consent requirement
- A Product Stewardship Scheme for electronic waste which covers *all* costs associated with the recycling of the materials
- That there is proper diligence and enforcement of the changes by the regulator and customs authorities.

WALGA has highlighted in Submissions on the review of the National TV and Computer Product Stewardship Scheme, the need for immediate reform of this Scheme to ensure that all the costs associated with transport and recycling of electronic waste are covered. This is a necessary condition for effective recycling of these products to occur to ensure costs are not passed onto the Local Government and consequently the community.

Summary of Productivity Commission Right to Repair Report

In July 2021 WALGA's conclusions to the Draft Right to repair report were:

- Ensuring the community has access to repairers and the parts needed for repairs **addressed in 2 (i) - (iii) and (vi)**
- Reducing the cost of repair – currently it is frequently cheaper to buy a new product than to have it repaired **addressed in 2 (i) - (iii) and (vi)**
- Reduce built in or planned obsolescence for electronic products and any associated accessories – one example given was games consoles, when a new console is released the games from the previous model do not fit into the new model - **not addressed**
- Ensure effective product stewardship is in place, so that that producers are taking financial or physical responsibility for their products at end of life – **not addressed**
- Ensuring the warranty issues are well addressed in any changes – **addressed in 1 (iv)**

Overview and findings of Productivity Commission Inquiry Report

The commission concluded that additional regulatory guidance on durability as a means of assisting consumers better access their rights to a remedy under consumer guarantees would be unlikely to have net benefits. However, there are barriers to repair for some products that policy reform could reduce such as:

1. Enhance consumer rights

- Include software upgrades in consumer guarantees for manufacturers to provide reasonable software updates for a reasonable time period after the product has been purchased, with no option to limit or exclude that guarantee.
- Consumer groups to be able to lodge super complaints on consumer issues which would be fast tracked by the ACCC and a response provided within 90 days. This provides regulators with an additional source of intelligence and improves transparency around how regulators respond to major consumer issues
- States and Territories use of alternative dispute resolution options to better resolve complaints
- Regulator powers to enforce consumer guarantees. Currently there are limits to how the ACCC can take enforcement action in relation to the consumer guarantees, which in turn limits its ability to take action on systemic issues. the ACL should be amended to make it a contravention for suppliers and manufacturers to fail to provide a remedy to consumers when legally obliged to do so under the consumer guarantees. This would allow the ACCC (or other ACL regulators) to unilaterally commence court proceedings in relation to the consumer guarantees, without the need to obtain consent from each affected consumer. It would also allow ACL regulators to seek pecuniary penalties from offending suppliers and manufacturers, in addition to obtaining redress for affected consumers.
- A specific issue with consumer awareness is when manufacturer warranties include terms that automatically void the warranty if repairs are undertaken by a non-authorised repairer or use non-authorised parts. To help address this issue, the Government should amend the existing ACL regulations that require all manufacturer warranties to contain text about the guarantees, and add additional text stating that entitlements to a remedy under the consumer guarantees do not require consumers to have previously used authorised repair services or spare parts.

2. Promote competition and enable access to repair supplies

- ACCC to undertake mobile phone and tablet market study due to companies restricting access to specialised tools and information required to repair their devices
- The Commission recommends an independent public review of existing medical device regulations. Currently the Therapeutic Goods Administration requires that manufacturers demonstrate that the

design and construction of certain medical devices eliminate or reduce risks as far as possible. However, the ongoing safety and efficacy of their medical devices can encourage manufacturers to 'limit, restrict or prohibit the repair of the medical device'

- iii. ACCC to investigate claims of anti-competitive conduct in repair markets with a focus on watch repairers as these small independent repairers have stated that overseas manufacturers are refusing to supply watch repair equipment and components across multiple brands. This would also test the impact of recent legislative changes and global repair market developments, as well as provide an educative or deterrent effect to the broader repair market.
- iv. Amend the Copyright Act to include provisions that facilitate accessing and using repair information. At present, copyright laws inhibit the reproduction of copyrighted materials — including repair information such as manuals and schematics. In the Commission's view, this does not strike the right balance between the interest of rights holders and of others seeking to access and use those materials for the purpose of undertaking repairs. The Commission recommends the introduction of a new fair dealing exception that allows for the reproduction and sharing of repair information. This would allow repair activities to be explicitly and immediately embedded in the copyright exception regime.
- v. Evaluate motor vehicle mandatory information sharing scheme. In 2021, the Australian Government established a repair supplies obligation (due to commence in July 2022) which aims to expand access to repair information for motor vehicles — the *Motor Vehicle Service and Repair Information Sharing Scheme* (MV scheme). The scheme's objective is to help improve competition in motor vehicle repairs, by requiring manufacturers to share vehicle diagnostic, service and repair information on fair and reasonable commercial terms. The MV scheme should be independently evaluated once it has been in operation for three years. The evaluation report should be made public. The evaluation should assess whether the scheme is effectively meeting its objectives to improve competition and choice, whether the benefits outweigh the costs, and whether any changes are required.
- vi. Introduce a repair supplies obligation for agricultural machinery. The proposed scheme would require manufacturers to provide access to repair information and diagnostic software tools to machinery owners and independent repairers on fair and reasonable commercial terms. Currently the market for machinery repairs is often dominated by the authorised dealer networks of leading machinery brands. Where owners use authorised dealers, the Commission's survey also found they tended to experience greater repair delays, leading to significant financial losses as they were fewer outlets less geographic spread. The Commission has not recommended the inclusion of spare parts in the initial rollout. Design of the scheme should commence by the end of 2022. This will provide time for the industry to progress voluntary information-sharing initiatives, which could potentially reduce the scope of a repair supplies obligation. And, like the MV scheme, this scheme should also be evaluated once it has been in operation for three years.

3. Improve product information and e-waste management

- i. The Commission recommends that the Australian Government (in consultation with consumer, environmental, and industry groups) introduce a **product labelling scheme** that provides repairability and/or durability information for consumers. As part of its development, the government should design and implement a pilot scheme (supported by consumer research) for a limited number of products where the benefits are likely to be greatest (such as white goods and consumer electronics). This would help build up the evidence base on the benefits and costs of labelling. The pilot scheme should then be reviewed to assess its effectiveness and whether it should be modified or expanded to include additional products in the formal labelling scheme
- ii. Count repair and reuse in product stewardship scheme targets. The Australian Government should remove the disincentives against repair and reuse in the NTCRS, by amending the scheme's annual recycling targets to also count reused e-waste products. This would allow NTCRS co-regulatory bodies

to determine the best outcome for collected e-waste, instead of requiring all of it to be recycled. Any future product stewardship schemes should also include repair and reuse as options within their targets, where practical. Permitting reuse within product stewardship schemes also requires careful implementation to reduce the risk of more products ending up in poor-quality recycling facilities overseas, generating worse health and environmental outcomes.

- iii. Use tracking devices to determine the end-of-life location of e-waste. The Australian Government should make better use of electronic tracking devices to monitor the end-of-life locations for Australian e-waste. Given constraints on the use of surveillance devices in some states and territories, this could start with an increased use of electronic tracking devices in the NTCRS. The Department of Agriculture, Water and the Environment should also examine different ways to use tracking devices in e-waste products outside the scope of product stewardship schemes, taking into account constraints on the use of surveillance devices in some states and territories. Where possible, tracking should be conducted by independent third-party auditors, using risk-based sampling that focuses on the types of products and supply chains that present the highest risk of unlawful export or disposal of e-waste.

Summary of Council Resolutions

OCM /SCM Date	Item #	Resolution	Status
16.12.2021	8.1	That the Minutes of the Ordinary Meeting of Council held on 11 November 2021 be confirmed as a true record of the proceedings.	For Information
	9.1	That Council: Receive the Financial Statements set out in Appendix No. 1 for the month ended 31-Oct-21	For Information
	9.2	That Council: Note the list of payments made under delegated authority to the Chief Executive Officer, for the month ended 31 October 2021.	For Information
	10.1	That the Members Information Bulletin Issue No. 65 be received.	For Information
	14.1	That the Council: 1. Notes the steps taken to ensure the Neerabup Resource Recovery Facility (RRF) is adequately insured in the 2021/22 financial year 2. Approves the reallocation of budget to be reflected at Mid-Year Budget Review.	COMPLETED COMPLETED
	14.2	That Council: 1. Endorse the draft Chief Executive Officer Key Performance Indicators for 2021-22 as per Attachment 1.	For Information
11.11.2021	8.1	That the Minutes of the Ordinary Meeting of Council held on 16 September 2021 be confirmed as a true record of the proceedings.	For Information
	9.1	That Council: Receive the Financial Statements set out in Appendix No. 1 and Appendix No. 2 for the months ended 31 August 2021 and 30 September 2021.	For Information
	9.2	That Council: Note the list of payments made under delegated authority to the Chief Executive Officer, for the months ended 31 August 2021 and 30 September 2021.	For Information
	9.3	That Council: Endorses the minor changes to Council Policy CP14 Acting Chief Executive Officer Appointment as contained in Appendix 6 of this report.	COMPLETED
	9.4	That Council: Endorses the CEO to extend existing access for Stirling Skills Training to the Tamala Park Waste Management Facility, for an additional 12-month period, for the delivery of not-for-profit training and education programs	COMPLETED
	9.5	That Council: 1. Appoint Cr Vernon, Cr Cvitan, Cr Re, and Cr Miles onto the Audit Committee.	COMPLETED
		2. To appoint Cr Hatton, Cr Cvitan, Cr Vernon, Cr Jacob and Cr Sargent onto the CEO Recruitment and Performance Review Committee	COMPLETED
		3. To appoint Cr Vernon as the member and Cr Re as the deputy member onto the Municipal Waste Advisory Council.	COMPLETED
	10	That the Members Information Bulletin Issue No. 64 be received.	For Information
	14.1	That Council: 1. Authorise the CEO to award the tender for Groundwater Monitoring and Annual Reporting (Tender Number: 13/150) to Talis Consultants Pty Ltd at the prices detailed within the report for a period of 3 years. 2. Authorise the CEO to advise the tenderers of the outcome of the tender process.	COMPLETED
	14.2	That Council: 1. Authorise the CEO to award the tender for Environmental Consultancy (Tender Number: 13/151) to 360 Environmental Pty Ltd at the prices detailed within the report for a period of 3 years. 2. Authorise the CEO to advise the tenderers of the outcome of the tender process.	COMPLETED
	14.3	That Council: 1. Not award the tender for Environmental Drilling (Tender Number: 13/152), and 2. Authorise the CEO to write to the unsuccessful tenderers and advise them of the decision not to award the tender.	For Information COMPLETED
16-Sep-21	8.1	That the Minutes of the Ordinary Meeting of Council held on 12 August 2021 be confirmed as a true record of the proceedings.	For Information
	8.2	That the Minutes of the Special Meeting of Council held on 19 August 2021 be confirmed as a true record of the proceedings.	For Information
	9.1	That Council: Receive the Financial Statements set out in Appendix No. 1 for the month ended 31 July 2021.	For Information
	9.2	That Council: Receive the Financial Statements set out in Appendix No. 1 for the month ended 31 July 2021.	For Information
	9.3	That Council: 1. Endorses the minor changes to Council Policies as contained in Appendix 4 of this report save for Policy No. CP14 which is to be referred to the CEO for detailed review to be completed by November 2021. 2. Approves an increase to CAPEX expenses for CP08 Provision and Use of Council Vehicles as detailed in Appendix 4 of this report. 3. Endorses the delegations made to the Chief Executive Officer as detailed in Attachment 1 of this report subject to the deletion of Condition 1 in No 2.8.	COMPLETED

OCM /SCM Date	Item #	Resolution	Status																																													
	9.4	<p>That Council:</p> <p>1. Resolves to provide an undertaking to the Joint Standing Committee on Delegated Legislation that:</p> <p>i. Mindarie Regional Council, within six months, undertakes to remove clauses 27 and 27A of the Mindarie Regional Council Waste Facility Site Local Law 2013 (as amended) and either item 18 or item 20 in Schedule 1 to the Mindarie Regional Council Waste Facility Site Local Law 2013 (as amended) or combine them into the same item;</p> <p>ii. Mindarie Regional Council undertakes not to enforce the Mindarie Regional Council Waste Facility Site Local Law 2013 (as amended) contrary to undertaking i;</p> <p>iii. Mindarie Regional Council undertakes to ensure that all consequential amendments arising from undertaking i will be made; and</p> <p>iv. Mindarie Regional Council undertakes that, where the Mindarie Regional Council Waste Facility Site Local Law 2013 (as amended) is made publicly available, whether in hard copy or electronic form, it will ensure that it is accompanied by a copy of the undertakings.</p>	COMPLETED																																													
	9.5	<p>Substantive Recommendation as amended:</p> <p>1. Adopt the meeting dates as follows:</p> <table><tr><td>27 January 2022</td><td>6.30pm</td><td>City of Joondalup</td><td>OCM</td><td></td></tr><tr><td>24 March 2022</td><td>6.30pm</td><td>City of Wanneroo</td><td>OCM</td><td>Strategic Worksho</td></tr><tr><td>26 May 2022</td><td>6.30pm</td><td>City of Stirling</td><td>OCM</td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td>7 July 2022</td><td>6.30pm</td><td>City of Stirling</td><td>OCM</td><td></td></tr><tr><td>25 August 2022</td><td>6.30pm</td><td>Town of Cambridge</td><td>OCM</td><td></td></tr><tr><td>29 September 2022</td><td>6.30pm</td><td>City of Vincent</td><td>OCM</td><td>Strategic Worksho</td></tr><tr><td>24 November 2022</td><td>6.30pm</td><td>Town of Victoria Park</td><td>OCM</td><td></td></tr><tr><td>15 December 2022</td><td>6.30pm</td><td>City of Perth</td><td>OCM</td><td></td></tr></table> <p>2. Issue a Public Notice on the meeting locations, dates and times as detailed in (1) above in accordance with Part 12 (1) of the Local Government (Administration) Regulations 1996 and the Local Government Act 1995.</p> <p>3. Adopt two Strategy Workshops for 2022, following the Ordinary Council meeting on the following dates: 24 March 2022 and 29 September 2022</p>	27 January 2022	6.30pm	City of Joondalup	OCM		24 March 2022	6.30pm	City of Wanneroo	OCM	Strategic Worksho	26 May 2022	6.30pm	City of Stirling	OCM							7 July 2022	6.30pm	City of Stirling	OCM		25 August 2022	6.30pm	Town of Cambridge	OCM		29 September 2022	6.30pm	City of Vincent	OCM	Strategic Worksho	24 November 2022	6.30pm	Town of Victoria Park	OCM		15 December 2022	6.30pm	City of Perth	OCM		COMPLETED
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	10	That the Members Information Bulletin Issue No. 63 be received.	For information																																													
19-Aug-21	6.1	<p>That Council:</p> <p>1. Authorises the Chief Executive Officer and the Chair to execute the Final Draft Deed of Settlement at Appendix 3, subject to:</p> <p>a. minor drafting changes that may be required, after consultation with the MRC’s legal advisors, and</p> <p>b. conditions precedent in the deed being met, and</p> <p>c. Inclusion of a new clause including associated drafting in the Deed of Settlement with the intent to specifically address the Contractor’s release in respect of the local government parties, ensuring that on completion, the Contractor:</p> <p>i) releases and discharges the Local Government Parties from any claim, action, demand, suit or proceeding for damages, debt, restitution, equitable compensation, account, injunction, specific performance or any other remedy that Contractor has or may have against the Local Government Parties under or in in respect of the Deed of Guarantee or its termination in accordance with this document, whether arising at common law, in equity, or under statute or otherwise (the Local Government Released Matters); and</p> <p>ii) covenants with the Local Government Parties not to claim, sue or take any action against the Local Government Parties in respect of the Local Government Released Matters, and</p> <p>2. Concurrent with the execution of point 1. above, authorises the Chief Executive Officer to proceed with the Major Land Transaction in respect of the re-acquisition of a leasehold interest in the land at 109 (Lot 801) Pederick Road, Neerabup, and</p> <p>3. Subject to execution of point 1. above, authorises the Chief Executive Officer and the Chair to execute the Final Draft Operating Agreement at Appendix 4, subject to any minor drafting changes that may be required, after consultation with the MRC’s legal advisors, with the costs reflected in the ECMS Plan at Appendix 5, being funded in the mid-year budget review, and</p> <p>4. Subject to successful completion of the settlement transaction, approves the reduction in the MRC Members’ Gate Fee from \$213 per tonne to \$162.50 per tonne (both excluding GST), effective from 1 September 2021, with the change to be reflected in the mid-year budget review.</p>	<p>COMPLETED</p> <p>COMPLETED</p> <p>COMPLETED</p> <p>COMPLETED</p>																																													
12-Aug-21	14.1	<p>That Council:</p> <p>1. Appoint the Operations Manager, Mr Brendan Twine, as the Interim Chief Executive Officer from 3 September 2021 to the earlier of 28 September 2021 or the date the new CEO commences.</p> <p>2. Approves the proposed remuneration in respect of item 1, as contained in the Detail section of the confidential report, in accordance with the Salaries and Allowance Tribunal Band 3 for Regional Council CEOs.</p>	<p>COMPLETED</p> <p>COMPLETED</p>																																													
	10	That the members Information Bulletin Issue No. 62 be received.	For information																																													
	9.5	To appoint Cr Vernon as the member of the Municipal Waste Advisory Council.	COMPLETED																																													

OCM /SCM Date	Item #	Resolution	Status
	9.4	That Council: 1. Resolves to provide an undertaking to the Joint Standing Committee on Delegated Legislation that: i. Within six months, the MRC will remove either item 18 or 20 in Schedule 1 of the Local Law or combine them to the same item. ii. The MRC will not enforce the local law contrary to the undertaking in i. above. iii. The MRC will ensure all consequential amendments arising from the undertaking will be made. iv. Where the Local Law is made publicly available by the MRC, whether in hard copy or electronic form, the MRC will ensure that it is accompanied by a copy of these undertakings. 2. Approves the Chair to write to the Joint Standing Committee on Delegated Legislation requesting the Committee to give further consideration to allow the Mindarie Regional Council Amendment Local Law 2020, on the basis that clauses 27 and 27A are deleted.	COMPLETED
	9.3	That Council: 1. Resolves to provide the following undertakings to the Joint Standing Committee on Delegated Legislation that: 1. When the Local Law is next reviewed, the MRC will: a) Correct the typographical errors as outlined under point 2 in the Detail section of this report b) Include a definition of 'substantive motion' in the Local Law and the amendments as outlined under point 3 in the Detail section of this report c) Ensure all consequential amendments arising from the undertaking will be made. 2. The MRC will not enforce the Local Law contrary to undertaking 1.1. 3. Where the Local Law is made publicly available by the MRC, whether in hard copy or electronic form, the MRC will ensure that it is accompanied by a copy of the undertaking. 4. The MRC will provide clarification about the removal of clause 16.2, as outlined under point 1 in the Detail section of this report 5. The MRC will provide clarification about the interaction between clauses 7.15 (3) and 7.16 (1) (b), as outlined under point 4 in the Detail section of this report. 2. Approves the Chair to write to the Joint Standing Committee on Delegated Legislation, providing the required clarification and corrections for the Mindarie Regional Council Meeting Procedures Local Law 2020.	
	9.2	Note the list of payments made under delegated authority to the Chief Executive Officer, for the months ended 31 May 2021 and 30 June 2021.	
	9.1	Receive the Financial Statements set out in Appendix No. 1 and Appendix No. 2 for the months ended 31 May 2021 and 30 June 2021.	
	8.2	That the Minutes of the Special Meeting of Council held on 08 July 2021 be confirmed as a true record of the proceedings.	
	8.1	That the Minutes of the Ordinary Meeting of Council held on 24 June 2021 be confirmed as a true record of the proceedings.	
8-Jul-21	8.1	1. That the MRC reconfirms its position from the OCM 24.6.2021 in respect of item 14.1 as a full and final offer. 2. Endorses the Chair to accompany the CEO in any further negotiations.	COMPLETED COMPLETED
6-Jul-17	13	That the Chief Executive Officer be requested to conduct a review of the Mindarie Regional Council's (MRC) band classification as determined by the Salaries and Allowances Tribunal (SAT) to ascertain if there is justification for the MRC in making a submission to the SAT to be reclassified from a band 3 Regional Council to a band 2 Regional Council.	OUTSTANDING