



# INFORMATION BULLETIN

Issue No. 87



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Odour Management Key Stakeholders Working Group  
– Minutes September 2024

**Mindarie Regional Council**  
**Odour Management Key Stakeholder**  
**Working Group**

25 September 2024 Meeting – **Minutes**

Released 20.11.2024



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Date: 25 September 2024, 11.30 am

Location: Mindarie Regional Council

Attendance:

Chief Executive Officer (CEO)  
Acting Executive Operations Manager (A/EOM)  
Environmental Supervisor (ES)  
Operations Supervisor (OS)  
Communications Specialist (CS)

Apologies:

Odour Consultant (OC)  
Odour Data Assistant (ODA)

ELO: D-24-0008402

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## 1. MRC – OMKS –Previous Meeting – completed actions

- Odour Management Plan
  - Update on deliverable timeline – Mid-July 2024.
  - Draft document has arrived, MRC to review
  - **Waiting on results of the mister trial**
- Landfill Gas Emission Investigation
  - ES investigating the last time the landfill gas wells were installed in the landfill and the gas capture of the gas wells previously installed. – completed, discussion with EDL on drilling/well
    - New Action: MRC/ EDL in final design phase
    - **Install of three sacrificial horizontal lines are planned for Mid Oct 2024**
    - **EDL meeting Wednesday 30.10.2024 to discuss additional lines in preparation for 2025 Winter**
- Community Engagement
  - Updated the automated response to the on-line complaint form
  - When did you first experience the problem smell
  - Updated the online complaint form
  - Updated MRC's website's automated response to the community odour complaint to provide more information to residents in the first instance. A more detailed response follows this



- MRC staff who take telephone calls now have a 'problem smells' guide to help them better answer calls/complaints from residents
- City of Joondalup Councillor– Lewis Hutton – organised a meeting
- City of Wanneroo Councillor – Phil Bedworth - organised a meeting
- Access to MRC/ DWER Licence link
  - [https://www.der.wa.gov.au/component/k2/itemlist/filter?fitem\\_all=Mindarie&moduleId=94&Itemid=175](https://www.der.wa.gov.au/component/k2/itemlist/filter?fitem_all=Mindarie&moduleId=94&Itemid=175)
    - DWER website link with the MRC website
      - Action: CS to place on MRC website
- DWER – Engagement
  - Community Website update
  - DWER community odour complaints registered
    - MRC requested Community Odour Complaint numbers registered with the DWER. They have sent one email.
    - Action: Sent an email requesting information 23.8.2024 AM. - completed
    - Question: can the MRC website address be placed on the DWER community website
      - Action: CS to contact DWER with the request to link to new MRC information and complaints form

Viewed the website, the last update is on the 24 July 2024
- **Tarps – re-instate discussions**

Re-instating the use of tarps as potential mitigation for odour  
 Discussion: The use of the tarps, while capturing the odours at night, may increase the odours in the morning when the tarps are removed. There is no documented evidence that odours are decreased with the use of tarps.  
**Outcome:** The 150mm of daily cover will continue until future evidence can be sourced.

## 2. MRC – OMKS – Working Group

Open discussion:

### 1. Community Engagement –

Potential for additional information to be added to the website

- Discussions/ suggestions:
  - season messages;
  - weekly information;
  - changes to operations; as appropriate.
  - Operational updates to be featured on the odour management page of the website – added by CS

### 2. Budget Discussion:

- 2024/25 Budget
  - Investigation of Leachate Treatment Plant options
    - Preliminary investigations underway
    - Update: The pilot study RFQ is being raised
- Capping on the Western side of the landfill
  - Update: The capping contractor is awaiting the arrival of the capping liner material

### 3. DWER – Engagement

- **DWER community odour complaints registered**

The DWER sends weekly updates on the total number of complaints they receive.

DWER attended the site on 25<sup>th</sup> Oct to undertake odour surveys

Action: MRC is contacting the DWER for a copy of these results.

### 4. Misters Trial

The Misters operational ready for Odour assessment

- Update – four new misters will replace the current four on site. To be tested under normal operation conditions
- Odour trial – restart 21 Oct – 3 Nov 2024
- Meeting with Odour Consultant to discuss outcomes

### 5. Data collection and recording and answering of questions

- Odour complaint arrives in Admin inbox and the complainant receives an automatic reply
- Registered into ELO by ODA
- Replied to the complainant (second one) by ODA and filed in ELO
- Investigation of the odour complaint and information/ outcome entered into the spreadsheet
  - Weather data from on on-site weather station
  - Aerial of the location of Complainant
  - Operational conditions on site
  - External conditions to the site

#### Discussion:

Questions raised by complainants

- Discussion – Flow chart of Odour Complaints
  - Action: New questions raised by complainants are to be reviewed and to advice on a response.

### 6. Drone – Thermal Imagery

During the recent odour survey on site, discussions were had around thermal imagery. OC and ES discussed the heat being generated by the landfill and the potential of odours being drawn up with the heat.

- Discussion – Obtain three quotes as per the purchasing policy, with two options:
  - Option 1 – the initial investigation, see if results have a useable information to enable additional strategic management of extracting landfill gas/ odour.
  - Option 2 – MRC to proceed with additional surveys
  - Action – ES to obtain three quotes

### 7. Comment problem smells – recorded

	July	August
Garbage / Rubbish	30	65
Sour / Acid / Milk	0	1
Chemical / Gassy	20	19
Paint thinners	0	0
Medical	0	0
Burnt / Smoking	1	4
Sewerage/septic	6	28
Rotten Eggs	2	22
Smells	71	56
Putrid/rancid	80	35
No description in the complaint	0	7
Other / listed in comments	0	5
Toxic	6	4
Landfill	0	3
Dead	0	
Nauseating		5
Total	216	254

### 3. Operations Optimisation Programs to reduce odours

Operational activity to reduce odours on-site during August 2024

Item	Activities on-site to reduce odour issues	Comments
Landfill	Zeolite	Spread onto the ponding area
	Covering the waste	150mm limestone Plus re-sheeting side batters
	Landfilling bench	5m reduced to 3.5m
	New Vibrating Roller	As required
Power Station	Generated Kwh	August – 2,377,262
	Efficiencies – Tonnes CO <sub>2</sub> -e Abated	August – 12,870
Landfill gas	Landfill Gas Monitoring	Within Licence Condition parameters
	Efficiencies	August 2024 Wellfield adjustment Program – completed, August due to be completed by end of the month
Leachate	Leachate pond	BioWish added once a week. Ecosorb as required during the trial

### 4. Special Investigations/ Events

Nil

### 5. Community Odour Complaints Register for June and July 2024

**August 2024**

During August 2024, three hundred and thirty-three (333) community odour complaints were registered. Of which 247 were identified as being impacted on. 29 days for August, odour complaints were registered. 217 of these complaints were new to our system. Key locations Kinross, Clarkson and then Mindarie

## 6. External Correspondence

DWER visit to site:

See comments above

## 7. Key Meetings/ Events Ahead

See comments above

## 8. Next Meeting

Oct 2024

Odour Management Key Stakeholders Working Group –  
Minutes October 2024

**Mindarie Regional Council**  
**Odour Management Key Stakeholder**  
**Working Group**  
30 October 2024 Meeting –**Minutes**  
Released 20.11.2024



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Date: 30 October 2024, 8 am

Location: Mindarie Regional Council

Attendance:

Chief Executive Officer (CEO)  
Acting Executive Operations Manager (A/EOM)  
Environmental Supervisor (ES)  
Operations Supervisor (OS)

Apologies:

Odour Data Assistant (ODA)  
Odour Consultant (OC)  
Communications Specialist (CS)

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ELO: D-24-0010211

## 1. MRC – OMKS –Previous Meeting – completed actions

- Odour Management Plan
  - Update on deliverable timeline – Mid-July 2024.
  - Draft document has arrived, MRC to review
  - Waiting on results of the mister trial
- Landfill Gas Emission Investigation
  - Canister testing
    - Source quotes for landfill gas odour testing – matching landfill gas (from landfill) to landfill gas (from power station). – requesting quotes
    - Discuss the quotes and requirements of the site
  - ES investigating the last time the landfill gas wells were installed in the landfill and the gas capture of the gas wells previously installed. – completed, discussion with EDL re: drilling/well installation
    - New Action: MRC/ EDL in final design phase
    - Install of three horizontal lines are planned for Mid Oct 2024
    - Three horizontal lines installed (9<sup>th</sup> October – completed)
    - Monthly meeting with EDL Wednesday 30<sup>th</sup> Oct to discuss the next phased install of three horizontal wells in preparation for 2025 Winter

- Community Engagement
  - Access to MRC/ DWER Licence link
    - [https://www.der.wa.gov.au/component/k2/itemlist/filter?fitem\\_all=Mindarie&moduleId=94&Itemid=175](https://www.der.wa.gov.au/component/k2/itemlist/filter?fitem_all=Mindarie&moduleId=94&Itemid=175)
      - DWER website link with the MRC website
        - Action: CS to place on MRC website - completed
- DWER – Engagement
  - Community Website update
  - DWER community odour complaints registered
    - Question: can the MRC website address be placed on the DWER community website
      - Action: CS to contact DWER with request to link to new MRC information and complaints form  
Viewed the website 29<sup>th</sup> October the last update was on the 24 July 2024

## 2. MRC – OMKS – Working Group

Open discussion:

### 1. Community Engagement –

Potential for additional information to be added to the website

- Discussions/ suggestions:
  - Update to website:
    - installation of horizontal wells in landfill

### 2. Budget Discussion:

- 2024/25 Budget
  - Investigation of Leachate Treatment Plant options
  - Update: Tender is being drafted for the trial pilot study for treating leachate
- Capping on the Western side of the landfill
  - Update: Awaiting liner deliveries.

### 3. DWER – Engagement

- DWER community odour complaints registered
  - DWER provides weekly updates of total community odours complaints relating to Tamala Park
  - DWER undertook odour field survey on site on 25<sup>th</sup> Oct 2025
    - Action: MRC contacting the DWER for a copy of the results
  - Notified DWER of trenching within the landfill to install sacrificial horizontal wells on 10.10.2024

### 4. Mistert Trial

The Mistert (4) operationally ready for odour assessment

- Update – four mistert have replaced the existing ones on site. The two-week trial is underway

- OC and ES meeting to discuss results

## 5. Drone – Thermal Imagery

During the recent odour survey on site, discussions were had around thermal imagery. OC and ES discussed the heat being generated by the landfill and the potential of odours being drawn up with the heat.

- Discussion – Obtain three quote as per the purchasing policy, with two options:
  - Option 1 – the initial investigation, see if results have useable information to enable additional strategic management of extracting landfill gas/ odour.
  - Option 2 – MRC to proceed with additional surveys
  - Action – ES to obtain three quotes - underway

## 6. Comment problem smells – recorded

	August	September
Garbage / Rubbish	65	44
Sour / Acid / Milk	1	2
Chemical / Gassy	19	13
Paint thinners	0	0
Medical	0	0
Burnt / Smoking	4	5
Sewerage/septic	28	13
Rotten Eggs	22	2
Smells	56	26
Putrid/rancid	35	24
No description in the complaint	7	2
Other / listed in comments	5	0
Toxic	4	6
Landfill	3	0
Dead		0
Nauseating	5	5
<b>Totals</b>	<b>254</b>	<b>142</b>

## 7. Alternative Odour Treatment Investigation

Discussion: A product called Odor-shell, is another odour management tool to investigate. It claims to kill odours and is environmentally friendly.

*“Odor-Shell® Complaint Eliminator was developed specifically to address industry’s most challenging waste odors. Whether generated from landfill, food, animal, agricultural, or sewage wastes, Odor-Shell®’s environmentally friendly formulation kills offensive odors on contact before they become problems”*

*“Landfill Operations – Odor-Shell® enables landfill managers to complete critical, but potentially offensive, tasks by containing odor releases at their source. Odor-Shell® is used to kill odors from working faces, well drillings, landfill excavations, special waste trenches, and sewage sludge.”*



([https://www.lscenv.com/product\\_pdfs/1537380291\\_Odor-Shell%20Brochure%202.9.17%20-%20email.pdf](https://www.lscenv.com/product_pdfs/1537380291_Odor-Shell%20Brochure%202.9.17%20-%20email.pdf))

- Action: To investigate the Odor-Shell in the landfill context
- : Download the SDS and assist
  - : Contact suppliers of the product, organise a site visit and investigate their capabilities.

### 3. Operations Optimisation Programs to reduce odours

Operational activity to reduce odours on-site during August 2024

Item	Activities on-site to reduce odour issues	Comments
Landfill	Zeolite	Spread on landfill as required
	Covering the waste	150mm limestone
	Landfilling bench	5m reduced to 3.5m
	New Vibrating Roller	As required
Power Station	Generated Kwh	TBP
	Efficiencies – Tonnes CO <sub>2-e</sub> Abated	TBP
Landfill gas	Landfill Gas Monitoring	Within Licence Condition parameters
	Efficiencies	September 2024 Wellfield adjustment Program – completed, August due to be completed by end of the month
Leachate	Leachate pond	BioWish added once a week. Ecosorb as required during the trial

### 4. Special Investigations/ Events

Looking into alternative odour mitigating products – Odor-Shell

### 5. Community Odour Complaints Register for September 2024

#### **September 2024**

During September 2024, one hundred and fifty-seven (157) community odour complaints were registered. Of which 124 were identified as being impacted. 28 days for September, odour complaints were registered. 18 of these complaints were new to our system. Key locations Kinross, Clarkson, Catalina and Mindarie.

### 6. External Correspondence

DWER visit, notifications

See comments above

### 7. Key Meetings/ Events Ahead

Odour mister trial outcomes

Discussion with the contractor regarding sacrificial horizontal landfill gas extraction wells.

### 8. Next Meeting

Nov 2024

MWAC – Minutes October 2024

# Municipal Waste Advisory Council Minutes

Wednesday, 23 October 2024  
4pm, Online

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## 1 Attendance and Apologies

### 1.1 ATTENDANCE

Chair Cr Karen Wheatland (Melville)  
 Deputy Chair Cr Bronwyn Smith (Wanneroo)  
 Cr Giorgia Johnson (Bayswater)  
 Cr Liam Gobbert (Perth)  
 Cr Natasha Colliver  
 Cr Laurene Bonza (Dundas)  
 Cr Les Price (Cue)  
 Cr Michael Dudek (Stirling)  
 OAG Deputy Ms Yvette Plimbley (Stirling)  
 Mr Darrell Monteiro (Serpentine Jarrahdale)  
 Mr Scott Cairns  
 Mr Nick Edwards  
 Mr Michael Dufour  
 Ms Libby Eustance  
 Ms Josephine Taylor (Busselton)

Ms Rebecca Brown  
 Ms Conor Macgill  
 Ms Tazra Hawkins  
 Ms Nicole Matthews

WALGA State Council  
 WALGA State Council  
 Eastern Metropolitan Regional Council  
 Mindarie Regional Council  
 City of Greater Geraldton  
 WALGA State Council  
 WALGA State Council  
 WALGA State Council  
 Metropolitan Local Government  
 Metropolitan Local Government  
 Mindarie Regional Council  
 Bunbury Harvey Regional Council  
 City of Greater Geraldton  
 Western Metropolitan Regional Council  
 Non-Metropolitan Local Government

MWAC/WALGA  
 MWAC/WALGA  
 MWAC/WALGA  
 WALGA

### 1.2 APOLOGIES

Cr Karen Chappel JP  
 Ms Mackenzie Young  
 Cr Wendy Dickinson (Harvey)  
 Mr Brendan Doherty  
 Cr Brad Wylynko (Cottesloe)  
 OAG Chair Mr Stuart Devenish  
 Mayor Hannah Fitzhardinge (Fremantle)

WALGA President  
 MWAC/WALGA  
 Bunbury Harvey Regional Council  
 Resource Recovery Group  
 Western Metropolitan Regional Council  
 Western Metropolitan Regional Council  
 Resource Recovery Group

## 2 Acknowledgement of Country

WALGA acknowledges the continuing connection of Aboriginal people to Country, culture and community. We embrace the vast Aboriginal cultural diversity throughout Western Australia, including Boorloo (Perth), on the land of the Whadjuk Noongar People, where WALGA is located and we acknowledge and pay respect to Elders past and present.

WALGA is committed to supporting the efforts of WA Local Governments to foster respectful partnerships and strengthen relationships with local Aboriginal communities.

### 3 Procedural Matters

#### 3.1 ELECTION OF MWAC CHAIR

Nominations were called for before and at the meeting. Cr Karen Wheatland nominated for Chair and was elected unopposed. This result required an election for Deputy Chair, nominations were called for from the floor and Cr Bronwyn Smith nominated and was elected unopposed.

#### 3.2 MWAC MINUTES TABLED AT WALGA STATE COUNCIL

A summary of the Minutes of the Municipal Waste Advisory Council meeting held Wednesday, 21 August 2024 will be noted at the next WA Local Government Association State Council meeting.

### 4 Minutes of Previous Meeting

#### 4.1 CONFIRMATION OF THE PREVIOUS MWAC MINUTES

##### MUNICIPAL WASTE ADVISORY COUNCIL MOTION

**That the Minutes of the Municipal Waste Advisory Council meeting held on 21 August 2024, be confirmed as a true and accurate record of proceedings.**

**Moved: Cr Laurene Bonza**

**Seconded: Cr Les Price**

**CARRIED**

### 5 Business Arising

Nil

### 6 Decision Items

#### 6.1 REVIEW OF CONTAINER DEPOSIT SYSTEMS POLICY STATEMENT

##### MUNICIPAL WASTE ADVISORY COUNCIL MOTION

**That the Municipal Waste Advisory Council:**

- 1. Rescind the existing Container Deposit Systems Policy Statement and Advocacy Position 7.6 Container Deposit Systems:**

***Local Government supports the immediate introduction of a Container Deposit Scheme in Western Australia.***

- 2. Endorse a new Container Deposit Scheme Advocacy Position:**

***1. Local Government supports the WA Containers for Change Scheme and acknowledges its contribution to reducing litter, increasing material recovery and providing employment opportunities across the state.***

***2. To maximise the benefits of the WA Scheme, Local Government calls on the State Government to:***

- a. Maintain a resource recovery target of 85% for eligible containers and a focus on litter reduction.***

- b. Expand the range of containers accepted in the Scheme, by:
 
  - i. 2027: to include wine bottles, spirit bottles and larger sizes of currently eligible containers.*
  - ii. 2030: to include plain milk and milk alternative containers and composite container types.*
  - iii. 2035: other container types.**
- c. Ensure national alignment of the materials covered by the Scheme and consistent messaging.*
- d. Maintain a State-based and managed Scheme.*
- e. Review the deposit amount to appropriately incentivise community engagement.*
- f. Increase the number of refund and donation points to ensure community access, including in public places and at events.*
- g. Ensure refund points are financially sustainable.*
- h. Leverage the refund point collection network to provide drop off points for other materials covered by effective product stewardship schemes.*

**Moved: Cr Laurene Bonza**  
**Seconded: Cr Natasha Colliver**

**CARRIED**

### **Executive Summary**

- WALGA's 2008 [Container Deposit Systems \(CDS\) Policy Statement](#) and Advocacy Position [7.6 Container Deposit Systems](#), formed the basis of WALGA's advocacy for the introduction and design of a WA CDS, Containers for Change, which commenced on 1 October 2020.
- The current Advocacy Position (7.6 Container Deposit Systems) and many of the elements in the Policy Statement have been achieved. However there are aspects of the Scheme that Local Government has identified as important to improve.
- The October Officer Advisory Group (OAG) meeting agreed that an updated Advocacy Position be developed.
- It is proposed that the current CDS Policy Statement be rescinded and replaced by a new advocacy position focussing on the future operation of the CDS.

### **Background**

WALGA's Container Deposit Systems (CDS) Policy Statement, and Advocacy Position, were first endorsed in 2006 and reviewed and amended in 2008. WALGA has used the CDS Policy Statement to inform national and state-based advocacy, including significant input into the development of the WA Scheme. The current Advocacy Position ([7.6 Container Deposit Systems](#)) and many of the elements in the Policy Statement have been achieved.

The State Government undertook consultation on the expansion of the material accepted by the Scheme in early 2023. WALGA's [Submission](#), and subsequent advocacy, has focused on the inclusion of wine and spirit bottles as a minimum.

The updated Advocacy Position will provide the basis for ongoing advocacy to improve the Scheme and incorporates feedback from Local Government regarding:

- What materials would ideally be included in the Scheme – short, medium and long term.
- How much the refund amount should be to ensure the objectives of the Scheme are met.
- What additional geographic coverage is needed and what other approach to accessing the Scheme should be available.
- How the Scheme could be leveraged to collect other materials covered by effective product stewardship schemes.

### **Comment**

Since its introduction in October 2020, the WA CDS, Containers for Change, has reduced litter, significantly increased material recovery across the state and generated more than 820 jobs, with upwards of 32 per cent of these going to people with disabilities, Aboriginal people and the long-term unemployed. The Scheme supports State Waste Strategy objectives by promoting the recovery of more, and higher quality resources, from waste.

Local Government acknowledges the accomplishments of the WA Containers for Change Scheme and the associated benefits delivered in its initial years of operation. However ongoing assessment and development is required for the Scheme to continue to deliver, and expand on, these outcomes into the future.

An updated CDS position is proposed to provide a basis for WALGA's continuing advocacy to address the following Scheme issues and priorities identified by the Local Government Sector:

#### *A. Maintain a resource recovery target of 85% for eligible containers*

Local Government supports a CDS that maximises resource recovery a key objective, supported by legislation to redeem 85% of eligible containers from the Western Australian marketplace.

#### *B. Continued focus on litter reduction*

Local Government considers the initial success of the CDS in reducing litter should be built upon through expansion of the Scheme to include a wider range of materials, and further community engagement to incentivise involvement.

#### *C. Expand the range of containers accepted in the Scheme*

Local Government considers that a CDS should be based on the recovery of given material types and therefore be able to encompass, but not be limited to, all metals, glass, liquid paper board, plastic (PET, HDPE and LDPE) and composite containers. Expanding the range of containers currently accepted in the Scheme would contribute to the recovery of higher rates of quality materials and provide further incentive for householders to divert these materials from landfill, particularly in areas where kerbside recycling may not be accessible.

#### *D. Ensure national alignment of the materials covered by the Scheme and consistent messaging*

Given the national nature of product distribution, and various Schemes in place nationally, it is important that where possible consideration is given to national norms in key areas such as system objectives, deposit amounts, labelling and material and container types covered.

*E. Maintain a State-based and managed Scheme*

In the absence of a consistent national scheme, individual jurisdictions have successfully developed and implemented State based schemes. Considering this, Local Government does not support moving to a nationally managed scheme at this current time.

*F. Review of deposit amount to appropriately incentivise community involvement*

Local Government supports ongoing assessment and review of the Scheme's ability to incentivise involvement, including deposit rate amounts and Scheme accessibility. Comparison of container deposit schemes worldwide shows higher overall return rates for schemes offering higher deposit values, coupled with a convenient and accessible return network.

*G. Increase the number of refund and donation points to ensure community access, including in public places and at events*

Local Government considers an effective Scheme should have refund points that meet community need, are conveniently located and accessible to people of all abilities. The ability to access refund or donation points in public places and at events is essential to a high return rate.

*H. Ensure refund points are financially sustainable*

Refund points must be adequately resourced by the Scheme Coordinator to ensure they are financially sustainable.

*I. Leverage the refund point collection network to provide drop off points for other materials covered by effective product stewardship schemes*

The majority of the State's population has access to, and awareness of, the CDS refund point network. This could be leveraged to provide collection options for material which cannot be processed through kerbside bins and is covered by effective product stewardship schemes. Local Government supports leveraging the existing network and associated economies of scale to further improve material recovery rates across the State.

Feedback from the OAG emphasised the need for national harmonisation of materials covered by the Scheme and ensuring community access to refund or donation points in public places and at events. The Advocacy Position has been updated to reflect these comments.

**Discussion at the Municipal Waste Advisory Council meeting**

The Council discussed the need to ensure the financial sustainability of refund points and the many factors which impacted this. Factors which impact the financial sustainability of refund points change from region to region, dependent on who the employer is and what Award applies and how many containers are collected.

Reverse vending machines in shopping centres was identified as a new development to the Scheme which could provide additional access. Additional information on RVMs distribution will be provided to the next MWAC meeting.



## 6 SUBMISSION ON THE PRODUCTIVITY COMMISSION INQUIRY INTO OPPORTUNITIES IN THE CIRCULAR ECONOMY CONSULTATION\*\*\*

### MUNICIPAL WASTE ADVISORY COUNCIL MOTION

**That the Municipal Waste Advisory Council endorse the Submission on the Productivity Commission Inquiry into Opportunities in the Circular Economy.**

**Moved: Cr Les Price**

**Seconded: Cr Natasha Colliver**

**CARRIED**

### Executive Summary

- The Productivity Commission is inquiring into Australia's opportunities in the circular economy to improve materials productivity and efficiency in ways that benefit the economy and the environment.
- The Inquiry Terms of Reference were released on 23 August 2024 and a [Call for Submissions Paper](#) was released on 16 September 2024. Consultation closes on 1 November 2024, WALGA requested, and has been granted, an extension to November 15 2024.

### Background

The Productivity Commission is undertaking an inquiry into circular economy and has released a [Call for Submissions Paper](#) which identifies issues and questions the Commission has identified as relevant at this early stage of the Inquiry. This is the first stage of the Commission's work and further opportunities to comment will be available in February 2025 (with submissions due April 2025). This Inquiry follows the Commission's earlier Inquiry into the Right to Repair, on which WALGA made several [Submissions](#).

### Comment

The Productivity Commission's Paper identifies a range of potential benefits from a circular economy in Australia, including improving economic, environmental and social outcomes. Feedback from the OAG (at the meeting and from a group of officers reviewing the Submission) identified the need to showcase WA Local Government initiatives in the circular economy, and to ensure the development of a recovered materials framework which builds trust in recycled products and undertakes effective market development.

Other considerations for the Submission included:

- The important role of procurement as a way of embedding a more circular approach.
- The fundamental shift in how the economy operates which the transition to a circular economy would require.
- Other economic shifts which have occurred and facilitate a more circular economy approach, for example the sharing economy.

Timeframe for Submission development:

- 23 October MWAC meeting to consider Draft Submission.
- 7 November Flying Agenda for State Council to consider WALGA Submission.

- 15 November      Submit to the Productivity Commission.

Consultation closes on 1 November 2024, WALGA requested, and has been granted, an extension to November 15. The Submission is **attached**.

#### **Discussion at the Municipal Waste Advisory Council meeting**

The Council discussed that the impact of the Sharing Economy, referenced in the Submission, had some negative impacts and this should be identified. The Submission will be updated to reflect this feedback.

### **7 SUBMISSION ON REFORM OF PACKAGING REGULATION\*\*\***

#### **MUNICIPAL WASTE ADVISORY COUNCIL MOTION**

**That the Municipal Waste Advisory Council endorse the Submission on the Reform of Packaging Regulation.**

**Moved: Cr Bronwyn Smith**

**Seconded: Cr Laurene Bonza**

**CARRIED**

#### **Executive Summary**

- The Australian Government's Department of Climate Change, Energy, the Environment and Water (DCCEEW) released a Consultation Paper on [Reform of Packaging Regulation](#) on 27 September 2024 for feedback by 28 October 2024.
- The Australian Government is working to reform Australia's packaging regulations to minimise packaging waste and pollution and build a circular economy for packaging. Under a circular economy, packaging would be designed to reduce waste, be recyclable and use recycled content, and used packaging would be collected and reused, or recycled back into packaging or other valuable products.
- The Consultation Paper outlines three potential options to reform packaging regulation:
  1. Strengthening administration of the co-regulatory arrangement.
  2. National mandatory requirements for packaging circularity.
  3. An extended producer responsibility scheme for packaging.
- WALGA's submission supports Option 3, as it includes funding options, design requirements and an organisation to drive the outcomes required for packaging.

#### **Background**

DCCEEW released a Consultation Paper on [Reform of Packaging Regulation](#) on 27 September 2024 for feedback by 28 October 2024. The Paper highlights that design decisions impact recycling and waste management sectors and the environment and the "costs to manage the used packaging and litter it generates often fall to the taxpayer, Local Government and the waste and recycling industry".

The Australian Government undertook consultation on the current regulatory arrangements for packaging, the National Environmental Protection (Used Packaging Material) Measure 2011, in 2021. WALGA's [Submission](#) did not support the current approach and recommended that packaging product stewardship be made mandatory and be brought under the national legislation.

The Paper outlines three potential options to reform packaging regulation as follows:

1. Strengthening administration of the co-regulatory arrangement.
2. National mandatory requirements for packaging circularity.
3. An extended producer responsibility scheme for packaging.

#### **Comment**

Option 1 is a strengthening of this current arrangement, which is not supported as it has significant flaws. Option 2 focuses on government regulation only, without any product stewardship organisation. It would achieve some outcomes in relation to design for recyclability but does not include a funding mechanism for infrastructure or to underpin costs. Option 3 includes a product stewardship organisation which would be responsible for the Scheme administration, options for funding mechanisms and many of the design requirements identified in Option 2. Option 3 most closely aligns to the WALGA Product Stewardship [Advocacy Position 7.15](#) and [Policy Statement](#). The Officers Advisory Group supports endorsing Option 3 as it encompasses all aspects related to effective product stewardship schemes.

Timeframe for Submission development:

- 7 October OAG Discuss the call for submission paper
- 23 October MWAC meeting to consider draft submission
- 4 November Submitted to DCCEEW

WALGA has been granted an extension on the Submission deadline to November 4, to allow greater consideration by the sector. The Submission is **attached**.

#### **Discussion at the Municipal Waste Advisory Council meeting**

The current situation, where the Australian Packaging Covenant Organisation (APCO) is progressing product stewardship for packaging (under State/Territory based legislation), was discussed. Environment Ministers had previously set the target that all packaging should be recyclable, reusable or compostable by 2025, however this target is not on track to be met.

The Council questioned how problematic materials, such as polystyrene, and chemicals, like PFAS would be dealt with under Option 3 for packaging reform. This option will require design standards to ensure packaging is recyclable through kerbside (which excludes polystyrene) and does not contain PFAS and other chemicals of concern.

## **8 Discussion Items**

### **7.1 REVIEW OF THE WASTE MANAGEMENT LEGISLATION POLICY STATEMENT**

#### **Executive Summary**

- The [Waste Management Legislation Policy Statement](#) was adopted in 2004. The Statement outlines Local Governments' position on waste management legislation in Western Australia and sets out the key objectives Waste Management legislation should achieve.
- WALGA used the Policy Statement to inform advocacy on the development of the *Waste Avoidance and Resource Recovery (WARR) Act 2007*.

- The current Advocacy Position [7.1 Waste Management Legislation](#), and many of the elements in the Policy Statement, are no longer relevant as they have been achieved.

### For Discussion

- What are the key issues that Local Government considers need to be addressed in future reviews of the *Waste Avoidance and Resource Recovery Act 2007*?

### Background

WALGA has used the Waste Management Legislation Policy Statement as a reference point in relation to the development, and both reviews, of the *Waste Avoidance and Resource Recovery Act 2007*. The review of the Policy Statement and Advocacy Position offer the opportunity to examine the key elements of the legislation which need to be updated/reviewed and those areas which are operating well.

The OAG supported rescinding the Policy Statement and updating the Advocacy Position, and considered that the following points should be included an updated Position:

- incentivising market involvement by removing barriers to investment and innovation
- addressing long-term goals and major challenges, such as PFAS
- promoting the Circular Economy
- including waste education/behaviour change.

### Discussion at the Municipal Waste Advisory Council meeting

The Council discussed key issues to be considered as part of the review including:

- Inclusion of Circular Economy
- Waste Education / Behaviour Change
- Strengthening product stewardship provisions
- Supporting Local Governments in regional areas, where there are frequently large distances to transport material and limited economies of scale
- Supporting Local Governments to meet the Waste Strategy Targets and reducing the costs to transition to better practice services
- Focusing on waste avoidance, particularly food waste avoidance
- Supporting better waste management practices across Western Australia.

Persistent Chemicals like PFAS were raised as an ongoing concern, WALGA continues to advocate at a national level for system change so these types of chemicals are not included in products.

## 8 Information Items

### 8.1 POLICY STATEMENT REVIEW UPDATE

Policy Statement	Status	Timeframe
Container Deposit Systems	Review Scheduled	Initial Review – August OAG/MWAC Revision considered – October OAG/MWAC
Waste Management Legislation	Review Scheduled	Initial review – October OAG/MWAC Revision considered – November/December OAG/MWAC

Circular Economy	In development	Initial discussion – April OAG/MWAC Draft for consideration – November/December OAG/MWAC
Extended Producer Responsibility	Complete	Product Stewardship Policy Statement and Advocacy Position to be considered at the 5 September State Council
Waste Levy	Complete	Endorsed May 2024 State Council
Recovered Materials Framework	Complete	Endorsed February 2024 State Council
Household Hazardous Waste	Complete	Endorsed December 2023 State Council
Waste Management Education	Complete	Endorsed December 2023 State Council
Waste Management Data and Information Management	Complete	Rescinded September 2023 State Council

## 8.2 BETTER PRACTICE DOCUMENT REVIEW UPDATE

There have been a range of better practice documents developed and the Team has identified the need to review and potentially update them. This project is at initial prioritisation/ scoping stage.

Better Practice Document	Status	Timeframe/comment
Waste Local Law	In progress	Meet with DWER in October to discuss timeframe
Vergeside	Review to be scheduled	Meet with DWER in October to discuss timeframe
Reuse Shops	Review to be scheduled	Refresh only
Charity bin management	In discussion if review is needed	To discuss in the charity recycling group meeting (November) whether charity bins are in their 5-year strategies, if not, then we won't review
Shopping Trolley	Review to be scheduled	Refresh only
Better Practice Optical Surveillance Devices (aka CCTV)	Review to be scheduled	Establish if it is a rewrite or refresh only
Planning	Review to be scheduled	Establish with the planning team if a review is necessary
Model Process Illegal Dumping	Review to be scheduled	Establish if review is necessary, this document was never made public
Helium Balloons	Removed	Removed from WasteNet as the single-plastics ban replaced the need for this Better Practice Document

## 8.3 MWAC / OAG MEMBERSHIP

- Welcome Cr Liam Gobbert as a representative for Mindarie Regional Council.

- Officers Advisory Group Chair Ruth March has tendered her resignation from the OAG, Mr Stuart Devenish is the newly elected chair of the OAG.

#### **8.4 BIN TAGGING UPDATE**

- The WasteSorted Bin Tagging program expression of interest closed on Friday, 27 September 2024. WALGA received 12 applications from 14 Local Governments.
- Successful applicants were the Western Metropolitan Regional Council (Subiaco, Mosman Park, Cottesloe), Eastern Metropolitan Regional Council (Mundaring), the Cities of Belmont, Swan, Joondalup, Canning and Kalgoorlie-Boulder and the Shire of Esperance.

#### **8.5 DWER AUTHORISED OFFICER TRAINING**

- On Friday, 13 September an Expression of Interest was sent to WALGA's contact list of Environmental Health Officers to gauge the interest in completing the DWER Authorised Officer Training.
- The survey closed on Friday, 20 September with 36 respondents. In total, the respondents estimated there would be 99 interested officers within their Local Governments.
- The results of the EOI have been provided to DWER who are now confirming how the course can be delivered for Local Governments.

#### **8.6 2024 WASTE & RESOURCE RECOVERY CONFERENCE**

- On Wednesday, 4 September and Thursday, 5 September 2024, over 400 delegates gathered at Crown for the annual Waste & Resource Recovery Conference.
- The event received positive feedback, with survey respondents rating the overall content and trade exhibition higher than in previous years. The keynote speakers all received at least an 'above average' rating. Notably, there was an almost 20% increase in respondents indicating they plan to return for the 2025 Waste & Resource Recovery Conference.

#### **8.7 HHW PROGRAM 2023-24 SUMMARY**

- WALGA went to tender for the HHW Program's 2023/24-2027/28 Funding Agreement. The successful tenderer for the collection and recycling/disposal of HHW materials was Cleanaway, and Perth Chemical Specialists for the testing of unknown chemicals.
- In 2023-24, a total of 503,329kg of HHW was collected through the Program from 15 permanent facilities.
- Total Program expenditure was \$2,030,323, \$135,323 more than the HHW Program's budget for the 2023-24 financial year. The Waste Authority's \$100,000 HHW Program budget allocation was able to be re-allocated to Program expenditure, plus an additional \$35,323 was approved to cover the remaining overspend.
- 89% of expenditure was for the collection, testing and disposal/recycling of material from HHW permanent facilities, 7.4% was for WALGA administration costs, 2.4% was for 15 HHW facility safety audits and 1.2% was for HHW Program promotional activities.
- The main materials collected through the Program this financial year, by weight, were gas cylinders - propane (30%), batteries (16%) and flammable liquids (11%).
- The cost for the collection, testing and disposal/recycling of all HHW collected was \$3.59/kg (\$3,591/tonne).
- The 15 Local Government/Regional Councils that run HHW facilities reported their contributions totalled \$1,165,131 to operate and maintaining their HHW facilities.
- Of the product stewardship schemes:
  - Paintback is estimated to save the HHW Program \$700,000 annually,
  - B-Cycle rebates saved the Program \$247,429,

- the Kleenheat gas cylinder arrangement saved the Program \$9,774, with 93% of the cylinders that went to Kleenheat being reused.
- 10 HHW training sessions were held, training 61 attendees, with attendees from 11 HHW facilities.
- A phone survey was undertaken aiming to obtain information about HHW practices in the community, including disposal methods and frequency, facilities accessed, distance willing to travel and where disposal information is sought. The results of the survey are being used to improve Program delivery and inform advocacy.

## 8.8 EMERGING ISSUE: PV RECYCLING

- The Smart Energy Council has informed WALGA that there has been a reduction in export markets for Australia's second hand photovoltaic (PV) panels. Traditional export markets, such as Africa, have started to receive cheaper options from other markets, which could displace the PV's which were being exported from Australia.
- The Federal Government has highlighted PV's as a priority material for product stewardship and the need for this has now become more urgent.
- A relatively small number of PV's have historically been dropped off at Local Government facilities and have been recycled with scrap metal. Local Governments are requested to advise WALGA if there is a significant increase in PV's being dropped off.

### Discussion at the Municipal Waste Advisory Council meeting

The Council questioned how this situation could be addressed and what current options there were for Western Australia. PV recyclers are operating in other states, but none currently in WA, so the only option for recycling is transporting PVs. WALGA is meeting with the Chair of the Waste Authority and DWER in the coming weeks and will raise this matter.

## 9 Reports

### 9.1 MWAC GROUPS

#### Metropolitan Regional Council Working Group

Delegates/Nominees: TBC

This Group has not met since the previous MWAC Meeting.

#### Consistent Communications Collective

Delegates/Nominees: n/a

This Group is scheduled to meet on Wednesday 6 November.

#### Household Hazardous Waste Advisory Group/Operators Meeting

This Group has not met since the previous MWAC Meeting.

## 9.2 EXTERNAL COMMITTEES & WORKING GROUPS

#### DWER Regulatory Reference Group

Representative: WALGA Executive Manager, Policy

This Group met on 28 August.

#### DWER FOGO Reference Group

Representative: Senior Policy Advisor, RRG, EMRC, WMRC

This Group met on Thursday 16 September.



**DWER Recovered Materials Stakeholder Reference Group**

Representative: MWAC Executive Officer / Senior Policy Advisor  
This Group met on Thursday 19 September.

**Australasian Packaging Label Working Group**

Representative: Senior Policy Advisor  
This Group has not met since the previous MWAC meeting.

**Hazard Coordinating Committee**

Representative: MWAC Executive Officer  
This Group has not met since the previous MWAC Meeting.

**Across Agency Asbestos Group**

Representative: MWAC Executive Officer / Senior Policy Advisor  
This Group met on Thursday 12 September.

**Waste Management and Resource Recovery Association**

Representative: Senior Policy Advisor  
This Group meet on Thursday 26 September.

**Charitable Reuse Australia**

Representative: Senior Policy Advisor  
This Group met on Tuesday 13 August.

**Keep Australia Beautiful Council**

Representative: MWAC Executive Officer  
This Group met on Thursday 17 October. The Council is currently responding to a review of its operations and the need to review the *Litter Act 1979*. The Awards for Tidy Towns are scheduled for 29 November for more information visit the [website](#).

**Australian Local Government Association (ALGA) Representative**

Representative: MWAC Executive Officer  
WALGA is representing ALGA on the Government Officers Group for the Australian Packaging Covenant. This Group is meeting on a monthly basis to provide input and direction into the development of the new regulatory framework for packaging.

**E-Waste to Landfill Ban Technical Advisory Group**

Representative: MWAC Executive Officer/Senior Policy Advisor  
This Group met on 10 October to discuss the implementation of the landfill ban. The Department has updated and provided more in depth Frequently Asked Questions which address many Local Government concerns.

**Container Deposit Scheme Stakeholder Advisory Group**

Representative: MWAC Executive Officer  
This Group has not met since the previous MWAC meeting.

**10 Other General Business****10.1 SOFT PLASTIC**

An update was provided that the Australian Government continues to push for the inclusion of soft plastic into kerbside recycling collections. This approach is opposed by



Local Governments, and the waste industry, across Australia. The material is low value, would contaminate other recycling streams and does not have reprocessing options.

**The meeting closed at 4.58pm.**

#### **Next Meeting**

The next MWAC meeting will be held on Wednesday, 11 December at 4:00pm in person at the WALGA office (ONE70, Level 1, 170 Railway Parade, West Leederville 6007).

# Submission on the *Productivity Commission Inquiry - Opportunities in the circular economy*

October 2024

## About WALGA

The Western Australian Local Government Association (WALGA) is an independent, member-based, not for profit organisation representing and supporting the WA Local Government sector. Our membership includes all 139 Local Governments in the State.

WALGA uses its influence, support and expertise to deliver better outcomes for WA Local Governments and their communities.

We advocate to all levels of Government on behalf of our Members, and provide expert advice, services and support to Local Governments.

WALGA's vision is for agile and inclusive Local Governments enhancing community wellbeing and enabling economic prosperity.

## Acknowledgement of Country

WALGA acknowledges the continuing connection of Aboriginal people to Country, culture and community. We embrace the vast Aboriginal cultural diversity throughout Western Australia, including Boorloo (Perth), on the land of the Whadjuk Nyoongar People, where WALGA is located and we acknowledge and pay respect to Elders past and present.

## Introduction

WALGA welcomes the opportunity to comment on the Productivity Commission's [\*Opportunities in the circular economy: Call for submissions\*](#). WALGA considers this work builds on the Productivity Commission's earlier Inquiry into the Right to Repair. WALGA has a range of [Advocacy Positions](#) (Appendix 1) which are relevant to the Inquiry.

The Productivity Commission, on behalf of the Australian Government, is undertaking an Inquiry into Australia's opportunities in the circular economy to improve materials productivity and efficiency to benefit the economy and the environment. The Commission is seeking feedback on four key areas:

- Circular economy success stories and measures of success
- Priority opportunities to progress the circular economy
- Hurdles and barriers to a circular economy
- Government's role in a circular economy.

While circular economy principles are agreed on, and the term is widely used within the context of the waste management industry, an effective transition towards circularity requires key principles to be adopted across all levels of government and industry sectors. Moving to a circular economy cannot be achieved by effective waste management alone, instead it will require a fundamental shift in how the economy operates and offers the opportunity to maximise use of resources.

This Submission identifies WA circular economy success stories, key circular economy opportunities and barriers for Local Government in Western Australia and roles for Government.

## Success stories and measures of success

Western Australian Local Governments have embraced the concept of a circular economy and are making inroads into establishing circular approaches, mainly through waste management activities focusing on the increased repair, reuse and recovery of materials.

Currently, the closest means for Western Australia to measure circularity relies on waste management data, particularly recovered material tonnages. There is limited opportunity to measure how material is remaining in the system at its highest value outside these metrics.

There are also inconsistent levels of measurement across industry sectors, with detailed data available for construction and demolition and municipal waste, but limited waste composition data for the commercial and industrial sector. Data that is available lacks the necessary granularity to assist in developing waste avoidance and resource recovery solutions.

### Case study: Eastern Metropolitan Regional Council

The Eastern Metropolitan Regional Council (EMRC) provides services in waste management and education, resource recovery and sustainability initiatives to three member Councils in Perth's eastern region. In 2022, EMRC commissioned a [Regional Circular Economy Horizon Scan](#), to gain insight into opportunities to plan and promote circularity in Perth's eastern region and wider WA.

The Horizon Scan highlights Western Australia's traditional reliance on material export and commodity prices and recommends supporting existing recycling reuse and remanufacturing infrastructure while identifying and promoting innovative solutions to shift toward a more circular model, as shown in Figure 1.

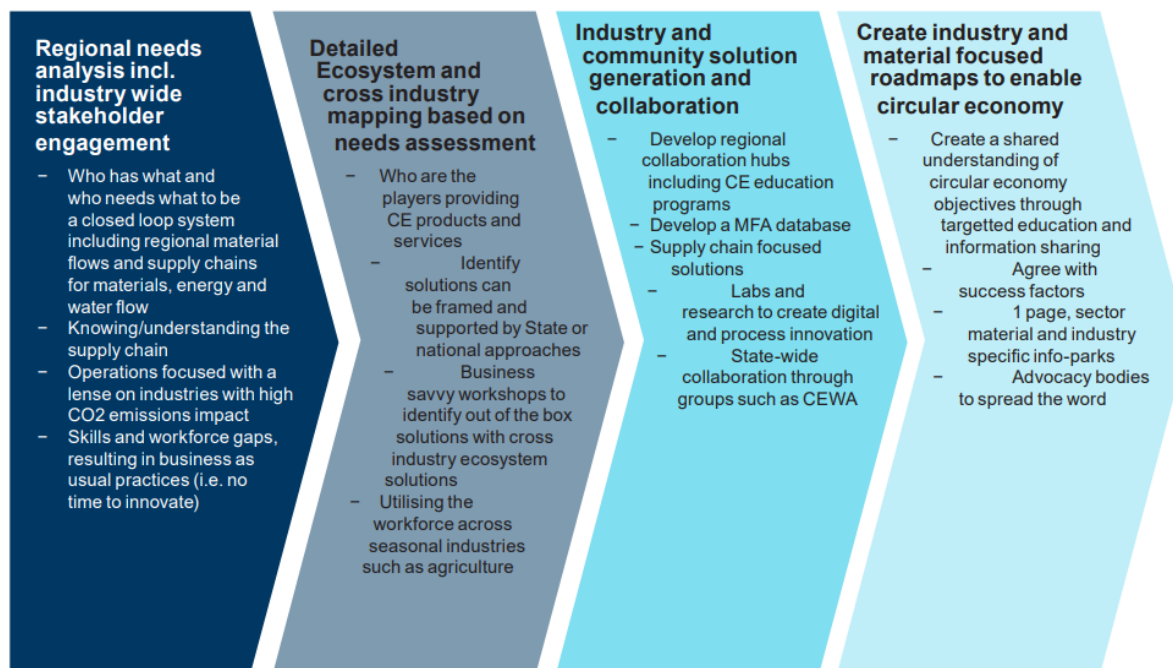


Figure 1: A four-stage circular economy enabling strategy. [EMRC, 2022](#)

## Priority opportunities

The call for submissions highlights five industries as having the most potential to advance the circular economy: mining, construction, manufacturing, agriculture and waste management. However, the opportunity to embed circularity across all sectors can be significantly advanced through targeting procurement approaches.

Changes to procurement policies are a potentially significant lever to move to more circular approaches. Examining whether a capital purchase is required to achieve an outcome or an alternative business model that meet the same need would be acceptable, this could include borrowing, leasing or refurbishment. Another option is calibrating procurement to preference products which have simple and transparent recycling pathways or reuse potential.

Setting procurement targets for recycled content in products, and the use of recovered materials in infrastructure projects at all levels of government, will assist in increasing confidence in using recycled materials and supporting emerging markets.

### Quality assurance and market development for recovered materials

WALGA's [Recovered Material Framework advocacy position](#) highlights the need for the State Government to take a leadership role in facilitating the use of recovered material by providing a regulatory framework to ensure end users have high confidence in the quality and safety of products. This would include a requirement for validation and certification of products to ensure they are fit for purpose, with outcomes-based specifications which take into consideration the receiving environment and minimise risk to human and environmental health. This is an essential step for materials to cease being considered a waste and become a product.

### Sharing economy

The sharing economy is a new economic approach which facilitates a more circular approach based on people sharing possessions and services, for free or for a fee, using online platforms and local resource hubs. Regulation has struggled to keep pace with the sharing economy and there are potentially negative outcomes associated with this.

From a waste management perspective, the sharing economy offers options for people to share or exchange good quality second hand products rather than buying new. Local Governments have seen high take up rates and community satisfaction from being able to borrow or swap items including tools, toys, books and clothes. This approach requires ongoing support, both to establish and maintain these services which are often reliant on volunteers (for example Repair Cafés).

### Design for circularity

The design stage of a product determines whether, and to what extent, that product can be reused, repaired or recycled. One example is the work that is currently underway regarding Packaging Regulatory Reform. This work has been initiated at a national level and will potentially lead to the implementation of mandatory design standards for packaging. However, certainty is required to ensure all products entering the market are designed to maintain the highest value as long as possible.

As outlined in WALGA's [Product Stewardship Policy Statement](#), Local Government considers a framework approach should be taken to ensure all products manufactured, distributed and sold are part of an effective product stewardship scheme.

Building on this principle, accessibility of affordable repair options is necessary to support consumers' ability to extend product life and value. As outlined in a [previous submission](#) on the Productivity Commission's Right to Repair inquiry, a positive obligation on manufacturers to provide greater access to repair supplies similar to that in existence in Europe would be beneficial to Australian consumers. Under European directives, household appliances are required to have spare parts available to professional repairers for up to ten years as well as repair and maintenance information. This could potentially influence a consumer's decision when purchasing a particular product. Generally, repairing items in Australia can be more expensive than purchasing new items, particularly for those living in regional areas. There is need for ongoing funding for repair shop operations to make them more mainstream and accessible, with regular operating times.

Repair cafés or pop-ups can subsist in regional areas with appropriate support for volunteers and part-time professional repairers. This diversifies the marketplace and can provide greater skills for other service Industries In those areas.

To facilitate widespread repair operations, training that allows the economic repair of items as required without introducing excessive risk of negating the item's insurance will be required. Repairs should be carried out by qualified persons, but at a standard of qualification that compromises between the costs of repairs and levels of indemnity sought by insurance agents or companies. For that reason, further investment in suitable training opportunities should be supported, particularly in remote areas. This training should also offer flexibility so that qualified workers can undertake training that allows them to repair items outside normal working hours.

### **Regionally focused systems**

Western Australia's geography presents significant challenges in aggregating and transporting materials for reuse and recycling, limiting options for materials to be used at their highest value. Local Government feedback supports the creation of precincts within regions to facilitate waste being received and processed locally to maximise benefit to local communities, or a series of small individual processing facilities in key areas. This will also reduce significant transport costs currently experienced by regional local governments.

WALGA has recommended that as part of the WA State Waste Strategy implementation, regional infrastructure plans be developed that focus on developing infrastructure solutions to manage waste close to source in order to create and develop local industry and employment opportunities.

### **Hurdles and barriers to a circular economy**

While Local Governments have initiated local level circular activities in reuse, repair and recovery, the sector is limited in what it can achieve in the circular economy transition without strategic support and investment from the Australian and State Governments.

Local Government feedback demonstrates that education alone is not effective in facilitating waste avoidance, and specific programs and incentives should be considered to shift consumer behaviours. With increasing pressures on cost of living, supporting the community to reduce waste and easily access more circular options without additional cost is essential. Consumer behaviour driven by price signals increasingly sees low-cost, low-quality products entering the market which are in many cases cheaper to replace than repair, particularly in regional areas with limited service options. A mandated product stewardship framework which ensures all products manufactured, distributed and sold are more easily reused, repaired, recovered or recycled is required to support the shift in consumer behaviour.

The *Recycling and Waste Reduction Act 2020* is national legislation with the option of mandatory, co-regulatory or voluntary product stewardship. WALGA considers that the Australian Government should progress mandatory product stewardship schemes for products that have a national reach. This legislation should be used to ensure consistent regulation across Australia. This approach will also gain economies of scale in relation to implementation and communication and reduce duplication of effort.

From a commercial standpoint, the higher cost and in regional areas, lower availability, of recycled material can be a barrier in replacing virgin materials in Local and State Government projects. This is further intensified by the actual or perceived risk of using recycled materials, if strict product quality specifications are not in place to ensure end users can have confidence in the product.

Western Australia's traditional reliance on material extraction, import and export is also a barrier to circular practices. The capital investment to establish and maintain facilities to produce usable material from waste to a high specification is seen as less economically viable than using readily available virgin material. Support and incentives for reprocessing facilities and the use of

recovered material is therefore necessary to drive infrastructure and market development across the State.

Opportunities to overcome this barrier include creating a knowledge base for priority waste streams which have high processing potential and market value, identifying government led incentives that will assist industry investment in waste re-processing, and developing business cases and investment prospectus for processing waste streams.

This support will be vital in establishing large scale re-processing facilities to deliver sustainable, large volume supply to provide long-term environmental and economic benefits.

With large mining operations prevalent in WA, along with a growing population, there is a correlation between production and waste volumes. It is important to develop new measures that consider waste generated and recovered as a percentage of growth both of the population and the economy. This will assist in measuring progress in the circular economy space outside the existing waste metrics.

## **Government's role in the circular economy**

To effectively transition toward a circular economy, Government must take a leading role in embedding circular practices across a range of industries.

### **Australian Government**

Developing a National Circular Economy Framework which includes:

- Establishing and maintaining a regulated, mandatory product stewardship scheme framework for all products entering the market.
- Setting material design standards to ensure products can be reused, repaired and recycled.
- Including reuse and repair targets and data in the National Waste Policy and reporting on these metrics.
- Establishing circular procurement practices at a national level, including recycled content targets.
- Support and incentives for recovered materials infrastructure and market development.
- Develop new measures for waste and recovery as a percentage of growth both of the population and the economy.
- Ensure there are insurance recognitions for repairs that protect the repairer and user of the repaired item.

### **State Government**

Develop a circular economy framework for WA which includes:

- Undertake a study, such as completed by Green Industries South Australia, to map out what a circular economy in WA would include.
- Establishing a regulatory framework to ensure end users have high confidence in the quality and safety of products derived from recovered materials.
- Creating a knowledge base for priority waste streams which have high processing potential and market value.
- Providing incentives for producers and processors to adopt circular practices.
- Investing in market development for recovered materials.
- Demonstrating business cases for industry to utilise waste streams to create products that have market value.
- Removing legislative barriers to enable more circular approaches to procurement (such as leasing, hiring etc).
- Funding reuse and repair and sharing economy programs for Local Government.

- Establishing circular procurement practices for the WA public sector.
- Establishing a state-wide platform for businesses to list and collect inventory that could be used or repurposed.
- Providing sufficient training and qualification levels that allow local repair of items that meet manufacturing and consumer quality control.

### Local Government

Supporting circular initiatives through:

- Establishing circular procurement practices for Local Government activities, including use of recovered materials and investigation of alternative models including lease arrangements.
- Implementing and maintaining reuse and repair and sharing economy programs.
- Community education and engagement to support effective recovery of high value materials through Local Government collections.
- Facilitation of resource recovery centres that allow residents to drop off a range of different materials.
- Having sufficient flexibility in local land use planning frameworks to encourage the establishment of local businesses and industry focusing on circular economy.
- Aligning Local Government activities with State and Australian Government circular economy frameworks.

### Conclusion

Transition to a circular economy has the potential to reduce cost of living pressures, maximise use of resources and reduce a range of environmental impacts associated with the manufacture, distribution and post consumption management of products. For these benefits to be realised, action is needed from all levels of Government to change legislation and policies where required, put in place relevant incentives and lead by example.

## Appendix 1: WALGA Advocacy Positions

### 7.1 Waste Management Legislation

Local Government supports waste management legislation that references the principles of Sustainability and the Waste Hierarchy. To be effective, waste management legislation should include the following primary objectives:

1. Protection of human health and the natural environment;
2. Minimise resource consumption;
3. Minimise waste; and
4. Effect the transition to a waste free society.

### 7.8 Waste Management Education

1. Waste education is an essential part of waste management that empowers the community to engage in waste avoidance, reuse and recovery, and to use services correctly.
2. Effective waste education requires:
  - a. Consistent communications by all stakeholders to ensure messages are clear and the community has confidence in the information provided.
  - b. A strategic and long-term investment from the State Government, with funding mechanisms in place to support and enable collaboration between Local Governments and Regional Councils.
  - c. Recognition of waste education in the definition of 'waste service' in the Waste Avoidance and Resource Recovery Act 2007, in order to allow a charge for waste education as part of the waste service charge.
  - d. Identification of priority problematic materials within the waste stream and ongoing advocacy for evidence based alternative approaches.

### 7.10 Household Hazardous Waste (HHW)

1. Household Hazardous Waste (HHW) is a small but significant component of the waste stream which requires specialised management strategies to protect human health, property and the environment.
2. This requires:
  - a. Effective Product Stewardship for all HHW; and
  - b. The maintenance and expansion of the HHW Program, funded by the State Government and Product Stewardship Schemes, to provide for the management of HHW collected from the community by Local Government.

### 7.12 Landfill Ban

Landfill bans are only supported in the presence of effective product stewardship schemes, or other funding mechanisms, for products which would be subject to the ban.

### 7.13 Recovered Materials Framework

The use of recovered materials, across a range of applications, is essential in reducing the use of basic raw materials, meeting State Waste Strategy Targets and increasing diversion of waste from landfill. To ensure end users have high confidence in the quality and safety of products derived from recovered materials, consistent, outcomes-based standards and investment certainty are required.

The State Government, in consultation with Local Government and the waste management industry, should take a leadership role in facilitating the use of recovered material by:



1. Developing a regulatory framework which:

- a. Outlines clear, outcomes-based specifications for individual products which take into consideration the receiving environment and allow for site-specific assessment.
- b. Minimises risk to human health and the environment from the use of recovered material.
- c. Establishes robust systems to provide quality assurance and ongoing surveillance throughout the supply chain.

2. Providing guidance and support mechanisms for the successful implementation of the framework.

3. Supporting the development of, and access to, sustainable end markets and long-term offtake agreements through initiatives such as active engagement with potential end users and the inclusion of recovered material content targets in Government procurement and large infrastructure projects.

### 7.15 Product Stewardship

1. Industry should take responsibility (physical and/or financial) for the waste that it generates through the entire life cycle of the products it produces through the implementation of effective product stewardship. Without effective Product Stewardship, there will be increasing costs for the community, resource recovery targets will be difficult to reach and a transition to a circular economy is unlikely.

2. Effective Product Stewardship is characterised by:

- a. Producers and importers taking responsibility for post consumption product impacts.
- b. Schemes covering the entire cost of product recycling or recovery, including transport.
- c. Leveraging existing Schemes and collection locations.
- d. Being easy and convenient for the community to access.
- e. Having equitable national coverage and access for all, including regional and remote locations.
- f. Being evidence based. g. Consistent regulation and implementation across Australia using national Product Stewardship legislation.
- h. Timely action and industry cooperation during Scheme development and implementation.
- i. Being demand based and aiming to recover the maximum amount of material, rather than being limited by targets.
- j. No additional cost to consumers when the product is disposed of post consumption.

3. Local Government calls on the Commonwealth Government to implement effective Product Stewardship schemes for all products that drive environmentally and socially sustainable outcomes through the design, manufacture and distribution of products that can be more easily reused, repaired, recovered or recycled.

4. If national action is not progressed within a reasonable timeframe, or in a way that meets the needs of the Western Australian community, then Local Government supports a State based approach to Product Stewardship.

# Submission on the *Reform of Packaging Regulation Consultation Paper*

October 2024

## About WALGA

The Western Australian Local Government Association (WALGA) is an independent, member-based, not for profit organisation representing and supporting the WA Local Government sector. Our membership includes all 139 Local Governments in the State.

WALGA uses its influence, support and expertise to deliver better outcomes for WA Local Governments and their communities.

We advocate to all levels of Government on behalf of our Members, and provide expert advice, services and support to Local Governments.

WALGA's vision is for agile and inclusive Local Governments enhancing community wellbeing and enabling economic prosperity.

## Acknowledgement of Country

WALGA acknowledges the continuing connection of Aboriginal people to Country, culture and community. We embrace the vast Aboriginal cultural diversity throughout Western Australia, including Boorloo (Perth), on the land of the Whadjuk Nyoongar People, where WALGA is located and we acknowledge and pay respect to Elders past and present.

## Introduction

WALGA welcomes the opportunity to comment on the Department of Climate Change, Energy, and the Environment and Water (DCCEEW) [Reform of Packaging Regulation Consultation Paper](#) (Consultation Paper).

This Consultation Paper follows on from the consultation on the current regulatory arrangements for packaging, the National Environmental Protection (Used Packaging Material) Measure 2011, in 2021. WALGA's [Submission](#) did not support the current approach and recommended that packaging product stewardship be made mandatory and be brought under the national legislation.

This Consultation Paper outlines the options to reform Australia's packaging regulations to minimise packaging waste and pollution and build a circular economy for packaging. Under a circular economy, packaging would be designed to reduce waste, be recyclable and use recycled content, and used packaging would be collected and reused, or recycled back into packaging or other valuable products.

The Consultation Paper identifies the current problems with packaging management in Australia, including:

- Impact of landfill and litter on the environment
- Too much packaging being placed on the market, with limited design for recyclability
- More collection and recycling capacity needed
- Slow market development for used packaging materials
- Impact on recycling outcomes of complex and non-transparent information.

Three options for packaging reform are identified:

1. Strengthening administration of the co-regulatory arrangement: Improve existing arrangements through stronger compliance and enforcement and education program to minimise those businesses that are not taking responsibility for their packaging.
2. National mandatory requirements for packaging: uses national legislation, would place bans on problematic materials and chemicals of concerns, mandate minimum recyclability of packaging and minimum recycled content thresholds.
3. An extended producer responsibility scheme for packaging: Government would establish a national Scheme, with Industry led outcomes and mandated requirements. Scheme fees and eco-modulated fees based on packaging placed on the market would support the administration of the Scheme and other outcomes. Mandatory obligations relating to packaging design, similar to option 2, would be part of the Scheme.

This Submission provides some general comments on the Consultation Paper and uses WALGA's Product Stewardship [Advocacy Position](#) and [Policy Statement](#) to analyse the options and provide a recommendation for Government to progress.

## General Comments

The Consultation Paper presents a comprehensive overview of the issues with packaging design, management and recovery in Australia and reinforces many of Local Governments' concerns. Some general comments:

- Kerbside harmonisation: commentary in the Consultation Paper states a lack of national harmonisation in Australia's kerbside collection system contributes to complex and unclear information. WALGA has worked with other State and Territory Local Government Associations and the Australian Local Government Association (ALGA) on this issue. Local Governments are largely consistent in their messaging regarding what to put in kerbside bins. Where there is variation, it is due to recycling sorting and material processing options available in that location.
- Measures of success - the measures outlined in section 4.3 are largely supported, however:
  - Volume: Recovery amounts are usually measured in tonnage (weight based) rather than volume (space based). Recommend that a weight based measure be used for products.
  - The amount of packaging sent to landfill per capita is reduced: This metric is difficult to measure directly unless comprehensive landfill audits are conducted prior to and post implementation. What can be measured is the amount of material recovered per capita. If the amount recovered is subtracted from the amount placed on the market it would provide the amount landfilled and disposed of as litter.
  - Litter: Most jurisdictions are using a similar litter methodology, as litter is identified as part of the problem definition it would be useful to have a measure relating to litter.

## Comparison of Options

Local Government considers that industry should take responsibility (physical and/or financial) for the waste that it generates through the entire life cycle of the products it produces through the implementation of effective product stewardship. Without effective product stewardship, there will be increasing costs for the community, resource recovery targets will be difficult to reach and a transition to a circular economy is unlikely. Table 1 compares the characteristics Local Government has identified as characteristics of effective product stewardship against the three options provided in the Consultation Paper.

Table 1: Characteristics of Effective Product Stewardship and Packaging Options

Characteristics	Option 1	Option 2	Option 3
Producers and importers taking responsibility for post consumption product impacts.	Red	Red	Green
Schemes covering the entire cost of product recycling or recovery, including transport.	Red	Red	Green
Leveraging existing Schemes and collection locations.	Yellow	Red	Yellow
Being easy and convenient for the community to access.	Green	Green	Green
Having equitable national coverage and access for all, including regional and remote locations.	Yellow	Green	Green
Being evidence based.	Green	Green	Green
Consistent regulation and implementation across Australia using national Product Stewardship legislation.	Red	Green	Green
Timely action and industry cooperation during Scheme development and implementation.	Yellow	Yellow	Green
Being demand based and aiming to recover the maximum amount of material, rather than being limited by targets	Yellow	Yellow	Green
No additional cost to consumers when the product is disposed of post consumption	Green	Green	Green

## Conclusion

Based on the analysis of the options, **WALGA supports Option 3**. This option has the flexibility to address the concerns of Local Governments in Western Australia, by changing how packaging is designed to make it more recyclable, using the eco-modulated fees to fund key programs and having a product stewardship organisation tasked with overseeing program implementation.

Option 1 is a strengthening of this current arrangement, which is not supported as it has significant flaws as outlined in the [WALGA Submission](#) on the review of the NEPM. Option 2 focuses on government regulation only, without any product stewardship organisation. It would achieve some outcomes in relation to design for recyclability but does not include a funding mechanism for infrastructure or to underpin costs.

**Recommendation: The Australian Government implement Option 3: An extended producer responsibility scheme for packaging.**

Audit and Risk Committee Minutes – 20 November 2024

<b>Date:</b>	20 November 2024
<b>Time:</b>	6:30PM
<b>Location:</b>	City of Stirling



MINDARIE  
REGIONAL  
COUNCIL

Audit and Risk Committee

# Minutes

**MINDARIE REGIONAL COUNCIL  
MINUTES - AUDIT AND RISK COMMITTEE MEETING  
20 NOVEMBER 2024**

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**MINDARIE REGIONAL COUNCIL  
NOTICE OF MEETING**

15 November 2024

Members are advised that the Audit and Risk Committee meeting will be held at the City of Stirling, 25 Cedric Street, Stirling, WA 6065, on Wednesday 20 November 2024, at 6.30pm.

Yours faithfully



**SCOTT CAIRNS**  
Chief Executive Officer

**AUDIT AND RISK COMMITTEE MEMBERS:**

Cr Chris Hatton	<b>CHAIR</b>	(City of Stirling)
Cr Joe Ferrante	<b>DEPUTY CHAIR</b>	(City of Stirling)
Cr Paul Miles		(City of Wanneroo)
Mr Aswin Kumar		Independent Member

**MRC REPRESENTATIVES:**

Mr Scott Cairns	Chief Executive Officer
Ms Adnana Arapovic	Executive Manager Corporate Services
Ms Sonia Cherico	Human Resources Manager
Ms Deborah Toward	Executive Assistant

**Mindarie Regional Council (MRC) constituent members:** Town of Cambridge; City of Joondalup;



City of  
Joondalup



City of  
Wanneroo

City of Perth; City of Stirling; Town of Victoria Park; City of Vincent; City of Wanneroo

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## 1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chair declared the meeting open at 6.31 pm

## 2 ATTENDANCE / APOLOGIES

### ATTENDANCE:

Cr Chris Hatton	<b>CHAIR</b>	(City of Stirling)
Cr Joe Ferrante	<b>DEPUTY CHAIR</b>	(City of Stirling)
Cr Paul Miles		(City of Wanneroo)
Mr Aswin Kumar		Independent Member

### APOLOGIES:

Nil

### MRC REPRESENTATIVES:

Mr Scott Cairns	Chief Executive Officer
IMs Adnana Arapovic	Executive Manager Corporate Services
IMs Sonia Cherico	Human Resources Manager
IMs Deborah Toward	Executive Assistant

### VISITORS

Mr Aamir Sheikh	Assistant Director, Office of the Auditor General WA
Ms Danielle England	Audit Manager, Office of the Auditor General, WA

## 3 TERMS OF REFERENCE

At an Ordinary Council Meeting held on 26 September 2024, Council adopted the Terms of Reference for the Audit and Risk Committee, **attachment 1** to this agenda.

## 4 DECLARATION OF INTERESTS

Nil

<b>5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING</b>
--

The minutes of the Audit and Risk Committee meetings held on 11 September 2024 have been printed and circulated to the Committee.

**RECOMMENDATION**

That the Minutes of the Audit and Risk Committee Meeting held on 11 September 2024 be taken as read, confirmed and the Chair invited to sign same as a true record of the proceedings.

**Moved Cr Ferrante, seconded Mr Kumar**

**RESOLVED**

**That the recommendation be adopted**

(CARRIED UNANIMOUSLY 4/0)

*For: Crs Hatton, Ferrante, Miles and Mr Kumar*

*Against: Nil*

## 6 REPORTS

### 6.1 MINDARIE REGIONAL COUNCIL INTERNAL AUDIT PLAN

<b>File No:</b>	<b>GF-23-0000142</b>
<b>Appendix(s):</b>	<b>Nil</b>
<b>Date:</b>	<b>28 October 2024</b>
<b>Responsible Officer:</b>	<b>Chief Executive Officer</b>

#### SUMMARY

The purpose of this report is to advise the Audit and Risk Committee and Council of the proposed three-year internal audit plan for Mindarie Regional Council (MRC). The Internal Audit Plan is developed to enable MRC to identify areas of potential financial and operational risks that would be subject to audit by the internal audit service provider.

#### BACKGROUND

At the 6 March 2024 Audit and Risk Committee (the committee) meeting the MRC administration proposed expanding the existing Internal Audit function of Financial Management Regulation 5 and Audit Regulation 17 to a three-year plan, to be performed by independent external consultants.

The internal audit function will report directly to the CEO to eliminate undue influence on audit activities, findings and reporting. It is good practice for the internal auditor to also have a direct line of communication to the audit and risk committee (a functional reporting relationship). Through the scope, it is proposed that the external auditor will have the ability to liaise directly with the Chair of the Audit and Risk Committee to discuss reports included in Committee agendas and will be able to communicate with the wider Committee through attendance at Committee meetings.

At the Ordinary Council Meeting 28 March 2024, the Officer and Committee recommendation was as follows:

*That Council:*

- 1. Endorse the CEO's proposed internal audit function for Mindarie Regional Council.*
- 2. Request the CEO to provide a further report detailing the three-year work plan that will be the basis of a contract for the Internal Audit service.*

## **DETAIL**

The proposed three-year internal audit plan has been developed following an analysis of FM Reg 5 and Audit Reg 17 audits and the higher order risks within the risk register. The development of this three-year plan provides assurance that key risks are identified and controlled effectively.

### Proposed Scope of Works:

<b>Program Title</b>	<b>Focus Area</b>	<b>Three-year plan</b>		
		<b>24/25</b>	<b>25/26</b>	<b>26/27</b>
Financial	Accounts receivable			X
	Accounts payable		X	
	Procurement and Tendering	X		
	Payroll and employee entitlements		X	
	Fixed assets			X
	Credit cards management and acquittal			X
	IT Risks / General controls		X	
	Reg 5			X
Operational	Organisational risk management		X	
	HR function – recruitment and selection		X	
	WHS processes and procedures			X
	Complaint handling	X		
	Contract management		X	
	Business continuity			X
	Asset management pre closure	X		
	Asset management post closure		X	
Compliance	Record keeping		X	
	Conflict of interest / gifts and benefits	X		
	Data security and confidentiality			X
	Cyber security			X
	Compliance Audit Return (CAR)	X		
	Reg 17			X

### Process

The MRC Administration will seek quotations from experienced, qualified and reputed accounting professional firms in Western Australia to provide internal audit services in line with the recommended schedule and scope of work.

The CEO is responsible for contract management and facilitating the audit and ensuring that staff and resources are available to implement and monitor Internal Audit recommendations.

#### Reporting and Communication

The internal auditor will provide the CEO with comprehensive audited reports detailing their key observations and findings.

The CEO will provide the reports and a recommended action plan to the Audit and Risk Committee.

The Audit and Risk Committee will receive the reports of the Internal Auditor, consider the CEOs recommendations arising from the reports, and monitor the implementation of agreed recommendations, making recommendations to Council.

#### **STATUTORY ENVIRONMENT**

Local Government Act 1995

Local Government (Audit) Regulations 1996

Local Government (Financial Management) Regulations 1996

#### **POLICY IMPLICATIONS**

CP06 – Purchasing Policy

Risk Register

#### **FINANCIAL IMPLICATIONS**

Regulation 5 and 17 funding was adopted as part of 2023/2024 budget, proposed internal audit function and scope of works, if endorsed by Council, will form a part of 2024/25 and future budgets.

#### **STRATEGIC IMPLICATIONS**

STRATEGIC COMMUNITY PLAN 2023 – 2032
Strategic Objective 3 : Deliver best practice governance processes and structures

**MINDARIE REGIONAL COUNCIL  
MINUTES - AUDIT AND RISK COMMITTEE MEETING  
20 NOVEMBER 2024**

## RISK ASSESSMENT AND ACCEPTANCE CRITERIA

**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

## COMMENT

Nil

## VOTING REQUIREMENT

Simple Majority

## RESPONSIBLE OFFICER RECOMMENDATION

**That the Audit and Risk committee recommends to Council:**

**That Council:**

- 1. Endorse the CEO's proposed internal audit scope of works for Mindarie Regional Council.*
- 2. Approve the CEO to engage a professional firm in Western Australia to provide internal audit services in line the recommended schedule and scope of work.*

**Moved Cr Miles, seconded Mr Kumar**

**RESOLVED**

**That the recommendation be adopted**

(CARRIED UNANIMOUSLY 4/0)

*For: Crs Hatton, Ferrante, Miles and Mr Kumar*

*Against: Nil*

<b>6.2 DRAFT PROPOSED TERMS OF REFERENCE SWG</b>	
<b>File No:</b>	<b>GF-24-0000069</b>
<b>Attachment</b>	<b>Attachment 2 – Terms of Reference</b>
<b>Date:</b>	<b>11 November 2024</b>
<b>Responsible Officer:</b>	<b>Chief Executive Officer</b>

### **SUMMARY**

This report is presented to the Audit and Risk Committee to consider the proposed draft Terms of Reference (ToR) for the Strategic Working Group (SWG).

### **BACKGROUND**

SWG was established in 2012, following a council resolution on 5 July 2012 to replace the previous Projects Working Group. It provides a formal communication and collaboration platform between MRC administration and senior waste management representatives from MRC Member Councils.

The SWG includes representatives from MRC, as well as managers and directors overseeing waste management from each of the Member Councils. Its purpose is to create a structured forum for strategic communication and collaboration, enabling effective feedback to MRC on the regions waste management objectives.

### **DETAIL**

The SWG's main roles include:

- Acting as a formal communication channel between MRC administration and designated representatives in each member council responsible for waste management.
- Facilitating feedback to MRC to support strategic objectives outlined in the endorsed Strategic Community Plan and Corporate Business Plan.
- Enabling regular liaison and communication between MRC and SWG.
- Sharing expertise, insights and strategic priorities in waste management.
- Providing a platform for Member Councils administrations for constructive feedback on strategic issues relevant to MRC.
- Fostering collaborative initiatives between MRC and Member Councils, benefiting mutual interests and regional development.

The SWG operates in an advisory capacity only, with no delegated decision-making authority from Council. The group is chaired by the MRC CEO.

The proposed draft Terms of Reference for the Strategic Working Group details at **attachment 2**.

### **CONSULTATION**

The proposed Terms of Reference was tabled for discussion at SWG meetings held on 10 July 2024 and 18 September 2024.

Feedback was gathered during the meeting on 10 July and has been considered in the proposed draft Terms of Reference.

A final call for feedback was requested on 18 September 2024, no further feedback was received.

### **STATUTORY ENVIRONMENT**

Nil

### **POLICY IMPLICATIONS**

Nil

### **FINANCIAL IMPLICATIONS**

Nil

### **STRATEGIC IMPLICATIONS**

STRATEGIC COMMUNITY PLAN 2023 – 2032
Strategic Objective 3: Deliver best practice governance processes and structures

### **COMMENT**

SWG serves as an essential forum for coordinating regional waste management efforts and facilitating collaboration between MRC and its member councils. By formalising the ToR, it ensures clear communication guidelines and collaborative practices that align with MRC's strategic objectives.

### **VOTING REQUIREMENT**

Simple Majority



## RESPONSIBLE OFFICER RECOMMENDATION

**That Audit and Risk Committee recommend that Council:**

- **Endorse the Terms of Reference for the Strategic Working Group (SWG).**

**Moved Cr Hatton, seconded Cr Ferrante**

## PROPOSED AMENDMENT

**Moved Cr Miles, seconded Mr Kumar**

1. At Point 8: Insert the words "*MRC Councillors*" before the word "*members*"
2. At Point 2: remove the words "*bi annually*" and replace with the words "*every 2 years*".
3. At Points 4 & 6: remove the word "*Representatives*" and replace with the word "*Officer*".

(CARRIED UNANIMOUSLY 4/0)

*For: Crs Hatton, Ferrante, Miles and Mr Kumar*

*Against: Nil*

## SUBSTANTIVE MOTION, AS AMENDED

**That Audit and Risk Committee recommend that Council:**

- **Endorse the Terms of Reference for the Strategic Working Group (SWG), subject to the amendments in attachment 2 – Draft Proposed Terms of Reference Strategic Working Group.**

(CARRIED UNANIMOUSLY 4/0)

*For: Crs Hatton, Ferrante, Miles and Mr Kumar*

*Against: Nil*

## **Attachment 2 - DRAFT PROPOSED TERMS OF REFERENCE STRATEGIC WORKING GROUP**

### **Mindarie Regional Council (MRC)**

**Our Vision:** Collaborating for a regional Circular Economy

**Our Mission:** To deliver sustainable waste management options for members

### **Strategic Working Group (SWG)**

#### **Terms of Reference**

#### **1. Establishment**

- The Strategic Working Group (SWG) was established in August 2012, replacing the Strategic Projects Committee, as resolved by the MRC Council on 5 July 2012.

#### **2. Terms of Reference (ToR)**

- The SWG's Terms of Reference are to be reviewed at least ~~bi-~~  
annually every two years.
- Reviews may be undertaken more frequently to ensure alignment with the strategic objectives of the Mindarie Regional Council (MRC).

#### **2. Objectives of the group**

- To provide feedback to the MRC as it seeks to achieve the strategic objectives outlined in the endorsed Strategic Community Plan and Corporate Business Plan.
- To facilitate regular liaison and a formal communication channel between the MRC administration and designated senior representatives overseeing waste management in each member council.
- To share expertise, insights and strategic priorities concerning the recovery and management of waste materials within the region.
- To offer member council administrations a platform to provide constructive feedback as required on strategic matters relevant to the MRC.

- To foster collaborative initiatives between Member Councils and Mindarie Regional Council, aiming for mutual benefits and regional development.

### **3. Extent of Authority**

- The SWG operates in an advisory capacity.
- There is no delegated authority from Council and therefore no decision-making authority.

### **4. Membership**

- The Chair of the SWG is the MRC Chief Executive Officer (CEO).
- The Deputy Chair is the MRC Executive Manager Corporate Services or Executive Manager Operations, as nominated by the CEO.
- SWG Membership comprises of nominated ~~representatives~~ officers from the MRC and two (2) officers nominated by each member council administration.

### **5. Meetings**

- Regular meetings are scheduled one week before an Ordinary Council Meeting, with additional meetings convened, as necessary.

### **6. Quorum**

- A quorum for a meeting is no less than 50% of the nominated member council ~~representatives~~ officers. In the event of no quorum the Chair will reschedule the meeting.

### **7. Place and Duration of Meetings**

- Meetings generally alternate between the MRC Administration and the City of Stirling.
- Meetings are preferred as in-person meetings, with e-attendance available, as needed.
- Meetings typically do not exceed a duration of two (2) hours.

### **8. Administration, Agenda, and Minutes**

- Administrative support for the SWG is provided by the MRC.
- The agenda and supporting papers are distributed one week before the meeting.
- Meetings are not audio or video recorded.
- The MRC will take minutes and capture an overview of the discussion rather than transcribing it verbatim.

- SWG members may request their specific comments to be included in the minutes during the meeting.
- Unconfirmed minutes are circulated to all SWG meeting attendees and confirmed at the subsequent meeting.
- Confirmed minutes are thereafter distributed to all **MRC Councillors**, members, Member Council CEOs, for information.

## **9. Confidentiality**

- Discussions may involve confidential matters.
- SWG members are expected to uphold confidentiality unless expressly informed otherwise by the MRC.

## **10. Ethical Behaviour**

- SWG members must uphold honesty, objectivity, and probity during discussions, including the responsible and judicious use of acquired information.
- SWG is expected to act ethically and professionally in line with each member's Code of Conduct.
- Member officers will not publicly discuss or comment on matters relevant to the activities of the SWG, unless authorised by the MRC.
- Member officers must act in a professional manner and only use the information for the purpose intended.
- Any instances of unethical behaviour may be reported by the CEO to member council CEOs.

Version	Date	Description of changes
1	08 July 2024	
2	10 July 2024	Point 2. SWG request to change wording from 'support' to 'feedback'

6.3 ANNUAL REPORT 2023/24	
File No:	GF-23-0000189
Attachment	Attachment 3 - Annual Report 2024
Date:	14 November 2024
Responsible Officer:	Executive Manager Corporate Services

### BACKGROUND

The *Local Government Act 1995* (the Act) requires every local government to prepare an Annual Report for each financial year and to accept it prior to 31 December following the end of the financial year (section 5.53 and 5.54 of the Local Government Act 1995). The Act also specifies the contents required to be included in the Annual Report. If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

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

The annual audit of the Financial Statements for the financial year ended 30 June 2024 has been completed and the Annual Financial Report is now submitted to the Audit Committee for consideration.

A copy of the Annual Report, including the Financial Report is included as **Attachment 3** to this agenda.

### DETAIL

The Auditor, in accordance with the Local Government (Audit) Regulations 1996 Sections 10.2 and 10.3 is required to issue an audit independent 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 Auditor General Independent Auditors Report is included as part of **Confidential Report Attachment 2**. The MRC, in accordance with the Local Government (Financial Management) Regulations 1996 Section 51.1, is required to include in the Annual Financial Report 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 1 of the Annual Financial Report.

The OAG did not issue a management letter for the 2024 interim audit. The OAG issued a final management letter that contained one finding with a moderate risk rating. The finding related to evidence of preparation and authorisation of monthly balance sheet reconciliations. The process will be reviewed, updated and completed by December 2024.

### **STATUTORY IMPLICATIONS**

The submission of the Annual Financial Report for 2023/2024 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 2023/2024 conforms to the requirements of the Local Government (Audit) Regulations 1996.

### **POLICY IMPLICATIONS**

Not applicable.

### **STRATEGIC IMPLICATIONS**

Not applicable.

### **COMMENT**

The Annual 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.

## **RESPONSIBLE OFFICER RECOMMENDATION**

**That the Audit and Risk Committee recommends that Council accepts Annual Report inclusive of the Financial Report for year ended 30 June 2024.**

**Moved Cr Ferrante, seconded Cr Miles  
RESOLVED**

**That the recommendation be adopted**

(CARRIED UNANIMOUSLY 4/0)

*For: Crs Hatton, Ferrante, Miles and Mr Kumar*

*Against: Nil*





# Annual Report 2024



## Acknowledgement of Country

Mindarie Regional Council acknowledges the continuing connection of Aboriginal people to Country, culture and community. We embrace the vast Aboriginal cultural diversity throughout Western Australia, including the Whadjuk Noongar People where Mindarie Regional Council is located, and we acknowledge and pay respect to Elders past and present.

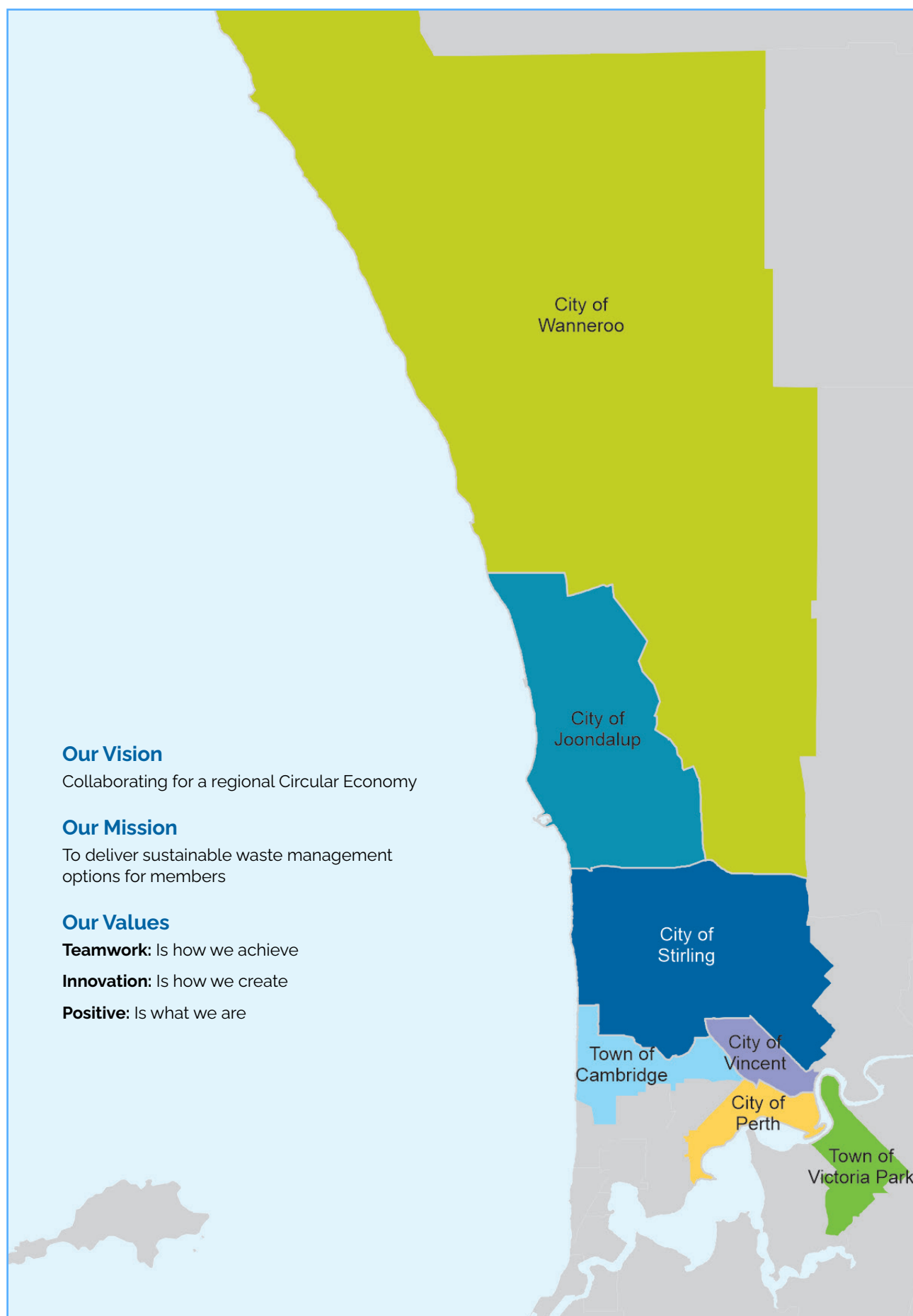




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## Chairperson's Foreword

TEXT TO COME

IMAGE TO  
COME

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## CEO's Foreword

TEXT TO COME







**Cr Stephanie Proud JP  
(Chairperson)**  
*City of Stirling*

Councillor Proud has owned and operated a small business since 1989 and has enjoyed a diverse administrative career path in small, medium and corporate business enterprises as well as the local government sector. Cr Proud has resided in the City of Stirling with her family since 1993 and represented the local community on various issues through various community organisations, schools and local action and reference groups. Cr Proud has been a past member of the Murdoch University Animal Ethics Committee and more recently as a RACWA Councillor. She is an active Justice of the Peace.



**Cr Karen Vernon  
(Deputy Chairperson)**  
*Town of Victoria Park*

Councillor Karen Vernon was elected as a councillor for the Town of Victoria Park in 2017, and as Mayor in 2019. She is a Senior Barrister with more than 25 years' experience working in the legal profession - including as a law firm partner and government prosecutor. Cr Vernon also has more than 10 years as a company director and board member in the private and not for profit sectors. She is a graduate of the Australian Institute of Company Directors and and Fellow of the Governance Institute of Australia.



**Cr Gary Mack**  
*Town of Cambridge*

Councillor Gary Mack served as a Wembley Ward Councillor from 19 October 2019 to 21 October 2023 when he was elected Mayor in the 2023 Ordinary Local Government Elections. He is an experienced lawyer and mediator by profession.



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

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



**Cr Russ Fishwick JP**  
*City of Joondalup*

Councillor Fishwick was elected to the City of Joondalup in 2006; and as Deputy Mayor in 2007, 2016 and 2019. He served as Deputy Chair of MRC for two years and as Chair for nine years. He was appointed to the WA Local Government Advisory Board in 2016. He has more than 40 years of experience in five local governments at a senior level, including as Executive Manager Governance at the Town of Victoria Park where he was Acting CEO before his retirement. He holds university post graduate qualifications in business and management and has a long affinity with surf lifesaving and is currently a Senior Assessor for Surf Life Saving WA..



**Cr Andrea Creado**  
*City of Stirling*

Councillor Andrea Creado was elected to council in October 2021 and her priorities are increasing services for seniors, people with disabilities and other vulnerable groups; improving community safety, improving local parks and amenities and advocating for good environmental practices. Cr Creado holds a Master's Degree in Human Development, Bachelor of Psychology, Bachelor of Arts with Honours in Psychology and is a Fellow of the Australian Institute of Management along with additional training in governance and resource and personnel management.



**Cr Joe Ferrante**  
*City of Stirling*

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



**Cr Chris Hatton**  
*City of Stirling*

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



**Cr Liam Gobbert**  
*City of Perth*

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



**Cr Alex Castle**  
*City of Vincent*

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



**Cr Jordan Wright**  
*City of Wanneroo*

Councillor Jordan Wright was elected as Councillor for City of Wanneroo in 2021. Cr Wright holds experience in the retail, hospitality, public service and higher education sectors and is a Business graduate completing a Bachelor of Commerce, Tourism and Hospitality Management at Edith Cowan University. Cr Wright is also a School Board Member at Hocking Primary School and Wanneroo Secondary College.



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

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

## Mindarie Regional Council

Mindarie Regional Council (MRC) is a regional local government which was constituted under the Local Government Act 1960 (LG Act 1960) in 1987.

In 1981, the cities of Perth and Stirling, along with what was then the Shire of Wanneroo, jointly acquired 432 hectares of land in Mindarie to serve as a suitable site for the development of a landfill.

MRC was established as the vehicle which would manage the disposal of waste from these member councils and approval for the development of a landfill and associated infrastructure on 251 hectares of the total land was received from the Environmental Protection Authority (EPA) in 1990.

That 251 hectares on Marmion Avenue – later named 'Tamala Park' – would be leased to MRC at that time and the new landfill began receiving waste from the City of Perth and Shire of Wanneroo in 1991.

Following a restructure of the City of Perth, the towns of Cambridge, Victoria Park and City of Vincent began disposing waste in 1996, while the cities of Stirling and Joondalup began disposing of waste in 1999.

### Attendance at Council Meetings

The following table details the type and number of meetings held during 2023/24 and the attendance record of each Council Member.

Elected Members	Ordinary Council	Special Council
<b>No. of Meetings Held</b>	<b>8</b>	<b>1</b>
Cr Vernon	5	1
Cr Jacob	6	1
Cr Castle	8	1
Cr Thornton (end term 30/10/23)	5	1
Cr May	7	1
Cr Gobbert	7	1
Cr Hatton	8	1
Cr Miles	7	1
Cr Ferrante	7	1
Cr Proud (appointed 23/11/23)	4	-
Cr Mack (appointed 23/11/23)	2	-
Cr Creado (appointed 23/11/23)	6	-
Cr Wright (appointed 23/11/23)	3	1
Cr Hill (alternate)	2	-
Cr Cutler (alternate)	3	-
Cr Dudek (alternate)	2	-
Cr Smith (alternate)	1	-

## Council Decisions

Mindarie Regional Council (MRC) recognises the importance of being transparent and accountable.

All council meetings are open to the public – except where sensitive or confidential matters are being considered. Recommendations are submitted by the Administration to the Council at its ordinary or special meetings.

Agendas and minutes for these meetings are made publicly available on the MRC website ([mrc.wa.gov.au](http://mrc.wa.gov.au)).

## Committees and Working Groups

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

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

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

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

Mindarie Regional Council currently has two committees and one advisory group that require councillor membership as follows:

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

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



### Attendance at Committee Meetings

The following table details the number of – and type of – meetings held during 2023/24. It also details the attendance record of each council member for those meetings:.

Elected Members	Audit Committee	CEO R&PRC	MWAC
No. Meetings	2	1	6
Cr Vernon	-	1	-
Cr Cvitan	-	1	-
Cr Miles	1	-	2
Cr Hatton	2	1	-
Cr Jacob	-	1	-
Cr Ferrante	2	-	-
Cr Castle	-	1	-

### Council Members Remunerations

Elected members are remunerated in accordance with the current determination of the *Salaries and Allowances Tribunal* under the *Salaries and Allowances Act 1975*. Mindarie Regional Council is classified as Band 3 local government for the purposes of Salaries and Allowances Act 1975 and has determined that it will remunerate its elected members as follows:

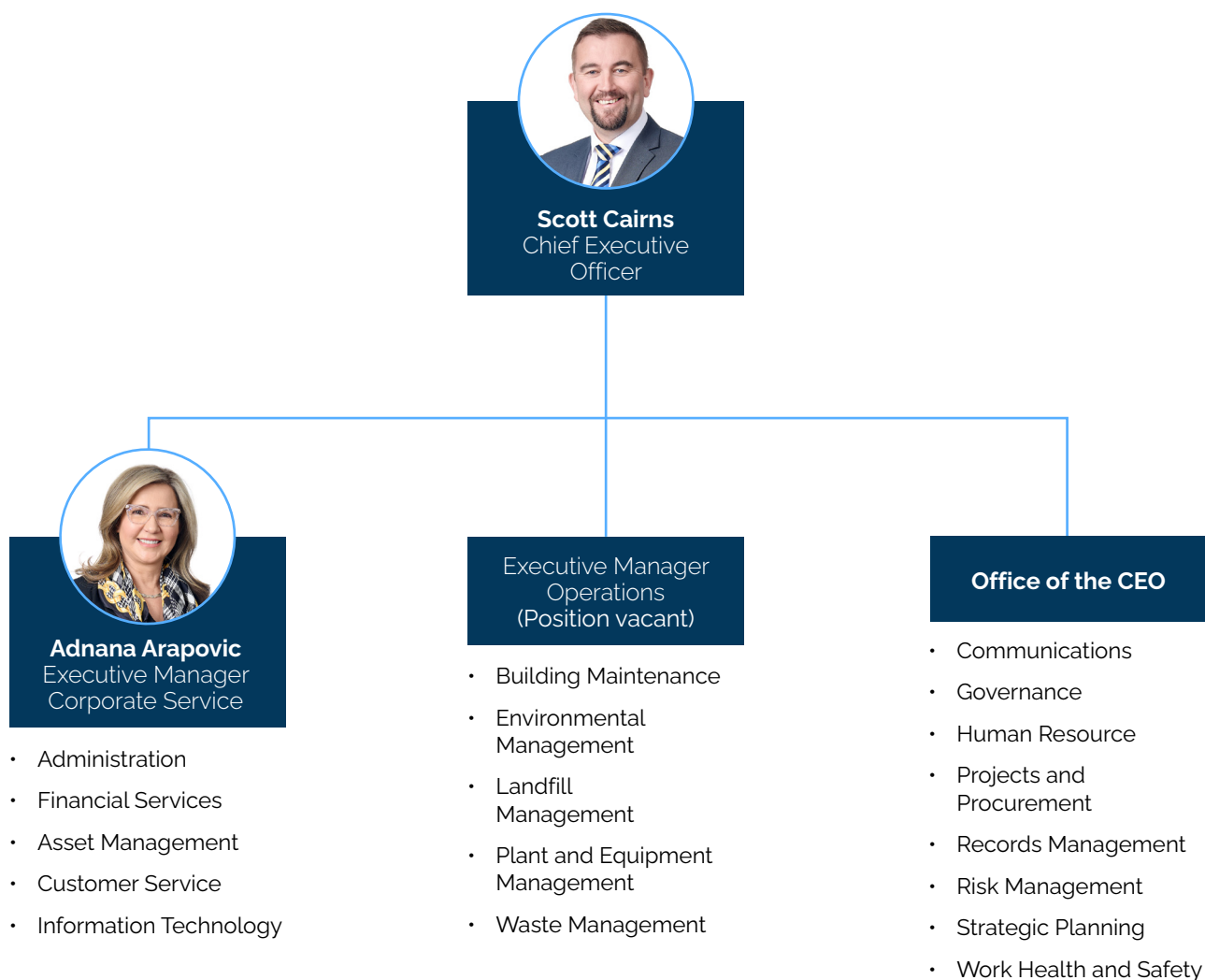
- Annual attendance fees in lieu of council meeting, committee meetings and prescribed meeting fees
- Annual allowances for Chairperson and Deputy Chairperson
- Annual allowance for information and communication technology in lieu of reimbursement of expenses
- Other expenses to be reimbursed for travel, childcare or other relevant expenses will be paid on receipt of sufficient information verifying expense incurred

Council has adopted an *Annual Fees Allowances and Expenses for Councillors Policy* which sets out the entitlements available to elected members and states that MRC will pay the maximum amount within the range set by the Salaries and Allowances Tribunal.

Details of elected member remuneration, including conference and training expenses are contained in the notes to and form part of the financial report (*note 21 related parties transactions*).



## The Executive Management and Services



## Our Employees

### Employee Performance

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

The process aim to:

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

### Learning and Development

MRC's training program provides employees with access to development opportunities which meet the needs of the individual and build greater capability within the organisation. Development opportunities for eligible employees include, but are not limited to:

- individual learning and development plans;
- a study assistance program;
- a leadership workshop; and
- workshops and conferences to upskill, increase knowledge and keep abreast of changes, developments and innovations in their related field.

### Health and Wellbeing Programs

MRC offers programs which contribute to employee health and wellbeing. These include, but are not limited to:

- an employee assistance program;
- flu vaccinations;
- skin cancer screening; and
- wellbeing education and assistance programs.

### Employee Awards and Recognition

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



## Record Keeping

MRC reviewed its Recordkeeping Plan in February 2023 in accordance with the *State Records Act 2000*. It was subsequently endorsed by *State Records Commission* in May 2023.

The plan is the primary means of compliance with current legislation in Western Australia and of best practice in record keeping processes at MRC. All staff undergo record keeping training when they join the MRC and subsequently attend refresher courses periodically. The training helps the employees understand their record management responsibilities both from an organisational and legislative point of view. Elected members also receive an annual reminder as to their records management compliance obligations.

Performance indicators	2023/2024	2022/2023
Number of new files created	348	328
Number of documents registered	16642	12828
Number of Freedom of Information applications received	0	0
Response time for Freedom of Information applications (average number of days)	0	0



## Disability Access and Inclusion Plan 2024

The MRC is committed to ensuring that the community is accessible and inclusive for people with disability, their families and carers and other members of the community who have access considerations.

In 2023/24 the MRC reviewed its 2016 DAIP finding it had achieved its initiatives and that a new plan was required, to ensure currency and relevance.

During stakeholder consultation new initiatives were identified, these initiatives informed the development of strategies in the 2023 DAIP.

The MRC is committed to achieving the seven desired outcomes of our Disability Access and Inclusion Plan 2023 which are:

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

It is our intention to deliver facilities, services and events that are open, available and accessible to the whole community, regardless of ability, ethnicity, gender, age or any other perceived difference.

This Disability Access and Inclusion Plan 2023 demonstrates our commitment to furthering the principles and meeting the objectives of the Disability Services Act 1993.

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

### Items Progressed Since 2022 Under the DAIP

- The MRC entered into an agreement with Workpower for the delivery of a NDIS assisted living program. On a portion of the site that includes the caretakers house and surrounding yard areas.
- The MRC invited feedback from people with disability, their families and carers, disability service providers and community members and groups to provide comment on previously unidentified access issues or ongoing access issues to help inform the new five-year Disability Access and Inclusion plan.
- Installation of a roof cover at the MRC Reuse Shop Outdoor areas for people in wheelchairs to work under cover.
- Upgrade signage across site to Large Print were required.

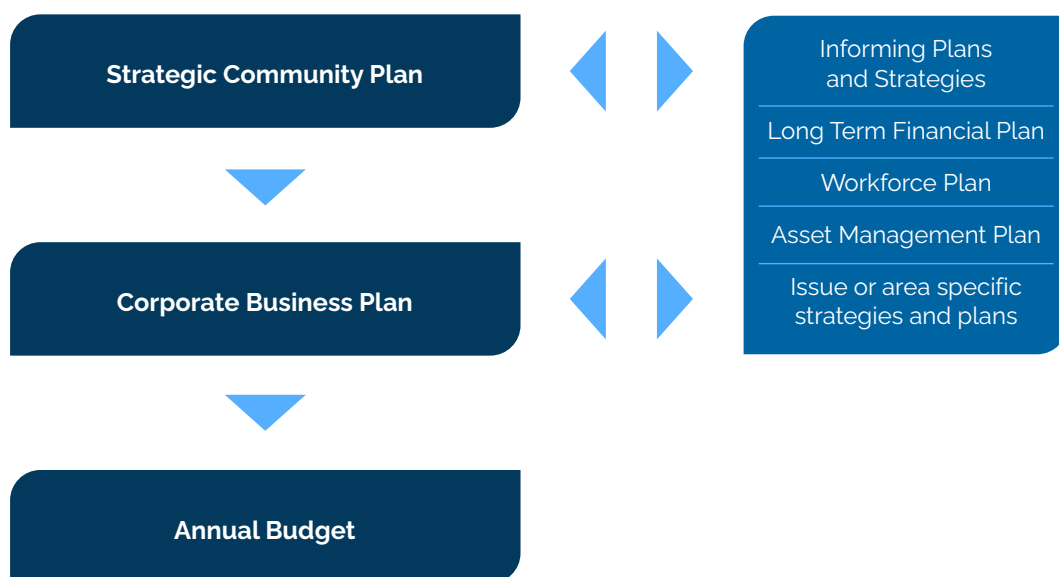


## Integrated Planning and Reporting

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

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

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



### Strategic Community Plan

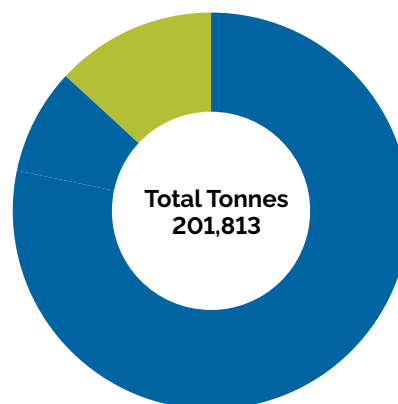
The *Strategic Community Plan 2023-2032* guides the future direction of MRC and its member council communities. MRC's long-term strategic direction expresses our member's vision for the future, together with strategies to deliver agreed outcomes.



## Financial Overview

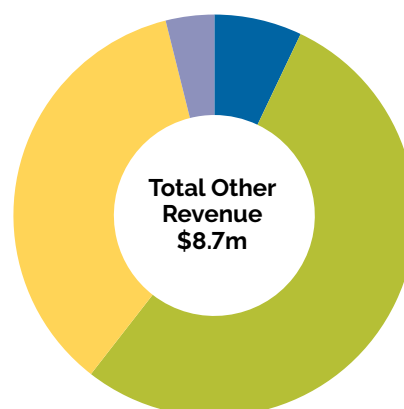
### Tonnes by source

	tonnes
Members' waste	175,528
Casuals / Trade Waste	26,285
<b>Total Tonnes</b>	<b>201,813</b>



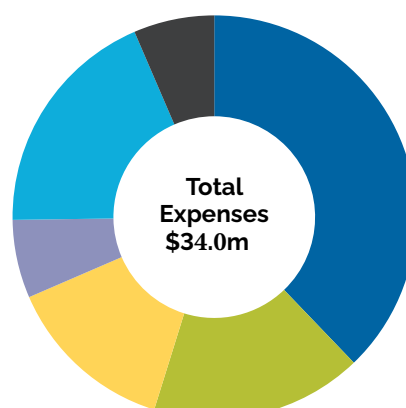
### Other revenue by source

	\$m
Gas generation	0.6
Re-imbursements/grants	4.7
Interest earnings	3.1
Other revenue	0.3
<b>Total other revenue</b>	<b>8.7</b>



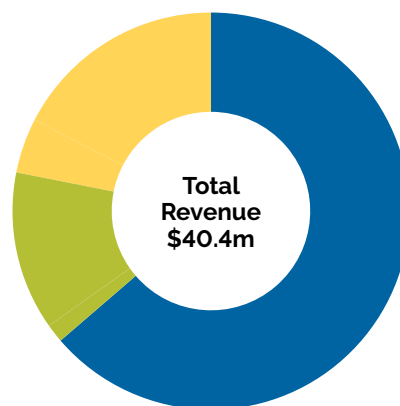
### Expenses by class

	\$m
DWER Landfill Levy	12.8
Employee costs	5.7
Materials & contracts	4.6
Amortisation	2.1
Depreciation	6.3
Other expenses	2.5
<b>Total expenses</b>	<b>34.0</b>



### Revenue by source

	\$m
Members' waste	26.5
Non-members	5.2
Other revenue	8.7
<b>Total revenue</b>	<b>40.4</b>



### Diversion from landfill



**4805**  
mattresses



**23**  
tonnes of  
polystyrene



**77**  
tonnes  
of tyres



**1413**  
tonnes of  
metal



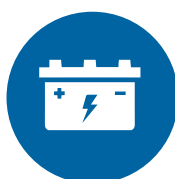
**173**  
tonnes of  
e-waste



**21**  
tonnes  
of textiles



**770**  
tonnes of  
greens



**124**  
tonnes of  
batteries



**65**  
tonnes of HHW/  
inc chemicals



**534**  
tonnes of  
paper/  
cardboard



**1**  
tonnes  
of fluros



**16**  
tonnes  
of glass



**164**  
tonnes  
of paint



## Payments to Employees

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

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

The following table is based on the amount each employee actually received over the period of this Annual Report, whether employed for a full year or not, and includes the following:

- Allowances for motor vehicle
- Annual cash component
- Cash-out of leave (either on request or termination)
- Higher duties (where applicable)
- Novated lease refunds (at conclusion of lease)
- Overtime payments
- Salary sacrifice
- Statutory 11% superannuation, plus MRC's matching contributions to additional superannuation (where applicable)
- Termination payments.

Salary Band (\$)	No. of Employees
130,000 - 139,999	5
140,000 - 149,999	7
150,000 - 159,999	-
160,000 - 169,999	-
170,000 - 179,999	-
180,000 - 189,000	1
190,000 - 199,000	-
200,000 - 209,000	-
210,000 - 219,000	1
220,000 - 229,000	1
230,000 - 239,000	-
240,000 - 249,000	-
250,000 - 259,000	1

### Remuneration paid to the Chief Executive Officer

The total remuneration paid to the Chief Executive Officer, inclusive of superannuation is \$259,634.







## REUSE SHOP

Second-hand items  
for sale



## WEIGHBRIDGE

General disposal to  
landfill, fees apply



## FREE DROP OFF

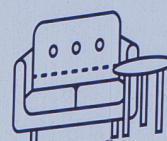
Don't send these  
items to landfill!



CARDBOARD



HOUSEHOLD  
HAZARDOUS  
WASTE



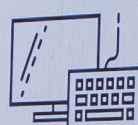
HOUSEHOLD  
GOODS



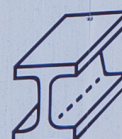
CONTAINERS  
Glass & aluminium



WHITE  
POLYSTYRENE



E-WASTE



METAL



WHITEGOODS



We will reuse, recycle and recover these items  
and dispose of toxic items appropriately.



# Strategic Community Plan - Performance

■ In Progress - on track ■ In Progress - belated ■ Not Commenced ■ Scheduled for 2024/25

## Objective 1: Deliver best practice services

Operate waste management activities effectively	<p>Landfill processes are reviewed at least quarterly to ensure compliance with licence conditions and to enhance the delivery of services. The project to cap the now full western portion of the landfill has commenced with completion expected early 2025.</p> <p>An Odour Management Key Stakeholder Working Group is in place to assess odour issues and coordinate landfill activities accordingly. Communication with the community relating to odours is actioned daily. The Department of Water Environment and Regulations (DWER) is working with MRC on strategies to reduce odour emissions from the Tamala Park facility. The Critical Infrastructure Plan (CIP) includes options that it is hoped will positively impact the landfill's odour profile.</p>
Utilise the best practice waste diversion and resource recovery solutions	<p>Operations are continually reviewed and industry memberships are maintained to ensure that MRC's practices remain contemporary and in alignment with best practice.</p> <p>A contract has been awarded to construct an E-waste Shed for storage and collection of E-Waste in alignment with the State Waste Strategy, construction expected to be completed by mid-2025.</p> <p>Improvements in landfilling methodologies and practices have been implemented during the year which have increased compaction rate and therefore landfill airspace utilisation.</p>
Maintain responsive business practices and systems	<p>The Tamala Park weighbridge facility management software will receive an upgrade towards the end of 2024 to ensure the continuity of current services and improve reporting and identification of waste product and diversion.</p> <p>A project management framework has been implemented to provide improved governance and compliance in the procurement of services.</p> <p>A contractor management system is being implemented to provide better control of contractors and compliance with regulations, due in 2024.</p>
Promote the organisation's profile with external stakeholders	<p>MRC maintains good relationships with waste industry experts and holds membership with numerous recognised organisations.</p> <p>MRC officer representation is maintained on the following bodies: Green Deal Alliance, WALGA Waste Management Advisory Council and Officers Advisory Group, Department of Water and Environmental Regulation's FOGO Working Group, Waste Management and Resource Recovery Association of Australia's (WMRR) WA Branch.</p> <p>A Communications Specialist has been appointed to support the MRC and its stakeholders in its communication and media presence capabilities.</p>
Enhance organisational environmental sustainability	An environmental impact report and action plan is scheduled for 24/25.

## Objective 2: Position MRC to provide world class waste management options

Identify and access infrastructure for the resource recovery of member councils' materials in alignment with the state waste strategy	<p>On 26 September 2024 the MRC Council resolved to finalise an agreement with a preferred tenderer for the disposal of member councils' residual waste in an energy recovery facility. The first delivery of municipal waste is expected to be delivered upon the commencement of operations at the new facility. On 26 September 2024 the MRC Council approved negotiations with a preferred supplier to provide the member councils with a Food Organics and Garden Organics (FOGO) solution. A contract is expected to be agreed in 2025.</p>
Build the circular economy within the district	<p>MRC continues to advocate through the Green Deal Alliance for the development of a FOGO product market, to promote opportunities for the development of the necessary FOGO infrastructure required to allow its member councils to comply with the Waste Avoidance and Resource Recovery Strategy 2030. MRC is an active participant of the WMRR WA Branch who acts as an advocate on behalf of the waste industry to support circular economy objectives.</p> <p>Investigations are underway to provide options for the potential redesign of the Tamala Park site's Transfer Station to accommodate alternative revenue generating opportunities in a small materials recycling facility, expected to be completed by June 2025.</p>
Maximise use of MRC's assets and technical capabilities	The actions highlighted in the draft Tamala Park Critical Infrastructure Plan will assist administration in the development of a Post Closure Management Plan, expected mid to late 2025.

## Objective 3: Deliver best practice governance process and structures

Maintain efficient and equitable governance	The development of a new Establishment Agreement is pending the current contract negotiations for the FOGO processing solution.
Ensure responsible use of organisational resources	<p>MRC's integrated planning framework, audit programs, policy documents, risk management systems and Corporate Business Plan (CBP) reporting are all in place and on track.</p> <p>A new procurement management framework has been implemented and a new contractor management system is due for implementation towards the end of 2024.</p>
Retain financial sustainability with a commercial focus	<p>MRC's Long Term Financial Plan was reviewed and endorsed by council 27/06/2024.</p> <p>With the adoption of the Strategic Corporate Plan and CBP, alternative revenue generating opportunities will be considered in the following period with a plan to support greener supply chains.</p>

# Corporate Business Plan - Performance

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

Key Actions	
<b>1.1 Operate waste management activities effectively</b>	
1.1.1 Operate activities in line with licence conditions, as a minimum	
· Review landfill cell fill sequence plans quarterly, reported annual basis	
· Review Surface Water Management Plans quarterly, reported annual basis	
· Review fit for purpose landfill leachate management plans quarterly, reported annual basis	
· Establish an Odour Management Key Stakeholder (OMKS) working group.	
1.1.2 Ensure infrastructure meets future needs and invest in emerging technologies	
· Establishment of a fit for purpose Strategic Fleet Management Plan (SFMP), solution	
<b>1.2 Utilise the best practice waste diversion and resource recovery solutions</b>	
1.2.1 Continually assess solutions used	
· Investigated opportunities to increase landfill airspace utilisation	
· Identify and access the highest resource recovery solutions for member councils key waste streams	
· Identify and develop processes and procedures to improve waste to landfill diversion rates	
· Implement a quarterly fleet and plant utilisation and maintenance reporting system	
· Monitor and continuously update quarterly fleet and plant utilisation and maintenance reports	
· Develop internal systems, which are consistent with the WA Government Fleet Policy and Guidelines, to document MRCs fleet related procedures and practices	
<b>1.3 Maintain responsive business practices and systems</b>	
1.3.1 Evaluate the effectiveness of systems and procedures in light of changing business requirements	
· Review market options for a facility management software system which integrates with Weighbridge functions	
· Implementation a facility management software system which integrates with Weighbridge functions	
1.3.2 Ensure quality value proposition for members	
· Establish members key metrics for Tamala Park services.	
· Survey members views on Tamala Park services and develop recommendations report	
<b>1.4 Promote the organisation's profile with external stakeholders</b>	
1.4.1 Engage through formal industry memberships	
· Maintain relevant industry memberships to keep up with the trends in Waste Management	
1.4.2 Broaden the MRCs wider industry profile through collaboration and partnership	
· Actively participate in the wider industry committees, advisory groups, workshops and seminars	
· Promote MRC and member council waste achievements / key activities / website links	
· Promote state waste reduction initiatives	
1.4.3 Neighbourhood stakeholder engagement	
· Establish an Neighbourhood stakeholder communication plan	
<b>1.5 Enhance organisational environmental sustainability</b>	
1.5.1 Measure the MRCs environmental impact including carbon footprint	
· Develop report on the MRCs environmental impact and provide recommendation for improvement	
1.5.2 Develop an implementation action plan to reduce the MRCs environmental impact	
· Develop an environmental sustainability action plan	
1.5.3 Allocate budget to address implementation plan	
· Deliver environmental sustainable recommendations endorsed by Council	

# Corporate Business Plan - Performance

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

Key Actions	
<b>2.1 Identify and access infrastructure for the resource recovery of member councils' materials in alignment with the state waste strategy</b>	
2.1.1 Assess processing facilities within the district for the following streams (FOGO, Residual Waste, and Commingled Recyclables)	
· Research and identify alternative waste processing opportunities within the district	■
2.1.2 Deliver opportunities above, as resolved by Council	
· Deliver recommendations endorsed by Council	■
<b>2.2 Build the circular economy within the district</b>	
2.2.1 Investigate potential and feasibility of other revenue generating resource recovery facilities within the district (Tamala Park, MRC Neerabup site, etc.)	
· Develop a waste resource flow model for MRC and its member councils	■
· Develop Circular Economy Options Report for Tamala Park	■
· Develop Circular Economy Options Report for Neerabup Site	■
· Develop a Circular Economy Master Plan	■
2.2.2 Deliver opportunities above, as resolved by Council	
· Deliver circular economy Master Plan as endorsed by Council	■
2.2.3 MRC to advocate for the establishment of a circular economy	
· Support the member Councils advocacy for their circular economy objectives through digital platforms	■
2.2.4 Collaborate with external stakeholders including federal and state government, private sector, and not-for-profit sector	
· Utilise CEO forums to actively participate in the circular economy establishment within the wider industry	■
<b>2.3 Maximise use of MRC's assets and technical capabilities</b>	
2.3.1 Future options appraisal of the Tamala Park site	
· Develop Future Use Feasibility Study for Tamala Park	■
2.3.2 Develop and agree a post-closure plan for the Tamala Park site	
· Develop and agree a post-closure plan for the Tamala Park site	■
2.3.3 Identify and deliver highest value outcome for the MRC's Neerabup site	
· Develop future use options report for Neerabup site.	■
· Deliver Neerabup future use recommendations endorsed by Council	■

# Corporate Business Plan - Performance

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

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









**MINDARIE REGIONAL COUNCIL  
FINANCIAL REPORT  
For the year ended 30 June 2024**

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

**Our Vision:**

Collaborating for a regional circular economy.

**Our Mission:**

To deliver sustainable waste management options for members.

**Principal place of business:**

1700K Marmion Avenue, TAMALA PARK WA 6030.



**MINDARIE REGIONAL COUNCIL  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**Statement by the Chief Executive Officer**

The accompanying financial report of Mindarie Regional Council has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position at 30 June 2024.

At the date of signing this statement the particulars included in the annual report are not misleading or inaccurate.

Signed on this 14<sup>th</sup> day of November 2024



Chief Executive Officer

**Scott Cairns**  
Name of Chief Executive Officer



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

2024

Mindarie Regional Council

To the Council of the Mindarie Regional Council

#### Opinion

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

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Council for the year ended 30 June 2024 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

#### Basis for opinion

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

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

#### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial report and my auditor's report.

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

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

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

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

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

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

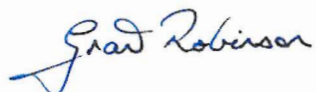
A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

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

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

### **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Mindarie Regional Council for the year ended 30 June 2024 included in the annual report on the Council's website. The Council's management is responsible for the integrity of the Council's website. This audit does not provide assurance on the integrity of the Council's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Council to confirm the information contained in the website version.



Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
14 November 2024

**MINDARIE REGIONAL COUNCIL**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	<b>Note</b>	<b>2024 Budget \$</b>	<b>2024 Actual \$</b>	<b>2023 Actual \$</b>
<b>Revenue</b>				
Grants, subsidies and contributions	2(a)	4,656,518	4,656,518	4,224,742
Fees and charges	2(a)	32,832,723	32,299,325	33,210,686
Interest revenue	2(a)	1,659,800	3,098,542	1,512,800
Other revenue	2(a)	95,000	339,899	162,894
		<u>39,244,041</u>	<u>40,394,284</u>	<u>39,111,122</u>
<b>Expenses</b>				
Employee costs	2(b)	(5,536,680)	(5,735,844)	(4,707,843)
Materials and contracts	2(b)	(18,348,818)	(17,405,327)	(17,769,937)
Utility charges		(718,250)	(591,004)	(632,002)
Depreciation and amortisation	2(b)	(10,850,978)	(8,451,384)	(7,606,255)
Finance costs	2(b)	(1,097,123)	(1,255,386)	(1,074,941)
Insurance		(620,200)	(355,736)	(684,881)
Other expenditure	2(b)	(320,950)	(204,320)	(205,237)
		<u>(37,492,999)</u>	<u>(33,999,001)</u>	<u>(32,681,096)</u>
		1,751,042	6,395,283	6,430,026
Capital grants, subsidies and contributions		50,000	0	0
Profit on asset disposals		1,000	291,943	0
Loss on asset disposals		(350,756)	(10,662)	0
		<u>(299,756)</u>	<u>281,281</u>	<u>0</u>
<b>Net result for the period</b>		<u>1,451,286</u>	<u>6,676,564</u>	<u>6,430,026</u>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	0	1,287,255	10,263,654
<b>Total other comprehensive income for the period</b>		0	1,287,255	10,263,654
<b>Total comprehensive income for the period</b>		<u>1,451,286</u>	<u>7,963,819</u>	<u>16,693,680</u>

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

**MINDARIE REGIONAL COUNCIL**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**

	Note	2024 \$	2023 Restated* \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	21,681,423	20,262,141
Trade and other receivables	5	2,304,693	2,273,228
Other financial assets	4	54,604,800	40,495,910
Inventories	6	12,330	15,792
Other assets	7	823,442	1,226,341
<b>TOTAL CURRENT ASSETS</b>		79,426,688	64,273,412
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8(a)	34,467,151	31,577,144
Infrastructure	9(a)	63,000,575	62,543,977
Right-of-use assets	11(a)	5,650,725	6,203,572
<b>TOTAL NON-CURRENT ASSETS</b>		103,118,451	100,324,693
<b>TOTAL ASSETS</b>		182,545,139	164,598,105
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	4,485,948	4,144,896
Other liabilities	13	38,000	0
Lease liabilities	11(b)	680,492	628,560
Employee related provisions	14	821,751	754,925
Rehabilitation provisions*	15	10,544,209	8,428,278
<b>TOTAL CURRENT LIABILITIES</b>		16,570,400	13,956,659
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	11(b)	5,702,532	6,161,220
Employee related provisions	14	88,800	141,000
Rehabilitation provisions*	15	19,504,778	11,624,416
<b>TOTAL NON-CURRENT LIABILITIES</b>		25,296,110	17,926,636
<b>TOTAL LIABILITIES</b>		41,866,510	31,883,295
<b>NET ASSETS</b>		140,678,629	132,714,810
<b>EQUITY</b>			
Retained deficit		(29,128,650)	(29,893,807)
Reserve accounts	27	25,404,778	19,493,371
Council contributions	17	89,085,726	89,085,726
Revaluation surplus	16	55,316,775	54,029,520
<b>TOTAL EQUITY</b>		140,678,629	132,714,810

\*Refer to Note 23 for details regarding prior year error corrections.

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

**MINDARIE REGIONAL COUNCIL  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	Retained Deficit \$	Council Contributions \$	Reserve Accounts \$	Revaluation Surplus \$	Total Equity \$
<b>Balance as at 1 July 2022</b>		<b>(35,597,552)</b>	<b>89,085,726</b>	<b>18,767,090</b>	<b>43,765,866</b>	<b>116,021,130</b>
Comprehensive income for the period						
Net result for the period	16	6,430,026	0	0	0	6,430,026
Other comprehensive income for the period		0	0	0	10,263,654	10,263,654
Total comprehensive income for the period		6,430,026	0	0	10,263,654	16,693,680
Transfer from reserve accounts	27	98,550	0	(98,550)	0	0
Transfer to reserve accounts	27	(824,831)	0	824,831	0	0
<b>Balance as at 30 June 2023</b>		<b>(29,893,807)</b>	<b>89,085,726</b>	<b>19,493,371</b>	<b>54,029,520</b>	<b>132,714,810</b>
Comprehensive income for the period						
Net result for the period	16	6,676,564	0	0	0	6,676,564
Other comprehensive income for the period		0	0	0	1,287,255	1,287,255
Total comprehensive income for the period		6,676,564	0	0	1,287,255	7,963,819
Transfer from reserve accounts	27	583,238	0	(583,238)	0	0
Transfer to reserve accounts	27	(6,494,645)	0	6,494,645	0	0
<b>Balance as at 30 June 2024</b>		<b>(29,128,650)</b>	<b>89,085,726</b>	<b>25,404,778</b>	<b>55,316,775</b>	<b>140,678,629</b>

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



**MINDARIE REGIONAL COUNCIL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Grants, subsidies, and contributions		4,656,518	4,224,742
Fees and charges		32,325,113	33,655,229
Interest revenue		3,133,051	939,304
Goods and services tax received		3,061,094	2,782,222
Other revenue		339,899	271,044
		<u>43,515,675</u>	<u>41,872,541</u>
<b>Payments</b>			
Employee costs		(5,704,745)	(4,776,643)
Materials and contracts		(16,720,971)	(17,328,430)
Utility charges		(591,004)	(632,002)
Finance costs		(324,573)	(331,820)
Insurance		(355,736)	(684,880)
Goods and services tax paid		(3,106,273)	(2,785,569)
Other expenditure		(204,320)	(466,879)
		<u>(27,007,622)</u>	<u>(27,006,223)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>16,508,053</u>	<u>14,866,318</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchases of property, plant and equipment	8(a)	(380,361)	(97,215)
Payments for construction of infrastructure	9(a)	(1,304,469)	(10,334)
Capital grants, subsidies and contributions		38,000	0
Proceeds for financial assets at amortised cost		(14,108,890)	(1,075,500)
Proceeds from sale of property, plant and equipment		1,293,291	0
<b>Net cash provided by (used in) investing activities</b>		<u>(14,462,429)</u>	<u>(1,183,049)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments for principal portion of lease liabilities	26	(626,342)	(566,483)
<b>Net cash provided by (used in) financing activities</b>		<u>(626,342)</u>	<u>(566,483)</u>
<b>Net increase (decrease) in cash held</b>		1,419,282	13,116,786
Cash at beginning of year		20,262,141	7,145,355
<b>Cash and cash equivalents at the end of the year</b>	3	<u>21,681,423</u>	<u>20,262,141</u>

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

**MINDARIE REGIONAL COUNCIL  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 Budget \$	2024 Actual \$	2023 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
Grants, subsidies, and contributions		4,656,518	4,656,518	4,224,742
Fees and charges		32,832,723	32,299,325	33,210,686
Interest revenue		1,659,800	3,098,542	1,512,800
Other revenue		95,000	339,899	162,894
Profit on asset disposals		1,000	291,943	0
		39,245,041	40,686,227	39,111,122
<b>Expenditure from operating activities</b>				
Employee costs		(5,536,680)	(5,735,844)	(4,707,843)
Materials and contracts		(18,348,818)	(17,405,327)	(17,769,937)
Utility charges		(718,250)	(591,004)	(632,002)
Depreciation		(10,850,978)	(8,451,384)	(7,606,255)
Finance costs		(1,097,123)	(1,255,386)	(1,074,941)
Insurance		(620,000)	(355,736)	(684,881)
Other expenditure		(320,950)	(204,320)	(205,237)
Loss on asset disposals		(350,756)	(10,662)	0
Loss on revaluation of non-current assets		0	0	(17,512)
		(37,843,755)	(34,009,663)	(32,698,608)
Non-cash amounts excluded from operating activities	25(a)	12,014,531	9,115,541	8,427,132
<b>Amount attributable to operating activities</b>		13,415,817	15,792,105	14,839,646
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		50,000	0	0
Proceeds from disposal of assets		576,000	1,293,291	0
		626,000	1,293,291	0
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment	8(a)	(1,033,000)	(380,361)	(97,215)
Purchase of construction of infrastructure	9(a)	(9,019,000)	(1,304,469)	(10,334)
		(10,052,000)	(1,684,830)	(107,549)
<b>Amount attributable to investing activities</b>		(9,426,000)	(391,539)	(107,549)
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Transfers from reserve accounts	27	1,215,000	583,238	98,550
		1,215,000	583,238	98,550
<b>Outflows from financing activities</b>				
Payments for principal portion of lease liabilities	26	(559,266)	(626,342)	(566,483)
Transfers to reserve accounts	27	(3,249,283)	(6,494,645)	(824,831)
		(3,808,549)	(7,120,987)	(1,391,314)
<b>Amount attributable to financing activities</b>		(2,593,549)	(6,537,749)	(1,292,764)
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
Surplus or deficit at the start of the financial year	25(b)	37,989,480	40,635,145	27,195,812
Amount attributable to operating activities		13,415,817	15,792,105	14,839,646
Amount attributable to investing activities		(9,426,000)	(391,539)	(107,549)
Amount attributable to financing activities		(2,593,549)	(6,537,749)	(1,292,764)
<b>Surplus or deficit</b>	25(b)	39,385,748	49,497,962	40,635,145

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

**MINDARIE REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINACIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

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**MINDARIE REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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## **1 BASIS OF PREPARATION**

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

### **Local Government Act 1995 requirements**

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

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

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

The *Local Government (Financial Management) Regulations 1996* provides that:

- land and buildings that are classified as property, plant and equipment; or
  - infrastructure; or
  - vested improvements that the local government controls;
- and are measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 Property, Plant and Equipment, which would have required the MRC to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their value and, if so, revalue the class of non-current assets.

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

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

### **The local government reporting entity**

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

**MINDARIE REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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## **1 BASIS OF PREPARATION (CONTINUED)**

### **Critical accounting estimates and judgements**

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

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

As with all estimates the use of different assumptions could lead to material changes in the amounts reported in the financial report.

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 behaviour, advances in technology and intervention by State Government through mechanisms such as the landfill levy.

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

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

Fair value hierarchy information can be found in note 24(i).

### **Landfill Cells**

There are three general components of landfill cell construction:

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

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

### **Amortisation on excavation assets**

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

### **Rehabilitation Provision**

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

**MINDARIE REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

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**1 BASIS OF PREPARATION (CONTINUED)**

**Initial application of accounting standards**

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

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

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

**New accounting standards for application in future years**

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

These amendments are not expected to have any material impact on the financial report on initial application.

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

These amendments may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements

These amendments may result in additional disclosures in the case of applicable finance arrangements.

**MINDARIE REGIONAL COUNCIL**  
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**2 REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

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

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

**Revenue Recognition**

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

**For the year ended 30 June 2024**

Nature	Contracts with customers	Other	Total
	\$	\$	\$
Grants, subsidies and contributions	0	4,656,518	4,656,518
Fees and charges	27,223,436	5,075,889	32,299,325
Interest revenue	0	3,098,542	3,098,542
Other revenue	0	339,899	339,899
<b>Total</b>	<b>27,223,436</b>	<b>13,170,848</b>	<b>40,394,284</b>



**MINDARIE REGIONAL COUNCIL**  
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**2 REVENUE AND EXPENSES (continued)**

**(a) Revenue (continued)**

**For the year ended 30 June 2023**

Nature	Contracts with customers	Other	Total
	\$	\$	\$
Grants, subsidies and contributions	0	4,224,742	4,224,742
Fees and charges	25,785,524	7,425,162	33,210,686
Interest revenue	0	1,512,800	1,512,800
Other revenue	0	162,894	162,894
<b>Total</b>	<b>25,785,524</b>	<b>13,325,598</b>	<b>39,111,122</b>

	Note	2024	2023
		\$	\$
<b>Fees and charges</b>			
Member Council charges	28	26,496,811	24,861,274
Casual fees		5,075,889	7,425,162
Gas Power Generation income		615,415	816,100
Mattress disposal fees		111,210	108,150
		<u>32,299,325</u>	<u>33,210,686</u>
<b>Interest revenue</b>			
Interest on reserve account funds	27	1,059,210	537,926
Other interest revenue		2,039,332	974,874
		<u>3,098,542</u>	<u>1,512,800</u>

**(b) Expenses**

	2024	2023
	\$	\$
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	137,500	125,818
- Additional prior year audit fees	0	25,200
	<u>137,500</u>	<u>151,018</u>
<b>Employee costs</b>		
Employee benefit costs	5,355,085	4,408,116
Other employee costs	380,759	299,727
	<u>5,735,844</u>	<u>4,707,843</u>
<b>Materials and contracts</b>		
Consultants and contracts	622,460	368,751
Communications and public consultation	11,170	31,134
Landfill expenses	1,319,672	1,244,379
Office expenses	272,826	196,107
Information systems expenses	269,344	238,196
Building maintenance	347,556	426,136
Plant and vehicles operating and hire	1,368,027	1,044,953
Government levies	12,779,832	13,958,639
External / internal audit fees	165,822	151,018
Legal expenses	248,618	110,624
	<u>17,405,327</u>	<u>17,769,937</u>

**MINDARIE REGIONAL COUNCIL**  
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**2 REVENUE AND EXPENSES (continued)**

**(b) Expenses (continued)**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
<b>Depreciation</b>			
Buildings	8(a)	203,660	200,908
Buildings - RRF	8(a)	1,429,345	1,339,074
Furniture and Office Equipment	8(a)	17,667	18,917
Computing Equipment	8(a)	38,917	33,165
Vehicles and Mobile Plant	8(a)	247,765	291,208
Infrastructure	9(a)	329,783	329,178
Right-of-Use Asset	11(a)	772,434	737,427
RRF Infrastructure	9(a)	3,292,611	2,702,929
		6,332,182	5,652,806
<b>Amortisation</b>			
Excavation and Cell Development	9(a)	1,591,500	1,472,167
Rehabilitation Assets	9(a)	527,702	481,282
		2,119,202	1,953,449
<b>Total depreciation and amortisation</b>		<b>8,451,384</b>	<b>7,606,255</b>
<b>Finance costs</b>			
Interest and financial charges for lease liabilities	26	324,573	331,820
Provisions: unwinding of discount	15	930,813	743,121
		1,255,386	1,074,941
<b>Other expenditure</b>			
Bank charges		20,611	19,554
Doubtful and Bad Debts expense		9,118	122
Elected Member costs	21(a)	174,591	185,561
		204,320	205,237

**3 CASH AND CASH EQUIVALENTS**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
Cash at bank and on hand		21,681,423	20,262,141
Held as			
- Unrestricted cash and cash equivalents		21,643,423	20,262,141
- Restricted cash and cash equivalents	13	38,000	0
		21,681,423	20,262,141

**MATERIAL ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**Restricted financial assets**

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

**MINDARIE REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**4 OTHER FINANCIAL ASSETS**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
<b>Current assets</b>			
Financial assets at amortised cost		54,604,800	40,495,910
<b>Other financial assets at amortised cost</b>			
Term deposits		54,604,800	40,495,910
Held as			
- Unrestricted other financial assets at amortised cost		29,200,022	21,002,539
- Restricted financial assets (amortised cost)	27	25,404,778	19,493,371
		54,604,800	40,495,910

**MATERIAL ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

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

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

**5 TRADE AND OTHER RECEIVABLES**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade receivables	2,159,372	1,976,494
Other receivables	0	208,666
GST receivable	145,321	88,068
	2,304,693	2,273,228

**MATERIAL ACCOUNTING POLICIES**

**Trade receivables**

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

**Other Receivables**

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

**Measurement**

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

**Classification and subsequent measurement**

Receivables which are generally due for settlement within 30 days are classified as current assets.

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

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

**MINDARIE REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINACIAL REPORT**  
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**6 INVENTORIES**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Fuel	12,330	15,792

The following movements in inventories occurred during the year:

<b>Balance at beginning of year</b>	15,792	23,889
Net movement for the year	(3,462)	(8,097)
<b>Balance at end of the year</b>	12,330	15,792

**MATERIAL ACCOUNTING POLICIES**

**General**

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs to make the sale.

**7 OTHER ASSETS**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Prepayments	186,778	190,058
Accrued interest	625,869	660,378
Accrued income	10,795	375,905
	823,442	1,226,341

**MATERIAL ACCOUNTING POLICIES**

**Other current assets**

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

**Accrued interest**

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

**MINDARIE REGIONAL COUNCIL**  
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**8 PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in balances**

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

	Land	Buildings - non- specialised	Building - resource recovery facility	Total land and buildings	Furniture and equipment	Plant and equipment	Computer equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	9,250,000	3,508,743	16,531,100	29,289,843	56,752	4,560,140	99,449	34,006,184
Additions	0	25,279	0	25,279	0	54,835	17,101	97,215
Disposals	0	0	0	0	0	0	0	0
Revaluation increments / (decrements) transferred to revaluation surplus	550,000	(1,364,764)	898,475	83,711	0	0	0	83,711
Depreciation	0	(200,908)	(1,339,074)	(1,539,982)	(18,918)	(291,207)	(33,165)	(1,883,272)
Transfers	0	0	0	0	0	(726,694)	0	(726,694)
<b>Balance at 30 June 2023</b>	9,800,000	1,968,350	16,090,501	27,858,851	37,834	3,597,074	83,385	31,577,144
<b>Comprises:</b>								
Gross balance amount at 30 June 2023	9,800,000	1,968,350	16,090,501	27,858,851	145,404	3,888,282	398,030	32,290,567
Accumulated depreciation at 30 June 2023	0	0	0	0	(107,570)	(291,208)	(314,645)	(713,423)
<b>Balance at 30 June 2023</b>	9,800,000	1,968,350	16,090,501	27,858,851	37,834	3,597,074	83,385	31,577,144
Additions	0	0	0	0	0	380,361	0	380,361
Disposals	0	0	0	0	0	(1,012,010)	0	(1,012,010)
Revaluation increments / (decrements) transferred to revaluation surplus	5,275,000	0	0	5,275,000	0	0	0	5,275,000
Depreciation	0	(203,660)	(1,429,345)	(1,633,005)	(17,667)	(247,765)	(38,917)	(1,937,354)
Transfers	0	0	0	0	32,650	66,123	85,237	184,010
<b>Balance at 30 June 2024</b>	15,075,000	1,764,690	14,661,156	31,500,846	52,817	2,783,783	129,705	34,467,151
<b>Comprises:</b>								
Gross balance amount at 30 June 2024	15,075,000	1,968,350	16,090,501	33,133,851	178,054	3,016,912	483,267	36,812,084
Accumulated depreciation at 30 June 2024	0	(203,660)	(1,429,345)	(1,633,005)	(125,237)	(233,129)	(353,562)	(2,344,933)
<b>Balance at 30 June 2024</b>	15,075,000	1,764,690	14,661,156	31,500,846	52,817	2,783,783	129,705	34,467,151

**8 PROPERTY, PLANT AND EQUIPMENT (continued)**

**(a) Movements in balances (continued)**

At 30 June 2024, an independent valuer performed a desktop revaluation of land and building. The last on-site inspection of land and building by the independent valuer was performed during the year ending 30 June 2022. Material changes to some asset classes were subsequently revalued to fair value in line with the independent valuer's report, with the increase in fair value being reflected in a revaluation surplus account.

The Resource Recovery Facility (RRF) comprise the asset classes of Land and Buildings – Resource Recovery Facility (Note 8) and the Resource Recovery Facility (Note 9). These collectively total \$77.85m.

Subsequent to taking legal ownership of the RRF, on 31 August 2021, the RRF continued to operate until 17 December 2021 to empty, clean and make safe all stationary plant and equipment in a manner that maintained its operational state. Since then, the MRC has continued to employ a Technical Officer who ensures the facility's operational viability.

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

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

The MRC Council has continued to support the repurposing of the RRF asset and the publication of a tender. The MRC does not consider the RRF impaired at 30 June 2024. The Council at its ordinary meeting held in September 2024 endorsed the commencement of commercial discussions with the preferred tenderer, which commenced in October 2024.



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**8 PROPERTY, PLANT AND EQUIPMENT (continued)**

**(b) Carrying Amount Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair value</b>					
<b>Land and buildings</b>					
Land	2	Market approach	Independent Valuer	June 2024	Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes which are restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.
Buildings – non-specialised	3	Cost approach using current replacement cost	Independent Valuer	June 2023	Price per square metre/market borrowing rate, adjusted for restricted use.
Buildings – Resource Recovery Facility	3	Cost approach using current replacement cost	Independent Valuer	June 2023	This required estimating the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value.

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

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

**(ii) Cost**

<b>Asset Class</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
Furniture and equipment	Not applicable	Cost	Not applicable	Not applicable
Plant and equipment	Not applicable	Cost	Not applicable	Not applicable

**MINDARIE REGIONAL COUNCIL**  
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**9 INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Resource Recovery Facility	Excavation and Rehabilitation	Other Infrastructure	Other infrastructure – Work in Progress	Total infrastructure
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	40,714,250	11,720,691	2,597,166	83,432	55,115,539
Additions	0	10,334	0	0	10,334
Disposals	0	0	0	0	0
Revaluation increments / (decrements) transferred to revaluation surplus	8,854,677	2,913,682	(86,268)	0	11,682,091
Depreciation / Amortisation	(2,702,929)	(1,953,449)	(329,178)	0	(4,985,556)
Transfers	726,694	23,957	54,350	(83,432)	721,569
<b>Balance at 30 June 2023</b>	47,592,692	12,715,215	2,236,070	0	62,543,977
<b>Comprises:</b>					
Gross balance amount at 30 June 2023	47,592,692	12,715,215	2,236,070	0	62,543,977
Accumulated depreciation / amortisation 30 June 2023	0	0	0	0	0
<b>Balance at 30 June 2023</b>	47,592,692	12,715,215	2,236,070	0	62,543,977
Additions	0	0	16,844	1,287,625	1,304,469
Disposals	0	0	0	0	0
Revaluation increments / (decrements) transferred to revaluation surplus	3,817,561	898,583	361,591	0	5,077,735
Depreciation / Amortisation	(3,292,611)	(2,119,202)	(329,783)	0	(5,741,596)
Transfers	0	1,101,591	0	(1,285,601)	(184,010)
<b>Balance at 30 June 2024</b>	48,117,642	12,596,187	2,284,722	2,024	63,000,575
<b>Comprises:</b>					
Gross balance amount at 30 June 2024	48,117,642	12,596,187	2,284,722	2,024	63,000,575
Accumulated depreciation / amortisation at 30 June 2024	0	0	0	0	0
<b>Balance at 30 June 2024</b>	48,117,642	12,596,187	2,284,722	2,024	63,000,575

**MINDARIE REGIONAL COUNCIL**  
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**9 INFRASTRUCTURE (continued)**

**(b) Carrying Amount Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair value</b>					
Resource Recovery Facility	3	Cost approach using current replacement cost	Independent Valuer	June 2024	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Excavation and Rehabilitation	3	Cost approach using current replacement cost	Independent Valuer	June 2024	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Other infrastructure	3	Cost approach using current replacement cost	Independent Valuer	June 2024	Construction costs and current condition, residual values and remaining useful life assessments inputs

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

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

**MINDARIE REGIONAL COUNCIL**  
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## **10 FIXED ASSETS**

### **(a) Depreciation**

#### **Depreciation rates**

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

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

#### **Revision of useful lives of plant and equipment**

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

### **MATERIAL ACCOUNTING POLICIES**

#### **Initial recognition**

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the 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. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Local Government (Financial Management) Regulation 17A(5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the MRC's revaluation policy, are recognised at cost and disclosed as being at reportable value.

#### **Measurement after recognition**

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses.

#### **Reportable Value**

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of nonfinancial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value for the purposes of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of non-financial asset subsequent to its last valuation date.

**MINDARIE REGIONAL COUNCIL**  
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**10 FIXED ASSETS (continued)**

**MATERIAL ACCOUNTING POLICIES (continued)**

**Revaluation**

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the MRC.

Whilst the regulatory framework only requires a revaluation to occur at every five years, it also provides for the MRC to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

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

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

**Depreciation on revaluation**

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

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

**Impairment**

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the MRC is not required to comply with AASB136 Impairment of Assets to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**Gains or losses on disposal**

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



**MINDARIE REGIONAL COUNCIL**  
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**11 LEASES**

**(a) Right-of-Use Assets**

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

	<b>Tamala Park Site</b>	<b>Total Right-of-Use Assets</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2022</b>	6,476,940	6,476,940
Increase resulting from rent review and CPI adjustments	464,059	464,059
Depreciation	<u>(737,427)</u>	<u>(737,427)</u>
<b>Balance at 30 June 2023</b>	6,203,572	6,203,572
Gross balance amount at 30 June 2023	8,693,214	8,693,214
Accumulated depreciation at 30 June 2023	<u>(2,489,641)</u>	<u>(2,489,641)</u>
<b>Balance at 30 June 2023</b>	6,203,573	6,203,573
Increase resulting from rent review and CPI adjustments	219,586	219,586
Depreciation	<u>(772,434)</u>	<u>(772,434)</u>
<b>Balance at 30 June 2024</b>	5,650,725	5,650,725
Gross balance amount at 30 June 2024	8,912,800	8,912,800
Accumulated depreciation at 30 June 2024	<u>(3,262,075)</u>	<u>(3,262,075)</u>
<b>Balance at 30 June 2024</b>	5,650,725	5,650,725

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

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
Depreciation on right-of-use assets		(772,434)	(737,427)
Finance charge on lease liabilities	26	<u>(324,573)</u>	<u>(331,820)</u>
Total amount recognised in the statement of comprehensive income		(1,097,007)	(1,069,247)
Total cash outflow from leases		(950,916)	(898,302)

**(b) Lease Liabilities**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
Current		680,492	628,560
Non-current		5,702,532	6,161,220
	26	<u>6,383,024</u>	<u>6,789,780</u>

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

**Secured liabilities and assets pledged as security**

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

**MINDARIE REGIONAL COUNCIL**  
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**11 LEASES (continued)**

**(b) Lease Liabilities (continued)**

**MATERIAL ACCOUNTING POLICIES**

**Leases**

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 26.

**Right-of-Use Assets - measurement**

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

**Right-of-Use Assets – depreciation**

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

**12 TRADE AND OTHER PAYABLES**

	<b>2024</b>	<b>2023</b>
<b>Current</b>	<b>\$</b>	<b>\$</b>
Sundry creditors	3,813,369	3,435,041
Accrued payroll liabilities	56,729	40,256
ATO liabilities	301,716	289,642
Accrued expenses	314,134	379,957
	<u>4,485,948</u>	<u>4,144,896</u>

**MATERIAL ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

**MINDARIE REGIONAL COUNCIL**  
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**13 OTHER LIABILITIES**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Capital grant / contribution liabilities	38,000	0
<b>Reconciliation of changes in capital grant / contribution liabilities</b>		
Opening balance	0	0
Additions	38,000	0
Closing balance	38,000	0
<b>Expected satisfaction of capital grant / contribution liabilities</b>		
Less than 1 year	38,000	0
	38,000	0

**MATERIAL ACCOUNTING POLICIES**

**Capital grant / contribution liabilities**

Capital grant / contribution liabilities represent the MRC's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the MRC which are yet to be satisfied. Capital grant / contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant / contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

**14 EMPLOYEE RELATED PROVISIONS**

<b>Employee Related Provisions</b>	<b>2024</b>	<b>2023</b>
<b>Current provisions</b>	<b>\$</b>	<b>\$</b>
<b>Employee benefit provisions</b>		
Annual Leave	340,669	303,980
Long Service Leave	244,128	254,353
Other Employee Leave Provision	188,260	165,131
	773,057	723,464
<b>Other provisions</b>		
Employment on-costs	48,694	31,461
<b>Total current employee related provisions</b>	821,751	754,925
<b>Non-current provisions</b>		
Long Service Leave	83,912	141,000
<b>Other provisions</b>		
Employment on-costs	4,888	0
<b>Total non-current employee related provisions</b>	88,800	141,000
<b>Total employee related provisions</b>	910,551	895,925

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

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

**MINDARIE REGIONAL COUNCIL**  
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**14 EMPLOYEE RELATED PROVISIONS (continued)**

**MATERIAL ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

**15 REHABILITATION PROVISIONS**

	<b>Make good provision</b>	<b>Total*</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2022</b>	17,807,424	17,807,424
Revaluation increase / (decrement)	1,502,149	1,502,149
Charged to profit or loss		
- unwinding of discount	743,121	743,121
<b>Balance at 30 June 2023</b>	20,052,694	20,052,694
<b>Comprises</b>		
Current provisions	8,428,278	8,428,278
Non-current provisions	11,624,416	11,624,416
<b>Balance at 30 June 2023</b>	20,052,694	20,052,694
Revaluation increase / (decrement)	9,065,480	9,065,480
Charged to profit or loss		
- unwinding of discount	930,813	930,813
<b>Balance at 30 June 2024</b>	30,048,987	30,048,987
<b>Comprises</b>		
Current provisions	10,544,209	10,544,209
Non-current provisions	19,504,778	19,504,778
<b>Balance at 30 June 2024</b>	30,048,987	30,048,987

\*The comparative balance for 2023 has been restated. Refer to Note 23 for details regarding prior year error corrections.

**Provisions for restoration, rehabilitation, and site monitoring costs**

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

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**15 REHABILITATION PROVISIONS (continued)**

**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 cost. 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.

**16 REVALUATION SURPLUS**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Land – freehold land</b>		
Opening balance	7,141,873	6,591,873
Movements	5,275,000	550,000
Closing balance	12,416,873	7,141,873
<b>Buildings – non-specialised</b>		
Opening balance		
Movements	2,022,856	3,387,620
Closing balance	0	(1,364,764)
	2,022,856	2,022,856
<b>Building – Resource Recovery Facility</b>		
Opening balance	8,705,008	7,806,533
Movements	0	898,475
Closing balance	8,705,008	8,705,008
<b>Furniture and equipment</b>		
Opening balance	337,230	337,230
Movements	0	0
Closing balance	337,230	337,230
<b>Plant and equipment</b>		
Opening balance	304,797	304,797
Movements	0	0
Closing balance	304,797	304,797
<b>Computer equipment</b>		
Opening balance	628,917	628,917
Movements	0	0
Closing balance	628,917	628,917
<b>Excavation and Rehabilitation</b>		
Opening balance	8,553,801	7,142,268
Movements	(8,166,897)	1,411,533
Closing balance	386,904	8,553,801
<b>Resource Recovery Facility and Other Infrastructure</b>		
Opening balance	26,335,038	17,566,628
Movements	4,179,152	8,768,410
Closing balance	30,514,190	26,335,038
	<b>55,316,775</b>	<b>54,029,520</b>
<b>Summary</b>		
Opening balance	54,029,520	43,765,866
Movements	1,287,255	10,263,654
Closing balance	55,316,775	54,029,520



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**17 COUNCIL CONTRIBUTIONS**

		<b>2024</b>	<b>2023</b>
	%	\$	\$
City of Wanneroo	16.67	14,847,625	14,847,625
City of Joondalup	16.67	14,847,625	14,847,625
City of Stirling	33.33	29,695,240	29,695,240
City of Perth	8.33	7,533,618	7,533,618
City of Vincent	8.33	7,387,206	7,387,206
Town of Cambridge	8.33	7,387,206	7,387,206
Town of Victoria Park	8.33	7,387,206	7,387,206
		<u>89,085,726</u>	<u>89,085,726</u>

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

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

**18 RESTRICTIONS OVER FINANCIAL ASSETS**

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		\$	\$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which resources may be used:			
- Cash and cash equivalents	3	21,681,423	20,262,141
- Financial assets at amortised cost	4	54,604,800	40,495,910
		<u>76,286,223</u>	<u>60,758,051</u>

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Restricted reserve accounts	27	25,404,778	19,493,371
Capital grant liabilities	13	38,000	0
<b>Total restricted financial assets</b>		<u>25,442,778</u>	<u>19,493,371</u>

**19 UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS**

	<b>2024</b>	<b>2023</b>
	\$	\$
Credit card limit	100,000	50,000
Credit card balance at balance date	0	(10,845)
Total amount of credit used	<u>100,000</u>	<u>39,155</u>

**MINDARIE REGIONAL COUNCIL  
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## **20 CONTINGENT LIABILITIES**

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

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

The October 2023 MAR reported on those further investigations completed and provides an update on the conditions of the source site and affected site.

The purpose of the October 2023 MAR audit was to:

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

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

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

The October 2023 MAR report summary of findings for the Source and Affected sites are listed below:

### Source Site:

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

### Affected Site:

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

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**20 CONTINGENT LIABILITIES (continued)**

**Site Management plan (SMP)**

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

The October 2023 MAR report concludes that:

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

The MRC Contaminated Site Approved Auditor recommended that MRC should continue to provide the auditor with updated information as it becomes available (i.e. at least a 6 monthly update following sampling and annual reporting, (plus immediate notification if things change). Communication received on 3 May 2024 stated, "as there has been no change in the risk profile and nothing to indicate that restrictions should change, a MAR should be submitted in 2025 following 2 years of monitoring."

**21 RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

	<b>2024 Budget</b>	<b>2024 Actual</b>	<b>2023 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Fees, expenses and allowances paid or reimbursed to elected council members			
Chairperson's annual allowance	20,900	20,454	20,448
Chairperson's meeting attendance fees	16,500	16,511	16,108
Chairperson's annual allowance – ICT expenses	1,192	1,040	1,000
	<u>38,592</u>	<u>38,005</u>	<u>37,556</u>
Deputy Chairperson's annual allowance	5,800	4,468	4,569
Deputy Chairperson's meeting attendance fees	11,000	10,008	10,300
Deputy Chairperson's annual allowance – ICT expenses	1,192	947	1,000
	<u>17,992</u>	<u>15,423</u>	<u>15,869</u>
All other members' meeting attendance fees	110,000	106,926	107,066
All other member's annual allowance – ICT expenses	11,916	12,051	10,202
All other member's travel and accommodation expenses	0	2,186	14,868
	<u>121,916</u>	<u>121,163</u>	<u>132,136</u>
Elected Member Remuneration	<u>178,500</u>	<u>174,591</u>	<u>185,561</u>

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**21 RELATED PARTY TRANSACTIONS (continued)**

**(b) Key Management Personnel (KMP) Compensation**

	<b>2024 Actual</b>	<b>2023 Actual</b>
	<b>\$</b>	<b>\$</b>
The total of compensation paid to KMP of the Mindarie Regional Council during the year are as follows:		
Short-term employee benefits	544,163	386,872
Post-employment benefits	86,318	65,415
Employee – other long-term benefits	67,634	81,651
Council member costs	174,591	185,561
	<u>872,706</u>	<u>719,499</u>

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Council member costs*

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

**Transactions with related parties**

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

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

	<b>2024 Actual</b>	<b>2023 Actual</b>
	<b>\$</b>	<b>\$</b>
In addition to KMP compensation above the following transactions occurred with related parties:		
Sale of goods and services	37,230,192	30,134,001
Purchase of goods and services	1,164,762	1,001,109
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	1,791,545	1,609,234
<b>Amounts payable to related parties:</b>		
Trade and other payables	47,033	18,742

**MINDARIE REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**21 RELATED PARTY TRANSACTIONS (continued)**

**(b) Key Management Personnel (KMP) Compensation (continued)**

**Related Parties**

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

*(i) Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b).

*(ii) Other Related Parties*

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

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

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

*(iii) Entities subject to significant influence by the Mindarie Regional Council*

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

**22 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

On 26th September 2024, the Mindarie Regional Council endorsed the commencement of commercial discussions with the preferred tenderer for the operation of the Resource Recovery Facility. Refer to Note 8 for additional information.

**23 PRIOR YEAR ERROR CORRECTIONS**

The total rehabilitation provision for 2022/23 of \$20,052,694 was presented as a non-current liability. This position has been restated in the 2023/24 financial report to recognise the current portion of the rehabilitation provision. The correction has no impact to the overall total provision stated.

The abovementioned has been corrected by restating the following affected line items of the prior year figures as at 30 June 2023 as follows:

<b>Statement of Financial Position</b>	<b>Previous stated balance \$</b>	<b>Correction \$</b>	<b>Restated balance \$</b>
<b>Current Liabilities</b>			
Rehabilitation provisions	0	8,428,278	8,428,278
<b>Non-Current Liabilities</b>			
Rehabilitation provisions	20,052,694	(8,428,278)	11,624,416



**MINDARIE REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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**24 OTHER MATERIAL ACCOUNTING POLICIES**

**(a) Goods and services tax (GST)**

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

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

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

**(b) Current and non-current classification**

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

**(c) Rounding off figures**

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

**(d) Comparative figures**

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

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

**(e) Budget comparative figures**

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

**(f) Superannuation**

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

**(g) Fair value of assets and liabilities**

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

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

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

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

**MINDARIE REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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**24 OTHER MATERIAL ACCOUNTING POLICIES (continued)**

**(h) Interest revenue**

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

**(i) Fair value hierarchy**

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

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

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

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

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**MINDARIE REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**24 OTHER MATERIAL ACCOUNTING POLICIES (continued)**

**(j) Impairment of assets**

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

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

**25 DETERMINATION OF SURPLUS OR DEFICIT**

**(a) Non-cash amounts excluded from operating activities**

	Note	2024 Budget \$	2024 Actual \$	2023 Actual \$
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals		(1,000)	(291,943)	0
Add: Loss on disposal of assets		350,756	10,662	0
Add: Loss on revaluation of fixed assets	16	0	0	17,512
Add: Depreciation and amortisation	2(b)	10,850,978	8,451,384	7,606,255
Employee benefit provisions	14	44,962	14,625	60,245
Rehabilitation – unwinding of interest	15	768,835	930,813	743,120
<b>Non-cash amounts excluded from operating activities</b>		<b>12,014,531</b>	<b>9,115,541</b>	<b>8,427,132</b>

**MINDARIE REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**25 DETERMINATION OF SURPLUS OR DEFICIT (continued)**

**(b) Surplus or deficit**

	Note	2024 Budget \$	2024 Actual \$	2023 Actual \$
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus / (deficit).				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	27	(21,412,801)	(25,404,778)	(19,493,371)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of Rehabilitation Provisions	15	0	10,544,209	8,428,278
- Current portion of lease liabilities	11	509,500	680,492	628,560
- Employee benefit provisions	14	0	821,751	754,925
<b>Total adjustments to net current assets</b>		<b>(20,903,301)</b>	<b>(13,358,326)</b>	<b>(9,691,608)</b>
<b>Net current assets used in the Statement of Financial Activity</b>				
Total current assets		66,430,359	79,426,688	64,273,412
Less: Total current liabilities		(6,141,310)	(16,570,400)	(13,956,659)
Less: Total adjustments to net current assets		(20,903,301)	(13,358,326)	(9,681,608)
<b>Surplus or deficit</b>		<b>39,385,748</b>	<b>49,497,962</b>	<b>40,635,145</b>

**26 LEASE LIABILITIES**

	Note	2024 Budget \$	2024 Actual \$	2023 Actual \$
1700k Marmion Avenue, Tamala Park				
<b>Principal as at 1 July</b>		6,456,778	6,789,781	6,892,205
- New leases		0	219,586	464,059
- Principal repayments		(559,266)	(626,343)	(566,483)
<b>Principal as at 30 June</b>	11(b)	<b>5,897,512</b>	<b>6,383,024</b>	<b>6,789,781</b>
Lease finance cost payments				
	11(a)	(328,288)	(324,573)	(331,820)

**Lease details - 1700K Marmion Avenue Tamala Park WA 6030**

Institution – Member Councils  
Interest rate – 4.5% per annum  
Lease term – 40 years  
Final due date – 30 June 2032

**MINDARIE REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**27 RESERVE ACCOUNTS**

	Note	2024 Budget \$	2024 Actual \$	2023 Actual \$
<b>Site Rehabilitation Reserve</b>				
To be used to fund the rehabilitation following the closure of the landfill site.				
<b>Opening balance at 1 July</b>		17,056,651	17,056,658	16,242,161
Interest earnings		654,480	912,150	0
Transfer to reserve		768,835	710,435	824,831
Transfer from reserve		0	0	(10,334)
<b>Closing balance at 30 June</b>		18,479,966	18,679,243	17,056,658
<b>Capital Expenditure Reserve</b>				
To be used to fund ongoing capital expenditure requirements.				
<b>Opening balance at 1 July</b>		1,830,791	1,945,637	2,033,853
Interest earnings		80,968	122,387	0
Transfer to reserve		1,725,000	4,725,000	0
Transfer from reserve		(1,215,000)	(583,238)	(88,216)
<b>Closing balance at 30 June</b>		2,421,759	6,209,786	1,945,637
<b>Carbon Abatement Reserve</b>				
To be used to fund carbon abatement projects.				
<b>Opening balance at 1 July</b>		491,076	491,076	491,076
Interest earnings		20,000	24,673	0
Transfer to reserve		0	0	0
Transfer from reserve		0	0	0
<b>Closing balance at 30 June</b>		511,076	515,749	491,076
<b>SUMMARY</b>				
<b>Opening balance at 1 July</b>		19,378,518	19,493,371	18,767,090
Interest earnings	2(a)	755,448	1,059,210	0
Transfer to reserve		2,493,835	5,435,435	824,831
Transfer from reserve		(1,215,000)	(583,238)	(98,550)
<b>Closing balance at 30 June</b>		21,412,801	25,404,778	19,493,371

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



**MINDARIE REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**28 FINANCIAL ACTIVITY INFORMATION AND MEMBER CHARGES**

Please refer to Note 2(a).

	Processable Tonnes	Non- processable Tonnes	Total Tonnes	Average rate \$	Revenue \$
<b>BUDGET</b>					
City of Perth	12,482	0	12,482	151.00	1,884,782
City of Wanneroo	55,000	3,000	58,000	151.00	8,757,751
City of Joondalup	33,000	600	33,600	151.00	5,073,600
City of Stirling	45,000	7,808	52,808	151.00	7,974,008
Town of Cambridge	5,200	16	5,216	151.00	787,616
City of Vincent	4,500	1,000	5,500	151.00	830,500
Town of Victoria Park	8,400	0	8,400	151.00	1,268,400
	<b>163,582</b>	<b>12,424</b>	<b>176,006</b>	<b>151.00</b>	<b>26,576,657</b>
<b>ACTUAL</b>					
City of Perth	13,048	6	13,054	150.81	1,968,636
City of Wanneroo	51,764	1,866	53,630	151.28	8,113,169
City of Joondalup	32,079	775	32,854	150.81	4,954,717
City of Stirling	43,767	10,071	53,838	150.82	8,119,812
Town of Cambridge	5,828	9	5,837	150.90	880,823
City of Vincent	4,585	1,076	5,661	150.69	853,072
Town of Victoria Park	10,654	0	10,654	150.80	1,606,582
	<b>161,725</b>	<b>13,803</b>	<b>175,528</b>	<b>150.95</b>	<b>26,496,811</b>

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





1700 Marmion Ave, Tamala Park WA 6030  
Phone: (08) 9306 6303  
Website: [www.mrc.wa.gov.au](http://www.mrc.wa.gov.au)

## Moved Cr Miles seconded Cr Ferrante

### Procedural Motion:

That the Audit and Risk Committee:

1. Closes the meeting to the members of the public at 7.22 pm to consider items 7.1 and 7.2 in accordance with section 5.23 (f)(ii) of the Local Government Act 1995.
2. Permits the MRC Chief Executive Officer, visitors from OAG and MRC staff to remain in the meeting during discussions for items 7.1 and 7.2

(CARRIED UNANIMOUSLY 4/0)

*For: Crs Hatton, Ferrante, Miles and Mr Kumar*

*Against: Nil*

## 7 MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

This report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f)(ii) of The *Local Government Act 1995* as the report deals with matters concerning risks to the MRC.

7.1 ANNUAL FINANCIAL AUDIT PLANNING 2023/2024	
<b>File No:</b>	GF-23-0000423
<b>Attachment</b>	Attachment 1- Annual Financial Audit Planning Summary
<b>Date:</b>	15 November 2024
<b>Responsible Officer:</b>	Executive Manager Corporate Services

### RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee note and review the scope and effectiveness of the 2023/2024 Annual Financial Audit Planning Summary issued by the OAG Auditors.

Moved Cr Ferrante, seconded Cr Hatton

The Chair invited Officers from the Office of the Auditor General, WA (OAG) to make a presentation on items 7.1 and 7.2 to the Audit and Risk Committee.

Mr Sheikh, Assistant Director, OAG, provided a short presentation and took questions from the committee.

Ms England, Audit Manager, also provided a short presentation and took questions from the Committee.

## **RESOLVED**

**That the recommendation be adopted**

(CARRIED UNANIMOUSLY 4/0)

*For: Crs Hatton, Ferrante, Miles and Mr Kumar*

*Against: Nil*

This report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f)(ii) of The <i>Local Government Act 1995</i> as the report deals with matters concerning risks to the MRC.	
<b>7.2 AUDIT COMPLETION 2023/2024</b>	
<b>File No:</b>	GF-23-0000423
<b>Attachment (s)</b>	Attachment 2 - Auditor General Independent Auditors Report Attachment 3 - Annual Financial Audit Exit Brief Attachment 4 - Representation Letter Attachment 5 - Management Letter
<b>Date:</b>	15 November 2024
<b>Responsible Officer:</b>	Executive Manager Corporate Services

## **RESPONSIBLE OFFICER RECOMMENDATION**

**That the Audit and Risk Committee recommends that Council note the Auditor General Independent Auditors Report for year ended 30 June 2024.**

**That the Audit and Risk Committee recommends that Council note the Annual Financial Audit Exit Brief for year ended 30 June 2024.**

**That the Audit and Risk Committee recommends that Council note the Representation Letter for the year ended 30 June 2024.**

**That the Audit and Risk Committee recommends that Council note the Management Letter for the year ended 30 June 2024.**

**Moved Cr Hatton, seconded Cr Miles**

**RESOLVED**

**That the recommendation be adopted**

(CARRIED UNANIMOUSLY 4/0)

*For: Crs Hatton, Ferrante, Miles and Mr Kumar*

*Against: Nil*

**Moved Cr Miles, seconded Cr Ferrante**

**Procedural motion**

**To reopen the meeting to members of the public at 7.55 pm**

(CARRIED UNANIMOUSLY 4/0)

*For: Crs Hatton, Ferrante, Miles and Mr Kumar*

*Against: Nil*

## **8 NEW BUSINESS**

Nil

## **9 NEXT MEETING**

Tentative date to be confirmed: 13 February 2025

## **10 CLOSURE**

The Chair closed the meeting at 7.55 pm and thanked the City of Stirling for their hospitality and use of their meeting facilities.

The Chair thanked Mr Sheikh and Ms England, Office of the Auditor General, WA, for attending the Audit and Risk Committee meeting.

Signed.....Chair

Dated.....day of .....2025



**MINDARIE REGIONAL COUNCIL  
AUDIT AND RISK COMMITTEE MEETING  
20 NOVEMBER 2024**

**STATUS OF RESOLUTIONS FOR 2024 ONWARDS**

DATE	ITEM NO	TITLE	RESOLUTION	STATUS
06.03.2024	3	<b>Terms of Reference</b>	Meeting Note: The Chair noted that the Terms of Reference is due for review, the review will ensure that the Committee's role in the review and recommendation of CBP reporting is captured.	<b>For Action: Administration to review the Terms of Reference</b>
	5.1	<b>Confirmation of Minutes of previous meeting</b>	That the Minutes of the Audit and Risk Committee Meeting held on 23 November 2023 accurately reflect the deliberations and recommendations of the committee on that date and therefore are taken as read, and the Chair invited to sign same as a true record of the proceedings (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i>	<b>For noting</b>
	6.1	<b>Compliance Audit Return</b>	That the Audit and Risk Committee recommends that Council endorse the Compliance Audit return for the 2023 calendar year, as presented. Moved Cr Ferrante, seconded Cr Hatton RESOLVED That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i>	<b>For recommendation to Council</b>

**MINDARIE REGIONAL COUNCIL  
AUDIT AND RISK COMMITTEE MEETING  
20 NOVEMBER 2024**

DATE	ITEM NO	TITLE	RESOLUTION	STATUS
	6.2	<b>MRC Internal Audit Function</b>	<p>That the Audit and Risk committee recommends to Council: That Council:</p> <ol style="list-style-type: none"> <li>1. Endorse the CEO's proposed internal audit function for Mindarie Regional Council.</li> <li>2. Request the CEO to provide a further report detailing the three-year work plan that will be the basis of a contract for the Internal Audit service.</li> </ol> <p>Moved Cr Hatton, seconded Cr Ferrante RESOLVED That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i></p> <p><b>Meeting note:</b> Question raised by Chair that for item 6.2 Mindarie Regional Council Internal Audit Function, that there be feedback from member councillors regarding the direction of future closure and expenditure on infrastructure and assets.</p>	<p><b>For recommendation to Council</b></p> <p><b>For Action: Administration to seek guidance from MRC Councillors in relation to the scope for the internal audit function</b></p>
	7.1	<b>High Risk Register</b>	<p>That the Audit and Risk Committee recommends that Council: Notes the high risk register as presented. Moved Cr Ferrante, seconded Mr Kumar RESOLVED That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i></p>	<b>For recommendation to Council</b>

**MINDARIE REGIONAL COUNCIL  
AUDIT AND RISK COMMITTEE MEETING  
20 NOVEMBER 2024**

DATE	ITEM NO	TITLE	RESOLUTION	STATUS
	7.2	<b>CEO's Review of Risk Management, Internal Controls And Legislative Compliance</b>	<p>That the Audit and Risk Committee recommends that Council: Endorses the CEO's Review of Risk Management, Internal Controls and Legislative Compliance completed 16 February 2024.</p> <p>Moved Cr Ferrante, seconded Cr Hatton RESOLVED</p> <p>That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i></p>	<b>For recommendation to Council</b>
	7.3		<p>That the Audit and Risk Committee recommends that Council: Endorse the Corporate Business Plan progress report, as presented.</p> <p>Moved Cr Kumar, seconded Cr Hatton RESOLVED</p> <p>That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i></p> <p><b>Meeting note:</b> Noted by external member, Mr Kumar, that there is an opportunity to review the Corporate Business Plan reporting methodology to gain greater clarity on progress against individual targets.</p>	<p><b>For recommendation to Council</b></p> <p><b>For action Administration to investigate</b></p>

MINDARIE REGIONAL COUNCIL  
AUDIT AND RISK COMMITTEE MEETING  
20 NOVEMBER 2024

DATE	ITEM NO	TITLE	RESOLUTION	STATUS
11.09.2024	5	Confirmation of previous minutes	<b>RECOMMENDATION</b> That the Minutes of the Audit and Risk Committee Meeting held on 06 March 2024 be taken as read, confirmed and the Chair invited to sign same as a true record of the proceedings. <b>Moved Cr Hatton, seconded Cr Ferrante</b> <b>RESOLVED</b> <b>That the recommendation be adopted</b> (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i>	For Information
	6.1	Audit and Risk Committee Terms of Reference Review	<b>RESPONSIBLE OFFICER RECOMMENDATION</b> <b>That the Audit and Risk Committee recommend to Council to:</b> 1. Adopts the revised Audit and Risk Committee Terms of Reference. <b>Moved Cr Ferrante, seconded Cr Hatton</b> <b>RESOLVED</b> <b>That the recommendation be adopted</b> (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i>	COMPLETED
	6.2	Corporate Business Plan Periodical Reporting for period ending June 2024	<b>RESPONSIBLE OFFICER RECOMMENDATION</b> <b>That the Audit and Risk Committee recommends that Council endorse the Corporate Business Plan progress report, as presented.</b> <b>Moved Cr Hatton, seconded Mr Kumar</b> <b>RESOLVED</b> <b>That the recommendation be adopted</b> (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i>	COMPLETED

MINDARIE REGIONAL COUNCIL  
AUDIT AND RISK COMMITTEE MEETING  
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			<i>Against: Nil</i>	
	7.1	<b>FULL RISK REGISTER</b>	<b>RESPONSIBLE OFFICER RECOMMENDATION</b> <b>That the Audit and Risk Committee recommend that Council note the full risk register as presented.</b> <b>Moved Cr Ferrante, seconded Cr Hatton</b> <b>RESOLVED</b> <b>That the recommendation be adopted</b> (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i>	
	7.2	<b>DRAFT RISK APPETITE STATEMENT AND RISK MANAGEMENT PLAN</b>	<b>RESPONSIBLE OFFICER RECOMMENDATION</b> <b>That the Audit and Risk Committee recommends that Council adopt</b> <ol style="list-style-type: none"> <li>1. Risk Management Plan and Risk Appetite Statement, and;</li> <li>2. Risk Appetite Statement and Risk Assessment and Acceptance Criteria</li> </ol> <b>Moved Cr Ferrante, seconded Cr Hatton</b> <b>RESOLVED</b> <b>That the recommendation be adopted</b> (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i>	
	7.3	<b>CEO's Review of the appropriateness and effectiveness of the financial management</b>	<b>RESPONSIBLE OFFICER RECOMMENDATION</b> That the Audit and Risk Committee recommends that Council: Endorses the CEO's Review of the appropriateness and effectiveness of the financial management systems and procedures of the Local Government dated 27 May 2024. <b>Moved Cr Hatton, seconded Cr Ferrante</b> <b>RESOLVED</b> <b>That the recommendation be adopted</b>	

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		<b>systems and procedures</b>	(CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i>	
20.11.2024	5	<b>Confirmation of Minutes</b>	<b>RECOMMENDATION</b> That the Minutes of the Audit and Risk Committee Meeting held on 11 September 2024 be taken as read, confirmed and the Chair invited to sign same as a true record of the proceedings. <b>Moved Cr Ferrante, seconded Mr Kumar</b> <b>RESOLVED</b> <b>That the recommendation be adopted</b> (CARRIED UNANIMOUSLY 4/0) <i>For: Crs Hatton, Ferrante, Miles and Mr Kumar</i> <i>Against: Nil</i>	<b>For Information</b>
	6.1	<b>Mindarie Regional Council Internal Audit Plan</b>	<b>That the Audit and Risk Committee recommends to Council:</b> <ol style="list-style-type: none"> <li><i>1. Endorse the CEO's proposed internal audit scope of works for Mindarie Regional Council.</i></li> <li><i>2. Approve the CEO to engage a professional firm in Western Australia to provide internal audit services in line the recommended schedule and scope of work.</i></li> </ol> <b>Moved Cr Miles, seconded Mr Kumar</b> <b>RESOLVED</b> <b>That the recommendation be adopted</b> (CARRIED UNANIMOUSLY 4/0) <i>For: Crs Hatton, Ferrante, Miles and Mr Kumar</i> <i>Against: Nil</i>	<b>For recommendation to Council</b>



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	6.2	Draft Proposed Terms of Reference SWG	<p><b>That Audit and Risk Committee recommend that Council:</b></p> <ul style="list-style-type: none"> <li>• <b>Endorse the Terms of Reference for the Strategic Working Group (SWG).</b></li> </ul> <p><b>Moved Cr Hatton, seconded Cr Ferrante</b>  <b>PROPOSED AMENDMENT</b>  <b>Moved Cr Miles, seconded Mr Kumar</b></p> <ol style="list-style-type: none"> <li>1. At Point 8: Insert the words "<i>MRC Councillors</i>" before the words "<i>distributed to all members</i>"</li> <li>2. At Point 2: remove the words "<i>bi annually</i>" and replace with the words "<i>every 2 years</i>".</li> <li>3. At Points 4 &amp; 6: remove the word "<i>Representatives</i>" and replace with the word "<i>Officer</i>".</li> </ol> <p>(CARRIED UNANIMOUSLY 4/0)  <i>For: Crs Hatton, Ferrante, Miles and Mr Kumar</i>  <i>Against: Nil</i></p> <p><b>SUBSTANTIVE MOTION, AS AMENDED</b>  <b>That Audit and Risk Committee recommend that Council:</b></p> <ul style="list-style-type: none"> <li>• <b>Endorse the Terms of Reference for the Strategic Working Group (SWG), subject to the amendments.</b></li> </ul> <p>(CARRIED UNANIMOUSLY 4/0)  <i>For: Crs Hatton, Ferrante, Miles and Mr Kumar</i>  <i>Against: Nil</i></p>	For recommendation to Council
	6.3	Annual Report 2023	<p><b>That the Audit and Risk Committee recommends that Council accepts Annual Report inclusive of the Financial Report for year ended 30 June 2024.</b></p> <p><b>Moved Cr Ferrante, seconded Cr Miles</b>  <b>RESOLVED</b>  <b>That the recommendation be adopted</b></p> <p>(CARRIED UNANIMOUSLY 4/0)  <i>For: Crs Hatton, Ferrante, Miles and Mr Kumar</i>  <i>Against: Nil</i></p>	For recommendation to Council

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	7.1	Annual Financial Audit Planning 2023/2024	<p>That the Audit and Risk Committee note and review the scope and effectiveness of the 2023/2024 Annual Financial Audit Planning Summary issued by the OAG Auditors.</p> <p>Moved Cr Ferrante, seconded Cr Hatton <b>RESOLVED</b> That the recommendation be adopted (CARRIED UNANIMOUSLY 4/0) <i>For: Crs Hatton, Ferrante, Miles and Mr Kumar</i> <i>Against: Nil</i></p>	COMPLETED
	7.2	Audit Completion 2023/2024	<p>That the Audit and Risk Committee recommends that Council note the Auditor General Independent Auditors Report for year ended 30 June 2024.</p> <p>That the Audit and Risk Committee recommends that Council note the Annual Financial Audit Exit Brief for year ended 30 June 2024.</p> <p>That the Audit and Risk Committee recommends that Council note the Representation Letter for the year ended 30 June 2024.</p> <p>That the Audit and Risk Committee recommends that Council note the Management Letter for the year ended 30 June 2024.</p> <p>Moved Cr Hatton, seconded Cr Miles <b>RESOLVED</b> That the recommendation be adopted (CARRIED UNANIMOUSLY 4/0) <i>For: Crs Hatton, Ferrante, Miles and Mr Kumar</i> <i>Against: Nil</i></p>	For recommendation to Council

**ATTACHMENT 1****TERMS OF REFERENCE****AUDIT AND RISK COMMITTEE****1. Objectives of Audit and Risk Committee**

In line with Function 16 of the Local Government (Audit) Regulations 1996, the objective of the Audit and Risk committee is to:

- Support Council in fulfilling its governance and oversight responsibilities in relation to financial and performance reporting, internal control structure, risk management and external and internal audit functions and ethical accountability
- Critically examine the annual external audit and liaise with the Office of the Auditor General (OAG) so that Council can be satisfied with the performance of the local government in managing its financial affairs.
- Receive and review reports prepared by the Chief Executive Officer in accordance with the Regulations and present a report to Council on its findings and recommendations.

Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the Council's affairs, determining the Council's policies and overseeing the allocation of the Council's finances and resources. The Committee will ensure openness in the Council's financial reporting and will liaise with the Chief Executive Officer (CEO) to ensure the effective and efficient management of the Council's financial accounting systems and compliance with legislation.

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 audit, risk management, internal control and legislative compliance;
- the provision of an effective means of communication between the OAG, the CEO and the Council.

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**2. Powers of the Audit Committee**

The Committee is a formally appointed committee of Council and is responsible to that body. The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The Committee does not have any management functions and cannot involve itself in management processes or procedures.

The Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the Council that have not been delegated to the CEO.

**3. Membership**

The Committee will consist of a minimum of three elected members. The Council may also appoint an independent member. All members shall have full voting rights.

External persons appointed to the Committee will be a member of CPA Australia or the Institute of Chartered Accountants (Australia), have the requisite financial, risk, commercial and/or business experience, and will be sufficiently conversant with governance, financial and other reporting requirements so as to allow them to fulfil the role.

Appointment of independent persons shall be made by Council by way of a public advertisement and be for a maximum of two years.

Independent Committee members will receive an allowance as per the Salaries and Allowances Tribunal (SAT) determination, and reimbursement of approved expenses will be paid to each independent person who is a member of the Committee, up to an annual limit set as part of the annual budget process.

The CEO and employees are not members of the committee.

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The CEO or his/her nominee is to attend all meetings to provide advice and guidance to the Committee.

The Council shall provide secretarial and administrative support to the Committee.

#### **4. Meetings**

The Committee shall meet at least twice a year.

Additional meetings shall be convened at the discretion of the presiding person.

A quorum of the Committee will be constituted by three members.

Any decision of the Committee is to be made by simple majority.

#### **5. Reporting**

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.

#### **6. Duties and Responsibilities**

The duties and responsibilities of the Committee will be –

- (a) Provide guidance and assistance to Council as to carrying out the function of the Council in relation to audits and risk management.
- (b) Review and recommend to Council –
  - a list of those matters to be audited; and
  - the scope of the audit to be undertaken.
- (c) Meet with the OAG once in each year and provide a report to Council on the matters discussed and outcome of those discussions.
- (d) Liaise with the CEO to ensure that the Local Government does everything in its power to –
  - assist the OAG to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
  - ensure that audits are conducted successfully and expeditiously.
- (e) Examine the reports of the OAG after receiving a report from the CEO on the matters and –
  - determine if any matters raised require action to be taken by the Council; and

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- ensure that appropriate action is taken in respect of those matters.
- (f) Review the report prepared by the CEO on any actions taken, in respect of any matters raised in the report of the OAG and present the report to Council for adoption prior to the end of the next financial year or six months after the last report prepared by the OAG is received, whichever is the latest in time.
- (g) Review the scope of the audit plan and program and its effectiveness.
- (h) Review the appropriateness of special internal audit assignments undertaken at the request of Council or CEO.
- (i) Review the level of resources allocated to internal audit and the scope of its authority.
- (j) Review reports of internal audits and monitor the implementation of recommendations made by OAG and review the extent to which Council and management reacts to matters raised.
- (k) Facilitate liaison between the internal auditor and the OAG to promote compatibility, to the extent appropriate, between their audit programs.
- (l) Review Council's draft annual financial report, focusing on:
  - accounting policies and practices;
  - changes to accounting policies and practices;
  - the process used in making significant accounting estimates;
  - significant adjustments to the financial report (if any) arising from the audit process;
  - compliance with accounting standards and other reporting requirements; and
  - significant variances from prior years.
- (m) Consider recommending adoption of the financial report to Council.
- (n) Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference.
- (o) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee's terms of reference following authorisation from the Council.
- (p) Review the Strategic Planning documents and report to the Council the results and recommendation of that review.
- (q) Review the annual Compliance Audit Return and report to the Council the results and recommendation of that review.



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- (r) Consider the CEO review of the appropriateness and effectiveness of the Council's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the Committee, and report to the Council the results of those reviews, in accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*.
- (s) Consider the CEO review of the appropriateness of the Council's financial management systems and procedures and report to the Council the results of those reviews, in accordance with regulation 5 of the *Local Government (Financial Management) Regulations 1996*.
- (t) Monitor the progress of any major lawsuits facing the Council.
- (u) Perform an annual review of the MRC Risk Management Framework and the full risk register.
- (v) Perform a biannual review of the high risks identified in the Council's Risk Register.

**TERMS OF REFERENCE - VERSION CONTROL**

Version	Audit and Risk Committee review date	Description of changes	Approved by Council date
1		First Version	27.10.2005
2	27 March 2014	<ul style="list-style-type: none"> <li>- Making allowance for the appointment of an external Audit Committee member, as well as setting the qualifications required of the member and their reimbursement</li> <li>- Revising the meeting frequency and establishing the quorum required for meetings</li> <li>- Broadening the Audit Committee's role to include the consideration of: <ul style="list-style-type: none"> <li>• The financial report</li> <li>• The annual compliance return</li> <li>• The CEO's biennial systems review</li> <li>• Major lawsuits affecting the MRC</li> <li>• Material risks affecting the MRC</li> </ul> </li> <li>- Changing the Audit Committee's role from needing to 'Recommend adoption...' of the financial report to "Consider recommending</li> </ul>	24.04.2014

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		<i>adoption...</i> of the financial report to make allowance for the possibility that the Audit Committee may not endorse the report as presented in every instance.	
3	12.05.2022	<ul style="list-style-type: none"> <li>• Change in name from Audit Committee to Audit and Risk Committee</li> <li>• Removing the duties and responsibilities of recommending and adopting an external auditor, due to the fact that MRC audits are now conducted by the Office of the Auditor General (OAG).</li> <li>• The inclusion of performing an annual review of the risk management framework and full risk register</li> </ul>	26.05.2022
4	11 September 2024	<p><b>Section 1.</b> Objectives of the Audit and Risk Committee - to include financial and performance reporting.</p> <p><b>Section 3.</b> Membership - inclusion of meeting fees for Independent Members</p> <p><b>Section 4.</b> Meeting frequency changed from 'once a year' to 'twice a year'</p> <p><b>Section 6 (a)</b> inclusion of risk management</p> <p><b>Section 6 (p)</b> inclusion of responsibility relating to Strategic Planning documents reporting - review and recommendation</p> <p><b>Section 6 (q)</b> include the words 'and recommendation'</p> <p><b>Section 6(s)</b> inclusion of responsibility relating to Regulation 5, <i>LG (Financial Management) Regulations 1996</i></p>	26.09.2024
Next Review due	<b>30.12.2026</b>		

## Summary of Council Resolutions

List of resolutions for the financial year 2024/2025 plus any outstanding resolutions from previous years			
OCM /SCM Date	Item #	Resolution	Status
26.09.2024	9.1	Receive the Financial Statements set out in Attachment No. 1 for the months ended 31 July and August 2024. Moved Cr Miles, Seconded Cr Wright RESOLVED That the recommendation be adopted CARRIED UNANIMOUSLY 11/0 <i>For: Crs Castle, Creado, Cutler, Ferrante, Fishwick, Gobbert, Hatton, Miles, Proud, Vernon and Wright</i> <i>Against: Nil</i>	For information
	9.2	That Council resolve to: Note the list of accounts paid under delegated authority to the Chief Executive Officer for the months ended 31 July 2024 and 31 August 2024, in accordance with regulation 13(1) of the Local Government (Financial Management) Regulation 1996. Moved Cr Vernon, Seconded Cr Creado RESOLVED That the recommendation be adopted CARRIED UNANIMOUSLY 11/0 <i>For: Crs Castle, Creado, Cutler, Ferrante, Fishwick, Gobbert, Hatton, Miles, Proud, Vernon and Wright</i> <i>Against: Nil</i>	For information
	9.3	That the Council Appoint Cr Gobbert as a member on to the Municipal Waste Advisory Council. CARRIED UNANIMOUSLY 11/0 <i>For: Crs Castle, Creado, Cutler, Ferrante, Fishwick, Gobbert, Hatton, Miles, Proud, Vernon and Wright</i> <i>Against: Nil</i>	For information
	9.4	That Council Adopts the revised Audit and Risk Committee Terms of Reference. Moved Cr Hatton, Seconded Cr Wright RESOLVED That the recommendation be adopted CARRIED UNANIMOUSLY 12/0 <i>For: Crs Castle, Creado, Cutler, Ferrante, Fishwick, Gobbert, Hatton, May, Miles, Proud, Vernon and Wright</i> <i>Against: Nil</i>	For Information
	9.5	That Council endorse the Corporate Business Plan progress report, as presented. RESOLVED That the recommendation be adopted CARRIED UNANIMOUSLY 12/0 <i>For: Crs Castle, Creado, Cutler, Ferrante, Fishwick, Gobbert, Hatton, May, Miles, Proud, Vernon and Wright</i> <i>Against: Nil</i>	For Information
	10	That the Members Information Bulletin Issue No. 86 be received. Moved Cr Cutler, Seconded Cr Creado RESOLVED That the recommendation be adopted CARRIED UNANIMOUSLY 12/0 <i>For: Crs Castle, Creado, Cutler, Ferrante, Fishwick, Gobbert, Hatton, May, Miles, Proud, Vernon and Wright</i> <i>Against: Nil</i>	For Information
	11	SUBSTANTIVE MOTION AS AMENDED <i>That the Council REQUESTS the Chief Executive Officer to prepare a report, to be brought back to the next MRC Ordinary Council meeting, on:</i> 1 <i>The nearest off-site disposal points for the landfill leachate that is produced.</i> 2 <i>A cost estimate for the necessary landfill infrastructure to facilitate a truck and haul solution for the landfill leachate.</i> 3 <i>A cost estimate for a truck and haul solution to remove the landfill leachate being produced.'</i> CARRIED UNANIMOUSLY 11/0 <i>For: Crs Castle, Creado, Cutler, Ferrante, Fishwick, Gobbert, Hatton, Miles, Proud, Vernon and Wright</i> <i>Against: Nil</i>	to be presented at OCM 28.11.2024

14.1	<p><b>THAT COUNCIL:</b>          Authorises the following, subject to receipt of a final written agreement by all seven member councils:</p> <ol style="list-style-type: none"> <li>1) The MRC CEO to award the tender for the provision of Waste to Energy services (<i>Tender Number: 13/155</i>) to Tenderer B, subject to any minor drafting changes that may be required, after consultation with MRC's legal advisors.</li> <li>2) The MRC CEO and Chair to sign the <i>Waste Supply Agreement</i> between MRC and Tenderer B, as detailed in the report, and authorises the common seal to be applied.</li> <li>3) The MRC CEO and Chair to sign the <i>Participants Agreement</i> between MRC and member councils, as detailed within the report, and authorises the common seal to be applied.</li> <li>4) The MRC CEO and Chair to sign the <i>Financiers Side Deed</i> between MRC and project financiers, as detailed within the report, and authorises the common seal to be applied.</li> </ol> <p>Moved Cr Vernon, Seconded Cr Ferrante          Moved Cr Gobbert          Procedural Motion to defer the item.          The Chair ruled against the procedural motion in accordance with <i>s10.3 of Mindarie Regional Council Meeting Procedures Local Law 2020</i>.</p> <p>Moved Cr Fishwick, Seconded Cr Miles          Procedural Motion to defer the item          LOST  <i>For: Crs Fishwick, Gobbert and Miles</i>  <i>Against: Cr's Vernon, Wright, Cutler, Castle, Hatton, Ferrante, Creado and Proud</i></p>	IN PROGRESS
14.2	<p><b>SUBSTANTIVE MOTION, AS AMENDED:</b></p> <ol style="list-style-type: none"> <li>1. Nominate Tenderer A, as indicated in the confidential report, as the first preferred tenderer</li> <li>2. Nominate Tenderer B (Base Offer), as indicated in the confidential report, as the second preferred tenderer</li> <li>3. Authorise the CEO to commence commercial discussions with preferred Tenderer A with the intention of agreeing with the terms of a draft commercial agreement</li> <li>4. Authorise the CEO to enter negotiations with the preferred Tenderer B (Base Offer) should the negotiations in Point 3 above, be non-viable.</li> <li>5. Authorise the CEO to negotiate with MRC's member council CEOs on the terms of a Participants Agreement for FOGO processing</li> <li>6. Authorise the CEO to undertake further analysis on the potential for commercial gain from other markets in relation to the FOGO opportunity</li> <li>7. Seek a further report when all negotiations have been completed</li> </ol> <p>Reason for the amendment:          To ensure the wording of the recommendation is consistent with the tender evaluation report in relation to Tenderer B.</p> <p>CARRIED 8/2  <i>For: Crs Vernon, Wright, Creado, Ferrante, Hatton, Cutler, Castle and Proud</i>  <i>Against: Crs Fishwick and Gobbert</i>          Moved Cr Vernon, Seconded Cr Wright          RESOLVED          That the recommendation be adopted          CARRIED UNANIMOUSLY 12/0  <i>For: Crs Castle, Creado, Ferrante, Gobbert, Hatton, Jacob, Mack, May, Miles, Proud, Vernon and Wright</i>  <i>Against: Nil</i></p>	IN PROGRESS

18.07.2024	11.1	<p>That Council:</p> <p>Receive the Financial Statements set out in Appendix No. 1 for the month ended 30 June</p> <p>Moved Cr Vernon, Seconded Cr Wright</p> <p>RESOLVED</p> <p>That the recommendation be adopted</p> <p>CARRIED UNANIMOUSLY 12/0</p> <p><i>For: Crs Castle, Creado, Ferrante, Gobbert, Hatton, Jacob, Mack, May, Miles, Proud, Vernon and Wright</i></p> <p><i>Against: Nil</i></p>	For information
	11.2	<p>That Council resolve to:</p> <p>Note the list of accounts paid under delegated authority to the Chief Executive Officer for the month ended 30 June 2024, in accordance with regulation 13(1) of the Local Government (Financial Management) Regulations 1996.</p> <p>Moved Cr Gobbert, Seconded Cr Wright</p> <p>RESOLVED</p> <p>That the recommendation be adopted</p> <p>CARRIED UNANIMOUSLY 12/0</p> <p><i>For: Crs Castle, Creado, Ferrante, Gobbert, Hatton, Jacob, Mack, May, Miles, Proud, Vernon and Wright</i></p> <p><i>Against: Nil</i></p>	For information
	12	<p>That the Members Information Bulletin Issue No. 85 be received.</p> <p>Moved Cr Ferrante, Seconded Cr Mack</p> <p>RESOLVED</p> <p>That the recommendation be adopted</p> <p>CARRIED UNANIMOUSLY 12/0</p> <p><i>For: Crs Castle, Creado, Ferrante, Gobbert, Hatton, Jacob, Mack, May, Miles, Proud, Vernon and Wright</i></p> <p><i>Against: Nil</i></p>	For information
27.06.2024	8.1	<p><b>That the Minutes of the Ordinary Meeting of Council held on 30 May 2024 be confirmed as a true record of the proceedings.</b></p> <p><b>Moved Cr May, Seconded Cr Hatton</b></p> <p><b>RESOLVED</b></p> <p><b>That the recommendation be adopted</b></p> <p><b>CARRIED UNANIMOUSLY 12/0</b></p> <p><i>For: Crs Castle, Creado, Ferrante, Gobbert, Hatton, Jacob, Mack, May, Miles, Proud, Smith and Vernon</i></p> <p><i>Against: Nil</i></p>	For information
	9.1	<p><b>That Council:</b></p> <p><b>Receive the Financial Statements set out in Attachment No. 1 for the month ended 31 May 2024.</b></p> <p><b>Moved Cr May seconded Cr Ferrante</b></p> <p><b>RESOLVED</b></p> <p><b>That the recommendation be adopted</b></p> <p><b>CARRIED UNANIMOUSLY 12/0</b></p> <p><i>For: Crs Castle, Creado, Ferrante, Gobbert, Hatton, Jacob, Mack, May, Miles, Proud, Smith and Vernon</i></p> <p><i>Against: Nil</i></p>	For information



9.2	<p><b>That Council:</b>  <b>Note the list of accounts paid under delegated authority to the Chief Executive Officer for the month ended 31 May 2024, in accordance with regulation 13(1) of the Local Government (Financial Management) Regulation 1996.</b>  <b>Moved Cr Vernon, seconded Cr Mack</b>  <b>RESOLVED</b>  <b>That the recommendation be adopted</b>  <b>CARRIED UNANIMOUSLY 12/0</b></p> <p><i>For: Crs Castle, Creado, Ferrante, Gobbert, Hatton, Jacob, Mack, May, Miles, Proud, Smith and Vernon</i>  <i>Against: Nil</i></p>	For information
9.3	<p><b>Substantive Motion:</b>  <b>That the Draft 2024/25 Annual Budget be adopted including the following:</b>  <b>1.1 Statement of Comprehensive Income</b>  That the Statement of Comprehensive Income by Nature in the Draft 2024/25 Annual Budget be adopted.  <b>1.2 Statement of Financial Activity</b>  That the Statement of Financial Activity in the Draft 2024/25 Annual Budget be adopted.  <b>1.3 Statement of Financial Position</b>  That the Statement of Financial Position in the Draft 2024/25 Annual Budget be adopted.  <b>1.4 Statement of Cash Flow</b>  That the Statement of Cash Flow in the Draft 2024/25 Annual Budget be adopted.  <b>1.5 Notes to and Forming part of the Annual Budget 2024/25</b>  That the Notes to and Forming Part of the Draft 2024/25 Annual Budget be adopted.  <b>1.6 Reserves</b>  That the Reserve accounts in the Draft 2024/25 Annual Budget be adopted.  <b>1.7 Capital works program 2024/25</b>  That the Capital Works Program in the Draft 2024/25 Annual Budget be adopted.  <b>1.8 Operating Management budget</b>  That the Budget by each division in the Draft 2024/25 Annual Budget be adopted.  <b>1.6 Schedule of Fees and Charges 2024/25</b>  That the Schedule of Fees and Charges in the draft 2024/25 Annual Budget be adopted.  <b>2 Financial Reporting and Materiality</b>  As per Local Government (Financial Management) Regulations 1996 Section 34 (5) each financial year, a Local Government is to adopt a percentage or value, calculated in accordance with the AAS (Australian Accounting Standards), to be used in financial statements for reporting material variances. For the purpose of materiality in financial reports for the 2024/25 financial year, variances shall be those equal to or greater than \$50,000.  <b>3 Endorse the Long Term Financial Plan (LTFP) 2025-2032</b>  That the 2025-2032 LTFP be endorsed  <b>CARRIED 11/1</b></p> <p><i>For: Crs Castle, Creado, Ferrante, Hatton, Jacob, Mack, May, Miles, Proud, Smith and Vernon</i>  <i>Against: Cr Gobbert</i></p>	For information
10	<p><b>That the Members Information Bulletin Issue No. 84 be received.</b>  <b>Moved Cr Vernon, seconded Cr Proud</b>  <b>RESOLVED</b>  <b>That the recommendation be adopted</b>  <b>CARRIED UNANIMOUSLY 12/0</b></p> <p><i>For: Crs Castle, Creado, Ferrante, Gobbert, Hatton, Jacob, Mack, May, Miles, Proud, Smith and Vernon</i>  <i>Against: Nil</i></p>	For noting

	14.1	<p>That Council:</p> <ul style="list-style-type: none"> <li>Endorses the actions proposed for CIP Priority 1 in the Recommendations section of the confidential report.</li> <li>Endorses the actions proposed for CIP Priority 2 in the Recommendations section of the confidential report.</li> <li>Endorses the actions proposed for CIP Priority 3 in the Recommendations section of the confidential report.</li> <li>Endorses the actions proposed for CIP Priority 4 in the Recommendations section of the confidential report.</li> <li>Endorses the actions proposed for CIP Priority 5 in the Recommendations section of the confidential report.</li> <li>Endorses the actions proposed for CIP Priority 6 in the Recommendations section of the confidential report.</li> </ul> <p><b>Moved Cr Ferrante, seconded Cr Proud</b>  <b>Items 1, 3, &amp; 5 were put:</b>  That Council:</p> <ul style="list-style-type: none"> <li>Endorses the actions proposed for CIP Priority 1 in the Recommendations section of the confidential report.</li> <li>Endorses the actions proposed for CIP Priority 3 in the Recommendations section of the confidential report.</li> <li>Endorses the actions proposed for CIP Priority 5 in the Recommendations section of the confidential report.</li> </ul> <p><b>CARRIED UNANIMOUSLY 12/0</b>  <i>For: Crs Castle, Creado, Ferrante, Gobbert, Hatton, Jacob, Mack, May, Miles, Proud, Smith and Vernon</i>  <i>Against: Nil</i></p>	In progress
		<p><b>Items 2, 4 and 6 were put:</b>  That Council:</p> <ul style="list-style-type: none"> <li>Endorses the actions proposed for CIP Priority 2 in the Recommendations section of the confidential report.</li> <li>Endorses the actions proposed for CIP Priority 4 in the Recommendations section of the confidential report.</li> <li>Endorses the actions proposed for CIP Priority 6 in the Recommendations section of the confidential report.</li> </ul> <p><b>CARRIED 8/4</b>  <i>For: Crs Castle, Creado, Ferrante, Hatton, Miles, Proud, Smith and Vernon</i>  <i>Against: Crs Gobbert, Jacob, May and Mack</i></p>	
28.03.2024	9.4	<p>That Council:</p> <ol style="list-style-type: none"> <li>Endorse the CEO's proposed internal audit function for Mindarie Regional Council.</li> <li>Request the CEO to provide a further report detailing the three-year work plan that will be the basis of a contract for the Internal Audit service.</li> </ol> <p><b>Moved Cr Hatton, seconded Cr Creado</b>  <b>RESOLVED</b>  <b>That the recommendation be adopted</b>  (CARRIED UNANIMOUSLY 11/0)  <i>For: Crs Castle, Creado, Ferrante, Gobbert, Hatton, Jacob, Mack, Miles, Proud, Vernon and Wright</i>  <i>Against: Nil</i></p>	OCM 28.11.2024
01.06.2023	14.1	<p><b>SUBSTANTIVE MOTION AS AMENDED</b></p> <ol style="list-style-type: none"> <li>Nominates Tenderer B as the first preferred tenderer for the Waste to Energy Tender.</li> <li>Nominates Tenderer A as the second preferred tenderer for the Waste to Energy Tender.</li> <li>Authorises the Chief Executive Officer to commence commercial discussions with the preferred tenderers identified in 1 and 2 above with the intention of agreeing the terms of a Draft Waste Supply Agreement between the MRC and a waste to energy service provider.</li> <li>Authorises the CEO to negotiate with the MRC's member council CEOs on the terms of a Participants Agreement to support the MRC's ability to meet its obligations under the Waste Supply Agreement.</li> <li>Seeks a further report when the Waste Supply Agreement and Participant's Agreement are ready for Council's consideration.</li> </ol> <p>Put separately :</p> <ol style="list-style-type: none"> <li>Authorises the Chief Executive Officer to advise the Member Council CEOs in writing that they and/or the individual MRC Councillors are permitted to disclose the contents of Confidential Report 14.1 to their own Member Councils should they wish to do so in regard to any issues arising therefrom, provided that they do so as a confidential report to a meeting of their Council held in closed confidential session."</li> </ol>	<p>COMPLETED</p> <p>COMPLETED</p> <p>COMPLETED</p> <p>FOR ACTION</p> <p>FOR ACTION</p> <p>COMPLETED</p>
29.09.2022	14.1	<p>That Council:</p> <ol style="list-style-type: none"> <li>Endorses the publication of a tender for the provision of FOGO processing services.</li> <li>Requests the CEO to bring back to council a report, detailing the outcome of the tender and recommendations regarding an award.</li> <li>Approves an increase in the 2022/23 budget for the costs specified in the Financial Implications section of the report.</li> <li>Endorses the recommendation to insure the Neerabup Resource Recovery Facility, as detailed in the Confidential Report.</li> </ol>	<p>COMPLETED</p> <p>FOR ACTION</p> <p>COMPLETED</p> <p>COMPLETED</p>