



MINDARIE
REGIONAL
COUNCIL

Annual Report

2024/25

mrc.wa.gov.au



Acknowledgement of Country

We recognise the Traditional Owners of the land upon which we meet and work – the Whadjuk people of the Noongar nation. We pay our respects to Elders, past, present and emerging.



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Mindarie Regional Council (MRC) delivers its services and operations on behalf of its seven member councils.

Our vision

Collaborating for a regional circular economy

Our mission

To deliver sustainable waste management options for members

Foreword from the Chair



As Chair, it gives me great pleasure to present the Mindarie Regional Council (MRC) Annual Report for the 2024/25 financial year.

Over the past twelve months, Council has continued to work towards opportunities which enable the administration to deliver the most advanced and environmentally sustainable waste management solutions currently available in Western Australia. These efforts aim to benefit both the operations of our member councils and the communities they serve.

Waste-to-energy and FOGO (food organics and garden organics recycling) are already being used successfully in numerous jurisdictions worldwide. It is entirely appropriate that we learn from these examples, take the initiative, and adopt similar approaches in our region. Doing so would not only fulfil our responsibility as a Council - to seek opportunities to manage waste higher up the waste hierarchy - but also respond to growing community expectations that positive action is taken to protect the natural environment.

While the path towards securing a more sustainable waste management solution through waste-to-energy has not been without its frustrations and delays, we are now closer than ever to realising this goal. I am hopeful that, in the year ahead, MRC will be able to reach a major milestone: our first delivery of household waste to a waste-to-energy facility, representing the beginning of an important transition away from landfilling at Tamala Park.

Reaching this milestone would be timely in its own right, though it takes on an even greater significance in light of the MRC's work to minimise landfill odours and meet the expectations of residents living near Tamala Park. This work - in collaboration with the Department of Water and Environmental Regulation (DWER) - will be an ongoing priority for the remaining operational life of the landfill, now that it is reaching its final capacity and is almost entirely surrounded by residential housing.

In light of all this, I think it is of upmost importance to ensure a controlled and well-managed phase-out of landfill operations by securing a waste-to-energy solution away from Tamala Park.

As we bring the 2024/25 financial year to a close, it is important for us - as a Council - to reflect upon the commitments we have made through MRC's Strategic Community Plan - to offer world class waste management options; to deliver best practice governance; and to provide best practice services - and how we best realise those commitments in the coming year.

On behalf of MRC, I would like to take this opportunity to express my sincere appreciation to those councillors who have served the Council in the past year:

- Cr Karen Vernon (Deputy Chair)
- Cr Alex Castle
- Cr Andrea Creado
- Cr Joe Ferrante
- Cr Russ Fishwick JP
- Cr Liam Gobbert JP
- Cr Chris Hatton
- Cr Albert Jacob JP
- Cr Gary Mack
- Cr Christopher May JP
- Cr Paul Miles
- Cr Jordan Wright
- Cr Alison Xamon

It is a pleasure to work alongside my fellow councillors as we continue to look to the future of MRC and the vital role it undertakes towards achieving the best possible outcomes for waste management in our region.

Cr Stephanie J Proud JP

Chair, Mindarie Regional Council

Foreword from the CEO



I can say with some certainty that the 2024/25 financial year has been my most challenging as CEO - and - perhaps, one of the most challenging years which Mindarie Regional Council (MRC) has faced in its 40 year history.

MRC's primary function - and the function for which it was created - is to offer a waste disposal service for its member councils, through the Tamala Park landfill site. Since 1991, this service has been delivered in much the same way, with the administration quietly and efficiently managing waste, largely unnoticed by the communities it serves.

In the past two years - and particularly in the last 18 months - that situation has changed. We have arrived at a 'new normal', where due to a combination of factors, MRC must now operate the Tamala Park site while under significant public scrutiny. That scrutiny is entirely understandable.

The increase in the number of odour reports we received between June and October 2024 was as sudden as it was unprecedented. It provoked an equally sudden and unprecedented reaction; from the community, the media, regulators and other stakeholders.

While we cannot alter the fact that Tamala Park is now, due to nearby development, just metres from homes and gardens — nor avoid the reality that the landfill is higher and more prominent in the landscape than ever — we must continue to mitigate impacts as best we can.

That is why, with the support of Council - and working with the WA Department of Water and Environmental Regulation - I have made reducing odour impacts from the landfill the administration's top priority, redirecting significant funding and resources to address this issue. This is not a one off fix, but a commitment that will continue until the landfill reaches completion in 2028/29.

Waste-to-energy has arrived in our state with one of two facilities now operational and already accepting waste which would otherwise have been bound for landfill. I believe that such facilities represent the future of waste management for the metropolitan area. This is reflected by the State Government's decision to impose a ban on any new putrescible or inert waste landfills on the Swan Coastal Plain.

As Tamala Park gets fuller, and our landfill footprint gets tighter, waste-to-energy provides a 'safety valve' which will release pressure on the landfill at a time when operations must come to a controlled stop. Council has already resolved to proceed with a preferred tenderer for waste-to-energy services which would replace disposal at Tamala Park by 2028/29. We are now working alongside member councils and member council administrations on the next steps in this process.

Meanwhile, the administration has continued with the important work of identifying potential, viable, resource recovery opportunities for its member councils to utilise, into the future.

In the past year, a Market Assessment has been completed, presenting exciting new circular economy initiatives which would be of real value to our region and other stakeholders across the metropolitan area. Alongside the excellent progress made in the food organics garden organics recycling (FOGO) tendering process - revitalising MRC's resource recovery asset at Neerabup - I believe that these options will allow MRC to continue to make a positive contribution to waste management in WA, in line with state and federal goals.

As always, I am grateful for the support, guidance and leadership of the MRC Council and look forward to working with all councillors in what I hope will be a year of optimism and transformative change for our organisation.

Lastly, I would like to acknowledge and thank all MRC staff for their resilience and hard work over the past 12 months. I am proud to lead such a dedicated and talented team.

Scott Cairns

CEO, Mindarie Regional Council



About Mindarie Regional Council



Mindarie Regional Council (MRC) is one of Western Australia's largest waste management authorities.

MRC is responsible for managing the disposal of approximately 200,000 tonnes of household waste each year, principally on behalf of our member councils: the cities of Joondalup, Perth, Stirling, Vincent and Wanneroo, along with the towns of Cambridge and Victoria Park.

We provide a comprehensive waste disposal service for households from our Tamala Park site. A wide range of materials can be recycled free of charge, while household goods in a resalable condition are accepted at our REUSE shop. We accept other types of waste and waste for landfill at our transfer station, where fees and charges apply.

Tamala Park is also home to a landfill gas power station (operated by EDL).

MRC member councils



Mindarie Regional Council (MRC) was constituted under the Local Government Act 1960 (LG Act 1960) in 1987 with three original member councils: the City of Perth, City of Stirling and the Shire of Wanneroo.

Today, through restructuring of local government areas, there are seven MRC member councils, each of which send at least one representative to sit on the MRC Council.



The Town of Cambridge covers the inner western suburbs of Perth with approximately 11,000 households within its borders. It commenced disposal of household waste at Tamala Park in 1996 after it was created from the restructuring of the City of Perth. The town has one representative on the MRC Council.



The City of Joondalup sits to the south of MRC's Tamala Park site and has approximately 62,000 households within its borders. The area covered by the city has had its household waste managed by MRC for more than 30 years. It originally formed part of the Shire of Wanneroo. The city has two representatives on the MRC Council.



The City of Perth covers an area of just over 20 square kilometres, centred on the Perth CBD. It has approximately 17,500 households within its borders.

The City of Perth, though restructured in 1994, has been an MRC member council since MRC was created.

The city has one representative on the MRC Council.



The City of Stirling is MRC's most populous member council with approximately 100,000 households within its borders.

It is one of MRC's founding member councils and waste from the city has been managed at Tamala Park since 1999.

The city has four representatives on the MRC council.



The Town of Victoria Park is MRC's only member council which sits south of the Swan River.

It has approximately 18,000 households within its borders and has been disposing waste at Tamala Park since 1996.

The town has one representative on the MRC Council.



The City of Vincent was one of three new local government areas created by the restructuring of the City of Perth in 1994.

It has approximately 18,000 households within its borders and MRC has managed its household waste at Tamala Park since 1996.

The city has one representative on the MRC Council.



The City of Wanneroo is MRC's northernmost member council with an approximate 78,000 households within its borders.

The city was created from a bifurcation of the Shire of Wanneroo in 1998, but household waste from the area now encompassed by the City of Wanneroo has been managed by MRC since 1991.

The city has two representatives on the MRC Council.

MRC Councillors 2024/25



Cr Stephanie Proud JP (Chair) - City of Stirling

Councillor Stephanie Proud JP is the Chair of Mindarie Regional Council since being appointed in July 2024. She served on MRC previously 2013 - 2021. Cr Proud has represented the City of Stirling's Doubleview Ward since 2007. As Chair of the Planning Development Committee at Stirling, she supports sustainable, moderate residential infill to promote thriving and resilient communities. A passionate advocate for the preservation and protection of the natural environment, Cr Proud is keenly focused on the long-term care and environmental rehabilitation of the Tamala Park site.



Cr Karen Vernon (Deputy Chair) - Town of Victoria Park

Councillor Karen Vernon was elected as a councillor for the Town of Victoria Park in 2017. She was elected Mayor in 2019 and re-elected in 2023. A lawyer with more than 28 years' experience, including as a law firm partner, Commonwealth prosecutor and barrister, Cr Vernon also has 20 years' corporate governance experience as a company director and board member in the corporate and not-for-profit sectors, and is a Graduate of the Australian Institute of Company Directors. She has been a councillor of MRC since 2017, and Chairperson from 2021 - 2023.



Cr Alex Castle - City of Vincent

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



Cr Andrea Creado - City of Stirling

Councillor Andrea Creado was elected to her 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 has lived in the City of Stirling for over 50 years, growing up in Tuart Hill and its surrounding suburbs. He works in a commercial role within a government department. He has particular interests in community safety, heritage protection and preservation of green open spaces. With residents at the front of his mind, he wants to see residential development which is both practical and sustainable. He feels that while fiscal responsibility and lower rates are important, delivering quality local government services are equally so.



Cr Russ Fishwick JP - City of Joondalup

Councillor Russ Fishwick was elected as councillor for the City of Joondalup in 2006, elected Deputy Mayor in 2007/8, 2016/17 and 2019/21. He was Deputy Chair of Mindarie Regional Council for two years and Chair for nine years. He was appointed to the Western Australian Local Government Advisory Board by the Minister for Local Government in 2016. He has over 40 years' experience in five local governments at a senior level. More recently held the position of Executive Manager Governance at the Town of Victoria Park and acted in the position of Chief Executive Officer, before his retirement. He holds university post graduate qualifications in business and management. He has a long history as a volunteer in surf lifesaving and is a Senior Assessor for Surf Life Saving WA.



Cr Liam Gobbert JP - 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 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 Albert Jacob JP - City of Joondalup

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



Cr 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 of the Town of Cambridge in the 2023 Ordinary Local Government Elections. He is an experienced lawyer and mediator by profession.



Cr Christopher May JP - 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 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.



Cr Jordan Wright - City of Wanneroo

A Graduate of the Australian Institute of Company Directors (GAICD) and a member of the Governance Institute of Australia, Cr Wright is passionate about responsible management and oversight. This commitment is highlighted by his Bachelor of Commerce from ECU and current studies towards a Graduate Certificate in Applied Corporate Governance and Risk Management. As a next-generation leader, he applies this expertise at Mindarie Regional Council to champion ethical governance and ensure sustainable waste management for the community.



Cr Alison Xamon - City of Vincent

Cr Alison Xamon is the Mayor of the City of Vincent, a lawyer and a former Member of State Parliament. Over the past 35 years she has been an active community campaigner on many environmental and social justice issues. She is passionate about ensuring inclusive and accessible communities, active transport, environmental sustainability and tackling climate change. Cr Xamon recognises there is a need for local government to act local whilst always thinking globally.

Council information



Attendance at Council Meetings

Elected member	Total	Ordinary Meeting	Special Meeting
No. of meetings held	9	7	2
Cr Proud (Chair)	9 (of 9)	7 (of 7)	2 (of 2)
Cr Vernon (Deputy Chair)	9 (of 9)	7 (of 7)	2 (of 2)
Cr Castle	4 (of 4)	4 (of 4)	-
Cr Creado	8 (of 9)	6 (of 7)	2 (of 2)
Cr Ferrante	7 (of 9)	5 (of 7)	2 (of 2)
Cr Fishwick	6 (of 7)	5 (of 5)	1 (of 2)
Cr Gobbert	8 (of 9)	7 (of 7)	1 (of 2)
Cr Hatton	9 (of 9)	7 (of 7)	2 (of 2)
Cr Jacob	1 (of 2)	1 (of 2)	-
Cr Mack	5 (of 9)	4 (of 7)	1 (of 2)
Cr May	7 (of 9)	6 (of 7)	1 (of 2)
Cr Miles	8 (of 9)	7 (of 7)	1 (of 2)
Cr Wright	8 (of 9)	6 (of 7)	2 (of 2)
Cr Xamon	5 (of 5)	3 (of 3)	2 (of 2)
Alternates			
Cr Cutler	3	2	1
Cr Smith	1	1	-
Cr Thornton	1	1	-
Cr Fishwick	1	1	-

Note: the figure listed in brackets denotes the maximum number of meetings which that councillor could have attended, which may be different from the total number of meetings which occurred during the reporting period. This most often occurs when a councillor joined or left the council during the reporting period.

Council declarations

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, minutes and audio recordings for these meetings are made publicly available on the MRC website (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 MRC's commitment to the Western Australia Local Government Association membership)

Committees and working groups (continued)

Committee	Members	Purpose
Audit and Risk Committee	Cr Hatton, Cr Ferrante, Cr Miles	To support the Council in its governance and oversight responsibilities in relation to financial reporting, internal control infrastructure, risk management, internal and external audit functions and ethical accountability.
Chief Executive Officer Recruitment and Performance Review Committee (CEO R&PRC)	Nov. 23 - Oct. 24 Cr Jacob, Cr Mack, Cr Wright, Cr Miles, Cr Gobbert Oct. 24 - present Cr Mack, Cr Wright, Cr Miles, Cr Gobbert	To review, annually, the performance of the CEO against preset performance measures and setting of measures for the coming year. The extension of the CEO contract and or the process of recruitment.
Municipal Waste Advisory Council (MWAC)	Sept. 24 - present Cr Gobbert Cr Vernon (Deputy) Nov. 23 - Aug. 24 Cr Miles Cr Gobbert (Deputy)	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 2024/25. It also details the attendance record of each council member for those meetings.

Elected member	Audit & Risk	CEO R&PRC	MWAC
No. of meetings held	3	1	6
Cr Miles	2 (of 3)	1 (of 1)	-
Cr Ferrante	3 (of 3)	-	-
Cr Hatton	3 (of 3)	-	-
Cr Jacob	-	-	-
Cr Mack	-	1 (of 1)	-
Cr Wright	-	1 (of 1)	-
Cr Gobbert	-	1 (of 1)	3 (of 4)

Note: the figure listed in brackets denotes the maximum number of meetings which that councillor could have attended, which may be different from the total number of meetings which occurred during the reporting period. This most often occurs when a councillor joined or left the council during the reporting period.

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 a *Band 3* local government for the purposes of the act, and has determined that it will remunerate its elected members as follows:

- Annual attendance fees in lieu of council meeting, committee meeting and prescribed meeting fees
- Annual allowances for the Chairperson and Deputy Chairperson
- Annual allowances 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 the expense incurred

Council has adopted an *Annual Fees Allowances and Expenses for Councillors* policy which sets out the entitlements available to elected members.

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

Our organisation



Executive management



Scott Cairns
Chief Executive
Officer



Adnana Arapovic
Executive Manager
Corporate Services



(Position Vacant)
Executive Manager
Operations

Organisational structure and services

Office of the CEO	Corporate Services	Operations
Governance	Administration	Waste Management
Human Resources	Financial Services	Landfill Management
Communications	Information Technology	Environmental Management
Work Health and Safety	Procurement Services	Building Maintenance
Strategic Planning	Customer Service	Plant and Equipment Management
Records Management	Asset Management	

Our employees

Payments to employees

Regulation 19B of the Local Government (Administration) Regulations 1996 requires MRC to include the following information in its 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 11.5% superannuation, plus MRC's matching contributions to additional 7% superannuation (where applicable)
- Termination payments

Salary band (\$)		Number of employees
130,000	139,999	4
140,000	149,999	2
150,000	159,999	3
160,000	169,999	4
170,000	179,999	2
180,000	189,999	-
190,000	199,999	1
200,000	209,999	-
210,000	219,999	-
220,000	229,999	-
230,000	239,999	-
240,000	249,999	-
250,000	259,999	1
260,000	269,999	-
270,000	279,999	-
280,000	289,999	1

Remuneration paid to the Chief Executive Officer

The total remuneration paid to the Chief Executive Officer, inclusive of superannuation is \$288,817.

Employee performance

Employee performance appraisals are conducted on an annual basis.

The process sets out 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 program; and
- Workshops and conferences to upskill, extend knowledge and keep abreast of changes 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;
- an online Health at Work hub; and
- flu vaccinations;
- wellbeing education and assistance programs
- skin cancer screening;

Employee awards and recognition

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

Record Keeping

MRC reviewed its Record Keeping Plan in February 2023, in accordance with the State Records Act 2020. 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 MRC and - subsequently - attend refresher courses periodically.

This training helps the employees understand their record management responsibilities both from an organisation and legislative point of view. Elected member also receive an annual reminder as to their records management compliance obligations.

Performance indicators	2024/25	2023/24
Number of new files created	345	348
Number of documents registered	19,910	16,642
Number of Freedom of Information applications received	1	-
Response time for Freedom of Information application (average number of days)	40	-

Disability, access and inclusion plan

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.

MRC has reviewed and further developed the Disability Access and Inclusion Plan 2023 (DAIP) during the financial year 2024/25. It is a dynamic document that commits to achieving seven desired outcomes:

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

The DAIP demonstrates our commitment to furthering the principles and meeting the objectives of the Disability Services Act 1993.

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, MRC has implemented several initiatives and made progress towards better access.

Items progressed since 2024 under the DAIP

Improved building and facilities access:

- Installation of a disability ramps and handrails at the main administration building has provided greater access for all staff and contractors to the rear of building outdoor areas and rear entry

- Installation of a disability ramps and handrails from the weighbridge building to the transfer station has provided improved access for staff with difficulty walking on uneven surfaces and or steep inclines

Improved website accessibility:

- The website has improved accessibility functionality allowing people with vision impairment to easily change font size and increase the contrast of graphical elements

Improved site signage:

- Installation of a new electronic sign at the weighbridge, enabling MRC to provide important public information in simple large text and pictographs, as well as improving emergency management processes in the event information is required for public and staff safety within short timeframes



Integrated planning and reporting (IPR)

Integrated planning and reporting (IPR) is a mandatory framework for local governments in Western Australia and provides a mechanism by which community aspirations can be translated into strategic and operational planning.

The core components within the IPR are the *Strategic Community Plan*; the *Corporate Business Plan*; the *Annual Budget* and the complimentary informing documents, which include the *Long-term Financial Plan*; the *Asset Management Plan* and the *Workforce Plan*.

The diagram below illustrates how the IPR is applied at MRC and how it is utilised to guide planning processes:



Strategic Community Plan

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

Strategic Community Plan - performance

■ In progress - on track
 ■ In progress - belated
 ■ Not commenced
 ■ Scheduled for 2025/26

Objective 1: Deliver best practice services

Operate waste management activities effectively	Landfill processes which form part of operations are reviewed at least quarterly to ensure compliance with MRC's license - and - to enhance delivery of services. Capping of the western portion of the landfill was completed in early 2025. The Odour Management Key Stakeholder Working Group continues to assess odour impacts on the community from landfill operations and its findings are used to guide best practice odour management activities, accordingly. MRC continues to work closely with the WA Department of Water and Environmental Regulation (DWER) to reduce odour emissions from the facility while the administration continues to investigate new and innovative methods to supplement its existing odour management measures. An example of such methods was employed in winter 2025 with temporary rainfall barriers deployed across the landfill to manage rainwater and landfill gas.
Utilise the best practice waste diversion and resource recovery solutions	Operations are reviewed at regular intervals and industry memberships are maintained to ensure that MRC's operations are contemporary and in alignment with industry best practice. MRC continues to deliver projects and programs which align with the State Waste Strategy, including the construction of a new e-waste shed in the recycling area and delivery of resource recovery options (waste-to-energy, FOGO) for its member councils. A market assessment (delivered to Council) has identified other circular economy opportunities. Renewal of key plant machinery (compacter) has ensured compaction rates and landfill airspace utilisation is optimum, noting the impact of additional cover required for odour management.
Maintain responsive business practices and systems	The weighbridge at Tamala Park has now been upgraded to a new software system which ensures continuity of service to members and the public - and - allows for more granular analysis of data for waste streams and landfill diversion efforts.
Promote the organisation's profile with external stakeholders	MRC maintains positive working relationships industry experts, industry bodies, affiliates and political entities. These include the Green Deal Alliance, WALGA Waste Management Advisory Council and Officers Advisory Group, DWER FOGO Working Group, Waste Management and Resource Recovery Association of Australia WA Branch. Efforts to improve public facing communication through the MRC website (particularly in relation to odour management) and engaging openly and positively with the media have continued. Efforts to develop and improve working relationships with MRC member council communications and media team have been stepped up to promote collaboration on shared communications priorities. These efforts were formalised in a Communications Plan, presented to Council.
Enhance organisational environmental sustainability	An environmental impact report and action plan (independently led by external consultants) has been delivered to administration and will be delivered to council, guiding future decision making for enhancing organisational environmental sustainability.

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	On 26 September 2024, the MRC Council resolved to finalise an agreement with a preferred tenderer for the disposal of member council waste at a waste-to-energy 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. MRC Administration is currently working with the preferred tenderer and member councils on the next stages of this process.
Build the circular economy, within the district	Through the Green Deal Alliance, MRC continues to advocate for the development of a FOGO product to market and to promote opportunities for the development of the necessary FOGO infrastructure to allow its member councils to comply with the Waste Avoidance and Resource Recovery Strategy 2030. MRC is an active participant in the WMRR WA Branch which acts as an advocate on behalf of the waste industry to support circular economy objectives. Investigations are underway to provide options for the potential redesign of Tamala Park's 'transfer station' (community bulk waste drop off) to allow for circular economy initiatives as part of a small materials recycling facility (SMRF).
Maximise the 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 in late 2025.

Objective 3: Deliver best practice governance process and structures

Maintain efficient and equitable governance	The services of a governance specialist have been engaged to assist with with the development of a new establishment agreement.
Ensure responsible use of organisational resources	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. A new procurement management framework has been implemented and a new contractor management system has been identified, procured and will be implemented by Q3 2025/26.
Retain financial sustainability with a commercial focus	MRC's Long Term Financial Plan was received by Council on 17 July 2024. Opportunities for alternative revenue generating activities for the Tamala Park site were presented to council as part of the Critical Infrastructure Plan (CIP) on 17 July 2024

Corporate Business Plan - performance

■ Completed
 ■ In progress - on track
 ■ In progress - belated
 ■ Priority changed
 ■ Not commenced
 ■ Not yet scheduled

Key Actions

1.1 Operate waste management activities effectively

1.1.1	Operate activities in line with licence conditions, as a minimum	
	<ul style="list-style-type: none"> Review landfill cell fill sequence plans quarterly, reported annual basis 	
	<ul style="list-style-type: none"> Review Surface Water Management Plans quarterly, reported annual basis 	
	<ul style="list-style-type: none"> Review fit for purpose landfill leachate management plans quarterly, reported annual basis 	
	<ul style="list-style-type: none"> Establish an Odour Management Key Stakeholder (OMKS) working group. 	
1.1.2	Ensure infrastructure meets future needs and invest in emerging technologies	
	<ul style="list-style-type: none"> Establishment of a fit for purpose Strategic Plant Management Plan solution 	

1.2 Utilise the best practice waste diversion and resource recovery solutions

1.2.1	Continually assess solutions used	
	<ul style="list-style-type: none"> Investigated opportunities to increase landfill airspace utilisation 	
	<ul style="list-style-type: none"> Identify and access the highest resource recovery solutions for member councils key waste streams 	
	<ul style="list-style-type: none"> Identify and develop processes and procedures to improve waste to landfill diversion rates 	
	<ul style="list-style-type: none"> Implement a quarterly fleet and plant utilisation and maintenance reporting system 	
	<ul style="list-style-type: none"> Monitor and continuously update quarterly fleet and plant utilisation and maintenance reports 	
	<ul style="list-style-type: none"> Develop internal systems, which are consistent with the WA Government Guidelines, and MRC's related procedures and practices 	

1.3 Maintain responsive business practices and systems

1.3.1	Evaluate the effectiveness of systems and procedures in light of changing business requirements	
	<ul style="list-style-type: none"> Review market options for a facility management software system which integrates with weighbridge functions 	
	<ul style="list-style-type: none"> Implementation a facility management software system which integrates with weighbridge functions 	
1.3.2	Ensure quality value proposition for members	
	<ul style="list-style-type: none"> Establish members key metrics for Tamala Park services 	
	<ul style="list-style-type: none"> Survey members views on Tamala Park services and develop recommendations report 	

1.4 Promote the organisation's profile with external stakeholders

1.4.1	Engage through formal industry memberships	
	<ul style="list-style-type: none"> Maintain relevant industry memberships to keep up with the trends in waste management 	
1.4.2	Broaden MRC's wider industry profile through collaboration and partnership	
	<ul style="list-style-type: none"> Actively participate in the wider industry committees, advisory groups, workshops and seminars 	
	<ul style="list-style-type: none"> Promote MRC and member council waste achievements / key activities / website links 	
	<ul style="list-style-type: none"> Promote state waste reduction initiatives (share state gov. strategies) 	
1.4.3	Neighbourhood stakeholder engagement	
	<ul style="list-style-type: none"> Establish a neighbourhood stakeholder communication plan 	

1.5 Enhance organisational environmental sustainability

1.5.1	Measure MRC's environmental impact including carbon footprint	
	<ul style="list-style-type: none"> Develop report on MRC's environmental impact and provide recommendation for improvement 	
1.5.2	Develop an implementation action plan to reduce MRC's environmental impact	
	<ul style="list-style-type: none"> Develop an environmental sustainability action plan 	
1.5.3	Allocate budget to address implementation plan	
	<ul style="list-style-type: none"> Deliver environmentally sustainable recommendations endorsed by Council 	

Corporate Business Plan - performance

■ Completed
 ■ In progress - on track
 ■ In progress - belated
 ■ Priority changed
 ■ Not commenced
 ■ Not yet scheduled

Key Actions

2.1 Identify and access infrastructure for the resource recovery of member council's materials in alignment with the state waste strategy

2.1.1	Assess processing facilities within the district for the following streams (FOGO, residual waste and commingled recyclables)	
	<ul style="list-style-type: none"> Research and identify alternative waste processing opportunities within the district (FOGO) 	■
	<ul style="list-style-type: none"> Research and identify alternative waste processing opportunities within the district (Residual WtE solution) 	■
	<ul style="list-style-type: none"> Research and identify alternative waste processing opportunities within the district (Commingled recyclables) 	■
2.1.2	Deliver opportunities above, as resolved by Council	
	<ul style="list-style-type: none"> Deliver recommendations endorsed by Council - FOGO 	■
	<ul style="list-style-type: none"> Deliver recommendations endorsed by Council - district residual WtE solution 	■
	<ul style="list-style-type: none"> Deliver recommendations endorsed by Council - district commingled recyclables 	■

2.2 Build the circular economy within the district

2.2.1	Investigate potential and feasibility of other revenue generating resource recovery facilities within the district (Tamala Park, MRC Neerabup site, etc.)	
	<ul style="list-style-type: none"> Develop a waste resource flow model for MRC and its member councils 	■
	<ul style="list-style-type: none"> Develop Circular Economy Options Report for Tamala Park 	■
	<ul style="list-style-type: none"> Develop Circular Economy Options Report for Neerabup Site 	■
	<ul style="list-style-type: none"> Develop Circular Economy Master Plan 	■
2.2.2	Deliver opportunities above, as resolved by Council	
	<ul style="list-style-type: none"> Deliver circular economy Master Plan as endorsed by Council 	■
2.2.4	Collaborate with external stakeholders including federal and state government, private sector, and not-for-profit sector	
	<ul style="list-style-type: none"> Utilise CEO forums to actively participate in the circular economy establishment within the wider industry 	■

2.3 Maximise use of MRC's assets and technical capabilities

2.3.1	Future options appraisal of the Tamala Park site	
	<ul style="list-style-type: none"> Develop Future Use Feasibility Study for Tamala Park 	■
2.3.2	Develop and agree a post-closure plan for the Tamala Park site	
	<ul style="list-style-type: none"> Develop and agree a post-closure plan for the Tamala Park site 	■
2.3.3	Identify and deliver highest value outcome for MRC's Neerabup site	
	<ul style="list-style-type: none"> Develop future use options report for Neerabup site 	■
	<ul style="list-style-type: none"> Deliver Neerabup future use recommendations endorsed by council 	■

3.1 Maintain efficient and equitable governance

3.1.1	New establishment agreement	
	<ul style="list-style-type: none"> Review of MRC services and desired outcomes 	■
	<ul style="list-style-type: none"> Assessment of stakeholder arrangements 	■
3.1.2	Ensure compliance with all legislative, probity and regulatory requirements	
	<ul style="list-style-type: none"> Review and deliver Intergrated Planning Framework 	■
	<ul style="list-style-type: none"> Deliver External Reporting and Regulatory Audit Programs 	■
	<ul style="list-style-type: none"> Review the Risk Management Plan and Appetite Statement and maintain reporting systems 	■
	<ul style="list-style-type: none"> Introduce Corporate Business Plan periodical reporting to the Audit and Risk Committee 	■
	<ul style="list-style-type: none"> Introduce a Fraud and Misconduct Control and Resilience Policy 	■

Corporate Business Plan - performance

■ Completed
 ■ In progress - on track
 ■ In progress - belated
 ■ Priority changed
 ■ Not commenced
 ■ Not yet scheduled

3.2 Ensure responsible use of organisational resources

3.2.1 Resources will be deployed in line with the objectives of the Strategic Community Plan

- Develop project management framework ■
- Implement the contract management system ■
- Review future infrastructure needs and emerging technology ■
- Strategically plan and manage MRC plant and equipment and fleet to gain the best value and efficiencies ■
- Review and consolidate Tamala Park Waste Management Facility plans into one single master plan ■
- Implement a Pollution Incident Response Management Plan (PIRMP) and update the plan on an annual basis ■
- Review and update the Workforce Plan ■
- Review and update the Asset Management Plan ■
- Review and update the Long-Term Financial Plan ■

3.3 Retain financial sustainability with a commercial focus

3.3.1 Operate in alignment with the organisation's Long Term Financial Plan

- Review of MRC services and desired outcomes ■
- Review of previous Draft Establishment Agreement with consideration given to a regional authority model ■
- Develop New Establishment Agreement for Council endorsement ■



3.3.2 Explore opportunities for alternative revenue generation and return to members

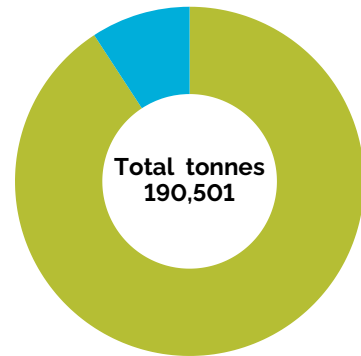
- Based on endorsed circular economy/commercial opportunities, maintaining positive cash and investment balance ■





3.3.3 Promote and support greener supply chains

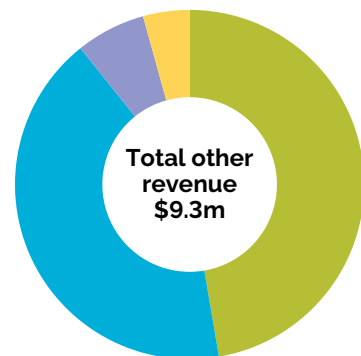
- Review and deliver procurement processes which support sustainable procurement objectives ■







Financial overview

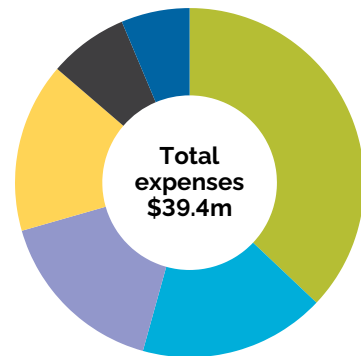
Tonnes by source		tonnes
	Waste from members	172,964
	Waste from casuals/trade	17,537
Total tonnes		190,501






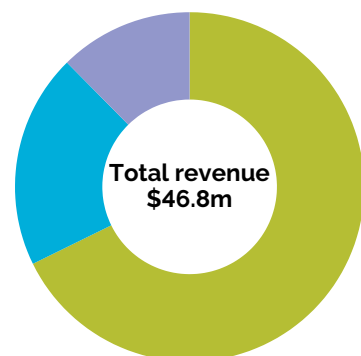
Other revenue by source		\$m
	Re-imbursments/grants	4.4
	Interest earnings	3.9
	Gas generation	0.6
	Other revenue	0.4
Total other revenue		9.3



Expense by class		\$m
	DWER landfill levy	14.6
	Depreciation	6.8
	Employee costs	6.4
	Materials and contracts	6.2
	Other expenses	2.9
	Amortisation	2.5
Total expenses		39.4



Revenue by source		\$m
	Waste from members	31.7
	Other revenue	9.3
	Non-members	5.8
Total revenue		46.8



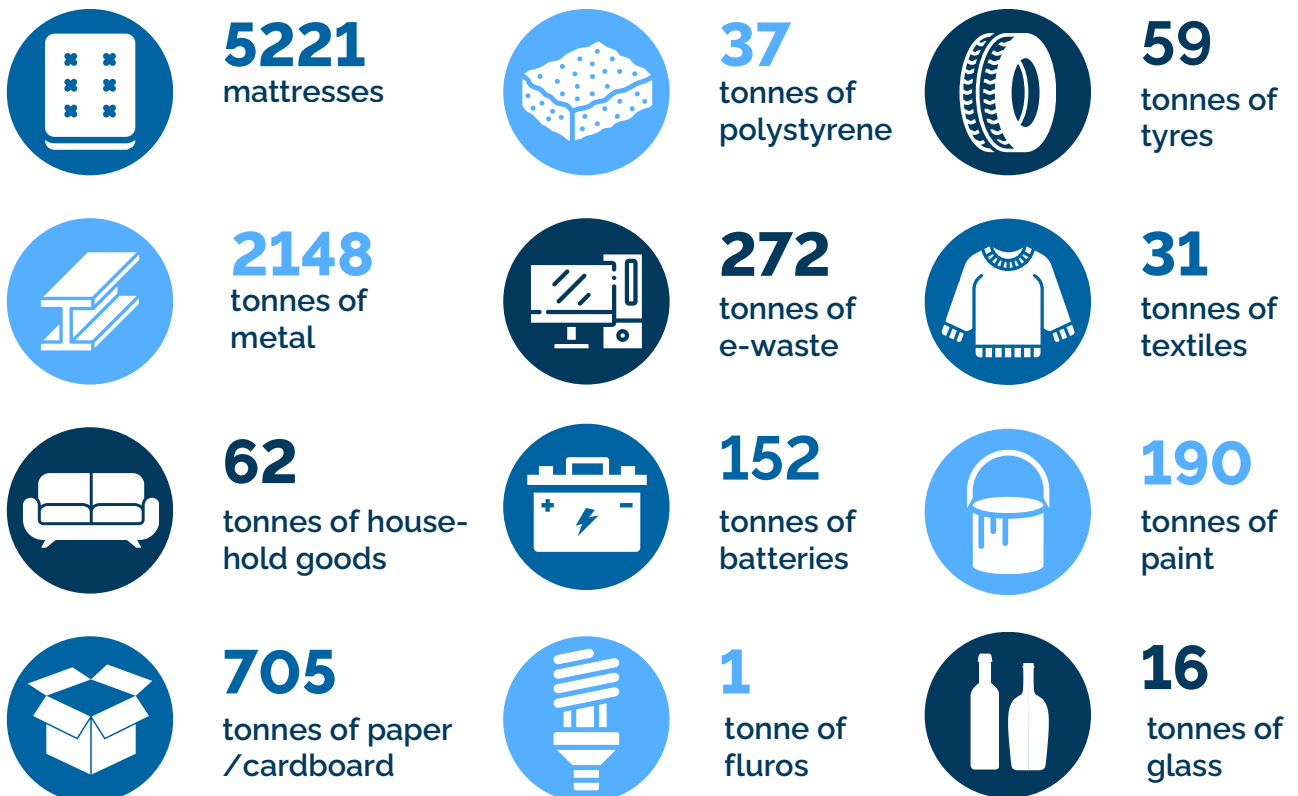
Materials diverted from landfill

Each year, Mindarie Regional Council diverts thousands of tonnes of materials away from landfill which either present an environmental risk or which can be reused or recycled.

This service aligns with the objectives of the *Waste Avoidance and Resource Recovery Strategy 2030* (waste strategy), supporting a circular economy model and the key objectives of *recovering more resources* and *protecting the environment through responsible disposal*.

Through its partnership with *Workpower*, MRC provides a comprehensive waste disposal service for households. This includes the *WALGA Household Hazardous Waste Program* (HHW), allowing for household products which are either flammable, toxic, explosive, corrosive, reactive or otherwise harmful, to be disposed of in a safe and proper manner.

In the 2024/25 financial year, MRC enabled the diversion of nearly 4,000 tonnes of materials from landfill.







Financial Report

For the year ended 30 June 2025

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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 2025 and the financial position at 30 June 2025.

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

Signed on this 4th day of November 2025.



Chief Executive Officer

Scott Cairns

Name of Chief Executive Officer



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

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 2025, 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 2025 and its financial position at the end of that period
- is 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 2025, 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.

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 2025 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.



Sandra Labuschagne
Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
10 November 2025

Statement of Comprehensive Income

For the year ended 30 June 2025

	2025	2025	2024
Note	Budget	Actual	Actual
	\$	\$	\$
Revenue			
Grants, subsidies and contributions	2(a) 4,364,356	4,364,356	4,656,518
Fees and charges	2(a) 40,782,586	38,107,794	32,299,325
Interest revenue	2(a) 2,984,150	3,905,924	3,098,542
Other revenue	2(a) 281,556	392,377	339,899
	<u>48,412,648</u>	<u>46,770,451</u>	<u>40,394,284</u>
Expenses			
Employee costs	2(b) (6,779,990)	(6,353,049)	(5,735,844)
Materials and contracts	2(b) (28,294,000)	(20,843,364)	(17,405,327)
Utility charges	(818,250)	(607,095)	(591,004)
Depreciation and amortisation	2(b) (9,181,520)	(9,311,232)	(8,451,384)
Finance costs	2(b) (1,040,175)	(1,625,092)	(1,255,386)
Insurance	(665,100)	(375,744)	(355,736)
Other expenditure	2(b) (371,090)	(241,991)	(204,320)
	<u>(47,150,125)</u>	<u>(39,357,567)</u>	<u>(33,999,001)</u>
	1,262,523	7,412,884	6,395,283
Profit on asset disposals	527,550	5,297	291,943
Loss on asset disposals	(17,070)	(68,653)	(10,662)
Loss on revaluation of infrastructure – excavation and rehabilitation	9(a) 0	(3,443,510)	0
Increase in provision for rehabilitation costs	15 0	(14,977,538)	0
	<u>510,480</u>	<u>(18,484,404)</u>	<u>281,281</u>
Net result for the period	<u>1,773,003</u>	<u>(11,071,520)</u>	<u>6,676,564</u>
Other comprehensive income for the period			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in asset revaluation surplus	16 0	1,258,643	1,287,255
Total other comprehensive income for the period	<u>0</u>	<u>1,258,643</u>	<u>1,287,255</u>
Total comprehensive income (loss) for the period	<u>1,773,003</u>	<u>(9,812,877)</u>	<u>7,963,819</u>

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

Statement of Financial Position

As at 30 June 2025

	Note	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	3	12,356,926	21,681,423
Trade and other receivables	5	2,503,747	2,159,372
Other financial assets	4	72,498,517	54,604,800
Inventories	6	13,014	12,330
Other assets	7	1,567,459	823,442
TOTAL CURRENT ASSETS		88,939,663	79,281,367
NON-CURRENT ASSETS			
Property, plant and equipment	8(a)	36,721,649	34,467,151
Infrastructure	9(a)	58,964,224	63,000,575
Right-of-use assets	11(a)	5,123,167	5,650,725
TOTAL NON-CURRENT ASSETS		100,809,040	103,118,451
TOTAL ASSETS		189,748,703	182,399,818
CURRENT LIABILITIES			
Trade and other payables	12	5,606,269	4,340,627
Other liabilities	13	38,000	38,000
Lease liabilities	11(b)	738,124	680,492
Employee related provisions	14	781,248	821,751
Rehabilitation provisions	15	19,923,153	10,544,209
TOTAL CURRENT LIABILITIES		27,086,794	16,425,079
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	5,145,302	5,702,532
Employee related provisions	14	214,477	88,800
Rehabilitation provisions	15	26,436,378	19,504,778
TOTAL NON-CURRENT LIABILITIES		31,796,157	25,296,110
TOTAL LIABILITIES		58,882,951	41,721,189
NET ASSETS		130,865,752	140,678,629
EQUITY			
Retained deficit		(49,172,217)	(29,128,650)
Reserve accounts	27	34,376,825	25,404,778
Council contributions	17	89,085,726	89,085,726
Revaluation surplus	16	56,575,418	55,316,775
TOTAL EQUITY		130,865,752	140,678,629

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

Statement of Changes in Equity

For the year ended 30 June 2025

	Note	Retained Deficit	Council Contributions	Reserve Accounts	Revaluation Surplus	Total Equity
		\$	\$	\$	\$	\$
Balance as at 1 July 2023		(29,893,807)	89,085,726	19,493,371	54,029,520	132,714,810
Comprehensive income for the period						
Net result for the period		6,676,564	0	0	0	6,676,564
Other comprehensive income for the period	16	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
Balance as at 30 June 2024		(29,128,650)	89,085,726	25,404,778	55,316,775	140,678,629
Comprehensive income for the period						
Net result for the period		(11,071,520)	0	0	0	(11,071,520)
Other comprehensive income for the period	16	0	0	0	1,258,643	1,258,643
Total comprehensive income (loss) for the period		(11,071,520)	0	0	1,258,643	(9,812,877)
Transfer from reserve accounts	27	4,853,899	0	(4,853,899)	0	0
Transfer to reserve accounts	27	(13,825,946)	0	13,825,946	0	0
Balance as at 30 June 2025		(49,172,217)	89,085,726	34,376,825	56,575,418	130,865,752

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

Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Grants, subsidies, and contributions		4,364,356	4,656,518
Fees and charges		37,129,829	32,325,113
Interest revenue		3,848,341	3,133,051
Goods and services tax received		2,155,711	3,061,094
Other revenue		392,377	339,899
		<u>47,890,614</u>	<u>43,515,675</u>
Payments			
Employee costs		(6,249,080)	(5,704,745)
Materials and contracts		(19,952,032)	(16,720,971)
Utility charges		(607,095)	(591,004)
Finance costs		(281,205)	(324,573)
Insurance		(375,744)	(355,736)
Goods and services tax paid		(2,305,401)	(3,106,273)
Other expenditure		(241,991)	(204,320)
		<u>(30,012,548)</u>	<u>(27,007,622)</u>
Net cash provided by operating activities		<u>17,878,066</u>	<u>16,508,053</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchases of property, plant and equipment		(2,461,600)	(380,361)
Payments for construction of infrastructure		(6,202,591)	(1,304,469)
Capital grants, subsidies and contributions		0	38,000
Payments for financial assets at amortised cost		(17,893,717)	(14,108,890)
Proceeds from sale of property, plant and equipment		49,759	1,293,291
Net cash (used in) investing activities		<u>(26,508,149)</u>	<u>(14,462,429)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for principal portion of lease liabilities	26	(694,414)	(626,342)
Net cash (used in) financing activities		<u>(694,414)</u>	<u>(626,342)</u>
Net (decrease) increase in cash held		<u>(9,324,497)</u>	<u>1,419,282</u>
Cash at beginning of year		21,681,423	20,262,141
Cash and cash equivalents at the end of the year	3	<u>12,356,926</u>	<u>21,681,423</u>

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

Statement of Financial Activity

For the year ended 30 June 2025

	2025 Budget	2025 Actual	2024 Actual
Note	\$	\$	\$
OPERATING ACTIVITIES			
Revenue from operating activities			
Grants, subsidies, and contributions	4,364,356	4,364,356	4,656,518
Fees and charges	39,982,586	38,107,794	32,299,325
Interest revenue	2,984,150	3,905,924	3,098,542
Other revenue	1,081,556	392,377	339,899
Profit on asset disposals	527,550	5,297	291,943
	<u>48,940,198</u>	<u>46,775,748</u>	<u>40,686,227</u>
Expenditure from operating activities			
Employee costs	(6,779,990)	(6,353,049)	(5,735,844)
Materials and contracts	(28,294,000)	(20,843,364)	(17,405,327)
Utility charges	(818,250)	(607,095)	(591,004)
Depreciation and amortisation	(9,181,520)	(9,311,232)	(8,451,384)
Finance costs	(1,040,175)	(1,625,092)	(1,255,386)
Insurance	(665,100)	(375,744)	(355,736)
Other expenditure	(371,090)	(241,991)	(204,320)
Loss on asset disposals	(17,070)	(68,653)	(10,662)
Loss on revaluation of infrastructure – excavation and rehabilitation	0	(3,443,510)	0
Increase in provision for rehabilitation costs	0	(14,977,538)	0
	<u>(47,167,195)</u>	<u>(57,847,268)</u>	<u>(34,009,663)</u>
Non-cash amounts excluded from operating activities	25(a) 10,783,888	29,213,816	9,115,541
Amount attributable to operating activities	<u>12,556,891</u>	<u>18,142,296</u>	<u>15,792,105</u>
INVESTING ACTIVITIES			
Inflows from investing activities			
Proceeds from disposal of assets	1,370,000	49,759	1,293,291
	<u>1,370,000</u>	<u>49,759</u>	<u>1,293,291</u>
Outflows from investing activities			
Purchase of property, plant and equipment	8(a) (4,250,366)	(2,626,646)	(380,361)
Purchase of construction of infrastructure	9(a) (11,455,030)	(6,478,341)	(1,304,469)
	<u>(15,705,396)</u>	<u>(9,104,987)</u>	<u>(1,684,830)</u>
Amount attributable to investing activities	<u>(14,335,396)</u>	<u>(9,055,228)</u>	<u>(391,539)</u>
FINANCING ACTIVITIES			
Inflows from financing activities			
Transfers from reserve accounts	27 7,808,366	4,853,899	583,238
	<u>7,808,366</u>	<u>4,853,899</u>	<u>583,238</u>
Outflows from financing activities			
Payments for principal portion of lease liabilities	26 (665,840)	(694,414)	(626,342)
Transfers to reserve accounts	27 (8,054,124)	(13,825,946)	(6,494,645)
	<u>(8,719,964)</u>	<u>(14,520,360)</u>	<u>(7,120,987)</u>
Amount attributable to financing activities	<u>(911,598)</u>	<u>(9,666,461)</u>	<u>(6,537,749)</u>
MOVEMENT IN SURPLUS OR DEFICIT			
Surplus or deficit at the start of the financial year	25(b) 49,252,469	49,497,962	40,635,145
Amount attributable to operating activities	12,556,891	18,142,296	15,792,105
Amount attributable to investing activities	(14,335,396)	(9,055,228)	(391,539)
Amount attributable to financing activities	(911,598)	(9,666,461)	(6,537,749)
Surplus or deficit	<u>25(b) 46,562,366</u>	<u>48,918,569</u>	<u>49,497,962</u>

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

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1 Basis of preparation

The financial report of 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 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 Local Government Act 1995, 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 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- 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 MRC 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 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 MRC with regard to the above amendments to the Local Government (Financial Management) Regulations 1996 as MRC does not have any vested land.

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.

1 Basis of preparation (continued)

The local government reporting entity

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

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 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- 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
- AASB 2023-3 Amendments to Australian Accounting Standards - Disclosure of Non-current Liabilities with Covenants: Tier 2
- AASB 2024-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements: Tier 2 Disclosures
- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements

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 as it is not considered practicable to determine the amount of the difference in fair value attributable to the change in standard.

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 2024-b 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 2022-9 Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector
- AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability
- AASB 18 Presentation and Disclosure in Financial Statements (appendix D) – (for not-for-profit entities)
- AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments
- AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11

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

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 satisfy	Payment terms	Returns/refunds/warranties	Timing of revenue recognition
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
Fees and charges - 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 2025

Nature	Contracts with customers	Other	Total
	\$	\$	\$
Grants, subsidies and contributions	0	4,364,356	4,364,356
Fees and charges	38,107,794	0	38,107,794
Interest revenue	0	3,905,924	3,905,924
Other revenue	0	392,377	392,377
Total	38,107,794	8,662,657	46,770,451

2 Revenue and expenses (continued)

(a) Revenue (continued)

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	32,299,325	0	32,299,325
Interest revenue	0	3,098,542	3,098,542
Other revenue	0	339,899	339,899
Total	32,299,325	8,094,959	40,394,284

	Note	2025	2024
		\$	\$
Fees and charges			
Member Council charges	28	31,676,577	26,496,811
Casual fees		4,418,555	5,075,889
Gas Power Generation income		633,590	615,415
Mattress disposal fees		1,379,072	111,210
		<u>38,107,794</u>	<u>32,299,325</u>
Interest revenue			
Interest on reserve account funds	27	1,456,281	1,059,210
Other interest revenue		2,449,643	2,039,332
		<u>3,905,924</u>	<u>3,098,542</u>

(b) Expenses

	2025	2024
	\$	\$
Auditors remuneration		
- Audit of the Annual Financial Report	146,781	137,500
- Additional prior year audit fees	5,000	0
- Other – internal audits	16,200	0
	<u>167,981</u>	<u>137,500</u>
Employee costs		
Employee benefit costs	5,982,873	5,355,085
Other employee costs	370,176	380,759
	<u>6,353,049</u>	<u>5,735,844</u>
Materials and contracts		
Consultants and contracts	765,362	622,460
Communications and public consultation	0	11,170
Landfill expenses	2,876,745	1,319,672
Office expenses	343,229	272,826
Information systems expenses	426,869	269,344
Building maintenance	320,711	347,556
Plant and vehicles operating and hire	1,165,370	1,368,027
Government levies	14,563,547	12,779,832
External / internal audit fees	167,981	165,822
Legal expenses	213,550	248,618
	<u>20,843,364</u>	<u>17,405,327</u>

2 Revenue and expenses (continued)

(b) Expenses (continued)

	Note	2025 \$	2024 \$
Depreciation			
Buildings	8(a)	211,221	203,660
Buildings - RRF	8(a)	1,436,428	1,429,345
Furniture and Office Equipment	8(a)	52,817	17,667
Computing Equipment	8(a)	74,711	38,917
Vehicles and Mobile Plant	8(a)	304,591	247,765
Infrastructure	9(a)	380,796	329,783
Right-of-Use Asset	11(a)	722,373	772,434
RRF Infrastructure	9(a)	3,616,981	3,292,611
		6,799,918	6,332,182
Amortisation			
Excavation and Cell Development		1,719,397	1,591,500
Rehabilitation Assets		791,917	527,702
	9(a)	2,511,314	2,119,202
Total depreciation and amortisation		9,311,232	8,451,384
Finance costs			
Interest and financial charges for lease liabilities	26	292,086	324,573
Rehabilitation provisions: unwinding of discount	15	1,333,006	930,813
		1,625,092	1,255,386
Other expenditure			
Bank charges		27,323	20,611
Doubtful and Bad Debts expense		682	9,118
Elected Member costs	21(a)	213,986	174,591
		241,991	204,320

3 Cash and cash equivalents

	Note	2025	2024
		\$	\$
Cash at bank and on hand		12,356,926	21,681,423
Held as			
- Unrestricted cash and cash equivalents		12,318,926	21,643,423
- Restricted cash and cash equivalents	13	38,000	38,000
		12,356,926	21,681,423

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 MRC 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.

4 Other financial assets

	Note	2025 \$	2024 \$
Current assets			
Financial assets at amortised cost		72,498,517	54,604,800
Other financial assets at amortised cost			
Term deposits		72,498,517	54,604,800
Held as			
- Unrestricted other financial assets at amortised cost		38,121,692	29,200,022
- Restricted financial assets (amortised cost)	27	34,376,825	25,404,778
		72,498,517	54,604,800

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. They are classified as level 2 fair values in the fair value hierarchy (see Note 24 (i)) due to observable 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

	2025	2024
	\$	\$
Current		
Trade receivables	2,483,907	2,159,372
Other receivables	19,840	0
	2,503,747	2,159,372

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.

6 Inventories

	2025	2024
	\$	\$
Current		
Fuel	13,014	12,330

The following movements in inventories occurred during the year:

Balance at beginning of year	12,330	15,792
Additions to inventory	492,783	557,037
Inventories expensed during the year	(492,099)	(560,499)
Balance at end of the year	13,014	12,330

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

	2025	2024
	\$	\$
Current		
Prepayments	246,800	186,778
Accrued interest	683,452	625,869
Accrued income	637,207	10,795
	<u>1,567,459</u>	<u>823,442</u>

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.

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	Buildings - resource recovery facility	Buildings - Work in Progress	Total land and buildings	Furniture and equipment	Plant and equipment	Computer equipment	Computer equipment - Work in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	9,800,000	1,968,350	16,090,501	0	27,858,851	37,834	3,597,074	83,385	0	31,577,144
Additions	0	0	0	0	0	0	380,361	0	0	380,361
Disposals	0	0	0	0	0	0	(1,012,010)	0	0	(1,012,010)
Revaluation increases / (decreases) transferred to revaluation surplus	5,275,000	0	0	0	5,275,000	0	0	0	0	5,275,000
Depreciation	0	(203,660)	(1,429,345)	0	(1,633,005)	(17,667)	(247,765)	(38,917)	0	(1,937,354)
Transfers	0	0	0	0	0	32,650	66,123	85,237	0	184,010
Balance at 30 June 2024	15,075,000	1,764,690	14,661,156	0	31,500,846	52,817	2,783,783	129,705	0	34,467,151
Comprises:										
Gross balance amount at 30 June 2024	15,075,000	9,287,843	18,645,298	0	43,008,141	629,689	6,724,468	1,056,713	0	51,419,011
Accumulated depreciation at 30 June 2024	0	(7,523,153)	(3,984,142)	0	(11,507,295)	(576,872)	(3,940,685)	(927,008)	0	(16,951,860)
Balance at 30 June 2024	15,075,000	1,764,690	14,661,156	0	31,500,846	52,817	2,783,783	129,705	0	34,467,151
Additions	0	7,399	0	80,119	87,518	0	2,296,311	66,500	176,317	2,626,646
Disposals	0	(2,650)	0	0	(2,650)	0	(96,285)	0	0	(98,935)
Revaluation increases / (decreases) transferred to revaluation surplus	425,000	306,082	1,075,473	0	1,806,555	0	0	0	0	1,806,555
Depreciation	0	(211,221)	(1,436,428)	0	(1,647,649)	(52,817)	(304,591)	(74,711)	0	(2,079,768)
Balance at 30 June 2025	15,500,000	1,864,300	14,300,201	80,119	31,744,620	0	4,679,218	121,494	176,317	36,721,649
Comprises:										
Gross balance amount at 30 June 2025	15,500,000	1,864,300	14,300,201	80,119	31,744,620	629,689	8,813,851	1,123,212	176,317	42,487,689
Accumulated depreciation at 30 June 2025	0	0	0	0	0	(629,689)	(4,134,633)	(1,001,718)	0	(5,766,040)
Balance at 30 June 2025	15,500,000	1,864,300	14,300,201	80,119	31,744,620	0	4,679,218	121,494	176,317	36,721,649

8 Property, plant and equipment (continued)

(a) Movements in balances (continued)

At 30 June 2025, an independent valuer performed a desktop revaluation of land and buildings. The last on-site inspection of land and buildings 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 \$74.1m.

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, MRC has retained a Technical Officer to oversee and ensure the ongoing viability of the RRF infrastructure.

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

- MRC submitted a proposal under the Commonwealth Government's Food Waste for Healthy Soils Fund to upgrade components of the RRF for future FOGO operations. The application received formal support from the WA Minister for Environment.
- An in-principal commitment was secured from the State Government, contingent upon the appointment of a qualified facility operator, a formal funding resolution by MRC, and the provision of FOGO services by member councils by 2025. After the negotiations have been finalised, MRC will approach the State Government for funding assessment.
- The MRC Council endorsed the publication of a tender for FOGO processing services at the Ordinary Council Meeting in September 2022. This tender was issued on 24 August 2023 and closed in November 2023. The tender documents proposed utilisation of the Neerabup facility, consistent with prior Expressions of Interest (March 2022) and MRC Council considerations (September 2024).
- At the Ordinary Council Meeting in September 2024, the MRC Council authorised the commencement of commercial negotiations with the preferred tenderer, which began in October 2024. Since then, the MRC Administration has continued detailed discussions regarding the utilisation of the Neerabup facility and the FOGO contract applicable to member councils, non-members and potential commercial users.
- In June 2025, the MRC Council approved the 2026 budget, which included allocations for the continued operation and redevelopment of the Neerabup site.
- On 30 June 2025, the MRC Council commissioned an independent valuation to determine the ground rental value, providing a basis for expected revenue generation. Negotiations are currently underway.

The MRC Council has consistently supported the strategic repurposing of the Neerabup facility and MRC does not consider the asset impaired at 30 June 2025.

8 Property, plant and equipment (continued)

(b) Carrying amount measures

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair value					
Land and buildings					
Land	2	Market approach	Independent registered valuer	June 2025	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 registered valuer	June 2025	Price per square metre/market borrowing rate, adjusted for restricted use.
Buildings – Resource Recovery Facility	3	Cost approach using current replacement cost	Independent registered valuer	June 2025	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.

Refer to Note 8(a) for asset class carrying amounts.

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 MRC to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

(ii) Cost

Asset Class	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Furniture and equipment	Not applicable	Cost	Not applicable	Not applicable
Plant and equipment	Not applicable	Cost	Not applicable	Not applicable
Computer equipment	Not applicable	Cost	Not applicable	Not applicable

9 Infrastructure

(a) Movements in balances

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

	Resource Recovery Facility	Excavation and Rehabilitation	Other Infrastructure	Other infrastructure – Work in Progress	Total infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2023	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)
Balance at 30 June 2024	48,117,642	12,596,187	2,284,722	2,024	63,000,575
Comprises:					
Gross balance amount at 30 June 2024	48,117,642	12,596,187	2,284,722	2,024	63,000,575
Accumulated depreciation / amortisation 30 June 2024	0	0	0	0	0
Balance at 30 June 2024	48,117,642	12,596,187	2,284,722	2,024	63,000,575
Additions	117,369	0	18,318	6,342,654	6,478,341
Disposals	0	0	(19,476)	0	(19,476)
Revaluation increments / (decrements) transferred to revaluation surplus	(292,488)	(386,904)	136,777	0	(542,615)
Revaluation loss transferred to profit and loss	0	(3,443,510)	0	0	(3,443,510)
Depreciation / Amortisation	(3,616,981)	(2,511,314)	(380,796)	0	(6,509,091)
Transfers	0	6,258,403	0	(6,258,403)	0
Balance at 30 June 2025	44,325,542	12,512,862	2,039,545	86,275	58,964,224
Comprises:					
Gross balance amount at 30 June 2025	44,325,542	12,512,862	2,039,545	86,275	58,964,224
Accumulated depreciation / amortisation at 30 June 2025	0	0	0	0	0
Balance at 30 June 2025	44,325,542	12,512,862	2,039,545	86,275	58,964,224

9 Infrastructure (continued)

(b) Carrying amount measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair value					
Resource Recovery Facility	3	Cost approach using current replacement cost	Independent registered valuer	June 2025	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Excavation and Rehabilitation	3	Cost approach using current replacement cost	Independent registered valuer	June 2025	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Other infrastructure	3	Cost approach using current replacement cost	Independent registered valuer	June 2025	Construction costs and current condition, residual values and remaining useful life assessments inputs

Refer to Note 9(a) for asset class carrying amounts.

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

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

10 Fixed assets

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings - non-specialised	5-20 years
Buildings - 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 use
Other infrastructure	5-20 years
Right of use assets	lease 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 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 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 being their reportable value.

Reportable Value

In accordance with Local Government (Financial Management) Regulations 17A(2), the carrying amount of non-financial 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 the non-financial asset subsequent to its last valuation date.

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 MRC.

Whilst the regulatory framework only requires a revaluation to occur at every five years, it also provides for 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:

1. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
2. 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), 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.

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.

	Right-of-use assets - Tamala Park Site	Right-of-use assets - Photocopiers	Total Right-of-Use Assets
	\$	\$	\$
Balance at 1 July 2023	6,203,573	0	6,203,573
Increase resulting from rent review and CPI adjustments	219,586	0	219,586
Depreciation	(772,434)	0	(772,434)
Balance at 30 June 2024	5,650,725	0	5,650,725
Gross balance amount at 30 June 2024	8,912,800	0	8,912,800
Accumulated depreciation at 30 June 2024	(3,262,075)	0	(3,262,075)
Balance at 30 June 2024	5,650,725	0	5,650,725
Additions	0	19,575	19,575
Increase resulting from rent review and CPI adjustments	175,240	0	175,240
Depreciation	(718,023)	(4,350)	(722,373)
Balance at 30 June 2025	5,107,942	15,225	5,123,167
Gross balance amount at 30 June 2025	9,088,040	19,575	9,107,615
Accumulated depreciation at 30 June 2025	(3,980,098)	(4,350)	(3,984,448)
Balance at 30 June 2025	5,107,942	15,225	5,123,167

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

	Note	2025 \$	2024 \$
Depreciation on right-of-use assets	2(b)	(722,373)	(772,434)
Finance charge on lease liabilities	26	(292,086)	(324,573)
Total amount recognised in the statement of comprehensive income		(1,014,459)	(1,097,007)
Total cash outflow from leases		(986,500)	(950,916)

(b) Lease liabilities

	Note	2025 \$	2024 \$
Current		738,124	680,492
Non-current		5,145,302	5,702,532
	26	5,883,426	6,383,024

Lease liabilities relate to:

Land – situated at 1700K Marmion Avenue, Tamala Park, WA 6030. The lease expires in 2032.
Office equipment - photocopiers. The lease expires in 2027.

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.

11 Leases (continued)

(b) Lease liabilities (continued)

Material accounting policies

Leases

At inception of a contract, MRC 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, MRC 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 MRC anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

12 Trade and other payables

Current	2025	2024
	\$	\$
Sundry creditors	995,657	3,813,369
Accrued payroll liabilities	75,524	56,729
Australian Taxation Office liabilities - GST	6,706	156,395
Accrued expenses	4,528,382	314,134
	<u>5,606,269</u>	<u>4,340,627</u>

Material accounting policies

Financial liabilities

Financial liabilities are initially recognised at fair value when MRC 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 MRC prior to the end of the financial year that are unpaid and arise when MRC 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.

Australian Taxation Office liabilities - GST

GST payable is offset against GST receivable and any net GST payable is included as a liability.

13 Other liabilities

	2025	2024
Current	\$	\$
Capital grant / contribution liabilities	38,000	38,000
Reconciliation of changes in capital grant / contribution liabilities		
Opening balance	38,000	0
Additions	0	38,000
Closing balance	38,000	38,000
Expected satisfaction of capital grant / contribution liabilities		
Less than 1 year	38,000	38,000
	38,000	38,000

Material accounting policies

Capital grant/contribution liabilities

Capital grant / contribution liabilities represent MRC's obligations to construct recognisable non-financial assets to identified specifications to be controlled by 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

	2025	2024
Employee Related Provisions	\$	\$
Current provisions		
Employee benefit provisions		
Annual Leave	350,729	340,669
Long Service Leave	146,573	244,128
Other Employee Leave Provision	219,007	188,260
	716,309	773,057
Other provisions		
Employment on-costs	64,939	48,694
Total current employee related provisions	781,248	821,751
Non-current provisions		
Long Service Leave	181,596	83,912
Other provisions		
Employment on-costs	32,881	4,888
Total non-current employee related provisions	214,477	88,800
Total employee related provisions	995,725	910,551

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.

14 Employee related provisions (continued)

Material accounting policies

Employee benefits

MRC'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 MRC'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.

MRC'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.

MRC's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where MRC 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

	Make good provision	Total
	\$	\$
Balance at 1 July 2023	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
Balance at 30 June 2024	<u>30,048,987</u>	<u>30,048,987</u>
Comprises		
Current provisions	10,544,209	10,544,209
Non-current provisions	19,504,778	19,504,778
Balance at 30 June 2024	<u>30,048,987</u>	<u>30,048,987</u>
Revaluation increase / (decrement)	0	0
Charged to profit or loss		
- unwinding of discount	1,333,006	1,333,006
- increase in provision	14,977,538	14,977,538
Balance at 30 June 2025	<u>46,359,531</u>	<u>46,359,531</u>
Comprises		
Current provisions	19,923,153	19,923,153
Non-current provisions	26,436,378	26,436,378
Balance at 30 June 2025	<u>46,359,531</u>	<u>46,359,531</u>

Provisions for restoration, rehabilitation, and site monitoring costs

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

Future capping expenditure

The liability for estimated future capping expenditure is provided for through a rehabilitation provision on a phase-by-phase basis and is discounted to its present value, with the unwinding of the discount being charged to the statement of comprehensive income within the finance 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

	2025	2024
	\$	\$
Land – freehold land		
Opening balance	12,416,873	7,141,873
Movements - revaluation increment	425,000	5,275,000
Closing balance	12,841,873	12,416,873
Buildings – non-specialised		
Opening balance	2,022,856	2,022,856
Movements - revaluation increment	306,082	0
Closing balance	2,328,938	2,022,856
Building – Resource Recovery Facility		
Opening balance	8,705,008	8,705,008
Movements - revaluation increment	1,075,473	0
Closing balance	9,780,481	8,705,008
Furniture and equipment		
Opening balance	337,230	337,230
Movements – realised on sale	(5,297)	0
Closing balance	331,933	337,230
Plant and equipment		
Opening balance	304,797	304,797
Movements	0	0
Closing balance	304,797	304,797
Computer equipment		
Opening balance	628,917	628,917
Movements	0	0
Closing balance	628,917	628,917
Excavation and Rehabilitation		
Opening balance	386,904	8,553,801
Movements - revaluation (decrement)	(386,904)	(8,166,897)
Closing balance	0	386,904
Resource Recovery Facility and Other Infrastructure		
Opening balance	30,514,190	26,335,038
Movements – revaluation (decrement) / increment	(155,711)	4,179,152
Closing balance	30,358,479	30,514,190
	56,575,418	55,316,775
Summary		
Opening balance	55,316,775	54,029,520
Movements	1,258,643	1,287,255
Closing balance	56,575,418	55,316,775

17 Council contributions

		2025	2024
	%	\$	\$
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 MRC. Each member council's equity in the net assets of 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

	Note	2025	2024
		\$	\$
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	38,000	38,000
- Financial assets at amortised cost	4	34,376,825	25,404,778
		<u>34,414,825</u>	<u>25,442,778</u>

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

Restricted reserve accounts	27	34,376,825	25,404,778
Capital grant liabilities	13	38,000	38,000
Total restricted financial assets		<u>34,414,825</u>	<u>25,442,778</u>

19 Undrawn borrowing facilities and credit standby arrangements

	2025	2024
	\$	\$
Credit card limit	100,000	100,000
Credit card balance at balance date	(427)	0
Total amount of credit unused	<u>99,573</u>	<u>100,000</u>

20 Contingent liabilities

MRC operates the Tamala Park Waste Management Facility (the Site), which provides waste disposal services for the seven local government members. The Site has operated as a licensed landfill since 1991. In July 2007, the Site was initially classified as "possibly contaminated – investigation required" by the Department of Environment and Conservation (DEC).

In 2023-24, the previous MRC contaminated site approved auditor (Senversa) 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 Mandatory Auditors Report (MAR) should be submitted in 2025 following 2 years of monitoring".

On 28 November 2024, the Department of Water and Environmental Regulation (DWER) issued an environmental protection notice (EPN) to MRC stating that "there is, or is likely to be an emission or emissions from the Premises and that the emissions have caused or are likely to cause pollution".

1. The EPN consisted of 11 odour emission and groundwater emission requirements. At 30 June 2025, 7 of the requirements had been completed by MRC, i.e. requirements 1, 2, 3, 4, 7, 8, and 10.
2. Requirement 5 was completed on 1 July 2025.
3. Requirement 6 requires MRC to implement recommended improvements including landfill gas collection and management infrastructure to prevent odour impacts outside the premises, in accordance with a direction from DWER. After submitting the required report, MRC are waiting for a reply on this requirement from DWER.
4. Requirement 9 is an option for DWER to require further action to be taken to manage odour emissions on the Site, and to date no further actions have been required.
5. Requirement 11 provides that DWER may vary the requirements of the EPN, including the specified requirements and timeframes. No requests were made to vary any of the EPN requirements for the period 28 November 2024 to 30 June 2025, no further action to be taken by MRC.

The 2025 MAR Report was completed by the contaminated site approved auditor, Australian Environmental Auditors Pty Ltd (the auditor). A summary of findings for the Source and Affected site, which were submitted to DWER on 9 April 2025, are listed below:

Source Site - Part of Lot 9020 on Plan 408820:

1. 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.
2. The land use is restricted to the current commercial/industrial use and configuration and shall not be developed for any other purposes without further contamination assessment or remediation.
3. Groundwater should not be abstracted for drinking purposes without appropriate treatment and testing to confirm its suitability.
4. Ongoing assessment of landfill gas and groundwater should be conducted as part of an ongoing site management plan to inform long term trends and to inform the need or otherwise for mitigation measures.
5. No change in classification – "Contaminated-Remediation Required".

Affected Site - Previously known as portion of Lot 9043 - Subject Area N1 on Deposited Plan 424903:

1. Site remains suitable for its current use as a development "buffer zone" and shall not be developed for any other purposes without further contamination assessment or remediation.
2. May not be suitable for more sensitive uses without further investigation and remediation.
3. Groundwater should not be abstracted for drinking purposes without appropriate treatment and testing to confirm its suitability.
4. No change in classification – "Contaminated-Restricted use".

The MAR and reports were received by DWER on 9 April 2025 from the auditor. On 24 April 2025, DWER confirmed to the auditor that "The site's classification of contaminated – remediation required under the Contaminated Sites Act 2003 (the CS Act) will be retained at this time. The classification of contaminated – restricted use for the affected site adjacent to the north, known as Subject Area N1, will also be retained at this time".

At 30 June 2025 MRC has an ongoing obligation to remediate the Site for which there is a rehabilitation provision in place (refer to note 15); any future liability as a result of the Site's contaminated status cannot be reliably measured at this time.

21 Related party transactions

(a) Elected member remuneration

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Fees, expenses and allowances paid or reimbursed to elected council members			
Chairperson's annual allowance	21,710	21,710	20,454
Chairperson's meeting attendance fees	17,139	17,139	16,511
Chairperson's annual allowance – ICT expenses	3,500	3,065	1,040
Chairperson's travel and accommodation expenses	7,289	1,238	0
	<u>49,638</u>	<u>43,152</u>	<u>38,005</u>
Deputy Chairperson's annual allowance	5,428	5,175	4,468
Deputy Chairperson's meeting attendance fees	11,430	10,478	10,008
Deputy Chairperson's annual allowance – ICT expenses	3,500	3,065	947
Deputy Chairperson's travel and accommodation expenses	7,289	0	0
	<u>27,647</u>	<u>18,718</u>	<u>15,423</u>
All other members' meeting attendance fees	114,300	114,448	106,926
All other member's annual allowance – ICT expenses	35,000	30,407	12,051
All other member's travel and accommodation expenses	72,890	7,261	2,186
	<u>222,190</u>	<u>152,116</u>	<u>121,163</u>
Elected Member Remuneration	<u>299,475</u>	<u>213,986</u>	<u>174,591</u>

(b) Key Management Personnel (KMP) Compensation

	2025 Actual	2024 Actual
	\$	\$
The total of compensation paid to KMP of the MRC during the year are as follows:		
Short-term employee benefits	551,482	544,163
Post-employment benefits	89,930	86,318
Employee – other long-term benefits	89,858	67,634
Council member costs	213,986	174,591
	<u>945,256</u>	<u>872,706</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 MRC'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 MRC 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.

21 Related party transactions (continued)

(b) Key management personnel (KMP) compensation (continued)

	2025 Actual	2024 Actual
	\$	\$
In addition to KMP compensation above the following transactions occurred with related parties:		
Sale of goods and services	37,885,019	37,230,192
Purchase of goods and services	1,166,643	1,164,762
Amounts outstanding from related parties:		
Trade and other receivables	2,465,637	1,791,545
Amounts payable to related parties:		
Trade and other payables	48,564	47,033

Related parties

MRC'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 MRC.

Outside of normal citizen type transactions with MRC, 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 MRC

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

22 Events occurring after the end of the reporting period

There are no significant events which occurred after the end of the reporting period.

23 Capital commitments

	<u>2025</u>	<u>2024</u>
	\$	\$
Contracted for:		
- Capital expenditure projects	256,628	136,374
- Plant and equipment purchases	441,924	224,264
	<u>698,552</u>	<u>360,638</u>
Payable:		
- Not later than one year	<u>698,552</u>	<u>360,638</u>

The capital expenditure projects outstanding at the end of the current and previous reporting period primarily represent landfill infrastructure projects.

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 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 MRC's operational cycle. In the case of liabilities where MRC 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 MRC'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 MRC 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

MRC contributes to a number of Superannuation Funds on behalf of employees. All funds to which MRC contributes are defined contribution plans.

(g) Fair value of assets and liabilities

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

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

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

24 Other material accounting policies (continued)

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

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

(h) Interest revenue

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

(i) Fair value hierarchy

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

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

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

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

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

Valuation techniques that reflect the current replacement cost of 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, MRC gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability 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.

24 Other material accounting policies (continued)

(j) Impairment of assets

In accordance with Australian Accounting Standards MRC'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 Property Plant and Equipment) 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	2025 Budget \$	2025 Actual \$	2024 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> .				
Adjustments to operating activities				
Less: Profit on asset disposals		(527,550)	(5,297)	(291,943)
Add: Loss on disposal of assets		17,070	68,653	10,662
Add: Loss on revaluation of infrastructure – excavation and rehabilitation	9(a)	0	3,443,510	0
Add: Depreciation and amortisation	2(b)	9,181,520	9,311,232	8,451,384
Employee benefit provisions	14	678,558	85,174	14,625
Rehabilitation provision - increase	15	696,003	14,977,538	0
Rehabilitation provision - unwinding of discount	15	738,287	1,333,006	930,813
Non-cash amounts excluded from operating activities		10,783,888	29,213,816	9,115,541

25 Determination of surplus or deficit (continued)

(b) Surplus or deficit

Note	2025 Budget	2025 Actual	2024 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).			
Adjustments to net current assets			
Less: Reserve accounts	27	(23,610,129)	(34,376,825)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of rehabilitation provisions	15	0	19,923,153
- Current portion of lease liabilities	11(b)	665,840	738,124
- Employee benefit provisions	14	1,494,034	781,248
Total adjustments to net current assets		<u>(21,450,255)</u>	<u>(12,934,300)</u>
Net current assets used in the Statement of Financial Activity			
Total current assets		74,682,307	88,939,663
Less: Total current liabilities		(6,669,686)	(27,086,794)
Less: Total adjustments to net current assets		<u>(21,450,255)</u>	<u>(12,934,300)</u>
Surplus or deficit		<u>46,562,366</u>	<u>49,497,962</u>

26 Lease liabilities

Note	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Summary of lease liabilities			
Principal as at 1 July	6,708,619	6,383,024	6,789,781
- New leases	0	194,816	219,586
- Principal repayments	(665,840)	(694,414)	(626,343)
Principal as at 30 June	11(b)	<u>6,042,779</u>	<u>6,383,024</u>
Lease finance cost payments	11(a)	<u>(301,888)</u>	<u>(324,573)</u>

Individual lease details as follows:

1. 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.

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Principal as at 1 July	6,708,619	6,383,024	6,789,781
- New leases	0	175,241	219,586
- Principal repayments	(665,840)	(690,359)	(626,343)
Principal as at 30 June	<u>6,042,779</u>	<u>5,867,906</u>	<u>6,383,024</u>
Lease finance cost payments	<u>(301,888)</u>	<u>(291,401)</u>	<u>(324,573)</u>

26 Lease liabilities (continued)

2. Photocopiers

Institution – Kyocera Document Solutions Australia; Interest rate 6% per annum; Lease term 36 months; final due date 5 November 2027.

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Principal as at 1 July	0	0	0
- New leases	0	19,575	0
- Principal repayments	0	(4,055)	0
Principal as at 30 June	0	15,520	0
Lease finance cost payments	0	(685)	0

27 Reserve accounts

Note	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Site Rehabilitation Reserve			
To be used to fund the rehabilitation following the closure of the landfill site.			
Opening balance at 1 July	18,102,528	18,679,243	17,056,658
Interest earnings	612,326	959,774	912,150
Transfer to reserve	738,287	1,369,663	710,435
Transfer from reserve	0	0	0
Closing balance at 30 June	19,453,141	21,008,680	18,679,243
Capital Expenditure Reserve			
To be used to fund ongoing capital expenditure requirements.			
Opening balance at 1 July	4,749,771	6,209,786	1,945,637
Interest earnings	316,868	470,523	122,387
Transfer to reserve	6,370,000	11,000,002	4,725,000
Transfer from reserve	(7,808,366)	(4,853,899)	(583,238)
Closing balance at 30 June	3,628,273	12,826,412	6,209,786
Carbon Abatement Reserve			
To be used to fund carbon abatement projects.			
Opening balance at 1 July	512,072	515,749	491,076
Interest earnings	16,643	25,984	24,673
Transfer to reserve	0	0	0
Transfer from reserve	0	0	0
Closing balance at 30 June	528,715	541,733	515,749
SUMMARY			
Opening balance at 1 July	23,364,371	25,404,778	19,493,371
Interest earnings	945,837	1,456,281	1,059,210
Transfer to reserve	7,108,287	12,369,665	5,435,435
Transfer from reserve	(7,808,366)	(4,853,899)	(583,238)
Closing balance at 30 June	23,610,129	34,376,825	25,404,778

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.

28 Financial activity information and member charges

Please refer to Note 2(a).

	Processable Tonnes	Non- processable Tonnes	Total Tonnes	Average rate \$	Revenue \$
BUDGET					
City of Perth	14,758	0	14,758	183.00	2,700,714
City of Wanneroo	52,000	3,000	55,000	183.00	10,065,000
City of Joondalup	33,000	600	33,600	183.00	6,148,800
City of Stirling	46,350	10,815	57,165	183.00	10,461,195
Town of Cambridge	4,300	0	4,300	183.00	786,900
City of Vincent	4,500	1,000	5,500	183.00	1,006,500
Town of Victoria Park	10,620	0	10,620	183.00	1,943,460
	165,528	15,415	180,943	183.00	33,112,569
ACTUAL					
City of Perth	13,490	7	13,497	183.01	2,470,019
City of Wanneroo	54,446	2,394	56,840	183.46	10,427,624
City of Joondalup	32,552	722	33,274	183.00	6,089,278
City of Stirling	44,856	3,981	48,837	183.00	8,937,054
Town of Cambridge	3,729	35	3,764	182.59	687,250
City of Vincent	4,745	1,109	5,854	182.75	1,069,818
Town of Victoria Park	10,898	0	10,898	183.11	1,995,534
	164,716	8,248	172,964	183.14	31,676,577

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



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