



MINDARIE
REGIONAL
COUNCIL

Long Term Financial Plan

2026/27 - 2035/36

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, from across the Perth Metropolitan Area.

Our vision

Collaborating for a regional circular economy

Our mission

To deliver sustainable waste management options for members



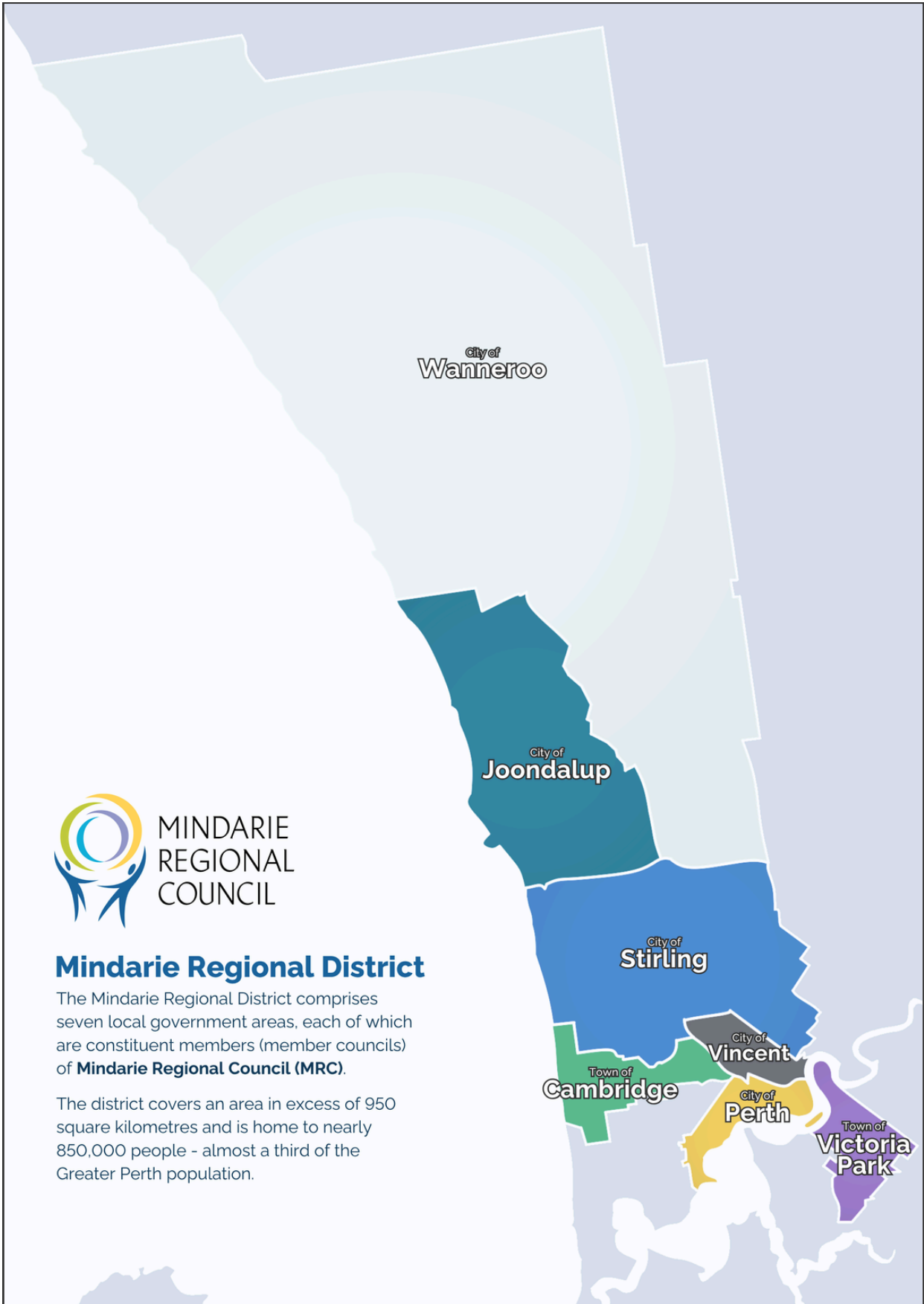
About Mindarie Regional Council

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, and 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, through a partnership with Workpower. 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, also known as Energy Developments Pty Ltd).



MRC Member Councils

Mindarie Regional Council 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 sends their household waste to Tamala Park, and each with at least one representative 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, originally forming 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.



Tamala Park Waste Management Facility viewed from west of Marmion Avenue



MRC Councillors



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 Phil Bedworth - City of Wanneroo

Cr Bedworth has lived in the City of Wanneroo since emigrating from the United Kingdom in 2008. He currently lives in Quinns Rocks with his family and has previously lived in Mindarie, Alkimos and Butler. Cr Bedworth's priorities are financial sustainability, sound governance and preserving the environment and coastline for future generations. He enjoys the arts and advocates for rich creative initiatives for people of all ages and abilities.



Cr Michael Dudek - City of Stirling

Councillor Dudek is a finance professional in a local family business who has lived in the City of Stirling for over 20 years. He has volunteered as a mathematics tutor for first-generation Australians, and at Balga Senior High School through the Swan Nyungar Sports Education Program. Cr Dudek is a strong advocate for making the community a safer place to raise a family. He also supports continued and increased services for seniors.



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.



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 to the City of Perth in 2020 where he has also served as Deputy Lord Mayor. He has represented the city on MRC since 2021, as well as sitting on the DAP, WALGA Zone and WAPC Board. He previously served as a councillor for the City of Joondalup for eight years, including as Deputy Mayor. He holds a Bachelor of Arts in Urban Planning and Diplomas in Project Management and Music.



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 Adrian Hill - City of Joondalup

Councillor Adrian Hill was elected as a City of Joondalup Councillor in 2021 and served as Deputy Mayor from 2023-2025. Cr. Hill has substantial experience as a Chartered Civil Engineer, performing both engineering and commercial management roles in the international offshore energy industry.



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 Jordan Wright JP - City of Wanneroo

A Graduate of the Australian Institute of Company Directors (GAICD) and member of the Governance Institute of Australia, Cr Wright is passionate about responsible management and oversight. He brings this commitment to MRC, where he champions ethical governance and sustainable waste management for the community. He holds a Bachelor of Commerce from ECU and is currently studying towards a Graduate Certificate in Applied Corporate Governance and Risk Management, reinforcing his focus on accountability and long-term value as a next-generation leader.



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.



*Signage above the Tamala Park Reuse Shop,
Tamala Park Waste Management Facility*

Executive Management



Adnana Arapovic
Chief Executive Officer



Ron Back
Acting Executive Manager
Corporate Services

Organisational structure and services

Office of the CEO

- Governance
- Human Resources
- Communications
- Work Health & Safety
- Strategic Planning
- Records Management

Corporate Services

- Administration
- Financial Services
- Information Technology
- Contracts & Procurement
- Customer Service
- Asset Management

Operations

- Waste Management
- Landfill Management
- Environmental Management
- Building Maintenance
- Plant & Equipment Management

The Long Term Financial Plan

The Long-Term Financial Plan (LTFP) is the MRC's high-level, strategic financial document that assists in aligning the MRC's aspirations, strategic intent and organisational capacity, informing the Corporate Business Plan and activating the Strategic Community Plan priorities.

The LTFP demonstrates the MRC's commitment to managing operations in a responsible and sustainable manner, by mapping the financial position of the MRC over a 10-year period, using a series of realistic and conservative financial assumptions.

This financial modelling provides the MRC with appropriate information to assess our capacity to maintain a healthy financial position into the long-term and, most importantly, to ensure that we have the necessary reserves in place to support proposed services, programs, projects, capital replacement programs and new capital projects.

The plan ensures the MRC is optimising its resource allocation and maximising its benefit to its members and the general public. Such a document will safeguard the MRC's financial assets through control of its capital investments, as well as its revenue and expenditure, and enforce accountability through transparency of future decisions. It is a dynamic tool encompassing both its operating activities and capital outlays over the 10-year period. Price and growth drivers are used to ensure the LTFP is in line with industry wide assumptions and the future social and economic environment.

The financial information in the LTFP is based on the best available information at the time of writing the report and will be subject to changes throughout the year as more current market data is released.

This plan is based on the Strategic Community Plan (SCP) and Corporate Business Plan (CBP).

Strategic Framework

Strategic Community Plan 2023-2032

The Strategic Community Plan sets the agenda for the MRC as our region transitions from its historic landfill-reliant society to a more circular economy, in alignment with Western Australia's Waste Avoidance and Resource Recovery Strategy 2030.

A clear direction has been set by member councils on what their communities require, and the MRC will now position itself to deliver.

A sustainable approach to resource recovery services within the region has also been identified as a key driver and this will inform how we deliver our services and move forward.

The landfill facility at Tamala Park is likely to end its operational life within the period of the Strategic Community Plan and therefore the MRC will work to identify and access new alternatives that provide both financial and environmental benefit to our communities.

The MRC is uniquely positioned to support the development of the best available processing infrastructure within the region and collaboration between all stakeholders has the potential to open doors to new facilities which have previously been unavailable.

The clear direction given by our member councils aligned to the MRC's regional potential and its portfolio of assets together provide real opportunity and have resulted in the new Objectives and Strategies that have are stated within the Plan. The MRC will now seek to deliver for the combined benefit of all.

The SCP 2023-2032 aims to deliver three main objectives –

- Deliver best practice services
- Position MRC to provide world class waste management options
- Deliver best practice governance process and structures

The CBP outlines in detail the projects, services, actions, operations, resources and performance measurements required to deliver on the priorities identified in the SCP.

Corporate Business Plan 2023-2027

The Corporate Business Plan (CBP) defines the focus of the Mindarie Regional Council (MRC) over the next four years, setting out specific actions, services and measures at an operational level. The CBP activates the MRC's 2023 – 2032 Strategic Community Plan (SCP) by guiding our planning process to ensure alignment to, and delivery of, our members' aspirations.

The SCP was developed in consultation with our member councils, MRC Councillors and the MRC workforce through a series of workshops and defines the direction of travel for the MRC over the next ten years.

Council demands that the MRC delivers the highest quality service to the communities which each of its seven member councils represent. This is reflected in the first of the MRC's new Objectives: **Deliver Best Practice Services**, which refers to not only what services the MRC delivers, but also how it delivers them. Actions have been set which will drive improvement within the organisation and its overall environmental sustainability over the next four years.

The state government's Waste Avoidance and Resource Recovery Strategy 2030 and member councils' Waste Plan requirements have driven the need for the MRC's next new objective; **Position MRC to Provide World Class Waste Management Options**. The organisation's prime focus in this regard is to ensure that the MRC becomes ever more aware of the resource recovery industry's future waste management and resource recovery options, and to offer these to member councils. Minimising transport emissions and costs for member councils is a point of focus for this objective.

As with any other local government, the MRC must always strive to set the highest standards whilst it operates. The third and final objective in the new SCP, **Deliver Best Practice Governance Process and Structures**, ensures that this remains a focus for the organisation as it moves into the future.

The MRC Administration is committed to delivering upon all of the actions highlighted within the CBP. Successful implementation will drive the organisation in the strategic direction which has been set by Council.

Objectives:

Deliver best practice services

Position MRC to provide world class waste management options

Deliver best practice governance process and structures

Objectives/Strategies

1. Deliver best practice services

- 1.1 Operate waste management activities effectively
- 1.2 Utilise best practice waste diversion and resource recovery solutions
- 1.3 Maintain responsive business practices and systems
- 1.4 Promote the organisation's profile with external stakeholders
- 1.5 Enhance organisational environmental sustainability

2. Position MRC to provide world class waste management options

- 2.1 Identify and access infrastructure for the resource recovery of member councils' materials in alignment with the state waste strategy
- 2.2 Build the circular economy within the district
- 2.3 Maximise use of the MRC's assets and technical capabilities

3. Deliver best practice governance processes and structures

- 3.1 Maintain efficient and equitable governance
- 3.2 Ensure responsible use of organisational resources
- 3.3 Retain financial sustainability with a commercial focus

Asset Management Plan 2023 - 2027

The MRC Asset Management Plan (AMP) has been developed to ensure that the MRC's assets are responsibly maintained, refurbished and replaced as required over the four year period.

The AMP identifies responsibilities, maintenance standards and inspection regimes required to mitigate risk and manage municipal liability.

The AMP is intended to provide:

- that the acquisition of new assets and management of existing assets needs to be fit for purpose and strongly aligned with the MRC's Vision and Mission;
- that the acquisition of new assets is appropriately funded in line with the MRC's established financial principles;
- that assets need to be managed in a cost efficient and operationally effective manner;
- that assets should be managed in such a manner which minimises the risk to the MRC and its employees; and
- Given that the operations of the MRC are so heavily reliant on its infrastructure, and the significant role that infrastructure plays in the MRC's Vision for the future, the MRC is committed to the ongoing prudential management of its assets, as outlined in this AMP.

Workforce Plan 2023 - 2027

The MRC has prepared its Workforce Plan (WP) to ensure that workforce is capable of delivering strategic and organisational objectives now and into the future.

Its workforce is organised to efficiently meet its organisational objectives with the bulk of its workforce providing waste management services direct to local government, commercial and residential customers at the Tamala Park facility.

The operational side of the business is complemented and supported by the MRC's Office of the CEO and Corporate Service teams.

The MRC will ensure that its workforce will continue to be appropriately qualified, experienced and trained for the work at hand, now and into the foreseeable future.

The MRC encourages and promotes good culture, supports equal opportunity, diversity and gender equality. We offer an attractive workplace agreement and experience moderate staff turnover indicating that workforce morale and job satisfaction are high.

Federal Government 2026/27 Budget

"The conflict in the Middle East has triggered substantial economic and energy disruptions across the world. It is driving global inflation higher, global growth lower, and has compounded uncertainty and volatility at home and abroad. The conflict is compounding cost pressures faced by Australians; straining some supply chains, and the impacts on our economy will be felt for some time."

The impact of high global oil prices is expected to significantly add to inflationary pressures in the near term, with headline inflation forecast to be 5 per cent through the year to the June quarter 2026. Higher inflation is expected to weigh on growth in real incomes and household consumption. As a result, growth in the Australian economy is forecast to slow from 2¼ per cent in 2025–26 to 1¾ per cent in 2026–27.

While the economic outlook remains highly uncertain, growth in the Australian economy is expected to pick up to 2¼ per cent in 2027–28, unemployment is expected to stabilise at around 4 ½ per cent and solid wages growth is expected to continue. This recovery assumes that global oil prices begin to decline from mid-2026 and largely stabilise by mid-2027. Headline inflation is forecast to decline to 2 ½ per cent by the June quarter 2027, and abstracting from the impact of fuel prices, it is forecast to sustainably return to the RBA's target band in the middle of 2027."

The federal budget handed down in May 2026, forecast the following economic drivers.

FEDERAL GOVERNMENT					
Federal Budget 2026/27	2025/26	2026/27	2027/28	2028/29	2029/30
Real gross domestic product	2.25%	1.75%	2.25%	2.50%	2.50%
Consumer Price Index	5.00%	2.50%	2.50%	2.50%	2.50%
Wage price index	3.25%	3.50%	3.50%	3.50%	3.75%
Unemployment rate	4.25%	4.50%	4.50%	4.50%	4.25%
<i>2026/27 Federal Budget - Statement 2: Economic Outlook - Table 1: Domestic economy forecasts</i>					

Source: 2026/27 Federal Budget - Statement 2: Economic Outlook

State Government 2026/27 Budget

The 2026-27 Budget has been framed in a highly uncertain global economic environment, exacerbated by conflict in the Middle East. The conflict has resulted in a sharp increase in fuel prices, which has contributed to inflationary pressures and weakened confidence in the global economic outlook.

Nonetheless, Western Australia's economy is facing these headwinds from a position of strength. The domestic economy (as measured by State Final Demand or SFD) grew by 3.3% in 2025, outpacing national growth. This was overwhelmingly driven by the private sector, which accounted for 85% of this growth.

Inflationary pressures have re-emerged both nationally and internationally and have been further stoked by higher prices for oil and refined products attributed to the Middle East conflict. This is expected to flow through to local inflation over the near-term."

The economic assumptions underpinning the 2026-27 Budget are outlined in the following table.

STATE GOVERNMENT					
State Budget 2026/27	2025/26	2026/27	2027/28	2028/29	2029/30
Gross State Product	3.25%	2.25%	2.00%	2.00%	2.00%
Consumer Price Index	5.50%	3.75%	2.75%	2.50%	2.50%
Wage Price Index	3.75%	3.25%	3.25%	3.25%	3.00%
Unemployment Rate	4.00%	4.25%	4.25%	4.25%	4.50%
Population	1.80%	1.60%	1.50%	1.50%	1.50%

2026/27 Budget - Economic And Fiscal Outlook - Budget Paper No. 3 Table 1

Forward Estimates

Inflation as portrayed in the movements in the Consumer Price Index will be the focus in the community in the coming years. The Reserve Banks efforts in trying to slow consumer consumption through interest rates has not had the desired outcome.

The financial model uses the economic forecasts included in the State and Federal Budgets. It should be noted that both Federal and State forecast changed their respective growth and cost indicators provided for the 2026/27 Budget.

Price Drivers

Preliminary Key Price Drivers applied are shown below.

Assumptions	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Population - MRC members	877,260	898,000	920,120	941,780	963,280	985,050
Consumer Price Index Australia	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Consumer Price Index Perth	3.8%	2.8%	2.5%	2.5%	2.7%	2.6%
Wage Price Index	3.5%	3.3%	3.5%	3.8%	3.6%	3.6%
Wage Price Index WA	3.3%	3.3%	3.3%	3.0%	3.2%	3.1%
General Insurance	4.1%	3.0%	2.8%	2.8%	2.9%	2.9%
Utility - Electricity	3.8%	2.8%	2.5%	2.5%	2.7%	2.6%
RBA Cash Management Rate	4.5%	3.8%	3.5%	3.4%	3.6%	3.5%
10 Year Bond Rate	4.1%	4.1%	4.1%	4.1%	4.1%	3.9%

Financial risks

These estimates are sensitive to movements on price and supply chain issues. The current rising inflation and upward moving of interest rates means the impact of price and interest drivers is far greater on upward movements, as opposed to reductions. These potential rapid upward movements create a financial risk to the MRC and the projects in these estimates.

These estimates have a negative impact arising from prices movements however, the impact of the overall position is negated as many revenue streams use CPI as the determination of increases which offsets the downside on costs. It is considered that price movements will be more volatile than interest rates.

The plan will be substantially affected if any change to the Council's current SCP, CBP or licence arrangement over the landfill site.

Long Term Forecasts

These estimates reflect a high-level forecast based on the 2026/27 budget and extrapolated in future years using the economic and known useful life assumptions.

Financial Strategies and Principles

The forecasts assist the MRC's SCP by advising the financial capabilities of the MRC to deliver infrastructure and services to the member's and the general public. The CBP assists in the realisation of the MRC's vision in the medium term; it details the actions, services, operations and projects the MRC will deliver within a seven-year period.

Other critical informing strategies associated with this LTFP are the Asset Management and Workforce Plans.

These estimates underpin the following principles:

- Continuous improvement in the financial capacity and sustainability of the MRC through:
 - Strengthening results to ensure long term financial sustainability.
 - No use of debt
 - Accumulate funds to meet cash flow demands.
- The maintenance of a fair and equitable fee structure.
- Maintaining or improving service level standards.
- Maintenance of cash reserves for future liabilities.
- Maintaining/increasing funding for asset maintenance and renewal.
- Fees and charges are determined upon an equitable basis.

A key element of the financial strategy is to achieve a lower gate fee and to minimise the financial burden placed on members for future liabilities.

These estimates draw out issues associated with the volume of funds required to balance budgets in future years and the financial structure arising from those estimates.

Basis of Preparation

Basic assumptions

- Landfill area lease expires in 2031/32,
- Landfill operations are estimated to conclude in 2029/30 subject to works approvals,
- The post closure plan has not been finalised at the time of formulating these estimates,
- It is assumed the lease over the existing site will be renewed for the ongoing management of the site,
- Currently limited substantiated estimates are available for the site rehabilitation costs.

The assumptions are as follows -

- The MRC will gain the necessary approvals to facilitate the original intended optimisation of the landfill site which is estimated to conclude in 2029/30.
- Members commit to Waste to Energy (WtE) by 30 June 2026,
- All members will have an exemption upon the closure of the landfill site,
- Fees to members in 2026/27 will be \$219 per tonne,
- FOGO operations at the Neerabup Site are estimated to commence in 2026/27 (negligible financial impact in first year) with operations expanding from members and commercial tonnage reaching the 60k tonnes threshold which will trigger the \$3.0M lease revenue by 2027/28.

Operating Revenues

Fees and Charges

Tipping fees are estimated to conclude in 2029/30. However, it is expected that revenue from the processing of mattresses and recyclable material, both members and the general public, will continue beyond 2031/32.

Operating grants/subsidies/contributions

This revenue represents the cost recovery from members for administration and governance costs incurred by the MRC. These charges are materially reduced with the termination of the landfill site and conclude by 2031/32.

Gas generation services

It is anticipated the current arrangements will continue. Market conditions are estimated to reduce the proceeds from this arrangement in the out years.

Interest earnings

Interest projections are dependent on the level of unrestricted cash and cash equivalents/other financial assets.

Other Revenue

These revenues relate to Diesel Fuel Rebate. These revenues will reduce as the site is diminished.

Operating Expenditures

Employee costs

Costs post the site closure are expected to diminish from 2029/30 to the end of the existing lease. The estimates are constructed on the basis the landfill operations will winddown by 2029/30.

Material and Contracts

A number of costs will be incurred post 2029/30 relating to recycling, site rehabilitation and overhead costs on administration.

Utilities, Insurance, Other expenses

These costs will continue through to 2031/32. Costs beyond that date will relate to revenue generating operations.

Depreciation/Amortisation

Depreciation expenses will continue on the asset base through to 2031/32 and beyond for revenue generating assets. Amortisation of the landfill site will conclude in 2029/30. At this stage estimates have not been included for impaired assets arising from the change in operations over the period of the plan.

At the time of preparing these estimates the revaluation was not available. The Statement of Comprehensive Income does not include any transactions relating to this process. Depreciation of assets on the Neerabup Site will be substantially reduced effective from 2027/28.

Finance/borrowing costs

This amount relates to the unwinding portion of rehabilitation provision over the period of the plan which concludes in 2031/32.

Net current assets

The overall financial position is usually reflected in the net current assets reported in the annual financial report. This is usually referred to as the annual surplus/(deficit) as it arises from all of the financial transactions of the MRC in any one financial year. That end result includes funds raised in the year that are not applied and carried forward (both operating and capital) into the next budget.

Financial Statements

The following Financial Statements have been prepared for the 10 years covered in this LTFP. These estimates have been prepared on the basis of the assumptions addressed previously in this document.

Statement of Comprehensive Income

Identifies the inputs by nature of the revenue or expense. Descriptions are defined by Regulation under the Local Government Act WA 1995.

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

Statement of Financial Activity

This statement summarises the operating, capital, debt and reserves transactions. It utilises the same reporting procedures required formulating the MRC's Annual Budget under the Local Government Act WA 1995. The plan identifies the funds necessary to balance the budget in each financial year through the collection of fees/charges and contributions.

Statement of Financial Position (Balance Sheet)

The purpose of the Statement of Financial Position is to provide a "snap-shot" of the overall financial position of the MRC. This statement is constructed according to well defined accounting principles which are embodied in the Australian Accounting Standards. The ratepayer equity in the MRC can be calculated by deducting total liabilities from total assets.

The Statement discloses transactions as current and non-current assets, and current and non-current liabilities and equity.

Statement of Comprehensive Income (Index Values)

Financial year	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Revenue										
Grants, subsidies and contributions	5,671,950	5,454,840	5,797,350	4,438,850	-	-	-	-	-	-
Fees and charges	43,621,580	43,475,130	50,223,420	57,491,710	13,019,660	13,248,130	13,479,920	13,716,000	13,956,280	14,200,180
Gas power generation income	500,000	480,870	462,560	446,140	432,220	419,560	408,380	398,640	390,220	383,010
Interest revenue	4,128,000	3,707,930	3,050,900	3,395,970	3,499,460	3,466,570	3,685,610	3,949,760	4,237,960	4,567,710
Other revenue	143,500	147,450	151,140	121,620	75,810	39,500	25,640	23,680	21,870	20,190
	54,065,030	53,266,220	59,685,370	65,894,290	17,027,150	17,173,760	17,599,550	18,088,080	18,606,330	19,171,090
Expenses										
Employee costs	(8,042,490)	(7,861,710)	(7,833,610)	(7,354,860)	(4,960,880)	(4,744,270)	(4,464,230)	(4,561,990)	(4,652,380)	(4,767,820)
Materials and contracts	(31,753,860)	(32,300,330)	(34,870,958)	(37,631,840)	(9,472,956)	(8,641,700)	(9,268,960)	(9,136,740)	(9,073,740)	(9,033,800)
Utility charges	(871,250)	(196,510)	(211,952)	(217,260)	(177,839)	(100,900)	(40,760)	(20,350)	(20,880)	(21,420)
Depreciation/A mortisation	(10,273,650)	(10,655,720)	(12,511,290)	(13,816,540)	(1,676,860)	(3,008,530)	(3,221,430)	(3,102,500)	(2,957,780)	(2,776,310)
Finance costs	(499,710)	(487,030)	(433,520)	(387,700)	(121,670)	(63,820)	0	0	0	0
Insurance	(692,900)	(453,170)	(352,215)	(346,740)	(253,340)	(220,400)	(214,660)	(209,640)	(205,310)	(201,660)
Other expenditure	(335,270)	(333,970)	(345,366)	(351,970)	(359,330)	(366,820)	(374,630)	(382,780)	(391,290)	(400,100)
	(52,469,130)	(52,288,440)	(56,558,911)	(60,106,910)	(17,022,875)	(17,146,440)	(17,584,670)	(17,414,000)	(17,301,380)	(17,201,110)
Capital grants, subsidies, contribution	0	38,000	0	0	0	0	0	0	0	0
Profit on asset disposals	1,000	0	0	0	0	0	0	0	0	0
Loss on asset disposals	(49,370)	0	0	0	0	0	0	0	0	0
	(48,370)	38,000	0	0	0	0	0	0	0	0
Net result for the period	1,547,530	1,015,780	3,126,459	5,787,380	4,275	27,320	14,880	674,080	1,304,950	1,969,980
Changes in asset revaluation surplus	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the p	1,547,530	1,015,780	3,126,459	5,787,380	4,275	27,320	14,880	674,080	1,304,950	1,969,980

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

Statement of Financial Activity (indexed values)

Financial year	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Revenue from operating activities										
Grants, subsidies and contributions	5,671,950	5,454,840	5,797,350	4,438,850	0	0	0	0	0	0
Fees and charges	43,621,580	43,475,130	50,223,420	57,491,710	13,019,660	13,248,130	13,479,920	13,716,000	13,966,280	14,200,180
Gas power generation income	500,000	480,870	462,550	446,140	432,220	419,560	408,380	398,640	390,220	383,010
Interest revenue	4,128,000	3,707,930	3,050,900	3,366,970	3,499,460	3,468,570	3,685,610	3,949,760	4,237,960	4,567,710
Other revenue	143,500	147,450	151,140	121,620	75,810	39,500	25,640	23,680	21,870	20,190
Profit on asset disposals	1,000	0	0	0	0	0	0	0	0	0
Expenditure from operating activities										
Employee costs	54,066,030	53,266,220	59,685,370	65,894,290	17,027,150	17,173,760	17,569,550	18,088,080	18,606,330	19,171,090
Materials and contracts	(8,042,490)	(7,881,710)	(7,833,610)	(7,354,860)	(4,960,880)	(4,744,270)	(4,464,230)	(4,561,990)	(4,662,380)	(4,767,820)
Utility charges	(31,753,860)	(32,300,330)	(34,870,958)	(37,631,840)	(9,472,956)	(8,641,700)	(9,268,960)	(9,136,740)	(9,073,740)	(9,033,800)
Depreciation/Amortisation	(871,250)	(196,510)	(211,952)	(217,260)	(177,839)	(100,900)	(40,760)	(20,350)	(20,880)	(21,420)
Finance costs	(10,273,650)	(10,656,720)	(12,511,290)	(13,816,540)	(1,676,860)	(3,008,530)	(3,221,430)	(3,102,500)	(2,967,780)	(2,776,310)
Insurance	(499,710)	(487,030)	(433,520)	(387,700)	(121,670)	(63,820)	0	0	0	0
Other expenditure	(692,900)	(463,170)	(352,215)	(346,740)	(253,340)	(220,400)	(214,660)	(209,640)	(205,310)	(201,660)
Loss on asset disposals	(336,270)	(333,970)	(345,366)	(351,970)	(359,330)	(366,820)	(374,630)	(382,780)	(391,290)	(400,100)
Loss on asset disposals	(49,370)	0	0	0	0	0	0	0	0	0
Net	(52,518,500)	(52,288,440)	(56,568,911)	(60,106,910)	(17,022,875)	(17,146,440)	(17,564,670)	(17,414,000)	(17,301,380)	(17,201,110)
Non-cash amounts excluded from operating	1,547,530	977,780	3,126,459	5,787,380	4,275	27,320	14,880	674,080	1,304,950	1,969,980
Amount attributable to operating activities	11,262,680	11,577,680	13,414,100	14,682,150	2,111,310	3,337,820	3,526,820	3,388,670	3,227,580	3,030,960
Proceeds from disposal of assets	12,810,220	12,555,470	16,540,559	20,469,530	2,115,585	3,365,140	3,541,500	4,062,750	4,532,530	5,000,970
Purchase of property, plant, equipment	180,000	97,870	71,090	0	0	0	0	0	0	0
Purchase/construction of infrastructure	(10,876,380)	(9,785,630)	(2,122,170)	0	0	0	0	0	0	0
Amount attributable to investing activities	(21,388,120)	(256,880)	(1,105,850)	(11,237,770)	0	0	0	0	0	0
FINANCING ACTIVITIES										
Proceeds from borrowings	(32,084,500)	(9,944,640)	(3,156,930)	(11,237,770)	0	0	0	0	0	0
Transfers from reserve accounts	0	0	0	0	0	0	0	0	0	0
Principal portion of lease liabilities	32,264,500	9,944,640	3,156,930	11,237,770	0	0	0	0	0	0
Transfers to reserve accounts	(731,736)	(731,736)	(933,645)	(1,073,692)	(1,234,745)	(1,426,141)	0	0	0	0
Amount attributable to financing activities	(24,328,830)	(8,440,730)	(8,563,700)	(2,721,170)	(1,278,060)	(1,308,070)	(1,366,610)	(1,427,760)	(1,491,660)	(1,558,410)
MOVEMENT IN SURPLUS/DEFICIT										
Surplus/deficit at the start of the financial year	7,203,934	772,174	(6,340,415)	7,442,908	(2,512,805)	(2,734,211)	(1,366,610)	(1,427,760)	(1,491,660)	(1,558,410)
Amount attributable to operating activities	47,898,582	35,828,236	39,211,240	46,254,454	62,929,122	62,531,902	63,162,831	65,337,721	67,972,711	71,013,581
Amount attributable to investing activities	12,810,220	12,555,470	16,540,559	20,469,530	2,115,585	3,365,140	3,541,500	4,062,750	4,532,530	5,000,970
Amount attributable to financing activities	(32,084,500)	(9,944,640)	(3,156,930)	(11,237,770)	0	0	0	0	0	0
Surplus or deficit	7,203,934	772,174	(6,340,415)	7,442,908	(2,512,805)	(2,734,211)	(1,366,610)	(1,427,760)	(1,491,660)	(1,558,410)
Surplus or deficit	35,828,236	39,211,240	46,254,454	62,929,122	62,531,902	63,162,831	65,337,721	67,972,711	71,013,581	74,466,141

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

Capital Outlays (current values)

Asset Class	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Buildings	8,001,380	8,770,202	1,500,000	-	-	-
Plant and Equipment	2,785,000	690,000	450,000	-	-	-
Computer Equipment	90,000	65,000	65,000	-	-	-
Landfill Site	20,982,470	250,000	1,050,000	10,410,000	-	-
Other Infrastructure	405,650	-	-	-	-	-
	32,264,500	9,775,202	3,065,000	10,410,000	-	-

The projects outlined above are essential to ensure the ongoing environmental compliance, operational efficiency, and financial sustainability of MRC's waste management and resource recovery operations. The associated cost estimates have been carefully developed based on past project experience, market quotations, and expert consultant advice, thereby providing a strong foundation for forward financial planning.

Landfill Infrastructure

Installation of the Piggyback Liner - the optimal use of existing landfill space by expanding into currently vegetated areas. Without this liner, the site cannot achieve its full spatial potential for waste disposal. The estimated cost is \$3.6M, based on costs from previous liner installations and advice from external consultants.

Capping Works - encompass multiple initiatives, including the construction of infiltration basins, revegetation of offset areas, and the installation of extraction wells. These works are critical to site stability, environmental compliance, and eventual rehabilitation. The costs are estimated at \$17.1M.

Quarry Works - the crushing of oversized limestone rocks at the on-site quarry to produce capping material.

Horizontal Gas Wells (Gas Pipelines) & Flow Meter - includes the installation of a gas flow meter to monitor supply to the Electricity Generating Power Station (EDL) and the development of associated gas pipelines to ensure safe and efficient gas transport. Estimated costs are \$0.14M, based on market quotations.

Leachate Processing Infrastructure - the construction of a tank farm for leachate processing, as well as a ring line around the landfill to collect and deliver leachate for treatment and evaporation. These improvements are essential to improve gas extraction quality and support odour management. The total estimated cost is \$9.2M, are based on experience with leachate extraction, market research on other tank farms in the region and external consultants.

Transfer Station – Tamala Park – Construction of Waste Transfer Station (WTS) at a cost of \$9.8M.in accordance Critical Infrastructure Plan (CIP).

Circular Economy Shed (CE) – the project is focused on a solar panel recycling infrastructure at an estimated costs \$7.6M. Significant revenue generating asset that will improve MRC financial stability for long term rehabilitation need of the site.

Plants and Equipment Costs

These include estimated long-term costs for critical plant and equipment replacements and ongoing maintenance necessary for daily operations.

Statement of Financial Position (indexed values)

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
CURRENT ASSETS										
Cash and cash equivalents	2,587,510	9,857,411	22,128,269	21,114,444	20,796,724	24,460,178	28,637,690	33,976,354	39,852,727	46,269,751
Trade and other receivables	5,265,694	5,265,694	5,265,694	5,265,694	5,265,694	5,265,694	5,265,694	5,265,694	5,265,694	5,265,694
Other financial assets	66,313,259	54,402,579	65,216,119	55,421,459	56,669,509	57,919,039	59,224,499	60,588,359	62,013,269	63,501,939
Inventories	24,153	2,300,000	2,300,000	2,300,000	2,300,000	-	-	-	-	-
Other assets	27,977	941,933	825,589	725,032	646,298	581,668	523,501	471,151	424,036	381,632
TOTAL CURRENT ASSETS	74,218,593	72,767,617	95,735,671	84,826,629	85,678,225	88,226,579	93,651,384	100,301,558	107,555,726	115,419,016
NON-CURRENT ASSETS										
Property, plant and equipment	39,186,370	46,859,320	46,619,450	44,248,850	42,909,330	40,868,630	38,922,810	37,195,400	35,682,970	34,364,940
Infrastructure	75,029,371	67,522,321	59,063,261	59,293,341	59,284,691	58,563,381	57,287,771	55,912,681	54,467,331	53,009,051
Right-of-use assets	3,125,155	2,346,045	1,761,705	1,323,455	994,765	748,245	748,245	748,245	748,245	748,245
TOTAL NON-CURRENT ASSETS	117,340,896	116,727,686	107,444,416	104,865,646	103,188,786	100,180,256	96,958,826	93,856,326	90,898,546	88,122,236
TOTAL ASSETS	191,559,489	189,495,303	203,180,087	189,692,275	188,867,011	188,406,835	190,610,210	194,157,884	198,454,272	203,541,252
CURRENT LIABILITIES										
Trade and other payables	5,825,448	5,825,448	5,825,448	4,369,088	2,184,543	546,137	-	-	-	-
Other liabilities	38,000	-	-	-	-	-	-	-	-	-
Lease liabilities	731,736	933,645	1,073,692	1,234,745	1,426,141	-	-	-	-	-
Employee related provisions	1,416,941	1,981,221	2,530,451	2,694,770	2,639,840	2,529,262	2,461,874	2,412,868	2,355,136	2,290,496
Rehabilitation provisions*	19,923,153	19,923,153	19,923,153	19,923,153	19,923,153	19,923,153	19,923,153	19,923,153	19,923,153	19,923,153
TOTAL CURRENT LIABILITIES	27,935,278	28,663,467	29,352,744	28,221,756	26,173,677	22,998,552	22,385,027	22,336,021	22,278,289	22,213,649
NON-CURRENT LIABILITIES										
Lease liabilities	4,668,223	3,734,578	2,660,886	1,426,141	-	-	-	-	-	-
Employee related provisions	616,429	749,739	878,939	1,002,679	1,091,239	1,162,729	1,231,529	1,298,609	1,364,459	1,429,279
Rehabilitation provisions*	27,306,493	27,306,493	27,306,493	27,306,493	27,306,493	27,306,493	27,306,493	27,306,493	27,306,493	27,306,493
TOTAL NON-CURRENT LIABILITIES	32,591,145	31,790,810	30,846,318	29,735,313	28,397,732	28,469,222	28,538,022	28,605,102	28,670,952	28,735,772
TOTAL LIABILITIES	60,526,423	60,454,277	60,199,062	57,957,069	54,571,409	51,467,774	50,923,049	50,941,123	50,949,241	50,949,421
NET ASSETS	131,033,066	129,041,026	142,981,025	131,735,206	134,295,602	136,939,061	139,687,161	143,216,761	147,505,031	152,591,831
EQUITY										
Retained deficit	(47,192,976)	(47,681,106)	(39,147,876)	(41,877,096)	(40,594,761)	(39,259,371)	(37,877,881)	(36,776,041)	(32,979,431)	(29,451,041)
Reserve accounts	32,564,897	31,060,987	36,467,757	27,951,157	29,229,217	30,537,287	31,903,897	33,331,657	34,823,317	36,381,727
Council Contributions	89,085,726	89,085,726	89,085,726	89,085,726	89,085,726	89,085,726	89,085,726	89,085,726	89,085,726	89,085,726
Revaluation surplus	56,575,419	56,575,419	56,575,419	56,575,419	56,575,419	56,575,419	56,575,419	56,575,419	56,575,419	56,575,419
TOTAL EQUITY	131,033,066	129,041,026	142,981,026	131,735,206	134,295,601	136,939,061	139,687,161	143,216,761	147,505,031	152,591,831

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

Cash Backed Reserves

Cash Reserves hold funds restricted for the purpose for which the Reserves have been established.

CASH BACKED RESERVES	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Landfill Post Closure*	<i>to be used to fund the rehabilitation following the closure of the landfill.</i>									
Opening balance	23,108,769	24,400,249	25,587,079	26,733,379	27,902,509	29,178,349	30,484,139	31,848,369	33,273,649	34,762,709
Transfers to	224,380	-	-	-	-	-	-	-	-	-
Interest	1,067,100	1,186,830	1,146,300	1,169,130	1,275,840	1,305,790	1,364,230	1,425,280	1,489,060	1,555,700
Funds Applied	-	-	-	-	-	-	-	-	-	-
	24,400,249	25,587,079	26,733,379	27,902,509	29,178,349	30,484,139	31,848,369	33,273,649	34,762,709	36,318,409
Capital expenditure reserve	<i>to be used to fund ongoing capital expenditure requirements.</i>									
Opening balance	17,391,798	8,164,648	5,473,908	9,734,378	48,648	50,868	53,148	55,528	58,008	60,608
Transfers to	22,065,750	7,000,000	7,000,000	1,550,000	-	-	-	-	-	-
Interest	971,600	253,900	417,400	2,040	2,220	2,280	2,380	2,480	2,600	2,710
Funds Applied	(32,264,500)	(9,944,640)	(3,156,930)	(11,237,770)	-	-	-	-	-	-
	8,164,648	5,473,908	9,734,378	48,648	50,868	53,148	55,528	58,008	60,608	63,318

SUMMARY	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Opening balance	40,500,567	32,564,897	31,060,987	36,467,757	27,951,157	29,229,217	30,537,287	31,903,897	33,331,657	34,823,317
Transfers to	22,290,130	7,000,000	7,000,000	1,550,000	-	-	-	-	-	-
Interest	2,038,700	1,440,730	1,563,700	1,171,170	1,278,060	1,308,070	1,366,610	1,427,760	1,491,660	1,558,410
Funds Applied	(32,264,500)	(9,944,640)	(3,156,930)	(11,237,770)	-	-	-	-	-	-
	32,564,897	31,060,987	36,467,757	27,951,157	29,229,217	30,537,287	31,903,897	33,331,657	34,823,317	36,381,727

Summary

The MRC's forward estimates are a planning tool that has been developed to map and maintain the financial sustainability of the MRC into the future. It is a mechanism in determining financial projections for the period 2026/27 to 2035/36.

These estimates are based on the Council's Strategic Community Plan (SCP) and Corporate Business Plan (CBP). They have been prepared based on a number of objectives and assumptions that are outlined in these documents. Strategies, priorities, issues, and risks are all dynamic influences in relation to any planning and as such these estimates will be reviewed and adjusted annually to reflect material changes.

Consideration has been given to the economic drivers that will influence the future cost of providing infrastructure, facilities and services for the period 2026/27 to 2035/36. The values disclosed in this LTFP (unless otherwise stated) represent estimated future prices and costs.

The purpose of these estimates presents a financial analysis of all strategic aspirations and objectives set out in the integrated planning framework documents over the ten-year period.

These estimates address the operating and capital needs placed on the MRC over the next 10 years. It also shows the linkages between specific plans and strategies and enhances the transparency and accountability of the MRC's to its members.

This LTFP is sensitive to movements on price and supply. Increasing inflation and interest rates means the impact of price and interest drivers is far greater on upward movements, as opposed to reductions. These potential rapid upward movements create a financial risk to the MRC and the projects in this LTFP. These estimates have an adverse impact arising from price movements however, the impact of the overall position is negated as many revenue streams use CPI as the determination of increases which offsets the downside on costs.

The net operating result, shown in the Statement of Comprehensive Income, shows a strong positive result to 2029/30. Post 2029/30 the MRC will rely on alternative revenue streams provide a positive outcome and a positive cash outcome, which will enable a financial return to members.

This plan is compiled on the basis of the MRC achieving its strategic aspirations and outcomes in accordance with the Strategic Community Plan (SCP) and Corporate Business Plan (CBP).

The LTFP will be continuously reviewed to reflect the prevailing economic conditions and evolving demands. These will include the quantification of the items detailed above, as decisions and information are forthcoming.

The MRC's activities are subject to a variety of risks that have been considered in preparing these estimates. Users of this information should be aware that there are inherent risks associated with the outcomes reported, as circumstances (i.e., change in legislative requirements) may bring about changes that could materially affect the outcome and projected results of the estimates.

These estimates are set against economic uncertainty and will be reviewed every 12 months to reflect the prevailing economic conditions and demands placed on the MRC. Consideration has been given to the economic drivers that will influence the future cost of providing infrastructure, facilities and services for the period 2026/27 to 2035/36. The values disclosed in this LTFP (unless otherwise stated) represent estimated future prices and costs.



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