

**RESOURCE RECOVERY GROUP**  
**AGENDA PAPERS**  
**ORDINARY MEETING OF COUNCIL**

**THURSDAY 19 FEBRUARY 2026**  
**5.30pm**

**CITY OF MELVILLE**  
**10 ALMONDBURY ROAD BOORAGOON**

**Our Mission:** *We are leaders in maximising material recovery and minimising climate impacts by providing our communities with best practice resource recovery solutions with high recovery rates and ethical supply chains*

*On behalf of our Participant Local Governments*

**Dear Members**

**The next Ordinary Meeting of the Resource Recovery Group Council will be held at the premises of the City of Melville 10 Almondbury Road Booragoon commencing at 5.30pm on Thursday 19 February 2026.**

**Anyone attending the meeting should be aware that the meeting will be recorded.**

**Marten Tieleman  
ACTING CHIEF EXECUTIVE OFFICER**

## TABLE OF CONTENTS

1.	<b>DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS</b> "I respectfully acknowledge the traditional owners of the land on which this meeting is taking place today – the Nyungar people of Western Australia and pay our respects to their elders past and present".	
2.	<b>RECORD OF ATTENDANCE / APOLOGIES</b>	
3.	<b>DISCLOSURE OF INTERESTS</b>	
4.	<b>RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE</b>	
5.	<b>PUBLIC QUESTION TIME</b>	
6.	<b>ANNOUNCEMENTS BY THE CHAIR OR PRESIDING PERSON</b>	
7.	<b>PETITIONS / DEPUTATIONS / PRESENTATIONS</b>	
8.	<b>CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS</b>	
8.1	MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD ON 27 NOVEMBER 2025	
	MINUTES OF THE SPECIAL MEETING OF COUNCIL HELD ON 23 DECEMBER 2025	
8.2	ACTIONS ARISING FROM THE MINUTES OF THE MEETINGS OF COUNCIL HELD ON 27 NOVEMBER AND 23 DECEMBER 2025	
9.	<b>ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH MEETING MAY BE CLOSED TO THE PUBLIC</b> NIL	
10.	<b>BUSINESS NOT DEALT WITH FROM PREVIOUS MEETING</b>	
11.	<b>REPORTS OF THE CEO</b>	
11.1	WINDUP RESOLUTION RRG	4
11.2	FINANCIAL REPORTS DECEMBER 2025 AND JANUARY 2026	6
11.3	CASH INVESTMENTS PORTFOLIO	11
11.4	SCHEDULES OF PAYMENTS DECEMBER 2025 AND JANUARY 2026	15
11.5	MID-YEAR 2025-2026 BUDGET REVIEW	17
12.	<b>ELECTED MEMBER MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN</b>	
13.	<b>NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE CHAIRMAN OR PERSON PRESIDING OR BY DECISION OF MEETING</b>	
14.	<b>QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN</b>	
15.	<b>CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC</b> NIL	
16.	<b>DECLARATION OF CLOSURE OF MEETING</b>	

<b>REPORT NO</b>	<b>11.1-02-2026</b>
<b>SUBJECT</b>	WIND UP OF RESOURCE RECOVERY GROUP
<b>AUTHOR</b>	M Tieleman, Acting Chief Executive Officer
<b>RESPONSIBLE OFFICER</b>	M Tieleman, Acting Chief Executive Officer
<b>EMPLOYEE INTEREST</b>	Nil
<b>DATE OF REPORT</b>	11 February 2026
<b>FILE REFERENCE</b>	FD: Establishment Agreement
<b>ATTACHMENTS</b>	<a href="#">RRG Establishment Agreement 10 October 2024</a>

**CEO RECOMMENDATION:**

That in accordance with Section 3.63 (1) of the *Local Government Act 1995* and clause 12.1 of the Establishment Agreement of the Resource Recovery Group (RRG), Council resolve by absolute majority to wind up the Regional Local Government known as the Resource Recovery Group formerly known as the Southern Metropolitan Regional Council.

**VOTING REQUIREMENT**

Absolute Majority

**PURPOSE OF REPORT**

To seek Councils approval to initiate the wind up of the Resource Recovery Group (RRG) now that its two remaining members have notified of their withdrawal from all projects and the RRG, operations have ceased and the assets held by the two former projects have been sold or transferred.

**NATURE OF COUNCIL'S ROLE IN THE MATTER:****Advocative**

Not applicable

**Executive**

The decision to wind up the Regional Local Government is one which can be made by resolution of the Council of the Regional Local Government in accordance with its Establishment Agreement.

**Legislative**

Section 3.63 of the *Local Government Act 1995* states as follows:

Dissolution or partial dissolution of regional local government

- (1) A regional local government is to be wound up —
  - (a) at the direction of the Minister; or
  - (b) in accordance with the establishment agreement.
- (2) A participant may, in accordance with the establishment agreement, withdraw from the regional local government and cease to be a participant.

**IMPLICATIONS TO CONSIDER:****Consultative:**

The remaining members of the RRG have been fully engaged in the process of winding up of the two Projects being the Office and Regional Resource Recovery Centre (RRRC) Projects and their withdrawal necessitates this resolution.

**Strategic relevance:**

This decision will conclude the operations of the RRG and dissolve the Council.

**Policy related:**

There is no policy that is relevant to this report.

**Financial:**

Following the resolution all outstanding debts owing to the RRG will be collected and any outstanding creditors paid. The surplus remaining will be distributed to the two remaining members in accordance with Establishment Agreement.

**Legal and statutory:**

As stated in Legislative above.

**Risk related:**

Risk No	Risk Description	Potential Consequences	Controls Are Currently In Place,	Overall Risk Rating
S03	Winding up of Regional Council	1. Business Continuity 2. Financial Implications	Establishment Agreement , RRRC Project , WALGA 's Vision for the Future Paper, Submission sent to Review Panel , Infrastructure Panel Member , MWAC mem	Low 4

**BACKGROUND:**

The first Council decisions relevant to this matter were taken in May 2018. For a detailed background refer to Confidential Report 15.1 Transitional Planning – Progress Report dated 21 November 2025 included in the Agenda Papers for the Ordinary Meeting of Council held on Thursday 27 November 2025.

**REPORT:**

Following decisions taken by its Members and the Regional Council, the two Projects being

1. the Regional Resource Recovery Centre operated by the RRG at 350 Bannister Road Canning Vale and
2. the Office Project, comprising ownership of the RRG's office accommodation building at 9 Aldous Place Booragoon

have been ceased and have been or are in the final stages of being wound up.

As both remaining members have notified of their withdrawal from all projects and the Resource Recovery Group (a Local Government Regional Council), it is now necessary for the RRG pass a resolution to effect wind up of the entity itself.

Steps are being taken to collect all the remaining debts owed to the RRG and to pay any outstanding debts to suppliers (creditors). Ongoing expenditure until wind-up will include elected members fees, salary of the Acting CEO, any external accounting or audit expenses and software licenses. The Records of the RRG have been transferred to the City of Melville and a final transfer will be undertaken upon cessation of the entity. The City of Melville have been paid the amount of \$210,688 to maintain the records of the RRG and any associated software licenses required for access to the historical data held by the RRG up until the time of dissolution. A final Financial Report will be prepared and audited and distribution of any remaining funds will be made to Members in accordance with the Establishment Agreement.

<b>REPORT NO</b>	<b>11.2-02-2026</b>
<b>SUBJECT</b>	<b>FINANCIAL REPORTS</b>
<b>REPORTING OFFICER</b>	M Tieleman, Acting Chief Executive Officer
<b>RESPONSIBLE OFFICER</b>	M Tieleman, Acting Chief Executive Officer
<b>EMPLOYEE INTEREST</b>	Nil
<b>DATE OF REPORT</b>	11 February 2026
<b>FILE REFERENCE</b>	FD: Corporate Finance\ Monthly Financial Reporting\ 2025/2026
<b>ATTACHMENTS</b>	#1 Statements of Financial Activity – 31 December 2025 #2 Statements of Financial Activity – 31 January 2026

**CEO RECOMMENDATION/S:**

**The Statement of Financial Activity by nature of the Resource Recovery Group for the periods ended 31 December 2025 and 31 January 2026 be received.**

**VOTING REQUIREMENT**

Simple Majority

**PURPOSE OF REPORT**

To receive the financial statements for the periods ended 31 December 2025 and 31 January 2026.

**NATURE OF COUNCIL'S ROLE IN THE MATTER:**

**Advocative**

Not applicable

**Executive**

The role of the Council is to have oversight over its financial affairs and receive the regional local government's monthly financial reports.

**Legislative**

- Regulation 34 of the *Local Government (Financial Management) Regulations 1996* requires local governments to prepare each month a statement of financial activity reporting on the sources and applications of funds, as set out in the annual budget under reg 22(1)(d).
- Regulation 34(5) of the *Local Government (Financial Management)*. The Council resolved at its meeting on 24 August 2023 to adopt an amount of \$20,000 as a value used to report any material variances between budget and actual line items in the monthly Statements of Financial Activity.
- Regulation 34(4)(a) of the *Local Government (Financial Management) 1996*. The financial statements are to be presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates.

The financial statements are to be reported to Council as follows:

Periods Ended	Due for presentation within 2 months	Next Scheduled Ordinary Meeting
31 December 2025	28 February 2026	19 February 2026
31 January 2026	31 March 2026	19 February 2026

**IMPLICATIONS TO CONSIDER:**

**Consultative:**

Not applicable

**Strategic relevance:**

Compliance requirement

**Policy related:**

Policy No 2.1 - Accounting Policies (Council approved 23/11/2023)

**Financial:**

Refer to report

**Legal and statutory:**

Not applicable

**Risk related:**

Risk No	Risk Description	Potential Consequences	Controls Are Currently In Place,	Overall Risk Rating
A03	Non-Compliance (Corporate)	Infringement by relevant authority	3- Compliance with legislation, 2- State Govt Legislative updates, 3- Annual Compliance Audit Return,	Low 6

**REPORT****Financial Statements for the period ended 31 December 2025**

The monthly financial report provides details of the current financial position in relation to the 2025-26 annual budget.

The operating results (before depreciation and reserve transfers) reports a \$1.4 operational deficit against the budgeted operational surplus of \$0.2 million. The operating deficit is due to revenue being lower than budgeted due to cessation of operations on 30 November 2025.

	YTD BUDGET	YTD ACTUAL	CHANGE YTD Budget Vs YTD Actual
	31/12/2025	31/12/2025	
	(\$M)	(\$M)	(\$M)
OPERATING REVENUES (EXCLUDING SALE OF ASSETS)	\$10.4	\$8.7	\$1.7
OPERATING EXPENSES (BEFORE DEPRECIATION)	-\$10.3	-\$10.2	\$0.1
OPERATING SURPLUS/ (DEFICIT)	\$0.2	(\$1.4)	(\$1.6)
	BUDGET	YTD ACTUAL	LAST YEAR
	DEC-25	31/12/2025	JUN-25
	(\$M)	(\$M)	(\$M)
CASH IN BANK	\$7.4	\$5.6	\$6.8
OUTSTANDING LOANS	\$1.6	\$0.0	\$1.6
NET ASSETS	\$9.1	\$5.7	\$6.3

**NOTE 3**

EXPLANATION OF MATERIAL VARIANCES			
The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date actual in a material way.			
The material variance adopted by Council for the 2025-26 year is \$20,000.			
Description	Var. \$	Var. %	
	\$	%	
<b>Revenue from operating activities</b>			
<b>Grants, subsidies and contributions</b>	(147,095)	(12.13%)	▼
Lower overhead contribution due to cessation of operations on 30 November 2025			
<b>Fees and charges</b>	(1,218,669)	(14.54%)	▼
Lower Fees & Charges Invoices due to cessation of Operations on 30 November 2025			
<b>Other revenue</b>	(338,990)	(44.96%)	▼
Lower Other Revenue due to cessation of operations on 30 November 2025			

<b>Expenditure from operating activities</b>			
<b>Employee costs</b>	<b>(832,938)</b>	<b>(27.52%)</b>	▼
Employee costs have exceeded YTD Budget due to the payment of redundancies			
<b>Materials and contracts</b>	<b>796,520</b>	<b>12.23%</b>	▲
Lower maintenance cost of plant than budgeted, as well as lower legal fees & cessation of operations			
<b>Utility charges</b>	<b>76,041</b>	<b>22.88%</b>	▲
Lower tariff and ceased operations at both the 3.50 Bannister Road Canning Vale and 9 Aldous PI Booragoon sites on 30 November and 12 December 2025 respectively			
<b>Depreciation</b>	<b>1,945,965</b>	<b>100.00%</b>	▲
Assets impaired at 30-6-25 after budget prepared - All assets sold or disposed of by 31 December 2025 - Depreciation not charged as a result of sale or transfer of the assets			
<b>Finance costs</b>	<b>53,068</b>	<b>44.04%</b>	▲
Lower interest on the make good provision and office loan repaid			

### Financial Statements for the period ended 31 January 2026

The monthly financial report provides details of the current financial position in relation to the 2025-26 annual budget.

The operating results (before depreciation and reserve transfers) reports a \$1.4 operational deficit against the budgeted operational surplus of \$0.2 million. The operating deficit is due to revenue being lower than budgeted due to cessation of operations on 30 November 2025.

	YTD BUDGET	YTD ACTUAL	CHANGE YTD Budget Vs YTD Actual
	31/01/2026	31/01/2026	
	(\$M)	(\$M)	(\$M)
OPERATING REVENUES (EXCLUDING SALE OF ASSETS)	\$12.2	<b>\$8.8</b>	-\$3.4
OPERATING EXPENSES (BEFORE DEPRECIATION)	-\$12.0	<b>-\$10.4</b>	\$1.6
OPERATING SURPLUS/ (DEFICIT)	\$0.3	<b>(\$1.6)</b>	(\$1.9)
	BUDGET	YTD ACTUAL	LAST YEAR
	JAN-26	31/01/2026	Jun-25
	(\$M)	(\$M)	(\$M)

CASH IN BANK	\$7.4	\$4.8	\$6.8
OUTSTANDING LOANS	\$1.6	\$0.0	\$1.6
NET ASSETS	\$9.1	\$5.5	\$6.3

**NOTE 3**

<b>EXPLANATION OF MATERIAL VARIANCES</b>			
The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date actual in a material way.			
The material variance adopted by Council for the 2025-26 year is \$20,000.			
<b>Description</b>	<b>Var. \$</b>	<b>Var. %</b>	
	\$	%	
<b>Revenue from operating activities</b>			
<b>Grants, subsidies and contributions</b>	<b>(349,140)</b>	<b>(24.69%)</b>	▼
Lower overhead contribution due to cessation of operations on 30 November 2025			
<b>Fees and charges</b>	<b>(2,615,437)</b>	<b>(26.75%)</b>	▼
Lower Fees & Charges Invoices due to cessation of Operations on 30 November 2025			
<b>Other revenue</b>	<b>(464,648)</b>	<b>(52.82%)</b>	▼
Lower Other Revenue due to cessation of operations on 30 November 2025			
<b>Expenditure from operating activities</b>			
<b>Employee costs</b>	<b>(521,894)</b>	<b>(14.78%)</b>	▲
Employee costs have exceeded YTD Budget due to the payment of redundancies			
<b>Materials and contracts</b>	<b>1,861,306</b>	<b>24.49%</b>	▼
Cessation of operations and lower cost of maintenance than anticipated			
<b>Utility charges</b>	<b>130,986</b>	<b>33.78%</b>	▼
Lower tariff and ceased operations at both the 3.50 Bannister Road Canning Vale and 9 Aldous Pl Booragoon sites on 30 November and 12 December 2025 respectively			
<b>Depreciation</b>	<b>2,270,293</b>	<b>100.00%</b>	▼
Assets impaired at 30-6-25 after budget prepared - All assets sold or disposed of by 31 December 2025 – Depreciation charges have not been processed due to sale or handover occurring following cessation of operations.			
<b>Finance costs</b>	<b>67,810</b>	<b>48.24%</b>	▼
Lower interest on make good provision and office loan repaid			

<b>REPORT NO</b>	<b>11.3-02-2026</b>
<b>SUBJECT</b>	<b>CASH INVESTMENT PORTFOLIO</b>
<b>REPORTING OFFICER</b>	M. Tieleman, Acting Chief Executive Officer
<b>RESPONSIBLE OFFICER</b>	M. Tieleman, Acting Chief Executive Officer
<b>EMPLOYEE INTEREST</b>	Nil
<b>DATE OF REPORT</b>	11 February 2026
<b>FILE REFERENCE</b>	FD: Corporate Finance\ Monthly Financial Reporting 2025/2026
<b>ATTACHMENTS</b>	Nil

**CEO RECOMMENDATION:**

1. **The cash investment portfolio report for the months of December 2025 and January 2026 be received.**
2. **Council note the current investment strategy to maintain liquidity by retaining funds in At Call interest bearing bank accounts.**

**VOTING REQUIREMENT**

Absolute Majority s5.42(1) CEO Delegation

**PURPOSE OF REPORT**

1. **To receive the cash investment portfolio report for December 2025 and January 2026.**

**NATURE OF COUNCIL'S ROLE IN THE MATTER:****Advocative**

Not applicable

**Executive**

The Audit & Risk Committee endorsed the Investment Policy, setting the guidelines for investing surplus cash in its municipal and reserves funds. The Committee requested that the CEO consider "green" investment deposits with authorised banks that meet environmentally friendly and social eligible projects.

**Legislative**

Local Government Financial Regulations 19 requires every local government is to establish and document internal control procedures to be followed by employees to ensure control over investments. The control procedures are to enable the identification of the nature and location of all investments and the transactions related to each investment.

Regulation 19C (FM regs):

- **PROHIBITED INVESTMENTS**
  - 19C. (2) When investing money under section 6.14(1), a local government may not do any of the following —
    - (a) deposit with an institution except an authorised institution;
    - (b) deposit for a fixed term of more than 3 years;
    - (c) invest in bonds that are not guaranteed by the Commonwealth Government, or a State or Territory government;
    - (d) invest in bonds with a term to maturity of more than 3 years;
    - (e) invest in a foreign currency.

**IMPLICATIONS TO CONSIDER:**

**Consultative:**

Not applicable

**Strategic relevance:**

Compliance requirement

**Policy related:**

Policy No 2.3 - Cash Investments Policy (Approved by Council 25/05/2023 next review Nov 2025)  
The policy gives delegated authority to the CEO to invest in authorised investments with Banking Institutions with a rating of "A" or higher as defined by Standard & Poor's Aust.

Operational Policy No 2.2 Cash Investment Control Procedures (Approved by SMG May 2025, next review May 2027)

**Employees' Delegations:**

CEO (Council approval 20 February 2025)

Executive Manager Governance & Culture (CEO approval 25 March 2025)

Manager Corporate Services (CEO approval 25 March 2025)

	<b>Responsibilities</b>
Council	<ul style="list-style-type: none"> <li>• Governance Financial responsibility.</li> <li>• Approves policy and guidelines.</li> </ul>
Audit Committee	<ul style="list-style-type: none"> <li>• Reviews internal control procedures.</li> <li>• Reviews policy and guidelines for investment portfolio.</li> <li>• Makes recommendations to Council.</li> </ul>
Chief Executive Officer	<ul style="list-style-type: none"> <li>• Prime responsibility for the control of the investment portfolio.</li> <li>• Has delegation of authority from Council to invest surplus cash funds in accordance with Council approved policy.</li> </ul>
Executive Manager Governance & Culture	<ul style="list-style-type: none"> <li>• Has delegation authority from CEO to approve cash investments in accordance with Council approved policy 2.2 - <i>Authorisation of Payment</i>.</li> </ul>
Manager Corporate Services	<ul style="list-style-type: none"> <li>• Has delegation authority from CEO to approve cash investments initiated by Manager Finance in accordance with Council approved policy 2.2 - <i>Authorisation of Payment</i>.</li> <li>• Approves roll over of an investment in the absence of the CEO.</li> </ul>
Senior Accountant	<ul style="list-style-type: none"> <li>• Recommends investment based on cash flow.</li> <li>• Accounting and reporting of investments.</li> <li>• Record keeping of all investments ensuring the identification of –           <ul style="list-style-type: none"> <li>a) the nature and location of all investments</li> <li>b) the transactions related to each investment</li> </ul> </li> <li>• Signs and authorises the payment vouchers in accordance with Council approved policy 2.2 - <i>Authorisation of Payment</i>.</li> </ul>

Assistant Accountant	<ul style="list-style-type: none"> <li>Reconciles bank statements and investment documentation for accounting and reporting of investments.</li> <li>Record keeping of all investments ensuring the identification of –               <ul style="list-style-type: none"> <li>c) the nature and location of all investments</li> <li>d) the transactions related to each investment</li> </ul> </li> </ul>												
Internal Control Segregation of Duties	<ul style="list-style-type: none"> <li>Appropriate segregation of duties as follows:           <table border="1" data-bbox="512 533 1350 981"> <thead> <tr> <th data-bbox="512 533 959 562">Duties</th> <th data-bbox="959 533 1350 562">Responsibilities</th> </tr> </thead> <tbody> <tr> <td data-bbox="512 562 959 618">Recommends investment based on Cash flow</td> <td data-bbox="959 562 1350 618">Senior Accountant</td> </tr> <tr> <td data-bbox="512 618 959 757">Approves Investment</td> <td data-bbox="959 618 1350 757">CEO <i>During the absence of the CEO the Manager Corporate Services may roll over an existing investment.</i></td> </tr> <tr> <td data-bbox="512 757 959 869">Authorises Payment</td> <td data-bbox="959 757 1350 869">Any two – Manager Corporate Services, Executive Manager Governance &amp; Culture, Senior Accountant, CEO</td> </tr> <tr> <td data-bbox="512 869 959 925">Reconciles and records all investment documentation</td> <td data-bbox="959 869 1350 925">Assistant Accountant</td> </tr> <tr> <td data-bbox="512 925 959 981">Checks the accounting, reporting and recordkeeping of investments</td> <td data-bbox="959 925 1350 981">Senior Accountant</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Persons that record investments,</li> <li>Persons that buy and sell investments, and</li> <li>Persons that reconcile the investment statements</li> </ul> </li> </ul>	Duties	Responsibilities	Recommends investment based on Cash flow	Senior Accountant	Approves Investment	CEO <i>During the absence of the CEO the Manager Corporate Services may roll over an existing investment.</i>	Authorises Payment	Any two – Manager Corporate Services, Executive Manager Governance & Culture, Senior Accountant, CEO	Reconciles and records all investment documentation	Assistant Accountant	Checks the accounting, reporting and recordkeeping of investments	Senior Accountant
Duties	Responsibilities												
Recommends investment based on Cash flow	Senior Accountant												
Approves Investment	CEO <i>During the absence of the CEO the Manager Corporate Services may roll over an existing investment.</i>												
Authorises Payment	Any two – Manager Corporate Services, Executive Manager Governance & Culture, Senior Accountant, CEO												
Reconciles and records all investment documentation	Assistant Accountant												
Checks the accounting, reporting and recordkeeping of investments	Senior Accountant												

**Financial:**

Revenue from interest is included in the annual operating budget.

**Legal and statutory:**

As noted under legislative

**Risk related:**

Investments are identified and evaluated in the Risk Register as follows:

Risk No	Risk Description	Potential Consequences	Controls Are Currently In Place,	Overall Risk Rating
FA05	Poor Investment Decisions	Loss of income	1 - Investment Policy sets out the guidelines under which RRG can invest funds, 2 - Minimum credit rating is B+	Low 4

## REPORT

### 1. Current investment strategy

To meet the costs of winding up, RRG moved from the strategy of short-term deposits, one – two months, to redeeming term deposits as they matured.

RRG holds an everyday cheque account with the Commonwealth Bank bearing an interest rate of 2.40%. In addition, RRG holds an online saver account with the Commonwealth Bank, currently bearing an interest rate of 2.20%.

With the similar interest rates, funds from the redeemed terms deposits have been moved into the cheque account as they mature to meet the costs of winding up.

Date	Redeemed
19 January 2026	\$966,645

It should be noted that some costs such as, run-off insurances, are yet to be determined and will not become payable until sometime in 2026.

RRG believes that it will have sufficient cash to meet the costs of wind up.

### 2. To receive the cash investment portfolio report:

#### 2.1 Interest Earning At Call Bank Deposits as at 31 December 2025 was as follows:

CBA Cheque Account Bearing Interest 2.40%      \$3,332,833.81 – Interest Earned Prior Month \$1,657.64  
 CBA Online Saver Account Bearing Interest 2.20%   \$1,309,363.93 – Interest Earned Prior Month \$2,395.65

#### 2.2 Interest Earning At Call Bank Deposits as at 31 January 2026 was as follows:

CBA Cheque Account Bearing Interest 2.40%      \$3,455,512.28 – Interest Earned Prior Month \$10,425.93  
 CBA Online Saver Account Bearing Interest 2.20%   \$1,311,821.23 – Interest Earned Prior Month \$2,457.30

The interest rates paid on these accounts are 1.20% and 1.40% respectively, **below** the Reserve Bank of Australia's Target Cash Rate (TCR).

The Cash Investment Portfolio is 100% deposited in the Commonwealth Bank of Australia i.e. a credit exposure of 100% is to the CBA.

Credit ratings attributed by the three major credit rating agencies in Australia for CBA's Short-Term Deposits are as follows

- F1+ Outlook Positive from Fitch,
- P-1 Outlook Stable from Moody's and
- A-1+ Outlook Stable from Standard and Poor's

These credit exposures and credit ratings meet the requirements of Council Policy 2.3 Cash Investments, which enables 100% of the overall portfolio to be deposited in accounts with an S&P Short Term Rating of A-1 or higher and 100% Direct Investment in a counter party with an S&P Short Term Credit Rating of A-1 or higher.

<b>REPORT NO</b>	<b>11.4-02-2026</b>
<b>SUBJECT</b>	<b>SCHEDULE OF PAYMENTS</b>
<b>REPORTING OFFICER</b>	M Tieleman, Acting Chief Executive Officer
<b>RESPONSIBLE OFFICER</b>	M Tieleman, Acting Chief Executive Officer
<b>EMPLOYEE INTEREST</b>	Nil
<b>DATE OF REPORT</b>	11 February 2026
<b>FILE REFERENCE</b>	FD: Corporate Finance\Monthly Financial Reporting\2025-2026
<b>ATTACHMENTS</b>	#1 Payment Schedule December 2025 #2 Payment Schedule January 2026

**CEO RECOMMENDATION:**

**That the schedule of payments as listed in the attachments for the municipal fund; for the months of December 2025 of \$7,560,425.59 and January 2026 of \$1,043,950.89 be received.**

**VOTING REQUIREMENT**

Simple Majority

**PURPOSE OF REPORT**

To report the delegated authority of payments for the months noted above.

**NATURE OF COUNCIL'S ROLE IN THE MATTER:****Advocative**

Not applicable

**Executive**In accordance with the *Local Government Act* s2.7 Role of Council

Role of council –

- 1) The Council governs the local government's affairs and, as the local government's governing body, is responsible for the performance of the local government's functions.

**Legislative***Local Government Act 1995* Part 6 Financial Management**IMPLICATIONS TO CONSIDER:****Consultative:**

Nil

**Strategic relevance:**

Corporate Governance

**Policy related:**

Council Policy No 2.2 Authorisation & Payment of Accounts.

**Financial:**

The 2025/2026 Budget provides approved funds for the payments made.

**Legal and statutory:**

*Local Government Act 1995* Section 6.10(d).

Local Government (Financial Management) Regulations 1996 Part 2 – General Financial Management Regulations 11, 12 and 13

**Risk related:**

<b>Risk No</b>	<b>Risk Description</b>	<b>Potential Consequences</b>	<b>Controls Are Currently In Place,</b>	<b>Overall Risk Rating</b>
A03	Non-Compliance (Corporate)	Infringement by relevant authority	1- CEO Review of Statutory legislation & Compliance Report 2- code of conduct 3- Compliance Calendar/Register 4 - State Govt Legislative updates 5- Annual Compliance Audit Return	Low 6

**BACKGROUND**

Delegated Authority has been granted to the Chief Executive Officer to make payments from the Regional Council banking Account. In accordance with Regulation 13(2) and (3) of the Local Government (Financial Administration) Regulations 1996 where this power has been delegated, a list is to be compiled for each month and presented to the Council which shows each payment, payee's name, amount and date of payment, and sufficient information to identify the transaction.

Regulation 13A of the Local Government (Financial Administration) Regulations 1996 requires that an employee authorised to use a credit, debit or other purchasing card, a list of payments made using the card must be prepared each month and presented to the council at the next ordinary meeting of the council after the list is prepared.

**REPORT:**

The payment schedules attached provide the necessary details in relation to payments made under Councils delegated authority for the months of December 2025 and January 2026.

<b>REPORT NO</b>	<b>11.5-02-2026</b>
<b>SUBJECT</b>	<b>MID-YEAR 2025-26 BUDGET REVIEW</b>
<b>REPORTING OFFICER</b>	M Tieleman, Acting Chief Executive Officer
<b>RESPONSIBLE OFFICER</b>	M Tieleman, Acting Chief Executive Officer
<b>EMPLOYEE INTEREST</b>	Nil
<b>DATE OF REPORT</b>	16 February 2026
<b>FILE REFERENCE</b>	FD: Corporate/Finance/Budgeting
<b>ATTACHMENTS</b>	Nil

**CEO RECOMMENDATION:**

1. That the mid-year 2025/2026 Budget Review report dated 16 February 2026 and recommended adjustments to the 2025-2026 adopted budget be approved.
2. That outstanding invoice number 1301609 Debtor Kangaroo Plastics Pty Ltd for \$4,174.96 (inclusive of GST) be written off.

**VOTING REQUIREMENT**

Absolute Majority

**PURPOSE OF REPORT**

To report to Council on the mid-year 2025/26 budget review.

**NATURE OF COUNCIL'S ROLE IN THE MATTER:****Advocative**

Not applicable

**Executive**

Not applicable

**Legislative**

Local Governments are required to conduct a budget review between January and the last day of February in each financial year in accordance with Regulation 33A of the Local Government (Financial Management) Regulations 1996 (FM).

The results of the budget review are to be submitted to council on or before 31 March in each financial year of the review (FM Reg 33A(2) & (3)). A copy of the review and council's recommended resolutions are to be forwarded to the Department of Local Government within 14 days of the council determination (FM Reg 33A(4)).

**IMPLICATIONS TO CONSIDER:****Consultative:**

The report was presented and discussed at the Regional Executive Group meeting.

**Strategic relevance:****Policy related:**

Policy No 2.1 - Accounting Policies (Council approved 23/11/2023)

**Financial:**

Refer to the attached report. The material variance adopted by Council for the 2025-26 year is \$20,000.

**Risk related:**

<b>Risk No</b>	<b>Risk Description</b>	<b>Potential Consequences</b>	<b>Controls Are Currently in Place,</b>	<b>Overall Risk Rating</b>
A03	Non-compliance (Corporate)	Infringement by relevant authority  Legislative Compliance under the Local Government Act s7.13(1)(i)	1- CEO Review of Statutory legislation & Compliance Report 2018, 2- code of conduct, 3- Compliance Calendar/Register, 4- State Govt Legislative updates, 5- Annual Compliance Audit Return,	Low 6
FA08	Unplanned expenditure of funds	Financial loss;	1- Regular financial reporting to managers and Council. 2- Regular KPI reporting. 3- Regular budget reviews. 4- Staff training on financial management. 5- Amend Business Plans. 6- Long Term Financial Plan.	Medium 9

**REPORT****BUDGET 2025-26 REVISION SUMMARY**

A review of the 2025-2026 budget has been undertaken by the Acting CEO following cessation of operations at the Regional Resource Recovery Centre located at 350 Bannister Road Canning Vale on 30 November 2025 and sale of the RRG's office accommodation on 12 December 2025.

The RRG currently has one part-time employee being the Acting CEO who is working remotely so no office accommodation expenses are being incurred. Current outgoings are limited to the CEO's salary and superannuation payments, elected member fees and allowances for the RRG's four elected members, an Australia Post mailbox, minor office expenses, software licensing, information systems hosting and software, IT network support, audit fees and any further accounting or legal advice that may be required to conclude the wind-up.

**The mid-year budget review has identified the following key variances:**

#### **FAVOURABLE**

The following favourable variances are due to the cessation of operations resulting in staff redundancies and the sale / transfer of the RRG's assets as well as a higher audited opening surplus than budgeted.

- Employee Costs savings of \$1.22M – after redundancy payments
- Materials and contracts savings of \$7.3M
- Utility charges savings of \$408K
- Depreciation – non-cash (no impact on cash balance remaining) savings of \$3.9M
- Finance costs – savings of \$168K
- Insurance – savings of \$260K
- Payments for principal portion of lease liability - \$908K
- Opening Surplus - \$8.22M

**Total Favourable Variances \$22.38M**

#### **UNFAVOURABLE**

The following unfavourable variances are due to the cessation of the RRG's revenue earning operations.

- Grants, subsidies and contributions – reduction of \$1.36M
- Fees and charges – reduction of \$9.6M
- Interest revenue – reduction of \$47K
- Other revenue – reduction of \$797K
- Non-cash amounts excluded from operating activities (no impact on cash remaining) \$3.64M
- Proceeds from financial assets at amortised cost - self-supporting loans \$75K
- Payments for property, plant and equipment – additional expenditure of \$180K
- Transfers from reserve accounts reduction of \$59K
- Repayment of borrowings – increased expenditure – loan paid out - \$1.505M

**Total Unfavourable Variances \$17.26M**

**Estimated Full Year Revised Budget Net Favourable/Unfavourable Variances \$5.11M Favourable.**

#### **Analysis of RRG's Cash Position**

As the accounting and cash surplus position vary, the following is an analysis of the RRG's cash held as of 16 February 2026 and the subsequent estimated cash inflows and out flows to 30 June 2026. Note it is anticipated that the windup date will be earlier than 30 June 2026.

Opening RRG Bank Account Balances As At 16 February 2026	\$4,745,412
<b>Add</b>	
Remaining Amounts Expected to be Collected from Debtors	\$ 35,770
Estimated Interest Earnings to Be Received on RRG Bank Accounts	\$ 25,015
Estimated Other Revenue (CDS) To Be Received	\$ 295,600
<b>Deduct</b>	
Employee Costs	(\$ 102,860)
Materials and Contracts	(\$ 145,047)
Insurance	(\$ 3,474)
Estimated Closing RRG Bank Account Balances As At 30 June 2026	\$4,850,416

#### **DEBT WRITE OFF RECOMMENDED**

A review of the outstanding debtors listing shows an overdue amount of \$4,174.96 (including GST) owed by Kangaroo Plastics Pty Ltd since 30 June 2025. It appears that this invoice was raised to recoup transportation costs for a consignment of mixed plastics that was in transit to Kangaroo Plastics in Victoria when they advised that, due to urgent circumstances, they would be unable to accept delivery. The containers were subsequently returned to RRG's Canning Vale site. Kangaroo Plastics have consistently denied responsibility for these extra transport costs. Due to the costs associated with debt collection on what is a disputed charge, it is recommended that the debt be written off.

Following is a detailed Statement of Financial Activity showing actual revenue and expenses for the financial year to date – 16 February 2026 and forecast expenditure to 30 June 2026 (should windup not occur earlier). Upon adoption of the Mid-Year Budget Review by Council the revised Full Year Budget will become the new budget future financial reports will be reported against.

RESOURCE RECOVERY GROUP - MID YEAR BUDGET REVIEW FOR THE PERIOD 1 JULY 2025 TO 30 JUNE 2026 STATEMENT OF FINANCIAL ACTIVITY							
	Full Year Budget Adopted Budget	Actual Revenue / Expenditure To 16-2-26	YTD Actual \$ Variance To Adopted Budget	YTD Actual % Variance To Full Year Budget	Estimated Revenue / Expenditure to 30-6-26	Revised Full Year Budget	Comment
<b>OPERATING ACTIVITIES</b>							
<b>Revenue from operating activities</b>		\$					
Grants, subsidies and contributions	2,424,535	1,065,172	(1,359,363)	-56%	1,065,715	1,065,715	No further revenue anticipated as earning activities ceased 30/11/2025
Fees and charges	16,761,210	7,161,936	(9,599,274)	-57%	7,161,940	7,161,940	No further revenue anticipated as earning activities ceased 30/11/2025
Interest revenue	197,200	124,985	(72,215)	-37%	150,000	150,000	Interest on bank accounts
Other revenue	1,507,890	414,955	(1,092,935)	-72%	710,555	710,555	One more quarter of CDS advised 443,401 - 2/3'rds retained by RRG
Asset Disposals	0	2,817,218	2,817,218	100%	2,817,220	2,817,220	All asset disposals have been completed.
	20,890,835	11,584,266	(9,306,569)	-45%	11,905,430	11,905,430	
<b>Expenditure from operating activities</b>							
Employee costs	(5,355,100)	(4,032,140)	1,322,960	-25%	(4,135,000)	(4,135,000)	Extrapolated to 30 June 2026
Materials and contracts	(13,161,310)	(5,717,063)	7,444,247	-57%	(5,862,110)	(5,862,110)	Elected Member Fees & Allowances, Audit, accounting, legal and bank fees plus miscellaneous expenses will be incurred until wind-up is completed
Utility charges	(664,730)	(256,773)	407,957	-61%	(256,775)	(256,775)	No further utility charges will be incurred
Depreciation	(3,891,931)	0	3,891,931	-100%	0	0	Assets transferred or disposed of so no depreciation will be incurred
Finance costs	(240,995)	(72,771)	168,224	-70%	(72,775)	(72,775)	Loan borrowings and lease fees paid out - no further expenditure will be incurred
Insurance	(524,570)	(261,526)	263,044	-50%	(265,000)	(265,000)	No further premiums expected to be incurred except for adjustments to workers compensation insurance
	(23,838,636)	(10,340,273)	13,498,363	-57%	(10,591,660)	(10,591,660)	
Non cash amounts excluded from operating activities	3,639,360	0	(3,639,360)	100%	0	0	No non-cash amounts to be reversed
Asset sales excluded from operating activities	0	(2,817,218)	(2,817,218)	100%	(2,817,220)	(2,817,220)	All asset disposals have been completed.
<b>Amount attributable to operating activities</b>	<b>691,559</b>	<b>(1,573,225)</b>	<b>(2,264,784)</b>	<b>-327%</b>	<b>(1,503,450)</b>	<b>(1,503,450)</b>	
<b>INVESTING ACTIVITIES</b>							
<b>Inflows from investing activities</b>							
Proceeds from financial assets at amortised cost - self supporting loans	99,832	24,576	(75,256)	-75%	24,575	24,575	No further proceeds from financial assets will be received
	99,832	24,576	(75,256)	-75%	24,575	24,575	
<b>Outflows from investing activities</b>							
Payments for property, plant and equipment	(88,680)	(268,400)	(179,720)	203%	(268,400)	(268,400)	No further expenditure on the purchase of property, plant or equipment is expected
	(88,680)	(268,400)	(179,720)	203%	(268,400)	(268,400)	
<b>Amount attributable to investing activities</b>	<b>11,152</b>	<b>(243,824)</b>	<b>(254,976)</b>	<b>-2286%</b>	<b>(243,825)</b>	<b>(243,825)</b>	
<b>FINANCING ACTIVITIES</b>							
<b>Inflows from financing activities</b>							
Transfers from reserve accounts	88,680	29,396	(59,284)	-67%	29,400	29,400	No further transfers from reserves will be undertaken
	88,680	29,396	(59,284)	-67%	29,400	29,400	
<b>Outflows from financing activities</b>							
Repayment of borrowings	(99,832)	(1,605,083)	(1,505,251)	1508%	(1,605,085)	(1,605,085)	Repayment of loan on sale of the 9 Aldous Place Booragoon office building - Note total Debt as at 1 July 2025 was \$1,612,200 - Discount of \$7,116 was credited on payout of loan leaving a net payout amount of \$1,605,085
Payments for principal portion of lease liabilities	(908,595)	0	908,595	-100%	0	0	Lease principal was written back in 2024-2025 due to post balance day events
	(1,008,427)	(1,605,083)	(596,656)	59%	(1,605,085)	(1,605,085)	
<b>Amount attributable to financing activities</b>	<b>(919,747)</b>	<b>(1,575,687)</b>	<b>(655,940)</b>	<b>71%</b>	<b>(1,575,685)</b>	<b>(1,575,685)</b>	
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>							
Surplus at the start of the financial year	1,933,520	10,149,560	8,216,040	425%	10,149,560	10,149,560	Audited surplus included non-current assets held for resale/transfer of \$5,925,717 - of this amount \$3,170,657 did not convert to cash income.
Amount attributable to operating activities	691,559	(1,573,225)	(2,264,784)	-327%	(1,503,450)	(1,503,450)	
Amount attributable to investing activities	11,152	(243,824)	(254,976)	-2286%	(243,825)	(243,825)	
Amount attributable to financing activities	(919,747)	(1,575,687)	(655,940)	71%	(1,575,685)	(1,575,685)	Note this amount will need to be further adjusted for non-cash items included in the audited opening surplus
<b>Estimated Surplus/(deficit) at end of financial year</b>	<b>1,716,484</b>	<b>6,756,824</b>	<b>5,040,340</b>	<b>294%</b>	<b>6,826,600</b>	<b>6,826,600</b>	
Less non-cash items included in audited opening surplus	0	(3,170,657)	(3,170,657)	-	(3,170,660)	(3,170,660)	
<b>Adjusted estimated Surplus/(deficit) at end of financial year</b>	<b>1,716,484</b>	<b>3,586,167</b>	<b>1,869,683</b>	<b>-</b>	<b>3,655,940</b>	<b>3,655,940</b>	<b>Adjusted Estimated Year End Surplus</b>