

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

**THURSDAY 27 JUNE 2024
8.00AM**

**RESOURCE RECOVERY GROUP
9 Aldous Place 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

In accordance with section 5.25(1)(g) of the Local Government Act 1995, the Resource Recovery Group gives notice that a Special Meeting of Council will be held at 9 Aldous Place Booragoon on **Thursday 27 June 2024 at 8.00am** for the purpose of:

- **2024-2025 Annual Budget**
- **Business Plans**
- **Financial Report – April 2024**
- **Customer Contracts (Confidential)**
- **Tender T2024-02 Receive & Transport Residual Wastes (Confidential)**
- **Insurance 2024-2025 (Confidential)**
- **Tenders For New Work (Confidential)**

Brendan Doherty
ACTING CHIEF EXECUTIVE OFFICER

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1.	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS “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”.	
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REPORT NO	9.1
SUBJECT	2023-2024 ANNUAL BUDGET
REPORTING OFFICER	P. Pandeya, Manager Finance
RESPONSIBLE OFFICER	Brendan Doherty, Acting Chief Executive Officer
EMPLOYEE INTEREST	Nil
DATE OF REPORT	20 June 2024
FILE REFERENCE	FD: Corporate Finance/Budget/2023-2024/Annual Budget
ATTACHMENTS	1. 2024-25 Annual Budget Report dated

CEO RECOMMENDATIONS:

1. COUNCIL ADOPT THE 2024/2025 ANNUAL BUDGET FOR THE RESOURCE RECOVERY GROUP AS PER THE BUDGET REPORT DATED 27th JUNE 2024.
2. COUNCIL ADOPT THE 2024/2025 FEES AND CHARGES AS DETAILED IN THE ANNUAL BUDGET REPORT DATED 27th JUNE 2024.

VOTING REQUIREMENT

Absolute Majority required for Budget Adoption

PURPOSE OF REPORT

For the Regional Council to consider and adopt the 2024/25 annual budget.

NATURE OF COUNCIL'S ROLE IN THE MATTER:

Advocative

Not applicable

Executive

The Regional Council adopts its budget and sets the strategic direction of the local government in consultation with its Participant Local Governments.

Legislative

Local Government Act 1995 Section 6.2 Local government to prepare annual budget.

- (1) During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time as the Minister allows, each local government is to prepare and adopt, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the 30 June next following that 31 August.

Part 3 of the Local Government (Financial Management) Regulations details the form and content of the annual budget.

IMPLICATIONS TO CONSIDER:

Consultative:

The Project Budget Parameters were presented to a Participants' Briefing Session and presented to the REG meeting on 10 May 2024 and the Ordinary Meeting of Regional Council on 23 May 2024.

No comments to adjust the budget has been received from the Participants.

STRATEGIC RELEVANCE

Compliance requirement

Policy related:

Pursuant to the Project Participant Agreements, the Resource Recovery Group is required to prepare budgets for its Projects in April each year. The Budgets are presented to the participants for comment. Any comments received are submitted to the regional council prior to its adoption of its annual budget.

- Accounting Policies 2.1
- RRRC Contingency Reserve 2.7
- Office Accommodation Reserve 2.9
- Participants' Estimated Resident Population Policy 2.11
- Travel & Conference Reserve 2.12
- RRRRC Rehabilitation Reserve 2.13

Financial:

Refer Annual Budget Report.

BACKGROUND

Project budgets are to be presented to participants in April each year pursuant to the Project Participants' Agreement. The Budgets are presented to the participants for comment. Any comments received are submitted to the regional council prior to its adoption of its annual budget.

REPORT

BUDGET OVERVIEW 2024-2025

The budget has been prepared following the May 2024 Budget Parameters report and feedback from participants for its Projects and other core activities in a consolidated budget estimate for the year ended 30 June 2025.

Estimated operational revenue is \$19.9 million and operating expenditure less depreciation is \$20.5 million with combined net deficit result of operating and capital of \$1.16 million. The deficit is funded from brought forward surplus balances in line with agreed financial strategies.

RRRC overhead contribution increases to \$53/t (from \$40/t) resulting from the exit of Town of East Fremantle and loss of potential rental income from disused building spaces. The increase in operating costs due to CPI and changed market conditions are absorbed in member's gate fees. Members' gate fees increase by 15%/t on an average.

The capital works expenditure of \$787K (funded from reserves) is for the regular asset maintenance and replacement. The unspent amount of capital works budgeted in 2023-24 \$168K has been carried forward to year 2025.

REPORT NO	9.2
SUBJECT	BUSINESS PLANS
AUTHOR	A Johnson, Manager Governance & Culture
RESPONSIBLE OFFICER	B Doherty, Acting Chief Executive Officer
EMPLOYEE INTEREST	Nil
DATE OF REPORT	18 June 2024
FILE REFERENCE	FD: Corporate/Strategic Planning
ATTACHMENTS	1. Draft Corporate Business Plan 2024-2028 2. Draft Workforce Plan 2024-2026 (Confidential attachment)

CEO RECOMMENDATION/S:

The Resource Recovery Group Corporate Business Plan 2024-2028 and Workforce Plan 2024-2026 be adopted.

VOTING REQUIREMENT

Absolute Majority

PURPOSE OF REPORT

To review and adopt the Corporate Business Plan and Workforce Plan for the next financial year.

NATURE OF COUNCIL'S ROLE IN THE MATTER:

Advocative

Not applicable

Executive

- The role of the Council is responsible for the performance of the local government's functions. (Local Government Act 1995 s2.7 (1)(b))
- To ensure that plans under Local Government S5.56 are in accordance with any regulations made about planning for the future of the district.

Legislative

- The Local Government Act 1995 s5.56 Planning for the future.
- Local Government (Administration) Regulations 1996 Reg 19C Strategic community plans under s5.56 Act.
- Local Government (Administration) Regulations 1996 Reg 19DA Corporate business plans under s5.56 Act.

IMPLICATIONS TO CONSIDER:

Consultative:

Participant local governments.

Strategic relevance:

Corporate Governance

Policy related:

Nil

Financial:

The 2024-25 Budget has provision for legal and consultancy fees likely to be incurred in conjunction with the Corporate Business Plan. The budget also provides for the enhanced employee incentives outlined in the Workforce Plan.

Legal and statutory:

Establishment Agreement – Regional Purpose

Risk related:

Risk No	Risk Description	Potential Consequences	Controls Are Currently In Place,	Overall Risk Rating
A03	Non-Compliance (Corporate)	Infringement by relevant authority	<ul style="list-style-type: none">• CEO Review of Statutory legislation & Compliance Report 2018• code of conduct• Compliance Calendar/Register• State Govt Legislative updates• Annual Compliance Audit Return	Low 6

BACKGROUND:

Local governments are required under section 5.56 of the Local Government Act 1995 to prepare plans for the future. A local government is to ensure that the Strategic Community Plan Is reviewed at least once every 4 years and the Corporate Business Plan every year.

The Strategic Community Plan and Corporate Business Plans underwent full reviews in 2022 ensuring that objectives and strategies were reflect of:

- The Regional Purpose
- Need for a greater commercial focus/financial viability
- Climate and environmental impacts
- Advocacy and influence

The Corporate Business Plan underwent a minor review in 2023.

REPORT:

At the meeting of council on 22 February 2024, Council resolved:

24.02-13 MOVED: Cr H Fitzhardinge SECONDED: Cr A White

- 1. Council notes that the RRG's strategic and business plans are no longer reflective of the strategic direction provided by Member Participants.**
- 2. That the annual strategic planning process and stakeholder and community surveys be suspended in favour of transition planning in conjunction with a minor revision of the corporate business plan.**

**For Cr K Wheatland, Cr A White, Cr H Fitzhardinge
CARRIED 3/0**



The draft Corporate Business Plan (Plan) for 2024-2028 has been drafted to reflect the change in strategic direction following the withdrawal of Member Participant's and the termination of Projects associated with re-purposing the WCF building for third party leases.

The Plan notes the associated strategic plans that are no longer reflective of our strategic direction, primarily, the Long Term Financial Plan and the Strategic Community Plan and identifies that they will be updated at a future time when more information regarding the transition process is available.

The Plan also identifies our strategic objectives for the financial year 2024-2025:

1. Collaborating with the Waste Management Collective Working Group and any consultants appointed by the group.
2. Providing information for due diligence and other processes being undertaken by consultants at the request of the WMC working group.
3. Support an approach to market for third party operation and maintenance and/or purchase of RRG assets at the Canning Vale Centre.
4. Effect a formal procurement process for operating and maintenance and/or sale of the RRG assets at the Canning Vale Centre, if requested by the WMC working group.
5. Developing a transitional wind down plan for the regional local government.
6. Transition the ownership of Recycle Right to an alternate provider.
7. Facilitate a smooth transition for residual waste to be sent to Waste-to-Energy instead of landfill.
8. Continue business as usual achieving materials recovery targets.

The draft Corporate Business Plan 2023-2024 has been updated to reflect the above change to the strategy and is presented to Council for adoption.

REPORT NO	9.3
SUBJECT	FINANCIAL REPORTS
REPORTING OFFICER	P. Pandeya, Manager Finance
RESPONSIBLE OFFICER	B Doherty, Acting Chief Executive Officer
EMPLOYEE INTEREST	Nil
DATE OF REPORT	14 June 2024
FILE REFERENCE	FD: Corporate Finance\ Monthly Financial Reporting\ 2023/2024
ATTACHMENTS	#1 Statement of Financial Activity – 30 April 2024 #2 Schedule of Payments – April 2024

CEO RECOMMENDATION/S:

1. The statement of financial activity by nature and type of the Resource Recovery Group for the period ended 30 April 2024 be received.
2. The schedule of payments as listed in the attachment for the municipal fund; for the month of April 2024 for \$1,356,318.90 be received.

VOTING REQUIREMENT

Simple Majority

PURPOSE OF REPORT

- 1.1 To receive the financial statements for the period ended 30 April 2024

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* 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) Regulations*. The Council resolved at its meeting on 25 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)*. 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
30 April 2024	30 June 2024	27 June 2024

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

The Financial Audit for June 2023 was finalised in Mid-April 2024. Due to an amendment in the fixed assets register, the accounting software was unable to amend the depreciation run. Hence, depreciation for the month of April 2024 (estimated \$350K) has not been adjusted and not been affected in the accounts. All the adjustments will be made in June 2024 accounts.

1. Financial Statements for the period ended 30 April 2024

The operating results (before depreciation and reserve transfers) reports \$519K operational surplus against the budgeted operational deficits of \$686K. The surplus is from savings in expenses and revenue exceeding the budget.

	YTD BUDGET	YTD ACTUAL	CHANGE
	30/4/2024	30/4/2024	
	(\$M)	(\$M)	
OPERATING REVENUES	\$15.3	\$15.8	\$0.6
OPERATING EXPENSES (BEFORE DEPRECIATION)	-\$16.0	-\$15.3	\$0.7
OPERATING SURPLUS/ DEFICIT	-\$0.7	\$0.5	\$1.2
	CURRENT BUDGET	YTD ACTUAL	LAST YEAR
	Apr-24	30/4/2024	Jun-23
	(\$M)	(\$M)	
CASH IN BANK	\$6.0	\$7.6	\$10.8
OUTSTANDING LOANS	\$1.7	\$1.7	\$1.8
NET ASSETS	\$12.3	\$12.3	\$13.9

Notes:

- 1) Operating Revenue is \$555k higher than budget.
- 2) Operating Expenses are \$668K (excluding depreciation) lower than the budget due to lower service delivery & wages.
- 3) Operating Surplus is higher than the budget due to the above reasons.

REPORT NO	11.1
SUBJECT	LEGAL ADVICE – CONTRACTS
AUTHOR	B Doherty, Acting Chief Executive Officer
RESPONSIBLE OFFICER	B Doherty, Acting Chief Executive Officer
EMPLOYEE INTEREST	Nil
DATE OF REPORT	10 June 2024
FILE REFERENCE	FD:\Corporate\Legal\Advice
ATTACHMENTS	

The information in this report is confidential and is not to be disclosed.

Confidential Report in accordance with the Local Government Act 1995 Section 5.23 (2) (c), a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting, (e) a matter that if disclosed, would reveal (i) a trade secret, or (ii) information that has a commercial value to a person, or (iii) information about the business, professional, commercial or financial affairs of a person.

Improper Use of Information

5.93. A person who is a council member, a committee member or an employee must not make improper use of any information acquired in the performance by the person of any of his or her functions under this Act or any other written law –

- (a) to gain directly or indirectly an advantage for the person or any other person; or
- (b) to cause detriment to the local government or any other person.

Penalty: \$10,000 or imprisonment for 2 years.



REPORT NO	11.2
SUBJECT	TENDER T2024-02 RECEIVE & TRANSPORT RESIDUAL WASTES
AUTHOR	T Tafua, Manager Corporate Services
RESPONSIBLE OFFICER	B Doherty, Acting Chief Executive Officer
EMPLOYEE INTEREST	Nil
DATE OF REPORT	21 June 2024
FILE REFERENCE	FD: Tenders/T2024-02
ATTACHMENTS	Nil

The information in this report is confidential and is not to be disclosed.

Confidential Report in accordance with the Local Government Act 1995 Section 5.23 (2) (c), a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.

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- (a) to gain directly or indirectly an advantage for the person or any other person; or
- (b) to cause detriment to the local government or any other person.

Penalty: \$10,000 or imprisonment for 2 years.

PORT NO	11.
SUBJECT	INSURANCE 2024-2025
AUTHOR	A Johnson, Executive Manager Governance & Culture
RESPONSIBLE OFFICER	Brendan Doherty, Acting Chief Executive Officer
EMPLOYEE INTEREST	Nil
DATE OF REPORT	19 June 2024
FILE REFERENCE	FD: Corporate/Risk/Insurance
ATTACHMENTS	Nil

This report is pending information from the insurer and will be tabled at the meeting.

REPORT NO	11.4
SUBJECT	City of Kalamunda FOGO Processing Contract
AUTHOR	B Doherty, Acting Chief Executive Officer
RESPONSIBLE OFFICER	B Doherty, Acting Chief Executive Officer
EMPLOYEE INTEREST	Nil
DATE OF REPORT	10 June 2024
FILE REFERENCE	Business Development \ BD 21 \ FOGO
ATTACHMENTS	

The information in this report is confidential and is not to be disclosed.

Confidential Report in accordance with the Local Government Act 1995 Section 5.23 (2) (c), a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting, (e) a matter that if disclosed, would reveal (i) a trade secret, or (ii) information that has a commercial value to a person, or (iii) information about the business, professional, commercial or financial affairs of a person.

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- (b) to cause detriment to the local government or any other person.

Penalty: \$10,000 or imprisonment for 2 years.



Resource Recovery Group 2024-25 Annual Budget Report Date 27 June 2024

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Our Vision and Mission:

A circular economy with less waste and lower carbon emissions.

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



STATEMENT BY ACTING CHIEF EXECUTIVE OFFICER

1. Statement by Acting Chief Executive Officer

The budget financial report of the Resource Recovery Group (formerly Southern Metropolitan Regional Council) for financial year ending 30 June 2025 has been prepared in accordance with applicable the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and Regulations under that Act.

Brendan Doherty

Acting Chief Executive Officer

BUDGET OVERVIEW

2. Budget Overview

The budget has been prepared following the May 2024 Budget Parameters report and feedback from participants for its Projects and other core activities in a consolidated budget estimate for the year ended 30 June 2025.

Estimated operational revenue is \$19.9 million and operating expenditure less depreciation is \$20.5 million with combined net deficit result of operating and capital of \$1.16 million. The deficit is funded from brought forward surplus balances in line with agreed financial strategies.

RRRC overhead contribution increases to \$53/t (from \$40/t) resulting from the exit of Town of East Fremantle and loss of potential rental income from disused building spaces. The increase in operating costs due to CPI and changed market conditions are absorbed in member's gate fees. Members' gate fees increase by 15%/t on an average.

The capital works expenditure of \$787K (funded from reserves) is for the regular asset maintenance and replacement. The unspent amount of capital works budgeted in 2023-24 \$168K has been carried forward to year 2025.

3. Who We Are

Resource Recovery Group (formerly Southern Metropolitan Regional Council) is a statutory local government authority, constituted under the Local Government Act, established by its current participant local governments with a proven track record of providing efficient and sustainable resource recovery and recycling services to the local government sector since 2001.

The participant local governments have jointly agreed to establish Resource Recovery Group under an Establishment Agreement and participate in regional projects that are governed by a Participants' Project Agreement.

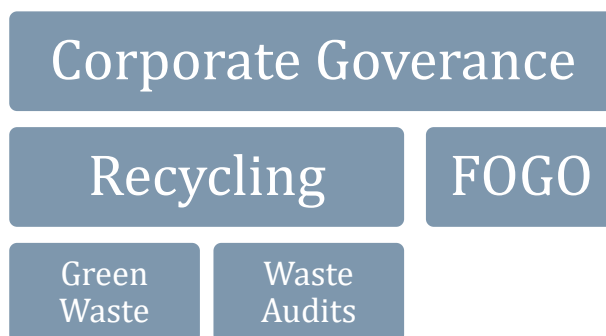
The Resource Recovery Group (RRG) operates the Canning Vale Centre as a waste recovery precinct located at 350 Bannister Road, Canning Vale, WA 6155.

The centre has a material recovery facility for recycling the contents from yellow lid bins, a FOGO processing facility (lime lid bins) and green waste shredding from bulk collections and public entry.

We provide waste audit services and educational toolkits and programs to change residents recycling behaviour in material separation for the benefits of a circular economy and climate change impact.

The centre is ideally located adjacent to major road infrastructure including the Roe and Tonkin Highways and Kwinana Freeway and provides excellent access to all parts of the Perth metropolitan area and to the Port of Fremantle.

Our Market Segments



STATEMENT OF FINANCIAL ACTIVITY

4. Statement of Financial Activity

4.1 Statements

RESOURCE RECOVERY GROUP STATEMENT OF FINANCIAL ACTIVITY FOR THE YEAR ENDED 30 JUNE 2025

BY NATURE	2023/24 Rev. Budget \$	2023/24 Est Actual \$	2024/25 Budget \$	Variance \$
REVENUE				
Operating grants, subsidies and contributions	2,455,334	2,439,128	2,430,482	(24,852)
Others:	36,000	37,296	-	(36,000)
Fees and Charges	14,522,272	14,692,640	15,382,365	860,093
Interest Earnings	281,211	297,491	216,585	(64,626)
Other Revenues	2,057,181	1,988,326	1,902,063	(155,118)
	19,351,998	19,454,881	19,931,494	579,497
EXPENSES				
Employee Costs	5,810,734	5,395,403	6,026,605	215,871
Materials and Contracts	10,616,599	10,209,760	11,242,372	625,773
Utility Charges	748,300	669,656	734,486	(13,814)
Depreciation on Non-current Assets	4,776,228	3,086,587	3,134,187	(1,642,041)
Interest Expenses	340,370	320,994	298,007	(42,363)
Insurance Expenses	2,097,535	2,097,590	2,192,703	95,168
Provision for employee redundancies	-	-	-	-
	24,389,766	21,779,990	23,628,360	(761,405)
NET OPERATING SURPLUS / (DEFICIT)	(5,037,768)	(2,325,109)	(3,696,866)	1,340,902
Add:				
Depreciation on Non-current Assets	4,776,228	3,086,587	3,134,188	(1,642,040)
Loss on disposal	26,541	-	-	-
Interest for Make Good Provision	77,500	58,124	59,315	(18,185)
NET OPERATING POSITION	(157,499)	819,602	(503,363)	(319,323)
Capital Expenditure				
Less : Capital Expenditure	(1,865,599)	(1,774,687)	(955,520)	910,079
Funding/Other Capital Items				
Add: Non-operating Grants	400,000	400,000	-	(400,000)
Add: Proceeds on asset disposal	-	-	-	-
Less: Loan Repayments	(91,977)	(91,977)	(95,824)	(3,847)
Add :Loan Contributions from Members	91,977	91,977	95,824	3,847
Add: Past Participants Contribution	-	-	-	-
Less: RRRC loan funded assets equity distribution	-	-	(1,494,950)	(1,494,950)
Less: Lease Repayments	(582,243)	(582,243)	(637,613)	(55,370)
Add : Transfer from Reserves	1,602,784	1,511,872	955,520	(647,264)
Add: Transfer from Reserves	-	-	1,494,950	1,494,950
Less: Transfer to Reserves	(290,000)	-	-	290,000
NET CAPITAL POSITION	(735,058)	(445,058)	(637,612)	97,446
NET OPERATING & CAPITAL POSITION	(892,557)	374,545	(1,140,976)	(221,878)
Add: OPENING FUNDS	1,423,001	766,430	1,140,976	-
CLOSING FUNDS	530,444	1,140,976	(0)	(221,878)

STATEMENT OF FINANCIAL ACTIVITY

Explanation for variances between Revised budget 2023/24 and the budget 2024/25

EXPLANATION FOR VARIANCES		
REVENUE		
Operating Grants, Subsidies and Contributions		(24,852)
Others	Loss of expected income from lease	(36,000)
Fees and Charges	Higher sale price of products, increase in member's gate fee	860,093
Other	Less CDS income, no income from education program	(155,118)
Interest Earnings	Possible decline in interest rates, less amount of investible funds	(64,626)
Total Revenue Variance		579,497
EXPENDITURE		
Employee Costs	Wages increment, staff addition	215,871
Materials and Contracts	Increase in variable costs, Increase in transport and product disposal costs, increased legal costs	625,773
Utility Charges	Costs increment, CPI increase	(13,814)
Depreciation	Impairment of assets 22-23 leading to less depreciation	(1,645,941)
Interest Expenses	Saving in interest expenses	(42,363)
Insurance Expenses	Cost increment	95,168
Total Expenditure Variance		(765,305)
Net Operating Surplus/(Deficit) Variance		1,344,802
NON CASH EXPENDITURE		
Depreciation		(1,645,940)
Interest for Make Good Provision		(18,185)
Total Non Cash Expenditure Variance		(1,664,125)
Net Operating Deficit Variance		(319,323)
Add: Non-operating Grants	No grant for FY24-25	(400,000)
Less: Capital Expenditure	Capital expenses program not carried out as budgeted.	1,078,079
Less: RRRC loan funded asset equity	RRRC loan funded assets share	(1,494,950)
Less: Lease repayment		(55,370)
Add: Transfer from Reserve	Less transfer from reserve than budgeted (-Lower capex)	(815,264)
Add: Transfer from Reserves	RRRC loan funded assets share	1,494,950
Add: Transfer to Reserve	Loss of expected income from lease, inability to transfer funds into reserves	290,000
Increase in Capital Budgets		97,445
Increase/(Decrease) in Opening Funds		-
Increase/(Decrease) in Closing Funds		(221,878)

EXISTING UNDERTAKINGS BUDGET

5. Existing Undertakings Budget

The RRG operates under its Establishment Agreement 2000; an agreement between its Participant Local Governments. Existing undertakings consist of three core functions of the regional council, being: Administration (Governance), Education and Research & Development.

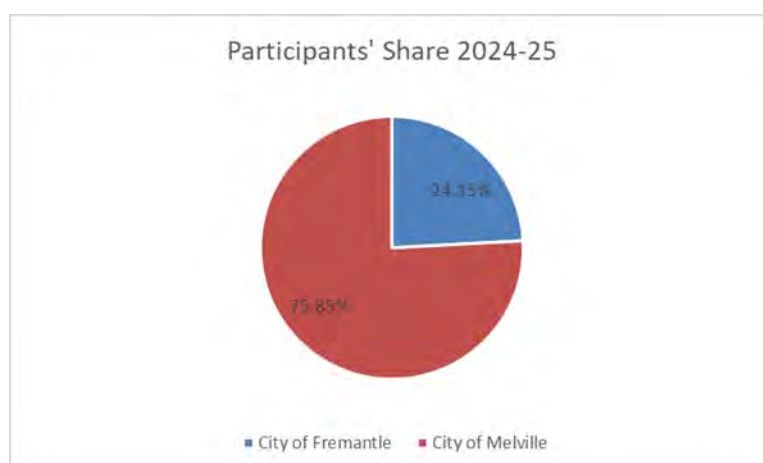
Participants agreed to pay contributions towards these services under the approved budget.

6.1 Estimated population

In accordance with the Establishment Agreement the population data used for calculating Participants' contributions shall be an amount which bears the same proportion to that operating, capital or borrowing expenditure as the Population of that Participant bears to the total of the Populations of all Participants.

Table 4. Population figures taken from the 2023 Estimated Local Government Population data published by the Australian Bureau of Statistics (ABS).

POPULATION	Est Pop 2022		Est Pop 2023		Change	
East Fremantle	8,060	5.41%	-	0.00%	(8,060)	-100.0%
Fremantle	33,711	22.61%	35,157	24.15%	1,446	4.3%
Melville	107,311	71.98%	110,426	75.85%	3,115	2.9%
Total	149,082	100.00%	145,583	100.00%	(3,499)	-2.3%



EXISTING UNDERTAKINGS BUDGET

5.1 Key assumptions

- 3.5% - 5% increase applied to operating expenses, e.g. Service contracts with CPI annual adjustments and increases for most goods and services.
- 5% salary and wages increase + 0.5% compulsory super contribution (11% to 11.5%).
- Participants' total annual contribution towards operating budget for existing undertakings as follows:
- Administration and R&D - \$116,184 increase by \$3,300
- No contribution for Education is considered for FY24-25 (FY23-24 \$399,379). RRG will absorb the expenses on education until the anticipated transition (by September 2024). Should the transition take longer than anticipated, budget revision will be necessary to fund the education program.
- Contribution from members of \$177K towards loan repayment (principal + interest) for Office Project.

6.2 Proposed 2023-24 Annual Contributions

Table 5 Governance and R&D

It is proposed that annual contributions towards existing undertakings (e.g., Administration, R&D and Office Project) be increased as follows.

Gov, R&D	Population	Est Pop 2023	Budget	Budget	Change
		%	2024-25	2023-24	
East Fremantle		0.00%		\$ 6,098	(6,098)
Fremantle	35,157	24.15%	\$ 28,057	\$ 25,507	2,550
Melville	110,426	75.85%	\$ 88,127	\$ 81,195	6,932
Total	145,583	100.00%	\$ 116,184	\$ 112,800	\$ 3,384

Table 6 Education and Communication

It is proposed that the annual contributions toward education be nil due to expected transition of the program:

Education	Population	Est Pop 2023	Budget	Budget	Change
		%	2024-25	2023-24	
East Fremantle	-	0.00%	\$ -	\$ 21,592	(21,592)
Fremantle	35,157	24.15%	\$ -	\$ 90,309	(90,309)
Melville	110,426	75.85%	\$ -	\$ 287,478	(287,478)
Total	145,583	100.00%	\$ -	\$ 399,379	-\$ 399,379

EXISTING UNDERTAKINGS BUDGET

6.3 Reserve Fund

Budget Reserve Balances as at 30 June 2025					
	Contingency	Restoration	Confere	Office	Total
30-Jun-24	6,462,022	1,844,219	25,000	290,212	8,621,453
Transfer To	-		-	-	-
Transfer From Reserves	(955,520)	-	-	-	(955,520)
Transfer From Reserves	(1,494,950)				(1,494,950)
Transfer From	-				-
30-Jun-24	4,011,552	1,844,219	25,000	290,212	6,170,983

Conference Reserve – to be used to fund the requirements for staff and councilors' travel and conference attendance. The reserve policy provides detail and has a limit value of \$50,000.

	2023/24	2023/24	2024/25	Remarks
	Rev. Budget	Est Actual	Budget	
	\$	\$	\$	
Travel and Conference Reserve				
Opening Balance	25,000	25,000	25,000	
Transfer to Reserves				
Transfer from Reserves				
Closing Balance	25,000	25,000	25,000	

7 RRRC Project Budget

7.1 Key Budget Assumptions

- 3.5% - 5% increase applied to operating expenses, e.g. Service contracts with CPI annual adjustments and increases for most goods and services.
- 5% salary and wages increase + 0.5% compulsory super contribution (10% to 11.5%).
- Estimates are based on contracted tonnages.
- The parameters' does not allow for hypothetical additional tonnes that may be received during the year.
- Administrative overhead contribution increased to \$53 per tonne (23/24 \$40) due to the Town of East Fremantle's withdrawal, unavailability of prior year surpluses, and non-realisation rental income from disused building spaces.
- Members' gate fees are increased by an average of 15% p/t.
- \$787K capital expenditure program is to be funded from reserves. The majority of capital expenditure is for ongoing maintenance and replacement of operating equipment.

7.3 Proposed 2024/25 RRRC Project Gate Fees

Participants' gate fees are set in accordance with the RRRC Project Participant Agreement.

RRRC PROJECT BUDGET

7.4 Proposed RRRC Project Capital Expenditure Budget

PROPOSED CAPITAL EXPENDITURE 2024-25							
	B/F Committed	New Proposed	2024/25 Budget	2024-25 Revised Budget	Funding Source		
					Reserves	Grant	Operations
FIXED PLANT REPLACEMENT PROGRAM							
Materials Recovery Facility	40,000	535,000	575,000		575,000		
MOBILE PLANT REPLACEMENT PROGRAM							
Front End Loader (Committed in FY 23 but received in FY24)							
FOGO Trommel							
FOGO							
WCF - Variable Drive Speed Fans							
Bio Filter 2023 Works - Bio Filter 3							
HUMIDIFIER / GAS SCRUBBER GS111							
15kw screw air compressor							
Shredder repair		57,500	57,500		57,500		
CVC General Site Capital Expenditure		195,020	195,020		195,020		
Canning Vale CCTV upgrades	58,000		58,000		58,000		
PLC Upgrade (MRF and Fogo)	70,000		70,000		70,000		
Total	168,000	787,520	955,520	-	955,520	-	-

FY2024 unfinished capital works of \$168K has been carried forward to FY 2025.

7.5 RRRC Project Cash backed Reserve Funds

1. **RRRC Contingency** - To fund shortfalls in operating expenditure, asset renewals and disposals, employment termination provisions, provide equity payments to withdrawn participants and Insurance claims below the excess for the Canning Vale RRRC Project.
2. **RRRC Restoration** – to be used to meet lease obligations resulting from an early termination of the Ground Lease or at the expiry of the Ground Lease.
- 3.

Budget Reserve Balances as at 30 June 2025		
	Contingency	Restoration
30-Jun-24	6,462,022	1,844,219
Transfer To	-	
Transfer From Reserves	(955,520)	-
Transfer From Reserves	(1,494,950)	
Transfer From	-	
30-Jun-24	4,011,552	1,844,219

OFFICE PROJECT BUDGET

8 Office Project Budget

8.1 Key Budget Assumptions

The loan borrowing for the Office Project (9 Aldous PI Booragoon) is ongoing.

Borrowing liability \$1.8 M

Interest and principal payments on quarterly basis

8.2 Outstanding Borrowing Program

Office Project Loan Balance	30-Jun-24		30-Jun-25	
Town of East Fremantle	5.51%	94,112	0.00%	0
City of Fremantle	22.27%	380,377	24.15%	389,332
City of Melville	72.22%	1,233,534	75.85%	1,222,867
		1,708,023		1,612,199

Note: Town of East Fremantle's equity/liability on the office project as at 30 June 2024 will be addressed via a business plan.

8.3 Cash-Backed Reserve Fund

Office Project - to be used for funding capital renewal expenditure and non-recurrent maintenance expenditure for the property located at 9 Aldous Place Booragoon.

	2023/24	2023/24	2024/25
	Rev. Budget	Est Actual	Budget
	\$	\$	\$
Office Accommodation Reserve			
Opening Balance	290,212	290,212	290,212
Transfer to Reserves			
Transfer from Reserves	-		
Transfer from Reserves			
Closing Balance	290,212	290,212	290,212

FEES AND CHARGES 2024-25

9 Fees and Charges 2024-25

REGIONAL RESOURCE RECOVERY CENTRE GATE FEES (Public Rates effective from 1 July 2024)	BUDGET 2024-2025	BUDGET 2023-2024
MATERIAL RECOVERY FACILITY GATE FEE	Ex GST	Ex GST
Commercial	\$30.00 - \$200.00 p/t	\$30.00 - \$200.00 p/t
Over Compaction Levy (>200kg)	\$10.00 - \$50.00	\$10.00 - \$50.00
GREEN WASTE GATE FEE	GST incl	GST incl
Cars, Utilities & Trailers up to 1.5 cubic metres	\$30.00 per entry	\$30.00 per entry
Cars, Utilities & Trailers up to 1.5 – 3.0 cubic metres	\$55.00 per entry	\$55.00 per entry
Trucks & Heavy Vehicles	\$75.00 per tonne	\$75.00 per tonne
Trucks & Heavy Vehicles minimum entry charge	\$75.00 per entry	\$75.00 per entry
Trucks & Heavy Vehicles oversized logs > 1.5m length 0.3m wide	\$150.00 per tonne	\$150.00 per tonne
Commercial contracts over 200 tonnes pa	\$25.00 - \$75.00 p/t	\$25.00 - \$75.00 p/t
Palms (max cut lengths 300mm)		
Cars, Utilities & Trailers up to 1.5 cubic metres	\$55.00 per entry	\$55.00 per entry
Cars, Utilities & Trailers up to 1.5 – 3.0 cubic metres	\$75.00 per entry	\$75.00 per entry
Trucks & Heavy Vehicles	\$150.00 per tonne	\$150.00 per tonne
Trucks & Heavy Vehicles oversized > 1.5m length 0.3m wide	\$150.00 per tonne	\$150.00 per tonne
Weighbridge out of use		
Uncompacted green waste (heavy vehicle)	\$30.00 per wheel	\$30.00 per wheel
Compacted green waste (heavy vehicle)	\$40.00 per wheel	\$40.00 per wheel
Cars & Trailers over 3.0m3	\$75.00 per entry	\$75.00 per entry
FOGO GATE FEE	Ex GST	Ex GST
Clean Organic	\$5.00 - \$200.00 p/t	\$5.00 - \$200.00 p/t
Municipal FOGO (3rd Bin)	\$30.00 - \$200.00 p/t	\$30.00 - \$200.00 p/t
RRRC SALE OF MATERIAL		
Mulch Course Grade	\$0.00 to \$25.00 p/t	\$0.00 to \$25.00 p/t
Mulch Standard Re-grind	\$10.00 to \$35.00 p/t	\$10.00 to \$35.00 p/t
Mulch 4" Fine Re-grind	\$15.00 to \$40.00 p/t	\$15.00 to \$40.00 p/t
RRRC WASTE AUDIT		
Waste Audit Service	Cost price +10% to 50%	Cost price +10% to 50%
Non-refundable Deposit (Booking Fee)	30% of fee	30% of fee
RRRC EDUCATION CENTRE	GST incl	GST incl
Room Hire Fee	\$17.00 per Hour or \$136.00 per day After hours Fee – Add Staff overtime Rate + 10%	\$17.00 per Hour or \$136.00 per day After hours Fee – Add Staff overtime Rate + 10%
Catering for Meetings	Cost recovery + 10%	Cost recovery + 10%
Tea and Coffee	\$3.00 per person	\$3.00 per person
Photocopying Charges (B&W) (colour)	50 cents per copy (A4) 1.00 cents per copy	50 cents per copy (A4) 1.00 cents per copy
OTHER		
Recycle Right Consultancy	Cost price +10% to 50%	Cost price +10% to 50%
Copies of information available under Division 7 of Part 5 Administration of the Local Govt Act 1995 (B&W) (colour)	50 cents per copy (A4) 1.00 cents per copy (A4)	50 cents per copy (A4) 1.00 cents per copy (A4)
Statement Admin Fee for Non Members 30 day Credit Accounts	\$5.50 inc GST per monthly statement	\$5.50 inc GST per monthly statement
Late Payment Fee (All overdue accounts)	Interest at an annual rate of 2% higher than overdraft rates charged by the SMRC's bank	Interest at an annual rate of 2% higher than overdraft rates charged by the SMRC's bank

10 Statutory Financial Statements Budget

RESOURCE RECOVERY GROUP ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2025

LOCAL GOVERNMENT ACT 1995

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VISION & MISSION

A circular economy with less waste and lower carbon emissions.

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.

RESOURCE RECOVERY GROUP
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2024/25 Budget	2023/24 Actual	2023/24 Budget
Revenue		\$	\$	\$
Grants, subsidies and contributions		2,430,482	2,476,424	2,616,109
Fees and charges	13	15,382,365	14,692,640	13,909,545
Interest revenue	9(a)	216,585	297,491	271,000
Other revenue		1,902,063	1,988,326	2,161,352
		19,931,495	19,454,881	18,958,006
Expenses				
Employee costs		(6,026,605)	(5,395,403)	(5,849,482)
Materials and contracts		(11,242,372)	(10,209,760)	(10,337,476)
Utility charges		(734,486)	(669,656)	(789,424)
Depreciation	5	(3,134,188)	(3,086,587)	(4,815,819)
Finance costs	9(a)	(298,007)	(320,994)	(340,345)
Insurance		(2,192,703)	(2,097,590)	(2,099,335)
		(23,628,361)	(21,779,990)	(24,231,881)
		(3,696,866)	(2,325,109)	(5,273,875)
Capital grants, subsidies and contributions		0	400,000	450,000
		0	400,000	450,000
Net result for the period		(3,696,866)	(1,925,109)	(4,823,875)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	0	0
Share of comprehensive income of associates accounted for using the equity method		0	0	0
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(3,696,866)	(1,925,109)	(4,823,875)

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

RESOURCE RECOVERY GROUP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2024/25 Budget	2023/24 Actual	2023/24 Budget
Receipts		\$	\$	\$
Grants, subsidies and contributions		2,458,284	2,098,458	3,458,461
Fees and charges		15,372,624	14,092,640	13,207,133
Interest revenue		216,585	297,491	271,000
Goods and services tax received		1,933,450	1,915,739	2,025,036
Other revenue		1,902,063	1,974,233	2,161,352
		21,883,006	20,378,561	21,122,982
Payments				
Employee costs		(6,088,418)	(5,416,833)	(5,926,535)
Materials and contracts		(11,934,361)	(10,528,105)	(10,456,052)
Utility charges		(734,486)	(669,656)	(789,424)
Finance costs		(292,192)	(459,370)	(276,026)
Insurance paid		(2,192,703)	(2,097,590)	(2,099,335)
Goods and services tax paid		(1,415,052)	(1,279,068)	(1,322,626)
		(22,657,212)	(20,450,622)	(20,869,998)
Net cash provided by (used in) operating activities	3	(774,207)	(72,061)	252,984

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for purchase of property, plant & equipment	4(a)	(955,520)	(1,774,687)	(5,097,500)
Capital grants, subsidies and contributions		0	400,000	450,000
Proceeds on financial assets at amortised cost - self supporting loans		95,824	91,978	91,976
Net cash (used in) investing activities		(859,696)	(1,282,709)	(4,555,524)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of borrowings	6(a)	(95,824)	(91,976)	(91,976)
Payments for principal portion of lease liabilities	7	(637,613)	(582,243)	(582,243)
Net cash (used in) financing activities		(733,437)	(674,219)	(674,219)
Net (decrease) in cash held		(2,367,340)	(2,028,989)	(4,976,759)
Cash at beginning of year		8,785,162	10,814,151	11,030,681
Cash and cash equivalents at the end of the year	3	6,417,822	8,785,162	6,053,922

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

RESOURCE RECOVERY GROUP
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2025

OPERATING ACTIVITIES

Revenue from operating activities

Grants, subsidies and contributions
Fees and charges
Interest revenue
Other revenue

Expenditure from operating activities

Employee costs
Materials and contracts
Utility charges
Depreciation
Finance costs
Insurance

Non cash amounts excluded from operating activities

Amount attributable to operating activities

INVESTING ACTIVITIES

Inflows from investing activities

Capital grants, subsidies and contributions
Proceeds from financial assets at amortised cost - self supporting loans

Outflows from investing activities

Payments for property, plant and equipment
Payments Past members

Amount attributable to investing activities

FINANCING ACTIVITIES

Inflows from financing activities

Transfers from reserve accounts

Outflows from financing activities

Repayment of borrowings
Payments for principal portion of lease liabilities
Transfers to reserve accounts

Amount attributable to financing activities

MOVEMENT IN SURPLUS OR DEFICIT

Surplus at the start of the financial year

Amount attributable to operating activities
Amount attributable to investing activities
Amount attributable to financing activities

Surplus/(deficit) remaining after the imposition of general rates

Note	2024/25 Budget	2023/24 Actual	2023/24 Budget
	\$	\$	\$
	2,430,482	2,476,424	2,616,109
13	15,382,365	14,692,640	13,909,545
9(a)	216,585	297,491	271,000
	1,902,063	1,988,326	2,161,352
	19,931,495	19,454,881	18,958,006
	(6,026,605)	(5,395,403)	(5,849,482)
	(11,242,372)	(10,209,760)	(10,337,476)
	(734,486)	(669,656)	(789,424)
5	(3,134,188)	(3,086,587)	(4,815,819)
9(a)	(298,007)	(320,994)	(340,345)
	(2,192,703)	(2,097,590)	(2,099,335)
	(23,628,361)	(21,779,990)	(24,231,881)
(c)	3,193,503	3,144,711	4,893,319
	(503,363)	819,602	(380,556)
	0	400,000	450,000
	95,824	91,978	91,976
	95,824	491,978	541,976
4(a)	(955,520)	(1,774,687)	(5,097,500)
	(1,494,950)	0	
	(2,450,470)	(1,774,687)	(5,097,500)
	(2,354,646)	(1,282,709)	(4,555,524)
8(a)	2,450,470	1,511,872	4,577,300
	2,450,470	1,511,872	4,577,300
6(a)	(95,824)	(91,976)	(91,976)
7	(637,613)	(582,243)	(582,243)
8(a)	0	0	(390,000)
	(733,437)	(674,219)	(1,064,219)
	1,717,033	837,653	3,513,081
	1,140,976	766,430	1,423,000
	(503,363)	819,602	(380,556)
	(2,354,646)	(1,282,709)	(4,555,524)
	1,717,033	837,653	3,513,080
	(0)	1,140,976	0

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

**RESOURCE RECOVERY GROUP
FOR THE YEAR ENDED 30 JUNE 2025
INDEX OF NOTES TO THE BUDGET**

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RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

1 BASIS OF PREPARATION

The annual budget is a forward looking document and has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the annual budget be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

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

The local government reporting entity

All funds through which the RRG controls resources to carry on its functions have been included in the financial statements forming part of this annual budget.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 10 to the annual budget.

2023/24 actual balances

Balances shown in this budget as 2023/24 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

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

Comparative figures

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

Rounding off figures

All figures shown in this statement are rounded to the nearest dollar.

Statement of Cashflows

Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a statement of cash flows. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.

Initial application of accounting standards

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- AASB 2020-1 Amendments to Australian Accounting Standards
 - Classification of Liabilities as Current or Non-current
 - AASB 2022-5 Amendments to Australian Accounting Standards
 - Lease Liability in a Sale and Leaseback
 - AASB 2022-6 Amendments to Australian Accounting Standards
 - Non-current Liabilities with Covenants
 - AASB 2023-1 Amendments to Australian Accounting Standards
 - Supplier Finance Arrangements
 - AASB 2023-3 Amendments to Australian Accounting Standards
 - Disclosure of Non-current Liabilities with Covenants: Tier 2
- It is not expected these standards will have an impact on the annual budget.

- AASB 2022-10 Amendments to Australian Accounting Standards
 - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities, became mandatory during the budget year. Amendments to AASB 13 *Fair Value Measurement* impacts the future determination of fair value when revaluing assets using the cost approach. Timing of future revaluations is defined by regulation 17A of *Local Government (Financial Management) Regulations 1996*. Impacts of this pronouncement are yet to be quantified and are dependent on the timing of future revaluations of asset classes. No material impact is expected in relation to the 2024-25 statutory budget.

New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards
 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2021-7c Amendments to Australian Accounting Standards
 - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-9 Amendments to Australian Accounting Standards
 - Insurance Contracts in the Public Sector
- AASB 2023-5 Amendments to Australian Accounting Standards
 - Lack of Exchangeability

It is not expected these standards will have an impact on the annual budget.

Judgements, estimates and assumptions

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

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

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

- estimated fair value of certain financial assets
- estimation of fair values of land and buildings and investment property
- impairment of financial assets
- estimation uncertainties and judgements made in relation to lease accounting
- estimated useful life of assets
- estimation of provisions
- estimation of fair value of leases

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

2 NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents
Financial assets
Receivables
Inventories
Other assets

Less: current liabilities

Trade and other payables
Lease liabilities
Long term borrowings
Employee provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

(b) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Cash - reserve accounts
Less: Current assets not expected to be received at end of year
- Other liabilities [describe]
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings
- Current portion of lease liabilities
- Current portion of contract liability held in reserve
- Current portion of other provisions held in reserve
- Current portion of employee benefit provisions held in reserve

Total adjustments to net current assets

Note	2024/25 Budget 30 June 2025	2023/24 Actual 30 June 2024	2023/24 Budget 30 June 2024
	\$	\$	\$
3	6,417,821	8,785,162	6,053,921
	109,324	105,476	105,476
	1,200,000	1,727,802	2,000,000
	1,000,000	1,257,889	800,000
	240,000	393,728	75,000
	8,967,145	12,270,057	9,034,397
	(4,357,065)	(5,533,386)	(3,694,727)
7	(837,695)	(637,613)	(637,613)
6	(95,824)	(91,977)	(91,977)
	(449,618)	(404,618)	(722,014)
	(5,740,202)	(6,667,594)	(5,146,331)
	3,226,943	5,602,463	3,888,066
2(b)	(3,226,943)	(4,461,487)	(3,888,066)
	0	1,140,976	0
8	(6,170,983)	(8,621,453)	(5,322,740)
			(16,930)
	95,824	91,977	91,977
	837,695	637,613	637,613
	1,494,950	2,952,015	
	65,953	73,743	
	449,618	404,618	722,014
	(3,226,943)	(4,461,487)	(3,888,066)

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

2 NET CURRENT ASSETS

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency
When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

(c) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Add: Depreciation
Non-cash movements in non-current assets and liabilities:
- Other provisions

Non cash amounts excluded from operating activities

Note	2024/25 Budget 30 June 2025	2023/24 Actual 30 June 2024	2023/24 Budget 30 June 2024
5	\$ 3,134,188	\$ 3,086,587	\$ 4,815,819
	59,315	58,124	77,500
	3,193,503	3,144,711	4,893,319

(d) Non-cash amounts excluded from investing activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments to investing activities

Movement in current other provision associated with restricted cash

Non cash amounts excluded from investing activities

Note	2024/25 Budget 30 June 2025	2023/24 Actual 30 June 2024	2023/24 Budget 30 June 2024
	\$ (7,790)	\$	\$
	(7,790)	0	0

2 NET CURRENT ASSETS

(f) MATERIAL ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

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

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the RRG recognises revenue for the prepaid rates that have not been refunded.

INVENTORIES

General

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

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

Superannuation

The RRG contributes to a number of superannuation funds on behalf of employees. All funds to which the RRG contributes are defined contribution plans.

LAND HELD FOR RESALE

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the RRG's intentions to release for sale.

GOODS AND SERVICES TAX (GST)

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

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

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

TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

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

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

The RRG applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

PROVISIONS

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

EMPLOYEE BENEFITS

Short-term employee benefits

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

The RRG's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the determination of the net current asset position. The RRG's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

Other long-term employee benefits

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

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

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

3. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	Note	2024/25 Budget	2023/24 Actual	2023/24 Budget
Cash at bank and on hand		\$ 2,417,429	\$ 1,994,770	\$ 6,053,921
Term deposits		4,000,392	6,790,392	
Total cash and cash equivalents		6,417,821	8,785,162	6,053,921
Held as				
- Unrestricted cash and cash equivalents		246,838	163,709	731,181
- Restricted cash and cash equivalents		6,170,983	8,621,453	5,322,740
	2(a)	6,417,821	8,785,162	6,053,921
Restrictions				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents		6,170,983	8,621,453	5,322,740
		6,170,983	8,621,453	5,322,740
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Financially backed reserves	8	6,170,983	8,621,453	5,322,740
		6,170,983	8,621,453	5,322,740
Reconciliation of net cash provided by operating activities to net result				
Net result		(3,696,866)	(1,925,109)	(4,823,875)
Depreciation	5	3,134,188	3,086,587	4,815,819
(Increase)/decrease in receivables		527,802	(377,966)	779,952
(Increase)/decrease in other assets		153,728	170,650	
(Increase)/decrease in inventories		257,889	14,101	550,600
Increase/(decrease) in payables		(1,176,321)	(653,830)	(1,009,196)
Increase/(decrease) in other provision		59,315	58,124	
Increase/(decrease) in employee provisions		(33,942)	(44,618)	389,684
Capital grants, subsidies and contributions		0	(400,000)	(450,000)
Net cash from operating activities		(774,207)	(72,061)	252,984

MATERIAL ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

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

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

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

4. PROPERTY, PLANT AND EQUIPMENT

			2023/24 Budget			
			Disposals -			
	Additions	Additions	Additions	Sale Proceeds	Disposals - Profit	Disposals - Loss
	\$	\$	\$	\$	\$	\$
(a) Property, Plant and Equipment						
Buildings - non-specialised			10,000			
CVC Leasehold improvements	195,020	190,832	3,633,000			
Plant and equipment	632,500	1,583,855	1,326,300			
Information Technology Equipment	128,000		128,200			
Total	955,520	1,774,687	5,097,500	0	0	0
Total	955,520	1,774,687	5,097,500	0	0	0

MATERIAL ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

GAINS AND LOSSES ON DISPOSAL

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

RESOURCE RECOVERY GROUP
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2025

5. DEPRECIATION

By Class

Buildings - non-specialised
CVC Leasehold improvements
Plant and equipment
Standby Equipment
Make good Provision Asset
Information Technology Equipment
Right of use assets - CVC Ground Lease

2024/25 Budget	2023/24 Actual	2023/24 Budget
\$	\$	\$
18,295	18,033	17,990
955,164	945,413	1,877,675
1,640,821	1,599,496	1,930,331
21,927	25,665	24,213
171,943	171,943	259,753
4,487	4,487	10,887
321,551	321,551	694,970
3,134,188	3,086,588	4,815,819

MATERIAL ACCOUNTING POLICIES

DEPRECIATION

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset’s useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Major depreciation periods used for each class of depreciable asset are:

Buildings - non-specialised	30 to 50 years
CVC Leasehold improvements	50 to 80 years
Plant and equipment	5 to 15 years
Standby Equipment	
Make good Provision Asset	
Information Technology Equipment	
Right of use assets - CVC Ground Lease	

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset’s useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

6. BORROWINGS

(a) Borrowing repayments

Movement in borrowings and interest between the beginning and the end of the current financial year.

Purpose	Loan Number	Institution	Interest Rate	Budget Principal	2024/25 Budget New Loans	2024/25 Budget Principal Repayments	Budget Principal outstanding	2024/25 Budget Interest Repayments	Actual Principal	2023/24 Actual New Loans	2023/24 Actual Principal Repayments	Actual Principal outstanding	2023/24 Actual Interest Repayments	Budget Principal	2023/24 Budget New Loans	2023/24 Budget Principal Repayments	Budget Principal outstanding	2023/24 Budget Interest Repayments
				1 July 2024			30 June 2025		1 July 2023			30 June 2024		1 July 2023			30 June 2024	
9 Aldous Place, Booragoo	2-8	WATC	4.1%	\$ 1,708,024	\$	\$ (95,824)	\$ 1,612,200	\$ (81,514)	\$ 1,800,000	\$	\$ (91,976)	\$ 1,708,024	\$ (85,362)	\$ 1,800,000	\$	\$ (91,976)	\$ 1,708,024	\$ (85,337)
				1,708,024	0	(95,824)	1,612,200	(81,514)	1,800,000	0	(91,976)	1,708,024	(85,362)	1,800,000	0	(91,976)	1,708,024	(85,337)

The self supporting loan(s) repayment will be fully reimbursed.
The interest rate includes the guarantee fee payable to WATC

RESOURCE RECOVERY GROUP
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2025

6. BORROWINGS

(b) New borrowings - 2024/25

The RRG does not intend to undertake any new borrowings for the year ended 30th June 2025

(c) Borrowing by Project

Administration Building (9 Aldous Place, Booragoon) Loan

The Council Participants have guaranteed by way of security, to the Western Australian Treasury Corporation, a charge over its general funds for the share of any outstanding debenture borrowings provided for the Council Administration building at 9 Aldous Place, Booragoon. WA 6154.

Participants' limit of its share of the loan liability is as follows:

Participant's Details	2024	2025	2025 Budget	2024 Forecast
	%	%		
Town of East Fremantle	5.41%	0	0	92,404
City of Fremantle	22.61%	24.15%	389,346	386,184
City of Melville	71.98%	75.85%	1,222,854	1,229,436
			1,612,200	1,708,024

(d) Credit Facilities

Undrawn borrowing facilities
 credit standby arrangements

Bank overdraft limit			
Bank overdraft at balance date			
Credit card limit	155,000	155,000	155,000
Credit card balance at balance date			
Total amount of credit unused	155,000	155,000	155,000

Loan facilities

Loan facilities in use at balance date	1,612,200	1,708,024	1,708,024
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MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

The RRG has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate.

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal	2024/25 Budget New Leases	2024/25 Budget Lease Principal Repayments	Budget Lease Principal outstanding	2024/25 Budget Lease Interest Repayments	Actual Principal	2023/24 Actual New Leases	2023/24 Actual Lease Principal repayments	Actual Lease Principal outstanding	2023/24 Actual Lease Interest repayments	Budget Principal	2023/24 Budget New Leases	2023/24 Budget Lease Principal repayments	Budget Lease Principal outstanding	2023/24 Budget Lease Interest Repayments
					1 July 2024			30 June 2025		1 July 2023			30 June 2024		1 July 2023			30 June 2024	
CVC Ground Lease	1	City of Canning	3.4%	360	\$ 4,968,949	\$	\$	\$	\$	\$ 5,551,192	\$	\$	\$	\$	\$ 5,551,192	\$	\$	\$	\$
					4,968,949	0	(637,613)	4,331,336	(157,178)	5,551,192	0	(582,243)	4,968,949	(177,507)	5,551,192	0	(582,243)	4,968,949	(177,507)

MATERIAL ACCOUNTING POLICIES

LEASES

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

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

LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2024/25 Budget				2023/24 Actual				2023/24 Budget			
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) RRRC Contingency & Development Reserve	6,462,022		(2,450,470)	4,011,552	7,973,894		(1,511,872)	6,462,022	7,350,609	100,000	(4,567,300)	2,883,309
(b) Travel and Conference Reserve	25,000			25,000	25,000			25,000	25,000			25,000
(c) Office Accommodation Reserve	290,212			290,212	290,212			290,212	290,212		(10,000)	280,212
(d) RRRC Restoration Reserve	1,844,219			1,844,219	1,844,219			1,844,219	1,844,219	290,000		2,134,219
	8,621,453	0	(2,450,470)	6,170,983	10,133,325	0	(1,511,872)	8,621,453	9,510,040	390,000	(4,577,300)	5,322,740

(b) Reserve Accounts - Purposes

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve name	Purpose of the reserve
RRRC Contingency & Development Reserve	to be used to fund shortfalls in operating expenditure, asset renewals and disposals, employment termination provisions, provide equity payments to withdrawn participants and insurance claims below the excess for the Canning Vale RRRC Project
(a) Reserve	
(b) Travel and Conference Reserve	to be used to fund the requirements for staff and Councillors' travel and Conference attendance.
(c) Office Accommodation Reserve	to be used for funding capital renewal expenditure and non-recurrent maintenance expenditure for the Council property located at 9 Aldous Place Booragoon.
(d) RRRC Restoration Reserve	to be used to meet lease obligations resulting from an early termination of the Ground Lease or at the expiry of the Ground Lease.

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

9. OTHER INFORMATION

The net result includes as revenues	2024/25 Budget	2023/24 Actual	2023/24 Budget
	\$	\$	\$
The net result includes as expenses			
(a) Interest expenses (finance costs)			
Borrowings (refer Note 6(a))	81,514	85,362	85,337
Interest on lease liabilities (refer Note 7)	157,178	177,507	177,507
Unwinding of discount	59,315	58,124	77,500
	298,008	320,993	340,344

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

10. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

CANNING VALE CENTRE (CVC), CANNING VALE

This project is undertaken on behalf of the three participating councils and involves construction and operation of an administration and visitors centre, weighbridge, greenwaste processing and waste composting and recycling facility. Operating revenues is received from gate fees from participants / the private sector and sale of materials. Accounting for this undertaking is in accordance with the Local Government (Financial Management) Amendment Regulations 9 & 45.

(b) Statement of Comprehensive Income

	2023/24 Actual	2024/25 Budget
	\$	\$
Revenue		
CVC Education	319,744	19,200
CVC Administration	2,092,356	2,425,168
Muds Grant	0	0
CVC Material Recovery Facility (MRF)	8,902,147	9,173,476
CVC Green Waste	584,534	723,595
CVC Waste Composting Facility (WCF)	2,415,216	2,561,883
CVC FOGO Operations	4,168,312	4,440,473
CVC Business Development	388,589	165,000
CVC Waste Audits	200,000	220,000
	19,070,898	19,728,795
Expenditure		
MUDS Grant	0	(7,301)
RRRC Education	(415,040)	(102,297)
RRRC Administration	(3,839,115)	(4,694,506)
RRRC MRF	(6,602,587)	(7,140,223)
RRRC Greenwaste	(360,524)	(391,620)
RRRC WCF (redbin, veolia)	(3,645,043)	(3,862,683)
RRRC FOGO	(3,040,708)	(3,450,166)
RRRC Business Development	(46,000)	(65,000)
RRRC Waste Audits	(173,854)	(220,000)
Depreciation	(3,104,620)	(3,148,582)
	(21,227,491)	(23,082,377)
NET RESULT	(2,156,593)	(3,353,582)
TOTAL COMPREHENSIVE INCOME	(2,156,593)	(3,353,582)

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.

Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

GRANTS, SUBSIDIES AND CONTRIBUTIONS

All amounts received as grants, subsidies and contributions that are not capital grants.

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water.

Exclude rubbish removal charges which should not be classified as a service charge. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

INTEREST REVENUE

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates etc.

PROFIT ON ASSET DISPOSAL

Gain on the disposal of assets including gains on the disposal of long-term investments.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Note AASB 119 *Employee Benefits* provides a definition of employee benefits which should be considered.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

Local governments may wish to disclose more detail such as contract services, consultancy, information technology and rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water.

Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or levies including DFES levy and State taxes. Donations and subsidies made to community groups.

RESOURCE RECOVERY GROUP
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2025

11. REVENUE AND EXPENDITURE

(b) Revenue Recognition

Recognition of revenue from contracts with customers is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and Charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and Charges - memberships	Project Participants Annual Contributions	Over time	Payment in advance (annual/quarterly)	Refund for unused portion on application	Output method over 12 months
Fees and Charges - sale of stock	Recovered Recyclable Products	Single point in time	On normal trading terms - credit provided as agreed	Refund for faulty goods/quality/contamination percentages	On dispatch of the goods (as customer as this is when customer obtains control of goods)
Fees and Charges - sale of carbon credit units	Reduction in Greenhouse gases emissions.	Single point in time	On normal trading terms - credit provided as agreed	None	On completion of transfer (when the customer obtains control)

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

12. PROGRAM INFORMATION

Key Terms and Definitions - Reporting Programs

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Reso's Community Vision, and for each of its broad activities/programs.

OBJECTIVE	ACTIVITIES
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RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

13. FEES AND CHARGES

2024/25 Budget	2023/24 Actual	2023/24 Budget
\$	\$	\$

The subsequent pages detail the fees and charges proposed to be imposed by the local government.

Corporate Business Plan 2024 – 2028

Approved by Council 27 June 2024



Resource Recovery Group

Recycle. Innovate. Educate.



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Message from the Acting Chief Executive Officer

I am delighted to present my first Corporate Business Plan as Acting CEO of Resource Recovery Group. For more than 20 years, Resource Recovery Group has proudly and consistently achieved high recovery rates and minimised waste directed to landfill.

In the coming months we anticipate residual waste being diverted to Waste-to-Energy, further reducing the need for landfill.

We continue to provide effective and efficient processing services for our member councils and a growing number of commercial partners. We remain committed to our high recovery rates and ensuring ethical reprocessing solutions for recovered waste streams.

In 2024-2025 we anticipate farewelling our education arm of the business, Recycle Right, which has successfully delivered waste education to residents of over 25 local governments. This transition for Recycle Right will pave the way for education to be delivered to all local governments in Western Australia.

Our key focus during 2024-2025 will be working with member councils to review and transition the organisation to a future operating model that continues to achieve our high standards and recovery rates.

I look forward to continuing to work with our councillors, member councils, staff and stakeholders to achieve a positive future for Resource Recovery Group.



Brendan Doherty
Acting Chief Executive Officer

Purpose of the Plan

The Corporate Business Plan is an internal business planning tool that translates Council priorities into operations, within the resources available.

The Plan influences the development of operational budgets, identifies key priorities and performance measures.

Terminology used in this document

AMP	Asset Management Plan	MRF	Materials Recovery Facility
CAG	Community Advisory Group	MSW	Municipal Solid Waste
CBP	Corporate Business Plan	RRG	Resource Recovery Group
C&D	Construction and Demolition Waste	RRRC	Regional Resource Recovery Centre
C&I	Commercial and Industrial Waste	SCP	Strategic Community Plan
DWER	Department of Water and Environmental Regulation	SOP	Standard Operating Procedures
EMS	Environmental Management System	SMRC	Southern Metropolitan Regional Council
FOGO	Food Organics, Garden Organics	WARR	Waste Avoidance and Resource Recovery
GWF	Green Waste Facility	WCF	Waste Composting Facility
ICT	Information Communications Technology	WFP	Workforce Plan
LTFP	Long Term Financial Plan	WHS	Work Health and Safety



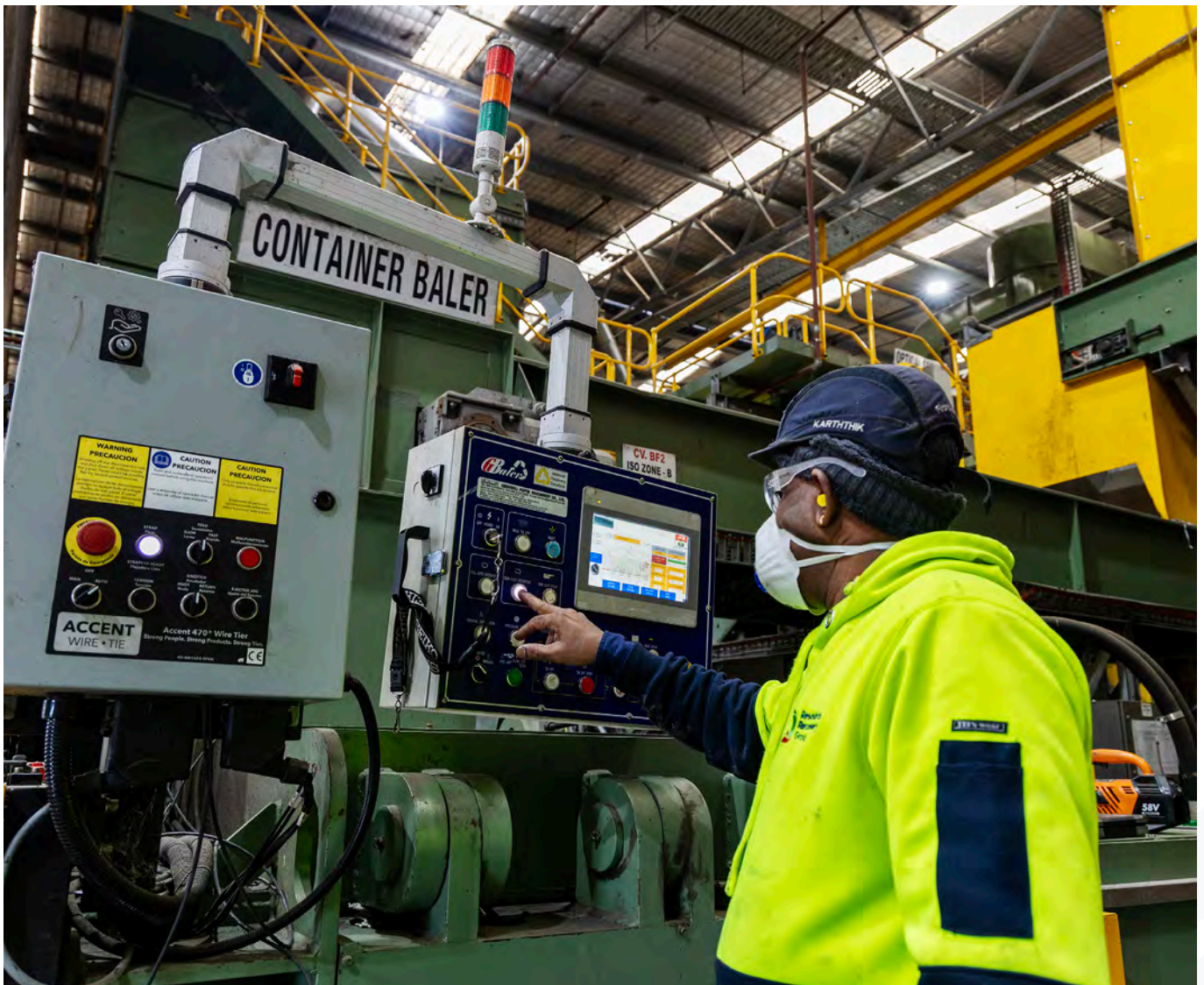
Vision and Mission

Our Vision

A circular economy with less waste
and lower carbon emissions

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.



How we were established

In 1991, the local governments of Canning, Cockburn, East Fremantle, Fremantle, Kwinana, Melville and Rockingham came together to form a regional approach to waste management.

The Councils realised that individual approaches for alternative waste options would be too expensive for a single council. A solution was required to manage the thousands of tonnes of waste that were being sent direct to landfill each year with little consideration of the future social, economic and environmental implications.

As a result, the councils formed the South-West Waste Management Council to provide environmentally sustainable waste management solutions for the benefit of the community and member councils. In 1998, this was changed to the Southern Metropolitan Regional Council (SMRC).

Over time, the following local governments have withdrawn from the regional group for a variety of reasons: City of Canning in June 2010, City of Rockingham in June 2012, City of Cockburn in June 2019 and City of Kwinana in June 2021.

In 2021, the organisation re-branded itself and is now known as Resource Recovery Group.

The remaining Member Participants have now all formally notified their intention to withdraw from the Regional Council. The Town of East Fremantle will withdraw on 1 July 2024 and the Cities of Melville and Fremantle intend to withdraw on 1 July 2025.

As a result of these decisions, the organisation is now working collaboratively with the cities of Melville, Fremantle and Canning to review and assess opportunities for a new service model that will see the core functions continue to operate into the future at the Canning Vale Centre.



What we do

Resource Recovery Group is a statutory local government authority representing local governments in the southern metropolitan area of Perth. It is responsible for delivering innovative and sustainable waste management solutions for member local governments.

Resource Recovery Group, previously Southern Metropolitan Regional Council, was established under an Establishment Agreement by local governments and each participant may participate in regional projects. Each Project is governed by a Participants' Project Agreement.

There are two core projects being:

- The Regional resource Recovery Centre (RRRC) Project
- The Office Accommodation Project

Both the projects were established through separate project participants' agreements. In addition to the above two projects, support activities such as administration, education and research have also been undertaken.

The Regional Resource Recovery Centre at Canning Vale, now named the Canning Vale Centre, was the first of its kind in Western Australia and is a unique waste recycling and resource precinct and important waste infrastructure in the Perth metropolitan area. The Canning Vale Centre comprises three resource recovery facilities:

1. Organic waste (household food and small garden waste) FOGO is collected from 240 litre lime green top bins, pre-processed to remove contamination and turned into compost.
2. Paper, cardboard, plastics and metals are collected from 240L yellow lidded bins and are sorted and recovered in the Materials Recovery Facility (MRF) then sold to domestic and international markets.
3. Green waste is collected from the kerbside of households and turned into mulch.

Resource Recovery Group is committed to assisting the State Government to work towards achieving its recovery targets outlined in the State's Waste Strategy 2030.

As an organisation, we inject over \$20 million per year into the economy, employ over 50 staff and provide work for 100 local small businesses and contractors each month.

Withdrawal of member councils

The Town of East Fremantle resolved on 20 June 2023 to withdraw from Resource Recovery Group and all associated Projects with effect 1 July 2024.

The City of Melville resolved on 21 November 2023 to withdraw from Resource Recovery Group and all Projects with effect 1 July 2025.

On 22 November 2023 the City of Fremantle, acknowledging that the decision by City of Melville would leave them as the only remaining Participant, resolved to “undertake exploration to prepare, develop and assess a move to a new service model, to be developed through a collaborate agreement that also includes the City of Melville, City of Canning and the Town of East Fremantle.”

The City of Fremantle also resolved to request RRG Council to commence the process for a formal windup of Resource Recovery Group.

On 22 May 2024, the City of Fremantle further resolved to withdraw as a Member and Project Participant of Resource Recovery Group, effective from 1 July 2025.

City of Fremantle’s resolution provided for a delegation to the Chief Executive Officer to extend the Cities’ membership beyond 1 July 2025 should the need arise.





Waste management collective working group

As a result of the above decisions, a Memorandum of Understanding was entered into between the Cities of Melville, Fremantle, Canning & The Town of East Fremantle in December 2023.

The parties are actively collaborating to establish a waste collective arrangement that will ensure the operations at the Canning Vale Centre transition to a new operating business model that continues to operate and achieve our high recovery targets into the future.

RRG meets regularly with the working group to provide expert knowledge and information to assist the working group and consultants appointed by the collective.

Integrated planning and reporting

All local governments are required to plan for the future under the *Local Government Act 1995 (WA)*, section 5.56(1). *The Local Government (Administration) Regulations 1996* outline the minimum requirements to achieve this.

The Department of Local Government, Sport and Cultural Industries Integrated Strategic Planning and Reporting Framework (the Framework) provides the basis for improving the practice of strategic planning in local government.

This Plan does not stand alone in the Framework. It is part of a suite of planning and reporting documents all of which are regularly reviewed. These include:

Strategic Community Plan (2022-2032)

The Strategic Community Plan developed in 2022 articulated the long-term vision, aspirations and objectives for member councils and our communities at that time. Significant changes in direction have been made by member councils since this plan was approved.

All member councils have now resolved to withdraw from the Regional Local Government and all associated Projects. As such, the Strategic Community Plan no longer accurately represents our strategic vision.

Some aspects of the Strategic Community Plan will no longer be pursued in 2024-2025 and a further review of this plan will be undertaken when a firm direction or outcome is established by the Waste management collective working group and transitional planning processes.

Corporate Business Plan (4 years)

The Corporate Business Plan will drive the operation of Resource Recovery Group over the short to medium term, normally a 4 year period. However, due to the current status of the transition, it has been drafted to meet our immediate 2024-2025 plans.

Long Term Financial Plan

The LTFP includes the financial estimates modelled in the RRRC Amended Business Plan and the funding of actions contained in this Plan. The Plan was adopted by Council May 2023 and identifies key financial assumptions and strategies.

Due to the termination of projects, the repurposing of the Waste Composting Facility identified in the plan will no longer go ahead and anticipated revenue from this stream will no longer be received.

The 2024-2025 Annual Budget, endorsed by Council, will inform our financial plans for the financial year.

Asset Management Plan

The AMP identifies the asset classes and the estimated spend for annual maintenance programs, renewals and new acquisitions.

The AMP takes into account the RRRC asset transition program and the decommissioning of surplus assets and commissioning of new assets to meet the changes in the business delivery model relating to this plan.

Ensuring that assets are efficiently and effectively maintained in the lead up to the transition is a key priority.

Workforce Management Plan

The Workforce Plan (WFP) details our resources required to meet the business delivery models contained in this plan.

Information & Communication Technology Plan

Outlines the ICT requirements and strategies for the delivery of the current and future operations.

The draft 2023-2026 ICT Plan was not approved by Council due to the uncertain future of the organisation.

ICT Projects identified in the plan that are considered critical to the business are to be approved individually by Council during the transition process.

Annual Budget

The process by which we inform stakeholders and statutory bodies of our progress in delivering services, projects and other operations to meet short-term, medium-term and long-term aspirations.

The annual budget for 2024-2025 is endorsed by Council in June 2024.

Annual Report

Provides feedback on our progress against the Corporate Business Plan and provides a snapshot of our progression towards goals and aspirations that are still relevant in the Strategic Community Plan.



Strategic Waste Management Plan

Waste plans form part of local government integrated planning and reporting as an issue specific informing strategy.

The Western Australian Waste Avoidance and Resource Recovery Strategy 2030 (Waste Strategy), includes a headline strategy to implement local government waste plans, which align local government waste planning processes with the State Government's Waste Strategy.

All local governments and regional local governments located in the Perth metropolitan region and Peel region (Perth and Peel regions), and major regional centres that provide waste services, were required to develop plans for the 2020-2021 financial year and perform their functions in respect of waste management in accordance with their waste plans.

Section 6.2(2) of the Local Government Act 1995 requires local governments to have regard to their plans for the future (which include waste plans made under section 40 of the WARR Act).

RRG Implementation Plan updated in February 2021, outlines the actions which the Regional Council will undertake over a 5 year period to contribute to the achievement of relevant Waste Strategy targets and objectives.

It is where the priorities described in the summary (Part 1 – 70 Summary, Table 16) are translated into actions.

Review of Establishment Agreement

Following the withdrawal of the City of Canning in 2010 and City of Cockburn in 2017, a review of the Establishment Agreement was undertaken by remaining Member Participants in 2023.

The Establishment Agreement has been refreshed and updated and will significantly, provide each Member Council with two Elected Member representatives each. This will ensure robust governance following the withdrawal of the Town of East Fremantle.

The draft Establishment Agreement has been endorsed by all Member Participant Councils and is currently pending approval of the Minister for Local Government.

Strategic direction

During 2023 Council, in acknowledging the change of strategic direction by Member Participants, resolved to terminate all current projects associated with repurposing disused areas of the Waste management collective working group building. The purpose behind repurposing these areas, was to enable third parties leases to business providing complementary waste reprocessing services.

The termination of these Projects, resulted in a significant impairment of this asset in the financial year ended 2022-2023.

At its Ordinary Meeting of Council on 24 February 2024, Council noted that RRG's strategic and business plans were no longer reflective of the strategic direction provided by Member Participants.

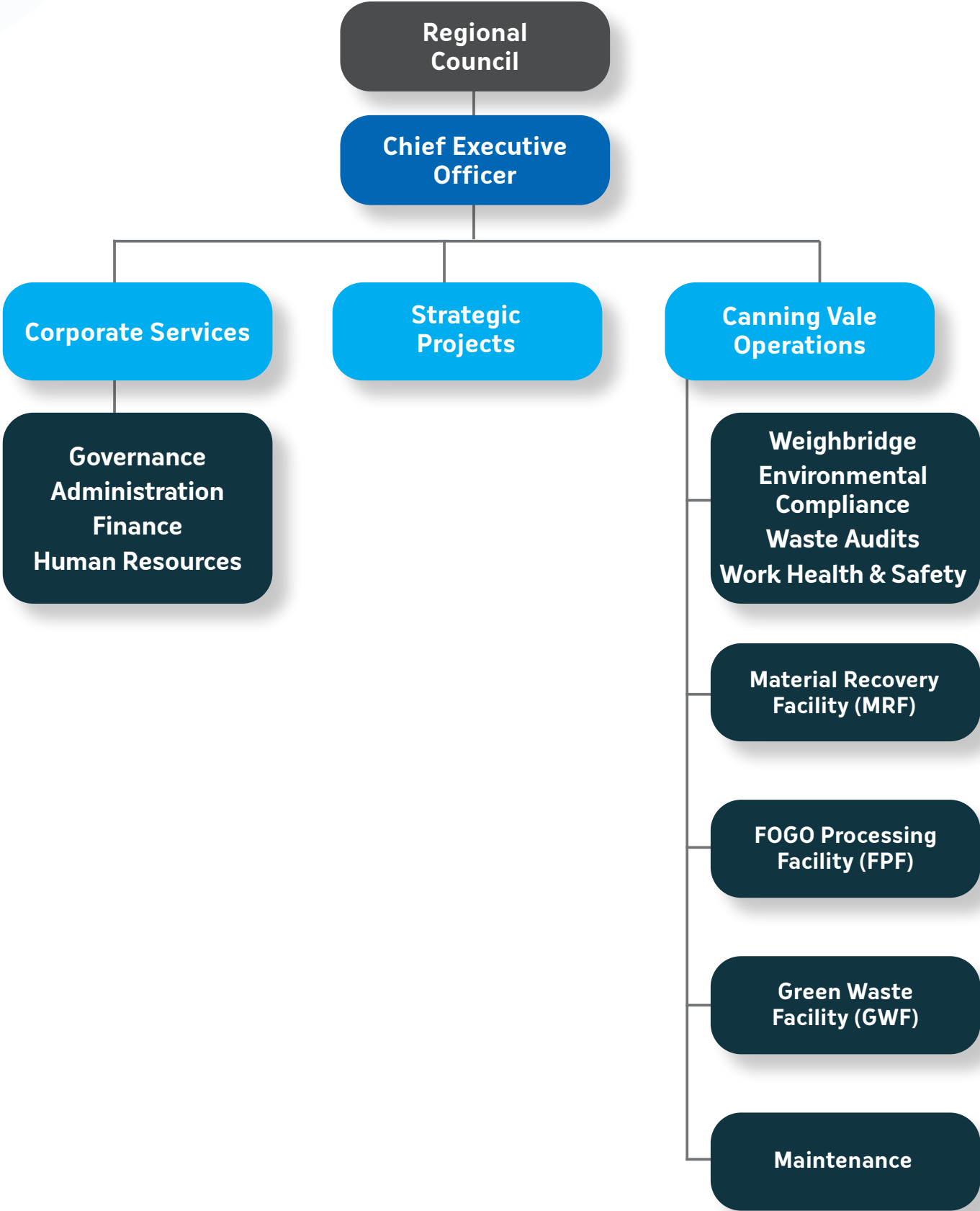
Council resolved that the annual strategic planning process and stakeholder and community surveys be suspended in favour of transition planning, in conjunction with a minor revision of the corporate business plan.

2024-2025 Strategic objectives

Given the change in strategic direction during the 2024-2025 financial year, RRG's key strategic direction will be:

1. Collaborating with the Waste Management Collective Working Group and any consultants appointed by the group.
2. Providing information for due diligence and other processes being undertaken by consultants at the request of the WMC working group.
3. Support an approach to market for third party operation and maintenance and/or purchase of RRG assets at the Canning Vale Centre.
4. Effect a formal procurement process for operating and maintenance and/or sale of RRG assets at the Canning Vale Centre, if requested by the WMC working group.
5. Developing a transitional wind down plan for the regional local government.
6. Transition the ownership of Recycle Right to an alternate provider.
7. Facilitate a smooth transition for residual waste to be sent to Waste-to-Energy instead of landfill.
8. Continue business as usual achieving materials recovery targets.

Organisation Structure



Our Employees and Values

RRG acknowledges that the change in strategic direction provides uncertainty to staff members. In conjunction with this plan, we have undertaken a review of the Workforce Management Plan to ensure that our workforce remains up to date with current developments, is remunerated fairly and access is provided to staff for services such as Employee Assistance Programs and wellbeing initiatives.

Additionally, we have enhanced our Retention Incentive Payment Policy to incentivise staff members to remain with the organisation during the transition and review period.

Safety: We ensure that our priority is maintaining a safe work environment for all employees and for the community.

Together: We share our responsibility as one team and each individual has an important role as part of the team.

Attitude: Our attitude and commitment to the organisation's procedures are ethically, socially and environmentally sustainable.

Responsibility: We are responsible for our own performance and doing our best at all times.





Measures of our success

In continuing to achieve our high processing rates, the following performance indicators will continue to be key measures of our success in 2024-2025.

Objective	Performance Indicator	How will it be measured	2024/25	2025/26	2026/27	2027/28
Recycle	Material recovered that is processed at our Canning Vale Facilities	Percentage of waste diverted = (1 – total residuals/total waste processed x 100%)	85%	85%	85%	85%
	Contamination is reduced in the three waste streams collected	Lime Bin FOGO <2% contamination (waste audits)	<2%	<2%	<2%	<2%
		Yellow Bin Recycling (waste audits)	6%	<5%	<5%	<5%
		Red Bin Residuals (waste Audits)	<30%	<25%	<25%	<25%
	Plant availability	Percentage of member tonnes accepted at Canning Vale	95%	95%	95%	95%
	Current Ratio	Current assets over current liabilities	=>1.10	=>1.10	=>1.10	=>1.10
	Number of lost time incidents (LTIFT)	Number of lost time injuries	0	0	0	0

RESOURCE RECOVERY GROUP
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 APRIL 2024

	Audited 30 June 2023	30 April 2024
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	10,814,151	7,646,210
Trade and other receivables	1,349,836	2,467,024
Other financial assets	105,476	36,848
Inventories	1,271,990	1,261,942
Other assets	541,800	911,601
TOTAL CURRENT ASSETS	14,083,252	12,323,625
NON-CURRENT ASSETS		
Other financial assets	1,708,024	1,708,024
Property, plant and equipment	14,320,363	13,045,526
Right-of-use assets	3,477,427	3,236,264
TOTAL NON-CURRENT ASSETS	19,505,814	17,989,814
TOTAL ASSETS	33,589,066	30,313,439
CURRENT LIABILITIES		
Trade and other payables	6,187,216	5,080,812
Lease liabilities	582,243	599,166
Borrowings	91,976	23,348
Employee related provisions	467,024	399,975
TOTAL CURRENT LIABILITIES	7,328,459	6,103,301
NON-CURRENT LIABILITIES		
Lease liabilities	4,968,948	4,468,186
Borrowings	1,708,024	1,708,024
Employee related provisions	98,181	74,162
Other provisions	5,582,909	5,641,033
TOTAL NON-CURRENT LIABILITIES	12,358,063	11,891,405
TOTAL LIABILITIES	19,686,522	17,994,706
NET ASSETS	13,902,544	12,318,733
EQUITY		
Retained surplus	(4,702,513)	(5,276,804)
Reserve accounts	10,133,325	9,123,805
Revaluation surplus	8,471,731	8,471,731
TOTAL EQUITY	13,902,544	12,318,733

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

RESOURCE RECOVERY GROUP
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 APRIL 2024

	Adopted Budget Estimates \$	YTD Budget Estimates \$	YTD Actual \$	Variance* \$	Variance* %	Var.
OPERATING ACTIVITIES						
Revenue from operating activities						
Grants, subsidies and contributions	2,616,109	1,689,299	1,988,916	299,617	17.74%	▲
Fees and charges	13,909,545	11,336,288	11,895,126	558,838	4.93%	▲
Interest revenue	271,000	225,833	191,261	(34,572)	(15.31%)	▼
Other revenue	2,161,352	2,037,667	1,730,242	(307,425)	(15.09%)	▼
Profit on asset disposals	0	0	38,867	38,867	0.00%	▲
	18,958,006	15,289,087	15,844,412	555,325	3.63%	
Expenditure from operating activities						
Employee costs	(5,849,482)	(4,677,211)	(4,272,674)	404,537	8.65%	▲
Materials and contracts	(10,337,476)	(8,661,335)	(8,504,005)	157,330	1.82%	▲
Utility charges	(789,424)	(618,583)	(532,338)	86,245	13.94%	▲
Depreciation	(4,815,819)	(3,970,101)	(2,357,926)	1,612,175	40.61%	▲
Finance costs	(340,345)	(283,641)	(268,630)	15,011	5.29%	▲
Insurance	(2,099,335)	(1,747,946)	(1,742,651)	5,295	0.30%	▲
	(24,231,881)	(19,958,817)	(17,678,224)	2,280,593	11.43%	
Non-cash amounts excluded from operating activities	5,537,833	3,983,168	2,353,164	(1,630,004)	(40.92%)	▼
NET OPERATING POSITION	263,958	(686,562)	519,352	1,205,914	175.65%	
INVESTING ACTIVITIES						
Inflows from investing activities						
Proceeds from capital grants, subsidies and contributions	450,000	250,000	250,000	0	0.00%	
Proceeds from disposal of assets	0	0	38,867	38,867	0.00%	▲
	450,000	250,000	288,867	38,867	15.55%	
Outflows from investing activities						
Payments for property, plant and equipment	(5,340,351)	(2,994,432)	(1,253,427)	1,741,005	58.14%	▲
	(5,340,351)	(2,994,432)	(1,253,427)	1,741,005	58.14%	
Amount attributable to investing activities	(4,890,351)	(2,744,432)	(964,560)	1,779,872	64.85%	
FINANCING ACTIVITIES						
Inflows from financing activities						
Transfer from reserves	4,577,300	1,009,521	1,009,521	0	0.00%	
	4,577,300	1,009,521	1,009,521	0	0.00%	
Outflows from financing activities						
Payments for principal portion of lease liabilities	(483,838)	(483,838)	(483,838)	0	0.00%	
Transfer to reserves	(390,000)	0	0	0	0.00%	
	(873,838)	(483,838)	(483,838)	0	0.00%	
Amount attributable to financing activities	3,703,462	525,683	525,683	0	0.00%	
MOVEMENT IN SURPLUS OR DEFICIT						
Surplus or deficit at the start of the financial year	766,430	766,430	766,430	0	0.00%	
Amount attributable to operating activities	263,958	(686,562)	519,352	1,205,914	175.65%	▲
Amount attributable to investing activities	(4,890,351)	(2,744,432)	(964,560)	1,779,872	64.85%	▲
Amount attributable to financing activities	3,703,462	525,683	525,683	0	0.00%	
Surplus or deficit after imposition of general rates	(156,501)	(2,138,880)	846,905	2,985,786	139.60%	▲

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

* Refer to Note 3 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

RESOURCE RECOVERY GROUP
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 APRIL 2024

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 materially.

The material variance adopted by Council for the 2023-24 year is \$20,000.

Description	Var. \$	Var. %	
	\$	%	
Revenue from operating activities			
Fees and charges	558,838	4.93%	▲
Fees and charges and contribution received more than budgeted.			
Interest revenue	(34,572)	(15.31%)	▼
Reversal accrued interest income due to year end adjustment.			
Other revenue	(307,425)	(15.09%)	▼
CDS income exceeding the budget			
Expenditure from operating activities			
Materials and contracts	157,330	1.82%	▲
Cost savings			
Utility charges	86,245	13.94%	▲
Cost savings			
Finance costs	15,011	5.29%	▲

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 APRIL 2024

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

This prescribed financial report has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996*, prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

Local Government (Financial Management) Regulations 1996, regulation 34 prescribes contents of the financial report. Supporting information does not form part of the financial report.

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

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Reso controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements.

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimated useful life of intangible assets

SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies utilised in the preparation of these statements are as described within the 2023-24 Annual Budget. Please refer to the adopted budget document for details of these policies.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 26 April 2024

Schedule of Payments made in April 2024

Chq/EFT	Date	Name	Description	Amount
4800865	03.04.24	National Recovery Technologies(NRT)	Fixed Plant Maintenance	26,039.89
4800866	03.04.24	Telstra Limited	Computer Expenses (, , ADM)	6,538.98
4800867	02.04.24	WA Treasury Corporation	Repayment of Office Project Loan Q3	41,178.27
4800870	02.04.24	City of Canning	CVC Lease expense	69,643.75
4800871	11.04.24	Industrial Protective Products (WA)	Occupational health and safety	406.78
4800872	11.04.24	Omnicom Media Group Australia Pty Ltd (Marketforce)	Advertising & Promotion	887.59
4800873	15.04.24	Hands-On Infection Control	Occupational health and safety	29.70
4800874	15.04.24	Omnicom Media Group Australia Pty Ltd (Marketforce)	Advertising & Promotion	426.94
4800875	15.04.24	Patrick Cullen*	Contracted Services	200.00
4800876	15.04.24	All Rubber TMH Pty Ltd	Fixed Plant Maintenance	4,550.15
4800877	15.04.24	BP Australia P/L	Fuel	6,267.75
4800878	15.04.24	Haz-Ed Services	Fixed Plant Maintenance	2,426.49
4800879	15.04.24	Natsync Environmental	Accommodation/Site Maintenance	5,346.00
4800880	15.04.24	Network-IT(WA) PTY LTD	Computer Expenses	3,909.78
4800881	15.04.24	Perth Recruitment Services Pty Ltd	Labour Hire	11,254.30
4800882	15.04.24	PETRO Industrial (BNE) Pty Ltd	Accommodation/Site Maintenance	4,158.00
4800883	15.04.24	Solutions Plus Partnership Pty Ltd	Computer Expenses	5,105.85
4800884	15.04.24	Totalenergies Marketing Australia Pty Ltd	Workshop expenses	1,495.56
4800885	15.04.24	United Equipment Pty Ltd	Mobile Plant Hire Fees	3,143.69
4800886	15.04.24	Urban Clean 1 Pty Ltdn (Xero)	Accommodation/Site Maintenance	1,221.99
4800887	15.04.24	WATM Crane Sales and Services	Mobile Plant Maintenance	2,261.35
4800888	15.04.24	HIGH ENERGY SERVICE PTY LTD	Fixed Plant Maintenance	3,267.00
4800889	15.04.24	Synergy - Electricity Retail Corporation	Electricity	57,629.13
4800890	15.04.24	Veolia Recycling & Recovery (Perth) Pty Ltd	Landfill Disposal	112,273.56
4800891	15.04.24	Xelflex Pty Ltd	Fixed Plant Maintenance	99,192.72
4800892	02.04.24	National Australia Bank (NAB)	Credit Card Payment	13,384.93
4800893	09.04.24	RRG Payroll Net Clearing	Payroll	152,284.26
4800894	10.04.24	Precision (Beam)	Super	24,671.08
4800895	16.04.24	PAYG - Australian Taxation Office (ATO)	PAYG	51,266.00
4800896	17.04.24	LGISWA	Mobile Plant Maintenance	1,000.00
4800897	18.04.24	BAS - Australian Taxation Office (ATO)	GST	159,383.00
4800898	18.04.24	Water Corporation*	Water	1,470.37
4800899	24.04.24	Blackwoods Atkins	Occupational health and safety	313.28
4800900	24.04.24	Flick Anticimex Pty Ltd	Accommodation/Site Maintenance	867.66
4800901	24.04.24	FUJIFILM Business Innovation Australia Pty Ltd	Photocopying Expenses	274.65
4800902	24.04.24	Industrial Power Tool Services	Accommodation/Site Maintenance	252.56
4800903	24.04.24	Lighthouse Locksmiths	Occupational health and safety	220.00
4800904	24.04.24	Majestic Plumbing Pty Ltd	Accommodation/Site Maintenance	134.20
4800905	24.04.24	Minter Ellison Lawyers	Legal Fees	743.05
4800906	24.04.24	PEP Transport	Postage & Courier	149.11
4800907	24.04.24	Rentokil Initial Pty Ltd (ambius)	Accommodation/Site Maintenance	62.85
4800908	24.04.24	Safety Signs Service	Occupational health and safety	142.21
4800909	24.04.24	Sonic Health Plus	Other Employment Costs	843.14
4800910	24.04.24	Tema Services Pty Ltd	Laundry Expenses	732.29
4800911	24.04.24	United Equipment Pty Ltd	Mobile Plant Hire Fees	95.92
4800912	24.04.24	WA Fasteners Pty Ltd	Mobile Plant Maintenance	973.50
4800913	24.04.24	Water2Water Pty Ltd	Accommodation/Site Maintenance	280.00
4800914	24.04.24	Winc Australia Pty Limited	Stationery	822.78
4800915	24.04.24	Work Clobber	Occupational health and safety	667.58
4800916	24.04.24	Wren Oil	Workshop expenses	16.50
4800917	24.04.24	Coregas Pty Ltd	Workshop expenses	258.07
4800918	24.04.24	Rowan Monks Waste Consulting*	Contracted Services	700.00
4800919	24.04.24	CJD Equipment Pty Ltd	Mobile Plant Maintenance	32,728.19
4800920	24.04.24	CTI Logistics Interstate	Product Transport Costs	23,588.22
4800921	24.04.24	SAGE Automation Pty Ltd	Variable Drive Speed Fans	65,389.50
4800922	24.04.24	Synergy - Electricity Retail Corporation	Electricity	59,071.41
4800923	24.04.24	Xelflex Pty Ltd	Labour Hire	76,836.84
4800955	24.04.24	Precision (Beam)	Super	24,946.37
4800956	24.04.24	RRG Payroll Net Clearing	Payroll	113,525.00
4800957	26.04.24	City of Canning	CVC Lease expense	69,643.75
4800958	22.04.24	Vocus Pty Ltd	Computer Expenses	2,349.53
TOTAL PAYMENTS				1,348,943.02

Credit Card Transactions for April 2024				
EFT Ref	Date	Supplier Name	Expense Description	Amount
4801003	26/04/2024	Adobe	Monthly subscription	314.92
4801003	26/04/2024	Super Cheap Auto	Workshop expenses	70.63
4801003	22/04/2024	Coles	Office supplies	52.16
4801003	22/04/2024	Coles	Office supplies	52.16
4801003	22/04/2024	Coles	Office supplies	52.16
4801003	22/04/2024	Coles	Office supplies	52.17
4801003	24/04/2024	Scania Australia Pty	Mobile Plant Maintenance	900.00
4801003	23/04/2024	Adobe	Monthly subscription	79.99
4801003	23/04/2024	Ahri Ltd	Conference	600.00
4801003	22/04/2024	Gilberts Fresh Mark	Staff amenities	38.76
4801003	23/04/2024	Coles	Staff amenities	3.80
4801003	22/04/2024	Facebk	Advertising & Promotion	109.84
4801003	22/04/2024	Coles	Staff amenities	8.90
4801003	19/04/2024	Wanewsdti	Newspaper Subscription	84.00
4801003	16/04/2024	Zoom	Video Conference	22.39
4801003	15/04/2024	Coles	Staff amenities	12.10
4801003	15/04/2024	Coles	Staff amenities	52.25
4801003	15/04/2024	Coles	Staff amenities	31.45
4801003	15/04/2024	Coles	Staff amenities	16.90
4801003	15/04/2024	Coles	Staff amenities	30.25
4801003	15/04/2024	St John Ambulance	Occupational health and safety	1,133.00
4801003	12/04/2024	Mailchimp	Monthly Subscription	69.93
4801003	10/04/2024	Coles	Staff amenities	8.90
4801003	9/04/2024	Sitech Wa Pty Ltd	Mobile Plant Maintenance	154.00
4801003	10/04/2024	Facebk	Advertising & Promotion	29.98
4801003	8/04/2024	Town Of Cambridge	Parking	6.40
4801003	9/04/2024	Wilson Parking	Security Expenses	1,047.84
4801003	8/04/2024	Gilberts Fresh Mark	Staff amenities	44.06
4801003	8/04/2024	Coles	Staff amenities	3.95
4801003	8/04/2024	Officeworks	Office expenses	9.13
4801003	5/04/2024	Coles	Staff amenities	34.00
4801003	5/04/2024	Coles	Staff amenities	8.47
4801003	4/04/2024	Lucky Charm Willetton	Staff amenities	9.99
4801003	7/04/2024	Teamflect.Com	Computer Expenses	110.28
4801003	5/04/2024	Searle Fasteners Pl	Workshop expenses	577.50
4801003	5/04/2024	Facebk	Advertising & Promotion	70.00
4801003	4/04/2024	Searle Fasteners Pl	Workshop expenses	117.12
4801003	4/04/2024	Coles	Staff amenities	3.95
4801003	4/04/2024	Coles	Fuel	134.26
4801003	4/04/2024	Searle Fasteners Pl	Fixed Plant Maintenance	157.85
4801003	4/04/2024	Coles	Staff amenities	2.95
4801003	3/04/2024	Amazon Web Services	Digital platform expenses	168.66
4801003	3/04/2024	Lighthouse Locksmith	Office expenses	39.60
4801003	1/04/2024	Adobe	Monthly subscription	39.59
4801003	2/04/2024	Coles	Staff amenities	3.95
4801003	28/03/2024	Anydesk.Com	Annual license	386.38
4801003	28/03/2024	Bunnings	Site Maintenance	66.61
4801003	28/03/2024	Insight Call Centre	Telephone	171.00
4801003	28/03/2024	Idw	Office expenses	141.70
4801003	28/03/2024	Facebk	Advertising & Promotion	40.00
Credit Card Purchases - April 2024				7,375.88