



**Resource  
Recovery  
Group**

Recycle. Innovate. Educate.

# **ANNUAL REPORT 2023-2024**





## Contents

Introduction	3
About Resource Recovery Group	3
Chair's Report	5
Chief Executive Officer's Report	6
Regional Councillors	9
Governance	12
Planning for the Future	12
2023-2024 Achievements	15
Statutory Requirements	20
Financial Indicators and Results	23
Financial Reports (including the independent auditor's report)	24



### Acknowledgement of Country

We wish to acknowledge the Traditional Custodians of the land we are working on, the Whadjuk Noongar people, and pay our respects to their Elders past and present.

## Introduction

Resource Recovery Group's 2023 – 2024 Annual Report consists of two distinct sections:

Section 1 – Overview and Achievements

Section 2 – Annual Financial Report

This Annual Report adheres to the guidelines outlined in Section 5.53(1) of the Local Government Act 1995. The Resource Recovery Group's Annual Report can be obtained by:

Visiting our official website: [resourcerecoverygroup.com.au](https://resourcerecoverygroup.com.au)

Telephoning: 08 9329 2700

Email: [admin@resourcerecoverygroup.com.au](mailto:admin@resourcerecoverygroup.com.au)

Visit our Administration office: 9 Aldous Place  
Booragoon WA 6154

## About Resource Recovery Group

Resource Recovery Group (RRG), formerly the Southern Metropolitan Regional Council (SMRC), stands at the forefront of resource recovery excellence with proven supply chains and impressive recovery rates.

At the Resource Recovery Group, we:



**Recycle** materials to their highest practical value



**Innovate** and implement new approaches to recycling and resource recovery



**Educate** by providing tools to recycle right, reduce waste and live more sustainably

Resource Recovery Group is part of the Perth metropolitan area, representing one of five regional councils, and functions as a local government entity. Established in 1991, our roots lie in the creation of forward-thinking and sustainable waste management solutions that benefit communities and the environment alike.

At the heart of our operations is a state-of-the-art 100-million-dollar facility at Canning Vale. This facility receives, recycles, and processes waste from our member local councils (Town of East Fremantle, City of Fremantle, and City of Melville), as well as from other metropolitan and regional councils, private customers, and the wider community.

Resource Recovery Group boasts a comprehensive range of facilities and capabilities, including:

- **Materials Recovery Facility (MRF):** Utilising cutting-edge systems and equipment to recover recyclables from yellow-lidded bins.



- **FOGO Processing Facility:** Aligned with a progressive State waste strategy, this facility effectively processes food organic and garden organic waste. We hold extensive experience, licenses, and quality assurance in organic processing.
- **Green Waste Facility (GWF):** This facility receives clean green waste gathered from council verge collections.
- **Auditing Facility:** Conducting meticulous audits on waste, recycling streams, or material products, enhancing operational efficiency.
- **Recycle Right Education Program:** We encourage and support residents and businesses in recycling, waste reduction, and the purchase of recycled products through digital resources, tours, incursions, and events.

In 2021, SMRC rebranded as Resource Recovery Group to align with our evolving business landscape and expanding customer base.

Resource Recovery Group remains steadfast in its commitment to assist the State Government in achieving waste diversion targets set in the WARR Strategy 2030. We proudly employ over 55 dedicated staff and provide work opportunities for 100 local small businesses and contractors each month.





## Chairperson's Report

As Chair, I am pleased to present the Resource Recovery Group's Annual Report for 2023-2024. The financial year 2023-2024 heralded a host of changes for the Resource Recovery Group, our member councils, and the waste industry.

Cr Doug Thompson stepped down from his Chair duties of the Resource Recovery and I was honoured to be selected as the Resource Recovery Group's standing Chair. Cr Doug Thompson has made an indelible imprint on the fabric of the Resource Recovery Group's operations, delivering leadership and guidance as our regional council delivered consistent state-leading recovery rates for FOGO and recyclables whilst proactively fostering interconnectivity between local governments'



approach to waste infrastructure and cross-council collaboration. Doug's vision to transform the region into a bastion of waste sustainability has been achieved, and he is responsible for laying the foundations for the region to take the next step towards net-zero and maximising waste avoidance. On behalf of the resource recovery and its long history, we extend our heartfelt appreciation to Doug for his outstanding leadership, commitment to sustainability, and the future.

With the announcement of the withdrawal of the Town of East Fremantle in July 2024 and the Cities of Melville and Fremantle in July 2025, the Resource Recovery Group is working closely with member councils and the City of Canning on a new structure that will provide our region with uninterrupted kerbside resource recovery services and circular economy outcomes. The continuation of the Resource Recovery Group Canning Vale Centre will ensure that Western Australia will continue to have access to our state-of-the-art Material Recovery Facility, dedicated audit facility, and Perth's only metropolitan FOGO pre-processing facility.

From July 1st, 2026, the Department of Climate Change, Energy, the Environment, and Water's introduction of a 5 percent contamination limit for regulated paper and cardboard exports will take effect. This poses significant challenges for the waste industry. In a collaborative effort across State and regional partners, we have planned to implement innovative waste material recovery technology that will be retrofitted to our Material Recovery Facility. This will heighten our already impressive recovery rates and ensure that we continue to reach all material markets available, delivering the best financial outcomes for our commercial partners and member councils.

Across Australia, the waste industry is facing an increasing number of batteries being placed into kerbside bins. Incorrect disposal of batteries is causing fire damage to waste infrastructure and endangering lives. Our Material Recovery Facility separates up to 1000kgs of batteries from comingled recycling a month. As a part of our WHS processes, we have introduced hands-on training to identify risks, enhance procedural responses, and critical reporting and reflection.

This has resulted in every battery fire incident being quickly identified, acted upon, and ameliorated. These incidents have provided footage that Recycle Right, our waste education arm, has utilised to educate not only our regional community but also the State. Incorporating the Department of Water and Environment Regulation's assets, our educational material has



reached hundreds of thousands of residents and has helped contribute to a growing awareness of the correct disposal of batteries.

In closing, I would like to extend my gratitude to my fellow regional councillors Mayor Hannah Fitzhardinge and Cr Andrew White and recognize the efforts of the Resource Recovery Group's Acting CEO, Brendan Doherty, and his leadership in the Regional Executive Group.

Being chosen to undertake the role of Chair of the Resource Recovery Group is a privilege and a great responsibility. We will continue to realise our visions of maximising material recovery and minimising climate impact and also canvass for change in the waste industry regarding extended producer responsibilities and new packaging covenants. We will continue to serve our commercial and regional partners with the utmost commitment to delivering the best financial outcomes in conjunction with state-leading recovery rates.

**Cr Karen Wheatland**  
**Chair**

## Chief Executive Officer Report

Throughout the year, the Resource Recovery Group continue to fulfil its vision of contributing to a circular economy that is characterised by recycling materials to their highest practical value, reducing waste and lowering carbon emissions. Our objectives to Recycle, Innovate, and Educate inform and guide our corporate actions. In executing our Corporate Business Plan, we have established ourselves as leaders in material recovery rates, waste education, and waste information applications, achieving growth during a period of significant transition and change.

I would like to thank and acknowledge Cr Doug Thompson for his long-term dedication and support after stepping down as Chair of the Resource Recovery Group. I have enjoyed and benefitted greatly from working closely with Cr Thompson on the Canning Vale Centre project over the last 25 years.

The upcoming withdrawal of the Town of East Fremantle from the Resource Recovery Group has prompted a collaborative effort that is aimed at planning for a new service that will ensure uninterrupted resource recovery services and continued pursuit in minimising climate impact waste. It is with pride that the Resource Recovery Group can lay the groundwork for a new arrangement to continue the innovative and groundbreaking accomplishments of our organisation.

Our dedicated team continues to be a driving force behind our achievements, and I would like to thank all staff for their continued dedication and loyalty during this transitional phase.

Over the financial year we have continued to deliver best practise resource recovery services to our member councils and commercial partners. Our





reputation for efficient and sustainable business partnerships has allowed us to maintain our good relationships with our commercial partners but also to meet their additional needs. The City of Kalamunda are transitioning to the three-bin FOGO system, and we will begin to receive their FOGO waste at our FOGO Processing Facility next financial year. The FOGO material will be processed and then be sent to Purearth to be further processed and made available for market. We look forward to the opportunities that FOGO presents for the City of Kalamunda and will continue to ensure they have access to the State's best recovery rates.

Both our Material Recovery Facility and FOGO Processing Facility have undergone substantial efficiency improvements following critical appraisals of our processes and procedures. The redesign of our FOGO floor has increased the throughput of FOGO material. Adjustments in how material is handled in our Material Recovery Facility has impacted our operations in two crucial ways increasing throughput and secondly identifying contamination more efficiently.

We continue to achieve industry leading recovery rates approaching 90% and I look forward to further increasing this result with new initiatives planned.

A growing focus in the waste industry is the financial, environmental and operational impacts on the transport of waste materials. The Resource Recovery Group have been developing solutions on how to minimise transport through the redevelopment of infrastructure for waste transfer and accompanied planning for logistical efficiencies. Delivering a more efficient transport model for waste allows Resource Recovery Group to work with partners to achieve circular economy outcomes.

Our educational arm, Recycle Right, has also undergone substantial changes in its service offerings by producing new digital school lessons aligned with the curriculum, designing engaging new educational games to connect with the community, becoming a leader in social media waste communications, and redeveloping the Recycle Right app for Google and Android to include push notifications. Thanks to our innovative approach to education, we have positioned ourselves as leaders in shaping behaviour change. This has resulted in a twenty percent increase in Recycle Right's membership over the year and more than 1000 site visitors and 100 application downloads per week.

Our member councils and the Resource Recovery Group are working hard with key stakeholders to realise the full potential of Recycle Right for the benefit of all Western Australians by transitioning the RRG initiative to a state based organisation. It is a great achievement of our member councils and the Resource Recovery Group that we were able to develop this pivotal piece of State education infrastructure.

Our facilities provide state-leading resource recovery rates and enable Western Australians to maintain system resilience in a diverse and challenging circular economy sector.

I would like to acknowledge the support of our new Chair Cr Karen Wheatland, Regional Councillors, the Regional Executive Group and their teams and all Resource Recovery Group employees, for their efforts and contribution throughout the year.

**Brendan Doherty**  
**Acting Chief Executive Officer**







## Regional Councillors

Following the local government elections in October 2023, we farewellled Cr Doug Thompson who had been a member of the RRG Council since 1994. We would like to sincerely thank Cr Thompson for his extraordinary contributions during his time with the Resource Recovery Group.

### Our elected members from November 2023 to June 2024 are:

#### 1. **Cr Karen Wheatland**, Chair since November 2023

Cr Wheatland is in her second term as an elected member, first being elected in 2017, at the City of Melville and is their representative on the Council. She is the Resource Recovery Group's representative on Municipal Waste Advisory Group, (MWAC) and is currently a Deputy on the Local Government Advisory Board, with her term ending in 2024.



Cr Wheatland is excited to participate in the waste sector as there is such an opportunity to divert waste from landfill and to play a big part in reducing the rate of growth of emissions from methane into the atmosphere. With more waste diversion through FOGO, the group has received credit through Federal Government approved carbon offsets, from composting the organic fraction of the waste stream from landfill to FOGO. A strong advocate for FOGO, Cr Wheatland is looking forward to being a part of the Resource Recovery Group and to help grow this stream that will give the Resource Recovery Group's customers the opportunity to develop a new revenue stream from processing FOGO.

#### 2. **Mayor Hannah Fitzhardinge**

Hannah Fitzhardinge was elected Mayor of Fremantle in 2021, having served as a Councillor since 2016.

A graduate of the Australian Institute of Company Directors, Hannah has served on the Rottnest Island Board and the boards of Integral Development Pty Ltd, The Beehive Montessori School and ARTRAGE and brings extensive governance experience to the RRG table. Her professional experience has included leadership development, stakeholder engagement, communications, crisis and issues management and government relations.

In joining the RRG, Hannah hopes to continue the strong advocacy for best practice waste minimisation that has been a legacy of the City of Fremantle's involvement in the organisation.



### 3. Cr Andrew White

Cr Andrew White is currently serving his second consecutive term as a dedicated member of the Town of East Fremantle. He takes great pride in representing East Fremantle as a councillor on the Resource Recovery Group. Possessing a Bachelor of Science (Forestry) and more recently, a Master of Teaching degree,

Cr White's professional journey has been diverse. He has notably worked as a Professional Forester and has managed and operated both private and publicly listed companies in Australia and overseas. In his current capacity, Cr White is engaged in various spheres, including local government, the education sector, and providing support to companies involved in establishing commercial carbon plantations in different states.

Cr White harbors a deep commitment to enhancing the environmental footprint of urban living. His focus encompasses mitigating heat buildup through urban tree planting, reducing carbon emissions, and, most significantly, driving cost-effective and efficient waste reduction efforts. He is dedicated to promoting the recovery and sale of valuable products derived from waste, furthering the Resource Recovery Group's mission.





Following local council elections in 2023, Mayor Fitzhardinge (City of Fremantle) joined the Council in November 2023 replacing Councillor Thompson.

Council	Regional Councillor	Regional Executive Group
City of Melville	Cr Karen Wheatland	Mr Mick McCarthy, Mr Paul Molony
City of Fremantle	Cr Doug Thompson/Mayor Hannah Fitzhardinge	Mr Graham Tattersall, Mr Matt Hammond
Town of East Fremantle	Cr Andrew White	Mr Nick King, Mr Peter Kocian

### Committees and their members

Audit & Risk Committee	Stakeholder Relations Committee	CEO Performance Review Committee
The committee reviews the audit function and performance and risk management processes.	The committee reviews, considers and discusses RRG's communication strategy.	The committee reviews the CEO's performance.
Cr Karen Wheatland Cr Andrew White Mayor Hannah Fitzhardinge (Presiding Member)	Cr Karen Wheatland (Presiding Member) Cr Andrew White Mayor Hannah Fitzhardinge	Cr Karen Wheatland (Presiding Member) Mayor Hannah Fitzhardinge Cr Andrew White
Observers: Mr Brendan Doherty Mr Tama Tafua	Observers: Mr Brendan Doherty Mr Luke Stewart	

### Members Meeting attendance 2023-2024

	Cr Doug Thompson	Cr Karen Wheatland	Mayor Hannah Fitzhardinge	Cr Andrew White
Ordinary meeting of Council	1/1	4/4	3/3	3/4
Special meeting of Council	2/2	6/6	4/4	4/6
Audit & Risk Committee	-	2/2	2/2	0/2
Stakeholder Relations Committee	-	-	-	-
CEO Performance Review Committee	1/1	4/4	3/3	4/4

### Council Member Remuneration 2023-2024

	Cr Doug Thompson	Cr Karen Wheatland	Mayor Hannah Fitzhardinge	Cr Andrew White
Chair allowance	\$5,523	\$9,133	-	-
Deputy Chair allowance	-	\$1,449	\$2,283	-
Meeting fees	\$4,360	\$10,644	\$5,078	\$8,243
<b>Total</b>	<b>\$9,883</b>	<b>\$21,226</b>	<b>\$7,361</b>	<b>\$8,243</b>

## Governance

The Establishment Agreement, originally approved in 1998, provides for the regional purpose of the Resource Recovery Group and to undertake a range of projects and services on behalf of participant local governments to share resources in best practice waste management resource recovery and environmental solutions.

Due to the age of the Establishment Agreement in 2022 members agreed to undertake a review of the Establishment Agreement, including a review of our regional purpose, to ensure that the governance structure is aligned to the business model.

Following endorsement of the draft new Agreement by the Regional Council, feedback was sought from participant local governments on the proposed changes. We are pleased to announce that the changes were also endorsed by all participants and the draft new Establishment Agreement was forwarded to the Minister for Local Government for approval.

### **Withdrawal of Member Participants**

In June 2023, the Town of East Fremantle advised of their intention to withdraw from the Regional Local Government and all associated Projects with effect 1 July 2024.

In November 2023 the City of Melville resolved to withdraw from the RRG and all associated Projects with effect 1 July 2025.

Noting the decision by the City of Melville, in May 2024 the City of Fremantle also resolved to withdraw effective from 1 July 2025.

Both the City of Melville and City of Fremantle remain committed to ensuring that the core functions undertaken at the Canning Vale Centre continue to operate after their withdrawals and formed a “Waste Management Collective” incorporating the City of Canning. The aim to explore and evaluate service model options that would ensure the continuation of the core services provided by RRG at the Canning Vale Centre under an alternate operating model following their withdrawals.

The City of Fremantle resolution to withdraw incorporated CEO delegation for the withdrawal date to be extended if required for the purpose of ensuring service continuity during an extended transitional or decommissioning phase of the RRG wind up.

Whilst the work being undertaken by the Project Group is promising, the evaluation of alternate service models and transitional arrangements is complex and to provide for this it is anticipated that the Cities of Melville and Fremantle will extend their withdrawal dates until at least 31 December 2025.

RRG are working closely with all parties involved and remain committed to maintaining business-as-usual operations and state leading environmental performance throughout the transition and into the future.



## Planning for the Future

At the 2022 Strategic Directions Workshop it was agreed to undertake a significant review of our Vision, Mission and strategic direction. Our Vision and Mission were re-imaged and were underpinned by our three core Objectives – Recycle, Innovate & Educate. Each Objective is underpinned by Key Focus Areas which are further supported by a range of Projects. These Key Focus Areas and Projects are key in measuring our priorities and progress.

<b>VISION</b>	<b><i>A circular economy with less waste and lower carbon emissions</i></b>		
<b>MISSION</b>	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.		
<b>OBJECTIVES</b>	<b>Recycle</b> materials to their highest practical value	<b>Innovate</b> and implement new approaches to recycling and resource recovery	<b>Educate</b> by providing tools to recycle right, reduce waste and live more sustainably

In February 2024 the Council resolved to suspend the annual strategic planning process in favour of transition planning to reflect the future withdrawal of the Cities of Melville & Fremantle. As such no strategic review was conducted in 2023-2024. Our corporate business plan was updated to reflect the transitional planning process as the key objectives for the 2024-2025 year.



## Integrated Planning and Reporting Framework

The Annual Report measures our progress against priorities that were developed in consultation with the community and documented in Resource Recovery Group's long-term vision, the Strategic Community Plan 2022-2032.

Resource Recovery Group's Corporate Business Plan 2024–2028 provides clarity on the initiatives and services that the Regional Council is planning or implementing over the next four years, with emphasis on the delivery of the strategic priorities outlined in our Strategic Community Plan 2022-2032.

These two key strategic documents are then underpinned by a number of informing documents including, but not limited to, the Long-Term Financial Plan, Asset Management Plans, Workforce Plan and issues or area-specific plans (see Figure 1).

All local governments within Western Australia, including Regional Councils, are required to plan for the future in accordance with section 5.56(1) of the Local Government Act 1995 (WA) and adopt an integrated planning and reporting framework.

### Plan for the Future

Section 5.53(2)( e) of the Local Government Act 1995 requires local governments to provide an overview of the plan for the future of the district, made in accordance with s 5.56, including major initiatives that are proposed to commence, or to continue, in the next financial year (FY). The Regional Council adopted the Corporate Business Plan 2024-2028 on 27 June 2024.

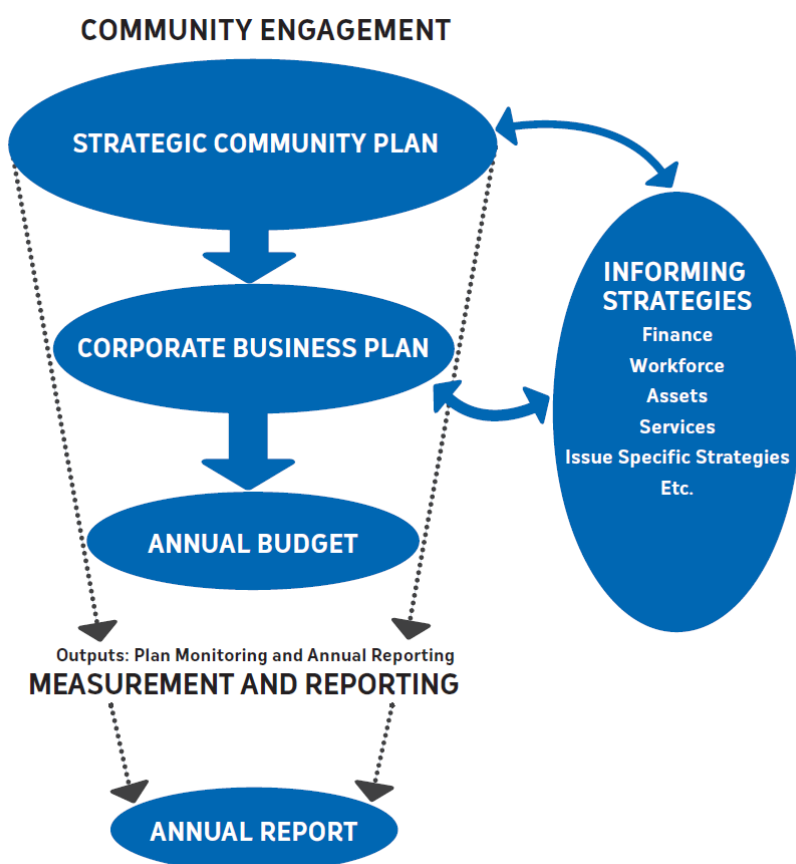


Figure 2 - Department of Local Government and Communities - Integrated Planning & Reporting Framework and Guidelines, 2016



## Measures

Each year we report on our achievement of our Objectives by using the following Measures:

Objective	Performance Indicator	How will it be measured	2023/24	2024/25	2025/26	2026/27
<b>Recycle</b>	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)	8%	<6%	<5%	<5%
		Red Bin Residuals (waste Audits)	<40%	<30%	<25%	<25%
	Key stakeholders are satisfied with our performance	Stakeholder survey	80%	80%	80%	80%
	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
<b>Innovate</b>	Number of lost time incidents (LTIFT)	Number of lost time injuries	0	0	0	0
	We are acknowledged as a leader in waste management and resource recovery	Community survey	>80%	>80%	>80%	>80%
<b>Educate</b>	Community awareness of the Recycle Right brand	Community survey	>50%	>50%	>50%	65%
	Number of community contacts	Number of persons receiving waste education from RRG, e.g. tour visitors, community and school education, awareness programs run by RRG	>5,000	>5,000	>5,000	>5,000
	RecycleRight Website	Number of hits on the RecycleRight website	>60,000	>60,000	>60,000	>60,000

## 2023-2024 Achievements

### Materials Recovery

The State's Waste Avoidance and Resource Recovery Strategy 2030 targets for 2023-2024 Municipal Solid Waste (MSW) material recovery in Perth Metro is 65% and the Regional Council's participating local governments are currently achieving this rate.

This refers to material recovered from landfill that has been collected from kerbside (recyclables and FOGO material).

It is anticipated that when residual waste from the General Waste bin is diverted to a waste-to-energy plant, the percentage of waste recovered will increase significantly to around 75%.

The number of tonnes of the region's waste processed at each of Canning Vale's facilities during 2023-2024:

### Materials Recovery

- 37,346 tonnes
- 82.1% recovered

### Green Waste

- 9,557 tonnes
- 100% recovered

### FOGO Processing

- 27,461 tonnes
- 92.5% recovered

This represents 88.2% material recovery rate from landfill.

Notes: Excludes all RED bin General Waste

Includes all waste received and processed at the Canning Vale Centre (members and commercial customers)







## Recycle materials to their highest practical value

### KEY FOCUS AREA

Deliver practical solutions that maximise material recovery

The **FOGO Processing Facility** is under constant evaluation procedures to maximise throughput and recovery. By marrying the distances between materials, shredder and trommel operator efficiencies are increased and produces a reduction in fuel consumption.

The timing between each additional load into the process allows consistent revolutions per minute of trommel speed. The consistency allows a more predictable throughout rate and increases the facility recovery rate.

The new floor layout also allows better dispersion of materials on the tip floor, allowing our operators to identify any hazardous waste risks and contamination issues.




**Material Recovery Facility** throughput has been drastically increased whilst also allowing a better process to identify dangerous contaminants such as batteries. The adjustment of conveyor belt speeds and material steps has created an even spread of recyclable materials over the belt.

The even distribution of recyclables on the belts has resulted in higher rates of identification of hazardous contaminants in all cabins resulting in safer material recovery processes. The even spread means there is less requirement to manually spread material and therefore more time to scan, identify and retrieve contaminants.

Plastic recovery testing regime was effectuated this financial year to increase the accuracy of plastic sorting. Comprehensive plastic audits in conjunction with recording how each screen separates plastics allowed RRG to ascertain key leverage points to change in the system of plastic recovery.

Mixed, PET and HDPE plastic bunker monitoring indicated how the Material Recovery Facility can adjust screens to better categorise each stream of plastic. Continued monitoring, adjustments and testing is expected to gain a lower contaminate percentage in HDPE and PET plastics bales.

Glass fines recovery has increased due to a number of adjustments in the separation of dust in fines and over 10mm glass streams. By changing the design of the Glass Dust Collector vacuum, we have been able to develop a better process with how air interacts with glass and contaminant material. This has resulted in a decrease in dust in both fine and over 10mm glass streams and ensures we are sending cleaner and more valuable glass products to market.

 <b>Recycle</b> materials to their highest practical value	
<b>KEY FOCUS AREA</b>	Form viable partnerships to optimise business sustainability

Our commercial partnerships with the Town of Cottesloe and the Cities of Canning, Wanneroo, Perth and Kalamunda continues to develop with importance placed on sustainability, recovery rates and safety. By working together, we are leading the State in recovery rates, and we are optimistic about how our collaborations can further our business partners' respective waste strategies and circularity plans.

 <b>Innovate</b> and implement new approaches to recycling and resource recovery	
<b>KEY FOCUS AREA</b>	Deliver solutions that are environmentally sustainable & add value to recovered products

Preliminary design investigation has been completed aimed at identifying ways to increase recovery of paper material through technology and process. The primary focus is on proven technology including ballistic separation and optical sorting technologies

RRG continues to build partnerships with industry to recycle commodities that are included in Australia's export quality requirements including mixed plastic and paper and cardboard materials. Solutions include improving the quality of recycled products processed through upgrades to our Canning Vale Centre plant and equipment and supporting new local businesses in the circular economy space by supplying recovered products for remanufacturing.





**Educate** by providing tools to recycle right, reduce waste and live more sustainably

**KEY FOCUS AREA**

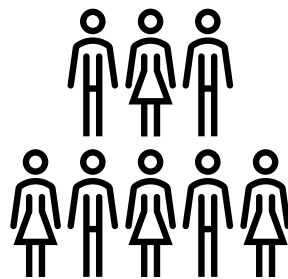
Be a leader in facilitating social change to increase material recovery and reduce climate impacts through education

The Department of Water Environment and Regulation worked with the Resource Recovery Group for their upcoming E-waste ban campaign. The collaboration resulted in an influx of traffic to the Recycle Right website and web application and has also increased the financial viability of our digital assets. The collaboration has also seen a thirty percent increase in data points in our Find My Nearest feature, making our online assets the most up to date, frequented and valuable source of waste information in the State.

A part of the retail strategy for FOGO is to increase the awareness of Resource Recovery Group's FOGO compost bag. Working with the cities of Fremantle and Melville we hosted FOGO compost bag giveaways in tandem with promoting the Recycle Right application. Digital assets were created and dispersed and were viewed 15,000 times in the community.

Resource Recovery Group welcomed new Recycle Right members to the community. The cities of Belmont, Kalamunda, Bunbury, and the shires of Dardanup, Chittering, York and Gin combine for a total population of over 160,000 residents now able to access Recycle Right's waste education offerings.

**Our Workforce**



**54**

65%

Full-time Staff

13%

Young Person (under 25)

50%

Culturally & Linguistically diverse

4%

Disability

2%

Aboriginal & Torres Strait Islander

46%

Women

## Wellbeing

During 2023-2024 Resource Recovery Group continued supporting staff health and wellbeing through a range of activities that support and recognise the needs of our employees. These activities provide an opportunity to bring together our workforce and provide regular communications. Initiatives included healthy eating, physical wellbeing and mental wellbeing.

In 2023-2024 our activities included:

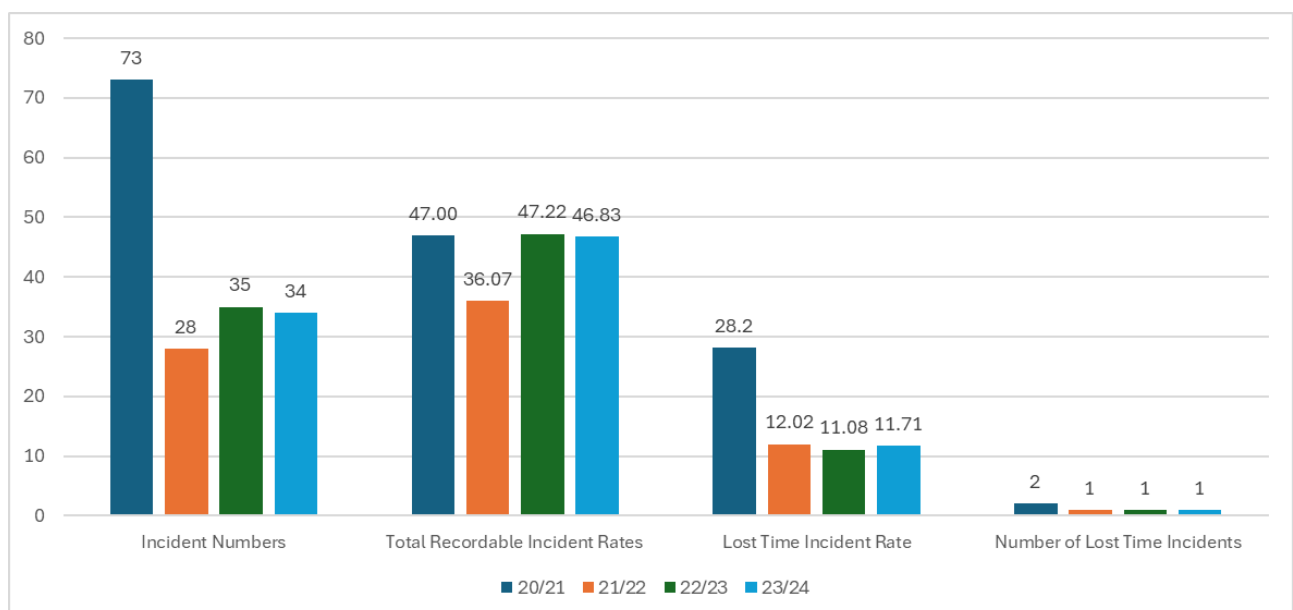
- ✓ Resilience Workshop
- ✓ STAR Award - Recognising a “STAR” as nominated by colleagues for displaying our values in the workplace
- ✓ R U OK Day
- ✓ Weekly fruit boxes at CVC
- ✓ Community Garden -staff come together to contribute to the upkeep and planting of our community garden
- ✓ Emotional Intelligence
- ✓ Flu vaccinations
- ✓ Skin Cancer checks
- ✓ Stretch Workshops
- ✓ Step Challenge
- ✓ Soup-er Mondays



## Work Health and Safety

Work Health and Safety is a key focus for the organisation due to the nature of our activities. WHS is practised by every worker from the front line through to senior leadership. In this financial year we have further improved reporting, while decreasing hazards, near misses, and serious incidents per hours worked.

Our goal is to ensure our workers leave safely at the end of their shifts.





# Statutory Requirements

## Complaints

Section 5.121 of the Local Government Act 1995 requires that we maintain a register of certain complaints and minor breaches and in accordance with Regulation 19B of the Local Government (Administration) Regulations 1996 it is a requirement to report any complaints and amounts in relation to such breaches by Councillors during the year.

There were no complaints reported for the period 1 July 2023 - 30 June 2024. There were no amounts ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made.

Resource Recovery Group made no payments relating to remuneration and allowances paid to standards panel members.

## Disability Access and Inclusion Plan

The *Disability Services Act 1993* requires all WA public authorities to develop and implement a Disability Access and Inclusion Plan to ensure that people living with disability can access all information, services and facilities provided by local government.

Our plan adopted in February 2021 identified opportunities in eight outcome areas. A review of the plan is undertaken and annually submitted to the Department of Communities.

Resource Recovery Group is committed to ensuring that our events, facilities and information are as accessible as possible for people with disabilities.

Our achievements include:

- Installing access ramps at our Canning Vale facility to ensure people with disabilities can enjoy the same tour experience as everyone else. As a result of installing these ramps, all visitors can now easily navigate our paths and fully participate in the tours. This improvement has made our tours more inclusive, providing equal opportunities for enjoyment and engagement to everyone, regardless of physical abilities.
- Adding high-contrast text options to our website to improve accessibility for people with disabilities, allowing those with visual impairments to navigate and interact with our site more easily. As a result, all visitors, regardless of their visual abilities, can now access information and services in a format that enables them to access the information as readily as other people.
- Fostering an equal opportunity ethos among staff by highlighting days of significance in newsletters, sharing articles on noticeboards, and providing new starters with a Belonging and Inclusion form to share any workplace adjustments and support needed. The result is a more supportive and understanding environment where everyone can thrive, reflecting our commitment to accessibility and inclusivity.

## Record Keeping Plan

A five-yearly review of the council's Record Keeping Plan was undertaken in December 2021 and submitted to the State Records Commission. The Commission approved the continuation of our Plan, and a further review is expected in December 2024.

## RRG Annual Environmental Compliance Reports for 2024

The Resource Recovery Group (Canning Vale Centre) is required to provide the following environmental/compliance reports to regulatory authorities:

- 1) Annual Environmental Report for Licence L7799/2001/8 to the Department of Water and Environment Regulation (DWER); and
- 2) Annual Audit Compliance Report for Licence L7799/2001/8 (FPF-GWF, Lot 77 and part Lot 78) to the DWER;
- 3) Annual Audit Compliance Report for Licence L9238/2020/1 (MRF, part Lot 85) to the DWER;
- 4) RRG MS-517 Annual Compliance Report to EPA-DWER.



### 1) Annual Environmental Report (1 July 2023 to 30 June 2024) Dated 26 July 2024

The Annual Environmental Report (AER) is submitted to the Department of Water and Environment Regulation (DWER), Program Manager, Environmental Regulation Unit to fulfil General Conditions 42 and 43.

The AER contains monitoring data or other collected data as required by any condition within the licence over the year starting from 1st July 2023 to 30th June 2024 as a pursuant within licence L7799/2001/8 issued under part V of the Environmental Protection Act 1986, amended 5 January 2023 for Part Lots 77 and 78 Bannister Road, Canning Vale, located at the Canning Vale Centre (CVC), Resource Recovery Group (RRG).

### 2) Annual Audit Compliance Report L7799/2001/8, Dated 26 July 2024

Reports non-compliance matters during the reporting period 1/7/2023 to 30/6/2024.

### 3) Annual Audit Compliance Report L9238/2020/1, Dated 26 July 2024

Reports non-compliance matters during the reporting period 1/7/2023 to 30/6/2024.

### 4) 4) RRG MS-517 Annual Compliance Report (27 Oct 2022 to 26 Oct 2023), Dated 6 November 2023

Required under Ministerial Statement #517 Condition 8.1 dated 30 July 1999.

Submitted to the Director of the Department of Water and Environment and Regulation (DWER) by 8 November of each year. The report indicates the extent to which the licensee has complied with the proponent commitments of the Ministerial Statement #517, and any previous conditions issued under Part IV of the Act for the Premises, during the period beginning 27 October and ending on 26 October.





### Public Interest Disclosure

The Public Interest Disclosures Act 2003 facilitates the disclosure of public interest information and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken. There were no Public Interest Disclosure requests received during the period 2023-2024.

### Capital Grants

Grant	Provider	Purpose	Amount	Year
WasteSorted Infrastructure Program	State Government	Replacement Trommel – arrived 2023	\$250,000	2021-2022
WasteSorted Infrastructure Program	State Government	FOGO Facility Upgrades	\$200,000	2022-2023

### Remuneration

In accordance with Regulation 19B of the Local Government (Administration) Regulations 1996 RRG is required to disclose the number of employees with an annual cash salary of more than \$130,000. The number of employees with an annual salary entitlement that falls within each band above \$130,000 is as follows:

\$130,000-\$140,000	1
\$150,000-\$160,000	1
\$170,000-\$180,000	1
\$240,000-\$250,000	1

The approved total remuneration package for the CEO for the 2023/2024 financial year was \$338,609.

### Freedom of Information

The Freedom of Information Act 1992 (FOI) allows the public the right to apply for access to information held by Resource Recovery Group. The Act requires the adoption of a Freedom of Information Statement to be reviewed annually.

During 2023 we undertook a review and updated our Freedom of Information Statement. The updated statement has been lodged with the Office of the Information Commissioner and is also available on our website.

There were no FOI applications received during 2023-2024.

# Financial Indicators and Results

## Highlights

- The EBITDA result of \$1.21M in FY2023-24 (Negative EBITDA \$0.18M FY2022-23). The positive EBITDA is due to an increase in customer tonnes, improved sales price of recyclable products and operational, efficiency.
- Cash balance decreased by \$0.49M, to a closing balance of \$4.27M and term deposits with more than 90 days maturity (classified as other financial assets) decreased by \$0.64M, to a closing balance of \$5.42M.

## Results

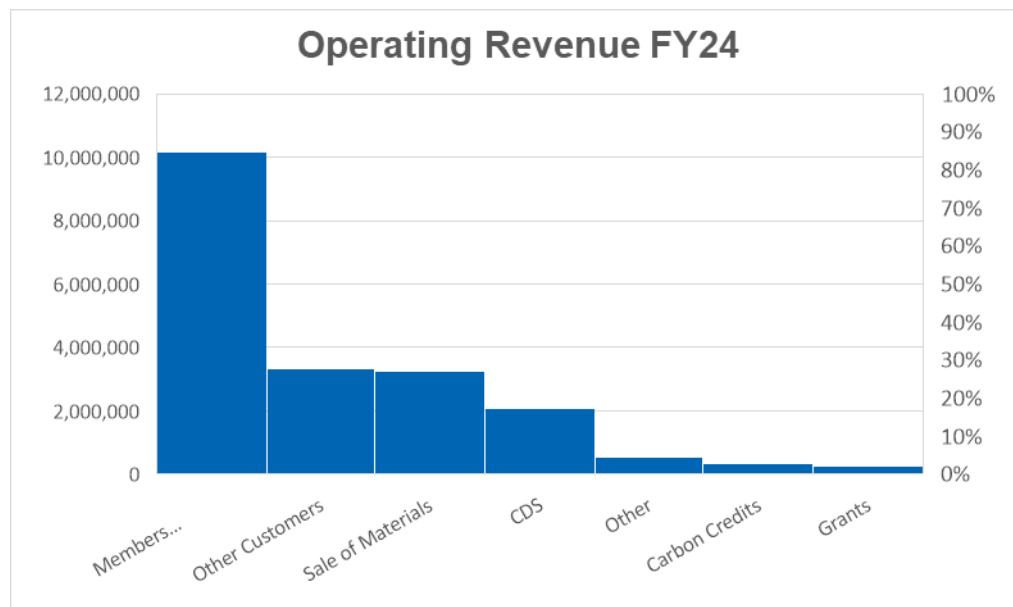
	YTD ACTUAL Jun-24 (\$M)	YTD ACTUAL Jun-23 (\$M)	CHANGE
REVENUES	\$19.94	\$16.75	\$3.18
EXPENSES	\$22.42	\$32.82	-\$10.39
<b>NET RESULT</b>	<b>-\$2.49</b>	<b>-\$16.07</b>	<b>\$13.58</b>
ADD BACK: DEPRECIATION	\$3.69	\$4.74	-\$1.05
ADD: IMPAIRMENT of ASSET	\$0.00	\$11.15	-\$11.15
ADD/ LESS: REVAL. LOSS/ REVERSAL	\$0.00	\$0.00	\$0.00
<b>RESULT (EBITDA)</b>	<b>\$1.21</b>	<b>-\$0.17</b>	<b>\$1.38</b>
CASH AT BANK & SHORT TERM DEPOSIT	\$4.27	\$4.76	-\$0.49
TERM DEPOSIT WITH MORE THAN 90 DAYS MATURITY	\$5.42	\$6.06	-\$0.64
RESERVES	\$9.09	\$10.13	-\$1.05
OUTSTANDING LOANS	\$1.71	\$1.80	-\$0.09
<b>NET ASSETS</b>	<b>\$11.40</b>	<b>\$13.90</b>	<b>-\$2.50</b>



## 1. Statement of Comprehensive Income

### 1.1 Revenue

The FY24 total operating revenue is \$19.94M (\$16.75M FY23)

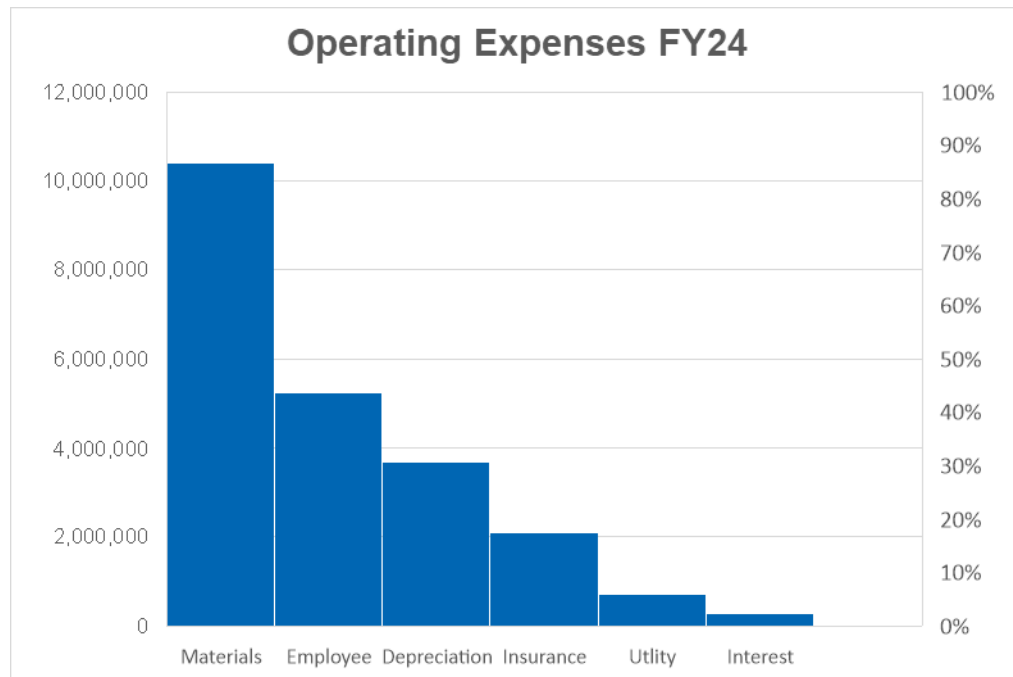


The change compared to the previous year relates to the increase in all the income categories resulting in reduction in member's contribution.

	Change
• Members (Contributions & Fees and Charges)	(\$0.84M)
• Customer Fees and Charges	\$0.85M
• Sale of Materials, CDS and Carbon Credits	\$2.74M
• Interest Earnings	\$0.10M
• Other Revenue	\$0.33M
<b>Total</b>	<b>\$3.18M</b>

## 1.2 Expenditure

The FY24 total operating expenditure is \$22.42M (\$21.66M FY23)



Changes as compared to the previous year relates to the higher costs of most services and is explained in expenses as follows:

	Change
• Employee costs	(\$0.21M)
• Materials and contracts	(\$1.50M)
• Utility	(\$0.04M)
• Depreciation	\$1.05M
• Interest Expense	\$0.12M
• Insurance	(\$0.18M)
<b>Total</b>	<b>(\$0.76M)</b>



### 1.3 Net Result for the Year

The following is an explanation for the net result loss of \$2.48M shown in Statement of Comprehensive Income.

The **EBITDA** is an alternative internal measure for reporting a net result. Applying EBITDA, the net result is a \$1.21M (see table below).

Reconciling our financial results

Measure	Underlying (EBITDA)		
	EBITDA stands for: Earnings before interest, taxes, depreciation & amortisation.		
Why do we use this	Underlying EBITDA is a key alternative performance measure that management uses internally to assess the financial performance by removing expenses that are irrelevant in understanding actual financial results for the year ended.		
Adjustment		FY24	FY23
	Net Result	(\$2.48 M)	(\$16.07M)
	Add back depreciation	\$3.70 M	\$4.74M
	Add Impairment of WCF assets	0	\$11.15M
Result	<b>EBITDA</b>	<b>\$1.21M</b>	<b>(\$0.18M)</b>

## 2. Statement of Financial Position

- 2.1 **Cash** (note 3) \$4.27M (\$4.76M FY 23) is represented by \$3.32M reserves & \$0.95M bonds, deposits & unspent grants.
- 2.2 **Other financial assets** (note 4) refers to the term deposits having original maturity period of more than 90 days \$5.42M and outstanding borrowings repaid by Participants \$0.09M FY24.
- 2.3 **Other Assets** (note 7) \$0.54M refers to accrued revenue \$0.72M for the June quarter and prepayments of \$0.09M.
- 2.4 **Right of Use Assets** (note 10) refers to the RRRC ground lease. The change in value compared to last year is a remeasurement of the value of the Lease liability and Right-of-use asset with reasonable assumptions and accounting estimates.
- 2.5 **Lease Liabilities** (note 10) (current & non-current liabilities) is \$4.97M (\$5.55M FY23), reduced for the reasons stated in Right of Use Assets.
- 2.6 **Borrowings** (note 12) balance (current & non-current liabilities) is \$1.71M (\$1.80M FY 23), is the loan for Office Accommodation Project, Office building in Booragoon.

No new loans were raised during the year.

2.7 The Council's **net assets and total equity** is \$11.42M (\$13.90M FY 23). The decrease is attributed to net deficit result \$2.48M.

### 3. Statement of Changes in Equity

3.1 The **accumulated deficits** balance as at 30 June 2024 is \$6.14M (\$4.7M FY23). The explanation for the decrease of \$1.44M is below;

- The net deficit result from the statement of comprehensive income of (\$2.48M).
- Net amount of \$1.05M is transferred from the cash backed reserves.

3.2 The **cash-backed reserve** balance as at 30 June 2024 decreased by \$1.05M to \$9.08M (\$10.13M FY23).

The reserve accounts are for the purposes of funding the asset renewal program, contingency & development initiatives, insurance, restoration costs associated with the RRRC lease conditions and provision for travel and conferences.

3.3 The **revaluation surplus** as at 30 June 2024 is \$8.47M which remains unchanged from FY2023 balance.

### 4. Statement of Cash Flows

4.1 The **net decrease in the cash balances** of \$0.49M.

4.2 The **net cash used in operating activities** is \$0.10M.

4.3 The **cash remaining after being used in investing activities** is \$0.19M (\$1.44M FY 23). The amount refers to capital expenditure made during the year and maturity of term deposits having maturity period more than 90 days.

4.4 The **net cash used in financing activities (loans and leases)** is \$0.58M and is in line with budget estimates.

4.4 The **cash balance at the end of the financial year** has increased by \$.49M to \$4.27M (\$4.76M FY23).



## Section 2:

### Financial Reports (including the independent auditor's Report)



**RESOURCE RECOVERY GROUP**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Cash Flows	5
Statement of Changes in Equity	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	
Independent Auditor's Report	

**COMMUNITY VISION**

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.

Principal place of business:  
9 Aldous Place  
Booragoon WA 6154



**RESOURCE RECOVERY GROUP  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

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

**STATEMENT BY CEO**

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

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

Signed on the                      25th day of                      November 2024

  
\_\_\_\_\_  
Acting Chief Executive Officer

Brendan Doherty  
\_\_\_\_\_  
Name of Acting Chief Executive Officer



**RESOURCE RECOVERY GROUP  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>Revenue</b>				
Grants, subsidies and contributions	2(a)	2,353,809	2,616,109	3,054,620
Fees and charges	2(a)	14,716,242	13,909,545	12,115,545
Interest revenue	2(a)	341,382	271,000	238,952
Other revenue	2(a)	2,264,977	2,161,352	1,342,971
<b>Total Revenue</b>		<b>19,676,410</b>	<b>18,958,006</b>	<b>16,752,088</b>
<b>Expenses</b>				
Employee costs	2(b)	(5,229,535)	(5,849,482)	(5,023,246)
Materials and contracts	2(b)	(10,411,975)	(10,337,476)	(8,908,686)
Utility charges	2(b)	(700,379)	(789,424)	(660,768)
Depreciation	8(a)	(3,693,580)	(4,815,819)	(4,740,647)
Finance costs		(293,991)	(340,345)	(414,999)
Insurance	2(b)	(2,092,804)	(2,099,335)	(1,917,248)
Other expenditure	2(b)	0	0	(4,188,229)
<b>Total Expenses</b>		<b>(22,422,264)</b>	<b>(24,231,881)</b>	<b>(25,853,823)</b>
		<b>(2,745,854)</b>	<b>(5,273,875)</b>	<b>(9,101,735)</b>
Capital grants, subsidies and contributions	2(a)	250,000	450,000	0
Profit on asset disposals		38,867	0	0
Loss on asset disposals		0	0	(3,508)
Loss on revaluation of Rehabilitation/Make Good Provision	8(a)	(28,596)	0	0
		<b>260,271</b>	<b>450,000</b>	<b>(3,508)</b>
<b>Net result for the period</b>	21(b)	<b>(2,485,583)</b>	<b>(4,823,875)</b>	<b>(9,105,243)</b>
Impairment of RRRC WCF Assets	15	0	0	(6,963,290)
<b>Total other comprehensive income for the period</b>	15	<b>0</b>	<b>0</b>	<b>(6,963,290)</b>
<b>Total comprehensive income for the period</b>		<b>(2,485,583)</b>	<b>(4,823,875)</b>	<b>(16,068,533)</b>

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





**RESOURCE RECOVERY GROUP  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	NOTE	2024 \$	2023 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	4,269,280	4,756,898
Trade and other receivables	5	1,702,415	1,349,836
Other financial assets	4(a)	5,419,724	6,162,729
Inventories	6	1,239,930	1,271,990
Other assets	7	805,391	541,800
<b>TOTAL CURRENT ASSETS</b>		<b>13,436,740</b>	<b>14,083,253</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	4(b)	1,612,200	1,708,024
Property, plant and equipment	8	12,034,623	14,320,361
Right-of-use assets	10(a)	2,885,403	3,477,427
<b>TOTAL NON-CURRENT ASSETS</b>		<b>16,532,226</b>	<b>19,505,812</b>
<b>TOTAL ASSETS</b>		<b>29,968,966</b>	<b>33,589,065</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	5,796,366	6,187,216
Lease liabilities	10(b)	637,613	582,243
Borrowings	12	95,824	91,976
Employee related provisions	13	389,026	467,024
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,918,829</b>	<b>7,328,459</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	10(b)	4,331,334	4,968,948
Borrowings	12	1,612,200	1,708,024
Employee related provisions	13	75,383	98,181
Other provisions	14	5,614,260	5,582,909
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>11,633,177</b>	<b>12,358,062</b>
<b>TOTAL LIABILITIES</b>		<b>18,552,006</b>	<b>19,686,521</b>
<b>NET ASSETS</b>		<b>11,416,960</b>	<b>13,902,544</b>
<b>EQUITY</b>			
Retained surplus		(6,139,994)	(4,702,513)
Reserve accounts	24	9,085,223	10,133,325
Revaluation surplus	15	8,471,732	8,471,732
<b>TOTAL EQUITY</b>		<b>11,416,960</b>	<b>13,902,544</b>

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 2024**

	NOTE	2024 Actual \$	2023 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Grants, subsidies and contributions		1,751,230	3,504,768
Fees and charges		14,716,242	12,115,545
Interest revenue		341,382	238,952
Goods and services tax received		1,861,312	1,420,111
Other revenue		2,264,977	1,552,820
		20,935,143	18,832,196
<b>Payments</b>			
Employee costs		(5,562,693)	(5,150,030)
Materials and contracts		(10,990,653)	(8,051,572)
Utility charges		(700,379)	(660,768)
Finance costs		(262,640)	(335,913)
Insurance paid		(2,092,804)	(1,917,248)
Goods and services tax paid		(1,422,653)	(1,629,960)
		(21,031,822)	(17,745,491)
<b>Net cash provided by (used in) operating activities</b>	16(b)	(96,679)	1,086,705
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	8(a)	(844,412)	(1,626,865)
Capital grants, subsidies and contributions		250,000	
Proceeds for financial assets at amortised cost		746,849	3,066,886
Proceeds from sale of property, plant & equipment		38,867	0
<b>Net cash provided by investing activities</b>		191,304	1,440,021
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	23(a)	(91,976)	(3,286,955)
Payments for principal portion of lease liabilities	23(b)	(582,243)	(563,566)
Contribution from Project Participants for loan repayments	23(a)	91,976	3,230,390
<b>Net cash (used in) financing activities</b>		(582,243)	(620,131)
<b>Net increase (decrease) in cash held</b>		(487,618)	1,906,595
Cash at beginning of year		4,756,898	2,850,303
<b>Cash and cash equivalents at the end of the year</b>	16(a)	4,269,280	4,756,898

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

RESOURCE RECOVERY GROUP  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2022</b>		6,513,121	10,974,949	15,435,022	32,923,092
Comprehensive income for the period					
Net result for the period		(9,105,243)	0	0	(9,105,243)
Other comprehensive income for the period	15	0	0	(6,963,290)	(6,963,290)
Total comprehensive income for the period		(9,105,243)	0	(6,963,290)	(16,068,533)
Provision for share of City of Canning & City of C	11	(2,952,015)			(2,952,015)
Transfers from reserve accounts	24	1,815,596	(1,815,596)	0	0
Transfers to reserve accounts	24	(973,972)	973,972	0	0
<b>Balance as at 30 June 2023</b>		<b>(4,702,513)</b>	<b>10,133,325</b>	<b>8,471,732</b>	<b>13,902,544</b>
Comprehensive income for the period					
Net result for the period		(2,485,583)	0	0	(2,485,583)
Total comprehensive income for the period		(2,485,583)	0	0	(2,485,583)
Transfers from reserve accounts	24	1,048,102	(1,048,102)	0	0
<b>Balance as at 30 June 2024</b>		<b>(6,139,994)</b>	<b>9,085,223</b>	<b>8,471,732</b>	<b>11,416,960</b>

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 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>OPERATING ACTIVITIES</b>				
Revenue from operating activities				
Grants, subsidies and contributions		2,353,809	2,616,109	3,054,620
Fees and charges		14,716,242	13,909,545	12,115,545
Interest revenue		341,382	271,000	238,952
Other revenue		2,264,977	2,161,352	1,342,971
Profit on asset disposals		38,867	0	0
		19,715,277	18,958,006	16,752,088
Expenditure from operating activities				
Employee costs		(5,229,535)	(5,849,482)	(5,023,246)
Materials and contracts		(10,411,975)	(10,337,476)	(8,908,686)
Utility charges		(700,379)	(789,424)	(660,768)
Depreciation		(3,693,580)	(4,815,819)	(4,740,647)
Finance costs		(293,991)	(340,345)	(414,999)
Insurance		(2,092,804)	(2,099,335)	(1,917,248)
Other expenditure		0	0	(4,188,229)
Loss on asset disposals		0	0	(3,508)
Loss on revaluation of non-current assets		(28,596)	0	0
		(22,450,860)	(24,231,881)	(25,857,331)
Non cash amounts excluded from operating activities	22(a)	3,787,686	4,893,319	9,034,073
Amount attributable to operating activities		1,052,103	(380,556)	(71,170)
<b>INVESTING ACTIVITIES</b>				
Inflows from investing activities				
Capital grants, subsidies and contributions		250,000	450,000	0
Proceeds from disposal of assets		38,867	0	0
		288,867	450,000	0
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(1,360,525)	(5,097,500)	(3,361,011)
		(1,360,525)	(5,097,500)	(3,361,011)
Non-cash amounts excluded from investing activities	22(b)	0	0	1,734,146
Amount attributable to investing activities		(1,071,658)	(4,647,500)	(1,626,865)
<b>FINANCING ACTIVITIES</b>				
Inflows from financing activities				
Proceeds from borrowings	23(a)	91,976	91,976	3,230,390
Transfers from reserve accounts	24	1,048,102	4,577,300	1,815,596
		1,140,078	4,669,276	5,045,986
Outflows from financing activities				
Repayment of borrowings	23(a)	(91,976)	(91,976)	(3,286,955)
Payments for principal portion of lease liabilities	23(b)	(582,243)	(582,243)	(563,566)
Transfers to reserve accounts	24	0	(390,000)	(973,972)
		(674,219)	(1,064,219)	(4,824,493)
Amount attributable to financing activities		465,859	3,605,057	221,493
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
Surplus or deficit at the start of the financial year	22(c)	766,430	1,423,000	2,242,973
Amount attributable to operating activities		1,052,103	(380,556)	(71,170)
Amount attributable to investing activities		(1,071,658)	(4,647,500)	(1,626,865)
Amount attributable to financing activities		465,859	3,605,057	221,493
Surplus or deficit after imposition of general rates	22(c)	1,212,734	1	766,430

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

**RESOURCE RECOVERY GROUP  
FOR THE YEAR ENDED 30 JUNE 2024  
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	14
Note 4	Other Financial Assets	14
Note 5	Trade and Other Receivables	15
Note 6	Inventories	16
Note 7	Other Assets	17
Note 8	Property, Plant and Equipment	18
Note 9	Fixed Assets	20
Note 10	Leases	22
Note 11	Trade and Other Payables	24
Note 12	Borrowings	25
Note 13	Employee Related Provisions	26
Note 14	Other Provisions	27
Note 15	Revaluation Surplus	28
Note 16	Notes to the Statement of Cash Flows	29
Note 17	Related Party Transactions	30
Note 18	Financial Risk Management	32
Note 19	Events Occurring After the End of the Reporting Period	35
Note 20	Other Material Accounting Policies	37
Note 21	Function and Activity	38
Note 22	Determination of Surplus or Deficit	41
Note 23	Borrowing and Lease Liabilities	42
Note 24	Reserve accounts	44
Note 25	Trust Funds	45
Note 26	Licences	45



**RESOURCE RECOVERY GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**1. BASIS OF PREPARATION**

The financial report of the Resource Recovery Group which is a Class 2 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

**Local Government Act 1995 requirements**

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied 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 Resource Recovery Group to measure any vested improvements at zero cost.

The Local Government (Financial Management) Regulations 1996 provide that:

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls;

and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 *Property, Plant and Equipment*, which would have required Resource Recovery Group to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow 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.

**Critical accounting estimates and judgements**

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

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

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

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment - note 8
- Impairment losses of non-financial assets - note 8
- Measurement of employee benefits - note 13
- Measurement of provisions - note 14

Fair value hierarchy information can be found in note 20

**The local government reporting entity**

All funds through which the Resource Recovery Group 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. A separate statement of those monies appears at Note 25 of the financial report.

**Initial application of accounting standards**

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

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

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

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

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

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

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

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

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

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

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



**RESOURCE RECOVERY GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**1. BASIS OF PREPARATION (Continued)**

**Going Concern**

The financial report has been prepared on the going concern basis, which anticipates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial report, RRG incurred a net loss of \$2.48 million for the year ended 30 June 2024. As further disclosed in Note 19 of the financial statements, the Town of East Fremantle has withdrawn as a member participant effective 1 July 2024. The City of Melville and City of Fremantle as the last remaining member participants had initially resolved to withdraw effective 1 July 2025. However, subsequent to the year end, City of Melville has extended its membership withdrawal date to 31 December 2025 and City of Fremantle has authorised its CEO to extend the membership date to 31 December 2025 should the need arise.

The exit of City of Melville and the City of Fremantle, indicates a material uncertainty which may cast significant doubt as to whether RRG will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

The RRG Council believes that there are reasonable grounds to believe that RRG will be able to continue as a going concern, after consideration of the following factors:

(i) RRG has sufficient cash to meet its trading obligations when they fall due;

(ii) The member councils intend that all services will continue operating under an updated Service Model which will be designed as part of the restructuring process; and

(iii) As part of the restructuring process the member councils have commenced negotiations to continue the core operations of the materials recycling, FOGO and Greenwaste through a third party operator.

Accordingly, the Council believes that RRG will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if RRG does not continue as a going concern.

**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

Recognition of revenue 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 and contributions	Community events, minor facilities, research, design, planning evaluation and services	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)
Other Revenue - Container deposit scheme	Recovered Recyclable Products	Single point in time	Fixed terms transfer of funds based on agreed reporting	None	Output method based on project reporting matched to performance obligations

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

**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**2. REVENUE AND EXPENSES (Continued)**

**Revenue Recognition**

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

**For the year ended 30 June 2024**

<b>Nature</b>	<b>Contracts with customers</b>	<b>Capital grant/contributions</b>	<b>Statutory Requirements</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Grants, subsidies and contributions</b>	<b>0</b>	<b>2,353,809</b>	<b>0</b>	<b>(0)</b>	<b>2,353,809</b>
Governance					
Annual member's contributions	0	112,800	0	0	112,800
Community amenities					
Annual member's contributions	0	171,631	0	0	171,631
Member contributions towards interest	0	85,134	0	0	85,134
Member RRRC contributions	0	1,936,308	0	0	1,936,308
Grants	0	0	0	0	0
Other contributions		47,936			47,936
<b>Fees and charges</b>	<b>14,716,242</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,716,242</b>
Gate Fee-Participating Member Councils	7,816,276	0	0	0	7,816,276
Gate Fee - Others	3,037,817	0	0	0	3,037,817
Sale of Materials	3,239,772	0	0	0	3,239,772
Consultancy Fees	270,902	0	0	0	270,902
Gate Fee - Compaction Fee		0	0	0	0
Product Sales		0	0	0	0
Sale of Carbon Offset Units	351,475	0	0	0	351,475
					0
					0
<b>Interest revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>341,382</b>	<b>341,382</b>
					0
<b>Other revenue</b>	<b>2,264,977</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,264,977</b>
Container Deposit Scheme (CDS) Income	2,088,038	0	0		2,088,038
Other revenue	176,939	0	0		176,939
<b>Capital grants, subsidies and contributions</b>	<b>0</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>250,000</b>
<b>Total</b>	<b>16,981,219</b>	<b>2,603,809</b>	<b>0</b>	<b>341,382</b>	<b>19,926,410</b>

**For the year ended 30 June 2023**

<b>Nature</b>	<b>Contracts with customers</b>	<b>Capital grant/contributions</b>	<b>Statutory Requirements</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Grants, subsidies and contributions</b>	<b>0</b>	<b>3,054,620</b>	<b>0</b>	<b>0</b>	<b>3,054,620</b>
Governance					0
Annual member's contributions		113,229	0	0	113,229
Community amenities					0
Annual member's contributions		212,544	0	0	212,544
Member contributions towards interest		86,718	0	0	86,718
Member RRRC overhead contributions		2,473,524	0	0	2,473,524
Grants					0
Other contributions		168,605	0	0	168,605
<b>Fees and charges</b>	<b>12,115,545</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,115,545</b>
Gate Fee-Participating Member Councils	7,955,968	0	0	0	7,955,968
Gate Fee - Others	2,135,019	0	0	0	2,135,019
Sale of Materials	1,218,032	0	0	0	1,218,032
Consultancy Fees	301,614	0	0	0	301,614
Gate Fee - Compaction Fee	27,927	0	0	0	27,927
Product Sales	(1,029)	0	0	0	(1,029)
Sale of Carbon Offset Units	478,015	0	0	0	478,015
<b>Interest revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>238,952</b>	<b>238,952</b>
<b>Other revenue</b>	<b>1,342,971</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,342,971</b>
Container Deposit Scheme (CDS) Income	1,238,122	0	0	0	1,238,122
Other revenue	104,848	0	0	0	104,848
					0
<b>Total</b>	<b>13,458,516</b>	<b>3,054,620</b>	<b>0</b>	<b>238,952</b>	<b>16,752,088</b>



**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**2. REVENUE AND EXPENSES (Continued)**

<b>(b) Expenses</b>	<b>Note</b>	<b>2024 Actual \$</b>	<b>2023 Actual \$</b>
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report		90,000	61,686
		90,000	61,686
<b>Employee Costs</b>			
Employee benefit costs		5,229,535	5,023,246
Other employee costs			
		5,229,535	5,023,246
<b>Finance costs</b>			
Provisions: unwinding of discount		31,351	79,086
Admin Building Loan interest		72,737	40,417
RRRC Loan interest		0	66,122
Guarantee Fees		12,397	33,190
Lease liabilities		177,507	196,184
		293,992	414,999
<b>Utility Charges</b>		700,379	660,768
<b>Insurance expenses</b>		2,092,804	1,917,248
<b>Material and Contracts</b>			
Materials and contracts - Office expenses		381,679	316,058
Other Expenses		286,832	321,444
Service & Project Delivery		1,075,070	328,905
Asset Maintenance		2,463,479	2,362,070
Reuse & Disposal Expenses		6,068,201	5,282,879
Councillor Sitting Fees		46,714	44,157
Provision for NRV/Adjustment of inventories		0	191,487
		10,321,975	8,847,000
<b>Other Expenses</b>			
Impairment of RRRC Make Good provision asset	8(a)	0	2,235,928
Impairment of right of use asset	10(a)	0	1,122,328
Impairment of Capital expenditure	8(a)	0	829,973
		0	4,188,229
<b>Total Expenses</b>		<b>18,728,685</b>	<b>21,113,176</b>

Note: Other expenses of FY2023 have been reclassified

**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**3. CASH AND CASH EQUIVALENTS**

Cash at bank and on hand  
 Paypal Account Balance  
 Term deposits  
 Call Deposits  
**Total cash and cash equivalents**

Held as  
 - Unrestricted cash and cash equivalents  
 - Restricted cash and cash equivalents

Note	2024	2023
	\$	\$
	1,056,393	68,297
	0	1,825
	2,407,079	3,534,803
	805,808	1,151,973
16(a)	4,269,280	4,756,898
	952,761	610,704
16(a)	3,316,519	4,076,072
	4,269,280	4,686,776

**MATERIAL ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

**Restricted financial assets**

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

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost  
 Bond in Lieu of Bank Guarantee

**Other financial assets at amortised cost**

Loan receivable - Project Participants  
 Term Deposit with maturity date more than 90 days

**Financial assets at fair value through profit and loss**

Bond in Lieu of Bank Guarantee

Held as

- Unrestricted other financial assets at amortised cost  
 - Restricted other financial assets at amortised cost

Note	2024	2023
	\$	\$
	5,406,224	6,149,229
	13,500	13,500
	5,419,724	6,162,729
	95,824	91,976
	5,310,400	6,057,253
	5,406,224	6,149,229
	13,500	13,500
	13,500	13,500
	5,057,244	5,552,025
16(a)	362,480	610,704
	5,419,724	6,162,729
	1,612,200	1,708,024
	1,612,200	1,708,024
	1,612,200	1,708,024
	1,612,200	1,708,024

**(b) Non-current assets**

Financial assets at amortised cost

**Financial assets at amortised cost**

Loan Receivable - Project Participants

Loans receivable from Project Participants related to borrowing disclosed in Note 23(a)

**MATERIAL ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 20 (i)) due to the observable market rates).

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

**Financial assets at fair value through profit or loss**

The Resource Recovery Group has elected to classify the following financial assets at fair value through profit or loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Resource Recovery Group has elected to recognise as fair value gains and losses through profit or loss.

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 18.

**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**5. TRADE AND OTHER RECEIVABLES**

Note	2024	2023
	\$	\$
<b>Current</b>		
Trade receivables	1,702,415	1,349,836
	1,702,415	1,349,836

The carrying amounts of the trade and other receivables include receivables which are subject to a factoring arrangement. Under the factoring arrangement, the Resource Recovery Group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables, late payment and credit risk remains with the Resource Recovery Group, therefore the Resource Recovery Group continues to recognise the transferred assets in their entirety. The amount repayable under the factoring arrangement is presented as a secured borrowing under other loans at Note 12. The Resource Recovery Group considers that the held to collect business model remains appropriate for these receivables and continues measuring them at amortised cost.

**MATERIAL ACCOUNTING POLICIES**

**Trade receivables**

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non financial assets as part of the ordinary course of business.

**Other receivables**

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts received as grants for the construction of recognisable non financial assets.

**Measurement**

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

**Classification and subsequent measurement**

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Resource Recovery Group measures them subsequently at 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.

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 18.



**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**6. INVENTORIES**

	Note	2024	2023
Current		\$	\$
Fuel and materials		4,129	1,611
Stock on Hand - CVC		1,341,572	1,382,299
Stock on Hand - Finished Goods		66,289	60,140
Provision for Inventory (NRV Adjustment)		(172,060)	(172,060)
		1,239,930	1,271,990
The following movements in inventories occurred during the year:			
Balance at beginning of year		1,271,990	1,341,439
Inventories expensed during the year		(866,399)	(661,132)
Write down of inventories to net realisable value	2(b)	0	(172,060)
Additions to inventory		834,339	763,743
Balance at end of year		1,239,930	1,271,990

**MATERIAL ACCOUNTING POLICIES**

**General**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**7. OTHER ASSETS**

**Other assets - current**

Prepayments  
Accrued income

2024	2023
\$	\$
89,697	88,605
715,694	453,195
805,391	541,800

**MATERIAL ACCOUNTING POLICIES**

**Other current assets**

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

RESOURCE RECOVERY GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	CVC		Plant and equipment							
	Buildings - non-specialised	Leasehold Improvements	Work in progress	Total Property	Furniture and equipment	Plant and equipment	Standby Equipment	Rehabilitation/ Make Good Provision	Information Technology Equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	1,780,521	15,262,897	314,622	17,358,040	0	5,371,859	235,139	2,061,090	11,218	25,037,346
Additions		478,551	1,005,444	1,483,995		123,370	19,500	1,734,146		3,361,011
Disposals		(3,508)		(3,508)						(3,508)
Impairment (losses) / reversals *		(6,907,147)	(829,973)	(7,737,120)		(5,863)	(50,280)	(2,235,928)		(10,029,191)
Depreciation	(18,000)	(1,931,400)		(1,949,400)		(1,807,355)	(26,425)	(257,636)	(4,479)	(4,045,296)
Balance at 30 June 2023	1,762,521	6,899,393	490,093	9,152,007	0	3,682,010	177,934	1,301,672	6,739	14,320,361
Comprises:										
Gross balance amount at 30 June 2023	1,800,000	18,815,617	1,320,066	21,935,683	47,564	8,928,199	267,738	5,083,415	142,478	36,405,077
Accumulated depreciation at 30 June 2023	(37,479)	(5,009,077)	0	(5,046,556)	(47,564)	(5,240,326)	(39,524)	(1,545,815)	(135,739)	(12,055,524)
Accumulated impairment loss at 30 June 2023	0	(6,907,147)	(829,973)	(7,737,120)	0	(5,863)	(50,280)	(2,235,928)	0	(10,029,191)
Balance at 30 June 2023	1,762,521	6,899,393	490,093	9,152,007	0	3,682,010	177,934	1,301,672	6,739	14,320,361
Additions			48,814	48,814		795,598				844,412
Revaluation (loss) / reversals transferred to profit or loss				0				(28,596)		(28,596)
Depreciation	(18,000)	(1,075,605)		(1,093,605)		(1,543,990)	(25,633)	(433,847)	(4,479)	(3,101,554)
Transfers			(490,093)	(490,093)		516,113	(26,020)			0
Balance at 30 June 2024	1,744,521	5,823,788	48,814	7,617,123	0	3,449,731	126,281	839,229	2,260	12,034,623
Comprises:										
Gross balance amount at 30 June 2024	1,800,000	18,815,617	878,787	21,494,404	47,564	10,212,399	229,840	5,054,819	142,477	37,181,503
Accumulated depreciation at 30 June 2024	(55,479)	(6,084,682)	0	(6,140,161)	(47,564)	(6,756,805)	(53,279)	(1,979,662)	(140,218)	(15,117,689)
Accumulated impairment loss at 30 June 2024	0	(6,907,147)	(829,973)	(7,737,120)	0	(5,863)	(50,280)	(2,235,928)	0	(10,029,191)
Balance at 30 June 2024	1,744,521	5,823,788	48,814	7,617,123	0	3,449,731	126,281	839,229	2,259	12,034,623

\* Note: Following the year ended 30/06/2023 the council decided to permanently suspend its capital expenditure program associated with the Waste Composting Facility (WCF), excluding the portion of WCF assets that are being used for the purposes of FOGO processing and associated FOGO assets. As a result, the non-FOGO WCF facility assets have been fully impaired and are not being used for generation of income. Refer to note 15



RESOURCE RECOVERY GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Land and buildings					
Land	Level 2	Market approach using market value of similar assets adjusted to condition and comparability	Independent Valuation	1 June 2021	Observable open market value of assets, condition, comparison and highest and best use
Buildings - non-specialised	Level 2	Market approach using market value of similar assets adjusted to condition and comparability	Independent Valuation	1 June 2021	Observable open market value of assets, condition, comparison and highest and best use
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.					
(ii) Cost					
Plant and equipment	Level 3	Cost approach using depreciated replacement cost	Cost Model	30 June 2020	Purchase costs and current condition, residual values and remaining useful life assessments inputs
CVC Leasehold Improvements	Level 3	Cost approach using depreciated replacement cost	Independent Valuation	30 June 2020	Cost to reproduce or replace similar assets in new condition, depreciation accrued wear and tear, economic and functional obsolescence
Rehabilitation/Make Good Provision	Level 2	Market approach using market value of similar assets adjusted to condition and comparability	Independent Valuation	30 June 2023	Observable open market value of assets, condition, comparison and highest and best use

**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**9. FIXED ASSETS**

**(a) Depreciation**

**Depreciation rates**

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

<b>Asset Class</b>	<b>Useful life</b>
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Landfill assets	30 years
Right-of-use (buildings)	Based on the remaining lease term
Right-of-use (plant and equipment)	Based on the remaining lease term

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

**(b) Temporarily Idle or retired from use assets**

The carrying amount of assets held by the Resource Recovery Group which are temporarily idle or retired from active use and not classified as held for sale are shown in the table below.

CVC Leasehold Improvements

<b>2024</b>	<b>2023</b>
<b>\$</b>	<b>\$</b>
9,213,768	9,213,768
9,213,768	9,213,768

**(c) Fully Depreciated Assets in Use**

The gross carrying amount of assets held by the Resource Recovery Group which are currently in use yet fully depreciated are shown in the table below.

Furniture and equipment  
Plant and equipment  
Information Technology Equipment

<b>2024</b>	<b>2023</b>
<b>\$</b>	<b>\$</b>
47,564	47,564
2,943,299	1,096,157
129,038	129,001
3,119,901	1,272,722



**RESOURCE RECOVERY GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**9. FIXED ASSETS (Continued)**

**MATERIAL ACCOUNTING POLICIES**

**Initial recognition**

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

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the Resource Recovery Group includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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

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

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

**Measurement after recognition**

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

**Reportable Value**

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

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

**Revaluation**

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

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

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

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

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

**Depreciation**

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

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

**Depreciation on revaluation**

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

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

**Impairment**

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Resource Recovery Group is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

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

**Gains or losses on disposal**

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



**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**10. LEASES**

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

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

Note	Right-of-use assets - CVC Ground Lease	Right-of-use assets Total
	\$	\$
<b>Balance at 1 July 2022</b>	5,295,106	5,295,106
Impairment of ROU assets	(1,122,328)	(1,122,328)
Depreciation	(695,351)	(695,351)
<b>Balance at 30 June 2023</b>	3,477,427	3,477,427
Gross balance amount at 30 June 2023	7,536,458	7,536,458
Accumulated Impairment as at 30 June 2023	(1,122,328)	(1,122,328)
Accumulated Depreciation at 30 June 2023	(2,936,703)	(2,936,703)
<b>Balance at 30 June 2023</b>	3,477,427	3,477,427
Depreciation	(592,024)	(592,024)
<b>Balance at 30 June 2024</b>	2,885,403	2,885,403
Balance amount at 30 June 2023	7,536,458	7,536,458
Accumulated impairment as at 30 June 2024	(1,122,328)	(1,122,328)
Depreciation at 30 June 2024	(3,528,727)	(3,528,727)
<b>Balance at 30 June 2024</b>	2,885,403	2,885,403

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

	2024 Actual	2023 Actual
	\$	\$
Depreciation on right-of-use assets	(592,024)	(695,351)
Finance charge on lease liabilities	(177,507)	(196,184)
<b>Total amount recognised in the statement of comprehensive income</b>	<b>(769,531)</b>	<b>(891,535)</b>

**(b) Lease Liabilities**

Current	637,613	582,243
Non-current	4,331,334	4,968,948
	<b>4,968,947</b>	<b>5,551,191</b>

**Secured liabilities and assets pledged as security**

**RRRC Ground Lease**

The RRRC site Lot 77, 78 and 85 Bannister Road Canning Vale (unimproved land) lease term is for 30 years starting from 12 May 2000 and expires on 11 May 2030. An option to renew for a further 20 years until 2050 is yet to be exercised. Lease repayments are reviewed every five years based on the unimproved land market valuation.

The value of the Lease liability and Right-of-use asset include reasonable assumptions and accounting estimates of the expected future market value of the land to determine the future lease payments.

## FOR THE YEAR ENDED 30 JUNE 2024

### 10. LEASES (Continued)

#### MATERIAL ACCOUNTING POLICIES

##### Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 23(b).

##### Right-of-use assets - measurement

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

Refer to Note 9 under revaluation for details on the material accounting policies applying to vested improvements.

##### Right-of-use assets - depreciation

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

#### (c) Lessor - Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year- Chairy Plastics Pty Ltd is renting storage space at RRRC WCF building. The lease is on a month to month basis

2024 Actual	2023 Actual
\$	\$
37,296	16,600
37,296	16,600

#### MATERIAL ACCOUNTING POLICIES

##### The Resource Recovery Group as Lessor

Upon entering into each contract as a lessor, the Resource Recovery Group assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Resource Recovery Group applies *AASB 15 Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.



**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**11. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
Income Received in Advance  
Accrued salaries and wages  
ATO liabilities  
Bonds and deposits held  
Liability to Cockburn/Canning  
Accrued Expenses

2024	2023
\$	\$
2,195,743	1,840,315
200,000	450,000
0	186,335
0	46,027
162,480	160,704
2,952,015	2,952,015
286,128	551,820
5,796,366	6,187,216

**MATERIAL ACCOUNTING POLICIES**

**Financial liabilities**

Financial liabilities are initially recognised at fair value when the Resource Recovery Group becomes a party to the contractual provisions of the instrument.

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

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

**Trade and other payables**

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



**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**12. BORROWINGS**

**a) Borrowings**

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Borrowing		95,824	1,612,200	1,708,024	91,976	1,708,024	1,800,000
<b>Total secured borrowings</b>	23(a)	95,824	1,612,200	1,708,024	91,976	1,708,024	1,800,000

**(b) Borrowings 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:

	2024	2023	2024	2023
	%	%		
Town of East Fremantle	5.41%	5.51%	92,404	99,180
City of Fremantle	22.61%	22.27%	386,184	400,860
City of Melville	71.98%	72.22%	1,229,436	1,299,960
			<b>1,708,024</b>	<b>1,800,000</b>

**c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank overdraft at balance date

Credit card limit

**Total amount of credit unused**

2024	2023
0	0
160,000	205,000
<b>160,000</b>	<b>205,000</b>

**Loan facilities**

Loan facilities - current

Loan facilities - non-current

Lease liabilities - current

Lease liabilities - non-current

**Total facilities in use at balance date**

2024	2023
95,824	91,976
1,612,200	1,708,024
637,613	582,243
4,331,334	4,968,948
<b>6,676,971</b>	<b>7,351,191</b>

**Secured liabilities and assets pledged as security**

**MATERIAL ACCOUNTING POLICIES**

**Borrowing costs**

The Resource Recovery Group 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. They are classified as level 3 fair values in the fair value hierarchy (see Note 20(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 18.

Details of individual borrowings required by regulations are provided at Note 23(a).

**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**13. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	2024	2023
	\$	\$
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	228,326	211,097
Long service leave	160,700	255,927
	389,026	467,024
<b>Total current employee related provisions</b>	389,026	467,024
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	75,383	98,181
	75,383	98,181
<b>Total non-current employee related provisions</b>	75,383	98,181
<b>Total employee related provisions</b>	464,409	565,205

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

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	Note	2024	2023
		\$	\$
<b>Amounts are expected to be settled on the following basis:</b>			
Less than 12 months after the reporting date		389,026	467,024
More than 12 months from reporting date		57,459	81,245
Expected reimbursements to other WA local governments		17,924	16,936
		464,409	565,205

**MATERIAL ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

Provision is made for the Resource Recovery Group'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 Resource Recovery Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

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

The Resource Recovery Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Resource Recovery Group 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 FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**14. OTHER PROVISIONS**

	<b>Make good provisions</b>	<b>Total</b>
	\$	\$
<b>Opening balance at 1 July 2023</b>		
Non-current provisions	5,582,909	5,582,909
	5,582,909	5,582,909
Charged to profit or loss		
- unwinding of discount	31,351	31,351
<b>Balance at 30 June 2024</b>	5,614,260	5,614,260
<b>Comprises</b>		
Non-current	5,614,260	5,614,260
	5,614,260	5,614,260

**Other provisions**

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

**Make good provisions**

The Council has identified the need for a provision in relation to the decommissioning and restoration (make good) provisions of the lease for the land upon which its operations are based.

Provisions of this nature are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate reflective of current market assessments of the time value of money and risks specific to the liability.

This estimated expenditure required to restore the land to its original condition has been capitalised in accordance with AASB 116. These costs are amortised over the shorter of the term of the lease or the remaining useful life of the assets.

Any increase in the provision due to the passage of time, is recognised in profit or loss as a finance (interest) cost.

**MATERIAL ACCOUNTING POLICIES**

**Provisions**

Provisions are recognised when the Resource Recovery Group 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.



**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**15. REVALUATION SURPLUS**

	2024 Opening Balance	2024 Closing Balance	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Buildings - non-specialised	458,131	458,131	458,131		458,131
Revaluation surplus - CVC Leasehold Improvements	8,013,601	8,013,601	14,976,891	(6,963,290)	8,013,601
	8,471,732	8,471,732	15,435,022	(6,963,290)	8,471,732

The movement in the revaluation surplus CVC leasehold relates to an impairment of RRRC WCF assets. Refer to Note 8(a).

**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**16. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2024 Actual \$	2023 Actual \$
Cash and cash equivalents	3	4,269,280	4,756,898
<b>Restrictions</b>			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	3,316,519	4,076,072
- Financial assets at amortised cost	4	362,480	610,704
		3,678,999	4,686,776
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	24	3,678,999	4,686,776
<b>Total restricted financial assets</b>		3,678,999	4,686,776

**(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities**

Net result	(2,485,583)	(9,105,243)
Non-cash items:		
Depreciation/amortisation	3,693,580	4,740,647
(Profit)/loss on sale of asset	(38,867)	3,508
Loss on revaluation of fixed assets	28,596	0
Impairment of plant and equipment	0	4,188,229
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(352,579)	250,148
(Increase)/decrease in other assets	(263,591)	(100,352)
(Increase)/decrease in inventories	32,060	69,449
Increase/(decrease) in trade and other payables	(390,850)	1,128,973
Increase/(decrease) in employee related provisions	(100,796)	(167,740)
Increase/(decrease) in other provisions	31,351	1,813,232
Capital grants, subsidies and contributions	(250,000)	(1,734,146)
Net cash provided by/(used in) operating activities	(96,679)	1,086,705

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	160,000	205,000
Credit card balance at balance date	0	0
<b>Total amount of credit unused</b>	160,000	205,000

**Loan facilities**

Loan facilities - current	95,824	91,976
Loan facilities - non-current	1,612,200	1,708,024
<b>Total facilities in use at balance date</b>	1,708,024	1,800,000

Unused loan facilities at balance date	0	0
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**RESOURCE RECOVERY GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**17. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
Doug Thompson 2023-24			
Meeting Fees	4,360	4,360	12,176
Chair Allowance	5,523	5,523	15,424
	9,883	9,883	27,600
Karen Wheatland 2023-24			
Meeting Fees	10,645	10,645	8,118
Chair Allowance	9,133	9,133	0
Deputy Chair Allowance	1,449	1,033	321
	21,227	20,811	8,439
Hannah Fitzhardinge 2023-24			
Meeting Fees	5,079	5,079	0
Deputy Chair Allowance	2,283	1,628	0
	7,362	6,707	0
Andrew White 2023-24			
Meeting Fees	8,243	8,243	8,118
	8,243	8,243	8,118
17(b)	46,715	45,644	44,157

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

The total of compensation paid to KMP of the Resource Recovery Group during the year are as follows:

	2024 Actual	2023 Actual
Short-term employee benefits	737,126	851,762
Post-employment benefits	117,071	114,186
Employee - other long-term benefits	56,920	66,176
Employee - termination benefits	242,376	41,645
Council member costs	46,715	44,157
17(a)	1,200,208	1,117,927

*Short-term employee benefits*

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

*Post-employment benefits*

These amounts are the current-year's cost of the Resource Recovery Group's superannuation contributions made during the year.

*Other long-term benefits*

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

*Termination benefits*

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

*Council member costs*

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



**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**17. RELATED PARTY TRANSACTIONS**

**Transactions with related parties**

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

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

In addition to KMP compensation above the following transactions occurred with related parties:

	2024 Actual \$	2023 Actual \$
Member Councils of Resource Recovery Group		
Member Council Contribution and Gate Fee Received	10,037,015	11,010,587
Member Council Contribution for Loan Repayment received	177,110	3,317,107
Paid to Member Councils	0	(564)
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	765,866	959,011
<b>Related Parties</b>		

**The Resource Recovery Group's main related parties are as follows:**

*i. Key management personnel*

*Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Resource Recovery Group, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 17(a) and 17(b).*

*ii. Other Related Parties*

During the previous year, a company controlled by a related party of a council member, was awarded a contract under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the Resource Recovery Group's procurement process.

Short-term employee benefits related to an associate person of the CEO who was employed by the Resource Recovery Group under normal employment terms and conditions.

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

*iii. Entities subject to significant influence by the Resource Recovery Group*

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

**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**18. FINANCIAL RISK MANAGEMENT**

This note explains the Resource Recovery Group's exposure to financial risks and how these risks could affect the Resource Recovery Group's future financial performance.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<b>Market risk - interest rates</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Resource Recovery Group does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance department under policies approved by the council. The finance department identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

**(a) Interest rate risk**

**Cash and cash equivalents**

The Resource Recovery Group's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Resource Recovery Group to cash flow interest rate risk. The Council does not have any short term overdraft facilities

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Resource Recovery Group to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2024</b>					
Cash and cash equivalents	2.77%	4,269,280	3,212,887	0	1,056,393
Financial assets at amortised cost - term deposits	4.93%	5,310,400	5,310,400	0	0
Financial assets at amortised cost - Treasury bonds					
<b>2023</b>					
Cash and cash equivalents	3.63%	4,756,898	4,686,776	0	70,122
Financial assets at amortised cost - term deposits	4.38%	6,057,253	6,057,253	0	0
Financial assets at amortised cost - Treasury bonds					

**Sensitivity**

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit or loss and equity*	0	0

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Resource Recovery Group manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Resource Recovery Group does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 23(a).

**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**18. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade and Other Receivables**

The Resource Recovery Group's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Resource Recovery Group manages this risk by monitoring outstanding debt and employing debt recovery policies.

The level of outstanding receivables is reported to council monthly and benchmarks are set and monitored for acceptable collection performance.

The Resource Recovery Group applies the AASB 9 Financial Instruments simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2023 or 1 July 2024 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2024</b>					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0%
Gross carrying amount	1,445,357	247,466	9,628	-36	1,702,415
Loss allowance	0	0	0	0	0
Financial assets at amortised costs - Loan receivable from Project Participants					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0%
Gross carrying amount	0	95,824	0	0	95,824
Loss allowance	0	0	0	0	0
<b>30 June 2023</b>					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0%
Gross carrying amount	1,343,666	4,247	1,923	0	1,349,836
Loss allowance	0	0	0	0	0
Financial assets at amortised costs - Loan receivable from Project Participants					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0%
Gross carrying amount	0	91,976	0	0	91,976
Loss allowance	0	0	0	0	0



**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**18. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Resource Recovery Group manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(c).

The contractual undiscounted cash flows of the Resource Recovery Group's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
<b>2024</b>					
Trade and other payables	5,796,366	0	0	5,796,366	5,796,366
Borrowings	95,824	1,612,200	0	1,708,024	1,708,024
Lease liabilities	637,613	3,525,373	805,961	4,968,947	4,968,947
	6,529,803	5,137,573	805,961	12,473,337	12,473,337
<b>2023</b>					
Trade and other payables	6,187,216	0	0	6,187,216	6,187,216
Borrowings	91,976	1,708,024	0	1,800,000	1,800,000
Lease liabilities	582,243	3,236,916	1,732,032	5,551,191	5,551,191
	6,861,435	4,944,940	1,732,032	13,538,407	13,538,407

**RESOURCE RECOVERY GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**19. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

**MEMBERS WITHDRAWAL**

**(a) City of Canning's withdrawal from the Council**

Pursuant to a resolution of the City of Canning on 19 February 2009, the City of Canning, as a Participant under the Establishment Agreement and Project Agreements, gave notice of its intention to withdraw from the Council effective from 30 June 2010. In line with the Agreements the City of Canning withdrew from Council with effect from that date.

A settlement agreement in September 2012 was agreed between the remaining Participants and the City of Canning to allow the City of Canning to separate its share of the RRRC outstanding loans resulting in a separate loan agreement with the Western Australian Treasury Corporation.

The loan liability was reduced by terminating loans amounting to \$43,440,979, which included the share of the City of Canning and replacing loans that do not have a share of the City of Canning's liability amounting to \$31,286,786.

RRRC Project Agreement states that the assets acquired from borrowings are to be valued only when the borrowings are fully repaid. The borrowings have been fully repaid as of 30 June 2023. The share of City of Canning in these assets is estimated to be \$1,457,065 and are shown under note 12.

**(b) City of Rockingham's withdrawal from the Council**

Pursuant to a resolution of the City of Rockingham on 27 April 2011, the City of Rockingham, as a Participant under the Establishment Agreement and Office Accommodation Project Agreement, gave a notice of its intention to withdraw from the Council effective from 30 June 2012. In line with the Agreements, the City of Rockingham withdrew from the Council on 30 June 2012.

**(c) City of Cockburn's withdrawal**

Pursuant to a resolution of the City of Cockburn on 9 June 2016, the City of Cockburn as a participant under the RRRC Project Agreement, has given notice of its intention to withdraw from the RRRC Project effective from 30 June 2017. In accordance with the RRRC Project Agreement, the Council prepared an amended business plan of the RRRC Project having regard to the effect of the withdrawal. The amended business plan was adopted by Council on 19 April 2018.

RRRC Project Agreement states that the assets acquired from borrowings are to be valued only when the borrowings are fully repaid. The borrowings have been fully repaid as of 30 June 2023. The share of City of Cockburn in these assets is estimated to be \$1,494,950 and are shown under note 12. The liability to City of Cockburn has been discharged in July 2024.

Pursuant to a resolution of the City of Cockburn on 10 May 2018, the City of Cockburn, as a Participant under the Establishment Agreement and Office Accommodation Project Agreement, gave a notice of its intention to withdraw from the Council effective from 30 June 2019. In line with the Agreements, the City of Cockburn withdrew from Council on 30 June 2019.

The City of Cockburn will no longer have a proportional loan liability for the Administration Building at note 13.(b) from 1 July 2019.

**(d) City of Kwinana's withdrawal from the Council**

Pursuant to a resolution of the City of Kwinana on 24 June 2020, the City of Kwinana, as a Participant under the Establishment Agreement and Office Accommodation Project Agreement, gave a notice of its intention to withdraw from the Council effective from 30 June 2021. In line with the Agreements, the City of Kwinana withdrew from Council on 30 June 2021.

**(e) Town of East Fremantle's Withdrawal**

The Town of East Fremantle passed a resolution at the Council meeting on 20 June 2023 endorsing a motion to withdraw as a Member Participant of the Resource Recovery Group with effect from 1 July 2024.

Pursuant to this resolution the Town of East Fremantle withdrew from the Regional Resource Recovery Centre Project and withdraw from the Office Accommodation Project with effect 1 July 2024.

In accordance with the agreements the remaining Member Participants are to request the Resource Recovery Group prepare amended business plans for both projects detailing any changes to the annual contributions payable by the Project Participants after the withdrawal takes effect.

All parties have agreed to execute a Deed of Settlement to resolve the withdrawal of the Town of East Fremantle from the Resource Recovery Group and both Projects without the preparation of business plans. The Town of East Fremantle endorsed the Deed at its meeting of Council on 20 August 2024 and Resource Recovery Group endorsed the Deed at its meeting of Council on 22 August 2024.

**(f) City of Melville's Withdrawal**

At its meeting of Council on 21 November 2023 the City of Melville elected to withdraw (as a Member Participant) from the Resource Recovery Group and all associated Projects, effective from 1 July 2025. However, at its ordinary meeting of Council held on 17 September 2024, the City of Melville resolved to extend the withdrawal date to 31 December 2025.

**(g) City of Fremantle's decision following City of Melville's decision to withdraw from the council**

At its meeting of Council on 22 November 2023, The City of Fremantle, noting the above decision from the City of Melville, resolved that the Resource Recovery Group would not be viable following the withdrawal of the City of Melville and as such will be compelled to commence a windup process, and accordingly, requests the RRG CEO seek its own Councils endorsement to commence the process for a formal windup of the Resource Recovery Group.

Both the City of Melville and City of Fremantle noted their preference to develop a new service model that would continue the core operations of MRF, FOGO & Greenwaste in conjunction with the Town of East Fremantle and City of Canning.

At its meeting of Council held on 22 May 2024, the City of Fremantle resolved to also withdraw as a member and project participant from the Resource Recovery Group, effective from 1 July 2025. Council provided delegated authority to the Chief Executive Officer to approve an extended membership period beyond 1 July 2025 should the need arise.

At its ordinary meeting of Council held on 25 September 2024, the City of Fremantle noted it is anticipated that the CEO will be required to authorise an extended membership period of up to 31 December 2025.

Other than as noted above, there have been no significant transactions or events of a material and unusual nature that have arisen since the end of the reporting date, likely to affect the operations, the results of operations or state of affairs of the Council.



**RESOURCE RECOVERY GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**20. OTHER MATERIAL ACCOUNTING POLICIES**

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

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

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

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

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

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Resource Recovery Group's operational cycle. In the case of liabilities where the Resource Recovery Group 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 Resource Recovery Group's intentions to release for sale.

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

The Resource Recovery Group contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Resource Recovery Group contributes are defined contribution plans.

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

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

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

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

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

**h) Interest revenue**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

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

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

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

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 9.

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



**RESOURCE RECOVERY GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**21. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

Resource Recovery Group operations as disclosed in this financial report encompass the following service orientated functions and activities.

**Objective**

**REGIONAL PURPOSE**

**Description**

**Statement of Objective**

The regional purposes for which the Regional Local Government is established are:

- (a) to plan, coordinate and implement the removal, processing, treatment and disposal of waste for the benefit of the communities of the participants;
- (b) to influence local, state and federal governments in the development of regional waste management policies and legislation.

The objectives of the Regional Local Government shall be:

- (a) without loss being incurred by the Regional Local Government, to carry out the regional purposes so that services and facilities are provided to the consumer at a reasonable cost and with due regard for community needs;
- (b) to reduce the quantity of waste disposed at landfill sites in accordance with targets set by the Regional Local Government.

The Council operations as disclosed in this report encompass the following service orientated programs.

**PROGRAM NAME AND OBJECTIVES  
GOVERNANCE**

**ACTIVITIES**

Administration and operation facilities and services to Members of Council, other costs that relate to tasks of assisting the member councils and the public on matters which do not concern specific council services. In accordance with legislative changes effective 1 July 1997, the General Administration costs have been allocated to the various programs of the Council to reflect the true cost of the services provided.

**COMMUNITY AMENITIES**

To provide environmentally friendly waste management facilities to consumers at a competitive cost, mindful of community requirements, whilst aiming to greatly reduce the quantity of waste disposed at landfill sites. This includes the Regional Resource Recovery Centre at Canning Vale which is a Major Commercial Business Undertaking,

**RESOURCE RECOVERY GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**21. FUNCTION AND ACTIVITY (Continued)**

**REGIONAL RESOURCE RECOVERY CENTRE (RRRC), CANNING VALE**

This project is undertaken on behalf of the Council's 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) Income and expenses**

	<b>2024 Actual \$</b>	<b>2023 Actual \$</b>
<b>Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions</b>		
Education & Marketing	362,997	323,262
RRRC Admin & Weighbridge	2,122,814	2,521,081
Recycling	9,004,461	5,616,550
Greenwast	641,943	670,051
Waste Composting	2,422,072	2,170,426
FOGO Operations	4,363,426	4,117,646
Business Development	388,771	494,615
Waste Audit	270,902	301,224
Contribution for interest on loans	0	86,718
SWMP Fogo	0	32,683
<b>Total Income</b>	<b>19,577,386</b>	<b>16,334,256</b>
<b>Expenses</b>		
Education & Marketing	(535,586)	(347,150)
RRRC Admin & Weighbridge	(3,532,518)	(3,876,256)
Recycling	(6,564,118)	(4,287,918)
Greenwast	(376,086)	(380,584)
Waste Composting	(3,566,257)	(3,393,766)
FOGO Operations	(3,029,274)	(3,652,447)
Business Development	(76,800)	(38,215)
Waste Audit	(235,176)	(202,883)
FOGO Transition	0	(322)
SWMP Fogo	2,761	(53,518)
<b>Total expenses</b>	<b>(17,913,054)</b>	<b>(16,233,059)</b>
<b>Net result for the period</b>	<b>1,664,332</b>	<b>101,197</b>
Add/Less		
Borrowing costs expenses	0	(86,718)
Make good provision	(31,351)	(79,086)
Depreciation	(3,699,696)	(4,718,168)
Other expenses/asset impairment	0	(4,188,229)
WCF asset impairment	0	(6,963,290)
Profit/(Loss) on asset disposals	0	(3,508)
ROU asset interest expenses	(177,507)	(196,184)
<b>Net Profit or (Loss)</b>	<b>(2,244,222)</b>	<b>(16,133,986)</b>



**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**21. FUNCTION AND ACTIVITY (Continued)**

**REGIONAL RESOURCE RECOVERY CENTRE (RRRC), CANNING VALE**

(c)

**STATEMENT OF FINANCIAL POSITION**

**CURRENT ASSETS**

Cash and cash equivalents
Trade and other receivables
Other financial assets
Inventories
Other assets

**TOTAL CURRENT ASSETS**

**NON-CURRENT ASSETS**

Other financial assets
Property, plant and equipment
Right of use assets

**TOTAL NON-CURRENT ASSETS**

**TOTAL ASSETS**

**CURRENT LIABILITIES**

Trade and other payables
Lease liabilities
Borrowings
Employee related provisions

**TOTAL CURRENT LIABILITIES**

**NON-CURRENT LIABILITIES**

Lease liabilities
Borrowings
Employee related provisions
Other provisions

**TOTAL NON-CURRENT LIABILITIES**

**TOTAL LIABILITIES**

**NET ASSETS**

**EQUITY**

Opening Balance
Retained Surplus/(Deficit) for year

**TOTAL EQUITY**

<b>2024</b>	<b>2023</b>
<b>Actual</b>	<b>Actual</b>
<b>\$</b>	<b>\$</b>
3,205,181	3,347,653
1,702,415	1,349,836
5,323,900	6,057,253
1,239,930	1,271,990
792,064	541,800
12,263,490	12,568,532
0	0
10,287,843	12,551,102
2,885,403	3,477,427
13,173,246	16,028,528
25,436,736	28,597,060
5,727,986	6,114,249
637,613	582,243
0	0
95,824	195,723
6,461,423	6,892,215
4,331,334	4,968,950
0	0
42,923	66,833
5,614,260	5,582,909
9,988,517	10,618,692
16,449,940	17,510,907
8,986,796	11,086,154
30,172,154	30,172,154
(21,330,223)	(19,086,001)
8,841,931	11,086,154

**RESOURCE RECOVERY GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**22. DETERMINATION OF SURPLUS OR DEFICIT**

	Note	2023/24 (30 June 2024 Carried Forward) \$	2022/23 (30 June 2023 Carried Forward) \$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals		(38,867)	0
Less: Movement in liabilities associated with restricted cash			40,391
Add: Loss on disposal of assets		0	3,508
Add: Loss on revaluation of fixed assets	8(a)	28,596	0
Add: Impairment of Plant and Equipment	8(a)	0	4,188,229
Add: Depreciation	9(a)	3,693,580	4,740,647
Non-cash movements in non-current assets and liabilities:			
Financial assets at amortised cost		95,824	
Employee benefit provisions		(22,798)	(17,788)
Other provisions		31,351	79,086
<b>Non-cash amounts excluded from operating activities</b>		<b>3,787,686</b>	<b>9,034,073</b>
<b>(b) Non-cash amounts excluded from investing activities</b>			
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 <i>Financial Management Regulation 32</i> .			
<b>Adjustments to investing activities</b>			
Property, plant and equipment received movement non cash		0	1,734,146
<b>Non-cash amounts excluded from investing activities</b>		<b>0</b>	<b>1,734,146</b>
<b>(c) Surplus or deficit after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	24	(9,085,223)	(10,133,325)
Less: Financial assets at amortised cost	4(a)	(95,824)	(91,976)
Less: Current assets not expected to be received at end of year			
Provision for inventory		(172,060)	
Provision for liability towards past members		2,952,015	2,952,015
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	12	95,824	91,976
- Current portion of contract liability held in reserve		362,478	610,704
- Current portion of lease liabilities	10(b)	637,613	582,243
<b>Total adjustments to net current assets</b>		<b>(5,305,177)</b>	<b>(5,988,363)</b>
<b>Net current assets used in the Statement of Financial Activity</b>			
Total current assets		13,436,740	14,083,253
Less: Total current liabilities		(6,918,829)	(7,328,459)
Less: Total adjustments to net current assets		(5,305,177)	(5,988,363)
<b>Surplus or deficit after imposition of general rates</b>		<b>1,212,734</b>	<b>766,430</b>

RESOURCE RECOVERY GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

23. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Actual									Budget			
Purpose	Note	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Office accommodation, Loan No 2.6		1,800,000	0	0	1,800,000	0	(91,976)	1,708,024	1,800,000	0	(91,976)	1,708,024
RRRC Project	3-73	110,622	0	(110,622)	0	0	0	0	0	0	0	0
	3-74	421,741	0	(421,741)	0	0	0	0	0	0	0	0
	3-76	124,576	0	(124,576)	0	0	0	0	0	0	0	0
	3-80	102,036	0	(102,036)	0	0	0	0	0	0	0	0
	3-81	179,851	0	(179,851)	0	0	0	0	0	0	0	0
	3-83	139,931	0	(139,931)	0	0	0	0	0	0	0	0
	3-85	211,265	0	(211,265)	0	0	0	0	0	0	0	0
	3-87	161,015	0	(161,015)	0	0	0	0	0	0	0	0
	3-89	272,802	0	(272,802)	0	0	0	0	0	0	0	0
	3-90	209,433	0	(209,433)	0	0	0	0	0	0	0	0
	3-96	82,477	0	(82,477)	0	0	0	0	0	0	0	0
	3-98	245,301	0	(245,301)	0	0	0	0	0	0	0	0
	3-99	249,713	0	(249,713)	0	0	0	0	0	0	0	0
	3-100	265,822	0	(265,822)	0	0	0	0	0	0	0	0
	3-101	348,794	0	(348,794)	0	0	0	0	0	0	0	0
	3-102	105,010	0	(105,010)	0	0	0	0	0	0	0	0
Bank Overdraft		56,566	0	(56,566)	0	0	0	0	0	0	0	0
Total		5,086,955	0	(3,286,955)	1,800,000	0	(91,976)	1,708,024	1,800,000	0	(91,976)	1,708,024
Borrowing Finance Cost Payments												
Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023					
					\$	\$	\$					
Office accommodation, Loan No 2.6	2.6	WATC	4.12%	30/06/2028	(85,134)	(85,338)	(52,864)					
Total					(85,134)	(85,338)	(52,864)					
Total Finance Cost Payments					(85,134)	(85,338)	(52,864)					

WATC stands for Western Australian Treasury Corporation  
The interest rates stated above exclude the guarantee fees payable to WATC  
The interest repayments include the guarantee fees paid.



RESOURCE RECOVERY GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

23. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024
		\$	\$	\$	\$	\$	\$	\$		\$	\$	\$
RRRC Ground Lease		6,114,757		(563,566)	5,551,191		(582,243)	4,968,947	5,551,192	0	(582,243)	4,968,949
Total Lease Liabilities	10(b)	6,114,757	0	(563,566)	5,551,191	0	(582,243)	4,968,947	5,551,192	0	(582,243)	4,968,949
Lease Finance Cost Payments												
Purpose	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023	Lease Term				
RRRC Ground Lease		City of Canning	3.40%		(177,507)		(196,184)	30 years				
Total Finance Cost Payments					(177,507)	0	(196,184)					

RESOURCE RECOVERY GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

24. RESERVE ACCOUNTS

	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance	2024 Budget Opening Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) RRRC Contingency & Development Reserve	7,973,894	0	(1,048,102)	6,925,792	7,350,609	100,000	(4,567,300)	2,883,309	9,289,490	500,000	(1,815,596)	7,973,894
(b) Travel and Conference Reserve	25,000	0	0	25,000	25,000	0	0	25,000	25,000	0	0	25,000
(c) Office Accommodation Reserve	290,212	0	0	290,212	290,212	0	(10,000)	280,212	290,212	0	0	290,212
(d) RRRC Restoration Reserve	1,844,219	0	0	1,844,219	1,844,219	290,000	0	2,134,219	1,370,247	473,972	0	1,844,219
	10,133,325	0	(1,048,102)	9,085,223	9,510,040	390,000	(4,577,300)	5,322,740	10,974,949	973,972	(1,815,596)	10,133,325

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

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Reserve name	Purpose of the reserve
Name of reserve account	Purpose of the reserve account
<b>Restricted by council</b>	
(a) 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
(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 FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**25. TRUST FUNDS**

The Council does not have any trust funds on hand as at 30 June 2024 (As at 30 June 2023 - Nil)

**26. LICENCES**

**RRG Environmental Operating Licences**

The Resource Recovery Group, Canning Vale Centre has two environmental licences for prescribed premises under the *Environmental Protection Act 1986*, granted by the Department of Water and Environmental Regulation (DWER). Each licence comes with conditions that DWER monitors and evaluates. Licenses can be viewed on both RRG and DWER's websites.





## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2024 Resource Recovery Group

To the Council of the Resource Recovery Group

#### Opinion

I have audited the financial report of the Resource Recovery Group (Council) which comprises:

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

In my opinion, the financial report is:

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

#### Basis for opinion

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

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

#### Material Uncertainty Related to Going Concern

I draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$2.48 million during the year ended 30 June 2024 and that the Council has commenced a restructuring process. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The audit opinion is not modified in respect of this matter.

#### Other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, the Office of the

Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

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



Patrick Arulsingham  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
25 November 2024