



Annual Report | 2021

Our Purpose

To minimise and efficiently manage waste for Perth's central western communities and organisations.

Our Vision

A world where waste and its impact on the environment is minimised.

Our Members Councils



The WMRC acknowledges the Whadjuk Noongar people as the traditional custodians of this land, and pays respect to their Elders past, present and emerging.

Contents

The Western Metropolitan Regional Council	5	Operations	19
Feature – Waste Transport	6	Waste Receivals (tonnes)	19
Feature – Dismantle	7	Domestic Recycling	20
Chairman’s Report.....	8	E-Waste	20
Serving the Perth West Central Metropolitan Area	8	Household Hazardous Waste (HHW).....	20
COVID-19	8	Highlights 2020-21.....	21
Value for Money	8	Communication and Education.....	22
Waste to Energy	8	Council consultation/support and joint planning/projects	22
Verge Valet™	9	Waste management community education	22
Waste Planning – a new service	9	Waste reduction & recycling advertising	23
The Way Ahead.....	9	Representation to and collaboration with relevant bodies	23
Council and Staff	9	Verge Valet™	24
Chief Executive Officer’s Report.....	10	Resident feedback.....	25
Improving Safety	10	Cost comparisons with traditional service.....	25
Service Improvements	10	Finance and Governance	26
Improving our Productivity	10	Statutory Requirements	28
Waste to Energy	10	Plan for the Future.....	28
The Year Ahead	11	Annual Compliance Return	28
Conclusion	11	Competitive Neutrality	28
Implementing the new Strategic Community Plan11		Register of Complaints	28
West Metro Recycling Centre.....	12	Record Keeping Plan.....	28
Council Structure.....	14	Payments to Employees	29
Council Representatives.....	14	Financial Report	30
WMRC Committees.....	14		
Organisational Structure.....	15		
Service Delivery	16		



Managing waste wisely

The Western Metropolitan Regional Council

The Western Metropolitan Regional Council (WMRC) is a local government organisation established in 1989 for the following regional purposes as set out in the WMRC's Establishment Agreement 2003:

- the collection, treatment and disposal of waste;
- the recycling or reuse of waste and other materials including, but not limited to, greenwaste and soil;
- the provision of facilities for the collection, treatment and disposal of waste and/or for the recycling and reuse of waste and other materials; and
- education and promotion regarding processes, industries or activities relating to the collection, treatment and disposal of waste and/or to the recycling or reuse of waste and other materials.

The WMRC continues to serve its constituent councils and their communities with efficient waste transfer, treatment and recycling services, education and facilities. The WMRC continues to improve the services it offers in concert with the rapidly changing waste management industry and community expectations.

"The WMRC continues to serve its constituent councils and their communities with efficient waste transfer, treatment and recycling services, education and facilities."



FEATURE

Waste Transport

Waste management in many respects is principally a transport business. In modern cities, waste collection vehicles need to be able to access every household. Waste disposal vehicles generally need to be able to transport waste efficiently for long distances. The vehicles are very different. Transfer stations perform an important role transferring waste from collection vehicles to the disposal vehicles.

In Ancient Greece as far back as 500 BC it was the responsibility of each Athenian household to take their rubbish to the disposal site located at least 1.5 kilometres from the city walls. The Romans introduced the first rubbish collection service. Townsfolk would throw their rubbish into the streets from where it would be collected in carts and disposed of in open pits.

Centuries later, the agricultural and industrial revolutions led to ever more crowded towns and cities and the accumulation of waste became a serious problem. In 1846 the *Nuisance Removal and Disease Prevention Act* addressed waste management in the City of London. This was followed by the *Public Health Act 1875* requiring every household to deposit their rubbish in a 'movable receptacle' for disposal – bringing about the household rubbish bin and modern municipal waste management.

Closer to home, here in Perth, up until the 1980s waste disposal relied upon local rubbish dumps which proliferated on the banks of the Swan and Canning Rivers and elsewhere. Within the western suburbs, rubbish dumps were located on the river in Mosman Park, at Lake Claremont and Lake Monger, in Swanbourne, Shenton Park and even one in the middle of Dalkeith. While these dumps made municipal waste collection and disposal seem cheap and easy, environmentally they were disastrous.

In the late 1980s overdue environmental reform required that local tips be closed in favour of operating large regional landfill disposal sites with modern safeguards including cell liners, and leachate and methane collection systems. In the western suburbs, the last remaining rubbish dump on Brockway Road was closed in the



DG Spooner and his horse-drawn waste collection vehicle, England.

Image courtesy Rebecca Brown – Waste and Recycling Manager WALGA. The photo is her great grandfather.

early 1990s, requiring that waste be transported long distance for disposal at one of these new regional landfills. The change necessitated the development of transfer stations to allow for efficient waste collection and bulk haulage in large vehicles for disposal.

In the western suburbs, municipal waste collection is performed by single-operator side lift trucks. These deliver waste to the WMRC transfer station in loads of five to seven tonnes. The waste is compacted into our cylindrical silos which are hauled for disposal two at a time in loads of around 25 tonnes.

Transporting waste efficiently in this way reduces traffic on the roads, costs less, saves time and has fewer emissions than having small trucks travel long distances to disposal or treatment sites.

Transfer stations perform an important role transferring waste from collection vehicles to the disposal vehicles.



WMRC's new waste transport silos capable of efficiently hauling up to 25 tonnes of waste for disposal.

Dismantle

Dismantle is a social enterprise which enables and empowers vulnerable young people to live their life in a self-directed way. Bike Rescue is their flagship initiative that uses bicycle mechanic activities and mentors to help develop social skills, build confidence and connect to educational and vocational opportunities.

WMRC introduced bicycle collection for Dismantle in March 2021 and the service is very popular with residents. The bicycles have been used in programs across the state and the service is much appreciated by Dismantle:

"A huge thank you to the residents of WMRC! Each one of the 120 bikes donated to Dismantle has been restored, repainted, and is being enjoyed by disadvantaged young people across the state, from the Kimberley to Esperance! Dismantle recycles close to 1000 bikes a year through our youth outreach program, BikeRescue, where our youth workers turned bike mechanics work shoulder-to-shoulder with at-risk young people to build much more than just bikes. If you've got a rusty old bike collecting dust in your garage, drop it off to WMRC so we can give it a new lease on life and bring to joy to some of WA's young people doing it tough."
- Pat Ryan, CEO



Chairman's Report



As Chairman of the Western Metropolitan Regional Council (WMRC) I am pleased to present this report on our activities and achievements for the 2020-21 financial year.

The 2020-21 year has been one of expansion and achievement for the WMRC. Member Councils, residents and other customers alike are benefiting from new and improved services and better value for money. The West Metro Recycling Centre is welcoming more visitors than ever before, bringing in record volumes of waste materials for recycling and treatment.

Serving the Perth West Central Metropolitan Area

The organisation was long restricted in its ability to develop economies of scale owing to the relatively small number of residents among our Member Councils. Our new Strategic Community Plan recognised the opportunity to overcome this inherent weakness by building upon the unique locational advantage of the West Metro Recycling Centre to properly service its west central metropolitan catchment area.

In September 2020, our neighbouring Town of Cambridge elected to become a Participating Council of the WMRC and two months later adopted WMRC's innovative pre-booked bulk waste collection service, known as Verge Valet™. WMRC also commenced services to another neighbour in accepting GO (garden organics) bin waste from the City of Perth. In the coming year, WMRC will commence services to another near neighbour in receiving FOGO waste from the City of Vincent and providing the City with our Verge Valet™ service.

In serving the West Central Metropolitan area in this way, the WMRC not only reduces its average costs but also assists inner city local government councils to achieve their waste reduction and recycling objectives; and helps make metropolitan waste management more efficient and effective.

COVID-19

My thanks to all staff of the WMRC for maintaining essential waste management services for Member Councils and community from the very beginning of the COVID-19 crisis right through the whole of the 2020-21 year.

Value for Money

In 2020-21, the WMRC again made no increases to fees and charges for Member Councils. Our new construction and demolition waste recycling service substantially reduced costs for our members, with all of this material being recycled instead of disposed to landfill.

Waste to Energy

The WMRC is now well-positioned to provide a waste to energy service for its Member Councils and other customers. Following a public tender conducted in 2020, a 15-year Waste Supply Agreement will be concluded with *East Rockingham Waste To Energy* with the first waste deliveries scheduled to commence in July 2022.

WMRC's waste to energy service only covers residual (red-lid bin) waste; and not recyclable materials or organic waste which will continue to be consigned for recycling and treatment.

"My thanks to all staff of the WMRC for maintaining essential waste management services for Member Councils."



Verge Valet™

The WMRC Verge Valet™ service has grown rapidly since it was first adopted by the Town of Mosman Park in January 2020. WMRC's signature pre-booked bulk waste collection service has since been taken up by the Town of Cottesloe, Town of Cambridge and the Shire of Peppermint Grove. Early in the new financial year we expect Verge Valet™ to operate within the City of Subiaco, followed in early 2022 by the City of Vincent.

Waste Planning – a new service

In this past year WMRC initiated a new waste planning service for its Member Councils. The service, at no additional cost to members, was developed in response to the State Government's requirement for every local government to develop a statutory waste plan. During the year WMRC assisted each of its Member Councils in developing a high standard waste plan, each of which has since been endorsed by the State Government.

The Way Ahead

I reported last year that the WMRC was now firmly on track to extend its services to other municipalities and commercial customers across our central west metropolitan catchment area; and that pathway is particularly important in relation to the WMRC's waste transfer services which can generate tremendous savings for users as well as significant environmental benefits including reduced emissions and less road congestion. That promise is now being fulfilled; and in the years ahead we will continue to build on it.

We all have the job ahead of us to achieve the ambitious goals and targets set by the State Government in its *State Waste Avoidance Resource and Resource Recovery Strategy 2030*. I am confident that the WMRC and each of its Member Councils will succeed in this environmentally important endeavour.

Council and Staff

I am grateful to my fellow Council members for their diligence and application throughout the year. On behalf of Council, I extend special thanks to Cr. Lorraine Young of the Town of Cottesloe for her valued service to the WMRC; and a warm welcome to her replacement Cr Paul MacFarlane.

My thanks also go to the staff of the WMRC who have done so much to improve the quality of service and value for money provided for the benefit of Member Councils and residents across the whole of Perth's western suburbs.



Councillor Charles Hohnen
Chairman

Chief Executive Officer's Report



The WMRC has been a hive of productive activity in the past 12 months. It's been my privilege to lead such an innovative and hard-working team who have achieved so much.

Improving Safety

Safety for our employees, contractors and customers is a top priority for the WMRC. In 2020-21 we reviewed and updated our Occupational Health and Safety Management Plan, and continued to consult closely with staff over all safety matters. We suffered no safety incidents or loss of time due to injury.

Service Improvements

Lower Fees and Charges

During the 2020-21 year we reduced the level of fixed cost contributions by Member Councils and made no increases in gate fees for a second year running.

Verge Valet™

Our flagship new bulk waste service goes from strength to strength. During the year Verge Valet™ was adopted by the Town of Cottesloe, Town of Cambridge and the Shire of Peppermint Grove. In 2021-22 we anticipate it will spread to the City of Subiaco and the City of Vincent.

After 18 months in service, we can confidently say that Verge Valet™ is proven to reduce waste, save ratepayers' money, and provide much improved levels of customer satisfaction compared with the old-style mass collections.

New Services

During the year we introduced new services including for refurbishment of bicycles, reuse of sporting equipment and stationery, and the recycling of cooking oil and plastic plant pots.

Improving our Productivity

In 2020-21 we adopted a modern weighbridge management system which has greatly simplified data capture, storage and reporting, automated our invoicing and enabled live monitoring of waste receivals from Member Councils, residents and commercial customers.

We developed and implemented an improved records management system which improves our standard of record keeping, and greatly reduced the necessity for paper records and time-consuming hard copy filing.

Our Communications and Education team developed new forms of waste workshops and an improved school waste education program that improved the effectiveness and efficiency of our service delivery.

Waste to Energy

Two new waste to energy plants are under construction in the Kwinana – East Rockingham heavy industrial area. They are expected to begin commissioning early next financial year. During the year, the WMRC released a public tender for a waste to energy service.

Waste to energy represents an environmentally preferable alternative form of disposal. It's strictly for residual waste (red-lidded bins) that would otherwise be landfilled.

WMRC's waste to energy contract will ensure its Member Councils and other local government customers will be able to meet the *State Waste Avoidance and Resource Recovery Strategy 2030* target of consigning no more than fifteen percent of waste to landfill by 2030.

The Year Ahead

In 2021-22, WMRC looks forward to continuing to improve the quality and the range of its services for Member Councils, commercial customers and residents. We will also be working hard to develop economies of scale to further reduce average costs for the benefit of our Member Councils.

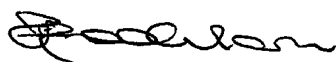
We will embark upon a revised Corporate Business Plan to support the roll out of our Strategic Community Plan.

We anticipate diverting residual (red lid bin) waste from landfill to one of the new waste to energy plants from early in the 2022-23 financial year

We look forward to working with our Member Councils to coordinate and smooth their transition to offering their residents a FOGO (Food Organics and Garden Organics) collection service.

Conclusion

I wish to thank all members of Council for their unstinting support for the work of the WMRC, particularly in respect of the organisation's ambitious and successful program of reform and renewal. My thanks also to all WMRC staff for their hard work and dedication throughout the year in delivering great service to Member Councils, commercial customers and the western suburbs community.



Stefan Frodsham
Chief Executive Officer

Implementing the new Strategic Community Plan

Following on from the work done in the past few years to review and update all elements of the WMRC's *Strategic Community Plan 2020-21* saw progress in its implementation.

At the heart of our Plan are our key strategies of:

- *achieve a comprehensive, cost-effective management service across the region*
- *increase the number of councils, businesses and people using our services*

These strategies are aimed at providing value for money and quality services not just to our Member Councils, but also to customers across our wider central west metropolitan catchment area. In this respect we have made some important progress, with the Town of Cambridge joining us a Participating Council, and taking on our pre-booked bulk waste collection service - Verge Valet™.

Further, the City of Vincent will be directing its FOGO waste to our West Metro Recycling Centre as from November 2021 and offering Verge Valet™ to their residents from early 2022. We are delighted at the prospect of helping increasing numbers of Cambridge and Vincent residents to manage their household waste effectively and efficiently.

Managing waste wisely

West Metro Recycling Centre

The West Metro Recycling Centre is the primary waste infrastructure site to service Perth's central west metropolitan area. It is located at the corner of Brockway Road and Lemnos Street in Shenton Park on Crown Land vested in the WMRC. The location is a light industrial area – adjacent to a Water Corporation Wastewater Treatment Plant, a major electrical substation and a bus depot.

The transfer station is licensed to handle 65,000 tonnes per annum of solid waste.

The WMRC West Metro Recycling Centre's primary function is to consolidate large volumes of municipal and commercial waste into silos for efficient and effective transfer to waste treatment or disposal facilities. It is ideally positioned to provide this service to the extended central west Perth region.

Transfer stations are important consolidation points in the waste logistics chain, where waste collected from the kerbside can be aggregated, compacted, and loaded to special purpose long-haul vehicles for efficient transport to distant waste treatment or disposal sites. The additional handling step involved is cost-effective when the travel time from collection to disposal takes short-haul collection vehicles out of action for long periods – highly relevant for municipal waste logistics in major cities and inner suburbs. This maximises waste transport efficiency and minimises both road congestion and vehicle emissions.

WMRC's waste transport efficiency role is supplemented by its capacity to receive small loads of privately delivered waste and recyclable materials.

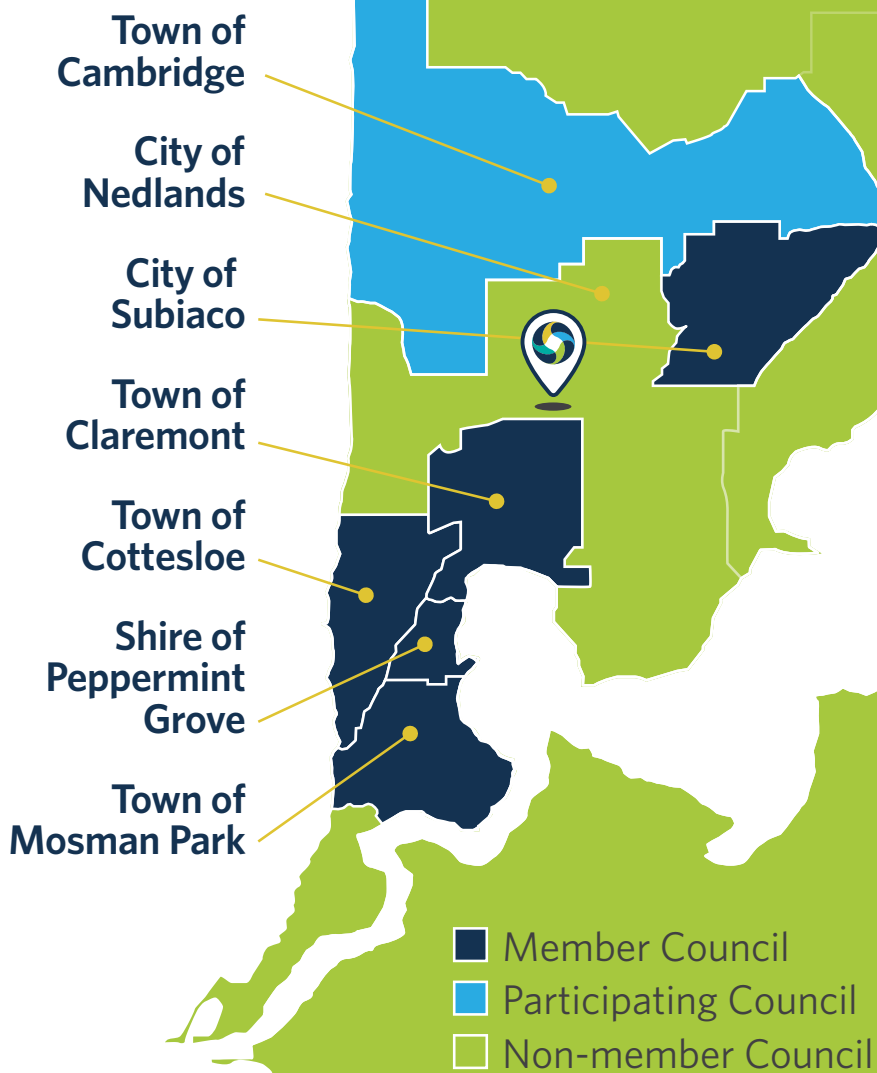
Member and Participating Council residents drop off a wide range of problematic and hazardous materials that should not or cannot be placed in the kerbside collection service for responsible recycling or disposal.

The West Metro Recycling Centre receives:

- Council and commercial:
 - general (red lid bin)
 - bulk (non-putrescible) waste
 - bulk greenwaste
- Resident drop-off:
 - bulk waste
 - greenwaste
 - household hazardous waste
 - problematic waste
 - recyclables

Given our location it is unsurprising that residents of neighbouring non-member Councils have long used the facility for drop-off. In 2020-21 the Town of Cambridge joined the WMRC as a Participating Council making a welcome contribution to the cost of providing drop-off recycling and waste treatment services for residents.





Council Structure

Council Representatives

Councillors



Cr Charles Hohnen
Chairman
Shire of Peppermint
Grove



Cr Bruce Haynes
Deputy Chairman
Town of Claremont



Cr Paul MacFarlane
Town of Cottesloe



Cr Paul Shaw
Town of
Mosman Park



Cr Stephanie Stroud
City of Subiaco

Deputy Councillors



Cr Greg Peters
Shire of Peppermint
Grove



Cr Sara Franklyn
Town of Claremont



Cr Lorraine Young
Town of Cottesloe



Cr Andrew Baird
Town of
Mosman Park



Cr Blake Phelan
City of Subiaco

The WMRC Council guides the governance and strategic direction of the organisation. The Council is made up of one Councillor and one deputy Councillor from each Member Council. The Council holds ordinary meetings every two months; and met six times in 2020-21.

WMRC Committees

To assist with its planning and decision making, the Council has appointed two committees. Each committee makes recommendations to Council for its consideration; neither has any delegated decision-making authority.

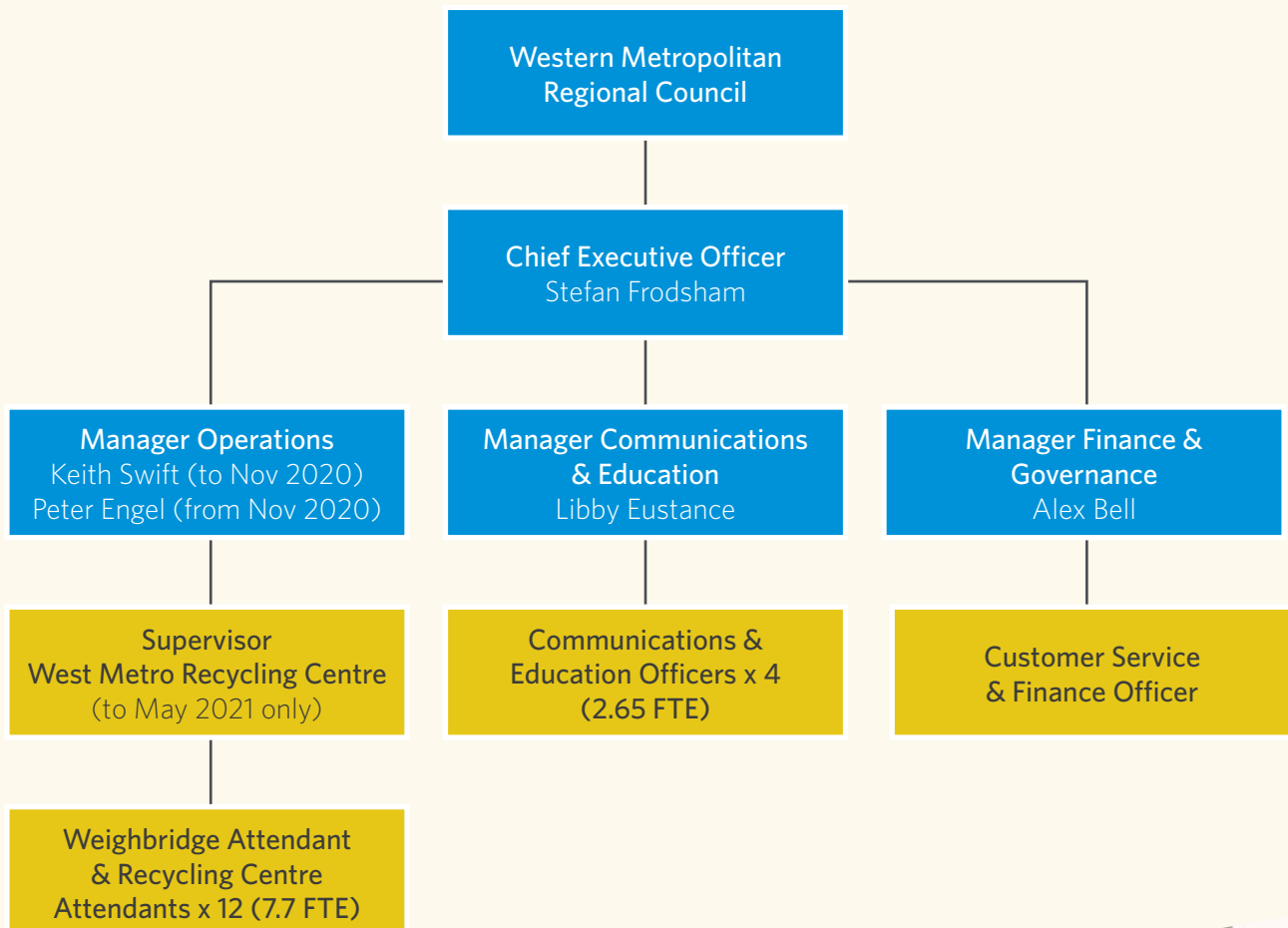
Audit and Risk Management Committee

The Audit and Risk Management Committee is established in accordance with section 7.1A of the *Local Government Act 1995*. The committee consists of four Councillors and guides the WMRC's audit processes and risk management. The Committee met four times in 2020-21.

Chief Executive Officers Advisory Committee (CEOAC)

The CEOAC considers key waste management strategy and operational matters affecting the WMRC and its Member Councils. It also supports the strengthening of relationships across the region and provides advice and recommendations to WMRC. The committee consists of Member Council Chief Executive Officers. The CEOAC met six times in 2020-21.

Organisational Structure



Service Delivery

The WMRC's Plan for the Future is encapsulated in six key strategies, as set out in our Strategic Community Plan. The following table summarises our performance in implementing these strategies in 2020-21 as well as setting out what we plan to achieve in the year ahead:

Key Strategy 1

Achieve a comprehensive, cost effective waste management service across the region

Achievements in 2020-21	Planned for 2021-22
<ul style="list-style-type: none">■ New pre-booked bulk waste collection service, Verge Valet™, extended to the Town of Cottesloe, Town of Cambridge and the Shire of Peppermint Grove■ Maintained waste management services through COVID-19 in accordance with guidelines■ Maintained gate fees for Member Councils■ Decreased fixed cost contributions by Member Councils	<ul style="list-style-type: none">■ Verge Valet™ service to be extended to the City of Subiaco and the City of Vincent; and offered to neighbouring non-member Councils■ Further develop economies of scale to reduce average costs and allow further reductions in gate fees■ Reduce waste transport costs■ Install a cardboard compactor■ Implement FOGO haulage

Key Strategy 2

Increase the number of Councils, business and people using our services

Achievements in 2020-21	Planned for 2021-22
<ul style="list-style-type: none">■ Town of Cambridge joined the WMRC as a Participating Council, with free access for all Cambridge residents to the Recycling Centre■ Significant increases in resident visits and resident-delivered waste■ Substantial increase in the quantity of green waste delivered by councils and others■ Customer service training conducted for all staff■ Increased number of councils using Verge Valet™ from one to four	<ul style="list-style-type: none">■ Attract additional commercial and municipal waste from across the WMRC central west metropolitan catchment area■ Engage neighbouring councils as Participating Councils to allow their residents convenient access to problematic waste disposal■ Continue to improve customer service standards

Managing waste wisely

Key Strategy 3

Divert waste from landfill by making materials and energy recovery available

Achievements in 2020-21	Planned for 2021-22
<ul style="list-style-type: none">■ Bulk waste consigned for recycling instead of landfill, with 1694 tonnes (65% of 2606 tonnes) diverted■ Appointed East Rockingham Waste to Energy as preferred tenderer for disposal of residual waste for energy recovery■ New community recycling/reuse services at the Recycling Centre for stationery, bicycles and cooking oil■ Commenced planning for FOGO services across the WMRC district	<ul style="list-style-type: none">■ Begin consigning residual waste for energy recovery subject to plant availability■ Expand the reach of the construction and demolition waste recycling service■ Implement the WMRC Waste Plan■ Assist Member Councils in transitioning to FOGO services by 2025

Key Strategy 4

Promote and facilitate waste avoidance and responsible waste management in the community

Achievements in 2020-21	Planned for 2021-22
<ul style="list-style-type: none">■ Expanded reach of education services print, online and in person: workshops, webinars, tours■ Worked with the SMRC to revamp school/community activities materials■ Created waste calendars for four of five Member Councils■ Increased types of waste materials collected free from the community at the West Metro Recycling Centre■ Developed volunteer program	<ul style="list-style-type: none">■ Further improve community recycling hub at West Metro Recycling Centre■ Use schools/community activities widely■ Grow the volunteer program

Key Strategy 5

Develop a strong and capable organisation

Achievements in 2020-21	Planned for 2021-22
<ul style="list-style-type: none">■ No safety incidents or near-misses■ Occupational Health and Safety Management Plan reviewed■ Commenced the replacement of WMRC's waste silos■ New Mandalay weighbridge operating system installed■ Developed and implemented a new Records Management Plan and digitised existing paper records■ Developed and implemented a new suite of Council policies and procedures■ Increased the total comprehensive income by \$275k from the original budget to budget review■ Reviewed and improved procurement practice and performance	<ul style="list-style-type: none">■ Complete the replacement of WMRC's waste silos■ Complete review of the Delegations Register■ First positive total comprehensive income in budget since 2014■ Asset Management review project■ Procurement process review project for RFQs and RFTs

Key Strategy 6

Contribute to the development of effective policy and advocate on our Member Councils' behalf

Achievements in 2020-21	Planned for 2021-22
<ul style="list-style-type: none">■ Contributed to DWER's FOGO reference group■ Continued presence on MWAC■ Assisted Member Councils develop their statutory Waste Plans for State Government approval■ Developed WMRC Waste Plan, approved by the State Government	<ul style="list-style-type: none">■ Continue contribution to DWER's FOGO Reference Group■ Continue active presence on MWAC■ Assist Member Councils with their Waste Plan and waste data reporting

Operations

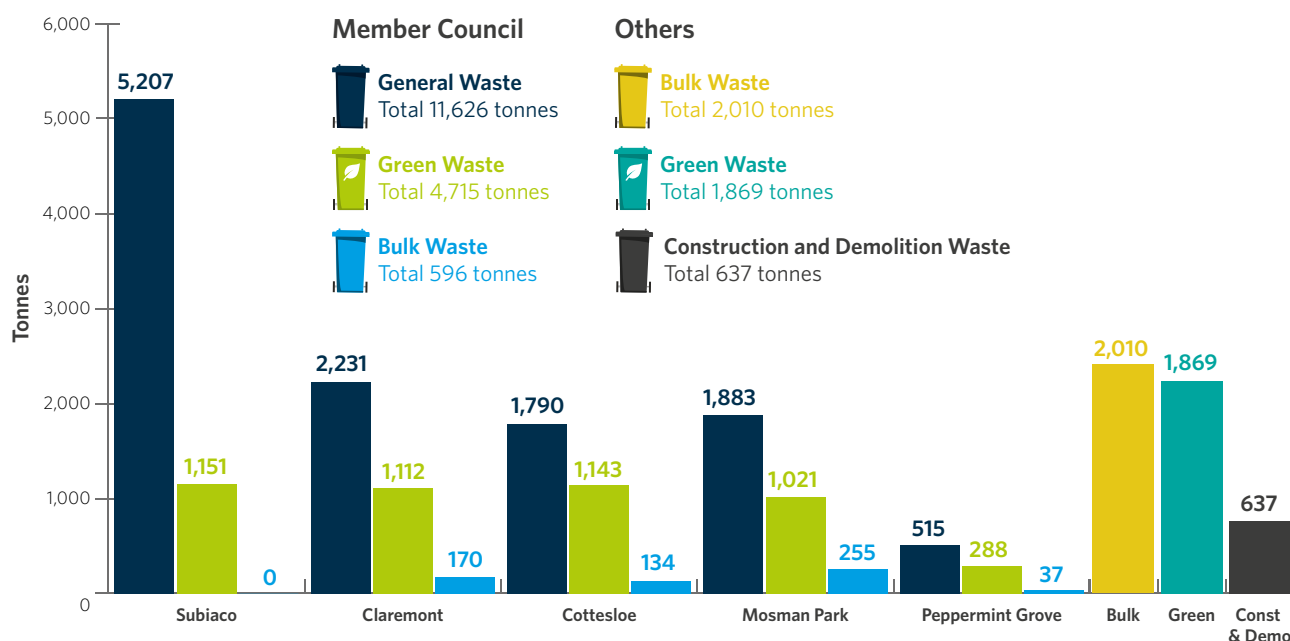
Peter Engel
Manager Operations



The WMRC operates the West Metro Recycling Centre in Shenton Park to provide waste management services to the Perth west central metropolitan area. The Recycling Centre handles residual waste, problematic waste, bulk waste and recyclables from across its catchment area. Residual waste is consolidated at the facility and efficiently hauled for landfill disposal. Recyclables are received from residents and trucked to various locations for processing. In 2020-21 the Recycling Centre received around 24,718 tonnes of waste and recyclables from municipalities, commercial customers and residents.

This was the first year of operation of our new Mandalay weighbridge software. This has allowed us to adjust nominal weights so that they are more reasonable and more precisely monitor and analyse waste tonnages passing through the facility. As a result some tonnages appear lower than previously. Despite some data capture issues, we anticipate that these are more accurate figures than we have been able to record previously.

Waste Receivals (tonnes)





Green Waste Recycling

The facility received over 6,500 tonnes of green waste this year, including GO Bin waste from WMRC's Member Councils and Verge Valet™ waste from the Towns of Mosman Park, Cottesloe, Cambridge and Shire of Peppermint Grove. Green waste is hauled for processing, with the products used for mulch and soil amendment products. This year we worked closely with Member Councils and their contractors to introduce a greenwaste picking service to ensure that the Garden Organics bin greenwaste is as free of contamination as possible.

The Recycling Centre provides free mulch for Member Council residents sourced from processed greenwaste.

Domestic Recycling

The facility provides specialised drop-off recycling services for residents. Materials accepted include batteries, cardboard, electronic waste, scrap metal, tyres, mattresses / bases, white goods, light globes and fluorescent tubes. In addition, the following new services were introduced in 2020-21:

- Bicycles which are collected by Dismantle
- Used cooking oil
- Hair and dental care products which are collected by Terracycle
- Plastic plant pots
- A donation point for containers which are part of the Containers for Change program.

Material (tonnes)	2017-18	2018-19	2019-20	2020-21
Cardboard	58	60	67	103
Steel	18	38	66	70
Mattresses and bases	18	22	50	32
E-Waste	21	21	45	50
Household Hazardous Waste (inc Paint)	13	22	28	48
Car batteries	9	11	11	14
Bulk Polystyrene ¹	0	0	4	4
Total (tonnes)²	135	174	271	321

¹ Bulk polystyrene service introduced August 2019, 364 cubic metres collected 2020-21.

² Total does not include minor quantities of other materials including waste oil and tyres.

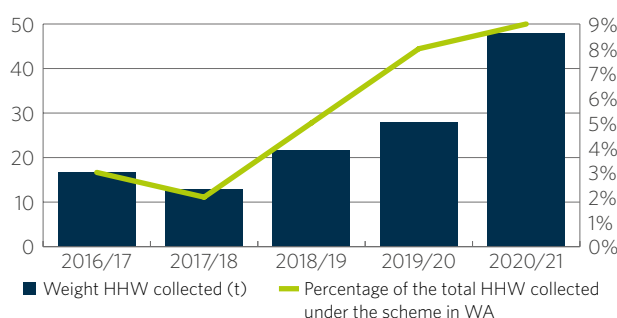
E-Waste

The facility also provides a drop off point for e-waste. This is also a popular service having collected 50T in the year under the National Television and Computer Recycling Scheme (NTRCS). A marked increase in the cost of the scheme has resulted in a change in our operations. We now sort materials received into seven streams onsite in order to control costs; some will be disposed of as metals creating revenue.

Household Hazardous Waste (HHW)

The Recycling Centre houses a permanent HHW drop-off area that allows domestic customers to safely dispose of hazardous items free of charge. The facility collected 48 tonnes of HHW throughout the year, an increase of 20 tonnes from 2019/20. The HHW drop off service provided by the WMRC ranks 3rd among all permanent HHW facilities in WA.

The site became a collection point for the Paintback program during the year. This program is producer-funded and recycles used paints, diverting this cost from the HHW program.





Highlights 2020-21

In 2020-21, a total of 24,718 tonnes of waste was received at the West Metro Recycling Centre. The diversion for this year has been calculated at approximately 39% a decrease on that recorded last year attributed to improved data recording.

Waste received at the recycling centre consisted of:

- 11,626 tonnes of general waste;
- 6,584 tonnes of greenwaste; and
- 2,606 tonnes of bulk waste
- 634 tonnes of construction and demolition waste
- 604 tonnes of recycling and problematic waste (e.g. asbestos, tyres, electronic waste, scrap metal HHW etc).

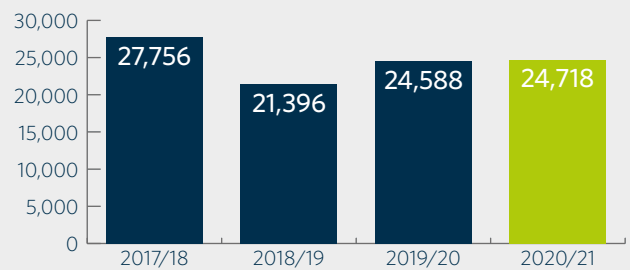
Recycling through the West Metro Recycling Centre

The Recycling Centre collected the following for recycling,

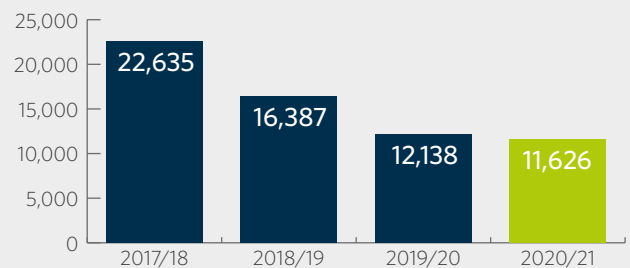
- 32 tonnes mattresses and bases.
- 14 tonnes of car batteries.
- 103 tonnes of cardboard.
- 70 tonnes of metal scrap
- 700m³ of Polystyrene (4 tonnes)

A network of community drop-off points collected household batteries and minor quantities of light globes and tubes and printer cartridges.

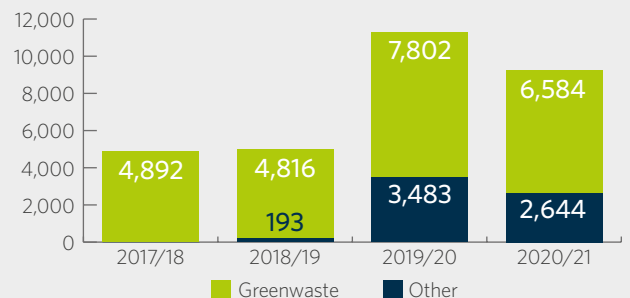
Total waste received (tonnes)



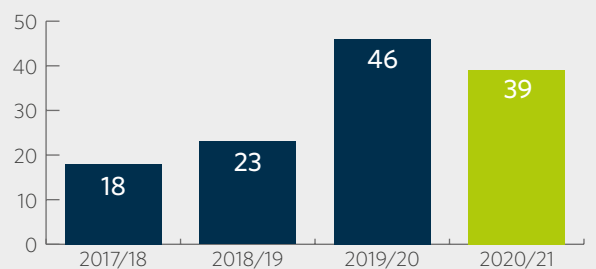
Waste sent to landfill (tonnes)



Recycled including greenwaste (tonnes)



Recycled (%)



Managing waste wisely

Communication and Education

Libby Eustance

Manager Communications
and Education



The team's activities for 2020-21 continued to be planned around five program areas:

- Council consultation/ support and joint planning/projects
- Waste reduction & recycling advertising
- Waste management community education
- Infrastructure planning and provision
- Representation to and collaboration with relevant bodies

Council consultation/support and joint planning/projects

The team worked collaboratively with Member Council officers in a range of areas. Particular projects were bin tagging completing the 2019-20 COVID-delayed program and undertaking DWER-funded bin checks for 2000 properties in Claremont and Mosman Park; completing coordination of Member Council Waste Plans which were all endorsed by DWER; coordinating a 'Clean your Greens' project with four Member Councils, Recycling Centre staff and commercial collectors.



Waste management community education

In-person events returned during the year and the team offered several very popular community tours of waste facilities which were increasingly combined with elements of Waste Watchers Workshops. In addition, the team ran special interest community events and contributed to Member Council events. The team worked in collaboration with the Southern Metropolitan Regional Council staff to upgrade the schools/community education material in line with DWER's 'Be a GREAT sort campaign'. This formed part of our Recycle Right Partnership. In addition the team joined the Plastic Free Foundation on behalf of its Member Councils.





Waste reduction & recycling advertising

The team produced a range of advertising, information and promotional material and continued to increase the WMRC's social media footprint. We refreshed the WMRC Website and coordinates a monthly e-newsletter for residents and a fortnightly bulletin for Member Council staff and Elected Members. We moved to a regular monthly advertising feature in the local paper and focused on the management of key reputational risks

Representation to and collaboration with relevant bodies

The team is small; staff continue to run many projects and services in collaboration with other bodies including WALGA, WMRR, Recycle Right, Plastic Free Foundation and several local community organisations. In addition, they have participated actively in a wide range of industry and government bodies and used their expertise to ensure that informed submissions are made on behalf of Member Councils in consultation exercises.

Infrastructure planning and provision

The team worked with social enterprises GiveWrite, FairGame and Dismantle to coordinate the collection of school stationery, sporting equipment and bicycles for reuse at the West Metro Recycling Centre. The team also increased collection points to include plant pots, milk bottle tops, oral hygiene products and grooming products.





Verge Valet™

The Verge Valet™ service is a pre-booked bulk and green vergeside household waste collection service offered by the Western Metropolitan Regional Council to its Member Councils and other local governments on an opt-in basis. Verge Valet™ does not use delivered vergeside skips, rather allowing residents who have booked a collection to set out their waste for collection directly on the verge. The WMRC manages contracts with the collection and disposal entities and coordinates a booking portal and community communications material on behalf of opting-in councils.

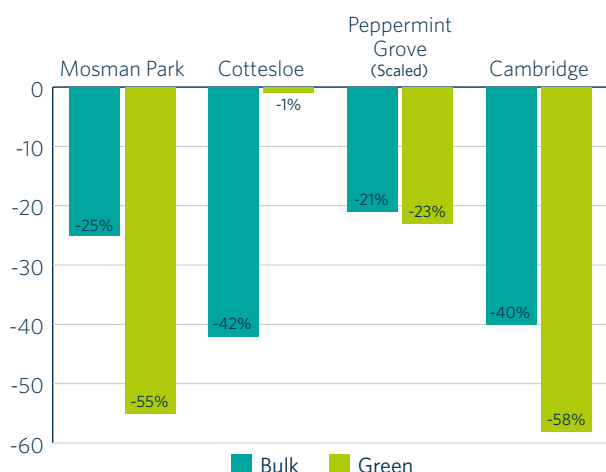
Through the year the Town of Mosman Park was joined by the Town of Cottesloe, The Town of Cambridge and the Shire of Peppermint Grove in offering the service to their residents. Interest in the service remains high with the Cities of Subiaco and Vincent set to join and enquiries from several other Local Governments.

The service has been successful in reducing the quantity of waste presented on verges and containing service collection costs for host councils. In addition, the majority of users prefer this method of collection



Waste reduction through Verge Valet™

The graph shows the percentage decrease in waste tonnes collected compared to 2018/19 MyCouncil data (most recent available), DWER.



Notes:

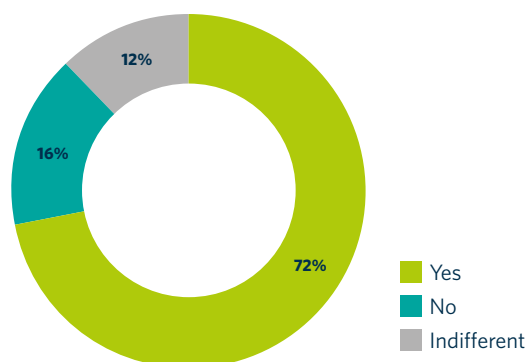
1. Mosman Park did not have a Garden Organics bin service in 2018/19, some of the decrease in greenwaste tonnes can be attributed to the introduction of the GO service.
2. As Cambridge introduced Verge Valet™ in November 2020, some of the decrease may be attributed to the absence of any verge collection July – November 2020.
3. Peppermint Grove scaled for full year.

Resident feedback

User feedback is collected by SMS or email survey after a resident has had a Verge Valet™ collection. From replies received, 72% prefer Verge Valet™ to a traditional service with the rest fairly evenly split between indifference and preferring the traditional bulk waste collection service. The preference for Verge Valet™ is significantly higher in Member Council areas.

When asked to rate the service, 89% of users give it a rating of 4 or 5 out of 5 with similar results for both the booking system and collection process.

Prefer Verge Valet™ (all councils)



Cost comparisons with traditional service

	Town of Mosman Park	Town of Cottesloe	Shire of Peppermint Grove (scaled)	Town of Cambridge
Saving against expected price of a continued scheduled service	33%	14%	10%	3%

The reduction in tonnes collected leads to a reduction in vergeside collection costs for Verge Valet™ councils.

Finance and Governance

Alex Bell
Manager Finance
and Governance



The WMRC finished the 2020-21 financial year with a total comprehensive income that was \$60k better than the 2019-20 financial year. The \$60k is mostly made up from savings in expenses which is particularly impressive given Verge Valet™ expanded from one to four Councils during the period.

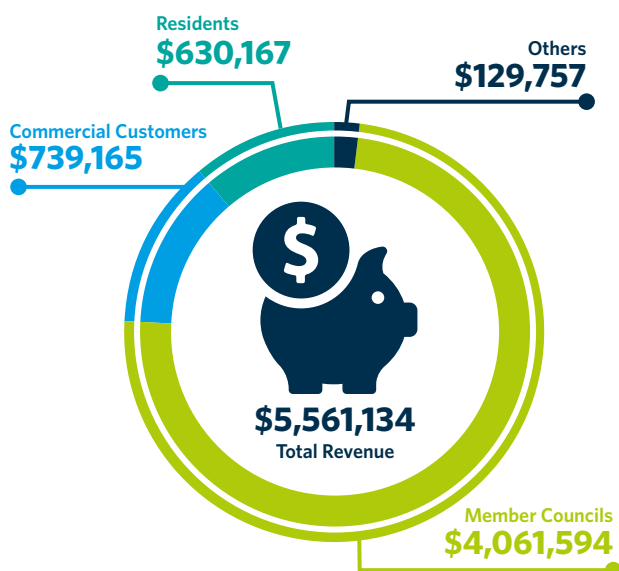
The WMRC has continued to run on a mixed fee model (a change introduced in 2018/19). Fixed Costs are covered through a contribution from commercial gate fees and a Member Council contribution. In the 2020-21 financial year, the WMRC was able to reduce the Member Council contribution by \$50k. The reduction in fixed costs was achieved through an increase in revenue from Verge Valet™ and commercial customers.

The Town of Cambridge joined the WMRC as a Participating Council in the 19-20 financial year. The Recycling contribution paid by the Town of Cambridge meant Cambridge residents were able to

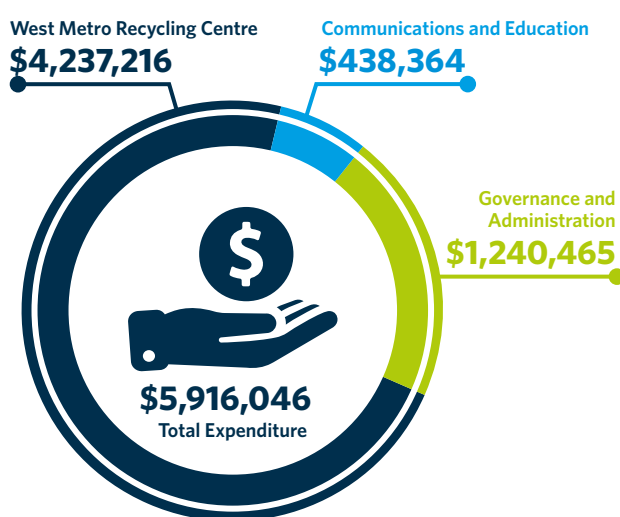
gain free entry to the West Metro Recycling Centre. The costs of running the recycling services were shared more evenly among most of the councils who utilise the services which allowed more services to be added.

For the third year in a row, gate fees were not increased. This allowed extra custom from beyond our Member Councils which in turn allowed for a larger capital budget. A replacement program for assets which are now coming to the end of their useful lives commenced with the delivery of 5 new silos. This program of asset replacement will continue into the 2021-22 financial year and beyond.

Our Revenue (\$)



Our Expenditure (\$)



During the year, the Finance and Governance section has consolidated changes including:

- Successful integration between new weighbridge and accounting systems. This has reduced the time required for invoicing and payment allocations and provided greater clarity on revenue sources.
- Introduction of a new suite of council policies and matching procedures which closely match the objectives outlined in the WMRC Strategic Community Plan and Corporate Business Plan.
- Implementation of a contracts administration register with monthly updated.
- Digitising primary and annual returns to allow easier completion and automatic receipts.
- A complete review of the WMRC Recordkeeping Plan and Procedure which has been submitted to the State Records Office and will be reviewed by the State Records Commission in December 2021.
- A major sort of all WMRC hard copy records for destruction or digitisation and the introduction of a new hard copy records system.

■ Legislative changes introduced:

- Elected Member Code of Conduct and Complaints process.
 - CEO Recruitment.
 - Changes required under Local Government Regulations Amendment Regulations 2020 including items to be made available for public inspection and on the website.
 - Changes for casual employees.
- Various registers implemented or updated for public information and proper recordkeeping.
 - Management of the WMRC administration office redesign.
 - Income protection insurance provided to all staff.
 - Two interim audit items were identified which have been rectified. In previous years there have been in the order of 10 recommendations from each Interim Audit; the improvement is testament to the improved financial and procurement processes now operating.



Statutory Requirements

Plan for the Future

Strategic Community Plan

The Local Government Act requires that if a modification is made during a financial year to a local government's strategic community plan, the annual report of the local government for the financial year is to contain information about that modification.

In 2019-20, the WMRC completed a major review of its Strategic Community Plan (SCP) for the ten-year period to 2029-30.

This SCP, adopted by Council in October 2019, sees the WMRC concentrating on providing efficient and effective waste transfer and community recycling services across its west central metropolitan catchment area. The new plan recognises the strategic location of the West Metro Recycling Centre in playing a vital role in Perth metropolitan waste management; and emphasises the importance of effective waste education and promotion in helping the WMRC and its five Member Councils achieve their waste management objectives.

A copy of the SCP is available at the WMRC website www.wmrc.wa.gov.au.

No changes to this SCP were made during the year and a minor review will be carried out early in the 2021-22 period.

Corporate Business Plan

The Local Government Act S19CA provides that if a modification is made during a financial year to a local government's corporate business plan, the annual report of the local government for the financial year is to contain information about that modification.

Following the approval by Council of the new SCP in October 2019, the WMRC developed a new Corporate Business Plan (CBP) which sets out the actions and resources the organisation will deploy over the next four years in achieving its strategic objectives. The CBP is supported by new informing strategies of a Long Term Financial Plan, and an Asset Management Plan.

A copy of the CBP is available at the WMRC website www.wmrc.wa.gov.au.

Annual Compliance Return

The WMRC's Statutory Compliance Return for the period 1 January to 31 December 2020 was completed and lodged as required. There were no matters of non-compliance to report.

Competitive Neutrality

Competitive neutrality principles apply to the significant business activities conducted by, or under the control of, one or more local governments whether they are operating jointly or solely. A local government is only required to implement competitive neutrality principles to the extent that the benefits to be realised from implementation outweigh the costs, in respect of individual business activities that exceeded \$200,000 annual income.

The WMRC's only significant business activity is the operation of the West Metro Recycling Centre. The facility meets the 'public benefit test' in respect to 'user-pay charges'. The provision of this service is beneficial to the regional community and is available to Member Councils, non-member councils and commercial customers.

Register of Complaints

The *Local Government Act 1995* s5.53 requires complaints in relation to minor breaches by Councillors received during the year to be reported. There were no such complaints received during 2020/21.

Record Keeping Plan

Principal 6 of the Record Keeping Plan Criteria (*State Records Act 2000*) outlines the requirements for local governments (including regional councils) to report within their Annual Reports the efficiency and effectiveness of the organisation's record keeping systems, record keeping training and induction program. The WMRC's Record Keeping Plan was adopted in December 2020.

Disability Access and Inclusion Plan

The *Disability Services Act 1993* requires that all local governments develop and implement a Disability Access and Inclusion Plan (DAIP). In 2018-19 the WMRC developed and adopted a new DAIP which outlines the ways in which WMRC will ensure that people with a disability have equal access to its facilities and services through eight desired outcomes.

In 2020-21, the WMRC:

- Renovated its Churchill Avenue, Subiaco office taking the needs of people with disabilities into account.
- introduced several new community reuse/recycling services at the West Metro Centre including for cooking oil, dental and grooming products and bicycles. The services are available to all and staff are on hand at the Recycling Centre to assist people with disabilities with their recyclable and waste materials.

Payments to Employees

The *Local Government (Administration) Regulations 1996* prescribes that for the purposes of s5.53(2) of the *Local Government Act 1995*, a local government's Annual Report must contain information on the number of employees of the Council in bands of \$10,000 entitled to an annual salary of \$130,000 or more.

Pay Scale Range (\$)	Number of employees
160,000 – 170,000	1



Financial Report

For the year ended 30 June 2021

Table of Contents

Statement by Chief Executive Officer	31
Statement of Comprehensive Income By Nature or Type	32
Statement of Comprehensive Income By Program	33
Statement of Financial Position	34
Statement of Changes in Equity	35
Statement of Cash Flows	36
Notes to and forming part of the Financial Report	37
Independent Auditor's Report	69

Principal place of business

2/317 Churchill Avenue
Subiaco WA 6008

Statement by Chief Executive Officer

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Western Metropolitan Regional Council for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Western Metropolitan Regional Council at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the

7th

day of

October

2021



Chief Executive Officer



Name of Chief Executive Officer

Statement of Comprehensive Income By Nature or Type

For the year ended 30 June 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Operating grants, subsidies and contributions	2(a)	1,946,203	1,952,223	1,919,456
Fees and charges	2(a)	3,485,174	3,424,345	3,050,142
Interest earnings	2(a)	7,687	12,325	34,214
Other revenue	2(a)	122,070	128,276	611,022
		<u>5,561,134</u>	<u>5,517,169</u>	<u>5,614,834</u>
Expenses				
Employee costs		(1,754,566)	(1,841,865)	(1,650,918)
Materials and contracts		(3,567,691)	(3,334,417)	(3,021,072)
Utility charges		(17,013)	(15,426)	(10,818)
Depreciation on non-current assets	8(c)	(220,833)	(215,551)	(201,324)
Interest expenses	2(b)	(967)	0	(2,884)
Insurance expenses		(71,244)	(54,956)	(59,325)
Other expenditure		(283,732)	(335,691)	(1,024,703)
		<u>(5,916,046)</u>	<u>(5,797,906)</u>	<u>(5,971,044)</u>
		(354,912)	(280,737)	(356,210)
Non-operating grants, subsidies and contributions	2(a)	0	0	0
Profit on asset disposals	8(a)	0	6,491	0
(Loss) on asset disposals	8(a)	(36,178)	0	(93,755)
		<u>(36,178)</u>	<u>6,491</u>	<u>(93,755)</u>
Net result for the period		(391,090)	(274,246)	(449,965)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(391,090)	(274,246)	(449,965)

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

Statement of Comprehensive Income By Programme

For the year ended 30 June 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance	2(a)	7,687	12,325	33,512
General purpose funding		5,553,447	5,504,844	5,581,322
		<u>5,561,134</u>	<u>5,517,169</u>	<u>5,614,834</u>
Expenses				
Governance	2(b)	(69,178)	(71,563)	(1,914,500)
Community amenities		(5,845,901)	(5,726,343)	(4,053,660)
		<u>(5,915,079)</u>	<u>(5,797,906)</u>	<u>(5,968,160)</u>
Finance Costs				
General purpose funding	2(b)	(967)	0	(2,884)
		<u>(967)</u>	<u>0</u>	<u>(2,884)</u>
		(354,912)	(280,737)	(356,210)
Profit on disposal of assets	8(a)	0	6,491	0
(Loss) on disposal of assets	8(a)	(36,178)	0	(93,755)
		<u>(36,178)</u>	<u>6,491</u>	<u>(93,755)</u>
Net result for the period		(391,090)	(274,246)	(449,965)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(391,090)	(274,246)	(449,965)

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

Statement of Financial Position

As at 30 June 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,074,089	1,589,148
Trade and other receivables	5	429,125	404,235
TOTAL CURRENT ASSETS		1,503,214	1,993,383
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,477,439	1,270,890
Infrastructure	7	966,700	938,980
Right-of-use assets	9(a)	48,630	96,470
TOTAL NON-CURRENT ASSETS		2,492,769	2,306,340
TOTAL ASSETS		3,995,983	4,299,723
CURRENT LIABILITIES			
Trade and other payables	11	482,199	333,427
Lease liabilities	12(a)	0	45,800
Employee related provisions	14	212,538	241,103
TOTAL CURRENT LIABILITIES		694,737	620,330
NON-CURRENT LIABILITIES			
Employee related provisions	14	47,983	35,040
TOTAL NON-CURRENT LIABILITIES		47,983	35,040
TOTAL LIABILITIES		742,720	655,370
NET ASSETS		3,253,263	3,644,353
EQUITY			
Retained surplus		2,035,185	1,840,416
Reserves - cash backed	4	928,580	1,514,439
Revaluation surplus	10	289,498	289,498
TOTAL EQUITY		3,253,263	3,644,353

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

Statement of Changes in Equity

For the year ended 30 June 2021

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2019		1,945,374	1,859,446	289,498	4,094,318
Comprehensive income					
Net result for the period		(449,965)	0	0	(449,965)
Total comprehensive income		(449,965)	0	0	(449,965)
Transfers from reserves	4	2,083,970	(2,083,970)	0	0
Transfers to reserves	4	(1,738,963)	1,738,963	0	0
Balance as at 30 June 2020		1,840,416	1,514,439	289,498	3,644,353
Balance at 1 July 2020		1,840,416	1,514,439	289,498	3,644,353
Comprehensive income					
Net result for the period		(391,090)	0	0	(391,090)
Transfers from reserves	4	1,666,175	(1,666,175)	0	0
Transfers to reserves	4	(1,080,316)	1,080,316	0	0
Balance as at 30 June 2021		2,035,185	928,580	289,498	3,253,263

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

Statement of Cash Flows

For the year ended 30 June 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Operating grants, subsidies and contributions		1,888,738	2,091,545	1,757,934
Fees and charges		3,485,174	3,424,345	3,050,142
Interest received		7,687	12,325	34,214
Other revenue		122,070	128,276	611,022
		5,503,669	5,656,491	5,453,312
Payments				
Employee costs		(1,740,817)	(1,800,068)	(1,593,195)
Materials and contracts		(3,448,290)	(3,070,367)	(3,034,658)
Utility charges		(17,013)	(15,426)	(10,818)
Interest expenses		(967)	0	0
Insurance paid		(71,244)	(54,956)	(59,325)
Goods and services tax paid		32,575	(24,661)	10,582
Other expenditure		(283,732)	(335,690)	(1,027,568)
		(5,529,488)	(5,301,168)	(5,714,982)
Net cash provided by (used in) operating activities	15	(25,819)	355,323	(261,670)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	6(a)	(320,397)	(410,720)	(68,222)
Payments for construction of infrastructure	7(a)	(123,043)	(96,997)	(196,489)
Proceeds from sale of property, plant & equipment	8(a)	0	18,000	0
Net cash provided by (used in) investment activities		(443,440)	(489,717)	(264,711)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for principal portion of lease liabilities	12(b)	(45,800)	(43,687)	(44,292)
Net cash provided by (used in) financing activities		(45,800)	(43,687)	(44,292)
Net increase (decrease) in cash held		(515,059)	(178,081)	(570,673)
Cash at beginning of year		1,589,148	1,764,149	2,159,821
Cash and cash equivalents at the end of the year	15	1,074,089	1,586,068	1,589,148

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

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is 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 WMRC to measure any vested improvements at zero cost.

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

During the current year, the WMRC adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the financial report.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

It is not expected these standards will have an impact on the financial report.

CRITICAL ACCOUNTING ESTIMATES

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

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

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Operating grants, subsidies and contributions	Member Council Contributions	During financial Event	30 Days on booking	None	Budget - Council		None	Upon invoicing
	Communications & Education			None	Reimbursement of outlay		None	Upon invoicing
	Courses, and Grants			None	Allocated by outside		None	Upon receipt of funds
Fees and charges		During financial	prior to	None	Budget - Council		None	Upon invoicing or cash
Service charges	Fees and charges	On Site	30 Days	None			None	
Interest earnings	Interest	Investment		None	Set by bank		None	Upon receipt of funds
Other revenue	Insurance Reimbursements	Reimbursement		None	Reimbursement of outlay		None	Upon receipt of funds
Other revenue	Legal Recoveries	Reimbursement		None	Reimbursement of outlay		None	Upon receipt of funds
Other revenue	Fuel Tax Credits	Reimbursement		None	Reimbursement of outlay		None	Upon receipt of funds
Other revenue	Long Service Leave	Reimbursement		None	Reimbursement of outlay		None	Upon receipt of funds
Other revenue	Asset Sales	Upon Sale	30 Days	None	Negotiation		None	Upon invoicing
Other revenue	Recycling transfer service	Prior to Invoicing	30 Days	None	Budget - Council approved		None	Upon invoicing

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Community amenities	1,946,203	1,952,223	1,919,456
Total grants, subsidies and contributions	1,946,203	1,952,223	1,919,456
Fees and charges			
Community amenities	3,485,174	3,424,345	3,050,142
	3,485,174	3,424,345	3,050,142

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

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

Contracts with customers and transfers for recognisable non-financial assets

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the WMRC was recognised during the year for the following nature or types of goods or services:

Fees and charges	3,485,174	3,424,345	3,050,142
Other revenue	31,046	34,702	543,689
	3,516,220	3,459,047	3,593,831

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the WMRC is comprised of:

Revenue from contracts with customers recognised during the year	3,516,220	3,459,047	3,593,831
	3,516,220	3,459,047	3,593,831

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Trade and other receivables from contracts with customers	387,201	0	362,207
---	---------	---	---------

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Other revenue

Reimbursements and recoveries
Recovery of Legal Costs
Other

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
91,024	93,574	67,333
0	0	507,000
31,045	34,702	36,689
122,070	128,276	611,022

Interest earnings

Interest on reserve funds
Other interest earnings

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
7,687	12,325	33,512
0	0	702
7,687	12,325	34,214

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset 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).

Interest earnings (continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

(b) Expenses

Auditors remuneration

Audit of the Annual Financial Report

Note	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
	22,500	22,000	24,100
	22,500	22,000	24,100

Interest expenses (finance costs)

Lease liabilities

12(b)	967	0	(2,884)
	967	0	(2,884)

Other expenditure

Accrued Income
Sundry expenses

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
(10,627)	0	(3,884)
294,359	335,691	1,028,587
283,732	335,691	1,024,703

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

3. CASH AND CASH EQUIVALENTS

	NOTE	2021 \$	2020 \$
Cash at bank		144,973	74,115
Cash on hand		536	594
Reserves		928,580	1,514,439
Total cash and cash equivalents		1,074,089	1,589,148

Restrictions

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents		928,580	1,514,439
		928,580	1,514,439

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

Reserves - cash backed	4	928,580	1,514,439
Total restricted assets		928,580	1,514,439

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

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, 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.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
(a) Development Reserve	\$ 473,828	\$ 3,414	\$ (327,214)	\$ 150,028	\$ 473,828	\$ 219,741	\$ (507,717)	\$ 185,852	\$ 570,398	\$ 7,925	\$ (104,495)	\$ 473,828
(b) Operating Reserve	1,040,611	1,076,902	(1,338,961)	778,552	1,040,612	1,952,357	(1,944,223)	1,048,746	1,289,048	1,731,038	(1,979,475)	1,040,611
	1,514,439	1,080,316	(1,666,175)	928,580	1,514,440	2,172,098	(2,451,940)	1,234,598	1,859,446	1,738,963	(2,083,970)	1,514,439

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

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:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Development Reserve	On going	To fund capital expenditure and other costs as required
(b) Operating Reserve	On going	To fund legal fees and operating expenses as required

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

5. TRADE AND OTHER RECEIVABLES

Current

Trade and other receivables
GST receivable
Accrued Income

2021	2020
\$	\$
412,929	362,207
5,569	38,144
10,627	3,884
429,125	404,235

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

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 22

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

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

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

6. 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.

	Buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$
Balance at 1 July 2019	914,600	3,600	488,563	1,406,763
Additions	9,800	23,355	35,067	68,222
(Disposals)	(1,000)	(3,599)	(89,156)	(93,755)
Depreciation (expense)	(39,465)	(3,786)	(67,089)	(110,340)
Balance at 30 June 2020	883,935	19,570	367,385	1,270,890
Comprises:				
Gross balance amount at 30 June 2020	1,706,300	23,355	1,084,534	2,814,189
Accumulated depreciation at 30 June 2020	(822,365)	(3,785)	(717,149)	(1,543,299)
Balance at 30 June 2020	883,935	19,570	367,385	1,270,890
Additions	9,545	4,858	305,994	320,397
(Disposals)	0	0	(11,509)	(11,509)
Depreciation (expense)	(34,945)	(2,446)	(64,948)	(102,339)
Balance at 30 June 2021	858,535	21,982	596,922	1,477,439
Comprises:				
Gross balance amount at 30 June 2021	1,715,845	28,214	1,365,642	3,109,701
Accumulated depreciation at 30 June 2021	(857,310)	(6,232)	(768,720)	(1,632,262)
Balance at 30 June 2021	858,535	21,982	596,922	1,477,439

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Buildings - specialised	Level 3	Market approach using recent observable market data for similar properties	Independent Valuation	June 2019	Market supplied evidence (level 2); estimates of residual value, useful life, and asset condition (level 3).
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.					
(ii) Cost					
Furniture and equipment					
	Level 3	Cost	Independent Valuation	June 2016	Market supplied evidence (level 2); estimates of residual value, useful life, and asset condition (level 3).
Plant and equipment					
	Level 3	Cost	Independent Valuation	June 2016	Replacement costs less consumed or expired service potential of the asset

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

7. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure	Total Infrastructure
	\$	\$
Balance at 1 July 2019	782,905	782,905
Additions	196,489	196,489
Depreciation (expense)	(40,414)	(40,414)
Balance at 30 June 2020	938,980	938,980
Comprises:		
Gross balance at 30 June 2020	2,517,302	2,517,302
Accumulated depreciation at 30 June 2020	(1,578,322)	(1,578,322)
Balance at 30 June 2020	938,980	938,980
Additions	123,043	123,043
(Disposals)	(24,669)	(24,669)
Depreciation (expense)	(70,654)	(70,654)
Balance at 30 June 2021	966,700	966,700
Comprises:		
Gross balance at 30 June 2021	2,569,754	2,569,754
Accumulated depreciation at 30 June 2021	(1,603,054)	(1,603,054)
Balance at 30 June 2021	966,700	966,700

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

7. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure		Level 3	Cost Approach using Current Replacement Cost	Independent Valuation	June 2019	Market supplied evidence (level 2); estimates of residual value, useful life, and asset condition (level 3).

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement. During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

8. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement between mandatory revaluation dates

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the WMRC includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. Individual items of plant & equipment are subsequently measured using the cost model.

Individual assets that are land, buildings, and infrastructure acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings and infrastructure is determined at least 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 vested land acquired by the WMRC.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation (Continued)

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure and vested improvements to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets 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.

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the WMRC to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 9 that details the significant accounting policies applying to leases (including right-of-use assets).

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

8. FIXED ASSETS

(a) Disposals of Assets

	2021			2021			2021			2020		
	Actual	Actual	2021	Actual	Actual	2021	Budget	Budget	2021	Actual	Actual	2020
	Net Book	Sale	Proceeds	Profit	Loss		Net Book	Sale	Proceeds	Profit	Loss	
	Value		\$	\$	\$		Value		\$	\$	\$	
Buildings - specialised												
Furniture and equipment	11,509	0	0	0	(11,509)		11,509	18,000	6,491	0	0	(1,000)
Plant and equipment	24,669	0	0	0	(24,669)							3,599
Infrastructure	36,178	0	0	0	(36,178)		11,509	18,000	6,491	0	0	89,156
												0
							11,509	18,000	6,491	0	0	93,755
												0
												(93,755)

The following assets were disposed of during the year.

	2021			2021		
	Actual	Actual	2021	Actual	Actual	2021
	Net Book	Sale	Proceeds	Profit	Loss	
	Value		\$	\$	\$	
Plant and Equipment						
Vehicle	11,509	0	0	0	(11,509)	
Fencing	24,669	0	0	0	(24,669)	
	36,178	0	0	0	(36,178)	

(b) Fully Depreciated Assets in Use

The gross carrying value of assets held by the WMRC which are currently in use yet fully depreciated are shown in the table below.

	2021	2020
	\$	\$
Furniture and equipment	15,621	15,452
Plant and equipment	67,000	20,293
Infrastructure	16,000	9,659
	98,621	45,404

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

8. FIXED ASSETS

(c) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - specialised	34,945	34,508	39,465
Furniture and equipment	2,446	1,957	3,786
Plant and equipment	64,948	62,252	67,089
Infrastructure	70,654	68,988	40,414
Right-of-use assets - Land	4,159	4,159	4,159
Right-of-use assets - Office Lease	43,681	43,687	46,411
	220,833	215,551	201,324

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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.

Depreciation rates

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

Asset Class	Useful life
Buildings	50 years
Furniture and equipment	3.33 - 5 years
Plant and equipment	6.66 - 20 years
Infrastructure	10 - 20 years
Right of Use Buildings & Plant and Equipment	Duration of Lease

Depreciation on revaluation

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

- The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

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

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

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

9. 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.

Balance at 1 July 2019

Additions

Depreciation (expense)

Balance at 30 June 2020

Balance at 1 July 2020

Depreciation (expense)

Balance at 30 June 2021

Right-of-use assets - Land	Right-of-use assets - Office Lease	Right-of-use assets - Total
\$	\$	
56,948	0	56,948
	90,092	90,092
(4,159)	(46,411)	(50,570)
52,789	43,681	96,470
(4,159)	(43,681)	(47,840)
48,630	0	48,630

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

All contracts that are classified as short-term leases (i.e. a lease with a remaining 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. Leases for right-of-use assets are secured over the asset being leased.

Right of Use - Land refers to \$175,000 paid in 1992 for the use of land over 40 years

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included 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 8 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets including land and lease are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the WMRC anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

10. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	2020 Transfer to Retained Earnings	2020 Closing Balance
Revaluation surplus - Buildings - specialised	108,063	0	0	0	108,063	108,063	0	0	0	108,063
Revaluation surplus - Furniture and equipment	0	0	0	0	0	16,342	0	0	(16,342)	0
Revaluation surplus - Plant and equipment	0	0	0	0	0	391,689	0	0	(391,689)	0
Revaluation surplus - Infrastructure - roads	181,435	0	0	0	181,435	181,435	0	0	0	181,435
	289,498	0	0	0	289,498	697,529	0	0	(408,031)	289,498

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

11. TRADE AND OTHER PAYABLES

Current

	2021 \$	2020 \$
Sundry creditors	407,223	228,201
Accrued salaries and wages	49,873	20,502
Bonds and deposits held	16,738	15,978
Accrued Expenses	2,276	68,746
Payroll Liabilities	6,089	0
	482,199	333,427

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the WMRC prior to the end of the financial year that are unpaid and arise when the WMRC becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

For the year ended 30 June 2021

	2021	2020
(a) Lease Liabilities	\$	\$
Current	0	45,800
	0	45,800

[illegible]

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

13. INFORMATION ON BORROWINGS (Continued)

Unused loan facilities at balance date	NIL	NIL
--	-----	-----

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised at fair value when the WMRC becomes a party to the contractual provisions to the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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 the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Risk

Information regarding exposure to risk can be found at Note 22

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

14. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2020			
Current provisions	141,879	99,224	241,103
Non-current provisions	0	35,040	35,040
	141,879	134,264	276,143
 Additional provision	(16,316)	(72,499)	(88,815)
Amounts used	41,948	31,245	73,193
Balance at 30 June 2021	167,511	93,010	260,521
 Comprises			
Current	167,511	45,027	212,538
Non-current	0	47,983	47,983
	167,511	93,010	260,521
 Amounts are expected to be settled on the following basis:	2021	2020	
	\$	\$	
Less than 12 months after the reporting date	212,538	241,103	
More than 12 months from reporting date	47,983	35,040	
	260,521	276,143	

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The WMRC's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Short-term employee benefits

Provision is made for the WMRC'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 WMRC'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 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

Other long-term employee benefits (Continued)

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

Provisions

Provisions are recognised when the WMRC 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.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

15. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	1,074,089	1,586,068	1,589,148

Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	(391,090)	(274,246)	(449,965)
Non-cash flows in Net result:			
Depreciation on non-current assets	220,833	215,551	201,324
(Profit)/loss on sale of asset	36,178	(6,491)	93,755
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(24,890)	279,250	(150,940)
Increase/(decrease) in payables	148,772	129,611	(3,702)
Increase/(decrease) in employee provisions	(15,622)	11,648	47,858
Net cash from operating activities	(25,819)	355,323	(261,670)

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021 \$	2020 \$
Governance	0	9,943
General purpose funding	2,492,769	2,306,340
Unallocated	1,503,214	1,983,440
	3,995,983	4,299,723

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

17. CONTINGENT LIABILITIES

A contingent liability exists relating to:

- a) possible site remediation in the event that the lease holder becomes insolvent; and
- b) a second and ongoing legal dispute with the lease holder. Damages may be payable if the lease holder is successful in this dispute.

Both lessor and lessee agreed in principle on commercial terms of settlement, which were to be incorporated into a Settlement Deed. In order to suspend the litigation pending negotiation of the Settlement Deed, the parties entered into a Standstill Agreement dated 8 May 2020 which was renewed a number of times.

Before the Settlement Deed could be agreed, the State Government announced that it is considering a market-led proposal for a major urban redevelopment of the locale of the West Metro Recycling Centre. That proposal effectively precludes the WMRC from being able to offer the leaseholder a fresh lease pursuant to the commercial terms of settlement that had been agreed. In turn, this has put a hold on settlement negotiations until such time that a Government response to the development proposal is known, or an alternative settlement arrangement can be found.

The Standstill Agreement has now expired and further steps are being taken to progress the litigation in parallel with exploration of alternative settlement options.

Transfer Station

The WMRC has, in compliance with the Contaminated Sites Act 2003 s 11, listed the following sites to be possible source of contamination due to their very nature i.e. Transfer station at Shenton Park and Greenwaste stockpile at Nedlands.

The WMRC is currently not aware of any potential contamination on the above sites and therefore, has not identified any need to undertake investigation. Until the Council conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environmental Regulation (DWER) the need and criteria for remediation, the Council is unable to accurately quantify its clean-up liabilities for the potentially contaminated site. The Council is continuing to monitor the sites and will progressively undertake sites' investigations and remediation on a risk based approach. This approach is consistent with the DWER guidelines.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

18. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

	2021	2020
	\$	\$
Contracted for:		
- capital expenditure projects	0	0
- plant & equipment purchases	111,810	0
	<u>111,810</u>	<u>0</u>
Payable:		
- not later than one year	111,810	0

a) Capital Expenditure Commitments

\$35,816 for cardboard compactor, \$58,624 for Silo Replacement and \$17,370 for Silo deflector plates

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

19. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cr Charles Hohnen			
President's annual allowance	10,000	10,000	1,200
Meeting attendance fees	12,671	12,671	12,000
Annual allowance for ICT expenses	552	552	500
	<u>23,223</u>	<u>23,223</u>	<u>13,700</u>
Cr Bruce Haynes			
Deputy President's annual allowance	2,500	2,500	300
Meeting attendance fees	8,448	8,448	6,000
Annual allowance for ICT expenses	552	552	500
	<u>11,500</u>	<u>11,500</u>	<u>6,800</u>
Cr Stephanie Stroud			
Meeting attendance fees	8,448	8,448	6,000
Annual allowance for ICT expenses	552	552	500
	<u>9,000</u>	<u>9,000</u>	<u>6,500</u>
Cr Paul Shaw			
Meeting attendance fees	8,448	8,448	4,258
Annual allowance for ICT expenses	552	552	333
	<u>9,000</u>	<u>9,000</u>	<u>4,591</u>
Cr Paul Macfarlane			
Meeting attendance fees	2,899	0	0
Annual allowance for ICT expenses	151	0	0
	<u>3,050</u>	<u>0</u>	<u>0</u>
Cr Lorraine Young			
Meeting attendance fees	5,724	8,448	4,083
Annual allowance for ICT expenses	401	552	333
	<u>6,125</u>	<u>9,000</u>	<u>4,416</u>
Cr Andrew Maurice			
Meeting attendance fees	0	0	2,042
Annual allowance for ICT expenses	0	0	168
	<u>0</u>	<u>0</u>	<u>2,210</u>
Cr Mark Rodda			
Meeting attendance fees	0	0	2,045
Annual allowance for ICT expenses	0	0	166
	<u>0</u>	<u>0</u>	<u>2,211</u>
Cr Paul Macintosh			
Meeting attendance fees	0	0	350
	<u>0</u>	<u>0</u>	<u>350</u>
Cr Sara Franklin			
Meeting attendance fees	0	0	350
	<u>0</u>	<u>0</u>	<u>350</u>
Cr Andrew Baird			
Meeting attendance fees	0	0	350
	<u>0</u>	<u>0</u>	<u>350</u>
Cr B Phelan			
Meeting attendance fees	0	0	350
	<u>0</u>	<u>0</u>	<u>350</u>
Cr M Tucak			
Meeting attendance fees	0	0	350
	<u>0</u>	<u>0</u>	<u>350</u>
	<u>61,898</u>	<u>61,723</u>	<u>42,178</u>

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

19. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	10,000	10,000	1,200
Deputy President's allowance	2,500	2,500	300
Meeting attendance fees	46,638	46,463	38,178
Annual allowance for ICT expenses	2,760	2,760	2,500
	61,898	61,723	42,178

20 INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

The WMRC is not involved in any joint venture arrangement.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

21 RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual \$	2020 Actual \$
The total of remuneration paid to KMP of the WMRC during the year are as follows:		
Short-term employee benefits	544,794	530,121
Post-employment benefits	72,626	67,950
Other long-term benefits	12,119	11,901
	<u>629,539</u>	<u>609,972</u>

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the WMRC's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Transactions with related parties

Transactions between related parties and the WMRC 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 guaranties exist in relation to related parties at year end.

	2021 Actual \$	2020 Actual \$
The following transactions occurred with related parties:		
Sale of goods and services	4,061,594	4,005,672
Amounts payable to related parties:		
Trade and other payables	0	295,537

Related Parties

The WMRC's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

ii. Other Related Parties

An associate person of KMP was employed by the WMRC under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the WMRC.

iii. Entities subject to significant influence by the WMRC

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

22 FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The WMRC 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 area under policies approved by the Council. The finance area 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.

	Carrying Value		Fair Value	
	2021	2020	2021	2020
Financial Assets	\$	\$	\$	\$
Cash & Cash Equivalents	1,074,089	1,589,148	1,074,089	1,589,148
Receivables	423,556	366,091	423,556	366,091
	<u>1,497,645</u>	<u>1,955,239</u>	<u>1,497,645</u>	<u>1,955,239</u>
Financial Liabilities				
Lease Liabilities	0	45,800	0	45,800
Payables	482,199	333,427	482,199	333,427
	<u>482,199</u>	<u>379,227</u>	<u>482,199</u>	<u>379,227</u>

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

22 FINANCIAL RISK MANAGEMENT (Continued)

(a) Interest rate risk

Cash and cash equivalents

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the WMRC 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 and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.27%	1,074,089	928,580	144,973	536
2020					
Cash and cash equivalents	1.02%	1,589,148	1,514,439	74,115	594

Sensitivity

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

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	1,449	741

* 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 WMRC 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 WMRC 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 13(b). WMRC does not have any borrowings at 30 June 2021.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

22 FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The WMRC's major receivables comprise annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The WMRC manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the WMRC to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. Whilst the WMRC was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment.

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 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 the debtors to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	306,441	106,611	-123	0	412,929
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	318,878	43,329	0	0	362,207

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

22 FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

The contractual undiscounted cash flows of the WMRC's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, 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 values
	\$	\$	\$	\$	\$
2021					
Payables	482,199	0	0	482,199	482,199
	482,199	0	0	482,199	482,199
2020					
Payables	333,427	0	0	333,427	333,427
Lease Liabilities	45,800	0	0	45,800	45,800
	379,227	0	0	379,227	379,227

23 INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the year, the WMRC adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

(a) AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 does not effect any current assets or contracts and is unlikely to affect future assets or contracts.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

24. OTHER SIGNIFICANT 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 WMRC's operational cycle. In the case of liabilities where the WMRC 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 WMRC'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 WMRC 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 statements 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 WMRC contributes to a number of Superannuation Funds on behalf of employees. All funds to which the WMRC contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the WMRC 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) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

The WMRC 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 WMRC 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 WMRC 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.

i) Impairment of assets

In accordance with Australian Accounting Standards the WMRC's cash generating non-specialised 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.

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) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

Notes to and forming part of the Financial Report

For the year ended 30 June 2021

25 FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	0.83	1.26	1.01
Asset consumption ratio	0.43	0.41	0.55
Asset renewal funding ratio	1.08	1.35	N/A
Asset sustainability ratio	2.01	1.32	0.25
Debt service cover ratio	N/A	N/A	N/A
Operating surplus ratio	(0.11)	(0.09)	(0.20)
Own source revenue coverage ratio	0.60	0.84	0.68

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Western Metropolitan Regional Council

To the Councillors of the Western Metropolitan Regional Council

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the Western Metropolitan Regional Council (Council) which comprises:

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Western Metropolitan Regional Council:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Council for the year ended 30 June 2021 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 section below. I am independent of the Council in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Chief Executive Officer (CEO) of the Council is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for 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 and 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 responsibility 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.

Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Council:
 - a) The Operating Surplus Ratio as reported in Note 25 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Western Metropolitan Regional Council for the year ended 30 June 2021 included 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 described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Grant Robinson
Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
18 October 2021



Suite 2/317 Churchill Ave, Subiaco WA 6008
T 08 9384 4003 | E admin@wmrc.wa.gov.au

www.wmrc.wa.gov.au



*Printed on 100% recycled paper,
please reuse, recycle or compost