FINAL CLOSING "ANNUAL" REPORT OF THE RESOURCE RECOVERY GROUP 1 JULY 2025 – 2 JUNE 2026

Resource Recovery Group

Recycle. Innovate. Educate.



Contents

Introduction 3

About Resource Recovery Group 3

Chairperson's Report 5

Chief Executive Officer's Report 6

Regional Councillors 9

Governance 10

Planning for the Future 14

2025-2026 Achievements 15

Statutory Requirements 18

Financial Report and Office of Auditor General's Report/Opinion 22



Acknowledgement of Country

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

Introduction

Resource Recovery Group's Final Closing Report covering the period 1 July 2025 to 2 June 2026 consists of two distinct sections:

Section 1 – Overview and Achievements
Section 2 – Financial Report for the period 1 July 2025 to 2 June 2026

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

Visiting our Section on the	Resource Recovery Group Historical Website
City of Melville's website:	Records
Telephoning:	08 9364 0600

About Resource Recovery Group

The Resource Recovery Group ceased its resource recovery operating activities on 30 November 2025. These activities had been conducted on land leased from the City of Canning since 2001 located at 350 Bannister Road Canning Vale. Similar resource recovery activities continue to be undertaken by Re.Cycle (Canning Vale) Pty Ltd a subsidiary of Re.Group Pty Ltd on that site.

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

At the Resource Recovery Group, we:

Recycled materials to their highest practical value

Innovated and implement new approaches to recycling and resource recovery

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

Resource Recovery Group was one of five regional councils and functioned as a regional local government entity. Established in 1991, its roots lay in the creation of forward-thinking and sustainable waste management solutions that benefited communities and the environment alike.

At the heart of our operations was a then state-of-the-art facility at Canning Vale. This facility received, recycled, and processed waste from member local councils (City of Fremantle, and City of Melville), as well as from other metropolitan and regional councils, private customers, and the wider community.

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

- **Materials Recovery Facility (MRF):** Utilising cutting-edge systems and equipment to recover recyclables from yellow-lidded bins.
- **FOGO Processing Facility:** Aligned with a progressive State waste strategy, this facility effectively processes food organic and garden organic waste. We hold extensive experience, licenses, and quality assurance in organic processing.
- **Green Waste Facility (GWF):** This facility receives clean green waste gathered from council verge collections.
- **Auditing Facility:** Conducting meticulous audits on waste, recycling streams, or material products, enhancing operational efficiency.

In 2021, the SMRC rebranded as the Resource Recovery Group (RRG) to align with its evolving business landscape and then expanding customer base.

During its period of operation, Resource Recovery Group remained steadfast in its commitment to achieving, or exceeding, waste diversion targets set in by the State Government. Until cessation of operations, it proudly employed over 55 staff and provided work opportunities for 100 local small businesses and contractors each month.

Chairperson's Report



As Chair, I am pleased to present the final Resource Recovery Group's Annual Report.

This year marked a significant transition for the Resource Recovery Group (RRG), with the Regional Council resolving in February 2026 to formally wind up.

This decision was made following the decisions of the two remaining member participants to withdraw from the Regional Local Government. Both members, the Cities of Fremantle and Melville, worked collaboratively with the City of Canning to achieve a solution that ensured the on-going resource recovery operations of the Canning Vale Resource Recovery Centre.

Throughout this process, the Resource Recovery Group demonstrated resilience and professionalism. I would like to acknowledge and thank all former staff and regional councillors for their patience and commitment during this very significant period of change and for some transition to the new operator.

During the year, I was supported by fellow regional councillors Mayor Hannah Fitzhardinge, Cr Jane Edinger and Cr Jenny Archibald until the October 2025 elections and then Councillors Daniel Lim, Andrew Sullivan and Frank Mofflin. Their contributions were instrumental in guiding the organisation through this transitional phase, and I extend my appreciation for their continued engagement and leadership.

It is a privilege to have served as the final Chair of the Resource Recovery Group and I commend the previous Chairpersons who demonstrated the leadership and commitment to achieving high levels of resource recovery, including organics, well before it became a more common practice.

Cr Karen Wheatland
Chair

Acting Chief Executive Officer Report



The first five months of the financial year proved challenging for all staff as they continued to undertake full operations in the knowledge that their roles would shortly be coming to an end. During this period the Team maintained their focus on producing quality product and achieving high levels of resource recovery. Pleasingly our focus on the health and safety of our workforce and their safe work practices resulted in Nil lost time injuries over the active operating period 1 July to 30 November 2025.

Of the 36,714 tonnes of material received into the Canning Vale facility from 1 July 2025 to cessation of operations on 30 November 2025, resource recovery across the three waste streams of Food & Garden Organics (FOGO), Materials Recovery and Greenwaste, totalled 32,474 tonnes or 88.45%. This significantly exceeds the Waste Avoidance and Resource Recovery Strategy 2030 targets of 70% recovery by 2025 and 75% recovery by 2030 as well as the RRG's target of 85% recovery. This recovery rate does not include the 1,059 of FOGO derived and 3,181tonnes of non-recoverable recycling materials that were sent to Waste to Energy (WtE) for recovery of energy.

In order to give effect to the Councils resolutions to wind-up the two projects, being the Regional Resource Recovery Centre project at Canning Vale and the Office Accommodation project at Booragoon, the RRG terminated its lease with the City of Canning, as landowner, of the Regional Resource Recovery Centre site at Bannister Road in Canning Vale, on 30 November 2025 and sold the RRG's office accommodation at Booragoon on 12 December 2025.

As part of the early termination of lease agreement reached with the City of Canning the fixed plant and building assets were handed over to them along with some items of mobile plant. This ensured that a relatively seamless transition of operations to a new operator could occur and the processing

of resource recovery materials could continue unabated. In addition to this an end of lease payment of $2.174 million was made to the City of Canning to ensure they had funds to demolish the improvements at the end of their useful life.

Whilst this is a sad outcome for both elected members and staff who dedicated many years to the Resource Recovery Group, they can be proud of having been part of a Team that was instrumental in demonstrating benchmark performance in Resource Recovery as well as innovations in achieving processing of Food Organics and Garden Organics to achieve high quality composting material – something that many local governments are still struggling to achieve.

It is pleasing to note that resource recovery activities will continue on the Canning Vale Resource Recovery site which will continue to be used by the RRG's former members local governments.

Marten Tieleman
Acting Chief Executive Officer


FELO12
1GNS-571

Regional Councillors

Our elected members 2025 to 2026:

Changes made to the Resource Recovery Groups Establishment Agreement in October 2024 provided for two elected members per participant.



Cr Karen Wheatland, who has been RRG Chair since November 2023, continued in this role. Cr Wheatland has been an elected member of the City of Melville since 2017. She was the Resource Recovery Group's representative on Municipal Waste Advisory Group, (MWAC) and state councillor with the WA Local Government Association, with her term ending in 2024.

Cr Wheatland was and still is an active participant in the waste sector as she identified the opportunity to divert waste from landfill.

A strong advocate for FOGO, Cr Wheatland was motivating force in the Resource Recovery Group helping to grow the uptake of Food Organics and Garden Organics that gave the Resource Recovery Group's customers the opportunity to process their FOGO materials.



Cr Andrew Sullivan was appointed the Deputy Chair of the Resource Recovery Group in November 2025. He a representative from the City of Fremantle having first served as a City Ward councillor from 1992 to 1998, a South Ward councillor from 2009 to 2023 and Coastal Ward councillor from October 2023. He served as Deputy Mayor from 2019 to 2021. Andrew is focused on revitalising Fremantle's core and developing village nodes in each community. 'People' are at the core of his strategies: bringing in more residents, workers, and tourists to help maintain Fremantle as a vibrant and sustainable people place.



Cr Daniel Lim is a representative from the City of Melville who was appointed in November 2025.

Daniel grew up in the City of Melville and attended his local primary and high school. He graduated from the University of Western Australia with a Bachelor of Commerce and obtained his Chartered Accountancy qualification while working at Deloitte.

Throughout his career, he has accumulated financial management experience at various levels of government and at a top ASX technology company, before venturing out to establish his own business, specialising in financial systems.



Cr Frank Mofflin is a representative from the City of Fremantle who was appointed in November 2025. He was elected in October 2019 and elected to the position of Deputy Mayor in October 2021 until October 2023. Frank represented Hilton Ward from October 2019 to 2023 and has represented East Ward since October 2023. With a keen interest in the economic and cultural development of Fremantle, Frank brings significant corporate experience and, prior to becoming a councillor, he worked for large resource companies for many years.

Former Representatives

Mayor Hannah Fitzhardinge was elected Mayor of Fremantle in 2021, having served as a Councillor since 2016. Her term of office ended in October 2025.

Cr Jenny Archibald was a councillor at the City of Fremantle from 2017 to October 2025.

Cr Jane Edinger was a Councillor of the City of Melville from October 2021 to October 2025.

The Resource Recovery Group does not have details of the gender, linguistic background, country of birth, ages or whether not council members identify as Aboriginal or Torres Strait Islanders and is therefore unable to provide the information requested in Local Government Administration Regulations 1996 Clause 19B (g) to (i).

Council	Regional Councillor	Regional Executive Group
City of Melville	Cr Karen Wheatland, Cr Daniel Lim Cr Jane Edinger	Mr Gary Tuffin, Mr Paul Molony Mr Mick McCarthy,
City of Fremantle	Cr Andrew Sullivan Cr Frank Mofflin Mayor Hannah Fitzhardinge Cr Jenny Archibald	Mr Graham Tattersall, Mr Matt Hammond

Committees and their members

Audit & Risk Committee	CEO Performance Review Committee
The committee reviews the audit function and performance and risk management processes.	The committee reviews the CEO's performance. The Committee did not meet in this period.
Cr Karen Wheatland Mayor Hannah Fitzhardinge (Presiding Member) Cr J Edinger Cr J Archibald until October 2025 From October 2025 Cr Andrew Sullivan (Presiding Member) Cr Daniel Lim Cr Frank Mofflin	Cr Karen Wheatland (Presiding Member) Mayor Hannah Fitzhardinge Cr J Edinger Cr J Archibald until October 2025 From October 2025 Cr Andrew Sullivan Cr Daniel Lim Cr Frank Mofflin

Members Meeting Attendance 2025-2026

	Cr Karen Wheatland	Cr Andrew Sullivan	Cr Daniel Lim	Cr Frank Mofflin	Mayor Hannah Fitzhardinge	Cr Jane Edinger	Cr Jenny Archibald
Ordinary meeting of Council	3/4	3/3	3/3	3/3	1/1	1/1	1/1
Special meeting of Council	4	2	2	2	2/2	2/2	2/2
Audit & Risk Committee	0/1	1/1	1/1	1/1	0/0	0/0	0/0
CEO Performance Review Committee	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Council Member Remuneration 2025-2026

	Cr Karen Wheatland	Cr Andrew Sullivan	Cr Daniel Lim	Cr Frank Mofflin	Mayor Hannah Fitzhardinge	Cr Jane Edinger	Cr Jenny Archibald
Chair allowance	$22,470				-	-	-
Deputy Chair allowance	-	$3,277			$1,873	-	-
Meeting fees	$17,740	$6,901	$6,901	$6,901	$3,943	$3,943	$3,943
Total	**$40,210**	**$10,178**	**$6,901**	**$6,901**	**$5,816**	**$3,943**	**$3,943**

Governance

The Establishment Agreement, originally endorsed in 1998, outlined the regional purpose of the Resource Recovery Group (RRG) and its role in delivering collaborative projects and services for participating local governments. These initiatives focused on best practice waste management, resource recovery, and environmental solutions.

Recognising the age of the Establishment Agreement, in 2022 member councils resolved to undertake a comprehensive review of the Agreement, including a reassessment of RRG's regional purpose. The objective was to ensure that the governance framework remained aligned with the organisation's evolving business model.

Following endorsement of the proposed amendments by the Regional Council and participating local governments, revised Establishment Agreement received formal approval from the Minister for Local Government in October 2024.

Withdrawal of Member Councils

In November 2023, the City of Melville resolved to withdraw from RRG and its associated projects, effective 1 July 2025. In May 2024, the City of Fremantle also resolved to withdraw, with the same effective date.

Both the City of Melville and the City of Fremantle extended their withdrawal timelines to support service continuity during the transitional and decommissioning phase of RRG's wind-up.

Importantly, both councils remained committed to ensuring the continued operation of core functions at the Canning Vale Centre. Together with the City of Canning, they formed a "Waste Management Collective" which explored, evaluated and selected an alternative service provider which sustained the resource recovery operations previously provided by the RRG. RRG worked collaboratively with all parties to ensure that the transition to the new operator occurred as seamlessly as possible. That provider took over the entire operation of the Resource Recovery Centre site, at 350 Bannister Road Canning Vale, from 1 December 2025.



Planning for the Future

In February 2024 the Council resolved to suspend the annual strategic planning process in favour of transition planning to reflect the withdrawal of the Cities of Melville and Fremantle. As such no strategic review was conducted since 2022. The corporate business plan was, however, updated to reflect the transitional planning process as the key objectives for the 2024-2025 and beyond years.

VISION	***A circular economy with less waste and lower carbon emissions***		
MISSION	We are leaders in maximising material recovery and minimising climate impacts by providing our communities with best practice resource recovery solutions with high recovery rates and ethical supply chains.		
OBJECTIVES	**Recycle** materials to their highest practical value	**Innovate** and implement new approaches to recycling and resource recovery	**Educate** by providing tools to recycle right, reduce waste and live more sustainably

Integrated Planning and Reporting Framework

All local governments within Western Australia, including Regional Councils, are required to plan for the future in accordance with section 5.56(1) of the *Local Government Act 1995* (WA) by using an integrated planning and reporting framework. As a result of the wind-up of the Resource Recovery Group no modifications were made to the Strategic Community Plan or significant modifications made to the Corporate Business Plan.

This year's Annual Report reports on the final five months of operations of the Resource Recovery Group until 30 November 2025, after which time the steps necessary to achieve final wind-up of the Regional Council commenced.

This means that the priorities that were developed in accordance with the Integrated Planning Framework and documented in the Resource Recovery Group's long-term vision, the Strategic Community Plan 2022-2032 and the Resource Recovery Group's Corporate Business Plan 2025–2029, that provided the emphasis on the delivery of the strategic priorities outlined in our Strategic Community Plan 2022-2032, have now been ceased.

2025-2026 Achievements

Materials Recovery

With the commencement of the Kwinana waste-to-energy plant in 2024, RRG and member council deliveries of residual and general waste no longer went to landfill. The Department of Water and Environmental Regulation has provided clarification on the definitions used. RRG's performance measurement is calculated using these definitions.

Materials Recovery

15,163 tonnes processed

79.0% recycled 21.0% Waste to Energy

Green Waste

5,223 tonnes processed

100% recovered

FOGO Processing

17,817 tonnes processed

93.6% recovered 6.4% Waste to Energy

ISO Accreditation

In 2025 RRG proudly achieved accreditation for ISO 9001, ISO 14001 and ISO 45001 continuing RRG's certification to those three ISO standards for Quality, Health and Safety and Environment until cessation of operations.

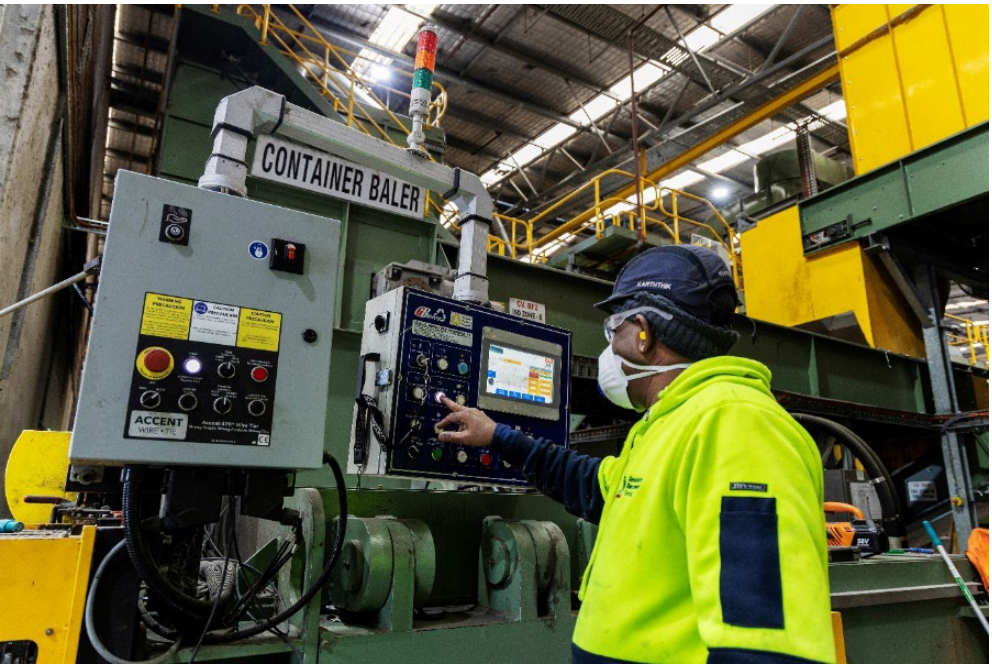


Our Workforce Until Cessation of Operations on 30 November 2025



51

- 4% Disability
- 2% Aboriginal & Torres Strait Islander
- 36% Women
- 41 Full-time Staff
- 15% Young Person (under 25)
- 44% Culturally & Linguistically diverse



Wellbeing Activities

Resource Recovery Group supported staff in maintaining their mental, physical, and nutritional wellbeing through a range of initiatives that built connection, raised awareness about self-care, and provided practical strategies. These efforts helped cultivate resilience across the workforce during the period of very significant change.

Initiatives included:

- **Mental health**
  - Bouncing Back: How to Cope with Challenges Workshop
  - Difficult Conversations
  - R U OK Day & Therapy Dogs
  - Staff BBQs
  - Biggest Morning Tea

- **STAR Awards**
  - The STAR Awards were centred around Resource Recovery Group's core values – safety, together, attitude, and responsibility. Each quarter, during a wellbeing event, staff are invited to recognise a colleague who has demonstrated these values through their support of others or contribution to the organisation.

- **Physical**
  - Community Gardening Day
  - Health Checks
  - Cancer Checks
  - Flu Vaccination

- **Nutrition**
  - Cooking Workshop
  - Soup-er Mondays



Work Health and Safety

Work Health and Safety was a key focus for the organisation, particular in light of the high-risk nature of its activities. WHS was practised by workers from the front line through to senior leadership. In this financial year we have further improved reporting, while decreasing hazards, near misses, and serious incidents per hours worked. Our goal was to ensure our workers left safely at the end of their shifts.

Statutory Requirements

Complaints

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

There were no complaints reported for the period 1 July 2025 - 30 June 2026. There were no amounts ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made.

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

Disability Access and Inclusion Plan

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

Our plan adopted in February 2021 identified opportunities in eight outcome areas. The plan is reviewed every year, following a set process that includes evaluating progress against these outcome areas and consulting with key stakeholders, before submitting the annual report to the Department of Communities. Resource Recovery Group is committed to ensuring that our events, facilities, and information are as accessible as possible for people with disabilities.

Our achievements include:

- Maintained accessibility at our Canning Vale facility, including ramps, accessible parking, accessible toilets, and ensured staff were on hand to provide support to customers at our Green Waste Facility, ensuring that any visitor can easily navigate our site and feel welcomed.
- Fostered an equal opportunity ethos by including the Belonging and Inclusion form in our onboarding process, allowing staff to share workplace adjustments and support needed.
- Resource Recovery Group has made communications available in various formats, including flowcharts, toolbox discussions, staff meetings, the intranet, and noticeboards.

Record Keeping Plan

A review of our record keeping plan was undertaken in November 2024 and submitted to the State Records Office. The review noted several changes to the organisation including, the amended Establishment Agreement, and future withdrawal of the remaining members. All records of the Resource Recovery Group which require retention have been transferred to physical or digital archive facilities and will be managed by the City of Melville in accordance with the Record Keeping Plan.

RRG Annual Environmental Compliance Reports for 2025-2026

Due to the transition of operations and the required licences and approval no further reports were submitted post July 2025.

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

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

1) **Annual Environmental Report (1 July 2024 to 30 June 2025) Dated 28 July 2025**

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

The AER contains monitoring data or other collected data as required by any condition within the licence over the year starting from 1st July 2024 to 30th June 2025 as a pursuant within licence L7799/2001/8 issued under part V of the Environmental Protection Act 1986, amended 5 January 2023 for Part Lots 77 and 78 Bannister Road, Canning Vale, located at the Canning Vale Centre (CVC), Resource Recovery Group (RRG).

2) **Annual Audit Compliance Report L7799/2001/8, Dated 28 July 2025**

Reports non-compliance matters during the reporting period 1/7/2024 to 30/6/2025.

3) **Annual Audit Compliance Report L9238/2020/1, Dated 28 July 2025**

Reports non-compliance matters during the reporting period 1/7/2024 to 30/6/2025.

4) **4) RRG MS-517 Annual Compliance Report (27 Oct 2024 to 26 Oct 2025), Dated 7 November 2025**

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

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



Public Interest Disclosure

The *Public Interest Disclosures Act 2003* facilitates the disclosure of public interest information and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken. There were no Public Interest Disclosure requests received during the period 2025-2026.

Freedom of Information

The *Freedom of Information Act 1992* (FOI) allows the public the right to apply for access to information held by Resource Recovery Group. The Act requires the adoption of a Freedom of Information Statement to be reviewed annually. During 2023 we undertook a review and updated our Freedom of Information Statement. The updated statement was lodged with the Office of the Information Commissioner and is also available on our website.

There were no FOI applications received during 2025-2026

Remuneration

In accordance with Regulation 19B of the Local Government (Administration) Regulations 1996 RRG is required to disclose the number of employees with an annual cash salary of more than $130,000. The number of employees with an annual salary entitlement that falls within each band above $130,000 is as follows: Note that the values below represent the Total Remuneration Package including superannuation contributions, phone and vehicle allowances where applicable:

$230,000-$240,000	2*
$250,000-$260,000	1
$290,000-$300,000	1

*The approved total remuneration package for the Acting CEO who worked on a part-time three day per week basis for the 2025-2026 financial year was $231,659.

Note: All employees were terminated during the course of the financial year. The above table does not show actual earnings.

Audited Financial Report Resource Recovery Group for Period 1 July 2025 to 2 June 2026 including Auditor General Independent Auditor's Report / Opinion

RESOURCE RECOVERY GROUP

FINANCIAL REPORT

FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

TABLE OF CONTENTS

Statement by CEO	2
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Statement of financial activity	7
Index of notes to the financial report	8
Independent auditor's report	40

RESOURCE RECOVERY GROUP

The resource recovery operations of the Resource Recovery Group undertaken at 350 Bannister Road Canning Vale continued until 30 November 2025 after which time the lease of the site was terminated and all improvements were transferred back to the land owner, the City of Canning.

Principal place of business:
10 Almondbury Road
Booragoon WA 6154

RESOURCE RECOVERY GROUP
FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 02 JUNE 2026

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

Statement by CEO

The accompanying financial report of the Resource Recovery Group has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period 1 July 2025 to 02 June 2026 and the financial position as at 02 June 2026.

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

Signed on the 3rd day of November 2026

M Tieleman

CEO

Marten Tieleman

Name of CEO

RESOURCE RECOVERY GROUP
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

	Note	1/7/25 - 2/6/26 Actual	1/7/25 - 30/6/26 Budget	1/7/24 - 30/6/25 Actual
		$	$	$
Revenue				
Grants, subsidies and contributions	2(a)	1,053,410	2,424,535	2,638,067
Fees and charges	2(a)	7,340,005	16,761,210	17,136,344
Interest revenue	2(a)	192,305	197,200	249,178
Other revenue	2(a)	1,164,331	1,507,890	1,909,458
Non-going concern basis of preparation adjustments	1, 2(c)	0	0	883,690
		9,750,051	20,890,835	22,816,737
Expenses				
Employee costs	2(b)	(2,585,101)	(5,355,100)	(4,998,409)
Materials and contracts		(7,895,541)	(13,161,310)	(12,410,365)
Utility charges		(256,773)	(664,730)	(813,930)
Depreciation	8(a), 10(a)	0	(3,891,931)	(3,461,260)
Finance costs	2(b)	(65,654)	(240,995)	(268,150)
Insurance		(262,426)	(524,570)	(2,365,834)
		(11,065,495)	(23,838,636)	(24,317,948)
Net result for the period		**(1,315,444)**	**(2,947,801)**	**(1,501,211)**
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	15	0	0	(3,570,501)
Total other comprehensive loss for the period	15	0	**0**	**(3,570,501)**
Total comprehensive loss for the period		**(1,315,444)**	**(2,947,801)**	**(5,071,712)**

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



RESOURCE RECOVERY GROUP
STATEMENT OF FINANCIAL POSITION
AS AT 2 JUNE 2026

	Note	2-Jun 2026 $	30-Jun 2025 $
CURRENT ASSETS			
Cash and cash equivalents	3	0	1,914,939
Trade and other receivables	5	0	2,108,169
Other financial assets	4(a)	0	6,476,035
Inventories	6	0	202,660
Other assets	7	0	685,470
Non-current assets classified as held for sale	7	0	5,925,717
TOTAL CURRENT ASSETS		0	17,312,990
TOTAL NON-CURRENT ASSETS		0	0
TOTAL ASSETS		0	17,312,990
CURRENT LIABILITIES			
Trade and other payables	11	0	2,126,832
Lease liabilities	10(b)	0	379,875
Borrowings	12	0	1,612,200
Employee related provisions	13	0	423,973
Other provisions	14	0	6,424,861
TOTAL CURRENT LIABILITIES		0	10,967,741
TOTAL NON-CURRENT LIABILITIES		0	0
TOTAL LIABILITIES		0	10,967,741
NET ASSETS		0	6,345,249
EQUITY			
Accumulated deficit		0	(3,406,317)
Reserve accounts	24	0	4,850,335
Revaluation surplus	15	0	4,901,231
TOTAL EQUITY		0	6,345,249

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



RESOURCE RECOVERY GROUP
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

	Note	Accumulated deficit	Reserve accounts	Revaluation surplus	Total equity
		$	$	$	$
Balance as at 1 July 2024		**(6,139,994)**	**9,085,223**	**8,471,732**	**11,416,960**
Comprehensive loss for the period					
Net result for the period		(1,501,211)	0	0	(1,501,211)
Other comprehensive income for the period	15	0	0	(3,570,501)	(3,570,501)
Total comprehensive loss for the period		(1,501,211)	0	(3,570,501)	(5,071,712)
Transfers from reserve accounts	24	4,234,888	(4,234,888)	0	0
Balance as at 30 June 2025		**(3,406,317)**	**4,850,335**	**4,901,231**	**6,345,249**
Comprehensive income for the period					
Net result for the period		(1,315,444)	0	0	(1,315,444)
Other comprehensive income for the period	15	0	0	0	0
Total comprehensive income for the period		(1,315,444)	0	0	(1,315,444)
Transfers from reserve accounts	24	4,850,335	(4,850,335)	0	0
Transfer of revlaution Surplus		4,901,231	0	(4,901,231)	0
Balance as at 02 June 2026		**5,029,805**	**0**	**0**	**5,029,805**
Distribution of Equity to Members					
City of Fremantle	(i)	(1,230,291)	0	0	(1,230,291)
City of Melville	(i)	(3,799,514)	0	0	(3,799,514)
Net Remaining Equity		0	0	0	0

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

(i) In accordance with the Deed of Distribution executed between the City of Melville and the City of Fremantle on 28 May 2026, the remaining equity balance of $5,029,805 was distributed to the City of Melville and the City of Fremantle based on the agreed allocation percentages of 75.54% and 24.46%, respectively.



RESOURCE RECOVERY GROUP
STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

	Note	1/7/25 to 2/06/26 Actual	1/7/24 to 30/6/25 Actual
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Grants, subsidies and contributions		1,053,410	2,232,313
Fees and charges		10,386,255	17,516,728
Interest revenue		257,175	249,178
Goods and services tax received		890,553	2,128,769
Other revenue		871,669	1,909,458
		13,459,062	24,036,446
Payments			
Employee costs		(3,924,945)	(5,038,845)
Materials and contracts		(8,024,324)	(15,449,023)
Utility charges		(256,773)	(813,930)
Finance costs		(65,654)	(236,944)
Insurance paid		(262,426)	(2,365,835)
Goods and services tax paid		(1,472,580)	(1,583,825)
		(14,006,702)	(25,488,402)
Net cash (used in) operating activities	16	(547,639)	(1,451,956)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of non-current assets held for sale		(37,104)	(759,419)
Proceeds for financial assets at amortised cost		4,850,335	2,072,265
Payments for financial assets at fair values through other comprehensive income		0	(1,516,376)
Proceeds from sale of non-current assets held for sale		2,916,121	0
Net cash provided by (used in) investing activities		7,729,352	(203,530)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	23(a)	(1,612,200)	(95,824)
Payments for principal portion of lease liabilities	23(b)	(280,647)	(603,031)
End of Lease Payment City of Canning	14	(2,174,000)	0
Distributions Of Remaining Equity to Members		(5,029,805)	0
Net cash (used in) financing activities		(9,096,652)	(698,855)
Net (decrease) in cash held		(1,914,939)	(2,354,341)
Cash at beginning of year/priod		1,914,939	4,269,280
Cash and cash equivalents at the end of the year/period	16(a)	0	1,914,939

Non-cash investing and financing movements are disclosed at note 16.(c)

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



RESOURCE RECOVERY GROUP
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

	Note	1/7/25 - 2/6/26 2026 Actual	1/7/25 - 30/6/26 2026 Budget	Restated* 1/7/24 - 30/6/25 2025 Actual
		$	$	$
OPERATING ACTIVITIES				
Revenue from operating activities				
Grants, subsidies and contributions		1,053,410	2,424,535	2,638,067
Fees and charges		7,340,005	16,761,210	17,136,344
Interest revenue		192,305	197,200	249,178
Other revenue		871,669	1,507,890	1,909,458
Profit on asset disposals		292,662	-	-
Non-going concern basis of preparation adjustments		0	-	883,690
		9,750,051	20,890,835	22,816,737
Expenditure from operating activities				
Employee costs		(2,585,101)	(5,355,100)	(4,998,409)
Materials and contracts		(7,895,541)	(13,161,310)	(12,410,365)
Utility charges		(256,773)	(664,730)	(813,930)
Depreciation		0	(3,891,931)	(3,461,260)
Finance costs		(65,654)	(240,995)	(268,150)
Insurance		(262,426)	(524,570)	(2,365,834)
		(11,065,495)	(23,838,636)	(24,317,949)
Non-cash amounts excluded from operating activities	22(a)	1,627,579	3,639,360	2,608,540
Amount attributable to operating activities		312,135	691,559	1,107,328
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from disposal of assets		2,916,121	0	0
Proceeds from financial assets at amortised cost - self-supporting loans	23(a)	24,576	99,832	95,824
		2,940,697	99,832	95,824
Outflows from investing activities				
Right of use assets received - non cash	10(a)	0	0	1,322,304
Purchase of non-current assets held for sale		(37,104)	(88,680)	(759,419)
		(37,104)	(88,680)	562,885
Non-cash amounts excluded from investing activities	22(b)	0	0	(5,484,417)
Amount attributable to investing activities		2,903,593	11,152	(4,825,708)
FINANCING ACTIVITIES				
Inflows from financing activities				
Reduction in Lease Liability Due to Early Termination of Leases - non cash	23(b)	99,228	0	3,986,041
Transfers from reserve accounts	24	4,850,335	88,680	4,234,888
		4,949,563	88,680	8,220,929
Outflows from financing activities				
Repayment of borrowings	23(a)	(1,612,000)	(99,832)	(95,824)
Payments for principal portion of lease liabilities	23(b)	(280,647)	(908,595)	(603,031)
Distribution of equity to members		(5,029,803)	0	0
End of Lease Payment City of Canning	24	(2,174,000)	0	0
		(9,096,450)	(1,008,427)	(698,855)
Non-cash amounts excluded from financing activities	22(c)	(99,228)	0	(3,986,041)
Amount attributable to financing activities		(4,246,115)	(919,747)	3,536,033
MOVEMENT IN SURPLUS OR (DEFICIT)				
Surplus or (deficit) at the start of the financial year/period	22(d)	1,030,387	1,933,520	1,212,734
Amount attributable to operating activities		312,135	691,559	1,107,328
Amount attributable to investing activities		2,903,593	11,152	(4,825,708)
Amount attributable to financing activities		(4,246,115)	(919,747)	3,536,033
Closing surplus or (deficit)		**0**	**1,716,484**	**1,030,387**

*** Refer to Note 27 Restatement of Prior Year Figures**

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



RESOURCE RECOVERY GROUP
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026
INDEX OF NOTES TO THE FINANCIAL REPORT

Note 1	Basis of preparation	9
Note 2	Revenue and expenses	10
Note 3	Cash and cash equivalents	13
Note 4	Other financial assets	13
Note 5	Trade and other receivables	14
Note 6	Inventories	14
Note 7	Other assets	15
Note 8	Property, plant and equipment	16
Note 9	Fixed assets	18
Note 10	Leases	20
Note 11	Trade and other payables	22
Note 12	Borrowings	23
Note 13	Employee related provisions	24
Note 14	Other provisions	25
Note 15	Revaluation surplus	26
Note 16	Notes to the statement of cash flows	27
Note 17	Related party transactions	28
Note 18	Financial risk management	29
Note 19	Events occurring after the end of the reporting period	32
Note 20	Other material accounting policies	33
Note 21	Function and activity	34
Note 22	Determination of surplus or deficit	36
Note 23	Borrowing and lease liabilities	37
Note 24	Reserve accounts	38
Note 25	Trust funds	39
Note 26	Licences	39

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

1. BASIS OF PREPARATION

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

Th Group was wound up effective 2 June 2026. Accordingly, this financial report, covers the period from 1 July 2025 to 2 June 2026.

***Local Government Act 1995* requirements**
Section 6.4(2) of the *Local Government Act 1995* read with the Local Government (Financial Management) Regulations 1996 prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied with exception to the following:

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

departure from AASB 16 which would have required Resource Recovery Group to measure any vested improvements at zero cost.

The Local Government (Financial Management) Regulations 1996 provide that:
- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls ;

are measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a

departure from *AASB 116 Property, Plant and Equipment*, which would have

required the Resource Recovery Group to assess at each reporting date

whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
- Property, plant and equipment - Note 8
- Expected credit losses on financial assets - Note 5
- Assets held for sale - Note 7
- Impairment losses of non-financial assets - Note 8 and 9
- Investment property - N/A
- Estimated useful life of intangible assets - N/A
- Measurement of employee benefits - Note 13
- Measurement of provisions - Note 14

Fair value hierarchy information can be found in Note 20

The local government reporting entity
All funds through which Resource Recovery Group controls resources to carry on it's functions have been included in the financial statements forming part of this financial report.

Initial application of accounting standards
During the current priod, no new or revised Australian Accounting Standards and Interpretations were applied for the first time.

Non-going concern basis
The financial report has not been prepared on a going concern basis due to the entity being wound-up at the reporting date of 02 June 2026. As at the reporting date, the Resource Recovery Group (RRG) has no assets or liabilities. The only remaining actions are for the deregistration of the ABN and notification of the ATO that the business is no longer trading.

The RRG achieved an orderly wind-up during the period ended 2 June 2026 in the following manner:

i) The Regional Resource Recovery Centre assets which were located on land leased from the City of Canning were transferred to the City of Canning in accordance with the terms of the Settlement Agreement dated 21 November 2025. Further details are disclosed in Note 7.
ii) The RRG office building which comprised the Office Accommodation Project was sold on 12 December 2025 at its carrying value. Further details are disclosed in Note 7.
iii) Following the completion of the above transactions and the disposal or liquidation of remaining assets and settlement of liabilities, the RRG distributed the

remaining equity in accordance with the Office Accommodation Project Agreement

Dated 2005, the Establishment Agreement dated 10 October 2024 and the Deed of

Agreement Resource Recovery Group (RRG) - Wind-Up Arrangements dated 28 May 2026.

The comparative balances for the year ended 30 June 2025 are also not presented on a going concern basis and have been prepared on an orderly wind-up of the business basis. Under the orderly wind-up of the business preparation, assets and liabilities are measured at their net realisable value, taking into account events that have occurred after the reporting date up to the date when the financial report is authorized for issue. Net realisable value is based on the proceeds receivable on disposal less any restructure and realisation costs. The net realisable value of liabilities is their value in accordance with accounting policies (regardless of whether full settlement is expected). Any gains or losses arising from measuring assets and liabilities at net realisable values are recognised in the profit and loss. Under the orderly wind-up of the business basis of accounting, all assets and liabilities are classified as current.

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

2. REVENUE AND EXPENSES

(a) Revenue

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

Revenue category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/refunds/ warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and Charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and Charges - memberships	Project Participants Annual Contributions	Over time	Payment in advance (annual/quarterly)	Refund for unused portion on application	Output method over 12 months
Fees and Charges - sale of stock	Recovered Recyclable Products	Single point in time	On normal trading terms - credit provided as agreed	Refund for faulty goods/quality/contamination percentages	On dispatch of the goods (as customer as this is when customer obtains control of goods)
Fees and Charges - sale of carbon credit units	Reduction in Greenhouse gases emissions.	Single point in time	On normal trading terms - credit provided as agreed	None	On completion of transfer (when the customer obtains control)
Other Revenue - Container deposit scheme	Recovered Recyclable Products	Single point in time	Fixed terms transfer of funds based on agreed reporting	None	Output method based on project reporting matched to performance obligations

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

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue recognition

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

For the year period 2 June 2026

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	$	$	$	$	$
Grants, subsidies and contributions	**0**	**0**	**0**	**1,053,410**	**1,053,410**
Annual member's contributions	0	0	0	44,320	44,320
Member contributions towards loan interest	0	0	0	16,602	16,602
Member RRRC contributions	0	0	0	969,321	969,321
Grants	0	0	0	0	0
Other contributions	0	0	0	0	0
Fees and charges	**7,340,005**	**0**	**0**	**0**	**7,340,005**
Gate fees - participating member councils	3,935,709	0	0	0	3,935,709
Gate fees - others	1,834,388	0	0	0	1,834,388
Gate fees - compaction charges	0	0	0	0	0
Sale of materials	1,392,043	0	0	0	1,392,043
Consultancy fees	0	0	0	0	0
Sale of carbon credit offsets	177,865	0	0	0	177,865
Interest revenue	**0**	**0**	**0**	**192,305**	**192,305**
Other revenue	**1,164,331**	**0**	**0**	**0**	**1,164,331**
Container deposit scheme (CDS) income	837,913	0	0	0	837,913
Other revenue	326,418	0	0	0	326,418
Total	**8,504,336**	**0**	**0**	**1,245,715**	**9,750,051**

For the year ended 30 June 2025

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	$	$	$	$	$
Grants, subsidies and contributions	0	**0**	**0**	**2,638,067**	**2,638,067**
Annual member's contributions	0	0	0	133,985	133,985
Member contributions towards loan interest	0	0	0	80,595	80,595
Member RRRC contributions	0	0	0	2,211,068	2,211,068
Grants	0	0	0	159,400	159,400
Other contributions	0	0	0	53,018	53,018
Fees and charges	**17,136,344**	**0**	**0**	**0**	**17,136,344**
Gate fees - participating member councils	9,186,371	0	0	0	9,186,371
Gate fees - others	3,764,447	0	0	0	3,764,447
Gate fees - compaction charges	67,435	0	0	0	67,435
Sale of materials	3,680,833	0	0	0	3,680,833
Consultancy fees	259,393	0	0	0	259,393
Sale of carbon credit offsets	177,865	0	0	0	177,865
Interest revenue	**0**	**0**	**0**	**249,178**	**249,178**
Other revenue	**1,908,458**	**0**	**0**	**1,000**	**1,909,458**
Container deposit scheme (CDS) income	1,710,735	0	0	0	**1,710,735**
Other revenue	197,723	0	0	1,000	**197,723**
Total	**19,044,802**	**0**	**0**	**2,888,245**	**21,933,047**

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

2. REVENUE AND EXPENSES (Continued)

	Note	2026 Actual	2025 Actual
		$	$
(a) Revenue (Continued)			
Interest revenue			
Interest on reserve account		162,284	231,167
Other interest revenue		30,021	18,011
		192,305	249,178
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report		30,000	64,050
		30,000	64,050
Employee Costs			
Employee benefit costs		2,421,608	4,843,955
Other employee costs		163,493	154,454
		2,585,101	4,998,409
Finance costs			
Interest and financial charges paid/payable for borrowings		24,398	68,890
Provisions: unwinding of discount		0	31,206
Guarantee Fees		5,340	11,706
Lease liabilities		35,916	156,348
		65,654	268,150
(c) Non-going concern basis of preparation adjustments			
Impairment - RRRC Leasehold Improvements Assets	8	0	808,051
Impairment - ROU Asset due early termination of land lease	10	0	1,913,916
Reduction in lease liability due to early surrender	10	0	(3,986,041)
Reduction in payout to City of Canning in lieu of transfer of assets	11	0	(1,457,095)
Reduction of Make Good Provision	14	0	(3,471,466)
Provision for Transfer of Assets to City of Canning	14	0	2,790,782
Write down of inventories to net realisable value	6	0	1,058,084
Reduction in lease liability due to early surrender	10	0	1,460,079
		0	(883,690)

Any gain or loss arising from the measurement of assets and liabilities at net realisable value, are recognised in profit and loss

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

3. CASH AND CASH EQUIVALENTS

	Note	2026	2025
		$	$
Cash at bank and on hand		0	367,832
Term deposits		0	275,583
Call Deposits		0	1,271,524
Total cash and cash equivalents	16(a)	0	1,914,939
Held as			
- Unrestricted cash and cash equivalents		0	1,914,939
		0	1,914,939

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

4. OTHER FINANCIAL ASSETS

	Note	2026	2025
		$	$
(a) Current assets			
Other financial assets at amortised cost		0	4,850,335
Other financial assets at fair values through other comprehensive income		0	1,612,200
Bond in Lieu of Bank Guarantee		0	13,500
		0	6,476,035
Other financial assets at amortised cost			
Term Deposit with maturity date more than 90 days		0	4,850,335
		0	4,850,335
Financial assets at fair values through other comprehensive income			
Loan receivable - Project Participants		0	24,576
Loan repayable on sale of 9 Aldous Place, Booragoon		0	1,587,624
		0	1,612,200
Financial assets at fair value through profit and loss			
Bond in Lieu of Bank Guarantee		0	13,500
		0	13,500
Held as			
- Unrestricted other financial assets at amortised cost		0	1,625,700
- Restricted other financial assets at amortised cost	16(a)	0	4,850,335
		0	6,476,035

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

Resource Recovery Group classifies financial assets at amortised cost if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cashflows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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

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

Financial assets at fair value through profit or loss

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

Impairment and risk

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

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

5. TRADE AND OTHER RECEIVABLES

	Note	2026	2025
		$	$
Current			
Trade receivables		0	2,112,344
Allowance for credit losses of trade receivables	18(b)	0	(4,175)
		0	2,108,169

MATERIAL ACCOUNTING POLICIES

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

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

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

Classification and subsequent measurement
Receivables which are generally due for settlement within 30 days are classified as current assets.

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

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

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

6. INVENTORIES

	Note	2026	2025
		$	$
Current			
Fuel and materials		0	4,037
Stock on Hand - CVC		0	1,369,007
Stock on Hand - Finished Goods		0	59,760
Provision for Inventory (NRV Adjustment)		0	(1,230,144)
		0	202,660
The following movements in inventories occurred during the period:			
Balance at beginning of year/period		202,660	1,239,930
Additions to inventory		136,884	616,555
Inventories expensed/sold during the year/period		(439,310)	(595,741)
Write down of inventories to net realisable value	2(b)	0	(1,058,084)
Write-back of provision for inventories		99,766	0
Balance at end of year		0	202,660

No inventories remain as at the end of trading. In 2025 Inventories were written down to their net realisable value based on written offers from third parties.

MATERIAL ACCOUNTING POLICIES

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

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

7. OTHER ASSETS

	2-Jun 2026	30-Jun 2025
	$	$
Other assets - current		
Prepayments	0	89,440
Accrued income	0	596,030
	0	685,470
Non-current assets classified as held for sale		
(1) Non-current assets held for sale - Land & Buildings	0	2,451,560
(2) Non-current assets held for sale - Plant & Equipment	0	2,161,103
(2) Non-current assets held for sale - Work in Progress	0	231,296
(2) Non-current assets held for sale - Standby Equipment	0	104,867
(2) Non-current assets held for sale - CVC Leasehold	0	293,516
(3) Non-current assets held for sale - Plant & Equipment	0	303,500
(4) Non-current assets held for sale - ROU Assets	0	379,875
	0	5,925,717

(1) The sale of 9 Aldous Place Booragoon was settled on 12 December 2025 for a net amount of $2,451,571.
(2) As per part of the settlement agreement signed with City of Canning on 21 November 2025, effective from 30 November 2025, Plant and Equipment was transferred to the City of Canning.
(3) Plant and Equipment assets held for sale by tender or other means. These assets do not form part of the transfer to the City of Canning and were sold to third parties via requests for tenders.
(4) Right of Use - RRRC Ground Lease as at 30 June 2025. This reflected the amounts payable to 31 December 2025 as part of the lease settlement. As the termination took effect from 30 November 2025 the actual payment was $316,564 with the balance amount representing a reduction in the lease liability.

MATERIAL ACCOUNTING POLICIES

Other current assets

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

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable. Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value heirachy set out in Note 20(i).

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in balances

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

			Assets subject to operating lease					Plant and equipment					
	Note	Buildings	Land	CVC Leasehold Improvements	Total Buildings - Own plus Leasehold	Work in progress	Total property	Furniture and equipment	Plant and equipment	Standby equipment	ROU Make Good Provision Asset	Information Technology Equipment	Total property, plant and equipment
		$	$	$	$	$	$	$	$	$	$	$	$
Balance at 1 July 2024		1,744,521	0	5,823,788	7,568,309	48,814	7,617,123	0	3,449,731	126,281	839,229	2,259	12,034,623
Additions		0		224,085	224,085	182,482	406,567	0	352,852	0	0	0	759,419
Revaluation increments / (decrements) transferred to revaluation surplus	15	725,039		(4,295,540)	(3,570,501)	0	(3,570,501)	0	0	0	0	0	(3,570,501)
Assets classified as held for sale - transfer to City of Canning		0		(293,516)	(293,516)	(231,296)	(524,812)	0	(2,161,103)	(104,867)	0	0	(2,790,782)
Assets classified as held for sale - transfer to third parties	2(b)	(2,451,560)		0	(2,451,560)	0	(2,451,560)	0	(303,500)	0	0	0	(2,755,060)
Impairment (losses) charged to profit and loss		0		0	0	0	0	0	0	0	(808,051)	0	(808,051)
Depreciation		(18,000)		(1,458,817)	(1,476,817)	0	(1,476,817)	0	(1,337,980)	(21,414)	(31,178)	(2,259)	(2,869,648)
Transfers		0		0	0	0	0	0		0	0	0	0
Balance at 30 June 2025		0	0	0	0	0	0	0	0	0	0	0	0
Comprises:													
Gross balance amount at 30 June 2025		1,800,000	0	16,007,865	17,807,865	1,061,269	18,869,134	47,564	10,303,753	229,840	5,054,819	37,925	34,543,035
Accumulated depreciation at 30 June 2025		(73,479)	0	(7,543,498)	(7,616,977)	0	(7,616,977)	(47,564)	(7,833,287)	(74,693)	(2,010,840)	(37,925)	(17,621,286)
Accumulated impairment loss at 30 June 2025		725,039	0	(8,084,492)	(7,359,453)	(829,973)	(8,189,426)	0	(5,863)	(50,280)	(3,043,979)	0	(11,289,548)
Transfer to Current Assets		(2,451,560)		(379,875)	(2,831,435)	(231,296)	(3,062,731)		(2,464,603)	(104,867)	0	0	(5,632,201)
Balance at 30 June 2025		0	0	0	0	0	0	0	0	0	0	0	0

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying amount measurements

Asset class	Note	Carrying amount 2026	Carrying amount 2025	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
		$	$					
(i) Fair value - as determined at the last valuation date								
Land and buildings								
Land - market value		0	0	Level 2	Market approach using market value of similar assets adjusted to condition and comparability	Independent Valuation	June 2025	Observable open market value of assets, condition, comparison and highest and best use
Buildings - non specialised		0	0	Level 2	Market approach using the agreed quotation from third parties	Independent Valuation	June 2025	Observable open market value of assets, condition, comparison and highest and best use
Total buildings	8(a)	0	0					
Plant and equipment		0	0	Level 2	Market approach using the agreed quotation from third parties	Independent Valuation	June 2025	Observable open market value of assets, condition, comparison and highest and best use
CVC Leasehold Improvements		0	0	Level 3	Market approach using the agreed quotation from third parties	Independent Valuation	June 2025	Observable open market value of assets, condition, comparison and highest and best use
ROU Make Good Provision Asset		0	0	Level 2	Market approach using the agreed quotation from third parties	Independent Valuation	June 2025	Observable open market value of assets, condition, comparison and highest and best use

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

9. FIXED ASSETS

(a) Depreciation

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

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

(a) Temporarily idle or retired from use assets

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

	2-Jun 2026	30-Jun 2025
	$	$
CVC Leasehold Improvements	-	-
	-	-

(b) Fully depreciated assets in use

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

Furniture and equipment	-	47,564
Plant and equipment	-	3,325,637
Information Technology Equipment	-	142,477
	-	3,515,678

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

9. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

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

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

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

Measurement after recognition

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

Reportable value

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

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

Revaluation

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

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

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

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

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

Depreciation

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

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

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:
(i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; or
(ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

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

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

Gains or losses on disposal

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

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

10. LEASES

(a) Right-of-use assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financialpriodr.	Note	Right-of-use assets - CVC Ground Lease	Total right-of-use assets
		$	$
Balance at 1 July 2024		2,885,403	3,265,278
Depreciation		(591,612)	(591,612)
Impairment due to early settlement of lease with City of Canning		(1,913,916)	(1,913,916)
Transfer to current assets		(379,875)	(379,875)
Balance at 30 June 2025		0	379,875
Gross balance amount at 30 June 2025		7,536,458	7,536,458
Accumulated impairment at 30 June 2025		(3,036,244)	(3,036,244)
Accumulated depreciation at 30 June 2025		(4,120,339)	(4,120,339)
Transfer to current assets		(379,875)	(379,875)
Balance at 30 June 2025		0	0

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where Resource Recovery Group is the lessee:		2026 Actual	2025 Actual
		$	$
Depreciation on right-of-use assets		0	(591,612)
Finance charge on lease liabilities	23(b)	(35,916)	(156,348)
Total amount recognised in the statement of comprehensive income		(35,916)	(747,960)
Total cash outflow from leases		(316,563)	(759,379)

(b) Lease liabilities

Current		0	379,875
Non-current		0	0
	23(b)	0	379,875
Lease liabilities			
Opening Balance - Current		379,875	4,968,947
Finance Cost		35,916	156,348
Principal repayments during the period		(316,564)	(759,379)
Reduction in lease liability due to early surrender on 30 November 2025		(99,227)	(3,986,041)
Closing Balance - Current		0	379,875

Secured liabilities and assets pledged as security

RRRC Ground Lease

Resource Recovery Group held a lease over the RRRC site comprising Lots 77, 78 and 85 Bannister Road, Canning Vale (unimproved land), with an initial lease term of 30 years commencing on 12 May 2000. During the period, Resource Recovery Group exercised its right to terminate the lease early, provided notice to the City of Canning, and vacated the site on 30 November 2025.

The reduction in lease liability was recognised in profit and loss in the financial priod ended 02 June 2026.

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

MATERIAL ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - measurement

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

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

Right-of-use assets - depreciation

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

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

11. TRADE AND OTHER PAYABLES

	2026	2025
	$	$
Current		
Sundry creditors	0	1,294,238
Bonds and deposits held	0	130,033
Accrued Expenses	0	702,561
	0	2,126,832

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Statutory liabilities

Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG. GST payable is offset against GST receivable and any net GST payable is included as a statutory **liability.**

Trade and other payables

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

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

12. BORROWINGS

(a)

	Note	2026 Current	2026 Non-current	2026 Total	2025 Current	2025 Non-current	2025 Total
Secured		$	$	$	$	$	$
Other loans		0	0	0	1,612,200	0	1,612,200
Total secured borrowings	23(a)	0	0	0	1,612,200	0	1,612,200

(b) Borrowings by Project

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

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

	2026	2025	2026	2025
	%			
City of Fremantle	24.46%	24.15%	0	389,346
City of Melville	75.54%	75.85%	0	1,222,854
	100.00%	**100.00%**	**0**	**1,612,200**
Loan facilities				
Loan facilities - current			0	1,612,200
Total facilities in use at balance date			0	1,612,200

The loan to West Australian Treasury Corporation was repaid on 22 December 2025 in the amount of $1,595,420. An early repayment discount of $7,117 was applied due to the borrowings being at an interest rate below the current WATC borrowing rates at that time.

(c) Undrawn Borrowing Facilities

	2026	2025
Credit Standby Arrangements		
Credit card limit	0	160,000
Total amount of credit unused	0	160,000

Secured liabilities and assets pledged as security
Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Resource Recovery Group and guaranteed by the two member Councils.

MATERIAL ACCOUNTING POLICIES
Borrowing costs
The Resource Recovery Group has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 20(i)) due to the unobservable inputs, including own credit risk.

Risk
Information regarding exposure to risk can be found at Note 18.
Details of individual borrowings required by Regulations are provided at Note 23(a).

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

13. EMPLOYEE RELATED PROVISIONS

Employee related provisions

	2026	2025
Current provisions	**$**	**$**
Employee benefit provisions		
Annual leave	0	244,621
Long service leave	0	179,352
	0	423,973
Total current employee related provisions	0	423,973
Total employee related provisions	0	423,973

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

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

	Note	2026	2025
Amounts are expected to be settled on the following basis:		**$**	**$**
Less than 12 months after the reporting date		0	423,973
		0	423,973

MATERIAL ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

14. OTHER PROVISIONS

	Make Good Provision	Provision for Transfer of Assets to City of Canning	Provision for Redundancy on Wind-Up	Total
	$	$		$
Opening balance at 1 July 2025				
Current provisions	2,174,000	2,790,782	1,460,079	6,424,861
	2,174,000	2,790,782	1,460,079	6,424,861
City of Canning - Payment for Make Good Provision as per Settlement Agreement Dated 30 November 2025	(2,174,000)	0	0	(2,174,000)
City of Canning Value of Assets Transferred as per Settlement Agreement Dated 30 November 2025	0	(2,790,782)	0	(2,790,782)
Settlement of redundancy payment on wind up			(1,460,079)	(1,460,079)
Balance at 02 June 2026	0	0	0	0

Make Good Provision
In accordance with the Settlement Agreement signed on 21 November 2025, RRG and City of Canning agreed to cancel the then current lease arrangement and release RRG from all its obligations under the terms and conditions of the lease for an amount of $2.174 million. The arrangement was effective 30 November 2025. In accordance with the terms of the agreement, payment of this amount was made by the RRG on 30 December 2025.

Provision for Transfer of Assets to the City of Canning
In accordance with the Settlement Agreement signed on 21 November 2025, RRG and City of Canning agreed to transfer the assets on the leased land to City of Canning in lieu of the estimated settlement amount of $1.494 million (refer to Note 11). The fair value of the assets being transferred was estimated at $2.791 million with the difference being recognised in the profit and loss. In accordance with the Settlement Agreement these assets were transferred on 30 November 2025.

MATERIAL ACCOUNTING POLICIES
Provisions
Provisions are recognised when Resource Recovery Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

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

	Note	2026 Actual	2025 Actual
		$	$
Cash and cash equivalents	3	0	1,914,939
Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Financial assets at amortised cost	4	0	4,850,335
		0	4,850,335
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	24	0	4,850,335
Total restricted financial assets		0	4,850,335

(b) Reconciliation of net result to net cash provided by operating activities

Net result		(1,315,444)	(1,501,211)
Non-cash items:			
Lease Fees		280,650	3,461,260
Provision for NRV Adjustment of Inventories		0	1,058,084
Reduction in potential payout to City of Canning		0	(1,457,095)
Reduction in lease liability due to early surrender		99,228	(3,986,041)
Impairment - Right-of-use Asset - RRRC Ground Lease		0	1,913,916
Reduction of Make Good Provision		0	(3,471,466)
Provision for Transfer of Assets at $0 cost (, , CVC)		0	2,790,782
Provision for redundancy on wind up		0	1,459,571
Impairment - RRRC Leasehold Improvements Assets		0	808,051
Profit on disposal of assets		(292,662)	0
Written off debtors		17,675	0
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		2,108,169	(405,754)
(Increase)/decrease in other assets		685,470	(259,954)
(Increase)/decrease in inventories		202,660	1,037,270
Increase/(decrease) in trade and other payables		(2,126,832)	(3,669,534)
Increase/(decrease) in employee related provisions		(1,884,052)	(40,436)
Increase/(decrease) in other financial assets		1,625,700	810,601
Increase/(decrease) in other provision		0	0
Increase/(decrease) in other balance sheet items		51,798	0
Net cash provided by/(used in) operating activities		(547,639)	(1,451,956)

(c) Non-cash investing and financing activities

Transfer of assets to City of Canning as part of the settlement	7	2,790,782	0

(d) Undrawn borrowing facilities

Credit standby arrangements			
Credit card limit		0	160,000
Total amount of credit unused		0	160,000
Loan facilities			
Loan facilities - current		0	1,612,200
Total facilities in use at balance date		0	1,612,200

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

17. RELATED PARTY TRANSACTIONS

(a) Council member remuneration

Fees, expenses and allowances to be paid or reimbursed to council members.	Note	2026 Actual $	2026 Budget $	2025 Actual $
Karen Wheatland				
Meeting Fees		17,740	17,740	15,353
Chair Allowance		22,470	22,470	19,449
		40,210	40,210	34,802
Hannah Fitzhardinge				
Meeting Fees		3,943	3,943	10,240
Deputy Chair Allowance		1,873	1,873	4,862
		5,816	5,816	15,102
Andrew Sullivan				
Meeting Fees		6,901	7,887	0
Deputy Chair Allowance		3,277	3,745	0
		10,178	11,632	0
All other council members				
Meeting Fees		25,632	23,660	14,288
		25,632	23,660	14,288
	17(b)	81,836	77,892	64,192

(b) Key management personnel (KMP) compensation

The total of compensation paid to KMP of the Resource Recovery Group during the period are as follows				
Short-term employee benefits		425,299	0	755,308
Post-employment benefits		117,420	0	83,593
Employee - other long-term benefits		0	0	87,081
Employee - termination benefits		465,259	0	362,407
Council member costs	17(a)	81,836	77,892	64,192
Provision for redundancy benefits		0	0	399,838
		1,089,814	77,892	1,752,419

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

Post-employment benefits
These amounts are the periods's cost of Resource Recovery Group's superannuation contributions made during the period.

Other long-term benefits
These amounts represent annual leave and long service leave entitlements accruing during the period.

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

Council member costs
These amounts represent payments of member fees, expenses, allowances and reimbursements during the period.

(c) Transactions with related parties

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

In addition to KMP compensation above the following transactions occurred with related parties:	2026 Actual $	2025 Actual $
Member Councils of Resource Recovery Group:		
Member Council Contribution and Gate Fee Received	4,985,785	11,240,811
Member Council Contribution for Loan Repayment Received	24,576	176,419
Amounts outstanding from related parties:		
Trade and other receivables	0	1,247,085

19. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

In accordance with a deed of agreement dated 28 May 2026 between City of Melville and City of Fremantle (being the two remaining member Councils of the RRG), an amount of $147,439 was paid to City of Melville prior to 2 June 2026. This amount represented the expected costs required to administer the remaining activities necessary to finalise the Resource Recovery Group. In the event of any variance between the actual and expected expenditure incurred by City of Melville, this variance will be shared by the two Member Councils in accordance with the deed of agreement. Accordingly, the amount of $147,439 has been recorded as an expense of RRG for the period 1 July 2025 to 2 June 2026. Included in this amount is $36,000 estimated to be paid after 2 June 2026 to individuals that were key management personnel during the period 1 July 2025 to 2 June 2026. This has not been included in the amounts disclosed in note 17.

Additionally, the RRG distributed all remaining funds to the two remaining member Councils by 2 June 2026. Accordingly, all that remains is the cancellation of the ABN and informing the ATO that the RRG is no longer trading. From the reporting date up until the date of this financial report being signed, there have been no further subsequent events.

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

15. REVALUATION SURPLUS

	2026 Opening balance	Total Transfer to Accumulated Deficit	2026 Closing balance	2025 Opening balance	Total Movement on revaluation	2025 Closing balance
	$	$	$	$	$	$
Revaluation surplus - Buildings - Non-Specialised	1,183,169	(1,183,169)	0	458,130	725,039	1,183,169
Revaluation surplus - CVC Leasehold Improvements	3,718,062	(3,718,062)	0	8,013,602	(4,295,540)	3,718,062
	4,901,231	(4,901,231)	0	8,471,732	(3,570,501)	4,901,231

The movement during the period is due to fact that all the RRG's assets were disposed of.

The sale of the "Buildings - Non-Specialised", being the RRG's office building was settled on 12 December 2025.

The "CVC Leasehold Improvements" were transferred to the City of Canning on 30 November 2025 in accordance with the Deed of Settlement between the RRG and City of Canning

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

18. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
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

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

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

(a) Interest rate risk

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

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

	Weighted average interest rate	Carrying amounts	Fixed interest rate	Variable interest rate	Non interest bearing
	%	$	$	$	$
2026					
Cash and cash equivalents	0.00%	0	0	0	0
Financial assets at amortised cost - term deposits	0.00%	0	0	0	0
2025					
Cash and cash equivalents	2.60%	1,914,939	275,583	1,639,356	0
Financial assets at amortised cost - term deposits	4.23%	4,850,335	4,850,335	0	0

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

	2026	2025
	$	$
Impact of a 1% movement in interest rates on profit or loss and equity*	0	16,394

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

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD COMMENCING 1 JULY 2025 AND ENDING 02 JUNE 2026

18. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

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

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

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2025 or 02 Jun 2026 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2025 and 02 Jun 2026 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
2-Jun-26					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	0	0	0	0	0
Loss allowance	0	0	0	0	0
Financial assets at amortised costs - Loan receivable from Project Participants					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	0	0	0	0	0
Loss allowance	0	0	0	0	0
30 June 2025					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	2,112,344	0	-	(4,175)	2,108,169
Loss allowance	(4,175)	0	0	0	(4,175)
Financial assets at amortised costs - Loan receivable from Project Participants					
Expected credit loss	0%	0%	0%	0%	
Gross carrying amount	1,612,000	0	0	0	1,612,000
Loss allowance	0	0	0	0	0

18. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

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

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

2026	Due within 1 year $	Due between 1 & 5 years $	Due after 5 years $	Total contractual cash flows $	Carrying amount $
Trade and other payables	0	0	0	0	0
Borrowings	0	0	0	0	0
Lease liabilities	0	0	0	0	0
	0	0	0	0	0
2025					
Trade and other payables	2,126,832	0	0	2,126,832	2,126,832
Borrowings	1,612,200	0	0	1,612,200	1,612,200
Lease liabilities	379,875	0	0	379,875	379,875
	4,118,907	0	0	4,118,907	4,118,907

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

20. OTHER MATERIAL ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

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

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

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

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

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

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

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:
- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

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

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

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

21. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
Purpose	Statement of Objective The purposes for which Resource Recovery Group is established are: (a) to actively plan, coordinate and implement the removal, processing, treatment and disposal of waste, with the intention of implementing and advocating for the adoption of best practice processes and activities: (b) to lead and influence local State and Federal Governments in the development of regional waste Management policies and legislation; (c) to educate by providing tools to recycle right, reduce waste and live more sustainably; and (d) to carry out and do all other acts and things which are reasonably necessary for the bringing into effect of the purposes referred to in clause 4(a) or 4(b). Resource Recovery Group operations as disclosed in this report encompass the following 'service orientated programs.
Governance	Administration and operation facilities and services to Members of Council, other costs that relate to tasks of assisting the member councils and the public on matters which do not concern specific council services. In accordance with legislative changes effective 1 July 1997, the General Administration costs have been allocated to the various programs of the Resource Recovery Grou to reflect the true cost of the services provided.
Community amenities	To provide environmentally friendly waste management facilities to consumers at a competitive cost, mindful of community requirements, whilst aiming to greatly reduce the quantity of waste disposed at landfill sites. This includes the Regional Resource Recovery Centre at Canning Vale which was a Major Commercial Business Undertaking,

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

21. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses	2026 Actual $	2025 Actual $
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Education & Marketing	0	105,290
RRRC Admin & Weighbridge	301,759	2,497,122
Recycling	3,816,247	9,287,223
Greenwaste	389,923	640,067
Waste to Energy	1,278,967	3,038,497
FOGO Operations	2,676,436	5,607,770
Business Development	177,865	183,956
Waste Audit	0	264,293
Admin	78,611	13,112
	8,719,808	21,637,330
Grants, subsidies and contributions and capital grants, subsidies and contributions		
FOGO Operations	0	0
Admin	0	81,137
Governance	44,320	91,342
R&D	969,321	42,643
Office Project	16,602	80,595
	1,030,243	295,717
Total income	**9,750,051**	**21,933,047**
Expenses		
Education & Marketing	(552)	(58,732)
RRRC Admin & Weighbridge	(2,539,284)	(3,680,989)
Recycling	(3,412,845)	(9,189,818)
Greenwaste	(238,713)	(355,110)
Waste To Energy	(1,266,218)	(4,784,454)
FOGO Operations	(2,701,560)	(4,256,565)
Business Development	(22,917)	(68,656)
Waste Audit	4,585	(272,436)
Admin	(342,641)	(428,700)
Governance	(515,612)	(389,461)
R&D	0	(41,460)
Office Project	(29,738)	(80,595)
Total expenses	(11,065,495)	(23,606,976)
Net result for the period	(1,315,444)	(1,673,929)
(c) Assets		
Unallocated	0	17,312,990
Total assets	0	17,312,990

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

22. DETERMINATION OF SURPLUS OR DEFICIT

	Note	2025/26	2025/26 Budget (30 June 2025 carried forward)	Restated* 2024/25 (30 June 2025 carried forward)
		$	$	$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*				
Adjustments to operating activities				
Less: Profit on asset disposals		(292,662)	0	0
Less: Net Adjustments to Assets/Liabilities arising out of Wind-Up	2(c)	0	0	(883,690)
Add: Depreciation	9(a)	0	3,891,931	3,461,260
Employee benefit provisions		0	(283,749)	
Other provisions		202,584	31,178	30,970
Contract liabilities - Supplier Retentions Paid from Provision		130,033		
Settlement of the loan receivable from project partcipants through non cash mean		1,587,624		0
Non-cash amounts excluded from operating activities		1,627,579	3,639,360	2,608,540
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*				
Adjustments to investing activities				
Right of use assets classified as held for sale impairment	10(a)	0	0	(1,913,916)
Building Revaluation		0	0	(3,570,501)
Non-cash amounts excluded from investing activities		0	0	(5,484,417)
(c) Non-cash amounts excluded from financing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*				
Adjustments to financing activities				
Non cash reduction in lease liability due to early termination	23(b)	(99,228)	0	(3,986,041)
Non-cash amounts excluded from financing activities		(99,228)	0	(3,986,041)
(d) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	24	0	(6,216,680)	(4,850,335)
Less: Financial assets at amortised cost - self-supporting loans	4(a)	0	0	(1,612,200)
Less: Financial assets at amortised cost	4(a)	0	0	(13,500)
Less: Current assets not expected to be received at end of year		0	0	(5,925,717)
Total adjustments to current assets				**(12,401,752)**
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	12	0	99,832	1,612,200
- Current portion of contract liability held in reserve		0	0	130,033
- Current portion of lease liabilities	10(b)	0	795,277	379,875
- Make Good Provision		0	0	2,174,000
- Provision for transfer of assets to Canning		0	0	2,790,782
Other Provision		0	31,178	0
Total adjustments to current liabilities		0	0	**7,086,890**
Total adjustments to net current assets		**0**	(5,321,571)	**(5,314,862)**
Net current assets used in the Statement of financial activity				
Total current assets		0	8,967,145	17,312,990
Less: Total current liabilities		0	(5,740,202)	(10,967,741)
Less: Total adjustments to net current assets		0	(5,321,571)	(5,314,862)
Surplus or (deficit)		0	(2,094,628)	1,030,387

No surplus or deficit to carry forward as entity has wound up.
Refer to Note 27 for Restatement of prior year figures

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

23. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual							Budget			
Purpose	Note	Principal at 1 July 2024	New loans during 2024-25	Principal repayments during 2024-24	Principal at 30 June 2025	New loans during 2025-26	Principal repayments during 2025-26	Principal at 02 June2026	Principal at 1 July 2025	New loans during 2025-26	Principal repayments during 2025-26	Principal at 02 June 2026
		$	$	$	$	$	$	$	$	$	$	$
Office accommodation, Loan No 2.6		1,708,024	0	(95,824)	1,612,200	0	(1,612,200)	0	1,612,200	0	(99,832)	1,512,368
Total		1,708,024	0	(95,824)	1,612,200	0	(1,612,200)	0	1,612,200	0	(99,832)	1,512,368

Borrowing finance cost payments

Purpose	Loan number	Institution	Interest rate	Date final payment was 18/12/2025	Actual for priod ended 02 June 2026	Budget for period ended 30 June 2026	Actual for year ending 30 June 2025
					$	$	$
Office accommodation, Loan No 2.6	3	WATC	4.12%	30/06/2028	29,738	(64,881)	(80,595)
Total					29,738	(64,881)	(80,595)
Total finance cost payments					29,738	(64,881)	(80,595)

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

(b) Lease liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2024	Reduction Lease Liability Due To Early Termination During 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Reduction Lease Liability Due To Early Termination 2025-26	Principal repayments during 2025-26	Principal at 02 June 2026	Principal at 1 July 2025	New leases during 2025-26	Principal repayments during 2025-26	Principal at 02 Junee 2026
		$	$	$	$	$	$	$	$	$	$	$
RRRC Ground Lease		4,968,947	(3,986,041)	(603,031)	379,875	(99,228)	(280,647)	0	4,331,336	0	(908,595)	3,422,741
Total lease liabilities	10(b)	4,968,947	(3,986,041)	(603,031)	379,875	(99,228)	(280,647)	0	4,331,336	0	(908,595)	3,422,741

Lease finance cost payments

Purpose	Lease number	Institution	Interest rate	Early Termination of Lease	Actual for priod ended 02 June 2026	Budget for period ended 30 June 2026	Actual for year ending 30 June 2025	Lease term
					$	$	$	
RRRC Ground Lease		City of Canning	3.40%	30/11/2025	35,916	(142,240)	(156,348)	30 Years
Total finance cost payments					35,916	(142,240)	(156,348)	

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2025 TO 2 JUNE 2026

24. RESERVE ACCOUNTS

	2026 Actual opening balance	2026 Actual transfer to	2026 Actual transfer (from)	2026 Actual closing balance	2026 Budget opening balance	2026 Budget transfer to	2026 Budget transfer (from)	2026 Budget closing balance	2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance
	$	$	$	$	$	$	$	$	$	$	$	$
Restricted by council												
(a) RRRC Contingency & Development Reserve	0	0	0	0	4,145,929	0	(88,680)	4,057,249	6,925,792	0	(6,925,792)	0
(b) Travel and Conference Reserve	0	0	0	0	25,000	0	0	25,000	25,000	0	(25,000)	0
(c) Office Accommodation Reserve	0	0	0	0	290,212	0	0	290,212	290,212	0	(290,212)	0
(d) RRRC Restoration Reserve	0	0	0	0	1,844,219	0	0	1,844,219	1,844,219	0	(1,844,219)	0
(e) RRG Reserve Fund	4,850,335	0	(4,850,335)	0	0	0	0	0	0	9,085,223	(4,234,888)	4,850,335
	4,850,335	0	(4,850,335)	0	6,305,360	0	(88,680)	6,216,680	9,085,223	9,085,223	(13,320,111)	4,850,335
Internal Transfer between reserve accounts		0	0							(9,085,223)	9,085,223	
	4,850,335	0	(4,850,335)	0	6,305,360	0	(88,680)	6,216,680	9,085,223	0	(4,234,888)	4,850,335

It was resolved by Council at the June 2025 meeting to combine the previously held four reserve funds into one, to meet the expenditure needs of transitioning and winding up of the organisation.

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

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside are as follows

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

RESOURCE RECOVERY GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 02 June 2026

25. TRUST FUNDS

Resource Recovery Group does not have any trust funds on hand as at 02 June 2026 (As at 30 June 2025 - Nil)

26 LICENCES

RRG Environmental Operating Licences
The Resource Recovery Group, Canning Vale Centre had two environmental licences for prescribed premises under the Environmental Protection Act 1986, granted by the Department of Water and Environmental Regulation (DWER). These licences have transferred to the new operator of the site.

27 RESTATEMENT OF PRIOR YEAR FIGURES

The comparative figures presented in the Statement of Financial Activity and Note 22 – Determination of Surplus or Deficit have been restated to reflect adjustments identified in relation to the prior reporting period. Accordingly, the comparative amounts presented in these disclosures differ from those previously reported. The restatement does not have any impact on the reported results for the prior year or items in the Statement of Financial Position.

The restatement has been applied retrospectively to ensure the comparative information is presented on a consistent basis with the current year financial statements.

	As reported 30-Jun-25	**Adjustment**	**Restated 30-Jun-25**
Statement of Financial Activity			
Amount attributable to operating activities	7,707,964	(6,600,636)	1,107,328
Amount attributable to investing activities	5,664,911	(10,490,619)	(4,825,708)
Amount attributable to financing activities	(4,436,049)	7,972,082	3,536,033
Surplus or (deficit)	10,149,560	(9,119,173)	1,030,387
Note 22. Determination of Surplus or Deficit			
Non-cash amounts excluded from operating activities	9,209,176	(6,600,636)	2,608,540
Non-cash amounts excluded from investing activities	5,832,718	(11,317,135)	(5,484,417)
Total adjustments to net current assets	3,419,856	(8,734,718)	(5,314,862)

Auditor General

INDEPENDENT AUDITOR'S REPORT

2026

Resource Recovery Group

To the Council of the Resource Recovery Group

Opinion

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

- the statement of financial position as at 2 June 2026, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the period 1 July 2025 to 2 June 2026
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Group for the period 1 July 2025 to 2 June 2026 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

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

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

Emphasis of matter – Basis of Accounting

I draw attention to Note 1 of the financial report which describes the basis of accounting and that the financial report has been prepared on a non-going concern basis for the reasons set out therein. My opinion is not modified in respect of this matter.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the Group's annual report for the period 1 July 2025 to 2 June 2026, but not the financial report and my auditor's report.

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

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

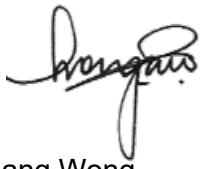
A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

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

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with *ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Group for the period 1 July 2025 to 2 June 2026 included in the annual report on the Group's website. The Group's management is responsible for the integrity of the Group's website. This audit does not provide assurance on the integrity of the Group's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Group to confirm the information contained in the website version.



Liang Wong
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 November 2026