



# ANNUAL REPORT

2019 - 2020

WA RETURN RECYCLE RENEW LIMITED

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**We acknowledge and pay respect to the past, present and future traditional custodians, and elders of these lands.**

**We acknowledge your connection to land, water, skies, and community; and that we walk, talk and work on your country.**

**We hope to work in true partnership to care for country.**

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# WELCOME TO THE ANNUAL REPORT


WARRRL is proud to present our annual report for the financial year 1 July 2019 to 30 June 2020.

In accordance with the reporting requirements as outlined by the Reporting Code: Reporting Requirements for the Coordinator (Department of Water and Environmental Regulation) (Reporting Code), the annual report for the period July 2019 to June 2020 includes the following:

REPORTING ITEMS	REPORTING CODE REFERENCE	PAGE
Annual financial statements for the year that have been audited by an independent auditor.	A0.1b	6
The number of agreements by agreement type in force at the end of the reporting period, and new agreements signed and agreements terminated during the reporting period. <b>Agreement types include:</b> a) supply agreements b) refund point agreements c) material recovery agreements d) export rebate agreements e) agreements with processors f) agreements with logistics providers g) arrangements with recyclers.	A0.3	27
The amount of funds spent by the coordinator on public education and awareness during the reporting period; a summary of actions taken to promote the Container Deposit Scheme (CDS) and refund point locations during the reporting period; and results of surveys undertaken on the level of public awareness about the CDS.	A0.18	28



**Tim Cusack**  
Chief Executive Officer  
WA Return Recycle Renew



**Sheila McHale**  
Chairperson  
WA Return Recycle Renew

# OUR VALUES



## CUSTOMERS & COMMUNITY

We work closely with our customers and the community to safely deliver accessible services and opportunities



## INTEGRITY

Courage, honesty and resilience underpin our culture, relationships, behaviour and decision-making



## OWNERSHIP & ACCOUNTABILITY

We take responsibility for our actions so we can deliver on our goals



## ENVIRONMENT & SUSTAINABILITY

We protect and enhance WA's environment by delivering a sustainable, world-class Scheme



## RESPECT

The core of our relationships - we value our people and stakeholders and treat them with professionalism and respect



# MESSAGE FROM THE CHAIRPERSON

**In July 2019, the Western Australian State Government appointed WA Return Recycle Renew Ltd (WARRRL) to the office of Coordinator of the Container Deposit Scheme (CDS) under section 47X of the Waste Avoidance and Resource Recovery Act 2007 (WA).**

WARRRL is privileged to be appointed to run the Container Deposit Scheme in Western Australia and is aware of the responsibility this appointment brings.

On appointment in July 2020, WARRRL quickly got to work recruiting the team and the network that would deliver the CDS scheme in Western Australia, which at that point in time was scheduled to commence on 2 June 2020.

The newly formed team had to learn quickly and collaborate with many stakeholders to build the scheme in our vast state including in regional and remote areas in the North and South West.

By March 2020, the WARRRL team had significantly progressed the plans to deliver a strong network of refund point operators, well supported by logistics and processing providers. Ready for a June 2020 commencement date. With the onset of the global COVID 19 pandemic, the Western Australian government introduced strict protocols to minimise the spread of COVID-19 in the state and a decision was made to delay the launch of the Scheme. Until later in the year or possibly early 2021.

Whilst this delay naturally caused uncertainty among stakeholders, the WARRRL team concentrated their focus on supporting and growing the network.

Given the outstanding efforts by the Western Australian community to keep safe against COVID 19, the Minister for Environment; Disability Services; Electoral Affairs, Hon Stephen Dawson MLC, was able to bring forward the launch of the Scheme to 1 October 2020.

At the end of the financial year 2019 -2020, WARRRL was on track to deliver a robust statewide network of refund points in excess of the 175 required under the minimum standards.

Despite the challenges presented through COVID-19, WARRRL delivered a comprehensive communications strategy during the financial year aimed at building public awareness, driving community engagement and educating refund point operators.

Face to face and online community information sessions were delivered right across the State informing the public about how they could participate in the scheme. Community toolkits were developed to explain the potential of the Scheme as a fundraising strategy for community organisation, thus delivering on one of WARRRL's key objectives.

We believe we will see a groundswell of engagement by community groups and charities with the CDS to drive their fundraising efforts once the Scheme commences and we look forward to seeing these groups achieve their financial goals through the Scheme.

I would like to acknowledge and thank my Board colleagues for their guidance and insights during the last twelve months and look forward to working with the Board as we launch and embed the scheme in the first quarter of 2020.

# MESSAGE FROM THE CHAIRPERSON (CONT.)

I also would like to thank our CEO, Tim Cusack, his executive leadership and the entire WARRRL team for their commitment during extremely difficult times, their eagerness, and enthusiasm to bring about one of the most significant changes in Western Australia to benefit the environment. I believe that when the Scheme goes live on 1 October 2020, we will provide the community a dynamic and varied CDS offering benefits both financially and environmentally.

I also take this opportunity to thank our stakeholders for their support during the year and in particular the State Government and the Minister for Environment, Hon Stephen Dawson and the team at the Department of Water and Environmental Regulation led by the Director General Mike Rowe, strongly supported by Sarah McEvoy, Executive Director Strategic Policy.



**Sheila McHale**

Chairperson  
WARRRL Board  
16 December 2020



# AUDITED ANNUAL FINANCIAL STATEMENTS

(A0.1B)

FOR YEAR ENDED 30 JUNE 2020  
WA RETURN RECYCLE RENEW LIMITED  
ABN 43 629 983 615



**WA Return Recycle Renew Ltd**  
**Directors' report**  
**30 June 2020**

The Directors present their report, together with the financial statements, on the Company for the year ended 30 June 2020.

**Directors**

The Directors of the Company at any time during or since the end of the financial year are:

Directors	Appointed
Sheila McHale	30 May 2019
Michael Morgan	23 June 2019 (Resigned June 2020)
Jamie Ryan	23 November 2018
Jeff Maguire	23 November 2018
Belinda Moharich	23 June 2019
Nicholas Gan	23 June 2019
Rebecca Prince-Ruiz	30 May 2019
Stephen Drake-Brockman	23 June 2019
Daniel Holland	23 November 2018
Reece Wheadon	6 June 2020

The Members may nominate an Alternate Director from time to time, in accordance with the Company's constitution.

**Principal Activities**

The principal activity of the Company during the financial period was the establishment of the Western Australia Container Deposit Scheme which commenced on 1 October 2020.

**Objectives and performance**

The Company was established to act as the Scheme Coordinator responsible to administer the Western Australia Container Deposit Scheme, which commenced on 1 October 2020. The Company was successfully appointed as the Scheme Coordinator on 15 July 2019. The Company is a not-for-profit entity registered with the Australian Charities and Not-for-profits Commission (ACNC).

The Company's vision for the Scheme is aligned with the objectives of the State as set out in the Waste Avoidance and Resource Recovery Amendment Act 2019. In particular, this vision includes:

- increasing the recovery and recycling of empty beverage containers;
- reducing the number of empty beverage containers that are disposed of as litter or to landfill;
- ensure that first responsible suppliers of beverage products take product stewardship responsibility in relation to their beverage products;
- providing opportunities for social enterprise, and benefits for community organisations, through participation in the container deposit scheme;
- creating opportunities for employment;
- complementing existing collection and recycling activities for recyclable waste; and
- ensuring robust and transparent governance arrangements to ensure confidence in the Scheme for all stakeholders concerned

The Company's performance is reviewed regularly by the Board against the Strategic Plan and budget.

**Review of operations**

The loss for the Company amounted to \$6,568,824 (30 June 2019: \$2,218,281). The total loss for the period was transferred to the Scheme Development Costs Reserve.

**Significant changes in the state of affairs**

During the financial year the commencement date of the Western Australia Container Deposit Scheme was delayed from 2 June 2020 to 1 October 2020. The CEO, Tim Cusack, was also appointed on 15 July 2019. There were no other significant changes in the state of affairs of the Company during the financial year.

**WA Return Recycle Renew Ltd**  
**Directors' report**  
**30 June 2020**

**Matters subsequent to the end of the financial year**

The impact of the Coronavirus (COVID-19) pandemic is ongoing, and while it has not had a materially negative financial impact on the Company up to 30 June 2020, it is difficult to estimate the potential impact, positive or negative, after the reporting date.

The scheme was successfully launched subsequent to year-end on 1 October 2020.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Likely developments and expected results of operations**

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

**Environmental regulation**

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Meetings of Directors**

There were 16 meetings of Directors held during the year ended 30 June 2020.

**Indemnity and insurance of officers**

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

**Auditor's report**

The Directors note the auditor's report and the Qualified Opinion issued by the auditors. As noted in the Independent Auditor's report, the Qualified Opinion is solely due to the opening financial balances referring to the prior year, for which the financial statements were unaudited, as there was no legal requirement to do so. As with this year ended 30 June 2020, and for subsequent financial years, in accordance with the reporting requirements as specified by the Department of Water and Environmental Regulation, the Company financial statements will be subject to an independent audit. This requirement is notwithstanding any reporting obligations as specified by the ACNC. This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



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16 December 2020

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Perth WA 6000

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Perth WA 6850

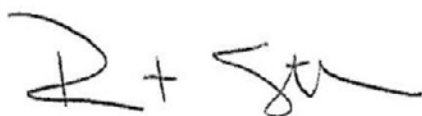
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## Auditor's Independence Declaration to the Directors of WA Return Recycle Renew Limited

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of WA Return Recycle Renew Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



B P Steedman  
Partner – Audit & Assurance

Perth, 16 December 2020

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**WA Return Recycle Renew Ltd**  
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**General information**

The financial statements cover WA Return Recycle Renew Ltd as an individual entity. The financial statements are presented in Australian dollars, which is WA Return Recycle Renew Ltd.'s functional and presentation currency.

WA Return Recycle Renew Ltd is an unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office**

Unit 2 & 3, 1 Centro Ave  
Subiaco WA 6008

**Principal place of business**

Unit 2 & 3, 1 Centro Ave  
Subiaco WA 6008

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 16 December 2020. The Directors have the power to amend and reissue the financial statements.

**WA Return Recycle Renew Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2020**

	Note	2020 \$	2019 \$
<b>Other income</b>			
Government subsidies		170,500	-
Interest income		7,399	2,017
Interest income - network assistance		94	-
		177,993	2,017
<b>Expenses</b>			
Professional services		(2,269,587)	(2,051,470)
Employee benefits expense		(2,600,590)	(46,202)
Other expenses		(539,028)	(22,745)
Finance costs		(419,728)	(36,138)
Marketing and communication expenses		(577,360)	(63,743)
Administration support service fees		(340,524)	-
<b>Surplus/(deficit)</b>		(6,568,824)	(2,218,281)
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year attributable to the members of WA Return Recycle Renew Ltd</b>		(6,568,824)	(2,218,281)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**WA Return Recycle Renew Ltd**  
**Statement of financial position**  
**As at 30 June 2020**

	Note	2020 \$	2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	2,371,023	817,594
Other current assets	4	54,736	77,873
Total current assets		<u>2,425,759</u>	<u>895,467</u>
<b>Non-current assets</b>			
Property, plant and equipment	5	713,949	8,922
Intangibles	6	7,001	10,725
Total non-current assets		<u>720,950</u>	<u>19,647</u>
<b>Total assets</b>		<u>3,146,709</u>	<u>915,114</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	1,705,837	696,808
Provisions	8	89,195	449
Total current liabilities		<u>1,795,032</u>	<u>697,257</u>
<b>Non-current liabilities</b>			
Borrowings	9	9,586,779	2,436,138
Lease Liabilities	10	552,003	-
Total non-current liabilities		<u>10,138,782</u>	<u>2,436,138</u>
<b>Total liabilities</b>		<u>11,933,814</u>	<u>3,133,395</u>
<b>Net liabilities</b>		<u>(8,787,105)</u>	<u>(2,218,281)</u>
<b>Equity</b>			
Reserves	11	(8,787,105)	(2,218,281)
<b>Total deficiency in equity</b>		<u>(8,787,105)</u>	<u>(2,218,281)</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**WA Return Recycle Renew Ltd**  
**Statement of changes in equity**  
**For the year ended 30 June 2020**

	<b>Retained earnings</b>	<b>Reserves</b>	<b>Total equity</b>
	\$	\$	\$
Balance at 23 November 2018	-	-	-
Surplus/(Deficit) after income tax expense for the period	(2,218,281)	-	(2,218,281)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	<u>(2,218,281)</u>	<u>-</u>	<u>(2,218,281)</u>
Transfers	<u>2,218,281</u>	<u>(2,218,281)</u>	<u>-</u>
Balance at 30 June 2019	<u>-</u>	<u>(2,218,281)</u>	<u>(2,218,281)</u>
	<b>Retained earnings</b>	<b>Reserves</b>	<b>Total equity</b>
	\$	\$	\$
Balance at 1 July 2019	-	(2,218,281)	(2,218,281)
Surplus/(Deficit) after income tax expense for the year	(6,568,824)	-	(6,568,824)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	<u>(6,568,824)</u>	<u>-</u>	<u>(6,568,824)</u>
Transfers	<u>6,568,824</u>	<u>(6,568,824)</u>	<u>-</u>
Balance at 30 June 2020	<u>-</u>	<u>(8,787,105)</u>	<u>(8,787,105)</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**WA Return Recycle Renew Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2020**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
Net cash from operating activities			
Receipts from customers and government subsidies		177,993	-
Payments to suppliers and employees		(5,078,546)	(1,561,876)
Borrowing costs		<u>(419,728)</u>	<u>(36,138)</u>
Net cash used in operating activities	14	<u>(5,320,281)</u>	<u>(1,598,014)</u>
Net cash from investing activities			
Purchase of property, plant and equipment		<u>(276,932)</u>	<u>(20,530)</u>
Net cash used in investing activities		<u>(276,932)</u>	<u>(20,530)</u>
Net cash from financing activities			
Proceeds from borrowings		<u>7,150,642</u>	<u>2,436,138</u>
Net cash from financing activities		<u>7,150,642</u>	<u>2,436,138</u>
Net increase in cash and cash equivalents		1,553,429	817,594
Cash and cash equivalents at the beginning of the financial year		<u>817,594</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	3	<u><u>2,371,023</u></u>	<u><u>817,594</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*



**WA Return Recycle Renew Ltd**  
**Notes to the financial statements**  
**30 June 2020**

**Note 1. Reporting Entity**

The Company is operating as a not-for-profit private sector entity and the principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012*(Cth) and associated regulations and the *Corporations Act 2001* (Cth), as appropriate for Not-for-profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

The financial statements are presented in Australian dollars, which is WA Return Recycle Renew Ltd.'s functional and presentation currency.

The financial statements have been prepared on an accruals basis.

**Going concern**

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue trading, realise its assets and discharge its liabilities in the ordinary course of business for a period of at least 12 months from the date that these financial statements are approved.

The company commenced operating the Container Deposit Scheme on 1 October 2020 which resulted in the commencement of cash inflows from that date. This activity, together with the funding and facilities provided by the members and the Department of Water and Environmental Regulation provide a reasonable basis that the Company is a going concern.

**WA Return Recycle Renew Ltd**  
**Notes to the financial statements**  
**30 June 2020**

**Note 2. Significant accounting policies (continued)**

**Note 2. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1058 Income of Not-for-Profit Entities

With operations not yet fully realised in the financial year and no leases in effect at 1 July 2019, there was no impact to the financial statements on first time adoption of AASB 15, 16 and 1058

**Use of estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods.

*The estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts assets and liabilities within the next financial year are:*

*Accrued expenses*

Recognised amounts of direct scheme costs and related accrued expenses reflect management's best estimate of amounts owing to scheme participants that were not wholly substantiated by declarations of scheme participants at year end. These estimates are based on a number of critical underlying assumptions such as the volumes of containers submitted and processed through the scheme at a given time. Estimation uncertainties exist with regard to these items and variations in these assumptions may significantly impact the amount of direct scheme costs and accrued expenses.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**Revenue recognition**

**WA Return Recycle Renew Ltd**  
**Notes to the financial statements**  
**30 June 2020**

**Note 2. Significant accounting policies (continued)**

The Company recognises revenue as follows:

*Container Refund Scheme income*

The Company as the Scheme Coordinator of the Scheme under the *Waste Avoidance and Resource Recovery Act 2007* (WA) ("the Act", enters into deeds with eligible Beverage Suppliers to receive contributions to cover the costs of administering the scheme. Whilst these deeds represent an enforceable contract, the contributions received from Beverage Suppliers fall under AASB 1058 Income of Not-for-Profit Entities, as there is no sufficiently specific promise specified in the separate deeds with Beverage Suppliers to be delivered by the Scheme Coordinator. Revenue is recognised as the amount owed by relevant suppliers of beverage products under the terms of the Scheme. This is calculated upon the number of eligible containers sold into the Western Australia market during the financial year, as defined by the Act.

*Sale of recycled goods*

The Company, in its capacity as the Scheme Coordinator, sells processed containers through an online recycling material sales platform to approved recyclers. To determine whether and when to recognise revenue, the Company follows a five step process:

1. Identifying the contract with a customer – The auction process results in a binding contract between the Company and the recycler as the customer.
2. Identifying the performance obligations – The performance obligation is the goods for sale.
3. Determining the transaction price – The transaction price is the successful bid made by the recycler in addition to fees (if any) included in the agreement. The Scheme Coordinator makes no warranties or guarantees about the recycled goods hence there are no provisions or elements of variable consideration to be considered in determining the transaction price.
4. Allocating the transaction price to the performance obligations – The price is allocated directly to the sale.
5. Recognising revenue when/as performance obligation(s) are satisfied – Revenue is recognised at the point in time at which the customer obtains control of a promised asset (i.e. the recycled goods). The Company has deemed this to be the point when the goods are available for collection by the customer as that is the point when the Company has a present right to payment.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Government subsidies*

Government subsidies are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the subsidies are intended to compensate.

Government subsidies that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government assistance which does not have conditions attached specifically relating to the operating activities of the Company is recognised in accordance with the accounting policies above.

**Income tax**

The income of the Company is exempt from Income tax pursuant to the provisions of subdivision 50-B of the *Income Tax Assessment Act 1997* (Cth) and the Company receives GST concessions under division 176 of *A New Tax System Act 1999* (Cth) and is considered an FBT rebatable employer under section 123E of the *Fringe Benefits Tax Assessment Act 1986* (Cth).

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

**WA Return Recycle Renew Ltd**  
**Notes to the financial statements**  
**30 June 2020**

**Note 2. Significant accounting policies (continued)**

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

**Note 2. Significant accounting policies (continued)**

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Leases**

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

The Company has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. Lease terms are for 5 years for offices and IT equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Members Guarantees**

The Company is incorporated under the *Corporations Act 2001* (Cth) and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member (and each member that has left the Company within one year) is required to contribute a maximum \$10 each towards meeting any outstanding obligations of the Company. At 30 June 2020, the total amount that members of the Company are liable to contribute if the Company wound up is \$20 (2019: \$20).

**WA Return Recycle Renew Ltd**  
**Notes to the financial statements**  
**30 June 2020**

**Note 3. Current assets - Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	1,620,930	817,594
Scheme Account	750,093	-
	<u>2,371,023</u>	<u>817,594</u>

**Note 4. Current assets - Other current assets**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Prepayments	55,714	35,539
Other current assets	(978)	42,334
	<u>54,736</u>	<u>77,873</u>

**Note 5. Non-current assets - Property, plant and equipment**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Leasehold improvements - at cost	211,014	-
Less: Accumulated depreciation	(20,098)	-
	<u>190,916</u>	<u>-</u>
Cost IT Hardware	77,568	8,980
Less: Accumulated depreciation	(38,232)	(58)
	<u>39,336</u>	<u>8,922</u>
Right-of-use Office Lease	534,613	-
Less: Accumulated depreciation	(50,916)	-
	<u>483,697</u>	<u>-</u>
	<u>713,949</u>	<u>8,922</u>

All right-of-use assets held are the result of new leases taken out during the current year, primarily related to office tenancy leases.

**Note 6. Non-current assets - Intangibles**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Indefinite Life Brands	8,910	11,550
Less: Accumulated amortisation	(1,909)	(825)
	<u>7,001</u>	<u>10,725</u>

**Note 7. Current liabilities - Trade and other payables**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade payables	38,033	-
Accruals	1,667,551	696,808
Other payables	253	-
	<u>1,705,837</u>	<u>696,808</u>

**Western Australia Return Recycle Renew Ltd**  
**Notes to the financial statements**  
**30 June 2020**

**Note 8. Current liabilities - Provisions**

	2020 \$	2019 \$
Annual leave	89,195	449

**Note 9. Non-current liabilities - Borrowings**

	2020 \$	2019 \$
Loans	9,586,779	2,436,138

In order to establish and operationalise the Scheme (including establishing and entering into Supply Agreements with Beverage suppliers), the Founding Members of the Company, Coca-Cola Amatil (Aust) Pty Ltd and Lion Pty Ltd, provided two loan facilities totaling \$10m. This facility agreement was executed on 21 December 2018, and will be drawn down by the Company as required prior to Scheme commencement. A variation to extend combined facilities from \$10m to \$11m was signed 8 January 2020. In addition, the Scheme entered into an additional facility agreement (Scheme working capital, and a network assistance loan) with the Department of Water and Environmental Regulation. The facility agreement was executed on the 11<sup>th</sup> June 2020 with a drawdown of \$750k against Facility B. Key terms of each loan are as follows:

Facility	Term (Years)	Agreement Date	Drawdown at 30 June 2020	Maximum Drawdown	Interest
Scheme operational working capital (A) (DWER)	1.5 post Scheme commencement date (1 Oct 2020)	11/6/2020	-	16,000,000	Variable
Network assistance loan (B) (DWER)	1.5 post Scheme commencement date (1 Oct 2020)	11/6/2020	750,000	3,500,000	Nil
Members Loan Facility A	7 post Scheme commencement date (1 Oct 2020)	21/12/2018 (Variation signed 08/01/2020)	8,836,779	10,000,000	7.2%
Members Loan Facility B	10 post Scheme commencement date (1 Oct 2020)	21/12/2018 (Variation signed 08/01/2020)	-	1,000,000	8.1%

The loans have been recorded at fair market value in accordance with AASB 9.

**Note 10. Lease Liabilities**

	2020 \$	2019 \$
Lease Liability	552,003	-

**WA Return Recycle Renew Ltd**  
**Notes to the financial statements**  
**30 June 2020**

**Note 11. Equity – Reserves**

	2020 \$	2019 \$
Scheme development costs reserve	<u>(8,787,105)</u>	<u>(2,218,281)</u>

*Movements in reserves*

Movements in each class of reserve during the current and previous financial period are set out below:

	Total \$
Balance at 23 November 2018	-
Transfer to reserves	<u>(2,218,281)</u>
Balance at 30 June 2019	(2,218,281)
Transfer from retained earnings	<u>(6,568,824)</u>
Balance at 30 June 2020	<u>(8,787,105)</u>

In the prior period, the pre-launch Scheme development costs were funded by the Beverage Manufacturers as a cost of the scheme and in accordance with the WRR Act and the Container Recovery Agreements. The Scheme development costs reserve tracked the accumulation of these costs.

**Note 12. Related party transactions**

The Company's related parties include its key management personnel as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

*Transactions with key management personnel*

Key management of the Company are the Directors and the Chief Executive Officer. Key management personnel remuneration includes the following expenses:

	2020 \$	2019 \$
Total key management personnel remuneration	<u>574,463</u>	<u>8,085</u>

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date

**Note 13. Reconciliation of loss after income tax to net cash used in operating activities**

	2020 \$	2019 \$
Loss after income tax expense for the year	(6,568,824)	(2,218,281)
Non-cash flows		
Depreciation	110,270	883
Changes in assets and liabilities		
(Increase)/decrease in other current assets	23,138	(77,873)
Increase/(decrease ) in trade and other payables	1,026,389	696,808
Increase/(decrease) in provisions	88,746	449
Net cash used in operating activities	<u>(5,320,281)</u>	<u>(1,598,014)</u>



**WA Return Recycle Renew Ltd**  
**Directors' declaration**  
**30 June 2020**

In the Directors' opinion:

- The financial statements and notes WA Return Recycle Renew Ltd are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (Cth), including:
  - Giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
  - Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-Profits Commission Regulation 2013* (Cth); and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This report is made in accordance with a resolution of the Directors.

On behalf of the Directors



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16 December 2020

## Independent Auditor's Report

### To the Members of WA Return Recycle Renew Limited

#### Report on the audit of the financial report

##### Qualified Opinion

We have audited the financial report of WA Return Recycle Renew Limited (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the financial report of WA Return Recycle Renew Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Registered Entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

##### Basis for Qualified Opinion

The financial report for the year ended 30 June 2019 has not been audited, and we were unable to obtain sufficient appropriate audit evidence for certain amounts included in the opening balances at 1 July 2019. Accordingly, we are not in a position to and do not express an opinion on the comparatives for 30 June 2019 or the opening balances as at 1 July 2019. As opening balances enter into the determination of financial performance and cash flows, we were unable to determine the effect of such adjustments, if any, as might have been determined to be necessary had this limitation in scope not existed.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the financial report

The Directors of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Registered Entity's financial reporting process.

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

Our objectives 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "Grant Thornton".

Grant Thornton Audit Pty Ltd  
Chartered Accountants

A handwritten signature in black ink that reads "B P Steedman".

B P Steedman  
Partner – Audit & Assurance  
Perth, 16 December 2020

# NUMBER OF AGREEMENTS BY AGREEMENT TYPE (A0.3)

In accordance with A0.3 of the Reporting Code, the number of agreements by agreement type in force at the end of the reporting period, and new agreements signed, and agreements terminated during the reporting period are outlined in the table below.

Agreements	Status		
	In Force	New	Terminated
<b>SUPPLY AGREEMENTS</b>	Nil	Nil	Nil
<b>REFUND POINT AGREEMENTS</b>	74	74	7*
<b>MATERIAL RECOVERY AGREEMENTS</b>	Nil	Nil	Nil
<b>EXPORT REBATE AGREEMENTS</b>	Nil	Nil	Nil
<b>AGREEMENTS WITH PROCESSORS</b>	3	3	Nil
<b>AGREEMENTS WITH LOGISTICS PROVIDERS</b>	3	3	Nil
<b>ARRANGEMENTS WITH RECYCLERS</b>	Nil	Nil	Nil

\*Note that a small number of refund point agreements were terminated by 30 June 2020 due to potential operators unable to proceed within the terms of the agreement.

# PUBLIC EDUCATION AND AWARENESS (A0.18)

This section, with reference to A0.18 of the Reporting Code, outlines the amount of funds spent by the coordinator on public education and awareness; a summary of actions taken to promote the container deposit scheme and refund point locations; and a result of surveys undertaken on the level of public awareness about the container deposit scheme, for the reporting period 1 July 2019 to 30 June 2020.

It is important to note that WARRRL's planned public awareness and education activities during this period were significantly impacted by COVID 19, delaying the Scheme commencement

## FUNDS SPENT BY THE COORDINATOR

The total amount spent on public education and awareness during the period 1 July 2019 to 30 June 2020 was **\$577,360.25**.

### Summary of actions taken to promote the scheme and refund point locations:

Activities undertaken during this period included (but are not limited to):

- Network procurement information sessions: promotion and coordination of 35 information sessions, aimed at providing information about the procurement process for refund point operators and logistics and processing providers.
- Community information sessions: promotion of 42 community information sessions, aimed at providing information to customers and community groups about how they could participate in Containers for Change. This program was cancelled on March 13 (after 12

sessions), due to COVID imposed restrictions.

- Website: Commenced production on containers for change website
- Creative campaign: Commenced production of 'coin rattle' creative campaign for launch
- Marketing toolkits: Production of marketing toolkits and assets for refund point operators and community groups
- Customer experience research: Research based on Queensland operators, to give insight into customer experience at refund points
- During the reporting period, the location of refund points was not fully confirmed nor publicly available and so no specific awareness activities relating to refund point locations was conducted.

## PUBLIC AWARENESS SURVEYS

No awareness surveys were undertaken during this period. Surveys have been conducted since 1 July 2020 which will be reported on in the next Annual Report.



# WA RETURN RECYCLE RENEW LTD (WARRRL)

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