



MINUTES

CERTIFICATION OF CONFIRMATION OF COUNCIL MEETING MINUTES

22 September 2016

I, Cr David Färdig, hereby certify that the minutes from the Council Meeting held on 22 September 2016 pages (1) to (215) were confirmed at a meeting of Council held on 1 December 2016.


Signature

Cr David Färdig
Person presiding at Meeting



MINUTES

Ordinary Meeting of Council

22 September 2016

ORDINARY MEETING OF COUNCIL

MINUTES

22 September 2016

(REF: D2016/11609)

An Ordinary Meeting of Council was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 22 September 2016**. The meeting commenced at **6:00pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 6:00pm and welcomed Ms Naomi Rakela, Acting Director Regional Services to the meeting.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Councillor Attendance

Cr David Färdig (Chairman)	EMRC Member	City of Swan
Cr Terry Kenyon (Deputy Chairman)	EMRC Member	City of Bayswater
Cr Paul Bridges	EMRC Member	Town of Bassendean
Cr Gerry Pule (Deputising for Cr Lewis)	EMRC Deputy Member	Town of Bassendean
Cr Michelle Sutherland	EMRC Member	City of Bayswater
Cr Janet Powell	EMRC Member	City of Belmont
Cr Steve Wolff	EMRC Member	City of Belmont
Cr Dylan O'Connor	EMRC Member	Shire of Kalamunda
Cr Geoff Stallard	EMRC Member	Shire of Kalamunda
Cr John Daw	EMRC Member	Shire of Mundaring
Cr Bob Perks	EMRC Member	Shire of Mundaring
Cr David McDonnell	EMRC Member	City of Swan

Apologies

Cr Michael Lewis	EMRC Member	Town of Bassendean
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EMRC Officers

Mr Peter Schneider	Chief Executive Officer	
Mr Hua Jer Liew	Director Corporate Services	
Mr Steve Fitzpatrick	Director Waste Services	
Ms Naomi Rakela	Acting Director Regional Services	
Ms Theresa Eckstein	Executive Assistant to Chief Executive Officer	
Mrs Annie Hughes-d'Aeth	Personal Assistant to Director Corporate Services (Minutes)	

EMRC Observers

Mr David Ameduri	Manager Financial Services	
Ms Catriona McNaughton	Communications Coordinator	
Ms Melinda Berwick	Functions & Communications Officer	

Observer(s)

Cr Catherine Ehrhardt	EMRC Deputy Member	City of Bayswater
Mr Stuart Cole	Chief Executive Officer	City of Belmont

3 DISCLOSURE OF INTERESTS

Nil



4 ANNOUNCEMENTS BY THE CHAIRMAN OR PRESIDING MEMBER WITHOUT DISCUSSION

4.1 AUDIT OF EMRC SAFETY SYSTEM

The Chairman announced that the Local Government Insurance Scheme had recently undertaken an Occupational, Safety and Health assessment of the EMRC and was pleased to advise that the EMRC scored 83%. This was an excellent result, demonstrating EMRC's commitment to safety in the workplace. EMRC was awarded an LGIS Tier 3 Silver Diligence in Safety Award. EMRC will receive a certificate for display as well as \$1,500 to be utilised towards occupational health and safety initiatives.

4.2 KEEP AUSTRALIA BEAUTIFUL WA COMMUNITY LITTER GRANTS

The EMRC received \$10,000 from the Keep Australia Beautiful Council Community Litter Grants programme. The funding will be used to implement the 'Water Not Waste' project which is a waste education opportunity to reduce litter and change littering behaviours throughout Perth's Eastern Region. The project has two components: providing a litter prevention resource for utilisation across a range of site/events (water re-fill stations) and educating the community about re-using, reducing, recycling and recovering waste.

4.3 COMMERCIAL AND INDUSTRIAL WASTE SORTING PLANT

The commercial and industrial waste facility has reached practical completion by the contractors BE Projects and OPS. Drainage and roadworks will be completed around the building over the next four weeks to facilitate customer entry and exit to the building together with commissioning of the plant, operator recruitment and training.

The facility will open in October 2016 with an official opening being planned for November or December 2016 pending the Minister for Environment's availability to officiate.

The Chairman encouraged councillors to attend the official opening.

4.4 ANNUAL REPORT

The Chairman thanked and commended the Communications team for their hard work and effort in producing the Annual Report.

5 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

6 PUBLIC QUESTION TIME

Nil

7 APPLICATIONS FOR LEAVE OF ABSENCE

7.1 CR DAVID MCDONNELL - LEAVE OF ABSENCE

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR STALLARD

THAT COUNCIL APPROVE APPLICATION FOR LEAVE OF ABSENCE FOR CR MCDONNELL FROM 2 NOVEMBER 2016 TO 25 NOVEMBER 2016 INCLUSIVE.

CARRIED UNANIMOUSLY



8 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil

9 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

9.1 MINUTES OF ORDINARY MEETING OF COUNCIL HELD ON 18 AUGUST 2016

That the minutes of the Ordinary Meeting of Council held on 18 August 2016 which have been distributed, be confirmed.

COUNCIL RESOLUTION

MOVED CR MCDONNELL SECONDED CR PERKS

THAT THE MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD ON 18 AUGUST 2016 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

10 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

11 QUESTIONS BY MEMBERS WITHOUT NOTICE

Nil

12 ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH MEETINGS MAY BE CLOSED TO THE PUBLIC

Nil

13 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



14 REPORTS OF EMPLOYEES

QUESTIONS

The Chairman invited questions from members on the reports of employees.

RECOMMENDATION(S)

That with the exception of items, which are to be withdrawn and dealt with separately, Council adopts the recommendations in the Reports of Employees (Section 14).

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR PERKS

THAT COUNCIL ADOPTS THE RECOMMENDATIONS IN THE REPORTS OF EMPLOYEES (SECTION 14).

CARRIED UNANIMOUSLY



14.1 LIST OF ACCOUNTS PAID DURING THE MONTH OF AUGUST 2016

REFERENCE: D2016/12515

PURPOSE OF REPORT

The purpose of this report is to present to Council a list of accounts paid under the Chief Executive Officer's delegated authority during the month of August 2016 for noting.

KEY ISSUES AND RECOMMENDATION(S)

- As per the requirements of regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, the list of accounts paid during the month of August 2016 is provided for noting.

Recommendation(s)

That Council notes the CEO's list of accounts for August 2016 paid under delegated power in accordance with regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, as attached to this report totalling \$10,517,205.38.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

Council has delegated to the Chief Executive Officer (CEO) the exercise of its power to make payments from the Municipal Fund and Trust Fund. In accordance with regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, a list of accounts paid by the CEO is to be provided to Council, where such delegation is made.



Item 14.1 continued

REPORT

The table below summarises the payments drawn on the funds during the month of August 2016. A list detailing the payments made is appended as an attachment to this report.

Municipal Fund	EFT Payments	EFT35508 – EFT35707	
	Cheque Payments	220196 – 220204	
	Payroll EFT	PAY 2017-3 & PAY 2017-4	
	Direct Debits		
	- Superannuation	DD15621.1 – DD15621.20 DD15622.1 – DD15622.20	
	- Bank Charges	1*AUG16	
	- Other	1103 – 1105	\$10,517,205.38
	Less		
	Cancelled EFT & Cheques		Nil
Trust Fund	Not Applicable		Nil
Total			\$10,517,205.38

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

- 4.3 To provide responsible and accountable governance and management of the EMRC
- 4.4 To continue to improve financial and asset management practices

FINANCIAL IMPLICATIONS

As contained within the report.

SUSTAINABILITY IMPLICATIONS

Nil



Item 14.1 continued

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

CEO's Delegated Payments List for the month of August 2016 (Ref: D2016/13117)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council notes the CEO's list of accounts for August 2016 paid under delegated power in accordance with regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, as attached to this report totalling \$10,517,205.38.

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR PERKS

THAT COUNCIL NOTES THE CEO'S LIST OF ACCOUNTS FOR AUGUST 2016 PAID UNDER DELEGATED POWER IN ACCORDANCE WITH REGULATION 13(1) OF THE *LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996*, AS ATTACHED TO THIS REPORT TOTALLING \$10,517,205.38.

CARRIED UNANIMOUSLY

Eastern Metropolitan Regional Council

CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2016

Cheque / EFT No	Date	Payee	Description	Amount
EFT35508	01/08/2016	AUSTRALIA POST - RED HILL	POSTAL SERVICES	317.60
EFT35509	01/08/2016	BARFIELD EARTHMOVING (JAYCOURT NOMINEES P/L)	PRODUCT TRANSPORTATION COSTS & PLANT HIRE	22,558.59
EFT35510	01/08/2016	BARFIELD MECHANICAL SERVICES (JAYCOURT NOMINEES P/L)	PLANT MAINTENANCE	4,977.50
EFT35511	01/08/2016	BE PROJECTS (WA) PTY LTD	C&I BUILDING CONSTRUCTION - PROGRESS PAYMENT	237,167.03
EFT35512	01/08/2016	BRIAN NAUGHTON (BG'S CAR CLEANING SERVICE)	CLEANING CAR POOL VEHICLES	100.00
EFT35513	01/08/2016	CAPITAL TRANSPORT SERVICES (WA) PTY LTD	COURIER SERVICE	1,687.97
EFT35514	01/08/2016	CHANDLER MACLEOD GROUP	LABOUR HIRE	3,255.33
EFT35515	01/08/2016	CLEANAWAY PTY LTD	BIN HIRE	158.62
EFT35516	01/08/2016	COMSYNC CONSULTING PTY LTD	IT CONSULTING	2,722.50
EFT35517	01/08/2016	CREATE ENTERPRISES	MEDIA PRODUCTION COSTS	750.00
EFT35518	01/08/2016	HILLS FRESH	STAFF AMENITIES	73.91
EFT35519	01/08/2016	HOSECO (WA) PTY LTD	HARDWARE SUPPLIES	944.92
EFT35520	01/08/2016	INSTANT WEIGHT PTY LTD T/A INSTANT WEIGHING	ANNUAL CALIBRATION OF VOLVO COMPULOAD SCALES	1,287.00
EFT35521	01/08/2016	KLB SYSTEMS	ANNUAL RENEWAL - SOFTWARE BACKUP	4,433.00
EFT35522	01/08/2016	LANDFILL GAS & POWER PTY LTD	ELECTRICITY USAGES	25,360.77
EFT35523	01/08/2016	MS GROUNDWATER MANAGEMENT	HYDROGEOLOGICAL INVESTIGATION & REPORTING ON BORES	55,561.00
EFT35524	01/08/2016	ODOUR CONTROL SYSTEMS INTERNATIONAL LTD	ALTERNATIVE DAILY COVER MATERIAL	31,136.99
EFT35525	01/08/2016	RUDD INDUSTRIAL AND FARM SUPPLIES	HARDWARE SUPPLIES	141.27
EFT35526	01/08/2016	THE FARM SHOP (WA) 1999 PTY LTD	HARDWARE SUPPLIES	79.20
EFT35527	01/08/2016	THERMO FISHER SCIENTIFIC AUSTRALIA PTY LTD	HARDWARE SUPPLIES	758.56
EFT35528	01/08/2016	WESTRAC EQUIPMENT PTY LTD	SERVICE AGREEMENT & PLANT PARTS	18,929.75
EFT35529	02/08/2016	A NOBLE & SON LTD WA DIVISION	EQUIPMENT PURCHASE	1,650.00
EFT35530	02/08/2016	ACCESS INDUSTRIAL TYRES PTY LTD	TYRE REPLACEMENTS & REPAIRS FOR PLANT	34,893.10
EFT35531	02/08/2016	ACTIVE ENVIRONMENTAL SOLUTIONS (HIRE) PTY LTD	PUMP RENTAL	1,444.30
EFT35532	02/08/2016	ADAMS COACHLINES	BUS HIRE	580.00
EFT35533	02/08/2016	ADT SECURITY	SECURITY MONITORING	467.72
EFT35534	02/08/2016	ADVANCED NATIONAL SERVICES PTY LTD	CLEANING SERVICES - ASCOT PLACE	2,696.68
EFT35535	02/08/2016	AIR FILTER DRY CLEAN SYSTEMS WA PTY LTD ATF AFDCS TRADING TRUST	PLANT PARTS, MAINTENANCE & SERVICE	2,253.65
EFT35536	02/08/2016	AIR-MET SCIENTIFIC PTY LTD	EQUIPMENT HIRE - HAZELMERE	160.60
EFT35537	02/08/2016	AIRWELL GROUP PTY LTD	PUMP MAINTENANCE & SERVICE	2,249.50
EFT35538	02/08/2016	ALLIGHTSYKES PTY LTD	PLANT MAINTENANCE	602.25
EFT35539	02/08/2016	APACE AID (INC)	TUBESTOCK PURCHASES	41.25
EFT35540	02/08/2016	APV VALUERS & ASSET MANAGEMENT	ASSET REVALUATION SERVICES - PLANT & EQUIPMENT	10,956.00
EFT35541	02/08/2016	ARCH SOFTWARE AUSTRALIA	IT SUPPORT - ARCH SYSTEM	423.50
EFT35542	02/08/2016	ARMAGUARD (LINFOX ARMAGUARD PTY LTD)	COURIER SERVICE	401.20
EFT35543	02/08/2016	AUSTRACLEAR LIMITED (ASX)	FINANCIAL SERVICES FEE	52.20
EFT35544	02/08/2016	AUSTRALIAN ENVIRONMENTAL AUDITORS PTY LTD	WASTE SERVICES ENVIRONMENTAL - AUDITING FEE	203.50
EFT35545	02/08/2016	AUSTRALIAN HVAC SERVICES	AIRCONDITIONING MAINTENANCE & REPAIRS	550.00
EFT35546	02/08/2016	AUSTRALIAN INSTITUTE OF MANAGEMENT - AIM	ANNUAL MEMBERSHIP RENEWAL	3,575.00
EFT35547	02/08/2016	AUSTRALIAN LABORATORY SERVICES PTY LTD (ALS)	LABORATORY TESTING & REPORTING	423.50
EFT35548	02/08/2016	BATTERY WORLD	BATTERY PURCHASE	178.00
EFT35549	02/08/2016	BEAUMONDE HOSPITALITY AUSTRALIA PTY LTD	CATERING COSTS	4,747.20
EFT35550	02/08/2016	BELMONT - REDCLIFFE NEWSROUND	NEWSPAPER PURCHASES	50.80
EFT35551	02/08/2016	BIN BATH AUSTRALIA PTY LTD	BIN CLEANING EXPENSES	476.85
EFT35552	02/08/2016	BLACKWOODS ATKINS	PURCHASE OF TOOLS & EQUIPMENT	1,111.35
EFT35553	02/08/2016	BOW STEEL PTY LTD	DISMANTLE & RELOCATE WORKSHOP AT HAZELMERE	3,850.00
EFT35554	02/08/2016	BRING COURIERS	COURIER SERVICE	439.84
EFT35555	02/08/2016	BUDGET ELECTRICS	BUILDING REPAIRS & MAINTENANCE	323.40
EFT35556	02/08/2016	BUNNINGS GROUP LTD	HARDWARE SUPPLIES & GIFT CARD FOR WASTE EDUCATION PROGRAMS	973.60
EFT35557	02/08/2016	CARDNO (WA) PTY LTD	CONSULTING FEE - RITS	4,455.00
EFT35558	02/08/2016	CARPENTRY, HOUSE AND YARD MAINTENANCE	UPGRADE TO GREENWASTE ENTRANCE RAMP AND INSTALL DOOR TO SEA CONTAINER	11,188.00
EFT35559	02/08/2016	CHEMCENTRE	LABORATORY SAMPLE TESTING	12,150.06
EFT35560	02/08/2016	CIRRENA PTY LTD T/A UNISON INTERACTIVE PTY LTD	WEBSITE MAINTENANCE	1,830.40
EFT35561	02/08/2016	CITY OF BAYSWATER	GRANT DISTRIBUTION - 20 MILLION TREES	20,250.00
EFT35562	02/08/2016	CITY OF SWAN	SITE SWEEPING AT HAZELMERE	1,980.00
EFT35563	02/08/2016	COATES HIRE OPERATIONS PTY LTD	EQUIPMENT RENTAL	172.30
EFT35564	02/08/2016	COLONIAL PRINT & PROMOTIONS	DESK NAME PLATE INSERTS FOR COUNCILLORS	448.80
EFT35565	02/08/2016	COVS PARTS PTY LTD	PLANT PARTS	214.81
EFT35566	02/08/2016	CPR ELECTRICAL SERVICES	MAINTENANCE TO HAZELMERE BUILDING AND WOODWASTE GRINDER	997.70
EFT35567	02/08/2016	CRACKAJACK PARTY HIRE	EQUIPMENT HIRE	473.00
EFT35568	02/08/2016	CRISALIS INTERNATIONAL PTY LTD	HYDROGEOLOGICAL CONSULTING FEES	30,910.00
EFT35569	02/08/2016	CROSSLAND & HARDY PTY LTD	SURVEY FEE - BORE HOLES AT RED HILL	1,473.38
EFT35570	02/08/2016	CSE CROSSCOM PTY LTD	EQUIPMENT PURCHASE	237.60
EFT35571	02/08/2016	DEERING AUTRONICS	PLANT REPAIRS & MAINTENANCE	314.05
EFT35572	02/08/2016	DELRON CLEANING PTY LTD	CLEANING SERVICES - RED HILL	3,635.23
EFT35573	02/08/2016	DENSFORD CIVIL PTY LTD	EARTHWORKS & INFRASTRUCTURE WORKS - C&I BUILDING	172,296.95
EFT35574	02/08/2016	DMB FLUID TECHNOLOGIES PTY LTD	PLANT PARTS & MAINTENANCE	1,016.13
EFT35575	02/08/2016	DR JOHN HARLOCK	MEDICAL CHECK - STAFF	580.00
EFT35576	02/08/2016	DUN & BRADSTREET PTY LTD	CREDIT REFERENCE CHECKS	39.60
EFT35577	02/08/2016	ECO ENVIRONMENTAL (BENFOSTER PTY LTD)	EQUIPMENT HIRE	330.00
EFT35578	02/08/2016	ECO FAERIES	ECO FAERIES SHOW - WASTE EDUCATION PRESENTATION	300.00
EFT35579	02/08/2016	ECOTECH P/L	EQUIPMENT PURCHASE - RRF	24,431.00
EFT35580	02/08/2016	ELAN ENERGY MATRIX	TYRE DISPOSAL COSTS	828.05
EFT35581	02/08/2016	ELEMENT HYDROGRAPHIC SOLUTIONS	EQUIPMENT MAINTENANCE & SERVICE	2,216.50
EFT35582	02/08/2016	EMBROID ME MALAGA	PROTECTIVE CLOTHING	841.50
EFT35583	02/08/2016	EMS PLANT PRODUCTION (WORKPOWER)	ENVIRONMENTAL CONSULTING	2,055.36
EFT35584	02/08/2016	EQUIPMENT GROUP AUSTRALIA T/AS HYUNDAI FORKLIFTS	PLANT PARTS	106.98
EFT35585	02/08/2016	FILTERS PLUS	PLANT FILTERS	249.98
EFT35586	02/08/2016	FRESH BOOST PTY LTD ATF BANDITS TRUST	STAFF AMENITIES	856.00
EFT35587	02/08/2016	FUELFIX T/AS TANKS2GO	ANNUAL CALIBRATION OF HAZELMERE FUEL DISPENSER	819.50
EFT35588	02/08/2016	FUJI XEROX AUSTRALIA PTY LTD	PHOTOCOPIER MAINTENANCE & SUPPLIES	2,052.41
EFT35589	02/08/2016	GREEN PROMOTIONS PTY LTD	NAME BADGES FOR STAFF	139.70
EFT35590	02/08/2016	GREENWAY ENTERPRISES	HARDWARE SUPPLIES	3,206.72
EFT35591	02/08/2016	HARVEY NORMAN AV/IT SUPERSTORE MIDLAND	OFFICE EQUIPMENT	139.00
EFT35592	02/08/2016	HEATLEY SALES PTY LTD	HARDWARE SUPPLIES & EQUIPMENT PURCHASES	1,224.08
EFT35593	02/08/2016	HECS FIRE	FIRE FIGHTING EQUIPMENT MAINTENANCE	675.40

CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2016



Cheque / EFT No	Date	Payee	Description	Amount
EFT35594	02/08/2016	HENDERSON ELECTRICAL SOLUTIONS	PLANT MAINTENANCE	1,551.00
EFT35595	02/08/2016	HITACHI CONSTRUCTION MACHINERY (AUSTRALIA) PTY LTD	PLANT MAINTENANCE & SERVICE	935.62
EFT35596	02/08/2016	INSTITUTE OF PUBLIC WORKS ENGINEERING AUST T/A IPWEA-WA DIVISION	TRAINING - COUNCILLOR	880.00
EFT35597	02/08/2016	IPING PTY LTD	INTERNET SERVICE	1,128.80
EFT35598	02/08/2016	IT VISION USER GROUP (INC)	ANNUAL MEMBERSHIP RENEWAL	715.00
EFT35599	02/08/2016	K-LINE FENCING GROUP	INSTALL CHAIN WIRE FENCING TO WORKSHOP DOME SHELTER AT RED HILL	9,072.80
EFT35600	02/08/2016	KENNARDS HIRE	EQUIPMENT HIRE	469.50
EFT35601	02/08/2016	KONICA MINOLTA BUSINESS SOLUTIONS AUSTRALIA P/L	PHOTOCOPIER MAINTENANCE & SUPPLIES	615.21
EFT35602	02/08/2016	KOTT GUNNING LAWYERS	LEGAL ADVICE	17,609.35
EFT35603	02/08/2016	LANDMARK OPERATIONS LIMITED	DRAINAGE PARTS PURCHASES	2,214.61
EFT35604	02/08/2016	LESMURDIE BUS SERVICE	BUS HIRE	539.00
EFT35605	02/08/2016	LIEBHERR AUSTRALIA PTY LTD	PLANT PARTS, REPAIRS, SERVICE & TRACK REPLACEMENT ON TRACK LOADER	57,464.69
EFT35606	02/08/2016	LINDSAY MILES	PRESENTATION FEE	70.00
EFT35607	02/08/2016	M2 TECHNOLOGY	UPDATE PHONE MESSAGE	330.00
EFT35608	02/08/2016	MAIL PLUS PERTH	MAIL EXPENSES	369.60
EFT35609	02/08/2016	METROWEST SERVICE	IT CONSULTING	2,479.40
EFT35610	02/08/2016	MIDALIA STEEL (ONESTEEL)	HARDWARE SUPPLIES	245.69
EFT35611	02/08/2016	MIDLAND CEMENT MATERIALS	HARDWARE SUPPLIES	162.25
EFT35612	02/08/2016	MIDWAY FORD (WA)	VEHICLE SERVICE	677.00
EFT35613	02/08/2016	MIKE HAYWOOD'S SUSTAINABLE RESOURCE SOLUTIONS	CONSULTING COSTS - C&I PROJECT & RRP	6,600.00
EFT35614	02/08/2016	MINDARIE REGIONAL COUNCIL	ADVERTISING COST - WASTE EDUCATION	3,000.00
EFT35615	02/08/2016	MUNDARING TYRE CENTRE	TYRE REPAIR	120.00
EFT35616	02/08/2016	NEVERFAIL SPRINGWATER	BOTTLED WATER	393.05
EFT35617	02/08/2016	NEVILLE REFRIGERATION	DEGASSING OF FRIDGES & AIRCONDITIONERS	2,145.00
EFT35618	02/08/2016	NGT LOGISTICS PTY LTD	RELOCATION OF TWO SEA CONTAINERS AT HAZELMERE	1,019.21
EFT35619	02/08/2016	OEM GROUP 2006 PTY LTD	PARTS PURCHASES	70.09
EFT35620	02/08/2016	ONSITE RENTALS PTY LTD	EQUIPMENT RENTAL	430.16
EFT35621	02/08/2016	OPTUM HEALTH & TECHNOLOGY (AUSTRALIA) PTY LTD	EAP - COUNSELLING FEES	511.50
EFT35622	02/08/2016	OPUS INTERNATIONAL CONSULTANTS (AUSTRALIA) PTY LTD	ENGINEERING DESIGN CONSULTANCY - HAZELMERE	4,240.50
EFT35623	02/08/2016	ORH TRUCK SOLUTIONS PTY LTD	PLANT PARTS PURCHASES	3,520.00
EFT35624	02/08/2016	PARK PACKAGING	PURCHASE OF CONSUMABLES	440.00
EFT35625	02/08/2016	PAYG PAYMENTS	TAXATION PAYMENT	67,450.00
EFT35626	02/08/2016	PERTH SECURITY SERVICES - MCW CORPORATION PTY LTD	SECURITY PATROLS	7,777.06
EFT35627	02/08/2016	PIRTEK MIDLAND (M & B HYDRAULICS PTY LTD)	PLANT PARTS PURCHASE, REPAIRS & MAINTENANCE	775.38
EFT35628	02/08/2016	PJ & DM GODFREY FENCING CONTRACTORS	FENCE REPAIRS	220.00
EFT35629	02/08/2016	PPR AUSTRALIA	CONSULTING FEE - RRF	8,107.00
EFT35630	02/08/2016	PRECISION PANEL & PAINT	VEHICLE REPAIR	1,747.41
EFT35631	02/08/2016	PRESTIGE ALARMS	SECURITY MAINTENANCE - HAZELMERE WEIGHBRIDGE	154.00
EFT35632	02/08/2016	PRESTIGE PUMP RENTALS	HIRE & INSTALLATION OF PUMPS FOR DRAINAGE WORKS	3,514.50
EFT35633	02/08/2016	PROFICIENCY GROUP P/L T/AS INFORMATION PROFICIENCY & SIGMA DATA	ANNUAL SOFTWARE MAINTENANCE SUPPORT FEE	41,164.61
EFT35634	02/08/2016	PROTECTOR FIRE SERVICES	FIRE FIGHTING EQUIPMENT INSPECTION & MAINTENANCE	2,651.55
EFT35635	02/08/2016	PRUDENTIAL INVESTMENT SERVICES CORP P/L	INVESTMENT ADVISORY SERVICES	2,475.00
EFT35636	02/08/2016	RENT A FENCE PTY LTD	INSTALL TEMPORARY FENCES AROUND DRAINAGE BASIN	968.00
EFT35637	02/08/2016	RENTOKIL INITIAL PTY LTD	PEST CONTROL	770.65
EFT35638	02/08/2016	REPEAT PLASTICS (WA) - REPLAS WA	EQUIPMENT PURCHASE - WASTE EDUCATION CENTRE	990.15
EFT35639	02/08/2016	RICHGRO	MULCH ANALYSIS TO AUSTRALIAN STANDARDS & SOIL TESTING	1,937.10
EFT35640	02/08/2016	SAFETY SIGNS SERVICE	SIGNAGE SUPPLY	43.56
EFT35641	02/08/2016	SDF GLOBAL	CONSULTING COSTS - ENVIRONMENTAL SERVICES	20,050.80
EFT35642	02/08/2016	SEEK LIMITED	EMPLOYMENT ADVERTISING COSTS	289.30
EFT35643	02/08/2016	SETON AUSTRALIA	HARDWARE SUPPLIES	119.35
EFT35644	02/08/2016	SHARIFAH S BONNE	STAFF HEALTH PROMOTION	450.00
EFT35645	02/08/2016	SHIRE OF KALAMUNDA	CATERING COSTS	113.10
EFT35646	02/08/2016	SHOWCASE CATERING	CATERING COSTS	10,443.60
EFT35647	02/08/2016	SHUGS ELECTRICAL	BUILDING MAINTENANCE & REPAIRS & DEGASSING OF FRIDGES & AIRCONDITIONERS	2,512.40
EFT35648	02/08/2016	SIGN SUPERMARKET	SIGNAGE SUPPLIES	500.00
EFT35649	02/08/2016	SLEDGEHAMMER CONCRETE CUTTING SERVICE	ELECTRICAL CABLE LAYING - C&I PROJECT	628.75
EFT35650	02/08/2016	SNAP BELMONT (BELSNAP PTY LTD)	STATIONERY & BUSINESS CARDS PRINTING	2,019.00
EFT35651	02/08/2016	SONIC HEALTHPLUS PTY LTD	PRE-EMPLOYMENT STAFF MEDICAL	148.50
EFT35652	02/08/2016	SPUDS GARDENING SERVICES	GROUND & GARDEN MAINTENANCE	5,014.00
EFT35653	02/08/2016	STANTONS INTERNATIONAL	PROBITY SERVICES	5,374.05
EFT35654	02/08/2016	STAPLES AUSTRALIA LTD	STATIONERY & CONSUMABLES	2,582.11
EFT35655	02/08/2016	STOTT HOARE	COMPUTER HARDWARE PURCHASES	9,768.00
EFT35656	02/08/2016	STRATEGEN ENVIRONMENTAL CONSULTANTS PTY LTD	WASTE SERVICES ENVIRONMENTAL CONSULTING - WWTE	2,843.50
EFT35657	02/08/2016	SYNNOTT MULHOLLAND MANAGEMENT SERVICES P/L T/A CONSULTATION	CONSULTING FEE - RRF	8,955.37
EFT35658	02/08/2016	TALIS CONSULTANTS	CONSULTING FEES - RESOURCE RECOVERY	55,366.74
EFT35659	02/08/2016	THE WATERSHED	PARTS PURCHASE FOR WORKSHOP EXTENSION	159.32
EFT35660	02/08/2016	THOMSON COACHLINES	BUS HIRE	400.00
EFT35661	02/08/2016	TIM DAVIES LANDSCAPING PTY LTD	GROUND & GARDEN MAINTENANCE	965.80
EFT35662	02/08/2016	TOTALLY WORKWEAR MIDLAND	PROTECTIVE CLOTHING	1,688.72
EFT35663	02/08/2016	TOURISM COUNCIL WESTERN AUSTRALIA	MEMBERSHIP RENEWAL	544.00
EFT35664	02/08/2016	TOWN OF VICTORIA PARK	GRANT DISTRIBUTION - 20 MILLION TREES	5,900.00
EFT35665	02/08/2016	TRACTOR MAN	ENVIRONMENTAL CONSULTING	1,122.00
EFT35666	02/08/2016	TURNKEY INSTRUMENTS PTY LTD	EQUIPMENT SERVICE	2,134.33
EFT35667	02/08/2016	TUTT BRYANT EQUIPMENT (BT EQUIPMENT PTY LTD)	PLANT SERVICE AGREEMENTS	2,750.65
EFT35668	02/08/2016	TWO QUEENS WOODFIRED STREET FOOD PTY LTD	CATERING COSTS	1,620.00
EFT35669	02/08/2016	UNITED CRANE SERVICES PTY LTD	PLANT HIRE	499.13
EFT35670	02/08/2016	VOLICH WASTE CONTRACTORS PTY LTD	BULK BIN HIRE	44.00
EFT35671	02/08/2016	WAJON AND ASSOCIATES	WASTE SERVICES ENVIRONMENTAL CONSULTING	3,925.70
EFT35672	02/08/2016	WALKER'S PLANT MAINTENANCE	PARTS & SERVICES ON HAMMEL SHREDDER	2,065.12
EFT35673	02/08/2016	WATERLOGIC AUSTRALIA PTY LTD	EQUIPMENT RENTAL	335.50
EFT35674	02/08/2016	WELDING WORLD	HARDWARE SUPPLIES	198.99
EFT35675	02/08/2016	WORK CLOBBER	PROTECTIVE CLOTHING	401.40
EFT35676	02/08/2016	WORKPAC PTY LTD	LABOUR HIRE	9,390.00
EFT35677	02/08/2016	WREN OIL	WASTE REMOVAL	198.00
EFT35678	02/08/2016	WURTH AUSTRALIA PTY LTD	PROTECTIVE CLOTHING	72.66
EFT35679	02/08/2016	YEOMAN PTY LTD ATF THE RJ ROHRLACH FAMILY TRUST	ENGINEERING CONSULTING	330.00
EFT35680	03/08/2016	JCB CONSTRUCTION EQUIPMENT AUSTRALIA	PURCHASE OF MATERIAL HANDING MACHINE - HAZELMERE	436,711.00
EFT35681	03/08/2016	JOANNE WOODBRIDGE	STAFF REIMBURSEMENT	92.35
EFT35682	03/08/2016	PALMER EARTHMOVING AUSTRALIA PTY LTD	MOBILISATION OF FERRICRETE CRUSHING PLANT	12,336.50
EFT35683	04/08/2016	PR POWER PTY LTD	WASH DOWN BAY UPGRADE	42,343.95
EFT35684	12/08/2016	BRONWYN LEE	STAFF REIMBURSEMENT	142.54

CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2016



Cheque / EFT No	Date	Payee	Description	Amount
EFT35685	12/08/2016	CABCHARGE	ADMINISTRATION CHARGE	6.00
EFT35686	12/08/2016	COMSYNC CONSULTING PTY LTD	IT CONSULTING	3,052.50
EFT35687	12/08/2016	DANIEL BEAL	STAFF REIMBURSEMENT	249.19
EFT35688	12/08/2016	OFFSPRING MAGAZINE PTY LTD	ADVERTISING - AVON DESCENT	1,595.00
EFT35689	12/08/2016	TELSTRA CORPORATION LTD	TELEPHONE CHARGES	860.05
EFT35690	12/08/2016	MOTORCHARGE PTY LTD	FLEET FUEL PURCHASES	3,432.18
EFT35691	17/08/2016	MIDWAY FORD (WA)	VEHICLE PURCHASE	38,139.85
EFT35692	17/08/2016	PAYG PAYMENTS	TAXATION PAYMENT	62,847.00
EFT35693	17/08/2016	WA BROILER GROWERS ASSOCIATION (INC)	REFUND OF PAYMENT GUARANTEE	11,286.55
EFT35694	19/08/2016	BP AUSTRALIA PTY LTD	FUEL PURCHASES	59,983.28
EFT35695	19/08/2016	BP AUSTRALIA PTY LTD	OIL PURCHASES	3,216.08
EFT35696	19/08/2016	COMPU-STOR	IT BACKUP DATA SERVICES	708.19
EFT35697	19/08/2016	DEPUTY COMMISSIONER OF TAXATION	GST PAYMENT	57,636.00
EFT35698	19/08/2016	MAIL PLUS PERTH	MAIL EXPENSES	197.98
EFT35699	19/08/2016	PITNEY BOWES CREDIT AUSTRALIA LTD	POSTAGE EXPENSE	333.63
EFT35700	19/08/2016	SURE GRO	HARDWARE SUPPLIES	15,730.00
EFT35701	19/08/2016	WINDOW WIPERS	WINDOW CLEANING - ASCOT PLACE	2,605.90
EFT35702	26/08/2016	CARL DANZI	STAFF REIMBURSEMENT	140.00
EFT35703	26/08/2016	COMSYNC CONSULTING PTY LTD	IT CONSULTING	3,753.75
EFT35704	26/08/2016	MARKETFORCE	ADVERTISING COST - AVON DESCENT & GENERAL ADVERTISING	43,876.66
EFT35705	26/08/2016	ODOUR CONTROL SYSTEMS INTERNATIONAL LTD	ALTERNATIVE DAILY COVER MATERIAL	13,271.90
EFT35706	30/08/2016	BE PROJECTS (WA) PTY LTD	C&I BUILDING CONSTRUCTION - PROGRESS PAYMENT	442,033.39
EFT35707	30/08/2016	PAYG PAYMENTS	TAXATION PAYMENT	62,419.00
220196	01/08/2016	CITY OF SOUTH PERTH	GRANT DISTRIBUTION - 20 MILLION TREES	5,000.00
220197	01/08/2016	EMRC PETTY CASH - BELMONT	PETTY CASH RECOUP	624.55
220198	01/08/2016	EMRC PETTY CASH - COPPIN ROAD	PETTY CASH RECOUP	50.00
220199	01/08/2016	EMRC PETTY CASH - MATHIESON ROAD	PETTY CASH RECOUP	200.00
220200	01/08/2016	EMRC PETTY CASH - REDHILL	PETTY CASH RECOUP	195.90
220201	08/08/2016	EMRC PETTY CASH - COPPIN ROAD	PETTY CASH RECOUP	150.00
220202	12/08/2016	DEPARTMENT OF MINES AND PETROLEUM	LICENCE RENEWAL	199.00
220203	19/08/2016	EMRC PETTY CASH - REDHILL	PETTY CASH RECOUP	273.50
220204	19/08/2016	WATER CORPORATION	WATER RATES FOR ASCOT PLACE & HAZELMERE	1,015.63
PAY 2017-3	09/08/2016	PAYROLL FE 9/8/2016	PAYROLL	195,722.04
PAY 2017-4	23/08/2016	PAYROLL FE 23/8/2016	PAYROLL	195,415.59
1* AUG16	01/08/2016	BANK CHARGES 1681 - 1685	BANK FEES & CHARGES	1,594.88
DD15621.1	09/08/2016	WALGS PLAN	SUPERANNUATION	34,956.60
DD15621.2	09/08/2016	HOSTPLUS SUPERANNUATION FUND	SUPERANNUATION	216.32
DD15621.3	09/08/2016	FUTURE SUPER	SUPERANNUATION	172.12
DD15621.4	09/08/2016	IOOF EMPLOYER SUPER	SUPERANNUATION	188.11
DD15621.5	09/08/2016	AUSTRALIAN SUPER	SUPERANNUATION	687.42
DD15621.6	09/08/2016	RETAIL EMPLOYEES SUPERANNUATION TRUST	SUPERANNUATION	182.69
DD15621.7	09/08/2016	ASGARD SUPERANNUATION FUND	SUPERANNUATION	81.65
DD15621.8	09/08/2016	NORTH PERSONAL SUPERANNUATION	SUPERANNUATION	493.43
DD15621.9	09/08/2016	BT LIFETIME SUPER - EMPLOYER PLAN	SUPERANNUATION	255.68
DD15621.10	09/08/2016	CBUS INDUSTRY SUPER	SUPERANNUATION	498.01
DD15621.11	09/08/2016	MTAA SUPERANNUATION FUND	SUPERANNUATION	212.48
DD15621.12	09/08/2016	BT BUSINESS SUPER	SUPERANNUATION	496.11
DD15621.13	09/08/2016	FIRST STATE SUPER	SUPERANNUATION	260.16
DD15621.14	09/08/2016	AMP FLEXIBLE LIFETIME SUPER	SUPERANNUATION	734.83
DD15621.15	09/08/2016	ETHAN Y WANG SUPER PTY LTD ATF ETHAN Y WANG SUPER FUND	SUPERANNUATION	321.41
DD15621.16	09/08/2016	LEGALSUPER	SUPERANNUATION	294.59
DD15621.17	09/08/2016	ONEPATH MASTERFUND	SUPERANNUATION	114.46
DD15621.18	09/08/2016	COLONIAL FIRST STATE FIRSTCHOICE	SUPERANNUATION	254.76
DD15621.19	09/08/2016	AUSTRALIAN ETHICAL SUPER	SUPERANNUATION	197.25
DD15621.20	09/08/2016	KINETIC SUPERANNUATION	SUPERANNUATION	152.06
DD15622.1	23/08/2016	WALGS PLAN	SUPERANNUATION	35,009.85
DD15622.2	23/08/2016	HOSTPLUS SUPERANNUATION FUND	SUPERANNUATION	287.24
DD15622.3	23/08/2016	AUSTRALIAN SUPER	SUPERANNUATION	751.51
DD15622.4	23/08/2016	FUTURE SUPER	SUPERANNUATION	99.65
DD15622.5	23/08/2016	IOOF EMPLOYER SUPER	SUPERANNUATION	188.11
DD15622.6	23/08/2016	RETAIL EMPLOYEES SUPERANNUATION TRUST	SUPERANNUATION	182.69
DD15622.7	23/08/2016	ASGARD SUPERANNUATION FUND	SUPERANNUATION	204.14
DD15622.8	23/08/2016	NORTH PERSONAL SUPERANNUATION	SUPERANNUATION	504.34
DD15622.9	23/08/2016	BT LIFETIME SUPER - EMPLOYER PLAN	SUPERANNUATION	257.40
DD15622.10	23/08/2016	CBUS INDUSTRY SUPER	SUPERANNUATION	490.64
DD15622.11	23/08/2016	MTAA SUPERANNUATION FUND	SUPERANNUATION	210.32
DD15622.12	23/08/2016	BT BUSINESS SUPER	SUPERANNUATION	496.11
DD15622.13	23/08/2016	FIRST STATE SUPER	SUPERANNUATION	259.91
DD15622.14	23/08/2016	AMP FLEXIBLE LIFETIME SUPER	SUPERANNUATION	735.78
DD15622.15	23/08/2016	ETHAN Y WANG SUPER PTY LTD ATF ETHAN Y WANG SUPERANNUATION	SUPERANNUATION	321.42
DD15622.16	23/08/2016	LEGALSUPER	SUPERANNUATION	294.59
DD15622.17	23/08/2016	ONEPATH MASTERFUND	SUPERANNUATION	95.38
DD15622.18	23/08/2016	COLONIAL FIRST STATE FIRSTCHOICE	SUPERANNUATION	254.76
DD15622.19	23/08/2016	AUSTRALIAN ETHICAL SUPER	SUPERANNUATION	197.25
DD15622.20	23/08/2016	KINETIC SUPERANNUATION	SUPERANNUATION	152.06
1103	17/08/2016	AMP BANK	TERM DEPOSIT INVESTMENT	5,000,000.00
1104	23/08/2016	WESTPAC BANKING CORPORATION	TERM DEPOSIT INVESTMENT	1,500,000.00
1105	29/08/2016	ANZ BANKING GROUP	TERM DEPOSIT INVESTMENT	1,000,000.00
			SUB TOTAL	10,517,205.38
			LESS CANCELLED EFTs & CHEQUES	Nil
			TOTAL	10,517,205.38
REPORT				
Bank Code		Bank		
		EMRC - Municipal Fund		10,517,205.38
				10,517,205.38



14.2 FINANCIAL REPORT FOR PERIOD ENDED 31 JULY 2016

REFERENCE: D2016/12516

PURPOSE OF REPORT

The purpose of this report is to provide Council with an overview of the EMRC's financial performance for the period ended 31 July 2016.

KEY ISSUES AND RECOMMENDATION(S)

- Significant year to date budget variances greater than 10% or \$20,000, whichever is the greater, within each nature and type category on the Statement of Financial Activity as at 31 July 2016 have been identified and are reported on in the body of the report.

Recommendation(s)

That Council receives the Statement of Comprehensive Income, Capital Expenditure Statement, Statement of Financial Position, Statement of Cash and Investments and the Investment Report for the period ended 31 July 2016.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

It is a requirement of the *Local Government (Financial Management) Regulations 1996* (r.34) that a Local Government is to prepare and present to Council financial reports in such a form as the Local Government considers to be appropriate.

The 2016/2017 Budget was presented in a format that separated operating income and expenditure from other revenue and expenses to provide improved disclosure of Council's underlying operating result.

Submitted to each meeting of Council is a financial report and summaries which provide an overview of year to date budget performance for operating activities and capital works. Variances greater than 10% or \$20,000, whichever is the greater, within each nature and type category on the Statement of Comprehensive Income are reported on in the body of the report. Also included are end of year forecasts by nature and type for operating activities and end of year forecasts for each capital works project. These forecasts are reviewed regularly in order to provide an accurate forecast of the end of year result.

REPORT

Outlined below are financial statements for the period ended 31 July 2016. Where possible the year to date monthly budget allocations will be reviewed in order to match the appropriate timing for the various projects budgeted to be undertaken. This will provide a better comparison between the year to date actual and year to date budget figures.



Item 14.2 continued

Statement of Comprehensive Income - Nature and Type (refer Attachment 1)

The year to date operating result from normal activities as at 31 July 2016 is a favourable variance of \$180,557 (750.29%) against budget. The following information is provided on key aspects of Council's year to date financial performance:

<u>Operating Income</u>	<i>Actuals for the Year</i>	An unfavourable variance of \$390,634 (13.73%).
	<i>End of Year Forecast</i>	As per budget - not yet due to be reviewed.

Operating Income variances not previously reported to Council:

1. Year to date User Charges of \$2,161,986 is \$324,303 (13.04%) below the budget of \$2,486,289. This is due to the lower than budget tonnages received from commercial operators as at 31 July 2016.
2. Year to date Interest Municipal Cash Investments of \$26,193 is \$8,693 (49.67%) above the budget of \$17,500. This is attributable to the higher level of funds available as at 30 June 2016 compared to budget together with a higher average interest rate received (3.02%) compared to the budgeted rate (2.53%).
3. Year to date Other Income of \$87,511 is \$72,189 (45.20%) below the budget of \$159,700. This is mainly attributable to a lower level of sales during July 2016 of ferricrete (\$16,117 compared to a budget of \$25,363) and a lower level of woodwaste product sales (\$47,920 compared to a budget of \$82,047).

There were no further significant Operating Income variances as at 31 July 2016.

<u>Operating Expenditure</u>	<i>Actuals for the Year</i>	A favourable variance of \$571,191 (20.25%).
	<i>End of Year Forecast</i>	As per budget - not yet due to be reviewed.

Operating Expenditure variances not previously reported to Council:

1. Year to date Contract Expenses of \$160,721 is \$342,350 (68.05%) below the budget of \$503,071 due to the timing of various projects from different business units. Major variances from the Waste Services directorate include:
 - Operate and Maintain Class IV Cell - Leachate Removal - \$62,500;
 - Crush and Screen Lateritic Caprock- \$60,519;
 - Monitor Environmental Impacts - \$49,205.
 - Rehabilitate Class III Cells - Red Hill Landfill Facility - \$24,352;
 - Operate and Maintain Plant - Waste Management Facilities - \$22,113; and
 - Manage Greenwaste Mulching - \$16,498.

Other projects where the expenditures are lower than budget for various directorates/business units include: Corporate Services (\$34,616), Environmental Services (\$28,209) and Regional Development (\$17,551).

2. Year to date Miscellaneous Expenses of \$939,664 is \$139,795 (12.95%) below the budget of \$1,079,459. The variance is mainly attributable to a lower than budgeted landfill levy payable (\$858,845 compared to a budget of \$984,943) as a result of the reduced tonnages from commercial operators.

There were no further significant Operating Expenditure variances as at 31 July 2016.



Item 14.2 continued

*Other Revenues and Expenses (Net)	<i>Actuals for the Year</i>	A favourable variance of \$95,282 (22.69%).
	<i>End of Year Forecast</i>	As per budget - not yet due to be reviewed.

Other Revenues and Expenses variances not previously reported to Council:

1. Interest on Restricted Cash Investments of \$189,995 is \$74,021 (63.83%) above the budget of \$115,974. This is attributable to the higher level of funds available during this period compared to budget together with a higher average interest rate received (3.02%) compared to the budgeted rate (2.53%).
2. Contract Expenses of \$29,402 is \$22,659 (43.52%) below the budget of \$52,061. The variance is mainly due to the timing of the various Resource Recovery projects and the associated consultancy expenditure.

There were no further significant Other Revenues and Expenses variances as at 31 July 2016.

Capital Expenditure Statement (refer Attachment 2)

<u>Capital Expenditure</u>	<i>Actuals for the Year</i>	A favourable variance of \$2,269,779.
	<i>End of Year Forecast</i>	As per budget - not yet due to be reviewed.

Capital Expenditure variances:

A favourable variance of \$2,269,779 existed as at 31 July 2016 when compared to the budget of \$2,801,698. The year to date budget provisions are used as a guide only as expenditure of a capital nature is undertaken as and when required.

Major capital expenditures to 31 July 2016 include:

- Purchase RRP C & I Building - Plant & Equipment - \$431,415;
- Purchase IT & Communications Equipment - \$52,114; and
- Purchase Vehicles - Ascot Place - \$28,254.

Statement of Financial Position (refer Attachment 3)

The Statement of Financial Position shows the overall impact of actual balances compared with budget provisions and end of year forecasts for operating and capital works activities.

Total Equity as at 31 July 2016 totals \$164,335,873. This is an increase of \$719,896 from the 30 June 2016 equity of \$163,615,977 and represents the net change in assets from operations.

As end of year forecasts are yet to be reviewed, the forecast balances as at 31 July 2016 are as per the budget estimates.

Statement of Cash and Investments (refer Attachment 4)

The level of cash and investments in the Municipal Fund as at 31 July 2016 is \$21,833,057 and Restricted Cash amount to \$63,016,334.

The net movement for the month is a decrease of \$2,286,084.

As end of year forecasts are yet to be reviewed, the forecast balances as at 31 July 2016 are as per the budget estimates.



Item 14.2 continued

Investment Report (refer Attachment 5)

Term deposits valued at \$15,000,000 matured during July 2016. These were reinvested into further term deposits together with additional surplus funds.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 - Good Governance

- 4.3 To provide responsible and accountable governance and management of the EMRC
- 4.4 To continue to improve financial and asset management practices

FINANCIAL IMPLICATIONS

As outlined within the report and attachments.

SUSTAINABILITY IMPLICATIONS

Nil

ATTACHMENT(S)

1. Statement of Comprehensive Income by Nature and Type (Ref: D2016/13079)
2. Capital Expenditure Statement (Ref: D2016/13084)
3. Statement of Financial Position (Ref: D2016/13087)
4. Statement of Cash and Investments (Ref: D2016/13112)
5. Investment Report (Ref: D2016/13113)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council receives the Statement of Comprehensive Income, Capital Expenditure Statement, Statement of Financial Position, Statement of Cash and Investments and the Investment Report for the period ended 31 July 2016.

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR PERKS

THAT COUNCIL RECEIVES THE STATEMENT OF COMPREHENSIVE INCOME, CAPITAL EXPENDITURE STATEMENT, STATEMENT OF FINANCIAL POSITION, STATEMENT OF CASH AND INVESTMENTS AND THE INVESTMENT REPORT FOR THE PERIOD ENDED 31 JULY 2016.

CARRIED UNANIMOUSLY



STATEMENT OF COMPREHENSIVE INCOME

Nature and Type

Year to Date

JULY 2016

Full Year

Actual

Budget

Variance

Forecast

Budget

Variance

Operating Income

\$2,161,986	\$2,486,289	(\$324,303)	(U)	User Charges	\$30,959,710	\$30,959,710	\$0	(F)
\$35,546	\$36,077	(\$531)	(U)	Special Charges	\$460,602	\$460,602	\$0	(F)
\$84,199	\$86,298	(\$2,099)	(U)	Contributions	\$529,323	\$529,323	\$0	(F)
\$800	\$0	\$800	(F)	Operating Grants	\$650,662	\$650,662	\$0	(F)
\$26,193	\$17,500	\$8,693	(F)	Interest Municipal Cash Investments	\$210,000	\$210,000	\$0	(F)
\$57,423	\$58,428	(\$1,005)	(U)	Reimbursements	\$701,202	\$701,202	\$0	(F)
\$87,511	\$159,700	(\$72,189)	(U)	Other	\$2,381,452	\$2,381,452	\$0	(F)
\$2,453,658	\$2,844,292	(\$390,634)	(U)	Total Operating Income	\$35,892,951	\$35,892,951	\$0	(F)

Operating Expenditure

\$566,253	\$617,430	\$51,177	(F)	Salary Expenses	\$8,997,886	\$8,997,886	\$0	(F)
\$160,721	\$503,071	\$342,350	(F)	Contract Expenses	\$6,131,460	\$6,131,460	\$0	(F)
\$85,184	\$76,687	(\$8,497)	(U)	Material Expenses	\$921,693	\$921,693	\$0	(F)
\$26,964	\$24,967	(\$1,997)	(U)	Utility Expenses	\$299,728	\$299,728	\$0	(F)
\$46,572	\$52,844	\$6,272	(F)	Fuel Expenses	\$634,241	\$634,241	\$0	(F)
\$1,645	\$1,908	\$263	(F)	Finance Fees and Interest Expenses	\$22,900	\$22,900	\$0	(F)
\$30,892	\$33,825	\$2,933	(F)	Insurance Expenses	\$280,005	\$280,005	\$0	(F)
\$397,591	\$438,103	\$40,512	(F)	Depreciation Expenses	\$6,013,588	\$6,013,588	\$0	(F)
\$939,664	\$1,079,459	\$139,795	(F)	Miscellaneous Expenses	\$13,121,385	\$13,121,385	\$0	(F)
\$16,649	\$18,328	\$1,679	(F)	Provision Expenses	\$219,964	\$219,964	\$0	(F)
(\$23,099)	(\$26,395)	(\$3,296)	(U)	Costs Allocated	(\$2,965,206)	(\$2,965,206)	\$0	(F)
\$2,249,036	\$2,820,227	\$571,191	(F)	Total Operating Expenditure	\$33,677,644	\$33,677,644	\$0	(F)

\$204,622**\$24,065****\$180,557****(F)****OPERATING RESULT FROM
NORMAL ACTIVITIES****\$2,215,307****\$2,215,307****\$0 (F)**

Surplus

Surplus

Surplus

Surplus

Notes:

1. User Charges - include member Councils and casual users pertaining to waste, risk management and environmental services fees and charges;
2. Special Charges - Waste Education Levy;
3. Contributions - member Councils' contributions to projects and services;
4. Operating Grants - grant income predominantly from government agencies;
5. Other Operating Income - includes income from the sale of products; and
6. Miscellaneous Expenses - includes the landfill levy expense of \$858,845 as at 31 July 2016.

Operating Income and Expenditure relates to the ordinary operations of the organisation.

Other Revenues and Expenses relates to the Resource Recovery Project, interest from cash reserves and disposal of assets.

(F) denotes Favourable variance and (U) denotes Unfavourable variance



STATEMENT OF COMPREHENSIVE INCOME

Nature and Type

JULY 2016

Year to Date			Full Year					
Actual	Budget	Variance		Forecast	Budget	Variance		
Other Revenues								
\$0	\$0	\$0	(F)	User Charges	\$2,000,000	\$2,000,000	\$0	(F)
\$394,513	\$414,999	(\$20,486)	(U)	Secondary Waste Charge	\$5,248,490	\$5,248,490	\$0	(F)
\$189,995	\$115,974	\$74,021	(F)	Interest Restricted Cash Investments	\$1,391,758	\$1,391,758	\$0	(F)
\$0	\$4	(\$4)	(U)	Reimbursements	\$50	\$50	\$0	(F)
\$14,545	\$23,391	(\$8,846)	(U)	Proceeds from Sale of Assets	\$280,707	\$280,707	\$0	(F)
\$2,690	\$0	\$2,690	(F)	Other	\$1,756,572	\$1,756,572	\$0	(F)
\$601,744	\$554,368	\$47,376	(F)	Total Other Revenues	\$10,677,577	\$10,677,577	\$0	(F)
Other Expenses								
\$17,984	\$22,366	\$4,382	(F)	Salary Expenses	\$879,747	\$879,747	\$0	(F)
\$29,402	\$52,061	\$22,659	(F)	Contract Expenses	\$1,115,345	\$1,115,345	\$0	(F)
\$0	\$899	\$899	(F)	Material Expenses	\$42,199	\$42,199	\$0	(F)
\$174	\$208	\$34	(F)	Utility Expenses	\$61,936	\$61,936	\$0	(F)
\$0	\$0	\$0	(F)	Fuel Expenses	\$139,002	\$139,002	\$0	(F)
\$150	\$129	(\$21)	(U)	Insurance Expenses	\$9,885	\$9,885	\$0	(F)
\$63	\$160	\$97	(F)	Depreciation Expenses	\$336,415	\$336,415	\$0	(F)
\$592	\$10,566	\$9,974	(F)	Miscellaneous Expenses	\$194,697	\$194,697	\$0	(F)
\$15,006	\$21,592	\$6,586	(F)	Carrying Amount of Assets Disposed Of	\$259,118	\$259,118	\$0	(F)
\$23,099	\$26,395	\$3,296	(F)	Costs Allocated	\$2,914,206	\$2,914,206	\$0	(F)
\$86,470	\$134,376	\$47,906	(F)	Total Other Expenses	\$5,952,550	\$5,952,550	\$0	(F)
Realised/Unrealised (Gain)/Loss From Change in Fair Value of Investments								
\$0	\$0	\$0	(F)	Unrealised (Gain)/Loss	\$0	\$0	\$0	(F)
\$0	\$0	\$0	(F)	Realised (Gain)/Loss	\$0	\$0	\$0	(F)
\$0	\$0	\$0	(F)	Total (Gain)/Loss from change in Fair Value of Investments	\$0	\$0	\$0	(F)
Revaluation of Assets								
\$0	\$0	\$0	(F)	Revaluation of Assets	\$0	\$0	\$0	(F)
\$0	\$0	\$0	(F)	Total Revaluation of Assets	\$0	\$0	\$0	(F)
\$515,274	\$419,992	\$95,282	(F)	OPERATING RESULT FROM OTHER ACTIVITIES	\$4,725,027	\$4,725,027	\$0	(F)
Surplus	Surplus				Surplus	Surplus		
\$719,896	\$444,057	\$275,839	(F)	CHANGE IN NET ASSETS FROM OPERATIONS	\$6,940,334	\$6,940,334	\$0	(F)
Surplus	Surplus				Surplus	Surplus		



CAPITAL EXPENDITURE STATEMENT

JULY 2016

Year to Date				Full Year					
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance		
Governance and Corporate Services									
\$28,254	\$18,872	(\$9,382)	(U)	\$0	Purchase Vehicles - Ascot Place (24440/00)	\$226,473	\$226,473	\$0	(F)
\$0	\$4,583	\$4,583	(F)	\$0	Purchase Furniture Fittings & Equipment - Corporate Services (24510/01)	\$55,000	\$55,000	\$0	(F)
\$52,114	\$42,295	(\$9,819)	(U)	\$4,925	Purchase Information Technology & Communication Equipment (24550/00)	\$507,550	\$507,550	\$0	(F)
\$0	\$2,500	\$2,500	(F)	\$0	Purchase Art Works (24620/00)	\$30,000	\$30,000	\$0	(F)
\$0	\$21,416	\$21,416	(F)	\$0	Capital Improvement Administration Building - Ascot Place (25240/01)	\$257,000	\$257,000	\$0	(F)
\$0	\$304	\$304	(F)	\$0	Upgrade Security Equipment - Ascot Place (25530/01)	\$3,650	\$3,650	\$0	(F)
\$80,368	\$89,970	\$9,602	(F)	\$4,925		\$1,079,673	\$1,079,673	\$0	(F)



CAPITAL EXPENDITURE STATEMENT

JULY 2016

Year to Date					Full Year		
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
Resource Recovery							
\$8,984	\$170,833	\$161,849 (F)	\$1,975		\$2,050,000	\$2,050,000	\$0 (F)
				Construct and Commission Resource Recovery Park - C & I Building (24259/04)			
\$0	\$13,750	\$13,750 (F)	\$0		\$165,000	\$165,000	\$0 (F)
				Construct and Commission Resource Recovery Park - Site/Administration Office (24259/07)			
\$0	\$41,666	\$41,666 (F)	\$0		\$500,000	\$500,000	\$0 (F)
				Construct and Commission Resource Recovery Park - Community Reuse Store (24259/08)			
\$0	\$4,583	\$4,583 (F)	\$0		\$55,000	\$55,000	\$0 (F)
				Construct and Commission Resource Recovery Park - MRF Building - Hazelmere (24259/09)			
\$0	\$5,833	\$5,833 (F)	\$0		\$70,000	\$70,000	\$0 (F)
				Construct and Commission Resource Recovery Park - Weighbridge Office (24259/12)			
\$0	\$20,833	\$20,833 (F)	\$0		\$250,000	\$250,000	\$0 (F)
				Construct and Commission Resource Recovery Park - Site Workshop (24259/13)			
\$0	\$18,750	\$18,750 (F)	\$0		\$225,000	\$225,000	\$0 (F)
				Construct and Commission Resource Recovery Park - Weighbridges (x2) (24392/02)			
\$0	\$833	\$833 (F)	\$0		\$10,000	\$10,000	\$0 (F)
				Resource Recovery Park - Fencing (24394/06)			
\$0	\$213,333	\$213,333 (F)	\$3,600		\$2,560,000	\$2,560,000	\$0 (F)
				Construct and Commission Resource Recovery Park - Site Infrastructure (24399/01)			
\$0	\$20,833	\$20,833 (F)	\$0		\$250,000	\$250,000	\$0 (F)
				Construct Resource Recovery Park - Reuse Store Infrastructure (Car Park) (24399/07)			
\$0	\$116,666	\$116,666 (F)	\$17,900		\$1,400,000	\$1,400,000	\$0 (F)
				Wood Waste to Energy Utilities/Infrastructure - Resource Recovery Park (24399/11)			



CAPITAL EXPENDITURE STATEMENT

JULY 2016

Year to Date			On (F) = Favourable variation Order (U) = Unfavourable variation	Full Year		
Actual	Budget	Variance		Forecast	Budget	Variance
Resource Recovery						
\$0	\$228,636	\$228,636 (F)	\$0	Purchase Resource Recovery Park - Wood Waste to Energy Plant & Equipment (24410/03)	\$2,743,633	\$2,743,633 \$0 (F)
\$431,415	\$249,465	(\$181,950) (U)	\$2,944	Purchase Resource Recovery Park C & I Building - Plant & Equipment (24410/04)	\$2,993,585	\$2,993,585 \$0 (F)
\$0	\$25,000	\$25,000 (F)	\$0	Purchase Resource Recovery Park Transfer Station - Plant & Equipment (24410/05)	\$300,000	\$300,000 \$0 (F)
\$0	\$166	\$166 (F)	\$615	Purchase Other Equipment - Resource Recovery (24590/07)	\$2,000	\$2,000 \$0 (F)
\$440,399	\$1,131,180	\$690,781 (F)	\$27,034		\$13,574,218	\$13,574,218 \$0 (F)

Waste Management

\$0	\$2,083	\$2,083 (F)	\$0	Construct Waste Management Facility Buildings - Red Hill Landfill Facility (24250/01)	\$25,000	\$25,000 \$0 (F)
\$0	\$5,250	\$5,250 (F)	\$0	Construct Storage Shed for Mattresses - Hazelmere (24250/05)	\$63,000	\$63,000 \$0 (F)
\$0	\$497,437	\$497,437 (F)	\$0	Construct Class III Landfill Cell Farm Stage 3 - Red Hill Landfill Facility (24310/13)	\$5,969,252	\$5,969,252 \$0 (F)
\$0	\$139,166	\$139,166 (F)	\$8,778	Construct Class III Cell Stage 15B - Red Hill Landfill Facility (24310/18)	\$1,670,000	\$1,670,000 \$0 (F)
\$0	\$50,000	\$50,000 (F)	\$0	Construct Class III Leachate Pond - Red Hill Landfill Facility (24320/01)	\$600,000	\$600,000 \$0 (F)
\$0	\$282,083	\$282,083 (F)	\$14,512	Leachate Project - Red Hill Landfill Facility (24320/02)	\$3,385,000	\$3,385,000 \$0 (F)
\$0	\$41,666	\$41,666 (F)	\$0	Design and Construct Class IV Cell Stage 2 - Red Hill Landfill Facility (24330/04)	\$500,000	\$500,000 \$0 (F)



CAPITAL EXPENDITURE STATEMENT

JULY 2016

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
Actual	Budget	Variance			Forecast	Budget	Variance

Waste Management

\$0	\$14,650	\$14,650	(F)	\$0	Construct Stormwater and Siltation Ponds - Red Hill Landfill Facility (24350/01)	\$175,804	\$175,804	\$0	(F)
\$0	\$22,583	\$22,583	(F)	\$0	Construct Roads / Carparks - Red Hill Landfill Facility (24370/00)	\$271,000	\$271,000	\$0	(F)
\$0	\$39,583	\$39,583	(F)	\$0	Construct Access Road to Lots 8 9 10 - Red Hill Landfill Facility (24370/02)	\$475,000	\$475,000	\$0	(F)
\$11,152	\$0	(\$11,152)	(U)	\$0	Construct Drainage Diversion and Earthworks Infrastructures - Red Hill Landfill Facility (24380/00)	\$0	\$0	\$0	(F)
\$0	\$9,500	\$9,500	(F)	\$5,507	Construct Hardstand and Road - Hazelmere (24395/01)	\$114,000	\$114,000	\$0	(F)
\$0	\$5,000	\$5,000	(F)	\$0	Construct Monitoring Bores - Red Hill Landfill Facility (24396/00)	\$60,000	\$60,000	\$0	(F)
\$0	\$2,500	\$2,500	(F)	\$0	Truck Washdown Bay for Member Councils - Red Hill Landfill Facility (24399/05)	\$30,000	\$30,000	\$0	(F)
\$0	\$41,666	\$41,666	(F)	\$0	Construct Storage Bunkers for Wood Fines (QA process) - Hazelmere (24399/09)	\$500,000	\$500,000	\$0	(F)
\$0	\$3,333	\$3,333	(F)	\$0	Workshop No 2 Washdown Bay - Red Hill Landfill Facility (24399/13)	\$40,000	\$40,000	\$0	(F)
\$0	\$219,583	\$219,583	(F)	\$0	Purchase / Replace Plant - Red Hill Landfill Facility (24410/00)	\$2,635,000	\$2,635,000	\$0	(F)
\$0	\$152,500	\$152,500	(F)	\$0	Purchase / Replace Plant - Hazelmere (24410/01)	\$1,830,000	\$1,830,000	\$0	(F)
\$0	\$12,500	\$12,500	(F)	\$0	Purchase / Replace Minor Plant and Equipment-Red Hill Landfill Facility (24420/00)	\$150,000	\$150,000	\$0	(F)
\$0	\$833	\$833	(F)	\$0	Purchase / Replace Minor Plant and Equipment - Hazelmere (24420/02)	\$10,000	\$10,000	\$0	(F)



CAPITAL EXPENDITURE STATEMENT

JULY 2016

Year to Date			On (F) = Favourable variation Order (U) = Unfavourable variation	Full Year		
Actual	Budget	Variance		Forecast	Budget	Variance

Waste Management

\$0	\$5,845	\$5,845 (F)	\$0	Purchase / Replace Vehicles - Red Hill Landfill Facility (24430/00)	\$70,141	\$70,141	\$0 (F)
\$0	\$45	\$45 (F)	\$0	Purchase / Replace Office Equipment - Engineering / Waste Management (24510/02)	\$550	\$550	\$0 (F)
\$0	\$333	\$333 (F)	\$0	Purchase / Replace Office Equipment - Red Hill Landfill Facility (24510/08)	\$4,000	\$4,000	\$0 (F)
\$0	\$833	\$833 (F)	\$0	Purchase Fire Fighting System/Equipment - Hazelmere (24520/07)	\$10,000	\$10,000	\$0 (F)
\$0	\$83	\$83 (F)	\$0	Purchase / Replace Fire Fighting Equipment - Red Hill Landfill Facility (24520/08)	\$1,000	\$1,000	\$0 (F)
\$0	\$3,124	\$3,124 (F)	\$0	Purchase / Replace Security System - Red Hill Waste Management Facility (24530/08)	\$37,500	\$37,500	\$0 (F)
\$0	\$4,999	\$4,999 (F)	\$0	Purchase / Replace Security System - Hazelmere (24530/10)	\$60,000	\$60,000	\$0 (F)
\$0	\$5,750	\$5,750 (F)	\$0	Purchase / Replace Other Equipment - Red Hill Landfill Facility (24590/00)	\$69,000	\$69,000	\$0 (F)
\$0	\$500	\$500 (F)	\$0	Purchase / Replace Miscellaneous Equipment - Hazelmere (24590/02)	\$6,000	\$6,000	\$0 (F)
\$0	\$166	\$166 (F)	\$0	Purchase/Replace Other Equipment - Engineering and Waste Management (24590/03)	\$2,000	\$2,000	\$0 (F)
\$0	\$41	\$41 (F)	\$0	Purchase Office Furniture and Fittings-Engineering and Waste Management (24610/03)	\$500	\$500	\$0 (F)
\$0	\$250	\$250 (F)	\$0	Purchase / Replace Office Furniture and Fittings - Red Hill Landfill Facility (24610/08)	\$3,000	\$3,000	\$0 (F)
\$0	\$166	\$166 (F)	\$0	Purchase Office Furniture and Fittings-Hazelmere (24610/10)	\$2,000	\$2,000	\$0 (F)



CAPITAL EXPENDITURE STATEMENT

JULY 2016

Year to Date				Full Year					
Actual	Budget	Variance		On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance	
Waste Management									
\$0	\$250	\$250 (F)	\$0	Purchase Miscellaneous Furniture and Fittings - Red Hill Education Programme (24690/01)		\$3,000	\$3,000	\$0 (F)	
\$0	\$416	\$416 (F)	\$0	Refurbish Environmental Education Centre - Redhill Landfill Facility (25253/00)		\$5,000	\$5,000	\$0 (F)	
\$0	\$11,666	\$11,666 (F)	\$0	Refurbish Waste Transfer Station Building - Red Hill Landfill Facility (25259/01)		\$140,000	\$140,000	\$0 (F)	
\$0	\$833	\$833 (F)	\$0	Refurbish Plant - Red Hill Landfill Facility (25410/00)		\$10,000	\$10,000	\$0 (F)	
\$0	\$3,332	\$3,332 (F)	\$0	Refurbish Plant - Hazelmere (25410/01)		\$40,000	\$40,000	\$0 (F)	
\$11,152	\$1,580,548	\$1,569,396 (F)	\$28,797			\$18,966,747	\$18,966,747	\$0 (F)	
\$531,919	\$2,801,698	\$2,269,779 (F)	\$60,756	TOTAL CAPITAL EXPENDITURE		\$33,620,638	\$33,620,638	\$0 (F)	



STATEMENT OF FINANCIAL POSITION

JULY 2016

Actual June 2016	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
			Forecast	Budget	Variance
Current Assets					
\$4,020,828	\$1,682,790	Cash and Cash Equivalents	\$3,000,831	\$3,000,831	\$0 (F)
\$83,114,647	\$83,166,601	Investments	\$64,311,405	\$64,311,405	\$0 (F)
\$3,267,011	\$3,218,996	Trade and Other Receivables	\$3,267,011	\$3,267,011	\$0 (F)
\$27,842	\$25,155	Inventories	\$27,842	\$27,842	\$0 (F)
\$85,059	\$267,794	Other Assets	\$85,059	\$85,059	\$0 (F)
\$90,515,387	\$88,361,336	Total Current Assets	\$70,692,148	\$70,692,148	\$0 (F)
Current Liabilities					
\$5,889,919	\$3,118,582	Trade and Other Payables	\$5,889,919	\$5,889,919	\$0 (F)
\$1,371,378	\$1,371,378	Provisions	\$1,399,359	\$1,399,359	\$0 (F)
\$7,261,297	\$4,489,960	Total Current Liabilities	\$7,289,278	\$7,289,278	\$0 (F)
\$83,254,090	\$83,871,376	Net Current Assets	\$63,402,870	\$63,402,870	\$0 (F)
Non Current Assets					
\$48,504,912	\$48,504,912	Land	\$48,504,912	\$48,504,912	\$0 (F)
\$5,477,919	\$5,467,457	Buildings	\$8,891,489	\$8,891,489	\$0 (F)
\$14,328,901	\$14,112,682	Structures	\$29,364,583	\$29,364,583	\$0 (F)
\$10,776,173	\$11,026,865	Plant	\$18,965,593	\$18,965,593	\$0 (F)
\$658,760	\$700,127	Equipment	\$999,639	\$999,639	\$0 (F)
\$161,845	\$161,185	Furniture and Fittings	\$193,812	\$193,812	\$0 (F)
\$7,860,423	\$7,914,964	Work in Progress	\$7,860,423	\$7,860,423	\$0 (F)
\$87,768,933	\$87,888,192	Total Non Current Assets	\$114,780,451	\$114,780,451	\$0 (F)
Non Current Liabilities					
\$7,407,046	\$7,423,695	Provisions	\$7,627,010	\$7,627,010	\$0 (F)
\$7,407,046	\$7,423,695	Total Non Current Liabilities	\$7,627,010	\$7,627,010	\$0 (F)
\$163,615,977	\$164,335,873	Net Assets	\$170,556,311	\$170,556,311	\$0 (F)
Equity					
\$60,214,225	\$60,214,225	Accumulated Surplus/Deficit	\$60,214,225	\$60,214,225	\$0 (F)
\$62,674,377	\$62,674,377	Cash Backed Reserves	\$62,674,377	\$62,674,377	\$0 (F)
\$40,727,375	\$40,727,375	Asset Revaluation Reserve	\$40,727,375	\$40,727,375	\$0 (F)
\$0	\$719,896	Net change in assets from operations	\$6,940,334	\$6,940,334	\$0 (F)
\$163,615,977	\$164,335,873	Total Equity	\$170,556,311	\$170,556,311	\$0 (F)



CASH AND INVESTMENTS

JULY 2016

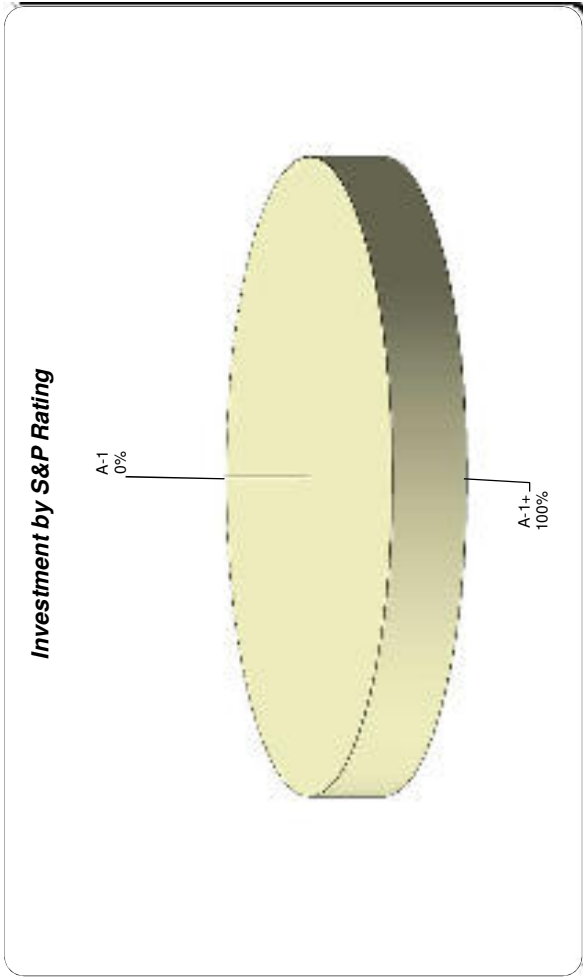
Actual June 2016	Actual Year to Date		Full Year		
			Forecast	Budget	Variance
Municipal Cash and Investments					
4,017,378	1,679,340	Cash at Bank - Municipal Fund 01001/00	2,997,381	2,997,381	0 (F)
1,250	1,250	Cash on Hand - Ascot Place 01019/00	1,250	1,250	0 (F)
400	400	Cash on Hand - Walliston/Mathieson & Coppin Road Transfer Stations 01019/01	400	400	0 (F)
1,800	1,800	Cash on Hand - Red Hill / Hazelmere 01019/02	1,800	1,800	0 (F)
20,288,309	20,150,267	Investments - Municipal Fund 02021/00	15,370,377	15,370,377	0 (F)
24,309,136	21,833,057	Total Municipal Cash	18,371,207	18,371,207	0 (F)
Restricted Cash and Investments					
510,804	512,588	Restricted Investments - Plant and Equipment 02022/01	293,631	293,631	0 (F)
2,132,389	2,139,839	Restricted Investments - Post Closure Site Rehabilitation Red Hill 02022/02	2,324,756	2,324,756	0 (F)
6,063,056	6,084,240	Restricted Investments - Future Development 02022/03	47,737	47,737	0 (F)
788,213	790,967	Restricted Investments - Environmental Monitoring Red Hill 02022/04	893,298	893,298	0 (F)
40,514	40,656	Restricted Investments - Environmental Insurance Red Hill 02022/05	1,047	1,047	0 (F)
13,973	14,022	Restricted Investments - Risk Management 02022/06	14,332	14,332	0 (F)
544,803	546,707	Restricted Investments - Class IV Cells Red Hill 02022/07	87,660	87,660	0 (F)
359,102	360,356	Restricted Investments - Regional Development 02022/08	598,753	598,753	0 (F)
46,773,843	46,937,273	Restricted Investments - Secondary Waste Processing 02022/09	37,546,295	37,546,295	0 (F)
4,554,958	4,570,873	Restricted Investments - Class III Cells 02022/10	6,044,704	6,044,704	0 (F)
70,552	70,799	Restricted Investments - Building Refurbishment (Ascot Place) 02022/11	72,363	72,363	0 (F)
151,961	122,970	Restricted Investments - Accrued Interest 02022/19	151,961	151,961	0 (F)
0	0	Restricted Investments - Unrealised Loss/Gain on Investments 02022/20	0	0	0 (F)
822,170	825,043	Restricted Investments - Long Service Leave 02022/90	864,491	864,491	0 (F)
62,826,339	63,016,334	Total Restricted Cash	48,941,029	48,941,029	0 (F)
87,135,475	84,849,391	TOTAL CASH AND INVESTMENTS	67,312,236	67,312,236	0 (F)

The Cash at Bank - Municipal Fund represents the balance on the last day of the relevant month. Any portion of the balance available for investment is transferred into the Investment - Municipal Fund account in the following period. Funds held in the Cash at Bank - Municipal Fund continue to accrue interest as per the Westpac commercial rates.

EMRC Investment Report

July 2016

<p>I. Overall Portfolio Limits</p> <table border="1"> <thead> <tr> <th>S&P Long Term Rating</th> <th>S&P Short Term Rating</th> <th>% Portfolio</th> <th>Investment Maximum %</th> </tr> </thead> <tbody> <tr> <td>AAA</td> <td>A-1+</td> <td>100.00%</td> <td>100%</td> </tr> <tr> <td>AA</td> <td>A-1</td> <td>0.00%</td> <td>100%</td> </tr> <tr> <td colspan="2"></td> <td>100.00%</td> <td></td> </tr> </tbody> </table>		S&P Long Term Rating	S&P Short Term Rating	% Portfolio	Investment Maximum %	AAA	A-1+	100.00%	100%	AA	A-1	0.00%	100%			100.00%		<p>II. Single Entity Exposure</p> <table border="1"> <thead> <tr> <th></th> <th>% Portfolio</th> </tr> </thead> <tbody> <tr> <td>ANZ Banking Group</td> <td>23.7154%</td> </tr> <tr> <td>NAB</td> <td>30.6780%</td> </tr> <tr> <td>Westpac / St. George Bank</td> <td>44.9985%</td> </tr> <tr> <td>Bankwest</td> <td>0.6081%</td> </tr> <tr> <td colspan="2">100.0000%</td> </tr> </tbody> </table>			% Portfolio	ANZ Banking Group	23.7154%	NAB	30.6780%	Westpac / St. George Bank	44.9985%	Bankwest	0.6081%	100.0000%	
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NB: This report is consistent with the reporting requirements of the Policy 3.3 - Management of Investments Policy



14.3 EMRC ANNUAL REPORT 2015/2016

REFERENCE: D2016/11640

PURPOSE OF REPORT

The purpose of this report is to present EMRC's draft Annual Report 2015/2016 to Council for acceptance.

KEY ISSUES AND RECOMMENDATION(S)

- It is a requirement of section 5.53 of the *Local Government Act 1995* (the Act) that an annual report is prepared for each financial year.
- Section 5.54 of the Act requires the annual report to be accepted by Council, with an absolute majority, no later than 31 December after that financial year.
- Section 5.55 of the Act states that, "*The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government*".

Recommendation(s)

That:

1. Council, by absolute majority, in accordance with section 5.54 of the *Local Government Act 1995*, accepts the draft EMRC Annual Report 2015/2016 and the statements therein forming the attachment to this report.
2. Local public notice be given, in accordance with section 5.55 of the *Local Government Act 1995*, of the availability of EMRC's Annual Report 2015/2016.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

It is a requirement of section 5.53 of the Act that an annual report is prepared for each financial year.

Under the Act, the annual report is to contain:

- (a) A report from the Mayor or President (or Chairman of a regional local government);
- (b) A report from the Chief Executive Officer;
- (c) An overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or continue in the next financial year;
- (d) The financial report for the financial year;
- (e) Such information as may be prescribed in relation to the payments made to employees;
- (f) The auditor's report for the financial year;
- (g) A matter on which a report must be made under section 29(2) of the *Disability Services Act 1993*;
- (h) Details of entries made under section 5.121 of the Act during the financial year in the register of complaints, including:
 - (i) The number of complaints recorded in the register of complaints;
 - (ii) How the recorded complaints were dealt with; and
 - (iii) Any other details that the regulations may require.
- (i) Such other information as may be prescribed.



Item 14.3 continued

Section 5.54 of the Act requires the annual report to be accepted by the council no later than 31 December after that financial year by absolute majority.

Section 5.55 of the Act states that, “*The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government*”.

REPORT

EMRC’s Annual Report 2015/2016 is presented in accordance with the provisions of the Act and addresses all the required contents.

Similar to previous years, it is proposed that the annual report be distributed in predominantly e-book format, with both hard copy and e-book formats distributed to key stakeholders. A database of the key stakeholders has been compiled to allow a mail-out to be conducted following approval and production of the annual report. The annual report e-book will also be available on EMRC’s corporate website (www.emrc.org.au).

Availability of the annual report will be advertised through a local government notice in *The West Australian* newspaper and public notices sent to all member Council libraries for public display.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

- 4.3 To provide responsible and accountable governance and management of the EMRC
- 4.4 To continue to improve financial and asset management practices

FINANCIAL IMPLICATIONS

The cost for the design and production of the annual report has been included in the 2016/2017 EMRC budget.

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

Draft EMRC Annual Report 2015/2016 (Ref: D2016/13332).



Item 14.3 continued

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That:

1. Council, by absolute majority, in accordance with section 5.54 of the *Local Government Act 1995*, accepts the draft EMRC Annual Report 2015/2016 and the statements therein forming the attachment to this report.
2. Local public notice be given, in accordance with section 5.55 of the *Local Government Act 1995*, of the availability of EMRC's Annual Report 2015/2016.

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR PERKS

That:

1. COUNCIL, BY ABSOLUTE MAJORITY, IN ACCORDANCE WITH SECTION 5.54 OF THE *LOCAL GOVERNMENT ACT 1995*, ACCEPTS THE DRAFT EMRC ANNUAL REPORT 2015/2016 AND THE STATEMENTS THEREIN FORMING THE ATTACHMENT TO THIS REPORT.
2. LOCAL PUBLIC NOTICE BE GIVEN, IN ACCORDANCE WITH SECTION 5.55 OF THE *LOCAL GOVERNMENT ACT 1995*, OF THE AVAILABILITY OF EMRC'S ANNUAL REPORT 2015/2016.

CARRIED UNANIMOUSLY



EASTERN METROPOLITAN
REGIONAL COUNCIL

ANNUAL REPORT

2015/2016



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ABOUT EMRC

The Eastern Metropolitan Regional Council (EMRC) is a progressive and innovative regional local government working on behalf of six member councils located in Perth's Eastern Region: Town of Bassendean, City of Bayswater, City of Belmont, Shire of Mundaring, Shire of Kalamunda and the City of Swan.

The EMRC is an incorporated body established under the Western Australian *Local Government Act 1995*. The EMRC's operations are governed by its Council under an Establishment Agreement. In brief, the Establishment Agreement states that the EMRC will:

- ▶ Work in consultation with member councils to facilitate local government to enhance its service delivery to the community;
- ▶ Be efficient and effective in delivering quality services and facilities;
- ▶ Promote and market the role of local government in the community;
- ▶ Implement a strategic plan that is regularly reviewed; and
- ▶ Avoid providing any service or facility that adversely impacts on the services or facilities of any member council.

In line with this brief, the EMRC provides a broad range of services across the region including waste management and education, resource recovery, environmental management and regional development. Working in partnership with our member council's and other stakeholders, the EMRC delivers local and regional scale projects across each of these areas for the benefit of the region.



OUR VISION

To be a responsive and innovative leader in assisting Perth's Eastern Region to be a great place to live, work, play and do business.



OUR MISSION

EMRC, by partnering with member councils (and other stakeholders), facilitates strategies and actions for the benefit and sustainability of Perth's Eastern Region.



OUR VALUES

The values that govern the EMRC are:

EXCELLENCE – Striving for excellence through the development of quality and continuous improvement.

RECOGNITION – Valuing staff in a supportive environment that focuses on their wellbeing.

INNOVATION – Focus on innovative approaches in project and service delivery.

RESPONSIVENESS – Dynamic and flexible service delivery.

INTEGRITY – Accountability and consistency in all that we do.



About Perth's Eastern Region

Perth's Eastern Region is an area of Perth defined by the boundaries of six local governments: Town of Bassendean, City of Bayswater, City of Belmont, Shire of Kalamunda, Shire of Mundaring and the City of Swan. The region constitutes around one-third of Perth's metropolitan area encompassing a land area of about 2,100 square kilometres and an estimated population of 365,500 people.

Perth's Eastern Region hosts Western Australia's major air, road and rail transport hub for movement of freight and passengers throughout Perth, intrastate, interstate and overseas. The region is considered the gateway to greater Perth, made possible by people entering the region from the domestic and international airports or from the highways to the north and east.

Perth's Eastern Region has undergone rapid expansion and growth with major capital investments including intermodal freight terminal development, major airport and road redevelopment and education and health services investment. Increasingly, the inner city areas are becoming home to large national and international companies seeking office and commercial accommodation within close proximity of the CBD, key stakeholders and major transport routes. The major industrial areas of Malaga, Kewdale, Hazelmere, Forrestfield, Bayswater, Ashfield and Bassendean play key roles in transport, storage, manufacturing and logistics servicing the state's construction and resource sectors.

In addition to the specialist and industrial centres outlined above, a number of key activity centres in the region are identified for growth in the State's key planning framework *Directions 2031 and Beyond*. Morley and Midland are both identified as Strategic Metropolitan Centres providing a mix of retail, office, community, entertainment, residential and employment activities.

Morley represents the only Strategic Metropolitan Centre not connected by a rail network. Secondary centres identified are Belmont and Ellenbrook. These centres perform a key role in delivering a range of services to nearby communities and play a vital role for allocation of future infill population. Forrestfield, Kalamunda, Mundaring, Ashfield, Bassendean and Maylands have been identified as the district centres that provide key local services, facilities and employment opportunities.

The Perth Airport redevelopment, Midland Health Campus, Gateway WA and NorthLink WA will provide new infrastructure to support future growth. The region's boundaries border both the CBD and rural areas. Spanning inner urban areas to outer metropolitan and urban fringe developments, this is a growing vibrant region.

Perth's Eastern Region represents an attractive destination for visitors and provides a high quality of life for residents. The region is home to a number of core assets including national parks; walking and cycling trails; numerous picturesque parks and reserves on the banks of the Swan River; an extensive range of heritage, culture and arts attractions including Guildford, which is one of the oldest settled areas in WA; the popular Swan Valley; and boutique wineries in the Perth Hills. A range of community events and recreation facilities provide for community activity. Both the Swan Valley and Perth Hills have been identified as key attractors for the Greater Perth Metropolitan Area.

With a diverse regional economy, access to a skilled workforce and a range of leisure, lifestyle and living opportunities, Perth's Eastern Region is well positioned for continued growth and represents an attractive investment destination.

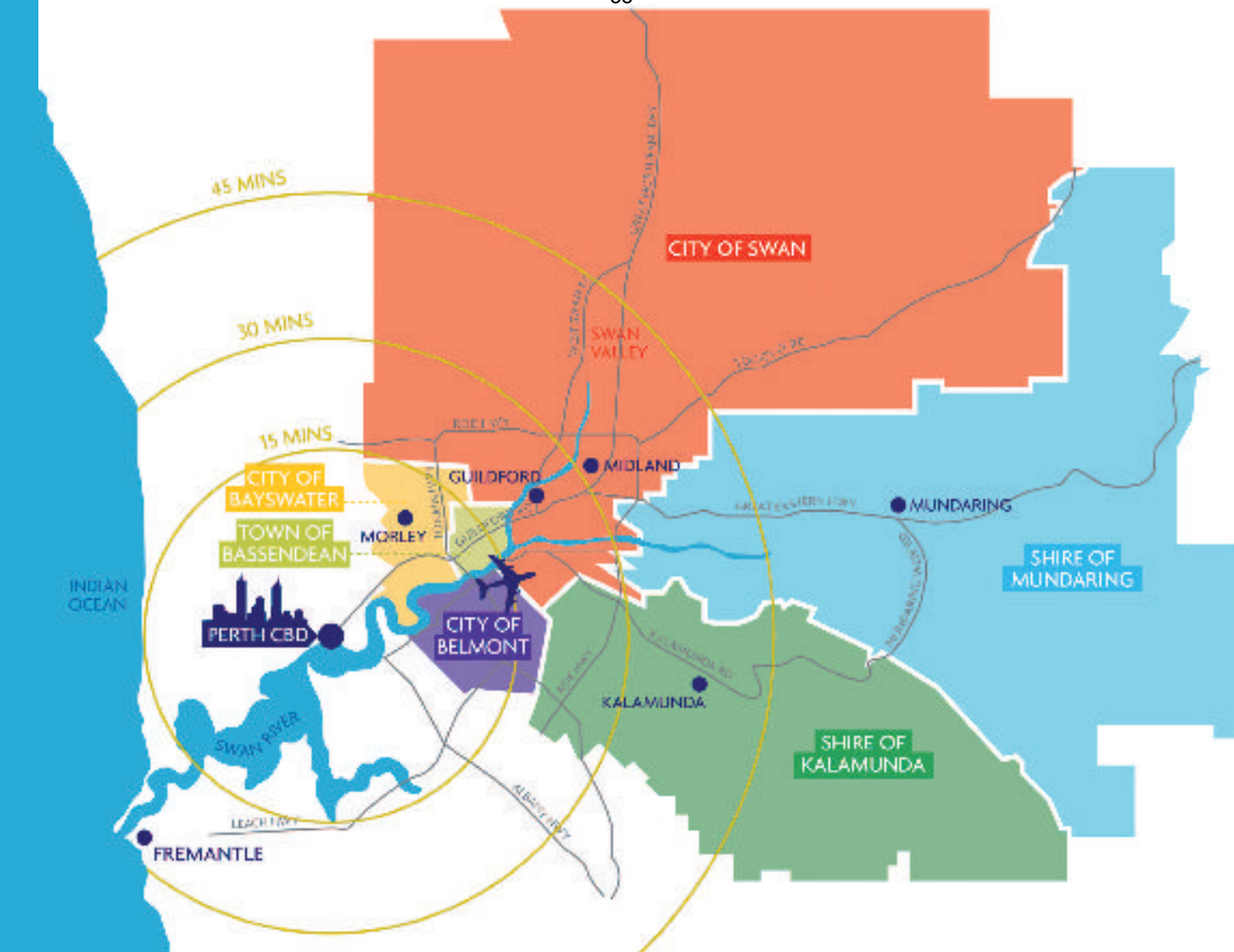


Photo provided by Kimberley Page



The Perth Eastern Region constitutes around one-third of Perth's metropolitan area encompassing a land area of about

2,100 km²

and an estimated population of

365,500



CHAIRMAN'S REPORT



Having been a representative on the EMRC's Council for over 21 years, I am pleased to return to the role of Chairman, working alongside our CEO, Mr Peter Schneider and providing strategic direction to guide the work of the exceptional EMRC staff. I would like to offer a warm welcome to the new EMRC Council, particularly those members joining us for the first time. Over my time with the EMRC I have witnessed many achievements of this organisation, all of which deliver benefits that enhance the region as a great place to live, work, play and do business.

CHIEF EXECUTIVE OFFICER'S REPORT



The EMRC was initially established by its member councils over thirty years ago to provide waste management services. Not only has it stood the test of time managing its key asset, the Red Hill Waste Management Facility, it is now entering a very exciting and innovative phase with Council approving a tender process for securing a Resource Recovery Facility to recover resources from waste. This will be a key component of our Resource Recovery Project, a suite of integrated initiatives designed to reduce, recover, recycle and re-use resources from the waste stream that would otherwise be landfilled and lost forever.

Proudly, EMRC is the only metropolitan regional council to have expanded its services beyond just waste to include environmental management and regional development and continues to be the best practice model for regional collaboration. The programs have varied over time in response to the needs of member councils and emerging regional issues. 2015/2016 has been another year of substantial success highlighted by the approval of grants valued at \$658,551 (ex GST), which will fund a number of state-of-the-art projects over several years.

Last year the EMRC secured \$386,779 (ex GST) in funding from the Waste Authority Regional Funding Program to establish a Commercial and Industrial Waste Sorting Facility that will sort commercial and industrial waste for recycling and re-use, diverting it from landfill. Construction commenced in May 2016 with commissioning expected in October 2016.

As part of the Eastern Region Catchment Management program the EMRC secured \$100,000 (ex GST) through the 20 Million Trees initiative to plant 22,910 trees and 19,090 understorey species by 30 June 2018. The program will also see the EMRC partnering with Murdoch University's School of Veterinary and Life Sciences on the 'Healthy Wildlife Healthy Lives' - A One Health project. The project is supported by a Lotterywest grant of almost \$200,000 (ex GST). The 'Healthy Wildlife Healthy Lives' project aims to educate the community about the impacts of human and domestic animal contact with wildlife in urban areas.

The EMRC also obtained Lotterywest support for the regional events program which was awarded Silver in the Destination Marketing Category of the 2015 Perth Airport Western Australian Tourism Awards. The Avon Descent Family Fun Days, a series of five free community events hosted by the Cities of Belmont and Bayswater, Town of Bassendean and Shires of Northam and Toodyay to coincide with the Avon Descent white water race, were supported through a grant of \$155,000 (ex GST).

The other major event, the 2016 Perth's Autumn Festival, also received support through Lotterywest. The festival is a collection of over 60 community events held across the region from 1 March – 31 May. The funding from Lotterywest is a valuable investment in the region's events and assists our member councils in staging large scale, regional events.

The EMRC is also grateful for grant funding from the Department of Parks and Wildlife for community led projects; Department of the Environment for revegetation, habitat and wetland restoration projects; State Natural Resource Management Office for the steam weed project; Swan River Trust and Alcoa Landcare program for tributaries and priority weeds projects; Keep Australia Beautiful for the litter letters; and West Cycle and the Department of Transport for the award winning #ride2market program.

I expressly acknowledge the ongoing support from our member councils, State Government, ANSAC, Murdoch University, volunteers and many other regional partners. The collaborative efforts of all of our partners through key regional groups such as the Regional Integrated Transport Strategy Implementation Advisory Group, Economic Development Officers Group, Regional Environmental Advisory Group, Regional Waste Education Steering Group and other project teams ensures that the outcomes delivered by the EMRC provide significant benefits across the region that are consistent with the aims of State Government, industry and the community.

Other significant achievements include completion of the EMRC's Re-energising Perth's Eastern Region project and recognition in the 2015 WA Waste Authority Infinity Awards. The EMRC's Battery Recycling program, which has been running since 2004, was highly commended at the awards. The program has been an ongoing effort by the EMRC to reduce the amount of problematic waste entering landfill through education, promotion and by providing easily accessible collection points.

The Australian Government Community Energy Efficiency program was completed at the end of 2015. It provided \$647,000 (ex GST) towards the \$1.3 million Re-energising Perth's Eastern Region three year regional project that undertook vital energy efficiency upgrades and retrofits at four community facilities within the Town of Bassendean, City of Bayswater and Shire

of Mundaring as well as engaging with the community on energy efficiency. The outcomes of the program included a 40.7% energy consumption reduction across the four facilities involved, which is equivalent to the annual consumption of 134 average Perth households.

All of these projects demonstrate the substantial value of work undertaken by the EMRC in partnership with our member councils and highlight the value of a regional approach to local government. It is rewarding to see so many of these projects, along with the significant developments at our operational sites, come to fruition.

My sincere thanks go to the member council CEOs, the EMRC Executive Management Team and EMRC and member council staff for their commitment, drive and passion for their work and for the region. I also welcome Wendy Harris to the executive team as Director Regional Services and thank her predecessor Marilynn Horgan for her contribution between April 2011 and her retirement in September 2015. By working together we are able to assist Perth's Eastern Region to be a great place to live, work, play and do business.

All of the achievements outlined in this report would not be possible without the diligent direction of the EMRC Council. The Council sets the strategic direction of the organisation and provides the financial, human and capital resources required to achieve our goals and the goals of the region.

I would like to acknowledge the contributions of our outgoing Council and look forward to working with our new Council.



Peter B. Schneider
Chief Executive Officer



ORGANISATIONAL STRUCTURE



ELECTED REPRESENTATIVES



Back row: Cr John Daw, Cr Janet Powell, Cr Steve Wolff, Cr Paul Bridges, Cr Mike Lewis, Cr Geoff Stallard.
Front Row: Cr Bob Perks, Cr David McDonnell, Cr David Färdig, Cr Michelle Sutherland, Cr Dylan O'Connor. **Inset:** Cr Terry Kenyon.

EMRC's Establishment Agreement specifies that two councillors from each member council be appointed to EMRC's Council, while a third councillor is appointed to deputise in their absence. The appointed council members as at 30 June 2016 were:

COUNCILLORS

- ▶ Cr David Färdig – City of Swan – EMRC Chairman
- ▶ Cr Terry Kenyon – City of Bayswater – EMRC Deputy Chairman
- ▶ Cr Paul Bridges – Town of Bassendean
- ▶ Cr Michael Lewis – Town of Bassendean
- ▶ Cr Michelle Sutherland – City of Bayswater
- ▶ Cr Janet Powell – City of Belmont
- ▶ Cr Steve Wolff – City of Belmont
- ▶ Cr Dylan O'Connor – Shire of Kalamunda
- ▶ Cr Geoff Stallard – Shire of Kalamunda
- ▶ Cr John Daw – Shire of Mundaring
- ▶ Cr Bob Perks – Shire of Mundaring
- ▶ Cr David McDonnell – City of Swan

DEPUTY COUNCILLORS

- ▶ Cr Gerry Pule – Town of Bassendean
- ▶ Cr Catherine Ehrhardt – City of Bayswater
- ▶ Cr Phil Marks – City of Belmont
- ▶ Cr Andrew Waddell – Shire of Kalamunda
- ▶ Cr Lynn Fisher – Shire of Mundaring
- ▶ Cr John McNamara – City of Swan

COUNCILLOR ATTENDANCE

COUNCILLORS	MEMBER COUNCIL	ORDINARY COUNCIL * (8)				AUDIT COMMITTEE (3)				CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW COMMITTEE (1)				INVESTMENT COMMITTEE (3)				RESOURCE RECOVERY COMMITTEE (4)				
		✓	A	D	L	✓	A	D	L	✓	A	D	L	✓	A	D	L	✓	A	D	L	
Cr Paul Bridges	Town of Bassendean	4	1		1	2																
Cr Jennie Carter	Town of Bassendean	2																				2
Cr Michael Lewis	Town of Bassendean	6																				2
Cr Gerry Pule	Town of Bassendean	2				1				1				1								
Cr Mike Anderton	City of Bayswater	1	1							1											1	1
Cr Chris Cornish	City of Bayswater	2				1								1								1
Cr Terry Kenyon	City of Bayswater	4	1											2							3	
Cr Michelle Sutherland	City of Bayswater	5	1					1						1								1
Cr Janet Powell	City of Belmont	7	1							1				2	1						3	
Cr Steve Wolff	City of Belmont	8				3																
Cr Frank Lindsey	Shire of Kalamunda	2										1										2
Cr Dylan O'Connor	Shire of Kalamunda	7	1			1								1								1
Cr Geoff Stallard	Shire of Kalamunda	6				2								2								1
Cr Tony Cuccaro	Shire of Mundaring	2						1													1	1
Cr John Daw	Shire of Mundaring	6																			2	
Cr Bob Perks	Shire of Mundaring	6				2		1						2								
Cr Dr Alan Pilgrim	Shire of Mundaring	2								1				1								
Cr David Färdig	City of Swan	7			1	2			1	1				1								
Cr David McDonnell	City of Swan	5	1						1					2							2	
Cr Charlie Zannino	City of Swan	2																				2
DEPUTY COUNCILLORS																						
Cr John Gangell	Town of Bassendean																					
Cr Gerry Pule	Town of Bassendean				2																	
Cr Catherine Ehrhardt	City of Bayswater				3																	
Cr Alan Radford	City of Bayswater				1																	1
Cr Phil Marks	City of Belmont				2																	
Cr Andrew Waddell	Shire of Kalamunda				1																	
Cr Lynn Fisher	Shire of Mundaring				1																	
Cr Bob Perks	Shire of Mundaring																					
Cr John McNamara	City of Swan				3																	
Cr Darryl Trease	City of Swan																					

✓ = Attended meeting A = Apology D = Deputised L = Leave of Absence

Note: The total number of meetings held during 2015/2016 are shown in brackets next to the meeting name.

*This includes a Special Meeting of Council which was held on 5 November 2015

Notes

1. Cr Paul Bridges, Cr Michael Lewis, Cr Terry Kenyon, Cr Michelle Sutherland, Cr Geoff Stallard, Cr John Daw and Cr David McDonnell were appointed as members to EMRC Council on 5 November 2015.
2. Cr Bob Perks moved position from deputy to Councillor on 5 November 2015.
3. Cr Catherine Ehrhardt, Cr Andrew Waddell, Cr Lynn Fisher and Cr John McNamara were appointed as deputy members to EMRC Council on 5 November 2015.
4. Cr Gerry Pule moved position from Councillor to deputy on 5 November 2015.
5. Cr John Gangell, Cr Alan Radford, Cr Darryl Trease were replaced as deputies on EMRC Council on 5 November 2015.
6. Cr Paul Bridges was appointed as a member on the Audit Committee to replace Cr Gerry Pule on 5 November 2015.
7. Cr Michelle Sutherland was appointed as a member on the Audit Committee to replace Cr Chris Cornish on 5 November 2015.
8. Cr Geoff Stallard was appointed as a member on the Audit Committee to replace Cr Dylan O'Connor on 5 November 2015.
9. Cr Dylan O'Connor moved position from member to deputy on the Audit Committee to replace Cr Frank Lindsey on 5 November 2015.
10. Cr Michael Lewis was appointed as a deputy member on the Audit Committee to replace Cr Jennie Carter on 5 November 2015.
11. Cr Terry Kenyon was appointed as a deputy member on the Audit Committee to replace Cr Michael Anderton on 5 November 2015.
12. Cr John Daw was appointed as a deputy member on the Audit Committee to replace Cr Tony Cuccaro on 5 November 2015.
13. Cr David McDonnell was appointed as a deputy member on the Audit Committee to replace Cr Charlie Zannino on 5 November 2015.
14. Cr Michael Lewis was appointed as a member on the Chief Executive Officer Performance Review Committee to replace Cr Gerry Pule on 5 November 2015.
15. Cr Terry Kenyon was appointed as a member on the Chief Executive Officer Performance Review Committee to replace Cr Mike Anderton on 5 November 2015.
16. Cr Dylan O'Connor was appointed as a member on the Chief Executive Officer Performance Review Committee to replace Cr Frank Lindsey on 5 November 2015.
17. Cr John Daw was appointed as a member on the Chief Executive Officer Performance Review Committee to replace Cr Dr Alan Pilgrim on 5 November 2015.
18. Cr Terry Kenyon was appointed as a member on the Investment Committee to replace Cr Chris Cornish on 5 November 2015.
19. Cr Geoff Stallard was appointed as a member on the Investment Committee to replace Cr Dylan O'Connor on 5 November 2015.
20. Cr Bob Perks was appointed as a member on the Investment Committee to replace Cr Dr Alan Pilgrim on 5 November 2015.
21. Cr David McDonnell was appointed as a member on the Investment Committee to replace Cr David Färdig on 5 November 2015.
22. Cr Michael Lewis was appointed as a member on the Resource Recovery Committee to replace Cr Jennie Carter on 5 November 2015.
23. Cr Michelle Sutherland was appointed as a member on the Resource Recovery Committee to replace Cr Mike Anderton on 5 November 2015.
24. Cr Dylan O'Connor moved position from deputy to member on the Resource Recovery Committee to replace Cr Frank Lindsey on 5 November 2015.
25. Cr John Daw was appointed as a member on the Resource Recovery Committee to replace Cr Tony Cuccaro on 5 November 2015.
26. Cr David McDonnell was appointed as a member on the Resource Recovery Committee to replace Cr Charlie Zannino on 5 November 2015.
27. Cr Paul Bridges was appointed as a deputy member on the Resource Recovery Committee to replace Cr Gerry Pule on 5 November 2015.
28. Cr Terry Kenyon was appointed as a deputy member on the Resource Recovery Committee to replace Cr Chris Cornish on 5 November 2015.
29. Cr Geoff Stallard was appointed as a deputy member on the Resource Recovery Committee to replace Cr Dylan O'Connor on 5 November 2015.
30. Cr Bob Perks was appointed as a deputy member on the Resource Recovery Committee to replace Cr Dr Alan Pilgrim on 5 November 2015.





EXECUTIVE MANAGEMENT TEAM

Left to right: **Mr Stephen Fitzpatrick** Director Waste Services | **Mrs Wendy Harris** Director Regional Services
Mr Peter Schneider Chief Executive Officer | **Mr Hua Jer Liew** Director Corporate Services

EMRC SERVICES

The EMRC provides services in waste management, resource recovery, environmental management and regional development. Working with our member councils, industry, government agencies and other stakeholders, the EMRC is a model of successful collaboration that delivers tangible benefits to the region.

CEO's Office

The CEO's Office undertakes council support and governance, organisational development and strategic planning for the organisation.

Corporate Services Directorate

EMRC's Corporate Services Directorate provides administrative support, human resources, information services, financial management, communications, risk management, records management and procurement support to the organisation. It is also tasked with ensuring that EMRC operations are in compliance with the relevant statutory obligations.

Regional Services Directorate

EMRC's Regional Services Directorate consists of Environmental Services and Regional Development.

The Environmental Services team provides a range of services and projects that focus on best practice land management and improving air and water quality across Perth's Eastern Region, as well as enhancing and protecting local biodiversity. Another key function is the provision of sustainability education to reduce the amount of energy and water that is consumed across the region. These objectives are achieved through the development of strong partnerships and effective working relationships with member councils and other stakeholders, including volunteer community groups.

The core focus of the Regional Development team is to work with the EMRC's member councils and regional stakeholders to stimulate economic development in Perth's Eastern Region. Key strategies and actions seek to create economic growth and employment opportunities; increase investment in infrastructure; plan and advocate for alternative modes of transport, such as cycling, walking and public transport; and facilitate regional cultural and recreational activities.

Waste Services Directorate

EMRC's Waste Services Directorate operates the Red Hill Waste Management Facility and Hazelmere Resource Recovery Park, as well as the Coppin Road and Mathieson Road transfer stations on behalf of the Shire of Mundaring. The organisation undertakes initiatives and activities to aid diversion of waste from landfill to more environmentally sustainable solutions, including composting and mulch processing of greenwaste, timber and mattress recycling and providing advice on contaminated sites.

The Resource Recovery Project, which is also driven by the Waste Services Directorate, aims to develop and implement resource recovery solutions to maximise the social, environmental and economic benefits to Perth's Eastern Region and minimise the amount of waste being directed to landfill. This is complemented by the development and implementation of waste education schemes and initiatives.



COMMITTEES

To assist with its planning and decision making, Council has appointed the following six committees.

Audit Committee

The Audit Committee consists of one councillor from each member council and has been established to assist Council with the effective conduct of its responsibilities for financial reporting, management of risk and maintaining a reliable system of internal controls. It also assists Council with review and oversight of compliance with laws and regulations and internal and external audit.

Technical Advisory Committee (TAC)

The Technical Advisory Committee consists of an officer from each member council and EMRC's Chief Executive Officer. The committee reviews and provides reports on technical matters and recommendations to EMRC's Council.

Chief Executive Officers Advisory Committee (CEOAC)

The Chief Executive Officers Advisory Committee was formed to consider matters that have an impact on the member councils and / or the EMRC's business activities. Consisting of the member councils' Chief Executive Officers and the EMRC's Chief Executive Officer, the committee provides recommendations to EMRC's Council.

Chief Executive Officer Performance Review Committee (CEOPRC)

The Chief Executive Officer Performance Review Committee consists of one councillor from each member council and meets to review the Chief Executive Officer's performance, determine performance objectives to be met by the Chief Executive Officer and review the Chief Executive Officer's remuneration and contract of employment.

Investment Committee (IC)

The Investment Committee is currently comprised of five EMRC councillors. The purpose of the committee is to deal with matters related to the EMRC's Management of Investments Policy.

Resource Recovery Committee (RRC)

The Resource Recovery Committee comprises the members of the Technical Advisory Committee and a councillor from each member council. The committee meets to review and progress resource recovery activities and initiatives.



GRANTS AND AWARDS

Grants Received

In 2015/2016, the EMRC was successfully awarded funding to implement projects on behalf of, or in collaboration with, its member councils.

FEDERAL / STATE	FUNDING BODY	PROGRAM	AMOUNT (EX GST)	PURPOSE
Federal	Department of the Environment*	20 Million Trees Round 2	\$100,000	20 Million Trees - Round 2
Federal	Department of the Environment*	Green Army Round 2	\$18,182	Protection of migratory species habitat – Bayswater restoration project
Federal	Department of the Environment*	Green Army Round 4	\$9,091	Restore habitat for migratory species – Bayswater wetlands
Federal	Department of the Environment*	Green Army Round 4 (part of 20 Million Trees application)	\$6,918	Revegetation of priority corridors and bushland in Perth's Eastern Region
Federal	Department of the Environment*	Green Army Round 4	\$6,513	Protection of conservation category wetland in Perth's Eastern Region - Revegetation
State	Department of Parks and Wildlife	Collaborative Arrangement	\$95,000	Community led projects
State	Department of Parks and Wildlife	Collaborative Arrangement	\$10,000	Steam Weed Training for Local Government Officers
State	Keep Australia Beautiful	Community Litter Grants	\$4,000	Event Recycling Trailer update and Litter Letters moveable display
State	Lotterywest	Conserving Natural Heritage	\$194,383	Healthy Wildlife Healthy Lives – A One Health Project
State	Lotterywest	Big Ideas	\$155,000	Avon Descent Family Fun Days
State	Lotterywest	Community Events	\$20,000	2016 Perth's Autumn Festival
State	State Emergency Management Committee	All Western Australians Reducing Emergencies	\$20,000	Understanding and Managing Flood Risk for Perth's Eastern Region: Stages Two & Three
State	State NRM Office	Natural Resource Management Program Grants	\$10,000	Steam Weed Project
State	Swan River Trust and Alcoa Landcare Program	Swan and Alcoa Landcare Program	\$7,264	Protecting priority tributaries and preventing the spread of priority weed species
State	West Cycle / Department of Transport	Bike Week	\$1,500	#ride2market – Bike Week
State	Waste Authority	Compost in May	\$700	Compost in May workshop

*Note after the reporting period: On 19 July 2016, the responsibility for energy policy was transferred to the Department of the Environment and Energy.



20 Million Trees Program
See page 28



Avon Descent Family Fun Days
See page 33



Perth's Autumn Festival
See page 33



Former EMRC Chairman, Cr Dr Alan Pilgrim (left) and EMRC CEO, Mr Peter Schneider (right) with the 2015/2016 community grant recipients

Grants

Community Grants Program

The EMRC's Community Grants program was conducted during 2015/2016 to support community groups in the vicinity of the Red Hill Waste Management Facility. A total of \$8,319 (GST inclusive) was awarded to the following community groups:

- ▶ Giddegannup Basketball Club
- ▶ Giddegannup Indoor Cricket Club
- ▶ Giddegannup Junior Football Club
- ▶ Giddegannup Netball Club
- ▶ Giddegannup Scout Group
- ▶ Parkerville Junior Cricket Club

This year's successful grant recipients were recognised with a cheque presentation ceremony held at the Red Hill Waste Management Facility on 9 October 2015.

Standards

Healthier Workplace

The EMRC has been recognised as a silver healthy workplace through the Healthier Workplace WA initiative. The Healthier Workplace WA program is part of the Healthy Workers Initiative, a joint Australian, State and Territory Government initiative under the National Partnership Agreement on Preventive Health. The Healthier Workplace WA program is delivered by the Heart Foundation WA, in collaboration with the Cancer Council WA and the University of Western Australia. The EMRC maintained the silver healthier workplace standard throughout 2015/2016. Some of the EMRC health promotion and wellbeing initiatives included presentations on health topics chosen by staff, weekly yoga classes and annual flu vaccinations.

AS/NZS ISO 14001:2004

The EMRC received AS/NZS ISO 14001:2004 certification for general and contaminated waste management, greenwaste composting and earth materials supply in relation to the Red Hill Waste Management Facility. This international standard specifies requirements for an environmental management system to enable an organisation to develop and implement a policy and objectives which take into account legal requirements and information about significant environmental aspects. The overall aim of this international standard is to support environmental protection and prevention of pollution in balance with socio-economic needs.





Awards

Bikeley Awards

The EMRC's #ride2market campaign won the 2015 Major Bikeley Award for being the Bike Week event that best promoted and celebrated cycling for transport and attracted new riders to the cycling community. #ride2market is a series of companion events supporting and enhancing existing local farmer and hawkker markets in Perth's Eastern Region by providing bicycle valet services and market voucher incentives to encourage cycling for transport.

The Bikeley Awards acknowledge the hard work, passion and enthusiasm of Bike Week event organisers to promote and grow bike riding in Western Australia. Bike Week events are assessed on a number of criteria including: how the event met Bike Week objectives, the level of community engagement, the number of attendees and participant feedback. The #ride2market campaign was also highly commended in the 2016 Bikeley Awards which were announced in June 2016.

2015 Perth Airport WA Tourism Awards

The EMRC was awarded silver in the Destination Marketing category of the 2015 Perth Airport Western Australian Tourism Awards for its regional events program. The program promotes community events in Perth's Eastern Region, including the successful Avon Descent Family Fun Days, Perth's Autumn Festival and Perth Tourism website. The 2015 Perth Airport Western Australian Tourism Awards, which showcase the best in the industry for outstanding customer service and business excellence, were announced at a gala dinner on 14 November 2015 at Crown Perth.

WA Waste Authority Infinity Awards

The EMRC was highly commended in the 2015 WA Waste Authority Infinity Awards for the Battery Collection program at the ceremony held on 6 November 2015. The EMRC Dry Cell Battery Collection program had grown to incorporate 82 schools across Perth's Eastern Region, from its original five in 2004. Similarly there were a total of 33 collection sites in public places which include all public libraries within Perth's Eastern Region, member council administration centres and a number of public shopping centres. Modifications to the Dry Cell Battery Collection program resulted in 15,780kg of batteries being diverted from landfill throughout the 2014/2015 financial year.

TravelSmart Awards

The biennial TravelSmart Awards recognise the success and achievements of organisations and individuals in promoting TravelSmart programs which encourage Western Australians to choose active and sustainable travel modes more often. The EMRC received the 2016 TravelSmart Innovate Award for the #ride2market program which were announced on 29 June 2016.





KEY RESULT AREA ONE

**Environmental
Sustainability**



TO PROVIDE SUSTAINABLE WASTE DISPOSAL OPERATIONS

Minimise the environmental impact of waste management operations

The EMRC places a high priority on environmental performance, which forms an important element in the planning and management of its waste management activities. The Red Hill Waste Management Facility Environmental Policy details the set of commitments, objectives and responsibilities designed to achieve the desired environmental outcomes. To implement these objectives the EMRC follows a comprehensive Environmental Management System which is designed to produce continuous site improvement whilst minimising environmental impact. Environmental work conducted in 2015/2016 includes environmental monitoring, research and consulting to member councils, ground water remediation, community engagement and site rehabilitation. The EMRC publicly reports its environmental performance in annual monitoring and compliance reports to the Department of Environment Regulation and annual compliance assessment reports to the Office of the Environmental Protection Authority.

In February 2016, the EMRC's Environmental Management System for the Red Hill Waste Management Facility was certified to the international ISO 14001:2004 standard. The independent certification process assures the EMRC's stakeholders and the wider community that the Red Hill Waste Management Facility is meeting its environmental objectives, sufficient environmental management processes and activities are in place and the facility has implemented practices to continually improve its environmental performance. External surveillance audits will be undertaken to ensure that the Environmental Management System continues to function to its full capacity.

As part of the EMRC's site rehabilitation program, 3.17 hectares of land was direct seeded with native seeds during June 2016. Seeding occurred on the Stage 12 Class III landfill and Stage 1 Class IV landfill cells. Both areas were capped and contoured before being topsoiled with 100% ferricrete and scarified prior to planting. An additional 0.4 hectares near the eastern boundary on Lot 12 was planted with native tubestock as part of the annual EMRC Staff Tree Planting Day in 2016.

The EMRC is continuously working on improving the rehabilitation program and during October and November 2015 collected endemic seeds from the surrounding Red Hill area for future planting.

Annual monitoring of macro-invertebrates in surrounding surface waters of the Red Hill Waste Management Facility continued in October 2015. Results indicated that Christmas Tree Creek retains significant ecological and conservation values and that the Red Hill Waste Management Facility is unlikely to be having any adverse impact on these values.

In addition to ongoing monitoring and management of environmental impacts, the EMRC has been working since 2001 to develop the Resource Recovery Project. The project will provide a more sustainable and environmentally sustainable solution to managing our waste. Most importantly, it will be a solution where we can turn waste into valuable products such as compost and / or energy. The Resource Recovery Project includes both the Resource Recovery Facility and Resource Recovery Park.

Provide a waste disposal service at Red Hill Waste Management Facility

The Red Hill Waste Management Facility has a total area of 352 hectares and receives 250,000 - 300,000 tonnes of waste per annum. The facility is an approved Class I to IV landfill, transfer station and a compost manufacturing and soil blending facility. The facility gas field and power station, owned and operated by Energy Developments Pty Ltd, generates up to four megawatts of electricity from recovered landfill gas for export into the grid. Significant quantities of kerbside greenwaste and the City of Bayswater's mobile greenwaste bin are composted on site with the former meeting AS4454 certification. The EMRC holds a Department of Environment Regulation licence for these activities and the facility is operated and managed in a manner that complies with the licence conditions. Currently, all non-recycled waste collected by member councils within Perth's Eastern Region is landfilled at the Red Hill Waste Management Facility.



3.17
hectares

of land was direct seeded with native seeds during June 2016, as part of the EMRC's site rehabilitation program



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Construction of the Class III Stage 15 landfill cell was completed in 2015/2016, with the cell having an initial airspace of 224,000m³

.....

Environmental monitoring programs at the Red Hill Waste Management Facility include extensive quarterly surface and ground water monitoring, landfill gas surveys, native fauna surveys, feral animal management programs, field odour assessments (on-site and off-site at receptors), native seed collection, annual rehabilitation monitoring and aquatic fauna surveys surrounding natural surface water systems.

The EMRC reports annually on the Red Hill Waste Management Facility's pollutant emissions as part of the Federal Government's National Pollutant Inventory program. The annual report for 2014/2015 was submitted to the Department of Environment Regulation for review in September 2015 and is available to be viewed on the National Pollutant Inventory website (npi.gov.au).

The Annual Monitoring and Compliance Report was submitted to the Department of Environment Regulation in March 2016. The report addressed the measures and actions taken to prevent off-site impacts and pollution from the Red Hill Waste Management Facility over the 2015 calendar year.

A Compliance Assessment Report was submitted by the EMRC to the Office of the Environmental Protection Authority in March 2016, which provided verification on compliance with all conditions set under Ministerial Statements 274 and 462 for the Red Hill Waste Management Facility. A Compliance Assessment Report for the proposed Resource Recovery Facility was completed in July 2015.

Groundwater monitoring in 2015/2016 continued to confirm that two separate areas of the Red Hill Waste Management Facility are impacted by leachate. In order to address these issues, the EMRC has adopted a Monitored Natural Remediation approach for one area which confirms that contamination is localised and has used a recovery bore network for the other with contaminated groundwater recovered and discharged into lined evaporation ponds.

Water quality monitoring data collected during 2015/2016 continued to indicate a steady decline in leachate indicators in groundwater from boreholes within the main plume and on the dispersed edges of the plume. The EMRC's remediation program is regularly reviewed by Department of Environment Regulation accredited auditors. All other background groundwater monitoring bores continued to be monitored throughout 2015/2016 and showed similar trends of background water quality to previous years.

Construction of the Class III Stage 15 landfill cell was completed in 2015/2016, with the cell having an initial airspace of 224,000m³. It is expected that landfilling will commence within this cell in late-2016 after the filling of the Farm Stage 2 cell. During the year, the EMRC commissioned an assisted evaporation system to help increase the evaporation of leachate and research continued into a long term solution for the site leachate management.

The EMRC has prepared a development plan for the Red Hill Waste Management Facility that outlines planned capital works over the next 10 years based on the current and anticipated activities of the site. The Red Hill Waste Management Facility Development Plan indicates infrastructure requirements for the ongoing development of the Red Hill Waste Management Facility. These works encompass extension of landfill disposal cells for Class I to IV wastes, transfer station operations, greenwaste processing, resource recovery / alternative waste treatment operations and materials recovery. A range of factors were considered when preparing the Red Hill Waste Management Facility Development Plan, including landfill levy increases, population growth in Perth's Eastern Region, projected tonnages, changes in legislation regarding the treatment of waste, operation of the Resource Recovery Facility, processing of Commercial and Industrial waste at the Hazelmere Resource Recovery Park and potential operation of a Materials Recovery Facility.



Develop Hazelmere Resource Recovery Park

The EMRC's Hazelmere Resource Recovery Park is home to Western Australia's first mattress and timber waste recycling operations. The purpose of the Park is to recover resources from some waste streams destined for the Red Hill Waste Management Facility, diverting waste from landfill and providing an opportunity to re-use materials.

Timber processing and mattress processing at Hazelmere Resource Recovery Park in 2015/2016 included:

- ▶ 18,358.37 tonnes of wood waste were received during the year and converted into woodchip fines, woodchip and coloured woodchip.
- ▶ 16,230.22 tonnes of woodchip fines were supplied to the broiler growers for animal bedding.
- ▶ 714.89 tonnes of woodchip fines were supplied to WA Meat and Livestock for animal bedding.
- ▶ 90.21 tonnes of coloured woodchip was supplied to landscapers.
- ▶ 8,250 mattresses were received and processed on site.

As part of the overall Resource Recovery Project, planned expenditure for the Hazelmere Resource Recovery Park developments is estimated at around \$25 million over a five-year period. The Park will process greenwaste, receive and sort commercial and industrial waste, receive and sort recyclables in a Materials Recovery Facility and create employment opportunities both during the construction stages and in on-going operation of the park. The overall civil engineering design of the Park was completed by consultants in 2015/2016 and is now being implemented in stages.

Initial site works were undertaken in 2015/2016 as part of the Resource Recovery Park's infrastructure development. These works included relocating the workshop dome shelter and installing a concrete floor and hardstand to the new design level.

As part of the overall park development a Commercial and Industrial Waste Sorting Facility, which will sort dry commercial and industrial waste for recycling and re-use and service the member councils, industry and other local governments, is being installed. A public tender for the Commercial and Industrial Waste Sorting Facility was awarded and construction of the facility commenced in May 2016 following the site preparation works. The Commercial and Industrial Waste Sorting Facility has received \$386,779 (ex GST) in grant funding from the Waste Authority under the Regional Funding Program.

The EMRC's current timber recycling activities involve processing untreated wood waste (such as pallets, packaging and crates, off-cuts and cable reels) into woodchip fines and woodchip. The woodchip fines are sold as an end product to established markets in the broiler grower and livestock industries, whilst the woodchip remains as residual waste for which there are currently limited markets (landscaping and animal bedding). As part of the proposed development of the Hazelmere Resource Recovery Park, a Wood Waste to Energy Plant will be commissioned which will convert woodchip into renewable energy and biochar by indirectly heating the residual wood waste, in the absence of oxygen.

On 1 April 2016, the Wood Waste to Energy Plant received approval from the Minister for Environment subject to various conditions of approval. A Works Approval was subsequently issued by the Department of Environment Regulation on 6 June 2016 which allowed construction of the plant to commence subject to various commissioning and monitoring conditions. The plant construction area has been cleared and a construction access road installed. The construction of the facility is expected to be completed by January 2017.

Other proposed developments at the Hazelmere Resource Recovery Park include a new administration office and education centre in 2016/2017, a Materials Recovery Facility in 2017/2018 and a greenwaste processing area in 2018/2019. A land exchange with the Western Australian Planning Commission has been completed with plans to use the new land for the community section of the park.



8,250

mattresses
were received
and processed
on site at the
Hazelmere
Resource
Recovery Park





TO IMPROVE REGIONAL WASTE MANAGEMENT



The EMRC's Battery Collection Program was highly commended in the 2015 WA Waste Authority Infinity Awards

Collect problematic waste in the region

It is estimated that Western Australia throws away over 18 million household batteries to landfill every year and in order to prevent this the EMRC developed the Battery Collection program for schools and public places throughout Perth's Eastern Region in 2004.

In 2015/2016 the EMRC's Battery Collection program was promoted through mail-outs, emails to schools in the region, events and the R-Gang website. Approximately 15,146 kilograms of household batteries were collected from 86 schools and 34 public places, including libraries, shopping centres and council offices. Four new schools joined the program and the top battery collecting school for the region was High Wycombe Primary School, with 347 kilograms of batteries collected. The top collecting public place was Belmont Forum, with 1,738 kilograms of batteries collected.

The EMRC's Battery Collection program was highly commended in the 2015 WA Waste Authority Infinity Awards. The Infinity Awards are the Waste Authority's premier event and have been recognising excellence in waste reduction and recycling since 2010.

The EMRC also manages a Compact Fluorescent Lamp recycling program. Many households and businesses are moving towards using energy-efficient lighting such as compact fluorescent lamps and fluorescent tubes. These lights last longer and require less electricity than traditional bulbs, however, many of them contain small amounts of mercury which could be absorbed into the environment if not disposed of correctly.

In 2015/2016, approximately 859 kilograms of Compact Fluorescent Lamp tubes and globes were collected and recycled from 18 public places across the region.

Continue the Waste Education Program and align this to new operations and resource recovery

The EMRC's waste education program offers a range of school and community group programs, community training courses and talks and tours of the Red Hill Waste Management Facility. As part of this program the EMRC worked with member council staff to design and distribute the 2015/2016 Waste and Recycling Guides, which were delivered to approximately 160,000 households in Perth's Eastern Region. The guides assist residents on how to manage and reduce household waste. The EMRC also promoted member council recyclable drop-off days through the R-Gang website.

Following a review of the Red Hill Waste Management Facility Environmental Education Centre in 2014/2015, the EMRC made a number of changes to improve activities. A new litter display was trialed and outdoor areas were upgraded including renovating the re-use garden; installing nesting boxes for bats, birds and pygmy possums in trees around the centre; installing a new pond; and planting native plants. Over 1,300 visitors were shown the Red Hill Waste Management Facility and were involved in waste education activities through school and community tours during 2015/2016.



As part of the 2015/2016 Waste Education program the EMRC also maintained and reviewed the R-Gang website with timely and relevant information about reducing, re-using, recycling and recovering waste; maintained the event recycling trailer which was provided to member councils and community groups in the region to reduce litter and increase recycling at local events; and provided bin caps from the event trailer for use at various EMRC and member council events across the region.

The EMRC received a Keep Australia Beautiful Community Litter Grant to create "Litter Letters", a large, 3D, movable litter display, for use by all member councils in promoting awareness of the impacts of litter. Working collaboratively with the City of Swan, Keep Australia Beautiful, Main Roads WA, the Mundaring Men's Shed and Toodyay Tidy Towns, the litter letters were developed by a local artist and were launched at a community litter clean-up on Toodyay Road on 14 May 2016.

Earth Carers training courses were run in October 2015 and May 2016 and were completed by 40 community members from within the region. The Earth Carers training courses include five sessions over three weeks to increase the participant's knowledge of waste management in Western Australia and learn practical ways of reducing waste. Earth Carer members volunteered at the Perth Royal Show, the Less is More Festival, Envirofest and Perth Garden Festival. The EMRC worked with Earth Carers, City of Swan, Mundaring in Transition, Hills Sustainability Group and Wasteless Pantry to plan and run a Plastic Free July Community Event on 26 June 2016. The event was a free community event with demonstrations, guest speakers and practical activities to complete.

Operate member councils' waste transfer stations where applicable

The EMRC continued operation of the Coppin Road Transfer Station and Mathieson Road Transfer Station on behalf of the Shire of Mundaring in 2015/2016. Waste accepted at the transfer stations includes general waste, greenwaste, motor oil, white goods, batteries, tyres (fees payable) and recyclables including clothing and blankets, fluorescent lights, glass bottles, paper and plastic.

Provide a Waste Management Advisory Service

In addition to environmental monitoring activities undertaken at the Red Hill Waste Management Facility and Hazelmere Resource Recovery Park, the EMRC undertakes a range of consulting works relating to waste management on behalf of its member councils and other local government bodies. These works have included undertaking contaminated site investigations at decommissioned landfills, groundwater and surface water monitoring, landfill gas assessments and site remediation activities. The EMRC has also prepared works approval applications and produced management plans for various member council transfer stations.

The EMRC received a Keep Australia Beautiful Community Litter Grant to create "**Litter Letters**", a large, 3D, movable litter display, for use by all member councils in promoting awareness of the impacts of litter.



TO PROVIDE RESOURCE RECOVERY AND RECYCLING SOLUTIONS IN PARTNERSHIP WITH MEMBER COUNCILS

Establish a Resource Recovery Facility

In 2000, the EMRC commenced research into the construction of a resource recovery facility for Perth's Eastern Region. The intention of this facility is to process the region's non-recycled municipal solid waste which currently goes to landfill equating to around 140,000 tonnes per annum. In 2014, the EMRC obtained Ministerial approval for the development of a modern alternative waste treatment facility at the Red Hill Waste Management Facility. The decision was to proceed with preparations for the facility was approved by the EMRC Council in February 2016. The Resource Recovery Facility will process municipal solid waste using one of two contract models and one of two or more technology options. Technology options include: anaerobic digestion, to produce biogas for renewable electricity production, and compost; gasification, to produce renewable electricity; or a tender nominated technology. Under the EMRC ownership model, the facility will be built at the Red Hill Waste Management Facility and use one of two already approved technologies: anaerobic digestion or gasification. This model involves a contractor operating and maintaining the facility. The alternative model being considered is where the facility will be owned and operated by a contractor at Red Hill Waste Management Facility or an alternative location. This option could involve a larger facility, an alternative technology and additional waste streams. The preferred contract and technology option will be decided at the conclusion of the tender process.

The facility is expected to extend the life of the Red Hill Waste Management Facility site by up to 20 years, so that it can serve the population of Perth for another 50 years, well into the future. This facility will treat municipal solid waste to divert waste from landfill, reduce greenhouse gas emissions and produce compost and / or renewable power. Following the tender process, construction and commissioning of the facility is anticipated in 2019. In addition to reducing the quantity of waste going to landfill, the Resource Recovery Facility will minimise surface and ground water contamination, odour, dust, noise, litter, impacts on flora and fauna and greenhouse gas emissions.

Identify and develop resource recovery products and markets in order to reduce waste going to landfill

The EMRC sells a range of high-quality products at the Hazelmere Resource Recovery Park and the Red Hill Waste Management Facility. These products include mulch, ferricrete, woodchip, coloured woodchip, woodchip fines, soil improver and clay. These products all make use of materials that are recovered during the creation of landfill cells or would otherwise be wasted in landfill. As the EMRC works to develop new resource recovery activities and therefore, recycling services, the number of products developed for the market continues to expand.

The EMRC exhibited its recycled and recovered products at the annual WA Local Government Convention and Trade Exhibition in August 2015. This provided the EMRC with an opportunity to showcase its product range and resource recovery services to local government representatives from across the state. Strict processing and quality controls are in place to ensure that market specifications are consistently met and contamination is minimised. The EMRC maintained accreditation to Australian Standard AS4454 for mulch at the Red Hill Waste Management Facility following an audit conducted in October 2015 and produces ferricrete to Main Roads WA specification.

FAST FACT

The Resource Recovery Facility is expected to extend the life of the Red Hill Waste Management Facility site by up to **20 years**





TO INVESTIGATE LEADING EDGE WASTE MANAGEMENT PRACTICES

Undertake research into Integrated Waste Management

The EMRC has undertaken extensive research on the various Resource Recovery Facility technology options, household waste collection systems (one, two and three bins systems) and the different site options for the facility. The EMRC has also engaged with the community using a variety of methods including attitudinal surveys, focus groups and workshops.

Further research into existing and emerging technologies for waste treatment was undertaken through the year. Development of the Commercial and Industrial Waste Sorting Facility concept involved research with industry experts to develop a specification before issuing a request for tender. The EMRC attended the 6th Australian Landfill and Transfer Stations Conference and Expo in Canberra in July 2015 to learn about new developments in landfill technology and leachate management.

Provide leadership in the development of waste policy and practices

In December 2014, the Department of Environment Regulation commenced a statutory review of the *Waste Avoidance and Resource Recovery Act 2007*. A discussion paper was released to provide a context for considering specific proposals to amend the Act. The reforms suggested creating statutory waste groups with compulsory local government membership, through appropriate changes to legislation.

The EMRC considers waste management to be an essential service and its expertise in management and coordination of household waste, resource recovery and recycling services, managing and operating landfill sites, delivering education and awareness programs and providing and maintaining waste management infrastructure, has been an integral element of waste management services within Perth's Eastern Region for over 30 years. Properly managed, well-engineered landfills that are operated to best practice environmental standards are community assets and provide critical infrastructure for the management of residual waste materials. With this strong history, the EMRC responded to the discussion paper with recommendations including that the State Government not consider Statutory Waste Groups and that management of municipal solid waste be undertaken by regional local government.

The Minister for Environment tabled a review report in the Western Australian Parliament on 21 October 2015. In tabling his recommendations the Minister stated that no legislative amendments are proposed to the Act and that the Western Australian State Government will continue to work with local and regional local governments to support the alignment of waste management planning. These are positive outcomes for the EMRC and member councils in being able to continue to undertake waste management and resource recovery projects with some certainty.

Hazelmere Resource Recovery Park & the Red Hill Waste Management Facility Products:

- ▶ Mulch
- ▶ Ferricrete
- ▶ Woodchip
- ▶ Coloured Woodchip
- ▶ Woodchip Fines
- ▶ Soil Improver
- ▶ Clay

TO CONTINUE TO CONTRIBUTE TOWARDS IMPROVED REGIONAL AIR, WATER AND LAND QUALITY AND REGIONAL BIODIVERSITY CONSERVATION



Implement the Regional Environment Strategy 2011–2016

The Regional Environment Strategy 2011–2016 provides an overarching framework for the delivery of the EMRC's environmental services to ensure the environment of Perth's Eastern Region is protected and maintained. Strategy actions implemented in 2015/2016 included delivery of the Eastern Region Catchment Management program, Achieving Carbon Emissions Reduction, the Regional Climate Change Adaptation Plan and Water Quality and Conservation program and ongoing activities that contribute to regional biodiversity conservation, improved air and land quality and provided input into regional environmental issues. The strategy aims to ensure a sustainable approach for the future development, protection and management of Perth's Eastern Region. The EMRC has commenced development of the Regional Environment Strategy 2016–2020. A discussion paper and consultation sessions have guided initial progress.

Implement the Eastern Region Catchment Management Program

The Eastern Region Catchment Management program (formally Eastern Hills Catchment Management program) is a successful partnership between the Shires of Kalamunda and Mundaring, City of Swan, the EMRC and the Department of Parks and Wildlife. As part of the program, Environmental Project Officers provide support to a large, active and diverse community network to plan, coordinate and implement bushland restoration and other projects. The network comprises of more than 130 'friends of' groups and five catchment groups located throughout the Shire of Kalamunda, Shire of Mundaring and City of Swan. It is estimated that the network's 1,700 volunteers contribute 30,000 man hours annually.

As part of the Eastern Region Catchment Management program in 2015/2016, the EMRC conducted 11 Bush Skills for the Hills workshops and 33 Bush Skills 4 Youth workshops. The EMRC also provided training to member councils in the use of a new steam weeding machine and identification of Marri disease and completed treatment trials for Marri Canker on 100 trees identified through the Marri App. The EMRC also completed the Swan Alcoa Landcare Program Priority Tributaries Restoration project, the Track and Trace Hydrocarbon Tracking project and river restoration work with a Green Army team in the City of Bayswater. The Greenpage Newsletter, which provides environmental information, was distributed bi-monthly to more than 2,000 subscribers.

The EMRC successfully received \$194,375 (ex GST) through a Lotterywest grant to deliver 'Healthy Wildlife Healthy Lives' – A One Health Project in partnership with Murdoch University. The EMRC received \$100,000 (ex GST) through the 20 Million Trees program to plant 22,910 trees and 19,090 understorey species by 30 June 2018 and secured two Green Army Teams. These projects will all be undertaken as part of the Eastern Region Catchment Management program which continues to deliver strategically coordinated restoration of land, bushland and tributaries through a range of natural resource management activities. The program was a finalist in the State Landcare Awards and demonstrates the success of a collaborative approach to catchment management.

**FAST
FACT**

1,700

volunteers
contribute

30,000

hours annually
to bushland
restoration and
other projects



Implement the Water Quality and Conservation Program

The Water Quality and Conservation program was developed by the EMRC in 2015/2016 to provide a structured approach for local governments in Perth's Eastern Region to continue to be leaders in water management. The program provides opportunities to improve water efficiency and water quality to ensure a sustainable water future for local governments, the community and the environment. As part of this program the EMRC provided a Water Report Card for participating member councils to identify top water using accounts and high water users. The purpose of these cards is to assist with decision making to reduce water consumption across the region, identify areas of potential water wastage and to support the ongoing management of water in the region. The EMRC also assisted member councils to become, or maintain, Waterwise Council status including supporting the City of Bayswater in achieving the highest level, Milestone Five, of the ICLEI Water Campaign™ as well as undertaking facility audits, reviewing progress against previous Water Action Plans and assisting councils to develop a draft Water Efficiency Action Plan to meet new Waterwise Council criteria.

The EMRC continues to participate in the Cooperative Research Centre for Water Sensitive Cities and has maintained membership on the Western Region - Regional Advisory Panel. This enabled the EMRC to successfully advocate for the City of Swan to be selected as one of only two local governments in Western Australia to trial the Water Sensitive Cities Index. The EMRC also hosted an Index Workshop to test the Index tool in May 2016.

Decreasing rainfall and associated declines in water supply, coupled with increasing population and higher water demand, means that efforts to increase water use efficiency and water conservation are needed more than ever before. The EMRC's Water Quality and Conservation program provides support and guidance to reduce water consumption across the region.

Identify, investigate and develop new environmental and sustainability opportunities

The EMRC's Sustainability and Environmental Education program aims to bring together a number of educational, facilitation and behavioural tools to deliver a tailored educational program. The Program Schools Report, produced in July 2015, recommends the way forward for local government in schools for the City of Bayswater and Shire of Mundaring. As part of the program the EMRC designed and delivered a poster to schools within the participating councils. The poster directs schools to an online resource page that aims to connect them to the range of organisations that can provide curriculum support and help to make the school more sustainable. By supporting schools to incorporate sustainability practices, the number of children exposed to these ideas will increase with the potential to increase the number of future adults who are more considerate with their resource use.



The Water Quality and Conservation Program was developed by EMRC in 2015/2016





Implement the Achieving Carbon Emissions Reduction Program

The EMRC aspires to have Perth's Eastern Region recognised as a leader in corporate carbon management and energy efficiency by reducing carbon emissions to ensure that the region minimises its impact on the environment both now and into the future. The Achieving Carbon Emissions Reduction program was developed to monitor, mitigate, reduce and report on corporate carbon emissions and provide a structured approach for member councils to ensure continual improvement and advance their leadership positions in the community regarding carbon management. In 2015/2016, the EMRC provided Achievement Reports to participating councils highlighting achievements and progress towards emissions reduction targets under the previous Cities for Climate Protection program (2000 - 2009) and the Achieving Carbon Emissions Reduction program (2009 - current). The EMRC also provided an Emissions Report Card for participating councils identifying top energy using accounts and accounts with high energy usage increases. The purpose of these cards is to assist with decision making to reduce energy consumption and emissions across the region. Carbon Reduction Plans for participating councils were finalised and Home Energy Audit Kits which support residents to monitor energy use in their homes were reviewed and maintained.

The EMRC received \$647,420 (ex GST) over three years, finishing in November 2015, in co-funding from the Australian Government Community Energy Efficiency program. The program, which partnered with the Town of Bassendean, City of Bayswater and Shire of Mundaring, successfully reduced:

- ▶ energy consumption by 40.7% across four facilities in the region;
- ▶ energy use by 829,790 kilowatt-hours (equivalent to the annual consumption of 134 average Perth households) across the region;
- ▶ greenhouse gas emissions by 552 tonnes CO₂e across the region; and
- ▶ energy costs for participating councils by \$133,450 (ex GST) across the region.

As part of the Achieving Carbon Emissions Reduction program, participating councils monitor energy use and emissions. The EMRC reviewed providers of emissions tracking software, engaged a new supplier and assisted participating councils to transition to the new platform: Planet Footprint. The EMRC undertook a data gap analysis, sourced data, assisted with the transition to Planet Footprint and provided training for participating councils in the use of the new software.

COMMUNITY ENERGY EFFICIENCY PROGRAM ACHIEVEMENTS

1



Energy consumption reduced by 40.7% across four facilities in the region

2



Energy use reduced by 829,790 kilowatt-hours equivalent of 134 Perth households

3



Greenhouse gas emissions reduced by 552 tonnes of CO₂e

4



Energy costs for participating councils reduced by \$133,450 (ex GST)



Implement the Regional Climate Change Adaptation Action Plan 2013–2016

Climate Change presents a huge challenge for local government with possible impacts including infrastructure failure, changes in land-use, loss or migration of biodiversity, reduction in environmental health and increased intensity and frequency of fire and emergency events. The EMRC has provided a proactive leadership approach to addressing the impacts of Climate Change in Perth's Eastern Region since 2008. In addition to delivering key programs and information sessions, the EMRC supports member council's through review of Local Climate Change Adaptation Action Plans and providing recommendations on future priority actions.

The EMRC's Future Proofing Perth's Eastern Region program also delivers key information to member councils on an ongoing basis. In 2015/2016, the EMRC hosted a fourth Climate Change seminar titled: 'Heatwaves and their impacts on human health' and provided summaries on key reports including the Hottest Year on Record, Vulnerable Communities and Climate Change workshop, Bushfire Outlook for Australia for 2015/2016 and Perth NRM Planning for Climate Change Analysis Report. The EMRC also represented the region (by invitation) at the National Climate Change Adaptation Research Facility local government workshop in Brisbane in February 2016.

In April 2015, the EMRC joined a network of more than 300 industry and government organisations across Australia supporting the 2020 Vision. The mission of 2020 Vision is to create 20 per cent more green space in our urban areas by 2020. The 2020 Vision is based on the collective impact model for creating change and aims to promote the shared value of green space among government, industry and the community. In December 2015, the EMRC collaborated with 2020 Vision and other key partners to host an Urban Forest Masterclass attended by over 130 community, government and industry representatives. The Masterclass provided an opportunity for local governments and other key stakeholders to assess their approach to maintaining urban forest and its contribution to reducing suburban heat effects. By partnering with 2020 Vision, the EMRC is supporting a new approach to development of cities and recognising the value of green space in providing health and wellbeing outcomes for the community.

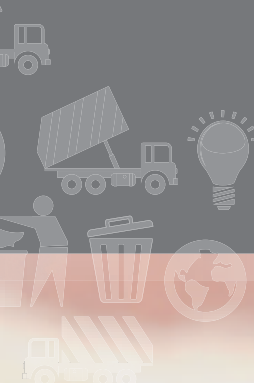


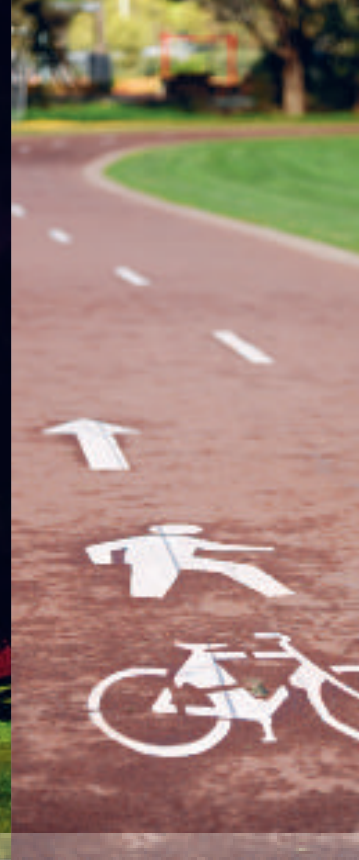
The mission of
2020 Vision
is to create
20%
more green
space in our
urban areas
by 2020



KEY RESULT AREA TWO

Social Opportunities





TO FACILITATE REGIONAL CULTURAL AND RECREATIONAL ACTIVITIES

Continue the coordination of regional events

Perth's Eastern Region is home to a number of core assets including world-class wineries; national parks; walk and bicycle trails; numerous picturesque parks and reserves; an extensive range of heritage, culture and arts attractions and numerous local community and council driven events. The EMRC's regional events program sets out to leverage local community events, which are designed to attract a relatively local market, and support these events through attraction of a wider audience and coordination of additional grant funding and regional marketing. The region's two primary events are the Avon Descent Family Fun Days, a series of free community events hosted by the Cities of Belmont and Bayswater, the Town of Bassendean and the Shires of Northam and Toodyay, to coincide with the Avon Descent white water race and the Perth's Autumn Festival, a collection of over 60 community events held across the region from 1 March – 31 May 2016.

The regional events program provides a cost-effective mechanism for promoting to a much wider audience through its regional approach. In 2015/2016 the EMRC coordinated a regional marketing campaign for Perth's Autumn Festival with an estimated value of over \$130,000 (ex GST), a regional marketing campaign for the Avon Descent Family Fun Days with an estimated value of over \$87,000 (ex GST) and a number of smaller campaigns in spring including the Hello Spring campaign and the Short but Sweet weekend guide featured in the West Australian. The EMRC secured \$195,000 (ex GST) in grant funding from Lotterywest to support the staging costs of member council events and regional promotion.

The EMRC's member councils and two participating councils, Shire of Toodyay and Shire of Northam, each contribute to the regional events program both financially and in continued support, collaboration of ideas and assistance in cross promotion of each other's activities. By working together, the program leverages a stronger and more cohesive position within the tourism market and supports council investment in events to maximise marketing budgets and expand market reach.



The EMRC coordinated a regional marketing campaign for Perth's Autumn Festival with an estimated value of over **\$130,000** (ex GST)



The EMRC was awarded

\$100,000
(ex GST)

funding under the Natural Disaster Resilience program to implement an 'Understanding and Managing Flood Risk in Perth's Eastern Region' study in 2015/2016

Implement the Swan and Helena Rivers Framework

The Swan and Helena Rivers are iconic landscapes in Perth's Eastern Region recognised for their natural, cultural and social values. They provide a regional resource in terms of ecosystem functions; access to the natural environment; recreation, social, historic and economic links. The EMRC, four of its member councils and the Department of Parks and Wildlife's Rivers and Estuaries Division work in partnership to enhance the Swan and Helena Rivers through a coordinated management framework. The EMRC also represents the region on the River Protection Strategy Advisory Group. This group was formed under the new Swan Canning River Protection Strategy to enable closer coordination of key management issues relating to the implementation of the strategy.

In March 2015, the EMRC was awarded \$100,000 (ex GST) funding under the Natural Disaster Resilience program administered by the Western Australian State Emergency Management Committee, through a National Partnership Agreement on National Disaster Resilience with the Australian Government, to implement an 'Understanding and Managing Flood Risk in Perth's Eastern Region' study in 2015/2016. The hydrology study estimated how much water might flood Perth's Eastern Region from the Swan / Avon and Helena Rivers catchment from a range of rainfall events and estimated the extent of flood prone land in the Swan and Helena River catchments. The project is a collaboration between the EMRC, Department of Water, and the Cities of Bayswater, Belmont and Swan and is supported by the Town of Bassendean and the Department of Parks and Wildlife Rivers and Estuaries Division. The EMRC delivered two presentations in partnership with Hydrology and Risk Consulting and the Department of Water on the initial findings from the project and has been awarded an additional \$20,000 (ex GST) from the All West Australian Reducing Emergencies fund for stages two and three of the flood study which will include hydraulic modelling, a flood risk and vulnerability assessment and development of a floodplain management strategy.

Define and develop the role of the EMRC in assisting member councils to achieve social outcomes for the region

The EMRC's Regional Services Directorate delivers regionally focused projects to member councils in the areas of environment and sustainability, economic development (including digital and event related programs), transport and advocacy. The programs and projects are delivered under the guidance of key strategies and have varied in response to the needs of member councils and emerging regional issues.

The EMRC commissioned a research paper to provide information on regional youth priorities, exploring the youth policy context, youth consultation, examples of regional projects, best practice and to gain insight into the priorities of youth officers working in the region.

In particular, the paper was designed to inform the role of the EMRC in delivering on youth priorities as part of the next strategic planning phase in the areas of Environment, Transport and Economic Development. The paper highlighted the role of the EMRC in providing the opportunity for collaboration, experience and information sharing across member councils. As a result, the EMRC delivered a workshop for member council Youth Officers on youth engagement in May 2016. The collaboration and sharing of ideas supported the officers to explore new options for their program delivery.





Bike friendly events @
perthtourism.com.au

KEY RESULT AREA THREE

Economic Development



TO FACILITATE INVESTMENT IN REGIONAL INFRASTRUCTURE

Continue the implementation of the Regional Integrated Transport Strategy

The EMRC works to facilitate integrated transport planning initiatives to provide an efficient, safe and integrated regional transport network and delivers a number of initiatives to support this goal. The provision of an efficient and safe transport network in Perth's Eastern Region is a critical issue for both local and state government, particularly with the predicted population and transport growth for Perth in the future. In 2015/2016, the EMRC delivered a number of key initiatives in the areas of road safety, public transport and active transport.

Directions Zero: A Regional Road Safety Plan for Perth's Eastern Region was developed in November 2015 to support, assist and advocate for the development of a fatality and serious injury free road network. The plan takes into account all six member councils and includes five key focus areas: Safe Road Use; Safe Roads and Roadsides; Safe Speeds; Safe Vehicles; and Road Safety Planning and Governance. These key focus areas align with those set out in the Federal and State Governments' road safety strategies.

In mid-2011, the State Government released a draft strategic document, Public Transport Plan for Perth 2031, that outlined public transport network expansion in Perth. The plan identified two main rapid public transport routes within Perth's Eastern Region, namely Perth Airport and Ellenbrook. To investigate rapid public transport routes further, Curtin University continued an existing partnership with the EMRC to undertake additional research on these routes exploring existing and potential land development along the proposed routes and community and stakeholder appetites for development associated with rapid public transport. The research which concluded in September 2015 identified three rapid transit corridor routes: Airport to Forrestfield; Ellenbrook; and Midland to Mundaring.

The EMRC conducted a transport community engagement survey in early 2016 to receive community input on Road Safety, Active Transport and Public Transport in Perth's Eastern Region with the intention for the results to provide direction for future projects. The top three road safety issues identified for the region were driver distraction, safe passing / distances / merging and speeding. The top three initiatives to encourage bicycle riding were improved relationship between road users, more recreational bike trails and more bicycle parking rails at local shops and cafes.

In addition, the EMRC has initiated an advocacy campaign aimed at bringing the Your Move program, a collaboration between the Department of Sport and Recreation and the Department of Transport, into the region.

The EMRC recently released the first of a two-part promotion, titled "What are your weekend plans?" highlighting bicycle trails in Perth's Eastern Region. This included a major update of the Perth Tourism website and the development of promotional material that was distributed to visitor centres, local government facilities and *bikefriendly* cafes, which provide bicycle parking for patrons and do not have a dress code prohibiting active wear. The EMRC also provided event bicycle rails free of charge for events held across the region which included the Belmont Bike to Work Breakfast, Maylands Street Festival, Avon Descent Family Fun Days, the Ellenbrook Great Day Out and Ellenbrook Connect.

After receiving the 2015 Major Bikeley Award, #ride2market returned in 2016 bigger and better. The #ride2market events are a series of companion events supporting and enhancing existing local farmer and hawker markets in Perth's Eastern Region by providing bicycle valet services and market voucher incentives to encourage cycling for transport. The EMRC designed a logo to support the events and received a \$1,500 (ex GST) Bike Week Grant to continue the #ride2market celebrations in 2016. #ride2market is considered particularly successful as bicycle riding traditionally has a low participation rate from women and children, however, of the 157 people who attended #ride2market in 2016, 44% were under 13 years of age and 44% were female demonstrating the effectiveness of the program at encouraging new riders. The #ride2market program also received the TravelSmart Innovate award in June 2016.

In preparation for redevelopment of the Regional Integrated Transport Strategy the EMRC contracted a consultant to undertake research and consultation including the region's strengths, opportunities, potential barriers and possible focus areas best served by a regional approach. The Regional Integrated Transport Research Advisory Paper was developed through extensive desktop research, regional profiling and consultation with member councils, the Regional Integrated Transport Strategy Implementation Advisory Group and other key stakeholders.



#ride2market, received the 2015 Major Bikeley Award as part of Bike Week celebrations





The EMRC hosted a Regional Digital Forum bringing together digital leaders from government, business and industry.

Implement the Regional Economic Development Strategy 2010 – 2015

Regional economic development activities seek to achieve and maintain a prosperous future for the region and its residents. A range of activities that enable infrastructure and investment to meet the needs of industry are delivered to support economic growth. In March 2016, the EMRC hosted a Regional Digital Forum bringing together digital leaders from government, business and industry. The forum aimed to reflect on three years of digital technology progression, explore the region's digital future, discuss the role of local government in delivering digital projects and create partnerships that would lead to knowledge and resource sharing.

A Directory of Digital Facilities and Services in Perth's Eastern Region and a Digital Report Card were launched at the forum. The EMRC also coordinated a Regional Digital Art Award which encouraged residents and visitors to make use of digital technology to produce art.

In December 2015, the EMRC engaged a consultant to prepare and submit media releases to promote Perth's Eastern Region's business exemplars. The project promotes exemplary businesses, utilising the winners of business awards from the region's six business support service organisations. These organisations are the Belmont Business Enterprise Centre, Central Eastern Business Association, Kalamunda Chamber of Commerce, Malaga and Districts Business Association, Mundaring Chamber of Commerce and Swan Chamber of Commerce. The Business Exemplar project not only raised the profile of particularly successful local businesses, but also promoted the value of local business support services and their awards programs.

The EMRC joined forces with the Maylands Business Association to coordinate development of the Maylands Activity Centre Guide which was launched in June 2016. The guide showcases unique local businesses and the transport options available to residents and visitors wishing to experience Maylands.

An action from the Regional Economic Development Strategy 2010 - 2015 included the Advancing Perth's Eastern Region Showcase Tours. During 2015/2016 two tours were held, one being the Ellenbrook and Swan Valley areas within the City of Swan and one being a tour of the Shire's of Kalamunda and Mundaring foothills. The tours provided member councils with the opportunity to demonstrate advancements being made in the areas of economic development, transport, recreation and tourism.

The EMRC continued to coordinate REMPLAN, id.Profile and id.Atlas subscriptions for its member councils. The tools capture regional economic and social-demographic profiling data for Perth's Eastern Region and provide member councils and stakeholders with online access to the profiling data. The economic profile for the region is available to the public from the EMRC's website to promote the region and attract investment opportunities.



Photo provided by Gateway WA

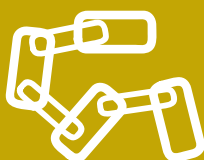
Photo provided by Gateway WA



Identify and investigate strategic regional development project and investment opportunities

The EMRC assists in the alignment of regional priorities with local area priorities to deliver outcomes that support industry investment, advocating for regional priorities and promoting the region as a whole. The EMRC coordinated regional research to identify current industry clusters and supply chains and investigated the opportunities and constraints that businesses within the region are facing. Two clusters were identified for each member council and a further two were identified for the region. Transport related clusters were most prevalent followed by manufacturing clusters. Consultation was undertaken with businesses that formed part of these clusters to gain insight into identifying opportunities and constraints that impacted on the ability for the specific cluster to grow. The findings indicated that increasing internet speeds by advocating for NBN and upgrading infrastructure and services would be of most benefit to business clusters across the region.

In preparation for redevelopment of the Regional Economic Development Strategy and the incorporation of youth priorities and digital services into the new strategies, the EMRC contracted a consultant to coordinate the research and consultation necessary to inform the strategies including the region's strengths, opportunities, potential barriers and possible focus areas best served by a regional approach. The Regional Economic Development Research Advisory Paper was developed through extensive desktop research, regional profiling and consultation with member councils, the Economic Development Officer Group and key stakeholders. The strategy will complement local priorities of member councils to maximise, leverage and make effective use of collective resources.



The EMRC coordinated regional research to identify current industry clusters and supply chains



KEY RESULT AREA FOUR

**Good
Governance**



TO PROVIDE ADVICE AND ADVOCACY ON ISSUES AFFECTING PERTH'S EASTERN REGION

Implement the Regional Advocacy Strategy 2013 – 2016

The future sustainability of Perth's Eastern Region will be largely dependent on the strength and ability of the region to pool its resources to compete for, and attract, government funding and infrastructure investment. The Regional Advocacy Strategy 2013 – 2016 identifies three advocacy priority areas: Environmental Sustainability, Economic Growth and Strong Communities. Implementation of the strategy in 2015/2016 focused on the following key areas:

Environmental Sustainability

- ▶ The health, protection and sustainable use of the Swan and Helena Rivers;
- ▶ A natural environment that is protected, enhanced and maintained for future generations;
- ▶ The region is well placed to adapt to the impacts of climate change; and
- ▶ The continued improvement of regional resource recovery and waste management activities.

Economic Growth

- ▶ An effective and integrated transport system with improved public transport infrastructure and servicing;
- ▶ The establishment and optimum utilisation of high speed, reliable broadband in the region; and
- ▶ The facilitation of economic development and investment opportunities.

Strong Communities

- ▶ Enhanced social inclusion and access to facilities, health, education and community services for all residents; and
- ▶ The provision of infrastructure that ensures quality education outcomes, health, cultural and lifestyle opportunities.



EMRC submissions developed and submitted during 2015/2016 included:

- ▶ Liveable Neighbourhoods 2015;
- ▶ City of Swan Biodiversity Strategy 2015;
- ▶ Towards Perth and Peel @ 3.5 million;
- ▶ National Guidelines for Transport Systems;
- ▶ North East Sub Regional Planning Framework;
- ▶ Central Sub Regional Planning Framework;
- ▶ Town of Bassendean Urban Forest Strategy;
- ▶ City of Belmont Environment and Sustainability Strategy; and
- ▶ Perth and Peel Green Growth Plan.

Advocacy and relationship building is aimed at increasing awareness of Perth's Eastern Region and the role of the EMRC. It also provides an opportunity to identify and capitalise on future funding opportunities to support regional scale projects and activities. In addition to the above submissions, other actions of regional relevance include applying for regional grants and providing regional representation on peak bodies and committees including:

- ▶ NorthLink Southern Construction Group and Freight and Road User Group
- ▶ NorthLinkWA Environmental Reference Group
- ▶ Northam Avon Descent Association
- ▶ WALGA Cycling Reference Group
- ▶ Perth NRM - Swan NRM Committee
- ▶ Perth NRM - Light Industry Working Group
- ▶ River Protection Strategy Advisory Group
- ▶ Sustainability Officers Networking Group
- ▶ North East Youth Organisations Network
- ▶ Sustainable Schools WA Alliance
- ▶ Cooperative Research Centre for Water Sensitive Cities Regional Advisory Panel
- ▶ Planning Institute of Australia - Climate Change Action Group
- ▶ Forum of Regional Councils
- ▶ Municipal Waste Advisory Council and Committees - Officers Advisory Group, Household Hazardous Waste Committee, Contaminated Sites Committee
- ▶ Australian Landfill Owners Association
- ▶ Waste Management Association of Australia
- ▶ Strategic Waste Infrastructure Planning Working Group (Waste Authority).

Successful regional grants awarded during 2015/2016 totaling \$658,551 (ex GST) include the following:

- ▶ 20 Million Trees - Round 2 supported by Department of Environment
- ▶ Protection of migratory species habitat - Bayswater restoration project supported by Department of Environment (Green Army Round 2)
- ▶ Restore habitat for migratory species Bayswater wetlands supported by Department of Environment (Green Army Round 4)
- ▶ Revegetation of priority corridors and bushland in Perth's Eastern Region supported by Department of Environment
- ▶ Protection of conservation category wetland in Perth Eastern Region - Revegetation supported by Department of Environment
- ▶ Community led projects supported by Department of Parks and Wildlife
- ▶ Steam Weed Training for Local Government Officers supported by Department of Parks and Wildlife
- ▶ Event Recycling Trailer update and Litter Letters moveable display supported by Keep Australia Beautiful
- ▶ Healthy Wildlife Healthy Lives – A One Health Project supported by Lotterywest
- ▶ Avon Descent Family Fun Days supported by Lotterywest
- ▶ 2016 Perth's Autumn Festival supported by Lotterywest
- ▶ Steam Weed Project supported by State NRM Office
- ▶ Protecting priority tributaries and preventing the spread of priority weed species supported by Swan River Trust and Alcoa Landcare Program
- ▶ #ride2market supported by West Cycle / Department of Transport.

TO MANAGE PARTNERSHIPS AND RELATIONSHIPS WITH STAKEHOLDERS

Continue to foster and enhance relationships with member councils

Member council officers provide input to the EMRC on the development and delivery of strategic projects and relevant strategies through participation on steering groups.

Three Regional Services advisory groups meet regularly to consider regional economic, transport and environmental projects and initiatives and assist in guiding the EMRC strategies. These groups are the Economic Development Officers Group, Regional Integrated Transport Strategy Implementation Advisory Group and the Regional Environmental Advisory Group. Representation from each participating member council and the EMRC constitute each group's membership with an expanded membership of the Regional Integrated Transport Strategy Implementation Advisory Group including numerous key stakeholders with an interest in transport. In addition, project teams comprising representatives from participating councils meet to provide guidance to the EMRC's role in regional events and a TravelSmart working group informs the Regional Integrated Transport Strategy Implementation Advisory Group on public and active transport matters.

The Waste Services Directorate also meets regularly with groups comprising of member council officers, particularly through the Regional Waste Education Steering Group and Resource Recovery Project Advisory Group. The Resource Recovery Project Advisory Group provides direction on the delivery of the Resource Recovery Project.

The Regional Waste Education Steering Group meets every six weeks to review, advise and collaborate on waste education matters for the region, in particular implementation of actions to meet the objectives of the *Regional Waste Education Strategy 2013 - 2015*.

Continue to foster and enhance relationships with stakeholders including government agencies and business groups

The EMRC works with member councils to provide a collective voice for the region and as a conduit for collaboration on issues of regional significance. In pursuing regional outcomes that benefit all member councils, the EMRC initiates and develops relationships with individuals, organisations and government. The aim of this approach is to assist the region to fulfil its potential by attracting and increasing investment and support for ongoing activity that contributes to making Perth's Eastern Region a great place to live, work, play and do business.

Advancing the interests of Perth's Eastern Region through proactive representation and effective working relationships, in particular with the Federal and State Governments and their agencies, is a key enabler for investment and development in the region. All EMRC and member council staff are advocates for the region and foster and enhance relationships everyday through their interactions with external stakeholders and across all levels of government.

The EMRC is an active participant in numerous peak bodies and committees and provides a voice for the region on key issues at these meetings. The direction and priorities for these relationships are outlined under the EMRC's *Regional Advocacy Strategy 2013–2016*.

The EMRC also works with a number of community and business organisations for the benefit of the region. A number of projects were delivered in 2015/2016 in partnership with the region's chambers of commerce, business support services, environmental not-for-profit organisations, catchment and 'friends of' groups.

Meetings of the Red Hill Waste Management Facility Community Liaison Group continued throughout the year to provide a forum for neighbours to be briefed on site development issues and have any concerns addressed. The Waste Management Community Reference Group met four times during the year for briefings on the Resource Recovery Project and waste education initiatives.





Waste education community engagement activities included:

- ▶ Attendance at local regional events including the Avon Descent Family Fun Days, Great Day Out Ellenbrook, Gidgegannup Agricultural Show, Autumn River Festival and Altone Comes Alive
- ▶ Attendance at multi-regional displays for the Perth Royal Show and the Perth Garden Festival
- ▶ Hosting regional workshops on topics including litter with Keep Australia Beautiful and a Little Green Steps Waste Workshop
- ▶ Community workshops held for Baptist Care, Wider Vision Bassendean, City of Bayswater, Kalamunda Libraries and Midland Men's Shed
- ▶ School activities run for Notre Dame Catholic Primary School, Glen Forest Primary School, Children's Gnangara Groundwater Festival and Cyril Jackson Senior Campus
- ▶ Running three separate tours for National Recycling Week
- ▶ Delivery of the Earth Carers Courses.



TO PROVIDE RESPONSIBLE AND ACCOUNTABLE GOVERNANCE AND MANAGEMENT OF THE EMRC

EMRC's Integrated Planning Framework

The EMRC has developed an Integrated Planning Framework to ensure a seamless integration of strategic priorities and operational activities. *EMRC 2022 – 10 Year Strategic Plan* is a shared vision between the EMRC and its member councils. It has been developed to guide and inform the actions that will be taken over the next 10 years to benefit the community that lives, works, plays and does business within Perth's Eastern Region.

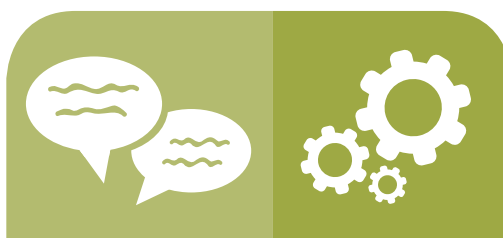
The *Corporate Business Plan 2016/2017 – 2020/2021* was reviewed and adopted as part of the 2016/2017 annual budget development process and key projects and activities that the EMRC would undertake over the 2016/2017 financial year were identified. Business planning workshops were held with each directorate and individual business units, for the development of project plans and formulation of the 2016/2017 annual budget. Staff development and performance within an integrated planning framework were linked back to the *EMRC 2022 – 10 Year Strategic Plan*. Individual staff member's objectives were recorded into a formal personal commitment plan and staff reported progress on a quarterly basis.

A series of workshops were completed between July 2015 and March 2016 to inform a review of *EMRC 2022 – 10 Year Strategic Plan* for implementation from 1 July 2017 onwards. The workshops included Mayors and Presidents, CEOs and officers from member councils, key stakeholders and EMRC officers. A Council workshop was also held on 30 April 2016. The purpose of the workshops was to identify and refine the current and future services that the EMRC could provide to member councils. The outputs of these workshops will be used to prepare the new 10 Year Strategic Plan.



Develop and implement a Risk Management Plan

The EMRC Risk Management Policy is underpinned by the Risk Management Plan which is reviewed on an annual basis. This Risk Management Plan defines the EMRC risk management system and provides the framework to ensure that the organisation has a systematic and consistent approach to risk across all functions of the business. The Risk Management Plan is based on the guidance as provided by AS/NZS ISO 31000 Risk Management and helps ensure that this approach is implemented consistently throughout the organisation. The Risk Management Steering Group meets regularly and is attended by the Executive Management Team and Senior Risk Advisor. This group ensures that the key risks facing the organisation are monitored and managed.



A series of workshops were completed between July 2015 and March 2016 to inform a review of *EMRC 2022 – 10 Year Strategic Plan* for implementation from 1 July 2017 onwards

TO CONTINUE TO IMPROVE FINANCIAL AND ASSET MANAGEMENT PRACTICES

Develop and review long term financial plans

The EMRC's 10 Year Financial Management Plan was updated to reflect the activity for the period 2016/2017 – 2025/2026. The EMRC strives to achieve improved financial management practices ensuring clarity in financial planning and reporting.

During 2015/2016 the EMRC's monthly cash flow forecast analysis was reviewed in an effort to more closely align the EMRC's cash requirements with the timing of projects and capital works to be undertaken. It was decided to review the cash flow forecast twice per month which enabled surplus funds that were no longer required to be utilised during that month to be reinvested in term deposits in order to generate additional interest earnings.

Following the successful introduction of a direct debit system in August 2015, the system has been expanded to existing clients with the aim to improve customer experience through more efficient invoice payment, improved credit management processes and reduced EMRC administration time.

Develop and implement an Asset Management Plan

The EMRC updated the Asset Management Plan including the 10 Year Fleet and Plant Replacement Plan to manage assets for the period 2016/2017 – 2025/2026. The Annual Condition Report of all plant and equipment at the Red Hill Waste Management Facility was completed in January 2016. The report was used to update the Plant Replacement Program and develop the 2016/2017 Plant Replacement Capital Budget.

Review and implement the Strategic IT Plan

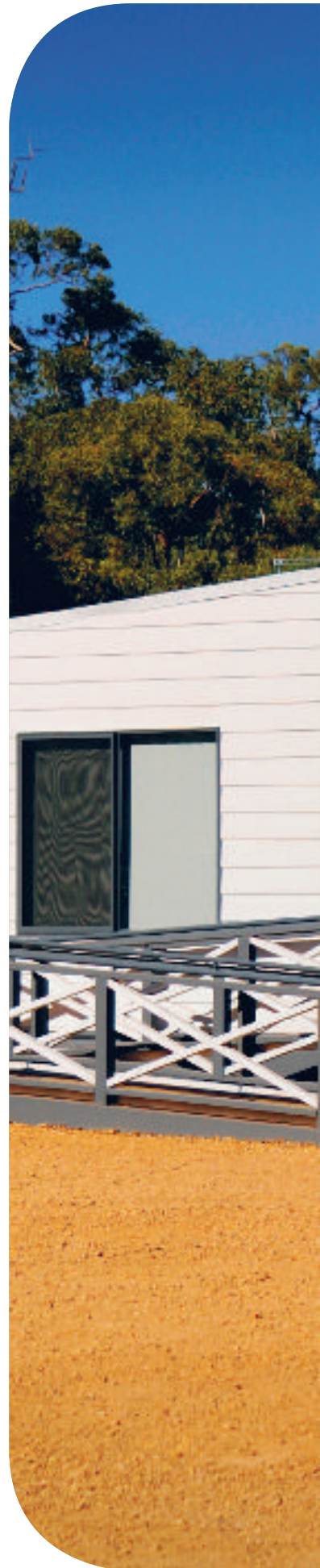
As part of the EMRC's Strategic IT Plan, the four servers comprising the EMRC's virtualisation platform were replaced. In addition, server and storage equipment were installed at the Red Hill Disaster Recovery site. Replication of the EMRC's core servers commenced in April 2016 and currently these servers are being backed up to the disaster recovery site each night. In the event of a disaster, this system will allow the most critical systems to be operational within a few days rather than several weeks and will not be dependent on sourcing new hardware.

The implementation of 10 Gigabits per second networking between the servers, network switches and storage devices comprising the virtualisation platform has been completed. This will improve the backup process and performance of virtualised servers. 10 Gigabits per second networking was also incorporated in the disaster recovery site.



10 Gigabits

per second networking between the servers, network switches and storage devices has been implemented.







TO IMPROVE ORGANISATIONAL CULTURE, HEALTH, WELFARE AND SAFETY



A new safety slogan –
‘Our Safety is in Your Hands’
was launched to staff.

Review and implement the Safety Management Plan

The Safety Advisory Committee, Risk Management Steering Group and Executive Management Team provide the main forums to discuss and address key risk issues within the operations.

Annual risk workshops continue to be the primary mechanism for identifying risk matters that need to be added to the Corporate Risk Register. Significant capital expansion has commenced in the last year and the workshops promote closer scrutiny of any threats and hazards that may be presented by this significant development.

With respect to injury prevention, the main elements of the safety management system continued to include:

- ▶ comprehensive new staff OH&S induction processes;
- ▶ accident / incident reporting;
- ▶ hazard identification and reporting processes; and
- ▶ emergency response with up-to-date documentation and quarterly drills.

Improvements to reporting, analysis and management of incident and injuries at all of the organisation’s sites continued. This ensures the organisation understands the root cause of each incident and that effective controls are put in place to reduce the likelihood of an event reoccurring and reduce overall risk across all EMRC operations.

A new safety slogan – ‘Our Safety is in Your Hands’ was launched to staff, to symbolise that everyone is responsible for safety and they must hold it firmly in their hands. A poster – ‘Safety Essentials’ was also launched to give employees clarity on the mandatory safety and risk management considerations to be taken into account to protect staff and others. These are supportive tools designed to empower all employees to take responsibility for their own safety and to set clear guidelines of what is acceptable and not acceptable when working at the EMRC in order to develop safety behaviours of employees and an improved safety culture.

Chemalert, an online chemical management software, was introduced to provide access to manufacturers’ Safety Data Sheets. This enabled the EMRC to implement management plans for all hazardous chemicals stored at all of the organisation’s sites.

The Safety Training program continued to be implemented in order to promote a safety focused culture. Safety inspections were regularly conducted at all of the EMRC sites and actions were implemented to minimise the risk of safety incidents. The following ongoing safety training was conducted at EMRC’s sites:

- ▶ OH&S safety inductions – outdoor environments
- ▶ OH&S safety inductions – indoor environments
- ▶ Vehicle safety
- ▶ Manual tasks
- ▶ Emergency evacuations at all EMRC sites.

Senior management continued to play a close and active role towards injury and loss prevention.

Develop and implement a Workforce Plan

An internal training calendar was developed and implemented to provide staff with skills in internal procedures, such as procurement, records management and safety. Staff also continued to enhance their skills and knowledge by attending relevant training courses that were identified as a result of their annual performance reviews, as well as sessions to enhance their knowledge of compliance.

A 'Developing EMRC's Future Leaders' program was implemented to enhance the skills of the EMRC's supervisors. This program was run for staff across all of the organisation's sites.

A number of initiatives were undertaken to develop an inclusive culture and these were focused on working as a high-performing team. These included:

- ▶ Group training held at Ascot Place and Red Hill Waste Management Facility for all staff
- ▶ Regular CEO and executive management attendance at Toolbox meetings at Red Hill Waste Management Facility and Hazelmere Resource Recovery Park
- ▶ The annual Staff Tree Planting Day at Red Hill Waste Management Facility, which saw staff plant 1,200 trees as part of rehabilitation of the facility. The event also raised money for Breast Cancer Care WA's Purple Bra Day
- ▶ A combined staff Christmas function was held, which was attended by employees from all EMRC sites
- ▶ Human Resources days were held at the operations sites so staff could discuss any queries
- ▶ The Rewards and Recognition program continued, with the 2015 Employee of the Year, David-Lee Canham, being recognised at the annual staff Christmas function
- ▶ Shire of Mundaring Transfer Station employees attended monthly Toolbox Meetings at Red Hill Waste Management Facility, as well as training sessions, to ensure they were integrated into EMRC's processes.





STATUTORY REPORTS



STATUTORY REPORTS

Register of Complaints

The *Local Government Act 1995* s.5.53(2) (hb) contains provision that requires complaints made against any council member during the financial year under s.5.121 of the *Local Government Act 1995*, must be reported annually. There have been no registered complaints against EMRC Council members during the 2015/2016 financial year.

Statutory Compliance Return

The Statutory Compliance Return for the period 1 January 2015 to 31 December 2015 was completed and referred to the Audit Committee meeting held on 10 March 2016 and the Ordinary Meeting of Council held on 24 March 2016. A certified copy of the completed Statutory Compliance Return, along with the relevant section of the minutes, was submitted to the Department of Local Government and Communities on 30 March 2016. Council was able to advise that it achieved a high level of compliance with all matters applicable to the EMRC's operations.

National Competition Policy

The Competition Principles Agreement is a contractual agreement between the federal government and all state and territory governments. As a result, local government is committed to the Competition Principles Agreement, which aims to ensure all public enterprises operate in a transparent manner and in the best interests of the public. Under the Competition Principles Agreement, public enterprises are required to review their operations to ensure that they have no competitive advantage, or disadvantage, in comparison to the private sector.

The EMRC supports the Competition Principles Agreement concept and, as such, a cost benefit analysis of operations was conducted. The analysis concluded that none of the core services – operation of the Red Hill Waste Management Facility, Hazelmere Resource Recovery Park and environmental services – should be subject to competitive neutrality principles.

Furthermore, the EMRC has not received notification that the Australian Bureau of Statistics has classified any of its operations as either public trading or public financial enterprises. No allegations of non-compliance with the principles have been made against the EMRC.

Public Interest Disclosure Act 1998

During 2015/2016 the EMRC received no public interest disclosure applications.

State Records Act 2000

The EMRC's approved recordkeeping plan was reviewed during the 2015/2016 financial year and a report of the review submitted to the State Records Commission in accordance with the *State Records Act 2000*. The report, which was tabled on 7 August 2015 at a State Records Commission meeting, provides evidence of the EMRC's progress towards better practice recordkeeping and was approved by the State Records Commission with the next review being due by 7 August 2020.

During the period 2015/2016, 16,992 documents and 489 files were created in EMRC's electronic document and recordkeeping system. Staff training was undertaken, with all new staff receiving individual training and other staff being trained as the need was identified.

Freedom of Information

A total of three Freedom of Information applications were received in 2015/2016. These related to third party information.

The EMRC received no applications relating to the amendment of personal information in 2015/2016.

Payments to Employees

Seven EMRC employees entitled to an annual salary of \$100,000 or more.

EMPLOYEES' REMUNERATION	
SALARY RANGE \$	No.
100,000 - 109,999	2
120,000 - 129,999	1
130,000 - 139,999	1
150,000 - 159,999	2
210,000 - 219,999	1
TOTALS:	7

STATUTORY REPORTS

Plan for the Future

Section 5.53(2)(e) of the *Local Government Act 1995* requires local governments to provide an overview of the 'plan for the future', including the major initiatives that are proposed to commence, or to continue, in the next financial year. Full details are contained within EMRC's *Corporate Business Plan 2016/2017 - 2020/2021*.

KEY RESULT AREA 1: ENVIRONMENTAL SUSTAINABILITY

Red Hill Waste Management Facility

- ▶ Review and update Red Hill Development Plan
- ▶ Implement Leachate Project
- ▶ Construct Class III Leachate Pond
- ▶ Construct Class III cells (Stage 15B and Farm Stage 3)
- ▶ Construct Class IV Cell Stage 2.

Transfer Stations

- ▶ Continue to operate transfer stations on behalf of member councils.

Hazelmere Resource Recovery Park

- ▶ Review and update Hazelmere Development Plan
- ▶ Construct and commission:
 - ▶ Commercial and Industrial Waste Sorting Facility
 - ▶ Wood Waste to Energy Plant
 - ▶ Community Re-use Store
 - ▶ Site Workshop / Admin building
 - ▶ Weighbridge
- ▶ Construct carpark and storage bunkers.

Environmental Waste Operations

- ▶ Rehabilitate former landfill cells
- ▶ Monitor environmental impacts from waste management activities
- ▶ Provide waste environmental consultancy services to member councils and other clients.

Waste Education

- ▶ Review and implement the *Regional Waste Education Strategy 2013 – 2015*.

Sales and Market Development

- ▶ Develop and implement programs to increase sales of Red Hill Waste Management Facility and Hazelmere Resource Recovery Park by-products.

Environmental Projects

- ▶ Develop and implement the *Regional Environmental Strategy 2016 – 2020*
- ▶ Continue the Eastern Region Catchment Management Program
- ▶ Continue the Water Quality and Conservation Program
- ▶ Continue the Achieving Carbon Emissions Reduction Program
- ▶ Continue the Future Proofing for Climate Change Program
- ▶ Implement stages 2 and 3 of the Understanding and Managing Flood Risk Program.

KEY RESULT AREA 2: SOCIAL OPPORTUNITIES

- ▶ Coordinate the Avon Descent Family Fun Days
- ▶ Coordinate Perth's Autumn Festival.

KEY RESULT AREA 3: ECONOMIC DEVELOPMENT

- ▶ Develop and implement the *Regional Integrated Transport Strategy 2016 – 2020*
- ▶ Develop and implement the *Regional Economic Development Strategy 2016 – 2020*.

KEY RESULT AREA 4: GOOD GOVERNANCE

- ▶ Develop and implement the *Regional Advocacy Strategy 2016 – 2020*
- ▶ Review the 10 Year Strategic Plan

Disability Access and Inclusion Plan

The EMRC continued implementation of the strategies identified within the *Disability Access and Inclusion Plan 2013/2014 – 2017/2018*. The objectives of the plan are to ensure that the EMRC delivers facilities, services and events that are open, available and accessible to the whole community, regardless of ability, ethnicity, gender, age or any other perceived difference.

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

**EASTERN METROPOLITAN REGIONAL COUNCIL
CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT)
REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

As the Chief Executive Officer of the Eastern Metropolitan Regional Council, I declare that the accompanying concise financial report for the financial year ended 30 June 2016:

- complies with Accounting Standard 4496 1030: Concise Financial Reports; and
- is an extract from the full financial report for the year ended 30 June 2016 and has been derived from and is consistent with the full financial report of the Eastern Metropolitan Regional Council.

Signed on the 22nd day of August 2016



PETER B. SCHNEIDER
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT



PARTNERS
 Anthony Moorl CPA
 Deborah Moorl CPA
 Corina De Felice CA

INDEPENDENT AUDITOR'S REPORT

TO: MEMBERS OF EASTERN METROPOLITAN REGIONAL COUNCIL

Report on the Concise Financial Report

The accompanying concise financial report of Eastern Metropolitan Regional Council comprises the Statement of Financial Position as at 30 June 2016, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and related notes derived from the audited financial report of Eastern Metropolitan Regional Council for the year ended 30 June 2016 and the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the full financial report of Eastern Metropolitan Regional Council for the year ended 30 June 2016. Our auditor's report on the financial report for the year was signed on 5 September 2016 and was not subject to any modification. Australian Auditing Standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion, and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039: Concise Financial Reports.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.



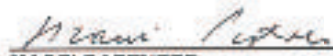
INDEPENDENT AUDITOR'S REPORT (Cont'd)


Auditor's Opinion

In our opinion, the concise financial report (including the discussion and analysis) of the Eastern Metropolitan Regional Council for the year ended 30 June 2016 complies with Accounting Standard AASB 1039: Concise Financial Reports.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the concise financial report of Eastern Metropolitan Regional Council for the year ended 30 June 2016 included on Eastern Metropolitan Regional Council's website. The Council is responsible for the integrity of Eastern Metropolitan Regional Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited concise financial report to confirm the information contained in this website version of the concise financial report.


 MACRI PARTNERS
 CERTIFIED PRACTISING ACCOUNTANTS
 SUITE 2, 137 BURSWOOD ROAD
 BURSWOOD WA 6100


 A MACRI
 PARTNER

PERTH
 DATED THIS 9TH DAY OF SEPTEMBER 2016.



STATEMENT OF COMPREHENSIVE INCOME (BY PROGRAM) FOR THE YEAR ENDED 30 JUNE 2016

	ACTUAL 2015/2016	BUDGET 2015/2016	ACTUAL 2014/2015
REVENUE			
Governance	122,634	208,606	147,661
General purpose funding	6,278,136	1,672,703	2,557,709
Community amenities	35,899,323	44,314,860	36,677,874
Other property and services	1,275,742	1,388,424	1,643,220
TOTAL REVENUE	43,575,835	47,584,593	41,026,464
EXPENSES			
Governance	785,858	1,251,102	811,025
Community amenities	27,663,522	34,251,556	26,309,451
Other property and services	3,992,572	4,165,048	4,110,322
TOTAL EXPENSES	32,441,952	39,667,706	31,230,798
INCREASE/(DECREASE)	11,133,883	7,916,887	9,795,666
DISPOSAL OF ASSETS			
Profit on sale	206,809	5,773	553,328
Loss on sale	(34,902)	0	(7,646)
PROFIT/(LOSS) ON DISPOSALS	171,907	5,773	545,682
FAIR VALUE ADJUSTMENTS TO FINANCIAL ASSETS			
General purpose funding	0	0	0
GAIN/(LOSS)	0	0	0
NET RESULT	11,305,790	7,922,660	10,341,348
OTHER COMPREHENSIVE INCOME <i>(Items that will not be reclassified subsequently to profit or loss)</i>			
Changes in revaluation of non-current assets	4,693,856	0	4,212,233
TOTAL OTHER COMPREHENSIVE INCOME	4,693,856	0	4,212,233
TOTAL COMPREHENSIVE INCOME	15,999,646	7,922,660	14,553,581

The accompanying notes form part of the concise financial report

STATEMENT OF COMPREHENSIVE INCOME (BY NATURE & TYPE) FOR THE YEAR ENDED 30 JUNE 2016

	ACTUAL 2015/2016	BUDGET 2015/2016	ACTUAL 2014/2015
REVENUE			
Fees and charges	32,751,046	40,533,871	32,738,714
Grants, subsidies and contributions	2,273,132	2,027,659	3,182,940
Interest earnings	2,376,572	1,672,703	2,557,709
Other revenue	6,175,085	3,350,360	2,547,101
TOTAL REVENUE	43,575,835	47,584,593	41,026,464
EXPENSES			
Employee costs	8,313,054	9,915,821	8,433,189
Materials and contracts	5,561,169	8,437,286	6,146,789
Utility expenses	318,702	342,706	238,167
Insurance expenses	249,779	377,477	1,239,197
Interest expenses	21,603	22,068	23,126
Other expenditure	11,902,243	13,987,718	10,350,892
Depreciation expenses on non-current assets	6,075,402	6,584,630	4,799,438
TOTAL EXPENSES	32,441,952	39,667,706	31,230,798
INCREASE/(DECREASE)	11,133,883	7,916,887	9,795,666
DISPOSAL OF ASSETS			
Profit on sale	206,809	5,773	553,328
Loss on sale	(34,902)	0	(7,646)
PROFIT/(LOSS) ON DISPOSALS	171,907	5,773	545,682
FAIR VALUE ADJUSTMENTS TO FINANCIAL ASSETS			
Gain/(loss)	0	0	0
GAIN/(LOSS)	0	0	0
NET RESULT	11,305,790	7,922,660	10,341,348
OTHER COMPREHENSIVE INCOME <i>(Items that will not be reclassified subsequently to profit or loss)</i>			
Changes in revaluation of non-current assets	4,693,856	0	4,212,233
TOTAL OTHER COMPREHENSIVE INCOME	4,693,856	0	4,212,233
TOTAL COMPREHENSIVE INCOME	15,999,646	7,922,660	14,553,581

The accompanying notes form part of the concise financial report

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	ACTUAL 2015/2016	ACTUAL 2014/2015
CURRENT ASSETS		
Cash and cash equivalents	86,120,828	74,387,347
Investments	0	0
Trade and other receivables	4,281,658	4,653,943
Inventories	27,842	67,598
Other assets	85,059	41,930
TOTAL CURRENT ASSETS	90,515,387	79,150,818
NON-CURRENT ASSETS		
Property, plant and equipment	71,688,104	63,311,756
Infrastructure	16,080,829	18,193,626
TOTAL NON-CURRENT ASSETS	87,768,933	81,505,382
TOTAL ASSETS	178,284,320	160,656,200
CURRENT LIABILITIES		
Trade and other payables	5,889,919	4,651,861
Provisions	1,371,378	1,334,359
TOTAL CURRENT LIABILITIES	7,261,297	5,986,220
NON-CURRENT LIABILITIES		
Provisions	7,407,046	7,053,649
TOTAL NON CURRENT LIABILITIES	7,407,046	7,053,649
TOTAL LIABILITIES	14,668,343	13,039,869
NET ASSETS	163,615,977	147,616,331
EQUITY		
Retained surplus	60,214,225	52,975,934
Reserves	62,674,377	58,606,878
Revaluation surplus	40,727,375	36,033,519
TOTAL EQUITY	163,615,977	147,616,331

The accompanying notes form part of the concise financial report

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	RETAINED SURPLUS	RESERVES	REVALUATION SURPLUS	TOTAL EQUITY
Balance as at 1 July 2014	48,612,233	51,139,296	33,311,221	133,062,750
Net result	10,341,348	0	0	10,341,348
Total other comprehensive income	0	0	4,212,233	4,212,233
Revaluation surplus reversal	1,489,935	0	(1,489,935)	0
Transfer (from)/to reserves	(7,467,582)	7,467,582	0	0
BALANCE AS AT 30 JUNE 2015	52,975,934	58,606,878	36,033,519	147,616,331
Net result	11,305,790	0	0	11,305,790
Total other comprehensive income	0	0	4,693,856	4,693,856
Revaluation surplus reversal	0	0	0	0
Transfer (from)/to reserves	(4,067,499)	4,067,499	0	0
BALANCE AS AT 30 JUNE 2016	60,214,225	62,674,377	40,727,375	163,615,977

The accompanying notes form part of the concise financial report

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	ACTUAL 2015/2016	BUDGET 2015/2016	ACTUAL 2014/2015
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Fees and charges	35,362,810	40,533,871	37,338,999
Grants, subsidies and contributions	2,273,132	2,027,659	3,182,940
Interest earnings	2,619,602	1,672,703	2,565,312
Other revenue	6,175,085	3,350,362	2,547,101
TOTAL RECEIPTS	46,430,629	47,584,595	45,634,352
PAYMENTS			
Employee costs	(8,181,723)	(9,888,450)	(8,461,443)
Materials and contracts	(5,291,591)	(8,437,286)	(7,497,127)
Utility expenses	(318,702)	(342,706)	(238,167)
Insurance expenses	(249,331)	(377,477)	(1,238,748)
Interest expenses	(21,603)	(22,068)	(23,126)
Other expenditure	(11,592,681)	(13,915,494)	(10,266,092)
Goods and services tax paid	(1,568,328)	0	(2,831,181)
TOTAL PAYMENTS	(27,223,959)	(32,983,481)	(30,555,884)
NET CASH PROVIDED BY OPERATING ACTIVITIES	19,206,670	14,601,114	15,078,468
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment	334,773	306,500	3,727,883
Payments for purchase of property, plant and equipment	(7,807,962)	(34,487,814)	(12,442,702)
NET CASH USED IN INVESTING ACTIVITIES	(7,473,189)	(34,181,314)	(8,714,819)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sale of investments	0	0	0
NET CASH PROVIDED BY FINANCING ACTIVITIES	0	0	0
SUMMARY OF CASH FLOWS			
Cash and cash equivalents at the beginning of the year	74,387,347	71,382,950	68,023,698
Net increase/(decrease) in cash held	11,733,481	(19,580,200)	6,363,649
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	86,120,828	51,802,750	74,387,347

The accompanying notes form part of the concise financial report

DISCUSSION AND ANALYSIS OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

Information on EMRC's Concise Financial Report

The Concise Financial Report is an extract of the full financial report for the year ended 30 June 2016. The financial statements and disclosures in the Concise Financial Report have been derived from the 2015/2016 financial report of Eastern Metropolitan Regional Council (EMRC). A copy of the full financial report and auditor's report is available upon request.

This discussion and analysis is provided to members in understanding the Concise Financial Report. The discussion and analysis is based on EMRC's financial statements and the information contained in the Concise Financial Report has been derived from the full 2015/2016 financial report of the EMRC.

Statement of Comprehensive Income

Total Comprehensive Income of \$15,999,646 for the year ended 30 June 2016 is \$1,446,065 above the level of 2014/2015 and \$8,076,986 above the 2015/2016 budget. Major factors contributing to the variance from the previous financial year have been outlined in the paragraphs below.

Total revenue from ordinary activities of \$43,575,835 for the year ended 30 June 2016 is \$2,549,371 above the 2014/2015 revenue from ordinary activities and \$4,008,758 below the 2015/2016 budget. The variance to the budget is primarily due to the lower than budget tonnages received from commercial operators. This is offset by additional interest earnings of \$703,869 together with payments totaling \$3,012,078 received from the Administrators of Lehman Brothers Australia and a payment totaling \$889,485 received from the Standard and Poors class action.

Total expenses from ordinary activities of \$32,441,952 is \$1,211,154 above the 2014/2015 actual expenses from ordinary activities and \$7,225,754 below budget for 2015/2016. The variance is primarily due to lower expenditure on the following items during the 2015/2016 financial year compared to the budget:

- ▶ employee costs
- ▶ materials and contract expenses
- ▶ insurance expenses
- ▶ other expenditure
- ▶ depreciation

An actual profit of \$171,907 has resulted from the disposal of assets for the year ended 30 June 2016 and is \$373,775 below the 2014/2015 actual profit from the disposal of assets and \$166,134 above the budget for 2015/2016.

The changes in revaluation of non-current assets has resulted in an increase of \$4,693,856 for 2015/2016, which relates to the revaluation undertaken on the plant and equipment classes of assets.

Statement of Financial Position

Overall equity has increased during the 2015/2016 financial year by \$15,999,646 to \$163,615,977.

Current assets as at 30 June 2016 have increased by \$11,364,569 to the previous year.

The overall impact on cash and investments at the close of the financial year is an increase of \$11,733,481 to \$86,120,828.

Current liabilities as at 30 June 2016 have increased by \$1,275,077 to \$7,261,297 compared to the level stated as at 30 June 2015.

The net movement in the retained surplus is an increase of \$7,238,291 to \$60,214,225 compared to the level as at 30 June 2015 of \$52,975,934.

The value of reserves has increased by \$4,067,499 to \$62,674,377 in comparison to the level stated as at 30 June 2015.

Statement of Cash Flows

The overall impact on the cash position at the close of the financial year is an increase of \$11,733,481 to \$86,120,828 as a result of an increase in cash flow from operating activities.

Net cash provided by operating activities of \$19,206,670 reflects an increase of \$4,128,202 over the \$15,078,468 generated in the 2014/2015 financial year.

The cash flows used in investing activities for the 2015/2016 financial year reflects capital expenditure totalling \$7,807,962. This compares with capital expenditure totalling \$12,442,702 during the previous year.

NOTES TO THE CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

Note 1: Basis of Preparation of the Concise Financial Report

The Concise Financial Report is an extract of the full financial report for the year ended 30 June 2016. The Concise Financial Report has been prepared in accordance with *Australian Accounting Standard AASB 1039 Concise Financial Reports*, and statutory requirements.

The financial statements, specific disclosures and other information included in the Concise Financial Report are derived from, and are consistent with, the full financial report of the EMRC. The Concise Financial Report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the EMRC as the full financial report. A copy of the full financial report and auditor's report is available upon request.

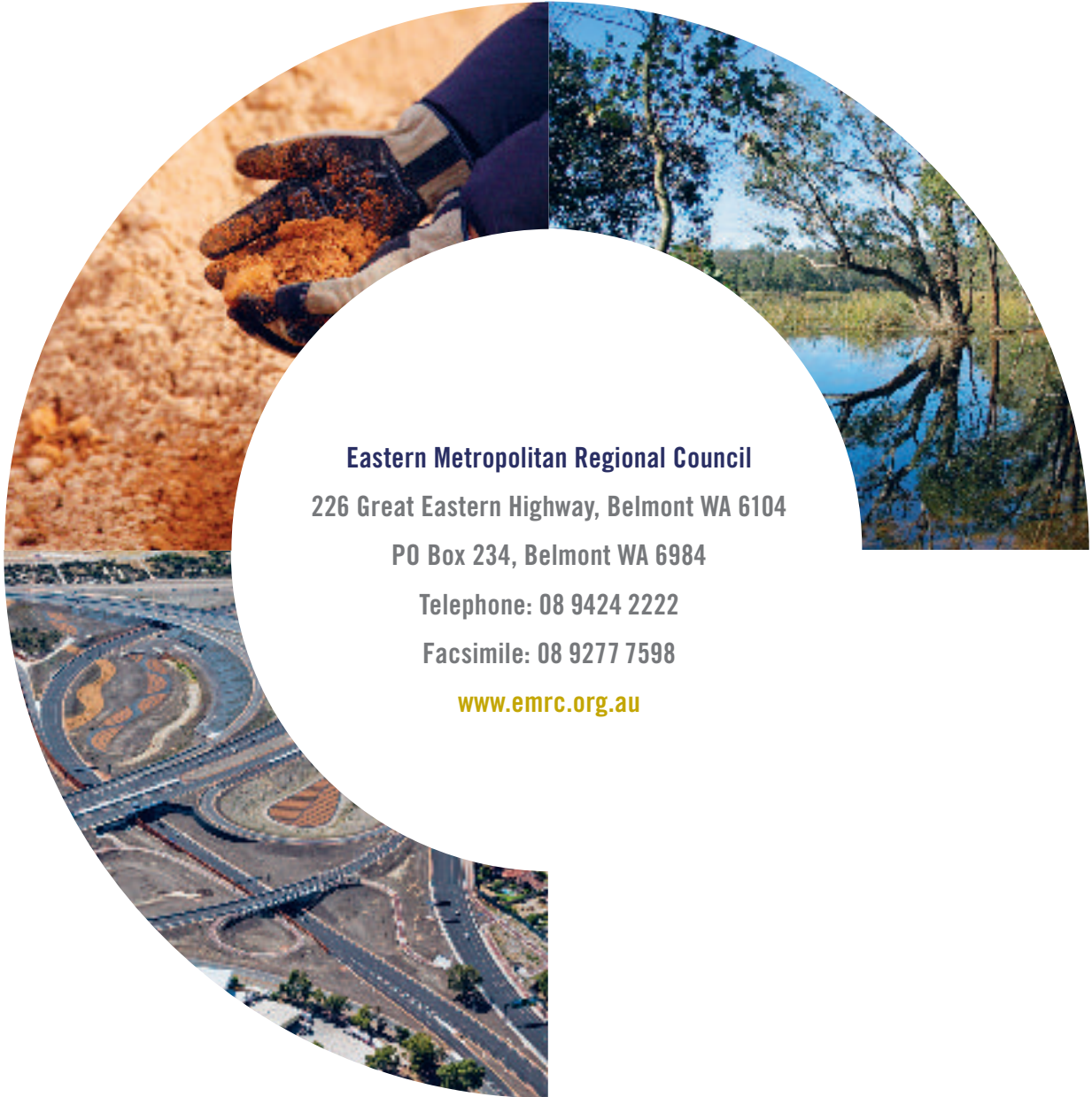
The presentation currency used in this Concise Financial Report is Australian dollars.

Note 2: Events after the Reporting Period

There have been no significant events after the reporting period required to be included in the 2015/2016 Annual Financial Report.



Commercial and Industrial Waste Sorting Facility under construction – June 2016



Eastern Metropolitan Regional Council

226 Great Eastern Highway, Belmont WA 6104

PO Box 234, Belmont WA 6984

Telephone: 08 9424 2222

Facsimile: 08 9277 7598

www.emrc.org.au



14.4 ITEMS CONTAINED IN THE INFORMATION BULLETIN

REFERENCE: D2016/13050

The following items are included in the Information Bulletin, which accompanies the Agenda.

1 CORPORATE SERVICES

1.1 CEO EXERCISE OF DELEGATED POWERS AND DUTIES (Ref: D2016/13412)

2 WASTE MANAGEMENT SERVICES

2.1 COUNCIL TONNAGE COMPARISONS AS AT 31 JULY 2016 (Ref: D2016/12192)

RECOMMENDATION(S)

That Council notes the items contained in the Information Bulletin.

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR PERKS

THAT COUNCIL NOTES THE ITEMS CONTAINED IN THE INFORMATION BULLETIN.

CARRIED UNANIMOUSLY



INFORMATION BULLETIN

Accompanying the
Ordinary Meeting of Council Agenda

22 September 2016

COUNCIL INFORMATION BULLETIN**22 September 2016****(REF: D2016/13050)****TABLE OF CONTENTS**

1	CORPORATE SERVICES	1
1.1	CEO EXERCISE OF DELEGATED POWERS AND DUTIES (Ref: D2016/13412)	1
2	WASTE SERVICES	3
2.1	COUNCIL TONNAGE COMPARISONS AS AT 31 JULY 2016 (Ref: D2016/13417)	3



1 CORPORATE SERVICES

1.1 CEO EXERCISE OF DELEGATED POWERS AND DUTIES

REFERENCE: D2016/13412

PURPOSE OF REPORT

The purpose of this report is to present to Council a list of delegations exercised by the CEO in accordance with Council's resolution of 24 March 2016.

KEY ISSUE(S)

- Council reaffirmed delegations to the CEO and Committees at its meeting of 24 March 2016 and requested a periodic report listing the items approved since the last Ordinary Council meeting.
- The delegations exercised since last reported to Council are detailed within this report.

SOURCE OF REPORT

Chief Executive Officer

BACKGROUND

At the Council meeting held on 24 March 2016 Council conducted its annual review of powers and/or discharge of its duties as delegated to the CEO and Committees, in accordance within s.5.46 of the *Local Government Act 1995*. (Ref: D2016/03708)

As part of that review Council resolved inter alia:

"THAT COUNCIL RECEIVES A REPORT DETAILING THE LIST OF ITEMS APPROVED UNDER DELEGATED AUTHORITY AS THEY ARISE AT THE NEXT ORDINARY MEETING OF COUNCIL."

REPORT

The following delegated powers or discharge of duties were exercised by the CEO.

Delegation Number	Date of Original Delegation	Description of Delegation	Details of Delegated Powers and Discharge of Duties
C7/2016	19/05/2016	That Council: Authorise the CEO to negotiate a maintenance and repair agreement with JCB Construction Equipment Australia for the JCB JS20MH Material Handling Machine for a 5 year/8,000 hour period at a cost of \$4.06/hr (ex. GST).	Maintenance and repair agreement executed.



Item 1.1 continued

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 - Good Governance

4.3 To provide responsible and accountable governance and management of the EMRC

FINANCIAL IMPLICATIONS

As reflected in monthly financial reports.

SUSTAINABILITY IMPLICATIONS

The delegations exercised were in accordance with Council's resolution for the benefit and sustainability of the EMRC and Perth's Eastern Region.

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

Nil



2 WASTE SERVICES

2.1 COUNCIL TONNAGE COMPARISONS AS AT 31 JULY 2016

REFERENCE: D2016/12192 (TAC) – D2016/13417

PURPOSE OF REPORT

The purpose of this report is to provide Council with year to date tonnages and quantities at the Red Hill Waste Management Facility and Hazelmere Resource Recovery Park for the period 1 July 2016 to 31 July 2016.

REPORT

Attachment 1 to this report indicates that member Council tonnages totaling 10,725.76 tonnes were received at Red Hill Waste Management Facility during the period 1 July 2016 to 31 July 2016 compared to 10,686.12 tonnes received during the same period in 2014/2015.

Attachment 2 outlines “other” waste that was received at Red Hill Waste Management Facility being 6,235.49 tonnes. The combined tonnages for the period totaled 16,961.25 tonnes. The 2014/2015 tonnages of 7,604.85 and 18,290.97 respectively for the same period are also provided for comparison purposes.

Attachment 3 outlines the tonnages of various materials that have been exported from Red Hill Waste Management Facility during the reporting period.

Attachment 4 outlines the tonnages and quantities of waste timber, wood chip/fines and mattresses, received and sold, at the Hazelmere Resource Recovery Park for the period 1 July 2016 to 31 July 2016. Incoming Waste Timber totaled 1,124.67 tonnes compared to 1,993.47 tonnes for the same period in 2014/2015. The sale of woodchip/fines totaled 989.99 tonnes compared to 1,583.14 tonnes for the same period in 2014/2015. Mattresses incoming totaled 328 units compared to 973 units for the same period in 2014/2015.

ATTACHMENT(S)

1. Council Tonnages - 1 July 2016 to 31 July 2016 (Ref: D2016/13413)
2. Other Tonnages - 1 July 2016 to 31 July 2016 (Ref: D2016/D2016/13414)
3. Tonnages Exported from Red Hill - 1 July 2016 to 31 July 2016 (Ref: D2016/D2016/13415)
4. Hazelmere Resource Recovery Park – Incoming Materials and Product Sales - 1 July 2016 to 31 July 2016 (Ref: D2016/13416)

EASTERN METROPOLITAN REGIONAL COUNCIL 2016/2017 YTD COUNCIL TONNAGES DISPOSED OF AT RED HILL WASTE MANAGEMENT FACILITY													
Week Ending	Bayswater MGB		Belmont		Bassendean		Swan		Kalamunda		Mundaring		Total
	Waste	Greenwaste	Waste	Uncont G/W	Waste	Uncont G/W	Waste	Uncont G/W	Waste	Uncont G/W	Waste	Greenwaste	
05-Jul-16	207.70	49.32	153.26	0.00	65.98	0.00	545.28	2.70	292.84	23.42	154.60	0.00	1,495.10
12-Jul-16	315.94	108.58	245.04	0.00	107.02	0.00	1027.30	3.60	456.50	42.08	236.42	0.00	2,542.48
19-Jul-16	357.58	76.02	242.30	0.00	102.82	0.00	936.18	6.60	481.68	25.02	242.00	0.00	2,470.20
26-Jul-16	629.84	111.94	253.62	0.00	110.50	0.00	898.86	6.90	487.92	38.38	243.86	0.00	2,781.82
31-Jul-16	191.82	46.74	177.38	0.00	61.22	0.00	544.98	8.10	239.64	20.46	145.82	0.00	1,436.16
09-Aug-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
16-Aug-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
23-Aug-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
31-Aug-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
06-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
13-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
20-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
27-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
30-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
04-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
11-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
18-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
25-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
31-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
08-Nov-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
15-Nov-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
22-Nov-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
30-Nov-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
06-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
13-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
20-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
27-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
31-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
Year to Date	1,702.88	392.60	1,071.60	-	447.54	-	3,952.60	27.90	1,958.58	149.36	1,022.70	-	10,725.76
31-Jul-16		2,095.48	1,071.60		447.54		3,980.50		2,107.94		1,022.70		10,725.76
Year to date	1,582.44	377.20	1,081.66	0.00	479.20	0.00	3,804.08	0.00	2,117.04	166.84	1,077.66	0.00	10,686.12
31-July 15		1,959.64	1,081.66		479.20		3,804.08		2,283.88		1,077.66		10,686.12

EASTERN METROPOLITAN REGIONAL COUNCIL
2016/2017 YTD OTHER TONNAGES DISPOSED AT RED HILL WASTE MANAGEMENT FACILITY

Week Ending	Transfer Station	Class III Contaminated	Class IV Contaminated	Uncontaminated Greenwaste Transfer St	Uncontaminated Greenwaste Commercial	Other Commercials	Asbestos (Wrapped)	Hazelmere Wood Mattress Waste	Non Member Council Waste	Total Other	Total Tonnages (Council & Other)
05-Jul-16	87.08	0.00	72.80	14.54	3.46	632.40	32.28	49.04	0.00	891.60	2,386.70
12-Jul-16	106.56	97.93	14.86	20.18	19.54	961.54	46.40	113.26	0.00	1380.27	3,922.75
19-Jul-16	124.68	93.56	0.00	12.88	15.28	1104.42	71.12	120.56	0.00	1542.50	4,012.70
28-Jul-15	124.86	46.05	68.84	16.84	17.00	971.06	49.74	122.86	0.00	1417.25	4,199.07
31-Jul-16	117.06	87.64	0.00	9.06	13.14	691.55	36.48	48.94	0.00	1003.87	2,440.03
09-Aug-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16-Aug-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23-Aug-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31-Aug-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
06-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
25-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
08-Nov-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Nov-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22-Nov-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30-Nov-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
06-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year to date 31-Jul-16	560.24	325.18	156.50	73.50	68.42	4,360.97	236.02	454.66	0.00	6,235.49	16,961.25
Year to date 31-Jul-15	570.66	210.40	0.00	69.24	74.58	6,178.50	242.74	178.08	80.65	7,604.85	18,290.97

EASTERN METROPOLITAN REGIONAL COUNCIL							
2016/2017 YTD TONNAGES EXPORTED FROM RED HILL WASTE MANAGEMENT FACILITY							
Page 1 of 1							
Week Ending	Clay	Ferricrete	Filter / Laterite Rock	Recycled Material from Transfer Stn	Mulch Std, Fines, Coarse	Soil Improver	Total
05-Jul-16	0.00	158.68	0.00	4.32	0.00	25.42	188.42
12-Jul-16	0.00	264.06	40.62	5.80	0.00	18.60	329.08
19-Jul-16	0.00	383.50	0.00	14.14	0.00	22.24	419.88
26-Jul-16	0.00	433.01	24.40	15.76	0.00	22.28	495.45
31-Jul-16	0.00	85.46	0.00	5.36	0.00	9.10	99.92
09-Aug-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16-Aug-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23-Aug-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31-Aug-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
06-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30-Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
25-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31-Oct-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
08-Nov-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Nov-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22-Nov-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30-Nov-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
06-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31-Dec-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year to date 31-Jul-16	0.00	1,324.71	65.02	45.38	0.00	97.64	1,532.75
Year to date 31-Jul-15	0.00	5,762.28	198.80	75.14	850.02	102.78	6,989.02

EASTERN METROPOLITAN REGIONAL COUNCIL 2016/2017 YTD - COUNCIL TONNAGES Hazelmere Resource Recovery Park - Incoming Materials & Product Sales					
Month	Timber Recycling		Mattress Processing		Hazelmere Waste to Red Hill
	Incoming Waste Timber Tonnes	Sale of wood chip / fines Tonnes	Mattresses Received This includes mattresses from Red Hill Number	Mattress/Woodwaste Tonnes	
Jul-2016	1,124.67	989.99	328	454.66	
Aug-2016	0.00	0.00	0		
Sep-2016	0.00	0.00	0		
Oct-2016	0.00	0.00	0		
Nov-2016	0.00	0.00	0		
Dec-2016	0.00	0.00	0		
Jan-2017	0.00	0.00	0		
Feb-2017	0.00	0.00	0		
Mar-2017	0.00	0.00	0		
Apr-2017	0.00	0.00	0		
May-2017	0.00	0.00	0		
Jun-2017	0.00	0.00	0		
Year to Date	1,124.67	989.99	328	454.66	
Previous Year 31-Jul-16	1,993.47	1,583.14	973	178.08	



15 REPORTS OF COMMITTEES

15.1 TECHNICAL ADVISORY COMMITTEE MEETING HELD 8 SEPTEMBER 2016 (REFER TO MINUTES OF COMMITTEE – YELLOW PAGES) REFERENCE: D2016/12012 (TAC) – D2016/13056

The minutes of the Resource Recovery Committee meeting held on **8 September 2016** accompany and form part of this agenda – (refer to sand section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invited general questions from members on the minutes of the Resource Recovery Committee.

RECOMMENDATION(S)

That with the exception of items, which are to be withdrawn and dealt with separately, Council adopts the recommendations in the Technical Advisory Committee report (Section 15.1).

COUNCIL RESOLUTION(S)

MOVED CR BRIDGES

SECONDED CR WOLFF

THAT COUNCIL ADOPTS THE RECOMMENDATION IN THE TECHNICAL ADVISORY COMMITTEE REPORT (SECTION 15.1).

CARRIED UNANIMOUSLY

TECHNICAL ADVISORY COMMITTEE

MINUTES

8 September 2016

(REF: D2016/12012 (TAC) - D2016/13056)

A meeting of the Technical Advisory Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 8 September 2016**. The meeting commenced at **4:00pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 4.00pm.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Committee Members

Mr Ric Lutey (Deputy Chairman)	Director Technical Services	City of Belmont
Mr Simon Stewert-Dawkins	Director Operational Services	Town of Bassendean
Mr Michael Worthington (Deputising for Mr Pearson)	Acting Manager Environmental Health Services	City of Bayswater
Mr Sam Assaad (Deputising for Mr Blair)	Manager Infrastructure Services	Shire of Kalamunda
Mr Jim Coten	Executive Manager Operations	City of Swan
Mr Peter Schneider	Chief Executive Officer	EMRC

Apologies

Mr Doug Pearson (Chairman)	Director Technical Services	City of Bayswater
Mr Dennis Blair	Director Infrastructure Services	Shire of Kalamunda
Mr Shane Purdy	Director Infrastructure Services	Shire of Mundaring

EMRC Officers

Mr Stephen Fitzpatrick	Director Waste Services
Mr Hua Jer Liew	Director Corporate Services
Mr Dave Beresford	Manager Resource Recovery
Ms Giulia Bono	Administration Officer (Minutes)

3 DISCLOSURE OF INTERESTS

Nil

4 ANNOUNCEMENTS BY THE CHAIRMAN OR PRESIDING MEMBER WITHOUT DISCUSSION

Nil

5 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil



6 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

6.1 MINUTES OF THE TECHNICAL ADVISORY COMMITTEE MEETING HELD ON 4 AUGUST 2016

That the Minutes of the Technical Advisory Committee meeting held on 4 August 2016, which have been distributed, be confirmed.

TAC RESOLUTION(S)

MOVED MR COTEN

SECONDED MR ASSAAD

THAT THE MINUTES OF THE TECHNICAL ADVISORY COMMITTEE MEETING HELD ON 4 AUGUST 2016 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

7 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

8 QUESTIONS BY MEMBERS WITHOUT NOTICE

Nil

9 ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH MEETINGS MAY BE CLOSED TO THE PUBLIC

Nil

10 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



11 REPORTS OF EMPLOYEES

11.1 IMPOSITION OF FEES AND CHARGES 2016-2017

REFERENCE: D2016/12011 (TAC) - D2016/13449

PURPOSE OF REPORT

The purpose of this report is to seek Council approval of the proposed new fees and charges for waste to be received at the EMRC's Commercial and Industrial Waste Sorting facility at Hazelmere Resource Recovery Park.

KEY ISSUES AND RECOMMENDATION(S)

- Completion of the Commercial & Industrial (C&I) waste sorting plant is expected during September 2016.
- There is a requirement for new fees and charges to be implemented for the C&I plant to coincide with operation of the facility in October 2016.
- It is proposed that in accordance with the CEO's delegated authority, discounts may be offered to customers who are considered sufficiently valuable from a commercial standpoint.

Recommendation(s)

That:

1. Council by absolute majority, in accordance with section 6.16 of the *Local Government Act 1995*, imposes the new fees and charges for commercial and industrial waste from 1 October 2016 forming attachment 2 to this report.
2. The relevant fees and charges be advertised in accordance with section 6.19 of the *Local Government Act 1995*.

SOURCE OF REPORT

Director Waste Services

BACKGROUND

At the Ordinary Meeting of Council on 3 December 2015 (Ref: D2015/19399), Council resolved inter alia that:

- “1. AWARD TENDER NUMBER 2015-006 COMMERCIAL AND INDUSTRIAL WASTE SORTING FACILITY, SEPARABLE PORTION A TO BE PROJECTS FOR \$1,418,231 (EX. GST).”
4. AWARD TENDER NUMBER 2015-006 COMMERCIAL AND INDUSTRIAL WASTE SORTING FACILITY, SEPARABLE PART B TO OPS SCREENING & CRUSHING EQUIPMENT PTY LTD T/A OPS ENVIRONMENTAL EQUIPMENT FOR \$1,438,050 (EX. GST).”

At the Ordinary Meeting of Council on 23 June 2016 (Ref: D2016/08210), Council resolved:

“THAT COUNCIL BY ABSOLUTE MAJORITY IN ACCORDANCE WITH SECTION 5.42 OF THE LOCAL GOVERNMENT ACT 1995 DELEGATE AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND ENTER INTO CONTRACTS FOR WASTE DISPOSAL RELATED TO OPERATIONS AT THE RED HILL WASTE MANAGEMENT FACILITY AND HAZELMERE RESOURCE RECOVERY PARK.”



Item 11.1 continued

REPORT

With completion of construction and commissioning of the C&I Waste Sorting facility at the Hazelmere Resource Recovery Park in September/October 2016 there is a requirement for new fees and charges to be approved for waste accepted by this facility.

The proposed waste acceptance fee structure has been based upon market research of similar facilities, the cost of operations and current rates for waste disposal at the Red Hill Waste Management Facility.

The types of waste that will be processed includes dry commercial/industrial waste including Member Council bulk verge collections. Waste types that will not be accepted include putrescible wastes, green waste, liquid waste, asbestos, chemicals or hazardous waste and e-waste. A special handling fee has been included for the recovery of costs associated with handling of unacceptable wastes and/or reloading of these wastes onto the customer's vehicle.

A draft flyer has been prepared for customers on what waste materials can be accepted in the C&I plant (Attachment 1).

Opening hours for waste deliveries to the C&I plant will be Monday to Friday, 7:00am to 3:00pm.

It is proposed that discounts on fees and charges, in accordance with the CEO's delegated authority, will be available for customers who are considered sufficiently valuable from a commercial standpoint e.g. who commit to commercial volumes.

The proposed fees and charges are detailed in the attached schedule (Attachment 2) and apply only to waste disposal in the C&I plant at Hazelmere Resource Recovery Park.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.1 To provide sustainable waste disposal operations
- 1.2 To improve regional waste management
- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils

FINANCIAL IMPLICATIONS

The budgeted 2016/2017 income for the C&I Waste Sorting facility is \$3,200,000.



Item 11.1 continued

SUSTAINABILITY IMPLICATIONS

Fees and Charges are set to ensure services offered are sustainable.

MEMBER COUNCIL IMPLICATIONS

Town of Bassendean	}	Nil
City of Bayswater		
City of Belmont		
Shire of Kalamunda		
Shire of Mundaring		
City of Swan		

ATTACHMENT(S)

1. Draft Flyer for Waste Acceptance at the Hazelmere Commercial & Industrial Waste Sorting Plant (Ref: D2016/13447)
2. Proposed Fees and Charges for Commercial & Industrial Waste at Hazelmere Resource Recovery Park 2016/2017 (Ref: D2016/13448)

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That:

1. Council by absolute majority, in accordance with section 6.16 of the *Local Government Act 1995*, imposes the new fees and charges for commercial and industrial waste from 1 October 2016 forming attachment 2 to this report.
2. The relevant fees and charges be advertised in accordance with section 6.19 of the *Local Government Act 1995*.

TAC RECOMMENDATION(S)

MOVED MR ASSAAD

SECONDED MR STEWERT-DAWKINS

That:

1. Council by absolute majority, in accordance with section 6.16 of the *Local Government Act 1995*, imposes the new fees and charges for commercial and industrial waste from 1 October 2016 forming attachment 2 to this report.
2. The relevant fees and charges be advertised in accordance with section 6.19 of the *Local Government Act 1995*.

CARRIED UNANIMOUSLY



Item 11.1 continued

COUNCIL RESOLUTION(S)

MOVED CR BRIDGES

SECONDED CR WOLFF

THAT:

1. COUNCIL BY ABSOLUTE MAJORITY, IN ACCORDANCE WITH SECTION 6.16 OF THE *LOCAL GOVERNMENT ACT 1995*, IMPOSES THE NEW FEES AND CHARGES FOR COMMERCIAL AND INDUSTRIAL WASTE FROM 1 OCTOBER 2016 FORMING ATTACHMENT 2 TO THIS REPORT.
2. THE RELEVANT FEES AND CHARGES BE ADVERTISED IN ACCORDANCE WITH SECTION 6.19 OF THE *LOCAL GOVERNMENT ACT 1995*.

CARRIED UNANIMOUSLY

Hazelmere Resource Recovery Park C&I Waste Sorting Facility



What we DO accept



Dry C&I Waste



Skip Bins



Roll On Roll Off

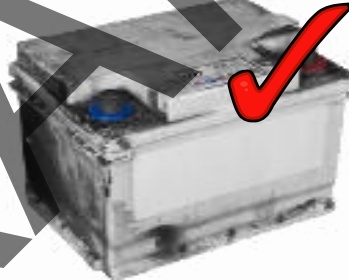
Additional charges for recovered items applies to



Mattresses



Tyres



Car Batteries



White Goods

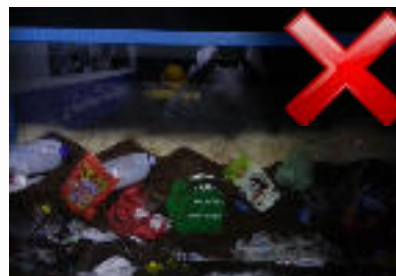
What we DON'T accept



Chemical Waste



E-Waste



Food or Green Waste



Asbestos

Eastern Metropolitan Regional Council

256 Great Eastern Highway, Belmont WA 6104 • PO Box 214, Belmont WA 6984 • Tel: 08 9424 2222 • Fax: 08 9477 7598 • Email: info@emrc.org.au • Web: www.emrc.org.au



**HAZELMERE RESOURCE RECOVERY PARK - COMMERCIAL AND INDUSTRIAL WASTE SORTING FACILITY
PROPOSED 2016-2017 - SCHEDULE OF FEES AND CHARGES**

Description	Unit	2016/2017 Charges		2016/2017	
		with no GST	Value of GST	Charges inc GST	
Dry Commercial and Industrial Waste	1 tonne	145.00	14.50	159.50	
Member Councils including Bulk Verge Collections and Skip Bins	1 tonne	135.00	13.50	148.50	
Minimum Charge of 0.5 tonnes applies	0.5 tonne	67.50	6.75	74.25	
Minimum Charges (Commercial) Apply:					
Skip Bins	0.5 tonne	72.50	7.25	79.75	
Flat Bed trucks	0.5 tonne	72.50	7.25	79.75	
<15m ³ Roll on Roll off (RORO / Hook Lift)	1.5 tonne	217.50	21.75	239.25	
≥15m ³ Roll on Roll off (RORO / Hook Lift)	2.0 tonne	290.00	29.00	319.00	
Additional Charges for Recovered Items					
Tyres - Passenger car	each	5.00	0.50	5.50	
Tyres - Passenger car (with rim)	each	6.82	0.68	7.50	
Tyres - Light truck, Light Industrial	each	10.00	1.00	11.00	
Tyres - Light truck, Light Industrial (with rim)	each	20.00	2.00	22.00	
Fridges & Freezers / White Goods / Air Conditioning Units	each	30.00	3.00	33.00	
Car Batteries	each	10.00	1.00	11.00	
Handling Fee (for special handling requirements)	per load	145.45	14.55	160.00	

Note 1: Tyres other than mentioned above will be required to be removed from site by the customer.

Note 2: Contracts with attractive discounts available to major customers and local governments.

Note 3: In the event that the weighbridge at Hazelmere Resource Recovery Park is not operational, vehicles will be charged according to the estimated waste volumes in cubic metres converted to tonnes.



11.2 ITEMS CONTAINED IN THE INFORMATION BULLETIN

REFERENCE: Ref: D2016/13050

The following items are included in the Information Bulletin, which accompanies the Agenda.

1. WASTE SERVICES

1.1 COUNCIL TONNAGE COMPARISONS AS AT 31 JULY 2016 (Ref: D2016/13417)

RECOMMENDATION

That the Technical Advisory Committee notes the items contained in the Information Bulletin.

TAC RESOLUTION(S)

MOVED MR COTEN

SECONDED MR WORTHINGTON

THAT THE TECHNICAL ADVISORY COMMITTEE NOTES THE ITEMS CONTAINED IN THE INFORMATION BULLETIN.

CARRIED UNANIMOUSLY

12 REPORTS OF DELEGATES

Nil

13 NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE CHAIRMAN OR PRESIDING MEMBER OR BY DECISION OF MEETING

Nil

14 CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

Nil

15 FUTURE MEETINGS OF THE TECHNICAL ADVISORY COMMITTEE

The next meeting of the Technical Advisory Committee will be held on **Thursday 6 October 2016** (*if required*) at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 4:00pm.

Future Meetings 2016

Thursday	6	October (if required)	at	EMRC Administration Office
Thursday	17	November (if required) (12:30pm)	at	Red Hill Waste Management Facility

16 DECLARATION OF CLOSURE OF MEETING

There being no further business, the Chairman declared the meeting closed at 4:08pm.



**15.2 AUDIT COMMITTEE MEETING HELD 8 SEPTEMBER 2016
(REFER TO MINUTES OF COMMITTEE – PINK PAGES)
REFERENCE: D2016/11527 (AC) – D2016/13055**

The minutes of the Audit Committee meeting held on **8 September 2016** accompany and form part of this agenda – (refer to pink section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invited general questions from members on the minutes of the Audit Committee.

RECOMMENDATION(S)

That with the exception of items, which are to be withdrawn and dealt with separately, Council adopts the recommendations in the Audit Committee report (Section 15.2).

COUNCIL RESOLUTION(S)

MOVED CR PERKS

SECONDED CR DAW

THAT COUNCIL ADOPTS THE RECOMMENDATIONS IN THE AUDIT COMMITTEE REPORTS
(SECTION 15.2)

CARRIED UNANIMOUSLY

AUDIT COMMITTEE**MINUTES****8 September 2016****(REF: D2016/11527 (AC) – D2016/13055)**

A meeting of the Audit Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 8 September 2016**. The meeting commenced at **5:30pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 5:30pm and welcomed Mr Tony Macri and Mr Mit Gudka from EMRC's external auditors Macri Partners to the meeting.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Councillor Attendance

Cr Steve Wolff (Chairman)	EMRC Member	City of Belmont
Cr Bob Perks (Deputy Chairman)	EMRC Member	Shire of Mundaring
Cr Paul Bridges	EMRC Member	Town of Bassendean
Cr Michelle Sutherland	EMRC Member	City of Bayswater
Cr Dylan O'Connor (Deputising for Cr Stallard)	EMRC Member	Shire of Kalamunda
Cr David Färdig	EMRC Member	City of Swan

Apologies

Cr Geoff Stallard	EMRC Member	Shire of Kalamunda
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EMRC Officers

Mr Peter Schneider	Chief Executive Officer
Mr Hua Jer Liew	Director Corporate Services
Mr David Ameduri	Manager Financial Services
Mrs Annie Hughes-d'Aeth	Personal Assistant to Director Corporate Services (Minutes)

Visitors

Mr Tony Macri	Macri Partners
Mr Mit Gudka	Macri Partners

3 DISCLOSURE OF INTERESTS

Nil

4 ANNOUNCEMENTS BY THE CHAIRMAN OR PRESIDING MEMBER WITHOUT DISCUSSION

Nil

5 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil



6 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

6.1 MINUTES OF AUDIT COMMITTEE MEETING HELD ON 9 JUNE 2016

That the Minutes of the Audit Committee meeting held 9 June 2016, which have been distributed, be confirmed.

AC RESOLUTION(S)

MOVED CR PERKS

SECONDED CR O'CONNOR

THAT THE MINUTES OF THE AUDIT COMMITTEE HELD ON 9 JUNE 2016, WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

7 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

8 QUESTIONS BY MEMBERS WITHOUT NOTICE

Nil

9 ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH MEETINGS MAY BE CLOSED TO THE PUBLIC

Nil

10 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



11 REPORTS OF EMPLOYEES

11.1 ANNUAL FINANCIAL REPORT AND AUDIT REPORT FOR YEAR ENDED 30 JUNE 2016

REFERENCE: D2016/11529 (AC) – D2016/13224

PURPOSE OF REPORT

The purpose of this report is to review and adopt Council's Annual Financial Report for the year ended 30 June 2016.

KEY ISSUES AND RECOMMENDATION(S)

- The Terms of Reference of the Audit Committee includes a list of duties and responsibilities, among which is a requirement for the Committee to:
 - Review Council's draft annual financial report; and
 - Recommend adoption of the Annual Financial Report to Council.
- Council's auditors have completed their audit of the 2015/2016 Financial Report, which is attached for Council adoption.

Recommendation(s)

That:

1. Council adopts the audited Annual Financial Report for the year ended 30 June 2016 and the Independent Auditor's Report on that Annual Financial Report forming attachment 1 of this report.
2. Council notes the contents of the Audit Completion Report to the Audit Committee for the year ended 30 June 2016 forming attachment 2 of this report.
3. In accordance with Regulation 51(2) of the *Local Government (Financial Management) Regulations 1996*, a copy of the 2015/2016 Annual Financial Report be submitted to the Departmental CEO, Department of Local Government and Communities, within 30 days of the receipt by the EMRC's CEO of the auditor's report on that financial report.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

It is a requirement under s6.4 of the *Local Government Act 1995* that a Local Government is to prepare an annual financial report and submit it to its auditor by 30 September following each financial year.

The Terms of Reference of the Audit Committee includes a list of duties and responsibilities, among which (clauses 2.5 (a) (v) and (vi) are requirements for the Committee to:

- (i) Review Council's draft annual financial report, focusing on:
 - Accounting policies and practices;
 - Changes to accounting policies and practices;
 - The process used in making significant accounting estimates;
 - Significant adjustments to the financial report (if any) arising from the audit process;
 - Compliance with accounting standards and other reporting requirements; and
 - Significant variances from prior years.
- (ii) Recommend adoption of the annual financial report to Council.



Item 11.1 continued

REPORT

Council's auditor, Mr Anthony Macri of Macri Partners has completed the audit of the Eastern Metropolitan Regional Council Annual Financial Report for the year ended 30 June 2016, which is attached for Council adoption (refer attachment 1).

The following comments are provided on key elements of the financial results for 2015/2016:

Statement of Comprehensive Income (pg 6 - 7 of 65)

Total Revenue of \$43,575,835 for the period ending 30 June 2016 is \$2,549,371 above the 2014/2015 actual revenue and \$4,008,758 below budget for 2015/2016.

Total Expenses of \$32,441,952 is \$1,211,154 above the 2014/2015 actual expenses and \$7,225,754 below budget for 2015/2016.

A profit of \$171,907 was realised from the Disposal of Assets for the period ending 30 June 2016 and is \$373,775 below the 2014/2015 actual profit on disposals of \$545,682 and \$166,134 above the budget for 2015/2016 of \$5,773.

The changes in revaluation of non-current assets have resulted in an increase of \$4,693,856 in 2015/2016 and relates to the revaluation undertaken on the Plant and Equipment classes of assets. This compares with \$4,212,233 in 2014/2015 which related to the revaluation undertaken on the Infrastructure and Artworks classes of assets.

Total Comprehensive Income of \$15,999,646 for the period ending 30 June 2016 is \$1,446,065 above the 2014/2015 result and \$8,076,986 above the 2015/2016 budget.

Statement of Financial Position/Statement of Changes in Equity (pg 8 - 9 of 65)

Current assets as at 30 June 2016 have increased by \$11,364,569 to \$90,515,387 from \$79,150,818 as at 30 June 2015. This is primarily due to the increase in the level of cash and cash equivalents.

The overall impact on cash and investments at the close of the financial year is an increase of \$11,733,481 to \$86,120,828 as at 30 June 2016 compared to the level of cash and investments from the previous year.

Current liabilities as at 30 June 2016 have increased by \$1,275,077 to \$7,261,297 compared to \$5,986,220 as at 30 June 2015.

The balance in the Reserves has increased by \$4,067,499 to \$62,674,377 over the past 12 months.

Overall equity has increased during the 2015/2016 financial year by \$15,999,646 to \$163,615,977.



Item 11.1 continued

Cash Flow Statement (pg 10 of 65)

The overall impact on the cash position at the end of the 2015/2016 financial year is an increase of \$11,733,481 to \$86,120,828 from the previous corresponding period (2014/2015) of \$74,387,347.

Net Cash provided by Operating Activities of \$19,206,670 in the 2015/2016 financial year reflects a increase of \$4,128,202 from the cash generated in 2014/2015 of \$15,078,468.

The cash flows utilised in investing activities for 2015/2016 reflects capital expenditure totalling \$7,807,962 compared to capital expenditure totalling \$12,442,702 during 2014/2015.

Significant items of capital expenditure during the year included:

- Purchase/Replace Plant - Red Hill Landfill Facility - \$1,645,423;
- Purchase/Replace Plant - Hazelmere - \$1,225,982;
- Construct & Commission RRP - C & I Building - \$1,190,234;
- Construct & Commission RRP - Site Infrastructure - \$720,501;
- Construct & Commission RRP - WWTE Plant & Equipment - \$574,776;
- Construct & Commission RRP - WWTE Building - \$568,264;
- Purchase RRP C & I Building - Plant & Equipment - \$431,415;
- WWTE Utilities/Infrastructure - RRP - \$347,962;
- Purchase Vehicles - Ascot Place - \$196,958; and
- Construct Drainage Diversion and Earthworks Infrastructure - Red Hill Landfill Facility - \$151,142.

Significant capital items that were budgeted but not purchased, constructed below budget or construction not completed during the year included:

- Leachate Project - Red Hill Landfill Facility - \$3,300,000;
- Purchase Resource Recovery Park C & I Building Plant & Equipment - \$2,985,000;
- Construct Class III Cell - Stage 15 - Red Hill Landfill Facility - \$1,700,000;
- Purchase Resource Recovery Park WWTE Plant & Equipment - \$1,642,000;
- Construct Class III Cell - Farm Stage 3 - Red Hill Landfill Facility - \$1,240,000;
- Construct and Commission RRP Site Infrastructure - \$1,217,000;
- Construct and Commission RRP C & I Building - \$1,050,000;
- Resource Recovery Park WWTE Utilities/Infrastructure - \$1,000,000;
- Construct Class III Leachate Pond - Red Hill Landfill Facility - \$600,000;
- Design & Construct Class IV Cell - Stage 2 - Red Hill Landfill Facility - \$500,000;
- Construct Access Road to Lots 8, 9 & 10 - Red Hill Landfill Facility - \$475,000;
- Construct Roads / Carparks - Red Hill Landfill Facility - \$370,000;
- Purchase Plant & Equipment - RRP MRF - \$300,000;
- Relocate Greenwaste Processing Area - Red Hill Landfill Facility - \$200,000;
- Construct Class III Cell - Stage 14 - Red Hill Landfill Facility - \$160,000;
- Construct and Commission RRP Weighbridges (x2) - \$150,000;
- Purchase/Replace Security System - Red Hill Landfill Facility - \$130,000; and
- Purchase Vehicles - Ascot Place - \$99,941.

Footnote:

C & I = Commercial and Industrial.
RRP = Resource Recovery Facility.

MRF = Material Recovery Facility.
WWTE = Wood Waste to Energy.



Item 11.1 continued

This was offset by an increase in the following Capital Expenditure budget provision following a review of the capital expenditure program:

- Purchase / Replace Plant - Hazelmere - \$406,000.

This item was previously reported at the half year budget review and was adopted by Council at the 24 March 2016 Ordinary Meeting of Council (Ref: D2016/03758).

Funding for the majority of the capital items budgeted but not purchased in 2015/2016 has been carried forward into the 2016/2017 financial year.

Reserves (pg 44 - 47 of 65)

At the end of the 2015/2016 financial year the amount held in Reserves (page 46 of 65, Note 17) increased by \$4,067,499 to a balance of \$62,674,377. This compares favourably to the 2015/2016 budget of \$48,147,431 by \$14,526,946.

The Auditor will be represented and in attendance at the Audit Committee meeting, as required by Clause 5.5 of the Audit Committee Terms of Reference, when the Committee is reviewing the Annual Financial Report.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 - Good Governance

- 4.3 To provide responsible and accountable governance and management of the EMRC
- 4.4 To continue to improve financial and asset management practices

FINANCIAL IMPLICATIONS

As outlined within the report and attachments.

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} Proportional share in the total equity of the EMRC.
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	



Item 11.1 continued

ATTACHMENT(S)

1. Annual Financial Report for the Year Ended 30 June 2016 (Ref: D2016/13217)
2. Audit Completion Report to the Audit Committee for the Year Ended 30 June 2016 (Ref: D2016/13218)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That:

1. Council adopts the audited Annual Financial Report for the year ended 30 June 2016 and the Independent Auditor's Report on that Annual Financial Report forming attachment 1 of this report.
2. Council notes the contents of the Audit Completion Report to the Audit Committee for the year ended 30 June 2016 forming attachment 2 of this report.
3. In accordance with Regulation 51(2) of the *Local Government (Financial Management) Regulations 1996*, a copy of the 2015/2016 Annual Financial Report be submitted to the Departmental CEO, Department of Local Government and Communities, within 30 days of the receipt by the EMRC's CEO of the auditor's report on that financial report.

The CEO provided a brief overview of the results of the Annual Financial Report and Audit Report for year ended 30 June 2016 and discussion ensued.

Mr Tony Macri of Macri Partners responded to AC member queries.

AC RECOMMENDATION(S)

MOVED CR BRIDGES

SECONDED CR SUTHERLAND

That:

1. Council adopts the audited Annual Financial Report for the year ended 30 June 2016 and the Independent Auditor's Report on that Annual Financial Report forming attachment 1 of this report.
2. Council notes the contents of the Audit Completion Report to the Audit Committee for the year ended 30 June 2016 forming attachment 2 of this report.
3. In accordance with Regulation 51(2) of the *Local Government (Financial Management) Regulations 1996*, a copy of the 2015/2016 Annual Financial Report be submitted to the Departmental CEO, Department of Local Government and Communities, within 30 days of the receipt by the EMRC's CEO of the auditor's report on that financial report.

CARRIED UNANIMOUSLY



Item 11.1 continued

COUNCIL RESOLUTION(S)

MOVED CR PERKS

SECONDED CR DAW

THAT:

1. COUNCIL ADOPTS THE AUDITED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016 AND THE INDEPENDENT AUDITOR'S REPORT ON THAT ANNUAL FINANCIAL REPORT FORMING ATTACHMENT 1 OF THIS REPORT.
2. COUNCIL NOTES THE CONTENTS OF THE AUDIT COMPLETION REPORT TO THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2016 FORMING ATTACHMENT 2 OF THIS REPORT.
3. IN ACCORDANCE WITH REGULATION 51(2) OF THE *LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996*, A COPY OF THE 2015/2016 ANNUAL FINANCIAL REPORT BE SUBMITTED TO THE DEPARTMENTAL CEO, DEPARTMENT OF LOCAL GOVERNMENT AND COMMUNITIES, WITHIN 30 DAYS OF THE RECEIPT BY THE EMRC'S CEO OF THE AUDITOR'S REPORT ON THAT FINANCIAL REPORT.

CARRIED UNANIMOUSLY

**ANNUAL
FINANCIAL
REPORT**

**For the Year Ended
30 June 2016**

EASTERN METROPOLITAN REGIONAL COUNCIL**2015/2016 ANNUAL FINANCIAL REPORT****TABLE OF CONTENTS**

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STATEMENT BY CHIEF EXECUTIVE OFFICER



**For the Year Ended
30 June 2016**

**EASTERN METROPOLITAN REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT)
REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Eastern Metropolitan Regional Council being the annual financial report and supporting notes and other information for the financial year ended 30 June 2016 are in my opinion properly drawn up to present fairly the financial position of the Eastern Metropolitan Regional Council at 30 June 2016 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the *Local Government Act 1995* and the regulations under that Act.

Signed as authorisation for issue on the 22nd day of August 2016



PETER B. SCHNEIDER
Chief Executive Officer

FINANCIAL REPORT



**For the Year Ended
30 June 2016**

EASTERN METROPOLITAN REGIONAL COUNCIL

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

BY PROGRAM	NOTE	ACTUAL 2015/2016 \$	BUDGET 2015/2016 \$	ACTUAL 2014/2015 \$
REVENUE				
Governance		122,634	208,606	147,661
General Purpose Funding		6,278,136	1,672,703	2,557,709
Community Amenities		35,899,323	44,314,860	36,677,874
Other Property and Services		1,275,742	1,388,424	1,643,220
TOTAL REVENUE		43,575,835	47,584,593	41,026,464
EXPENSES				
Governance		785,858	1,251,102	811,025
Community Amenities		27,663,522	34,251,556	26,309,451
Other Property and Services		3,992,572	4,165,048	4,110,322
TOTAL EXPENSES		32,441,952	39,667,706	31,230,798
INCREASE / (DECREASE)		11,133,883	7,916,887	9,795,666
DISPOSAL OF ASSETS				
Profit on Sale		206,809	5,773	553,328
Loss on Sale		(34,902)	0	(7,646)
PROFIT / (LOSS) ON DISPOSALS	22	171,907	5,773	545,682
FAIR VALUE ADJUSTMENTS TO FINANCIAL ASSETS				
General Purpose Funding	7(c)	0	0	0
GAIN / (LOSS)		0	0	0
NET RESULT		11,305,790	7,922,660	10,341,348
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in Revaluation of Non-Current Assets	12,13	4,693,856	0	4,212,233
TOTAL OTHER COMPREHENSIVE INCOME		4,693,856	0	4,212,233
TOTAL COMPREHENSIVE INCOME		15,999,646	7,922,660	14,553,581

This statement is to be read in accordance with the attached
notes to the financial report.

EASTERN METROPOLITAN REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

BY NATURE AND TYPE	NOTE	ACTUAL 2015/2016 \$	BUDGET 2015/2016 \$	ACTUAL 2014/2015 \$
REVENUE				
Fees and Charges	4	32,751,046	40,533,871	32,738,714
Grants, Subsidies and Contributions	5	2,273,132	2,027,659	3,182,940
Interest Earnings	2	2,376,572	1,672,703	2,557,709
Other Revenue		6,175,085	3,350,360	2,547,101
TOTAL REVENUE		43,575,835	47,584,593	41,026,464
EXPENSES				
Employee Costs		8,313,054	9,915,821	8,433,189
Materials and Contracts		5,561,169	8,437,286	6,146,789
Utility Expenses		318,702	342,706	238,167
Insurance Expenses		249,779	377,477	1,239,197
Interest Expenses		21,603	22,068	23,126
Other Expenditure		11,902,243	13,987,718	10,350,892
Depreciation Expenses on Non-Current Assets	2	6,075,402	6,584,630	4,799,438
TOTAL EXPENSES		32,441,952	39,667,706	31,230,798
INCREASE / (DECREASE)		11,133,883	7,916,887	9,795,666
DISPOSAL OF ASSETS				
Profit on Sale		206,809	5,773	553,328
Loss on Sale		(34,902)	0	(7,646)
PROFIT / (LOSS) ON DISPOSALS	22	171,907	5,773	545,682
FAIR VALUE ADJUSTMENTS TO FINANCIAL ASSETS				
Gain/(Loss)		0	0	0
GAIN / (LOSS)	7(c)	0	0	0
NET RESULT		11,305,790	7,922,660	10,341,348
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in Revaluation of Non-Current Assets	12,13	4,693,856	0	4,212,233
TOTAL OTHER COMPREHENSIVE INCOME		4,693,856	0	4,212,233
TOTAL COMPREHENSIVE INCOME		15,999,646	7,922,660	14,553,581

This statement is to be read in accordance with the attached
notes to the financial report

EASTERN METROPOLITAN REGIONAL COUNCIL**STATEMENT OF FINANCIAL POSITION**

AS AT 30 JUNE 2016

	NOTE	ACTUAL 2015/2016 \$	ACTUAL 2014/2015 \$
CURRENT ASSETS			
Cash and Cash Equivalents	7(a)	86,120,828	74,387,347
Investments	7(b)	0	0
Trade and Other Receivables	9	4,281,658	4,653,943
Inventories	10	27,842	67,598
Other Assets	11	85,059	41,930
TOTAL CURRENT ASSETS	21	<u>90,515,387</u>	<u>79,150,818</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	12	71,688,104	63,311,756
Infrastructure	13	16,080,829	18,193,626
TOTAL NON CURRENT ASSETS	21	<u>87,768,933</u>	<u>81,505,382</u>
TOTAL ASSETS	21	<u>178,284,320</u>	<u>160,656,200</u>
CURRENT LIABILITIES			
Trade and Other Payables	15	5,889,919	4,651,861
Provisions	16	1,371,378	1,334,359
TOTAL CURRENT LIABILITIES		<u>7,261,297</u>	<u>5,986,220</u>
NON CURRENT LIABILITIES			
Provisions	16	7,407,046	7,053,649
TOTAL NON CURRENT LIABILITIES		<u>7,407,046</u>	<u>7,053,649</u>
TOTAL LIABILITIES		<u>14,668,343</u>	<u>13,039,869</u>
NET ASSETS		<u>163,615,977</u>	<u>147,616,331</u>
EQUITY			
Retained Surplus		60,214,225	52,975,934
Reserves	17	62,674,377	58,606,878
Revaluation Surplus	14	40,727,375	36,033,519
TOTAL EQUITY		<u>163,615,977</u>	<u>147,616,331</u>

This statement is to be read in accordance with the attached
notes to the financial report

EASTERN METROPOLITAN REGIONAL COUNCIL

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	RETAINED SURPLUS \$	RESERVES \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2014		48,612,233	51,139,296	33,311,221	133,062,750
Net Result		10,341,348	0	0	10,341,348
Total Other Comprehensive Income		0	0	4,212,233	4,212,233
Revaluation Surplus Reversal	14	1,489,935	0	(1,489,935)	0
Transfer (from) / to Reserves		(7,467,582)	7,467,582	0	0
Balance as at 30 June 2015		52,975,934	58,606,878	36,033,519	147,616,331
Net Result		11,305,790	0	0	11,305,790
Total Other Comprehensive Income		0	0	4,693,856	4,693,856
Revaluation Surplus Reversal	14	0	0	0	0
Transfer (from) / to Reserves		(4,067,499)	4,067,499	0	0
Balance as at 30 June 2016		60,214,225	62,674,377	40,727,375	163,615,977

This statement is to be read in accordance with the attached
notes to the financial report

EASTERN METROPOLITAN REGIONAL COUNCIL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	ACTUAL 2015/2016 \$	BUDGET 2015/2016 \$	ACTUAL 2014/2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Fees and Charges		35,362,810	40,533,871	37,338,999
Grants, Subsidies and Contributions		2,273,132	2,027,659	3,182,940
Interest Earnings		2,619,602	1,672,703	2,565,312
Other Revenue		6,175,085	3,350,362	2,547,101
Total Receipts		46,430,629	47,584,595	45,634,352
Payments				
Employee Costs		(8,181,723)	(9,888,450)	(8,461,443)
Materials and Contracts		(5,291,591)	(8,437,286)	(7,497,127)
Utility Expenses		(318,702)	(342,706)	(238,167)
Insurance Expenses		(249,331)	(377,477)	(1,238,748)
Interest Expenses		(21,603)	(22,068)	(23,126)
Other Expenditure		(11,592,681)	(13,915,494)	(10,266,092)
Goods and Services Tax paid		(1,568,328)	0	(2,831,181)
Total Payments		(27,223,959)	(32,983,481)	(30,555,884)
NET CASH PROVIDED BY OPERATING ACTIVITIES	18(ii)	19,206,670	14,601,114	15,078,468
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		334,773	306,500	3,727,883
Payments for purchase of property, plant and equipment		(7,807,962)	(34,487,814)	(12,442,702)
NET CASH USED IN INVESTING ACTIVITIES		(7,473,189)	(34,181,314)	(8,714,819)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from sale of investments		0	0	0
NET CASH PROVIDED BY FINANCING ACTIVITIES		0	0	0
SUMMARY OF CASH FLOWS				
Cash and cash equivalents at the beginning of the year		74,387,347	71,382,950	68,023,698
Net Increase/(Decrease) in Cash Held		11,733,481	(19,580,200)	6,363,649
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	18(i)	86,120,828	51,802,750	74,387,347

This statement is to be read in accordance with the attached
notes to the financial report

**NOTES TO AND FORMING PART OF THE
FINANCIAL REPORT**



**For the Year Ended
30 June 2016**

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

Except for cash flow information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The Local Government Reporting Entity

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

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

The significant accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise:

(a) Trust Funds

Any monies held in the Trust Fund, which Council may hold in a custodian role, are excluded from the Financial Statements.

The EMRC currently does not hold any trust fund monies for the year ended 30 June 2016.

(b) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts, where applicable, are included as short-term borrowings in current liabilities on the Statement of Financial Position.

The EMRC does not have any bank overdrafts for the year ended 30 June 2016.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Fixed Assets

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

Mandatory Requirements to Revalue Non-Current Assets

Effective from 1 July 2012, the *Local Government (Financial Management) Regulations 1996* were amended and the measurement of non-current assets at Fair Value became mandatory.

During the year ended 30 June 2013, the EMRC commenced the process of adopting Fair Value in accordance with the Regulations. Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the EMRC revalues its asset classes in accordance with this mandatory timetable. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land Under Control

In accordance with *Local Government (Financial Management) Regulations 1996, Reg.16(a)*, the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government such as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

The Council does not have any Crown land which comes under this Regulation.

Land Under Roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective from 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulations 1996, Reg.16 (a)(i)* prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, *Local Government (Financial Management) Regulations 1996, Reg.16(a)(i)* prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulations 1996, Reg.4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations 1996* prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Fixed Assets (continued)

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believed this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in the Statement of Comprehensive Income.

Depreciation

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

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

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

• Buildings	0.48 - 6.67% (based on components)
• Structures	
General	1.10 - 18.10% (based on components)
Class III and IV Waste Cells	% of actual usage
• Plant	15.00 - 40.00%
• Furniture and fittings	10.00 - 40.00%
• Equipment	10.00 - 40.00%

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

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

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

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

Expenditure on items of major equipment under \$5,000 and minor equipment under \$1,000 are not capitalised. Rather, they are recorded on an asset inventory listing.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Fair Value of Assets and Liabilities

When performing a revaluation, the Council uses a combination of both independent and management valuations using the following as a guide:

Fair value is the price that Council would receive to sell the asset or would have to pay to transfer the 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. 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.

Where possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset) 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.

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation Techniques

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council 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.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Fair Value of Assets and Liabilities (continued)

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 an asset at its current service capacity.

Each valuation technique requires inputs which reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council 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.

As detailed above, the mandatory measurement framework imposed by *the Local Government (Financial Management) Regulations 1996* requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

(e) Intangible Assets

Easements

Regulation 16 of the *Local Government (Financial Management) Regulations 1996* requires easements to be recognised as assets. The EMRC does not have any easements.

(f) Rates

The EMRC does not levy rates. Accordingly rating information as required under the *Local Government (Financial Management) Regulations 1996* has not been presented in this financial report.

(g) Grants, Donations and Other Contributions

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 6. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(h) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the local government prior to the end of the financial year that are unpaid and arise when the Local Government becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment

In accordance with Australian Accounting Standards, the Council'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 estimate of the recoverable amount of the asset is made in accordance with *AASB 136 Impairment of Assets* and appropriate adjustments are made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are 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 an impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

(j) Revenue Recognition

Waste Services

Revenue from waste services is recognised when the waste is received.

Generation of Gas Services

Revenue from the generation of gas services is recognised on an accrual basis. Proceeds from the sale of Renewable Energy Certificates are only recognised when the certificates are sold.

Interest Income

Interest income is recognised on an accrual basis.

Sale of Goods and Disposal of Assets

Revenue from the sale of goods and disposal of other assets is recognised when the Council has passed control of the goods or other assets to the buyer.

Rendering of Services

Revenue from the provision of services is recognised on an accrual basis.

Royalties

Royalty revenue is recognised on an accrual basis.

(k) Inventories

General

Inventories are valued 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.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

(l) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Statement of Financial Position are stated inclusive of applicable GST. 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 included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

EASTERN METROPOLITAN REGIONAL COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016****1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(m) Provisions**

Provisions are recognised when: The Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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

(n) Provision for Site Rehabilitation

A provision for the future costs associated with closing and restoring the landfill is recognised as liabilities within the financial accounts. The nature of work planned by Council includes cell capping, landform reconstruction, dismantling of site operating facilities and implementation of a revegetation plan to suit the final land use. The cost is based on estimated current costs, determined on a discounted basis.

The obligation for the EMRC to recognise the provision for site rehabilitation arises at the time the landfill cell is first put into use. Increments in the provision are calculated on the basis of the volumetric usage of the landfill cell air space during the year, present value of the costs for site rehabilitation and remaining capacity of the landfill site.

From June 2016, the present value for the rehabilitation of the site has been calculated to be \$6,920,000 and has been deemed sufficient for post closure management purposes.

The provision is measured using the best estimate of the amounts required and is reassessed internally on an annual basis with an independent review being undertaken on a three year cycle in line with the revaluation of infrastructure assets.

In addition, Council has also adopted an incremental charge based on volumetric usage of landfill airspace for ongoing site rehabilitation during the in-use operations of the landfill.

(o) Provision for Environmental Monitoring

A provision for the future costs associated with closing and restoring the landfill is recognised as liabilities within the financial accounts. The nature of work planned by Council includes monitoring of groundwater, surface water, leachate and landfill gas generation. The cost is based on estimated current costs, determined on a discounted basis.

The obligation for the EMRC to recognise the provision for environmental monitoring arises at the time the landfill cell is first put into use. Increments in the provision are calculated on the basis of the volumetric usage of the landfill cell air space during the year, present value of the costs for environmental monitoring and remaining capacity of the landfill site.

From June 2016, the present value for the environmental monitoring of the site has been calculated to be \$3,760,000 and has been deemed sufficient for post closure management purposes.

The provision is measured using the best estimate of the amounts required and is reassessed internally on an annual basis with an independent review being undertaken on a three year cycle in line with the revaluation of infrastructure assets.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Provision for Carbon Pricing

The EMRC is subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007. The National Greenhouse and Energy Reporting Act 2007 requires the EMRC to report its annual greenhouse gas emissions and energy use. The EMRC has implemented systems and processes for the collection and calculation of the data required.

As an operator of the landfill site at Red Hill, the EMRC is a net emitter of CO²e over the life of the waste it receives. While the payment of the carbon pricing was based on the CO²e emitted in the respective years and under the liability method of accounting, a corresponding recognition of future years' CO²e emitted was recognised in the year the liability was incurred.

Following the end of the 2013/2014 financial year, the Australian Parliament passed retrospective legislation to repeal the carbon price on 17 July 2014. This repeal received Royal assent and has been gazetted.

The consequence of the repeal of the carbon pricing mechanism for the EMRC is that no new carbon tax liability applied effect from 1 July 2014.

The EMRC intends using the excess carbon tax revenue collected for its proposed Resource Recovery project which will deliver a reduction in greenhouse gas emissions and provide renewable energy generation as well as for establishing and maintaining an offsetting programme relating to current operations at its Red Hill Waste Management facility.

(q) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(r) Critical Accounting Estimates

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

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

(s) Trade and Other Receivables

Trade and other receivables include amounts due from member Councils and non-members for unpaid fees and charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Employee Entitlements

The provisions for employee benefits relate to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Short-term Employee Benefits

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

(ii) Other long-term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at 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. The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council 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.

(iii) Superannuation Fund

The Council contributes to the WA Local Government Superannuation Plan (LGSP) and other choice funds for qualifying employees as per statutory requirements (9.50% for 2015/2016). It also contributes to the LGSP and other choice funds for full scheme members (5% for 2015/2016). Contributions to defined contribution plans are recognised as an expense as they become payable.

(u) Rounding Off Amounts

All amounts shown in this annual financial report, other than the Schedule of Fees and Charges, are rounded to the nearest dollar. As a result of rounding, some minor reconciliation discrepancies may be present in the disclosures to the financial report.

(v) Comparative Figures

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

(w) 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.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

The EMRC does not currently have any finance leases and operating leases.

(y) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial assets are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the differences, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the related period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the Statement of Comprehensive Income.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Financial Instruments (continued)

The Council does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Council's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the Council sold or reclassified more than a significant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be reclassified as available-for-sale.

(iv) *Available for sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

(v) *Financial Liabilities*

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

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Financial Instruments (continued)

(vi) Fair Value

Fair value is determined based on current bid prices of all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(z) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Council's intentions to release for sale.

(aa) Landfill Cells

There are three general components of cell construction:

- Cell excavation and development costs;
- Cell liner costs; and
- Cell capping costs.

All cell excavation and development costs and cell liner costs are capitalised and depreciated over the useful life of the cell based on the volumetric usage of the landfill cell air space during the year.

Cell capping costs are expensed as they occur as part of ongoing site rehabilitation.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(bb) New Accounting Standards and Interpretations for Application in Future Periods

The Australian Accounting Standards Board (AASB) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

Management's assessment of the new and amended pronouncements that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title and topic	Issued/ Compiled	Applicable (1)	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8).	December 2014	1 January 2018	Nil - The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers.	December 2014	1 January 2018	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Council has with those third parties it has dealings with. It may or may not be significant.

(1) Applicable to reporting periods commencing on or after the given date.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(bb) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and topic	Issued/ Compiled	Applicable (1)	Impact
(iii) AASB 16 Leases.	February 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges.</p> <p>Currently this does not have any impact on the Council's financial statements.</p>
(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations. [AASB 1 & AASB 11]	August 2014	1 January 2016	<p>This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i>, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>Currently this does not have any impact on the Council's financial statements.</p>

(1) Applicable to reporting periods commencing on or after the given date.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(bb) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and topic	Issued/ Compiled	Applicable (1)	Impact
(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation. [AASB 116 & 138]	August 2014	1 January 2016	<p>This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.</p> <p>Given the Council currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.</p>
(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15.	December 2014	1 January 2018	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15 associated with Council's revenue from contracts with customers.</p>

(1) Applicable to reporting periods commencing on or after the given date.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(bb) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and topic	Issued/ Compiled	Applicable (1)	Impact
<p>(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101.</p> <p>[AASB 7, 101, 134 & 1049]</p>	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures.</p>
<p>(viii) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities.</p> <p>[AASB 10, 124 & 1049]</p>	March 2015	1 July 2016	<p>The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard is expected to have a significant disclosure impact on the financial report of the Council as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.</p>

(1) Applicable to reporting periods commencing on or after the given date.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(cc) Adoption of New and Revised Accounting Standards

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

These new and revised standards were as follows:

- (i) AASB 2015 - 3
Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality.
- (ii) AASB 2015 - 7
Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

2. REVENUE AND EXPENSES

	ACTUAL 2015/2016		ACTUAL 2014/2015
	\$		\$
Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit of the Financial Report	19,780		19,780
- Audit and assurance of grant acquittals	2,800		2,400
	22,580		22,180
	22,580		22,180
Depreciation and Amortisation Expense			
Buildings	123,503		123,376
Structures	3,531,793		2,593,022
Plant	2,120,998		1,830,939
Equipment	287,708		240,678
Furniture and Fittings	11,400		11,423
	6,075,402		4,799,438
	6,075,402		4,799,438
	ACTUAL	BUDGET	ACTUAL
	2015/2016	2015/2016	2014/2015
(ii) Crediting as Revenue:	\$	\$	\$
Interest Earnings			
Interest on funds held in Reserves	1,838,586	1,477,403	2,003,954
Interest on Municipal Cash and Investments	537,986	195,300	553,755
	2,376,572	1,672,703	2,557,709
	2,376,572	1,672,703	2,557,709
	ACTUAL		ACTUAL
	2015/2016		2014/2015
	\$		\$
Significant Revenue			
General Purpose Funding	0		0
	0		0
	0		0

The Significant Revenue relates to the recognition of gains on investments during the year.
(Refer Note 7(c) for details).

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

3. COMPONENT FUNCTIONS/ACTIVITIES

The activities relating to the Eastern Metropolitan Regional Council's components reported on in the Statement of Comprehensive Income are as follows:

EMRC MISSION STATEMENT

The Eastern Metropolitan Regional Council, by partnering with member Councils (and other stakeholders), facilitates strategies and actions for the benefit and sustainability of Perth's Eastern Region.

Governance

Objective:

To provide responsible and accountable governance and management of the EMRC.

Activities:

Includes the activities of members of council and the administration and operation of facilities and services to members of Council together with other administrative governance costs.

General Purpose Funding

Objective:

To provide responsible and accountable financial management practices.

Activities:

Includes the activities relating to the management of the EMRC's investment portfolio, records interest revenue as well as other general purpose revenue.

Community Amenities

Objective:

To provide sustainable waste disposal, resource recovery and recycling operations and solutions in partnership with member councils.

Activities:

Includes waste disposal, resource recovery and recycling operations undertaken at the Red Hill Waste Disposal Facility, the Hazelmere Resource Recovery Facility, Coppin and Mathieson Road transfer stations.

Other Property and Services

Objective:

To facilitate the sustainable economic development of the region together with the provision of responsible and accountable management of the EMRC.

Activities:

Includes activities and projects of the EMRC's Regional Services directorate, the operations of the Ascot Place activity and records the activities associated with public works overheads, plant operation, materials, salaries and wages.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

4. FEES AND CHARGES SUMMARY BY PROGRAM	ACTUAL 2015/2016 \$	BUDGET 2015/2016 \$	ACTUAL 2014/2015 \$
Governance	0	5,280	600
Community Amenities	32,750,446	40,528,591	32,721,146
Other Property and Services	600	0	16,968
Total Statutory Fees and Charges	32,751,046	40,533,871	32,738,714

5. GRANT, SUBSIDY AND CONTRIBUTION REVENUE BY PROGRAM	ACTUAL 2015/2016 \$	BUDGET 2015/2016 \$	ACTUAL 2014/2015 \$
Community Amenities	1,124,670	802,659	1,737,988
Other Property and Services	1,148,462	1,225,000	1,444,952
Total Grant, Subsidy and Contribution Revenue	2,273,132	2,027,659	3,182,940

6. CONTROL OVER CONTRIBUTIONS	ACTUAL 2015/2016 \$	ACTUAL 2014/2015 \$
Conditions over Contributions		
Grants which were recognised as revenue during the year but have yet to be applied in that manner at the reporting date were:		
• Hazelmere C & I Project	0	56,981
• Priority Tributary Restoration in Perth's Eastern Region	0	32
• Natural Disaster Resilience Program	0	49,489
• Eastern Hill Catchment Management Project	80,502	40,156
• Eastern Hill Catchment Management- NRM Coordinator	52,500	0
• 20 Million Trees Program	22,055	0
	<u>155,057</u>	<u>146,658</u>

Grants which were recognised as revenue in a previous year and have not yet been applied in the manner specified by the grantor were:

• Nil	0	0
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Grants which were recognised as revenue in a previous year and were expended in the current year in the manner specified by the grantor were:

• Hazelmere C & I Project	56,981	0
• Priority Tributary Restoration in Perth's Eastern Region	32	0
• Natural Disaster Resilience Program	49,489	0
• Eastern Hill Catchment Management Project	40,156	0
• Waste Management - Cardboard Recycling Project	0	82,356
	<u>146,658</u>	<u>82,356</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

7(a). CASH AND CASH EQUIVALENTS

	ACTUAL 2015/2016 \$	ACTUAL 2014/2015 \$
Cash and Cash Equivalents - Unrestricted	23,294,489	15,445,578
Cash and Cash Equivalents - Restricted	62,826,339	58,941,769
	<u><u>86,120,828</u></u>	<u><u>74,387,347</u></u>

7(b). INVESTMENTS

Investments - Restricted	0	0
	<u><u>0</u></u>	<u><u>0</u></u>

Financial Assets at fair value through profit or loss

At the beginning of the year	0	0
Disposals	0	0
Unrealised gain/(loss) from change in fair value of investments	0	0
Value at the end of the year	<u><u>0</u></u>	<u><u>0</u></u>

Held for Trading

- Financial Instruments	0	0
Value at the end of the year	<u><u>0</u></u>	<u><u>0</u></u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Plant and Equipment	510,804	3,635,347
Site Rehabilitation Red Hill - Post Closure	2,132,389	1,930,073
Future Development	6,063,056	3,648,218
Environmental Monitoring Red Hill	788,213	680,965
Environmental Insurance Red Hill	40,514	89,410
Risk Management	13,973	13,507
Class IV Cells Red Hill	544,803	19,474
Regional Development	359,102	99,650
Secondary Waste Processing	46,773,843	44,950,541
Class III Cells	4,554,958	2,710,350
Building Refurbishment (Ascot Place)	70,552	68,200
Long Service Leave	822,170	761,143
	<u>62,674,377</u>	<u>58,606,878</u>
Add movement in accrued interest	151,962	334,891
Less unrealised gain/(loss) from changes in fair value of Investments	0	0
	<u><u>62,826,339</u></u>	<u><u>58,941,769</u></u>

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

7(c). REALISED/UNREALISED GAIN/(LOSS) FROM CHANGE IN FAIR VALUE OF INVESTMENTS

	ACTUAL 2015/2016 \$	ACTUAL 2014/2015 \$
General Purpose Funding	0	0

The unrealised gains/(losses) from the change in fair value of the investments of Council funds in financial instruments each year is taken up in the relevant Statement of Comprehensive Income for those years.

The realised/unrealised gains/(losses), of the investments existing as at 30 June 2016, reflected in the Statement of Comprehensive Income are summarised as follows:

Year	\$
2007/2008	(4,180,201)
2008/2009	(3,250,474)
2009/2010	621,457
2010/2011	2,614,794
2011/2012	1,587,035
2012/2013	2,005,904
2013/2014	0
2014/2015	601,485
	0
Opening Balance as at 1 July 2015	0
Add: Realised/Unrealised gains on disposal of Investments for 2014/2015	0
Add: Write back of accumulated unrealised losses on disposals	0
	0
Balance as at 30 June 2016	0

Unrealised gains/(losses) represent a fair value measurement of the financial instruments during the period in which they are held, i.e. marked to market. It should be noted that actual gains/(losses) on financial instruments will not be realised until such time as the individual investments are sold.

8. NET CURRENT ASSET POSITION

The net current asset position balance carried forward from the previous financial year after adjustment for Restricted Assets for the purpose of the 2015/2016 budget was \$11,450,419.

The actual net current asset position balance shown in the audited financial report as at 30 June 2015 (and after adjustment for Restricted Assets) was \$14,222,829.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

9. TRADE AND OTHER RECEIVABLES	ACTUAL 2015/2016 \$	ACTUAL 2014/2015 \$
Current		
Sundry Debtors	3,253,247	2,755,342
Other Debtors	20,789	18,662
GST Receivable	0	630,322
Accrued Interest Earnings	1,014,647	1,257,677
Provision for Impairment of Receivables	(7,025)	(8,060)
	<u>4,281,658</u>	<u>4,653,943</u>
10. INVENTORIES	ACTUAL 2015/2016 \$	ACTUAL 2014/2015 \$
Current		
Distillate	21,926	20,603
Oils	5,916	2,900
Unleaded Fuel	0	259
Jumbobags	0	43,836
	<u>27,842</u>	<u>67,598</u>
11. OTHER ASSETS	ACTUAL 2015/2016 \$	ACTUAL 2014/2015 \$
Current		
Prepayment - Contract Expenses	13,887	0
Prepayment - General	45,584	13,657
Prepayment - Insurance	12,375	18,548
Prepayment - Miscellaneous	13,213	9,725
	<u>85,059</u>	<u>41,930</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

12. PROPERTY, PLANT AND EQUIPMENT	ACTUAL 2015/2016 \$	ACTUAL 2014/2015 \$
Land - Independent Valuation 2014	47,327,000	47,327,000
Additions after Valuation - Cost	4,138,960	4,103,510
Less Disposals after Valuation	(2,961,048)	(2,961,048)
Total Land	48,504,912	48,469,462
Buildings - Independent Valuation 2014	5,751,122	5,751,122
Additions after Valuation - Cost	8,438	7,175
Less Disposals after Valuation	(34,762)	0
Less Accumulated depreciation	(246,879)	(123,376)
Total Buildings	5,477,919	5,634,921
Total Land and Buildings	53,982,831	54,104,383
Plant - Independent Valuation 2016	10,776,173	9,825,700
Additions after Valuation - Cost	0	1,704,353
Less Disposals after Valuation	0	(403,480)
Less Accumulated depreciation	0	(5,581,682)
	10,776,173	5,544,891
Equipment - Independent Valuation 2016	658,759	291,050
Additions after Valuation - Cost	0	805,374
Less Disposals after Valuation	0	(3,746)
Less Accumulated depreciation	0	(497,909)
	658,759	594,769
Furniture and Fittings - Independent Valuation 2016	16,806	37,100
Additions after Valuation - Cost	0	3,515
Less Accumulated depreciation	0	(23,453)
Total Furniture and Fittings	16,806	17,162
Artworks - Independent Valuation 2015	145,040	145,040
Additions after Valuation - Cost	0	0
Total Furniture and Fittings	145,040	145,040

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

12. PROPERTY, PLANT AND EQUIPMENT (Continued)	ACTUAL 2015/2016 \$	ACTUAL 2014/2015 \$
Work in Progress - At Cost		
- Buildings	1,789,762	31,265
- Plant	4,317,139	2,864,402
- Equipment	1,594	9,844
Total Work in Progress	<u>6,108,495</u>	<u>2,905,511</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u><u>71,688,104</u></u>	<u><u>63,311,756</u></u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

Movements in the carrying amount of each class of property, plant and equipment between the beginning and the end of the current financial year are reflected as follows:

	Land \$	Buildings \$	Total Land & Buildings \$	Plant \$	Equipment \$	Furniture & Fittings \$	Artworks \$	Work in Progress \$	Total \$
Balance at the beginning of the year	48,469,462	5,634,921	54,104,383	5,544,891	594,769	17,162	145,040	2,905,511	63,311,756
Additions	35,450	1,263	36,713	3,014,095	125,331	0	0	3,212,828	6,388,967
WIP - Transfers in/(out)	0	0	0	0	9,844	0	0	(9,844)	0
(Disposals)	0	(34,762)	(34,762)	(127,964)	(140)	0	0	0	(162,866)
Reclassification	0	0	0	0	0	0	0	0	0
Revaluation increments/(decrements)	0	0	0	4,466,149	216,663	11,044	0	0	4,693,856
Impairment (losses)/reversals	0	0	0	0	0	0	0	0	0
Depreciation expense	0	(123,503)	(123,503)	(2,120,998)	(287,708)	(11,400)	0	0	(2,543,609)
Carrying amount at the end of year	48,504,912	5,477,919	53,982,831	10,776,173	658,759	16,806	145,040	6,108,495	71,688,104

EASTERN METROPOLITAN REGIONAL COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016****12. PROPERTY, PLANT AND EQUIPMENT (Continued)****Furniture and Fittings, Plant and Equipment:**

Furniture and fittings and plant and equipment assets were revalued at 30 June 2016 by independent valuers.

The revaluation resulted in an overall increase of \$4,693,856 in the net value of the EMRC's furniture and fittings and plant and equipment. All of the increase was credited to the revaluation surplus in the Council's equity and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

Refer to Note 30 for detailed disclosures regarding fair value measurement of the EMRC's furniture and fittings and plant and equipment.

They will next be revalued during the year ended 30 June 2019 in accordance with the mandatory asset measurement framework detailed in Note 1(c).

Artworks:

The EMRC's Artworks were revalued in 2015 as part of the mandatory requirements embodied in *Local Government (Financial Management) Regulations 1996, Reg.17A*.

They will be revalued during the year ended 30 June 2018 in accordance with the mandatory asset measurement framework detailed in Note 1(c).

Land and Buildings:

Both land and buildings were revalued in 2014 as part of the mandatory requirements embodied in *Local Government (Financial Management) Regulations 1996, Reg.17A*.

Whilst the additions since that time are shown at cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. Thus the value is considered in accordance with *Local Government (Financial Management) Regulations 1996, Reg.17A (2)* which requires these assets to be shown at fair value.

They will be revalued during the year ended 30 June 2017 in accordance with the mandatory asset measurement framework detailed in Note 1(c).

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

13. INFRASTRUCTURE	ACTUAL 2015/2016 \$	ACTUAL 2014/2015 \$
Landfill Cells - Independent Valuation 2015	11,473,806	11,473,806
Additions after Valuation - Cost	4,102,402	0
<i>Less</i> Accumulated depreciation	(7,705,701)	(4,407,090)
	<u>7,870,507</u>	<u>7,066,716</u>
Other Structures - Independent Valuation 2015	6,582,782	6,582,782
Additions after Valuation - Cost	108,794	0
<i>Less</i> Accumulated depreciation	(233,182)	0
	<u>6,458,394</u>	<u>6,582,782</u>
Work in Progress - At Cost		
Work in Progress - At Cost		
- Landfill Cells	214,920	4,107,797
- Other Structures	1,537,008	436,331
Total Work in Progress	<u>1,751,929</u>	<u>4,544,128</u>
TOTAL INFRASTRUCTURE	<u><u>16,080,829</u></u>	<u><u>18,193,626</u></u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

13. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

Movements in the carrying amount of infrastructure between the beginning and the end of the current financial year are reflected as follows:

	<u>Landfill Cells</u> \$	<u>Other Structures</u> \$	<u>Work in Progress</u> \$	<u>Total</u> \$
Balance at the beginning of the year	7,066,716	6,582,782	4,544,128	18,193,626
Additions	125,497	108,794	1,184,705	1,418,996
WIP - Transfers in/(out)	3,976,905	0	(3,976,905)	0
(Disposals)	0	0	0	0
Reclassification	0	0	0	0
Revaluation increments/(decrements)	0	0	0	0
Impairment (losses)/reversals	0	0	0	0
Depreciation expense	(3,298,611)	(233,182)	0	(3,531,793)
Carrying amount at the end of year	7,870,507	6,458,394	1,751,928	16,080,829

EASTERN METROPOLITAN REGIONAL COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016****13. INFRASTRUCTURE (Continued)****Infrastructure:**

Infrastructure assets were revalued in 2015 as part of the mandatory requirements embodied in *Local Government (Financial Management) Regulations 1996, Reg.17A*.

Whilst the additions since that time are shown at cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. Thus the value is considered in accordance with *Local Government (Financial Management) Regulations 1996, Reg.17A (2)* which requires these assets to be shown at fair value.

They will be revalued during the year ended 30 June 2018 in accordance with the mandatory asset measurement framework detailed in Note 1(c).

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

14. REVALUATION SURPLUS

	ACTUAL	ACTUAL
	2015/2016	2014/2015
	\$	\$
Revaluation surpluses have arisen as a result of the revaluation of the following classes of non-current assets:		
Plant and Equipment		
Opening balance	1,140,349	1,140,349
Revaluation Increment	4,693,856	0
Closing Balance	5,834,205	1,140,349
Land		
Opening balance	29,475,609	30,965,544
Revaluation Increment	0	0
Revaluation writeback on disposals	0	(1,489,935)
Closing Balance	29,475,609	29,475,609
Buildings		
Opening balance	1,205,328	1,205,328
Revaluation Increment	0	0
Closing Balance	1,205,328	1,205,328
Artworks		
Opening balance	25,807	0
Revaluation Increment	0	25,807
Closing Balance	25,807	25,807
Infrastructure - Other Structures		
Opening balance	4,186,426	0
Revaluation Increment	0	4,186,426
Closing Balance	4,186,426	4,186,426
Total Revaluation Surplus	40,727,375	36,033,519
Revaluation Surplus Summary		
Opening balance	36,033,519	33,311,221
Revaluation Increment	4,693,856	4,212,233
Revaluation writeback on disposals	0	(1,489,935)
Total Revaluation Surplus	40,727,375	36,033,519

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

15. TRADE AND OTHER PAYABLES	ACTUAL	ACTUAL
	2015/2016	2014/2015
	\$	\$
Current		
Payroll Accruals	50,478	46,734
GST Liability	96,979	0
Sundry Creditors	5,742,462	4,605,127
	<u>5,889,919</u>	<u>4,651,861</u>
16. PROVISIONS		
Current		
Employees Annual Leave	769,189	812,214
Employees Long Service Leave	602,189	522,145
Carbon Pricing	0	0
	<u>1,371,378</u>	<u>1,334,359</u>
Non-current		
Employees Long Service Leave	250,799	206,966
Red Hill Landfill Site Post Closure Rehabilitation	2,132,389	1,930,073
Red Hill Landfill Environmental Monitoring	788,213	680,965
Carbon Pricing	4,235,645	4,235,645
	<u>7,407,046</u>	<u>7,053,649</u>
Analysis of total provisions:		
Current	1,371,378	1,334,359
Non-current	7,407,046	7,053,649
	<u>8,778,424</u>	<u>8,388,008</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Carbon Pricing \$	Provision for Site Rehabilitation \$	Provision for Environmental Monitoring \$	Total \$
Opening balance as at 1 July 2015	812,214	729,111	4,235,645	1,930,073	680,965	8,388,008
Net Movement in Provisions	(43,025)	123,877	0	202,316	107,248	390,416
Balance as 30 June 2016	<u>769,189</u>	<u>852,988</u>	<u>4,235,645</u>	<u>2,132,389</u>	<u>788,213</u>	<u>8,778,424</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

17. RESERVES	ACTUAL 2015/2016 \$	BUDGET 2015/2016 \$	ACTUAL 2014/2015 \$
(a) Plant and Equipment Reserve			
Opening balance as at 1 July	3,635,347	2,510,369	3,061,317
Transfer from retained surplus	4,147,148	5,319,958	657,727
Transfer to retained surplus	(7,397,085)	(7,085,000)	(197,484)
Interest	125,394	45,737	113,787
Closing Balance as at 30 June	510,804	791,064	3,635,347
(b) Site Rehabilitation Reserve - Post Closure			
Opening balance as at 1 July	1,930,073	1,772,264	1,717,656
Transfer from retained surplus	135,742	0	148,572
Transfer to retained surplus	0	0	0
Interest	66,574	50,156	63,845
Closing Balance as at 30 June	2,132,389	1,822,420	1,930,073
(c) Future Development Reserve			
Opening balance as at 1 July	3,648,218	3,646,916	242,215
Transfer from retained surplus	2,289,000	2,289,000	3,397,000
Transfer to retained surplus	0	(3,650,000)	0
Interest	125,838	83,494	9,003
Closing Balance as at 30 June	6,063,056	2,369,410	3,648,218
(d) Environmental Monitoring Reserve			
Opening balance as at 1 July	680,965	586,328	568,262
Transfer from retained surplus	83,760	0	91,581
Transfer to retained surplus	0	0	0
Interest	23,488	16,593	21,122
Closing Balance as at 30 June	788,213	602,921	680,965
(e) Environmental Insurance Reserve			
Opening balance as at 1 July	89,410	88,691	133,486
Transfer from retained surplus	0	0	0
Transfer to retained surplus	(51,980)	(51,980)	(49,038)
Interest	3,084	1,774	4,962
Closing Balance as at 30 June	40,514	38,485	89,410

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

17. RESERVES (Continued)	ACTUAL 2015/2016 \$	BUDGET 2015/2016 \$	ACTUAL 2014/2015 \$
(f) Risk Management Reserve			
Opening balance as at 1 July	13,507	13,437	13,023
Transfer from retained surplus	0	0	0
Transfer to retained surplus	0	0	0
Interest	466	380	484
Closing Balance as at 30 June	13,973	13,817	13,507
(g) Class IV Reserve			
Opening balance as at 1 July	19,474	18,873	111,812
Transfer from retained surplus	524,657	535,057	103,506
Transfer to retained surplus	0	(500,000)	(200,000)
Interest	672	1,020	4,156
Closing Balance as at 30 June	544,803	54,950	19,474
(h) Regional Development Reserve			
Opening balance as at 1 July	99,650	99,570	14,747
Transfer from retained surplus	845,000	845,000	895,000
Transfer to retained surplus	(588,986)	(928,385)	(810,645)
Interest	3,438	1,629	548
Closing Balance as at 30 June	359,102	17,814	99,650
(i) Secondary Waste Reserve			
Opening balance as at 1 July	44,950,541	45,586,858	43,581,696
Transfer from retained surplus	4,921,036	4,822,149	4,841,500
Transfer to retained surplus	(4,648,203)	(14,477,797)	(5,092,569)
Interest	1,550,469	1,152,955	1,619,914
Closing Balance as at 30 June	46,773,843	37,084,165	44,950,541
(j) Class III Reserve			
Opening balance as at 1 July	2,710,350	2,705,432	914,509
Transfer from retained surplus	2,612,297	5,637,795	5,851,849
Transfer to retained surplus	(861,176)	(3,960,000)	(4,090,000)
Interest	93,487	100,025	33,992
Closing Balance as at 30 June	4,554,958	4,483,252	2,710,350

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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17. RESERVES (Continued)	ACTUAL 2015/2016 \$	BUDGET 2015/2016 \$	ACTUAL 2014/2015 \$
(k) Building Refurbishment Reserve			
Opening balance as at 1 July	68,200	67,847	65,756
Transfer from retained surplus	0	0	0
Transfer to retained surplus	0	0	0
Interest	2,352	1,920	2,444
Closing Balance as at 30 June	70,552	69,767	68,200
(l) Site Rehabilitation Reserve - Ongoing			
Opening balance as at 1 July	0	0	0
Transfer from retained surplus	0	0	72,306
Transfer to retained surplus	0	0	(72,306)
Interest	0	0	0
Closing Balance as at 30 June	0	0	0
(m) Long Service Leave Reserve			
Opening balance as at 1 July	761,143	757,299	714,817
Transfer from retained surplus	34,774	20,347	19,756
Transfer to retained surplus	0	0	0
Interest	26,253	21,720	26,570
Closing Balance as at 30 June	822,170	799,366	761,143
TOTAL RESERVES	62,674,377	48,147,431	58,606,878

All of the reserve accounts are supported by money and investments held in financial institutions and match the amount shown as restricted cash in Note 7 to this financial report.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

17. RESERVES (Continued)

The purpose for which the Reserve funds are set aside are as follows and will be utilised in accordance with annual budgeted expenditure: -

Plant and Equipment Reserve (Ongoing Reserve)

This reserve was established to finance the replacement of major items of plant and equipment.

Site Rehabilitation Reserve - Post Closure (Ongoing Reserve)

This reserve was established to finance the rehabilitation of the Red Hill waste disposal site at time of decommissioning.

Future Development Reserve (Ongoing Reserve)

This reserve was established to finance future developments being undertaken by the EMRC. The reserve is also utilised to provide funds for projects that the EMRC is investigating and undertaking for the purpose of the long term future direction in the area of waste management for the benefit of the region

Class IV Reserve (Ongoing Reserve)

This reserve was established to finance the capping of the existing Class IV cells and the construction of future Class IV cells and associated works at the Red Hill waste disposal site.

Class III Reserve (Ongoing Reserve)

This reserve was established to finance the capping of the existing Class III cells and the construction of future Class III cells and associated works at the Red Hill waste disposal site.

Environmental Monitoring Reserve (Ongoing Reserve)

This reserve was established to provide funds for environmental monitoring after decommissioning of the Red Hill Waste disposal site.

Environmental Insurance Reserve (Ongoing Reserve)

This reserve was established to provide funds to enable the EMRC to immediately respond to the need for repairs to, or rectification of damage to the environment surrounding the Red Hill waste disposal site as a result of any incident not covered by the EMRC's existing insurance policies.

Risk Management Reserve (Ongoing Reserve)

This reserve has been established to receive surpluses from the Risk Management Service. This reserve is to be utilised in funding the future requirements of the service in subsequent financial years.

Secondary Waste Reserve (Anticipated date of Use - 2018/19 to 2019/20 financial years)

This reserve was established to accumulate and to make provision for Secondary Waste Treatment Technology in the future.

Regional Development Reserve (Ongoing Reserve)

This reserve was established to accumulate and provide funds to enable the EMRC to fund Regional Development activities.

Building Refurbishment Reserve (Ongoing Reserve)

This reserve was established to accumulate and provide funds for the refurbishment of the Ascot Place administration building.

Site Rehabilitation Reserve - Ongoing (Ongoing Reserve)

This reserve was established to finance the ongoing rehabilitation of the completed cells at the Red Hill waste disposal site.

Long Service Leave Reserve (Ongoing Reserve)

This reserve was established to accumulate and provide funds to enable the EMRC to fund staff long service leave.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

18. NOTES TO THE STATEMENT OF CASH FLOWS

(i) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, the EMRC considers cash to include cash on hand, cash at bank and term deposits. Cash at the end of the reporting period as shown in the Statement of Cash Flows is as follows:

	ACTUAL	BUDGET	ACTUAL
	2015/2016	2015/2016	2014/2015
	\$	\$	\$
Cash and Cash Equivalents - Unrestricted	23,294,489	3,862,037	15,445,578
Cash and Cash Equivalents - Restricted	62,826,339	47,940,713	58,941,769
Total Cash	86,120,828	51,802,750	74,387,347

(ii) Reconciliation of net cash provided by operating activities to Net Result

Net Result	15,999,646	7,922,660	14,553,581
Depreciation	6,075,402	6,584,630	4,799,438
(Profit)/Loss on sale of assets	(171,907)	(5,773)	(545,682)
Increase/(Decrease) in provisions - Other	309,564	72,226	325,119
Increase/(Decrease) in provisions - Employee	80,852	27,371	198,240
Increase/(Decrease) in provisions - Carbon price	0	0	(240,317)
Increase/(Decrease) in Sundry Creditors	1,771,400	0	458,980
Increase/(Decrease) in GST	727,301	0	(1,134,865)
(Increase)/Decrease in accrued interest earnings	243,030	0	7,603
(Increase)/Decrease in Receivables	(1,131,389)	0	838,573
(Increase)/Decrease in Inventory	39,756	0	11,297
(Increase)/Decrease in Prepayments	(43,129)	0	18,734
(Increase)/Decrease in Revaluation on non-current assets	(4,693,856)	0	(4,212,233)
Net cash from operating activities	19,206,670	14,601,114	15,078,468

(iii) Undrawn Borrowing Facilities

Credit Standby Arrangements

There were no bank overdraft facilities in place for the EMRC at balance date.

Credit Card Limits	43,000	43,000
Credit Utilised at Balance Date	(2,698)	(7,230)
Net cash from operating activities	40,302	35,770

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

19. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlements liability recognised and included in the financial report is as follows:

Provision for Employee Entitlements (Refer to Note 16)	ACTUAL 2015/2016 \$	ACTUAL 2014/2015 \$
- Current	1,371,378	1,334,359
- Non-current	250,799	206,966
Total Employee Entitlements	<u>1,622,177</u>	<u>1,541,325</u>
	ACTUAL FTE's 2015/2016	ACTUAL FTE's 2014/2015
Total number of (FTE) employees at end of financial year	<u>90</u>	<u>99</u>

20. COUNCILLORS FEES AND ALLOWANCES

ACTUAL 2015/2016 \$	BUDGET 2015/2016 \$	ACTUAL 2014/2015 \$
--	--	--

The following fees, expenses and allowances were paid to council members and the Chairman:

Councillors' meeting fees	113,300	115,000	113,300
Chairman's meeting fees	15,450	15,682	15,450
Deputy Councillors' meeting fees	2,552	2,856	1,856
Chairman's Local Government fee	19,570	20,046	19,570
Deputy Chairman's Local Government fee	4,893	4,966	4,893
	<u>155,765</u>	<u>158,550</u>	<u>155,069</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

21. ASSETS CLASSIFIED BY TYPE AND LOCAL GOVERNMENT PROGRAM	ACTUAL 2015/2016 \$	ACTUAL 2014/2015 \$
CURRENT ASSETS		
General Purpose Funding	28,199,852	23,844,397
Governance	1,058,657	1,177,741
Community Amenities	60,897,776	54,029,030
Economic Services	359,102	99,650
TOTAL CURRENT ASSETS	<u>90,515,387</u>	<u>79,150,818</u>
NON-CURRENT ASSETS		
Land		
Governance	5,400,000	5,400,000
Community Amenities	43,104,912	43,069,462
Buildings		
Governance	3,897,719	3,965,737
Community Amenities	1,580,200	1,669,184
Structures		
Community Amenities	14,328,901	13,649,499
Plant		
Governance	363,430	295,216
Community Amenities	10,412,743	5,249,675
Equipment		
Governance	418,949	313,730
Community Amenities	239,811	281,039
Furniture and Fittings		
Governance	161,845	162,201
Work In Progress		
Unclassified	7,860,423	7,449,639
TOTAL NON CURRENT ASSETS	<u>87,768,933</u>	<u>81,505,382</u>
TOTAL ASSETS	<u>178,284,320</u>	<u>160,656,200</u>

22. DISPOSAL OF ASSETS	ACTUAL 2015/2016			BUDGET 2015/2016		
	Net Book Value \$	Sale Price \$	Gain (Loss) \$	Net Book Value \$	Sale Price \$	Gain (Loss) \$
Buildings	34,762	0	(34,762)	0	0	0
Plant	127,964	334,773	206,809	300,727	306,500	5,773
Equipment	140	0	(140)	0	0	0
Total Assets Disposed	<u>162,866</u>	<u>334,773</u>	<u>171,907</u>	<u>300,727</u>	<u>306,500</u>	<u>5,773</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

23. INFORMATION ON BORROWINGS

(a) Borrowings

The EMRC do not have any loans or borrowings.

(b) New Borrowings

There were no new borrowings during the 2015/16 financial year.

(c) Unspent Loans

There were no unspent loans during the 2015/16 financial year.

24. INTEREST IN THE EMRC

The following table shows the total interest in the EMRC as at year end:

Member Council	2015/2016		2014/2015	
	%	\$	%	\$
Town of Bassendean	4.45	7,275,989	4.54	6,702,763
City of Bayswater	19.46	31,846,064	19.70	29,076,031
City of Belmont	11.42	18,683,217	11.42	16,858,963
Shire of Kalamunda	16.80	27,488,876	16.93	24,996,679
Shire of Mundaring	11.05	18,082,646	11.17	16,479,545
City of Swan	36.82	60,239,185	36.24	53,502,350
Total Equity	100.00	163,615,977	100.00	147,616,331

The EMRC participating Member Councils' interest distributions have been calculated in accordance with clause 9.4 of the Eastern Metropolitan Regional Council Establishment Agreement.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

25. FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council engages in transactions expressed in foreign currencies with respect to equipment purchases or for legal representation on a minor scale only and therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015/2016	2014/2015	2015/2016	2014/2015
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	86,120,828	74,387,347	86,120,828	74,387,347
Receivables	4,281,658	4,023,621	4,281,658	4,023,621
Financial Assets at fair value through profit and loss	0	0	0	0
	<u>90,402,486</u>	<u>78,410,968</u>	<u>90,402,486</u>	<u>78,410,968</u>
Financial Liabilities				
Payables	5,889,919	4,021,539	5,889,919	4,021,539
	<u>5,889,919</u>	<u>4,021,539</u>	<u>5,889,919</u>	<u>4,021,539</u>

Fair value is determined as follows:

Cash and Cash Equivalents, Receivables, Payables - estimated to the carrying value which approximates net market value.

Financial Assets at Fair Value through profit and loss - based on market valuations and verified by independent financial advisors.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

25. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit or loss

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers. Council has an investment policy and the policy is subject to review by Council.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk - the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council seeks advice from an independent adviser before placing any cash and investments.

	2015/2016	2014/2015
	\$	\$
Impact of a 10% movement in price of investments:		
- Equity	0	0
- Statement of Comprehensive Income	0	0
Impact of a 1% movement in interest rates on cash and investments:		
- Equity	861,208	743,873
- Statement of Comprehensive Income	861,208	743,873

(b) Receivables

Council's major receivables comprise user charges and fees. The major risk associated with these receivables is credit risk - the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies.

Council makes suitable provision for impairment of receivables as required and carries out credit checks on all debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	2015/2016	2014/2015
Percentage of Other Receivables		
- Current	76.6%	94.1%
- Overdue	23.4%	5.9%
	<u>100.0%</u>	<u>100.0%</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

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. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2015/2016</u>					
Payables	5,889,919	0	0	5,889,919	5,889,919
	<u>5,889,919</u>	<u>0</u>	<u>0</u>	<u>5,889,919</u>	<u>5,889,919</u>
<u>2014/2015</u>					
Payables	4,021,539	0	0	4,021,539	4,021,539
	<u>4,021,539</u>	<u>0</u>	<u>0</u>	<u>4,021,539</u>	<u>4,021,539</u>

(d) Borrowings

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

Council do not have any borrowings or loans.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

26. COMMITMENTS FOR CAPITAL EXPENDITURE	ACTUAL 2015/2016 \$	ACTUAL 2014/2015 \$
Commitments for the acquisition of assets contracted for at the reporting date but not recognised as liabilities:		
- Payable not longer than one year	3,828,948	927,527
Total Capital Commitments	<u>3,828,948</u>	<u>927,527</u>

27. CONTINGENT LIABILITIES

Contingent liabilities at balance date, not otherwise provided for in the financial statements, relate to an action by Lehman Brothers in the United States Bankruptcy Court.

On 9 May 2007 EMRC invested \$450,000 into Federation notes.

On 30 Oct 2008, in common with hundreds of other investors in the Federation notes, this investment of \$450,000 was fully repaid to the EMRC.

Subsequently Lehman Brothers Special Financing Inc. commenced an action in the United States Bankruptcy Court, Southern District of New York, No. 10 - 803547 applying for an order for all investors to repay the amounts paid.

It is the opinion of the attorney representing the EMRC in this action that the claim will not be decided until about 2018.

28. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events after the reporting period required to be included in the 2015/2016 Annual Financial Report.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

29. FINANCIAL RATIOS	ACTUAL 2015/2016	ACTUAL 2014/2015	ACTUAL 2013/2014
<i>Liquidity Ratio</i>			
Current Ratio ⁽¹⁾	4.16	3.7	4.41
<hr style="border: none; border-top: 1px solid black; margin: 0;"/> Current Assets less Restricted Current Assets			
<hr style="border: none; border-top: 1px solid black; margin: 0;"/> Current Liabilities less Liabilities Associated with Restricted Assets			
<i>Debt Ratio</i>			
Debt Service Cover Ratio ⁽²⁾	Not Applicable	Not Applicable	Not Applicable
<hr style="border: none; border-top: 1px solid black; margin: 0;"/> Operating Surplus before Interest and Depreciation Expenses			
<hr style="border: none; border-top: 1px solid black; margin: 0;"/> Principal and Interest Repayments			
<i>Coverage Ratio</i>			
Own Source Revenue Coverage Ratio ⁽³⁾	1.28	1.23	1.19
<hr style="border: none; border-top: 1px solid black; margin: 0;"/> Own Source Operating Revenue			
<hr style="border: none; border-top: 1px solid black; margin: 0;"/> Operating Expense			
<i>Financial Performance Ratio</i>			
Operating Surplus Ratio ⁽⁴⁾	0.27	0.27	0.22
<hr style="border: none; border-top: 1px solid black; margin: 0;"/> Operating Revenue less Operating Expense			
<hr style="border: none; border-top: 1px solid black; margin: 0;"/> Own Source Operating Revenue			
<i>Asset Management Ratio</i>			
Asset Sustainability Ratio * ⁽⁵⁾	0.49	0.24	0.06
<hr style="border: none; border-top: 1px solid black; margin: 0;"/> Capital Renewal and Replacement Expenditure			
<hr style="border: none; border-top: 1px solid black; margin: 0;"/> Depreciation Expense			
<i>The following information relates to those ratios which only require attestation. They have been checked and are supported by verifiable information.</i>			
Asset Consumption Ratio ⁽⁶⁾	0.82	0.68	0.57
<hr style="border: none; border-top: 1px solid black; margin: 0;"/> Depreciated Replacement Cost of Depreciable Assets			
<hr style="border: none; border-top: 1px solid black; margin: 0;"/> Current Replacement Cost of Depreciable Assets			
Asset Renewal Funding Ratio ⁽⁷⁾	1.00	1.00	1.00
<hr style="border: none; border-top: 1px solid black; margin: 0;"/> Depreciated Replacement Cost of Depreciable Assets			
<hr style="border: none; border-top: 1px solid black; margin: 0;"/> Current Replacement Cost of Depreciable Assets			

Notes

- (1) This is a modified commercial ratio designed to focus on the liquidity position of the Council that has arisen from past year's transactions.
- (2) This ratio is the measurement of Council's ability to repay its debt including lease payments.
- (3) This ratio is the measurement of Council's ability to cover its costs through its own revenue efforts.
- (4) This ratio is a measure of Council's ability to cover its operational costs and have revenues available for capital funding or other purposes.
- (5) This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.
- (6) This ratio indicates whether Council is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.
- (7) This ratio is a measure of the ability of Council to fund its projected asset renewal / replacements in the future.

* The EMRC as a Regional Local Government has a high and diverse level of new capital expenditure for which the depreciation expense is also based on, resulting in a low ratio.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

30. FAIR VALUE MEASUREMENT

The EMRC measures the following assets at fair value on a recurring basis after initial recognition:

- Financial Assets at fair value through profit or loss
- Land and buildings
- Plant
- Equipment
- Furniture and Fittings
- Artworks
- Infrastructure

The following table provides the fair values of the EMRC's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy [refer to Note 1(d)]:

Recurring Fair Value Measurements

		30 June 2016			
	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Financial Assets	7(b)	0	0	0	0
<hr/>					
Total financial assets recognised at fair value on a recurring basis		0	0	0	0
<hr/>					
Non-Financial Assets					
Land	12	0	48,504,912	0	48,504,912
Buildings	12	0	0	5,477,919	5,477,919
Plant	12	0	4,092,762	6,683,411	10,776,173
Equipment	12	0	658,759	0	658,759
Furniture and Fittings	12	0	16,806	0	16,806
Artworks	12	0	145,040	0	145,040
Infrastructure	13	0	0	14,328,901	14,328,901
<hr/>					
Total non-financial assets recognised at fair value on a recurring basis		0	53,418,279	26,490,231	79,908,510
<hr/>					

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

30. FAIR VALUE MEASUREMENT (Continued)

	Note	30 June 2015			Total
		Level 1	Level 2	Level 3	
		\$	\$	\$	
Financial Assets	7(b)	0	0	0	0
<hr/>					
Total financial assets recognised at fair value on a recurring basis		0	0	0	0
<hr/>					
Non-Financial Assets					
Land	12	0	48,469,462	0	48,469,462
Buildings	12	0	0	5,634,921	5,634,921
Plant	12	0	5,544,891	0	5,544,891
Equipment	12	0	594,769	0	594,769
Furniture and Fittings	12	0	17,162	0	17,162
Artworks	12	0	145,040	0	145,040
Infrastructure	13	0	0	13,649,498	13,649,498
<hr/>					
Total non-financial assets recognised at fair value on a recurring basis		0	54,771,324	19,284,419	74,055,743
<hr/>					

(a) Transfers Policy

The policy of the EMRC is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period.

(b) Highest and Best Use

There were no assets valued where it was assumed that the highest and best use was other than their current use.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

30. FAIR VALUE MEASUREMENT (Continued)

(c) Valuation techniques and Inputs used to derive fair values

The following table summarises valuation inputs and techniques used to determine the Fair value for each asset class.

Asset	Level of Valuation Input	Fair Value at 30 June 2016 \$	Valuation Technique(s)	Inputs Used
Financial Assets				
Financial Assets at Fair Value through profit or loss – CDOs	2	0	Market approach	Similar priced securities in a more active market.
TOTAL		0		
Non-Financial Assets				
Land	2	31,270,127	Market approach	Price per square metre.
	2	17,234,785	Cost Approach	Price per square metre.
Buildings	3	1,580,200	Cost Approach	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
	3	3,897,719	Market and income approach	Rental yields and price per square metre.
Plant	2	4,092,762	Market approach	Make, size, year of manufacture and condition.
	3	6,683,411	Cost approach	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
Equipment	2	658,759	Market approach	Make, size, year of manufacture and condition.
Furniture and Fittings	2	16,806	Market approach	Make, size, year of manufacture and condition.
Artworks	2	145,040	Market approach	Estimated value expected to be realised.
Infrastructure	3	14,328,901	Cost approach	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
TOTAL		79,908,510		

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

30. FAIR VALUE MEASUREMENT (Continued)

(c) Valuation techniques and inputs used to derive fair values (Continued)

Recurring fair value measurements

Land

Where there is directly comparable market evidence Level 2 valuation inputs were used to value land held in freehold title (investment and non-investment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Where there was no observable market evidence for a land asset due to its configuration, council zoning restrictions, contamination or similar factors that result in there being no directly comparable market evidence Level 3 valuation inputs were used. For these assets significant assumptions needed to be made to determine the fair value. These were subsequently valued at the level 3 valuation input hierarchy by using the professional judgment of a Registered Valuer who adjusted the price per square metre of sales from sites not in close proximity which provided only a low level of comparability.

Level 2 valuation inputs were used to value land held in freehold title (investment and noninvestment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

The land purchased in December 2012, Lot 8, 9 & 10 land parcels at Red Hill land fill facility, was a strategically planned and prolonged acquisition over a period of several years. It was a closed negotiation and was not open to market participants. Market research and analysis was undertaken by the Valuers who have acknowledged that the cost of this land area equates to a land rate per hectare greater than analysis of nearby market evidence. The difference is a premium rate which Council paid to obtain the asset. AASB13 requires Fair Value of this land to be calibrated to the transactional cost. The Valuers have therefore adopted the Fair Value of this land at the purchase price as it provides calibration with actual price required for purchasing a land fill site.

Buildings

Level 2 valuation inputs

These were used to determine the fair value of a range of properties. This included the bulk of residential and commercial properties. The residential properties fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Commercial buildings have been generally derived using a combination of sales direct comparison approach and capitalisation of income approach. Fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach are rental yields and price per square metre.

Level 3 valuation inputs

The level of evidence used to support the critical assumptions of some commercial buildings was considered to be highly variable due to high levels of variability in the market for rental yields and future demand. As such the level of valuation input for these properties was considered level 3

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

30. FAIR VALUE MEASUREMENT (Continued)

(c) Valuation techniques and Inputs used to derive fair values (Continued)

Recurring fair value measurements

Artworks

Valuation inputs and techniques used to determine the fair value for all Art work Assets have been based on Level 2 inputs - Market Based.

It has been determined that there is an active market for the Art Work Assets and hence the 'market approach' has been adopted.

Level 2 valuation inputs

Market (Direct Comparison) - This has been applied and fair value assessed on the basis of the estimated amount which the interest in each item of Art Work valued might reasonably be expected to realise on the date of valuation in an exchange between market participants given highest and best use or highest and best alternative use. This was determined by comparison to recent sales of Art work with similar characteristics. This was then adjusted to reflect conditions and comparability. As this was based on observable evidence they have been classified as Level 2.

Infrastructure

Road, Equipment and Civil Assets

All road, equipment and civil assets were valued using the cost approach.

The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Eastern Metropolitan Regional Council's own engineers, asset management and finance staff. The results of the valuation were further evaluated by confirmation against Eastern Metropolitan Regional Council's own understanding of the assets and the level of remaining service potential.

Plant

Plant assets have generally been derived from comparable sales and relevant industry market price reference guides and have been classified as being valued at level 2. The most significant inputs into this valuation approach are the make, size, year of manufacture and condition.

Some items of plant and contents however are unique in design or there was insufficient observable market evidence to support the valuation. As a result these assets have been valued using the cost approach. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and determining the Fair Value for each component based on the Remaining Useful Life (RUL) in proportion to the Useful Life after adjusting for any Residual Value.

Furniture and Fittings

The Council acquires its furniture and equipment at arm's length from approved suppliers. These acquisitions are recorded at cost and any accumulated depreciation reflects the usage of service potential. It is considered that the recorded written down values approximate the fair value of furniture and fittings.

EASTERN METROPOLITAN REGIONAL COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016****30. FAIR VALUE MEASUREMENT (Continued)****(d) Valuation processes**

The EMRC engages external, independent and qualified valuers to determine the fair value of the Council's land, buildings, plant, equipment, infrastructure, artworks and furniture and fittings on a regular basis in line with Regulation 17A(4) of the *Local Government (Financial Management) Regulations 1996*.

As at 30 June 2016, a comprehensive revaluation was undertaken for all asset classes subject to revaluation by external valuers, APV Valuers and Asset Management.

Management carried out an assessment of the revaluation work performed by the external valuers, which included review of the valuer's methodology, limitations, algorithms, key assumptions and inputs used in applying the valuation methodology to ensure they were appropriate prior to their application. Changes in fair values were analysed at the end of the reporting period. Consequently, management is satisfied with the results of the valuations undertaken and confirm that the movement in the asset values are reasonable.

INDEPENDENT AUDITOR'S REPORT



**For the Year Ended
30 June 2016**

INDEPENDENT AUDITOR'S REPORT

TO: MEMBERS OF EASTERN METROPOLITAN REGIONAL COUNCIL

Report on the Financial Report

We have audited the financial report of the Eastern Metropolitan Regional Council, which comprises the Statement of Financial Position as at 30 June 2016 and the Statement of Comprehensive Income by Natura or Typa, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information and Statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to management's preparation and fair presentation of the financial report 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 council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

INDEPENDENT AUDITOR'S REPORT (Cont'd)

Auditor's Opinion

In our opinion, the financial report of the Eastern Metropolitan Regional Council:

- (a) gives a true and fair view of the financial position of the Eastern Metropolitan Regional Council as at 30 June 2016 and of its financial performance for the year ended on that date; and
- (b) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards.


Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1998, we also report that:


- (a) There are no matters that in our opinion indicate significant adverse trends in the financial position or financial management practices of the Council.
- (b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- (c) In relation to the asset consumption ratio and asset renewal funding ratio (presented at Note 28 of the annual financial report) we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
 - (i) reasonably calculated; and
 - (ii) based on verifiable information.
- (d) All necessary information and explanations were obtained by us.
- (e) All audit procedures were satisfactorily completed in conducting our audit.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Eastern Metropolitan Regional Council for the year ended 30 June 2016 included on the Eastern Metropolitan Regional Council's website. Management is responsible for the integrity of the Eastern Metropolitan Regional Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100



A MACRI
PARTNER

PERTH
DATED THIS 9TH DAY OF SEPTEMBER 2016.



Certified Practising Accountants

Eastern Metropolitan Regional Council



Audit Completion Report to the
Audit Committee
For the Year Ended 30 June 2016

29 August 2016

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1. Executive Summary

Under the requirements of Australian Auditing Standard ASA 260: “*Communication with Those Charged with Governance*”, we are required to communicate audit matters arising from the audit of financial statements to those charged with governance of an entity. This Annual Audit Completion Report together with our previous External Audit Plan discharges the requirements of the Auditing Standard.

This report has been prepared for the Council via its Audit Committee to summarise the significant matters that have arisen from our year-end audit of the EMRC for the year ended 30 June 2016.

1.1 Status of Audit

Our audit field work at the EMRC for the financial year ended 30 June 2016 has been completed.

Before our Independent Auditor’s Report is signed off and issued to the Council, the following outstanding matter is required to be attended to:

- Completion of audit procedures relating to Auditing Standard ASA 560 *Subsequent Events* to be performed up to the date of signing the Independent Auditor’s Report.

1.2 Deliverables

Output	Timing
External Audit Plan	10 February 2016
Interim Audit Management Letter	20 April 2016
Present the Audit Completion Report to the Audit Committee	8 September 2016
Provide Independent Auditor’s Report on the Financial Report	After recommendation of Financial Report by the Audit Committee

2. Financial Statements and Audit Opinion

Audit Opinion

We have completed the audit of the EMRC's accounts in line with current Australian Auditing Standards and will give an **Unqualified Opinion** [subject to subsequent events procedures] that the financial report of the Eastern Metropolitan Regional Council

- (a) gives a true and fair view of the financial position of the Eastern Metropolitan Regional Council as at 30 June 2016 and of its financial performance for the year ended on that date; and
- (b) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards.

Refer to **Appendix 1** for our Proposed Draft Independent Auditor's Report

3. Current Year Areas of Audit Focus

Our audit procedures were focused on those areas of Eastern Metropolitan Regional Council's activities that are considered to represent the key audit risks identified in our external audit plan and through discussions with management during the course of our audit.

	Risk Area	Audit Response
1	Revaluation of Plant and Equipment	<p>Regulation 17A(4) of the LG (Financial Management) Regulations 1996 requires Plant and Equipment assets to be measured at fair value for the year ending 30 June 2016. The EMRC'S Plant and Equipment asset classes were revalued at fair value by external valuers, APV Valuers and Asset Management at 30 June 2016.</p> <p>Audit evaluated the professional competence and objectivity of the expert and the adequacy of the scope of the expert's work. We are satisfied that the expert is suitably independent of the Council, objective and experienced in undertaking this work.</p> <p>Audit procedures tested capital asset additions on a sample basis for accuracy to supporting documentation. Audit also reviewed the basis of the asset valuations (at fair value) undertaken and considered the judgements, assumptions and data used together with the reasonableness of any estimation techniques applied. Asset reconciliation schedules were verified against trial balance reported amounts.</p> <p>We have relied upon the values adopted by the external valuers.</p> <p>Results of the audit procedures conducted did not note any material misstatement of the plant and equipment asset classes.</p>

2	<p>Infrastructure – Landfill Cells</p>	<p>EMRC's Infrastructure Assets were internally revalued at fair value at 30 June 2016. Infrastructure Assets consist of primarily landfill cells and Other Structures.</p> <p>The accounting treatment adopted by management for landfill cells was consistent to prior year with respect to capitalising the cell excavation and development costs and cell liner costs and amortising these over the useful life of the cell based on the volumetric usage of the landfill cell air space during the year. Cell capping costs are expensed as they occur as part of ongoing site rehabilitation.</p> <p>Audit procedures tested on a sample basis:</p> <ul style="list-style-type: none"> • Capital asset additions on a sample basis for accuracy to supporting documentation. • the judgements, assumptions and data used; and • review of depreciation/amortisation charge for reasonableness (i.e. estimation techniques applied). <p>Asset reconciliation schedules were verified against trial balance reported amounts.</p> <p>Results of the audit procedures conducted did not note any material misstatement of the Landfill Cells - infrastructure asset class.</p>
3	<p>Provisions for Site Rehabilitation and Environmental Monitoring</p>	<p>Landfill at the red hill facility comprises a number of cells that are constructed at different times throughout the lifecycle of the facility. The methodology applied by the EMRC with regard to its cell waste management is: As one cell is filled and capped, another cell is prepared and opened. At any given time, EMRC has between 1 to 3 cells in operation.</p> <p>The obligation for EMRC to recognise the provision for site rehabilitation and environmental monitoring arises at the time the landfill is first put into use. Increments in the provision are calculated on the basis of actual tonnages filled in the cells during the year, present value of the costs for site rehabilitation and environmental monitoring and remaining capacity of the landfill site.</p> <p>We reviewed the estimates and assumptions in the model developed by the EMRC for estimating total future rehabilitation expenditures over the landfill discounted to net present value as at 30 June 2016.</p> <p>Results of the audit procedures conducted did not note any material misstatement of the Provisions for Site Rehabilitation and Environmental Monitoring.</p>

4	Contingent Liabilities	<p>Contingent liabilities at the reporting relate to an action by Lehman Brothers in the United States Bankruptcy Court for Federation notes which was also disclosed in the financial report for the year ended 30 June 2015.</p> <p>Audit procedures included discussions with management and reviewing the representation letter by the EMRC's solicitor (Haydn Robinson) to clarify the current position on the matter. The legal advice provided to the EMRC about this claim is, in substance, the claim will not be decided until about 2018.</p> <p>We have also obtained a management representation letter to confirm that there are no further contingent liabilities required to be disclosed, other than those currently disclosed in the financial report.</p> <p>At this date, we are satisfied with management's disclosure of the contingent liability in the financial report.</p>
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We are satisfied that these key areas of focus have been addressed appropriately based on our audit procedures and are properly reflected in the EMRC's financial report.

4. Assessment of Internal Controls

Our interim phase of the audit indicated that the current internal control systems and processes are reasonable. They are designed adequately for EMRC's current business operations.

However, a separate Interim Audit Management Letter has been provided to management following our interim audit which provides details of the internal control and compliance matters raised.

Our follow up indicates that the management comments for the interim audit visit conducted during the financial year ended 30 June 2016 have been fully implemented.

5. Key Findings During Final Phase of Audit

During our audit planning procedures and risk identification process, we identified a number of key focus areas as outlined in Section 3 above. In addition, during the course of our year-end fieldwork, other accounting and audit issues were noted. Our consideration of these matters is set out below.

We request that the Audit Committee review the matters below and satisfy themselves that:

- there are no other matters of which you are aware that would impact these issues;
- there are no other significant issues that ought to be considered before recommending the adoption of the financial statements to the Council; and
- you concur with the resolution of the issues as described below.

1	Area: Landfill Cells – Cell Capacity Estimations
	Key Findings
	<p>During the audit, it was noted that the Provisions for Site rehabilitation and Environmental Monitoring had been calculated based on the following assumptions</p> <ul style="list-style-type: none"> • The total tonnage capacity of the landfill is 20 million tonnes. • The remaining tonnage capacity of the landfill is 7.8 million tonnes. <p>These estimates were provided by the engineering officers of EMRC during the year ended 30 June 2015 and remaining tonnage capacity was updated with respect to tonnages received at the landfill during the 2016 financial year.</p> <p>It is noted that landfill capacity values undergo revisions during the operation of the landfill when waste quantities delivered at the site vary from the rates estimated prior to the start of landfill operations.</p>
	Recommendation
	<p>Whilst we accept the estimates provided internally by the engineering officers of EMRC, we recommend that the estimates for the total and remaining tonnage capacity of the landfill be reviewed by the year ending 30 June 2017 in detail in order to confirm that the estimates are reasonable.</p>

6. Significant Changes for the 2016/17 Year

AASB 2015–6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities was released in March 2015.

The effective date is annual reporting periods beginning on or after 1 July 2016 (i.e. 30 June 2017) financial statements for Councils, comparatives are not required.

AASB 2015-6 removes the scope exemption currently within AASB 124 *Related Party Disclosures* for not-for-profit public sector entities which means that they will need to comply with all paragraphs in AASB 124. The AASB did not include any not-for-profit public sector specific paragraphs in AASB 124 however Australian Implementation Guidance has been added as an Appendix.

The impact of this standard will be disclosure in nature only – there is no impact to reported financial position or performance. The implementation guidance reminds Councils that materiality still exists in this context and provides the following information:

“as is often the case with related party transactions, judgement would be required as to when transactions are material, especially when qualitative assessments are made about the nature of transactions.”

“entity would also need to apply judgement in determining the extent of information it needs to collect to meet the objective of AASB 124, as there is little value in an entity incurring significant costs to obtain data that is immaterial for disclosure.”

When Councils are considering whether a disclosure of a related party transaction is material they should consider not just the financial amount but whether the user of the financial statements would be impacted by the information in making decisions, i.e. in their vote for Councillors, etc. An alternative way of thinking about whether a disclosure should be included is whether omitted information would make newspaper headlines if it were to be discovered.

Key Management Personnel will include all Councillors, Directors and all Senior Staff as determined by the Local Government Act 1995.

The additional disclosures are not onerous; however the time-consuming part of this standard is in identifying the transactions. The Council is encouraged to refer to the Accounting Standard AASB 124 *Related Party Disclosures* and liaise with the Department of Local Government and Communities (DLGC) for further clarification or guidance on the types of disclosures for Not-for-profit public entities.

7. Specific Required Communications

The Australian Auditing Standard ASA 260: “*Communication with Those Charged with Governance*” requires the auditor to communicate certain matters to the Audit Committee that may assist them in overseeing management’s financial reporting and disclosure process. Below we summarise these required communications as they apply to your organisation.

Reporting Requirement	Detailed Comments
Changes to Audit Approach Outlined in External Audit Plan	<ul style="list-style-type: none"> ➤ There were no changes to the audit approach outlined in the External Audit Plan.
Significant accounting policies	<ul style="list-style-type: none"> ➤ Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the EMRC including new pronouncements adopted during the year, are described in Note 1 to the financial statements. ➤ There were no significant changes in the application of existing policies during the year ended 30 June 2016. The accounting policies adopted in the financial statements are appropriately disclosed.
Sensitive Accounting Estimates and Disclosures	Refer to “Current Year of Audit Focus” section
Misstatements and significant audit adjustments	<ul style="list-style-type: none"> ➤ We are required to report to you all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature. In the context of the EMRC, we consider that amounts of a value less than \$62,500 should be considered trivial. This represents 5% of materiality. ➤ A number of disclosure adjustments to the financial statements have been discussed and amended during the course of our audit. ➤ No financial adjustments have been raised through our audit work meaning there are no unadjusted misstatements to report.
Significant Weaknesses in Internal Controls	<ul style="list-style-type: none"> ➤ No significant weaknesses in internal control were identified. Refer to our Interim Audit Management Letter.
Disagreements with management	<ul style="list-style-type: none"> ➤ There have been no significant disagreements with management during the course of the audit.
Serious Difficulties Encountered in Dealing with Management when Performing the Audit such	<ul style="list-style-type: none"> ➤ There were no serious difficulties encountered in dealing with management when performing the audit.

<p>as:</p> <ul style="list-style-type: none"> • Significant delays in management providing required information • An unnecessarily brief time within which to complete the audit • Extensive unexpected effort required to obtain sufficient appropriate audit evidence • The unavailability of expected information • Restrictions imposed on the auditor by management 	
<p>Fraud and Illegal Acts</p>	<ul style="list-style-type: none"> ➤ We are not aware of any matters that require communication. ➤ We would request that the Audit Committee members raise with us any areas of risk not addressed in our communications and that they inform us of their knowledge of any actual or suspected fraud.
<p>Compliance with laws and regulations</p>	<ul style="list-style-type: none"> ➤ In performing our audit procedures, we have not become aware of any non-compliance with applicable laws or regulations that would have an impact on the determination of material amounts and disclosures in the financial report. ➤ We have also received representations from management confirming that the Council is in compliance with all laws and regulations that impact the Council.
<p>Books and records and conduct of the audit</p>	<ul style="list-style-type: none"> ➤ We have been presented with all the necessary books and explanations requested of management to support the amounts and disclosures contained in the financial statements in a timely and efficient manner.
<p>Other Information in Documents Containing Audited Financial Statements</p>	<ul style="list-style-type: none"> ➤ Our financial statement audit opinion relates only to the financial statements and accompanying notes. ➤ However, we also review other information in the Annual Report, such as Management's Discussion and Analysis, for consistency with the audited financial statements. Once the annual report is prepared and provided to us, we will review the Annual Report for consistency between the audited financial statements and other sections of that document.
<p>Related Party Transactions</p>	<ul style="list-style-type: none"> ➤ None of which we are aware.
<p>Major Issues Discussed with Management in Connection with Initial or Recurring Retention</p>	<ul style="list-style-type: none"> ➤ None.

Going concern	<ul style="list-style-type: none"> ➤ As part of our audit, we have assessed and agreed with the conclusions reached by the management concerning the application of the going concern concept.
Independence	<ul style="list-style-type: none"> ➤ We confirm that, as the date of this report, we are independent having regard to Macri Partners' policies, professional rules and relevant statutory requirements regarding auditor independence. ➤ During the year ended 30 June 2016, Macri Partners has not provided any non-audit services to the EMRC.

8. Disclaimer

This report has been prepared for the Audit Committee and management of Eastern Metropolitan Regional Council only. It should not be quoted or referred to, in whole or in part, without our prior written consent. No warranty is given to, and no liability will be accepted from, any party other than the Eastern Metropolitan Regional Council.

9. Appendix 1 - Proposed Audit Opinion

INDEPENDENT AUDITOR'S REPORT

TO: MEMBERS OF EASTERN METROPOLITAN REGIONAL COUNCIL

Report on the Financial Report

We have audited the financial report of the Eastern Metropolitan Regional Council, which comprises the Statement of Financial Position as at 30 June 2016 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information and Statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to management's preparation and fair presentation of the financial report 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 council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.



11.2 CEO REVIEW OF RISK MANAGEMENT, INTERNAL CONTROL AND LEGISLATIVE COMPLIANCE

REFERENCE: D2016/11564 (AC) – D2016/13225

PURPOSE OF REPORT

The purpose of this report is to present to the Audit Committee the Chief Executive Officer's report on the appropriateness and effectiveness of the EMRC's systems in regard to risk management, internal control and legislative compliance for its consideration and referral to Council.

KEY ISSUES AND RECOMMENDATION(S)

- The *Local Government (Audit) Regulations 1996* (the Audit Regulations) were amended in February 2013 to extend the functions of local government Audit Committees.
- Regulation 17 now requires the Chief Executive Officer to review and report on the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance
- The report and review process is to occur at least once every two calendar years.
- The review has determined that the EMRC has in place appropriate and effective systems, policies and procedures, as well as sound internal controls and audits by external parties to ensure the EMRC meets its obligations with regards to risk management, internal control and legislative compliance obligations.

Recommendation(s)

That the report be received.

SOURCE OF REPORT

Chief Executive Officer

BACKGROUND

The *Local Government (Audit) Regulations 1996* were amended in February 2013 to extend the functions of local government Audit Committees. Regulation 17 was introduced requiring the Chief Executive Officer to review the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance.

The review process is to occur at least once every two calendar years, with the first review to be completed by the Chief Executive Officer, and to be reported to the Audit Committee by 31 December 2014.

The first review was reported to the Audit Committee on 4 September 2014 (D2014/10145). The review determined that the EMRC has in place appropriate and effective systems, policies and procedures, as well as sound internal controls and audits by external parties to ensure the EMRC meets its obligations with regards to risk management, internal control and legislative compliance obligations.

At the Audit Committee (AC) meeting held on 10 March 2016 (Ref: D2016/03760), the Committee endorsed a Strategic Internal Audit Plan 2016-2019 (SAIP), which was subsequently adopted by Council at its meeting of 24 March 2016. As part of the SAIP, the Internal Auditor is to assist and support the CEO with the review to meet the requirement of the r.17 of the Audit Regulations.



Item 11.2 continued

REPORT

In accordance with the requirements of r.17 of the Audit Regulations, a review of the appropriateness and effectiveness of the systems and procedures relating to risk management, internal control and legislative requirements was undertaken.

The outcome of the review, forming an attachment to this report, was conducted by the EMRC's Auditors, Paxon Group. It was concluded that "... the EMRC has the appropriate and effective local government systems and procedures in place to comply with Regulation 17."

It is thus considered that the systems and procedures related to risk management, internal control and legislative compliance are both appropriate and effective.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

4.3 To provide responsible and accountable governance and management of the EMRC

FINANCIAL IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

Review of Risk Management Internal Control and Legislative Compliance (Ref: D2016/13219)

VOTING REQUIREMENT

Simple Majority



Item 11.2 continued

RECOMMENDATION(S)

That the report be received.

AC RECOMMENDATION(S)

MOVED CR BRIDGES

SECONDED CR SUTHERLAND

That the report be received.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR PERKS

SECONDED CR DAW

THAT THE REPORT BE RECEIVED.

CARRIED UNANIMOUSLY

Eastern Metropolitan Regional
Council
Review of Risk Management, Internal
Control and Legislative Compliance

PAXON GROUP

Private Client Services
Audit and Assurance
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Perth • Melbourne • Sydney | August 2016 – Final Version
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Executive Summary

Paxon has undertaken a review of the Risk Management, Internal Controls and Legislative compliance of the East Metropolitan Regional Council (“EMRC”), as per Regulation 17 of the Local Government (Audit) Regulations 1996.

Paxon can confirm that EMRC has the appropriate and effective local government systems and procedures in place to comply with Regulation 17.

1 Introduction

1.1 Background

Regulation 17 of the Local Government (Audit) Regulations 1996 require the Chief Executive Officer (CEO) to review risk management, internal control and legislative compliance and to report the results of that review to the Audit and Risk Committee. Each of these matters is to be reviewed at least once every two calendar years.

An extract from the Local Government (Audit) Regulations 1996 is as follows:

The CEO is to review certain systems and procedures

1. The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:
 - a. Risk Management;
 - b. Internal Control;
 - c. Legislative Compliance.
2. The review may relate to any or all of the matters referred to in sub regulation 1(a), (b) and (c), but each of those matters is to be the subject of a review at least once every two (2) calendar years.
3. The CEO is to report to the audit committee the results of that review.

For this review, Paxon has undertaken a review on all three areas.

2 Review Findings

Area of Compliance	Systems and Procedures
<p>Risk Management</p>	<p>The EMRC's Risk Management Framework includes the following cyclical steps:</p> <ul style="list-style-type: none"> • Identification of risk management objectives (Policy); • Compilation of a risk management plan and implementation of a risk management program; • Updating of risk registers and risk treatment action plans and documentation on an annual basis; • Monitoring and reporting of risks; and • Reviewing of risk management objectives. <p>The framework for the development of the risk management program includes the following cyclical steps:</p> <ul style="list-style-type: none"> • Holding annual risk identification workshops (per individual business Units and the Management Group). These workshops present and review incidents, claims, litigation etc. and identify new risks; • Evaluating risks which involves: <ul style="list-style-type: none"> ○ Prioritising risks; ○ Considering risk treatments; and ○ Allocating ownerships. • Updating system documentation which includes plans and procedures; • Holding meetings by the Risk Management Steering Group to review and monitor progress and consider emerging issues; • Updating system documentation based upon the results of the Risk Management Steering Group reviews; • Commissioning external audit performance reviews (External and Internal); and • Reporting to the Audit Committee. <p>The outcome of the framework work is an endorsed Risk Management Plan and Strategic Internal Audit Plan.</p>
<p>Internal Controls</p>	<p>The control framework within EMRC, which is reviewed through the Risk Management Plan and via External and Internal Audits includes the following features:</p>

Area of Compliance	Systems and Procedures
	<ul style="list-style-type: none"> • Delegation of authority; • Documented policies and procedures, reviewed and maintained regularly; • Trained and qualified employees; • System controls, via sophisticated electronic systems; • Effective policy and process review; • Mitigate against frauds and misstatements; • Documentation of risk identification and assessment; and • Regular liaison with auditors and legal advisors.
<p>Legislative Compliance</p>	<p>The audit objectives as included in the “EMRC – Strategic Internal Audit Plan – 2016 – 2019” include “Compliance” as a primary objective. The sub focus of this primary objective is:</p> <ul style="list-style-type: none"> • Policies; • Plans; • Procedures; • Laws; and • Regulations. <p>This primary (audit) objective is included for all the auditable areas across 2016 to 2019. Compliance with legislative instruments is also disclosed as a risk for the majority of the auditable areas across 2016 to 2019. As such this risk is reviewed and monitored through the various internal audit and external audits that are conducted on an annual basis, which is reported through to management, Audit Committee and Council.</p> <p>As such there have been no reports of any legislative non-compliance for the period for the past two years.</p>

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12 REPORTS OF DELEGATES

Nil

13 NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE CHAIRMAN OR PRESIDING MEMBER OR BY DECISION OF MEETING

Nil

14 CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

Nil

15 FUTURE MEETINGS OF THE AUDIT COMMITTEE

Meetings of the Audit Committee are covered under the Audit Committee Terms of Reference as follows.

“2.3 Meetings

The Committee meet as required at the discretion of the Chairman of the Committee at least three (3) times per year to coincide with approval of strategic and annual plans, the annual budget and the auditor’s report on the annual financial report.

Additional meetings shall be convened at the discretion of the Chairman or at the written request of any member of the Committee or external auditor.”

Future Meetings 2016

Thursday	6	October (if required)	at	EMRC Administration Office
Thursday	17	November (if required)	at	EMRC Administration Office

16 DECLARATION OF CLOSURE OF MEETING

There being no further business the meeting was closed at 5:45pm.



16 REPORTS OF DELEGATES

Nil

17 MEMBERS' MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

18 NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE CHAIRMAN OR PRESIDING MEMBER OR BY DECISION OF MEETING

Nil

19 CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

Nil

20 FUTURE MEETINGS OF COUNCIL

The next meeting of Council will be held on ***Thursday 20 October (if required)*** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 6:00pm.

Future Meetings 2016

Thursday	20 October (if required)	at	EMRC Administration Office
Thursday	1 December	at	EMRC Administration Office
January 2017 (recess)			

21 DECLARATION OF CLOSURE OF MEETING

There being no further business, the meeting was closed at 6:12pm.