



MINUTES

CERTIFICATION OF CONFIRMATION OF COUNCIL MEETING MINUTES

19 SEPTEMBER 2013

I, Cr Alan Pilgrim, hereby certify that the following minutes pages 1 to 291 of the meeting of Council held on 19 September 2013 were confirmed at a meeting of the Council held on 5 December 2013 at which minutes of the previous meeting were confirmed.



Signature

Cr Alan Pilgrim
Name

**Person presiding at the Council Meeting held on 5 December 2013 at
which minutes of previous meeting were confirmed**



MINUTES

Ordinary Meeting of Council

19 September 2013

ORDINARY MEETING OF COUNCIL

MINUTES

19 September 2013

(REF: COMMITTEES-15974)

An Ordinary Meeting of Council was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 19 September 2013**. 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.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Councillor Attendance

Cr Alan Pilgrim (Chairman)	EMRC Member	Shire of Mundaring
Cr Janet Powell (Deputy Chairman)	EMRC Member	City of Belmont
Cr Jennie Carter	EMRC Member	Town of Bassendean
Cr Gerry Pule	EMRC Member	Town of Bassendean
Cr Alan Radford	EMRC Member	City of Bayswater
Cr Phil Marks	EMRC Member	City of Belmont
Cr Frank Lindsey	EMRC Member	Shire of Kalamunda
Cr Tony Cuccaro	EMRC Member	Shire of Mundaring
Cr David Färdig	EMRC Member	City of Swan
Cr Charlie Zannino	EMRC Member	City of Swan

Leave of Absence Previously Approved

Cr Bob Emery, (from 1/9/2013 to 2/10/2013 inclusive)

Apologies

Cr Graham Pittaway OAM	EMRC Member	City of Bayswater
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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
Mrs Marilyn Horgan	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
Mr Johan Le Roux	Manager Engineering/Waste Management Services
Ms Teale Binckes	Marketing, Communications & Events Coordinator
Mr Dave Beresford	Project Engineer
Mr Gilbert Arlandoo	Civil Engineer

Observers

Mr Bob Jarvis	Chief Executive Officer	Town of Bassendean
Mr Doug Pearson	Director Technical Services	City of Bayswater
Mr Ric Lutey	Director Technical Services	City of Belmont

3 DISCLOSURE OF INTERESTS

Nil



4 ANNOUNCEMENTS BY THE CHAIRMAN OR PRESIDING MEMBER WITHOUT DISCUSSION

4.1 SPECIAL COUNCIL MEETING

Following the 19 October 2013 Ordinary Council elections it is anticipated a Special Council meeting will be held on Thursday, 7 November 2013 to swear in EMRC Councillors' and to elect the Chairman, deputy Chairman and appoint members to the various EMRC committees. For those Councillors fortunate enough to be reappointed to the EMRC please reserve this date in your diaries.

5 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

6 PUBLIC QUESTION TIME

Nil

7 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

8 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil

9 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

9.1 MINUTES OF ORDINARY MEETING OF COUNCIL HELD ON 22 AUGUST 2013

That the minutes of the Ordinary Meeting of Council held on 22 August 2013 which have been distributed, be confirmed.

COUNCIL RESOLUTION

MOVED CR POWELL

SECONDED CR PULE

THAT THE MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD ON 22 AUGUST 2013 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

NOTE: Section 5.23(2) of the Local Government Act 1995, details a number of matters upon which Council may discuss and make decisions without members of the public being present. These matters include: matters affecting employees; personal affairs of any person; contractual matters; legal advice; commercial-in-confidence matters; security matters; among others.

The following report item is covered in section 19 of this agenda:

- 12.1 ITEM 14.1 OF THE RESOURCE RECOVERY COMMITTEE MINUTES
RESOURCE RECOVERY FACILITY, RED HILL – TENDER PROCESS –
SEPTEMBER 2013

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 item 14.3 which is to be withdrawn and dealt with separately, Council adopts the recommendations in the Employees Reports (Section 14).

COUNCIL RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR CUCCARO

THAT WITH THE EXCEPTION OF ITEM 14.3 WHICH IS TO BE WITHDRAWN AND DEALT WITH SEPARATELY, COUNCIL ADOPTS THE RECOMMENDATIONS IN THE EMPLOYEES REPORTS (SECTION 14).

CARRIED UNANIMOUSLY



14.1 LIST OF ACCOUNTS PAID DURING THE MONTH OF AUGUST 2013

REFERENCE: COMMITTEES-16199

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 2013 for noting.

KEY ISSUES AND RECOMMENDATION(S)

- As per the requirements of the Local Government (Financial Management) Regulations 1996 (Regulation 13(1)), the list of accounts paid during the month of August 2013 is provided for noting.

Recommendation(s)

That Council notes the CEO's list of accounts for August 2013 paid under delegated power in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, as attached to this report totalling \$10,014,026.98.

SOURCE OF REPORT

Director Corporate Services
 Manager Financial Services
 Finance Team Leader

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.

REPORT

The table below summarises the payments drawn on the funds during the month of August 2013. A list detailing the payments made is appended as an attachment to this report.

Municipal Fund	EFT Payments:	27482 – 27766	
	Cheque Payments:	219642 – 219683	
	Payroll EFT:	PAY 2014-4 & PAY 2014-5	
	DIRECT DEBITS		
	- Bank Charges:	1*AUG13	
	- Other:	727 - 737	\$10,042,183.57
	LESS		
	Cancelled EFTs and Cheques	EFTs 27633 & 27691; 219651	(\$28,156.59)
Trust Fund	Not Applicable		Nil
Total			\$10,014,026.98



Item 14.1 continued

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

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} Nil direct implications for member Councils
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 2013 (Ref: Committees-16204)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council notes the CEO's list of accounts for August 2013 paid under delegated power in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, as attached to this report totalling \$10,014,026.98.

COUNCIL RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR CUCCARO

THAT COUNCIL NOTES THE CEO'S LIST OF ACCOUNTS FOR AUGUST 2013 PAID UNDER DELEGATED POWER IN ACCORDANCE WITH REGULATION 13(1) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996, AS ATTACHED TO THIS REPORT TOTALLING \$10,014,026.98.

CARRIED UNANIMOUSLY

Eastern Metropolitan Regional Council



**CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2013**

Cheque /EFT No	Date	Payee	Amount
EFT27482	02/08/2013	WALGS PLAN	93,181.90
EFT27483	02/08/2013	ACCESS INDUSTRIAL TYRES PTY LTD	330.00
EFT27484	02/08/2013	ANALYTICAL REFERENCE LABORATORY (ARL)	1,148.13
EFT27485	02/08/2013	ANYTHING TELEPHONE & DATA (ATD)	473.00
EFT27486	02/08/2013	AUSTRALIA POST - ASCOT PLACE	1,950.00
EFT27487	02/08/2013	BLACKADDER WOODBRIDGE CATCHMENT GROUP	395.00
EFT27488	02/08/2013	BUDGET ELECTRICS	330.99
EFT27489	02/08/2013	C & K FABRICATION PTY LTD	1,265.00
EFT27490	02/08/2013	CHEMICAL FORMULATORS PTY LTD T/A CHEMFORM	104.72
EFT27491	02/08/2013	COVS PARTS PTY LTD	260.90
EFT27492	02/08/2013	CRC FOR WATER SENSITIVE CITIES	11,000.00
EFT27493	02/08/2013	CROSSLAND & HARDY PTY LTD	599.08
EFT27494	02/08/2013	DORMA AUTOMATICS PTY LTD	324.50
EFT27495	02/08/2013	FLEXI STAFF PTY LTD	5,895.74
EFT27496	02/08/2013	FLICK HYGIENE SERVICES	61.41
EFT27497	02/08/2013	FUJI XEROX AUSTRALIA PTY LTD	137.50
EFT27498	02/08/2013	GREEN SKILLS INC (ECOJOBS ENVIRONMENTAL PERSONEL)	844.80
EFT27499	02/08/2013	HASSELL P/L	4,930.75
EFT27500	02/08/2013	HAYS SPECIALIST RECRUITMENT	1,732.92
EFT27501	02/08/2013	HILLS FRESH	60.45
EFT27502	02/08/2013	JAYCOURT NOMINEES PTY LTD T/A BARFIELD MECHANICAL SERVICES	275.00
EFT27503	02/08/2013	LIFTRITE HIRE & SALES	1,852.69
EFT27504	02/08/2013	LIGHTSPEED TECHNOLOGY	2,783.00
EFT27505	02/08/2013	MAJOR MOTORS PTY LTD	35.20
EFT27506	02/08/2013	MUNDARING TYRE CENTRE	295.00
EFT27507	02/08/2013	NEVERFAIL SPRINGWATER	37.50
EFT27508	02/08/2013	PIRTEK	305.13
EFT27509	02/08/2013	RISE - YOUR COMMUNITY SUPPORT NETWORK (HILLS COMMUNITY SUPPORT GROUP INC)	11,405.90
EFT27510	02/08/2013	STAPLES AUSTRALIA LTD	412.75
EFT27511	02/08/2013	STEVENSON CONSULTING	4,939.00
EFT27512	02/08/2013	SYNERGY	8,098.95
EFT27513	02/08/2013	TELSTRA	172.88
EFT27514	02/08/2013	TELSTRA	609.90
EFT27515	02/08/2013	WESTRAC EQUIPMENT PTY LTD	96.21
EFT27516	06/08/2013	AIRLITE CLEANING	5,907.67
EFT27517	06/08/2013	CHEMICAL FORMULATORS PTY LTD T/A CHEMFORM	296.73
EFT27518	06/08/2013	CORESTAFF WA PTY LTD	1,402.81
EFT27519	06/08/2013	COVS PARTS PTY LTD	28.49
EFT27520	06/08/2013	EXPERIENCE PERTH	190.00
EFT27521	06/08/2013	GARBOLOGIE PTY LTD	829.40
EFT27522	06/08/2013	IPING PTY LTD	1,128.80
EFT27523	06/08/2013	LO-GO APPOINTMENTS	1,754.28
EFT27524	06/08/2013	MACK 1 KAWASAKI	2.95
EFT27525	06/08/2013	MUNDARING TYRE CENTRE	60.00
EFT27526	06/08/2013	PAYG PAYMENTS	54,289.19
EFT27527	06/08/2013	SCOTT PRINT	1,232.00
EFT27528	06/08/2013	STAPLES AUSTRALIA LTD	297.65
EFT27529	06/08/2013	WESTRAC EQUIPMENT PTY LTD	1,370.75
EFT27530	09/08/2013	AIR FILTER DRY CLEAN SYSTEMS PTY LTD	199.54
EFT27531	09/08/2013	WALGA - WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION	3,015.00

Eastern Metropolitan Regional Council


**CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2013**

Cheque /EFT No	Date	Payee	Amount
EFT27532	09/08/2013	AUSTRALIA POST - RED HILL	288.12
EFT27533	09/08/2013	AUSTRALIAN LABORATORY SERVICES PTY LTD (ALS)	1,575.20
EFT27534	09/08/2013	BTTB MARKETING PTY LTD	2,194.50
EFT27535	09/08/2013	CAPITAL TRANSPORT SERVICES (WA) PTY LTD	546.54
EFT27536	09/08/2013	CHANDLER MACLEOD GROUP	1,096.26
EFT27537	09/08/2013	CHICA CATERING (VALLEY ROAD PTY LTD)	157.00
EFT27538	09/08/2013	COMSYNC CONSULTING PTY LTD	2,431.00
EFT27539	09/08/2013	COOL CLEAR WATER GROUP LTD	290.40
EFT27540	09/08/2013	CORESTAFF WA PTY LTD	10,094.92
EFT27541	09/08/2013	CPR ELECTRICAL SERVICES	1,801.80
EFT27542	09/08/2013	FAIRFAX RADIO NETWORK PTY LTD	11,137.50
EFT27543	09/08/2013	FENCEWRIGHT PTY LTD	25,957.80
EFT27544	09/08/2013	FLEXI STAFF PTY LTD	2,462.52
EFT27545	09/08/2013	GRA EVERINGHAM PTY LTD	5,500.00
EFT27546	09/08/2013	HAYS SPECIALIST RECRUITMENT	1,732.92
EFT27547	09/08/2013	KLB SYSTEMS	21,868.00
EFT27548	09/08/2013	LANDFILL GAS & POWER PTY LTD	4,778.29
EFT27549	09/08/2013	LIEBHERR AUSTRALIA PTY LTD	2,273.95
EFT27550	09/08/2013	MACRI PARTNERS	880.00
EFT27551	09/08/2013	MICHAEL PAGE INTERNATIONAL	1,535.35
EFT27552	09/08/2013	MOTORCHARGE PTY LTD	5,495.18
EFT27553	09/08/2013	NEVERFAIL SPRINGWATER	60.00
EFT27554	09/08/2013	PERTH SECURITY SERVICES - MCW CORPORATION PTY LTD	4,534.67
EFT27555	09/08/2013	PETRO MIN ENGINEERS	12,603.25
EFT27556	09/08/2013	PIRTEK	1,810.48
EFT27557	09/08/2013	SNAP PRINTING	422.30
EFT27558	09/08/2013	TEKNO PTY LTD T/A GAIA RESOURCES	17,424.00
EFT27559	09/08/2013	TOLL FAST	53.69
EFT27560	09/08/2013	TOURISM COUNCIL WESTERN AUSTRALIA	399.00
EFT27561	09/08/2013	UNIQUE WASTE MANAGEMENT SERVICES	198.00
EFT27562	09/08/2013	WORKFORCE INTERNATIONAL	1,599.29
EFT27563	09/08/2013	YEOMAN PTY LTD ATF THE RJ ROHRLACH FAMILY TRUST	4,895.00
EFT27564	12/08/2013	KUEHNE+NAGEL PTY LTD	2,832.26
EFT27565	13/08/2013	ADCORP	13,249.31
EFT27566	13/08/2013	ALCOLIZER PTY LTD	88.00
EFT27567	13/08/2013	ARMAGUARD (LINFOX ARMAGUARD PTY LTD)	367.86
EFT27568	13/08/2013	AUSTRALIAN LABORATORY SERVICES PTY LTD (ALS)	895.40
EFT27569	13/08/2013	BP GIDGEGANNUP	34.50
EFT27570	13/08/2013	BUNNINGS BUILDING SUPPLIES PTY LTD	91.05
EFT27571	13/08/2013	CORESTAFF WA PTY LTD	2,716.58
EFT27572	13/08/2013	ELEMENT HYDROGRAPHIC SOLUTIONS	1,795.20
EFT27573	13/08/2013	KINETIC HEALTH GROUP PTY LTD	156.20
EFT27574	13/08/2013	LEN FRENCH FENCING CONTRACTOR	225.00
EFT27575	13/08/2013	LO-GO APPOINTMENTS	3,336.85
EFT27576	13/08/2013	NATSYNC ENVIRONMENTAL	325.00
EFT27577	13/08/2013	PERTH SECURITY SERVICES - MCW CORPORATION PTY LTD	1,694.00
EFT27578	13/08/2013	PIRTEK	942.51
EFT27579	13/08/2013	PITNEY BOWES CREDIT AUSTRALIA LTD	680.90
EFT27580	13/08/2013	PROPERTY COUNCIL OF AUSTRALIA	138.00
EFT27581	13/08/2013	RECRUITWEST	10,356.90
EFT27582	13/08/2013	STANTONS INTERNATIONAL	22,000.00
EFT27583	13/08/2013	STATE OF THE ART	195.00
EFT27584	13/08/2013	TELSTRA	547.25
EFT27585	13/08/2013	WORKFORCE INTERNATIONAL	1,578.99

Eastern Metropolitan Regional Council


**CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2013**

Cheque /EFT No	Date	Payee	Amount
EFT27586	16/08/2013	ADCORP	3,609.88
EFT27587	16/08/2013	ANYTHING TELEPHONE & DATA (ATD)	290.40
EFT27588	16/08/2013	ASTAR HARDWARE DISTRIBUTION	523.05
EFT27589	16/08/2013	AUSTRALIAN ENVIRONMENTAL AUDITORS PTY LTD	3,708.08
EFT27590	16/08/2013	AUSTRALIAN HVAC SERVICES	624.40
EFT27591	16/08/2013	AUSTRALIAN TRAINING MANAGEMENT PTY LTD	750.00
EFT27592	16/08/2013	BP AUSTRALIA LIMITED	27,202.64
EFT27593	16/08/2013	BP AUSTRALIA PTY LTD	4,888.39
EFT27594	16/08/2013	CHANDLER MACLEOD GROUP	6,577.58
EFT27595	16/08/2013	CHANGEWISDOM CONSULTING PTY LTD	2,160.00
EFT27596	16/08/2013	CHICA CATERING (VALLEY ROAD PTY LTD)	842.00
EFT27597	16/08/2013	CIRRENA PTY LTD T/A UNISON INTERACTIVE PTY LTD	1,480.00
EFT27598	16/08/2013	CJD EQUIPMENT PTY LTD	1,232.91
EFT27599	16/08/2013	COMPU-STOR	787.45
EFT27600	16/08/2013	CORESTAFF WA PTY LTD	1,394.25
EFT27601	16/08/2013	DEAN PATON	870.50
EFT27602	16/08/2013	DVG MORLEY	840.00
EFT27603	16/08/2013	FLEXI STAFF PTY LTD	3,250.06
EFT27604	16/08/2013	FUJI XEROX AUSTRALIA PTY LTD	536.28
EFT27605	16/08/2013	HILLS FRESH	73.90
EFT27606	16/08/2013	ICLEI	110.00
EFT27607	16/08/2013	JAYCOURT NOMINEES PTY LTD T/A BARFIELD MECHANICAL SERVICES	3,624.50
EFT27608	16/08/2013	LANCALL	3,432.00
EFT27609	16/08/2013	LANDFILL GAS & POWER PTY LTD	6,514.73
EFT27610	16/08/2013	LOCAL GOVERNMENT MANAGERS OF AUSTRALIA (WA)	429.00
EFT27611	16/08/2013	MAIL PLUS PERTH	323.40
EFT27612	16/08/2013	MICHAEL PAGE INTERNATIONAL	1,535.35
EFT27613	16/08/2013	MUNDARING ROOFING & PATIOS	4,510.00
EFT27614	16/08/2013	NEVERFAIL SPRINGWATER	52.50
EFT27615	16/08/2013	NEVERFAIL SPRINGWATER LTD - HAZELMERE	128.75
EFT27616	16/08/2013	OAKVALE TREASURY	2,504.70
EFT27617	16/08/2013	PITNEY BOWES CREDIT AUSTRALIA LTD	333.64
EFT27618	16/08/2013	PPC WORLDWIDE PTY LTD	170.50
EFT27619	16/08/2013	PRESTIGE ALARMS	2,332.00
EFT27620	16/08/2013	PROTECTOR FIRE SERVICES	4,969.69
EFT27621	16/08/2013	RUDD INDUSTRIAL AND FARM SUPPLIES	5.89
EFT27622	16/08/2013	ST JOHN AMBULANCE ASSOCIATION	199.00
EFT27623	16/08/2013	STAPLES AUSTRALIA LTD	486.30
EFT27624	16/08/2013	TELSTRA	425.10
EFT27625	16/08/2013	TOTALLY WORKWEAR MIDLAND	324.36
EFT27626	16/08/2013	TRANSPACIFIC CLEANAWAY LTD	133.82
EFT27627	16/08/2013	UNIQUE WASTE MANAGEMENT SERVICES	198.00
EFT27628	16/08/2013	WALGA - WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION	20,625.00
EFT27629	20/08/2013	AUSTRALIA POST - ASCOT PLACE	0.46
EFT27630	20/08/2013	BOC GASES	994.62
EFT27631	20/08/2013	BP AUSTRALIA LIMITED	23,379.80
EFT27632	20/08/2013	BP AUSTRALIA PTY LTD	1,015.69
EFT27633	20/08/2013	BRIDGESTONE TYRE CENTRE - MIDLAND	876.13
EFT27634	20/08/2013	CABCHARGE	33.05
EFT27635	20/08/2013	CHANDLER MACLEOD GROUP	3,873.45
EFT27636	20/08/2013	CJD EQUIPMENT PTY LTD	3,717.84
EFT27637	20/08/2013	CORESTAFF WA PTY LTD	2,820.53

Eastern Metropolitan Regional Council


**CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2013**

Cheque /EFT No	Date	Payee	Amount
EFT27638	20/08/2013	DELRON CLEANING PTY LTD	3,397.52
EFT27639	20/08/2013	INTEWORK INC	664.05
EFT27640	20/08/2013	KALAMUNDA TOYOTA	939.70
EFT27641	20/08/2013	KOTT GUNNING LAWYERS	378.40
EFT27642	20/08/2013	LO-GO APPOINTMENTS	3,174.63
EFT27643	20/08/2013	MICHAEL PAGE INTERNATIONAL	1,535.35
EFT27644	20/08/2013	OTIS ELEVATOR COMPANY PTY LTD	12.40
EFT27645	20/08/2013	PAYG PAYMENTS	55,878.93
EFT27646	20/08/2013	PERTH EXPOHIRE & FURNITURE GROUP	77.00
EFT27647	20/08/2013	PERTH SECURITY SERVICES - MCW CORPORATION PTY LTD	3,187.17
EFT27648	20/08/2013	RECRUITWEST	1,400.30
EFT27649	20/08/2013	STAPLES AUSTRALIA LTD	369.81
EFT27650	20/08/2013	TOTALLY WORKWEAR MIDLAND	42.46
EFT27651	20/08/2013	UNIQUE WASTE MANAGEMENT SERVICES	148.50
EFT27652	20/08/2013	WEST AUSTRALIAN BALLET COMPANY	3,593.43
EFT27653	20/08/2013	WORKFORCE INTERNATIONAL	1,599.29
EFT27654	23/08/2013	BRIDGESTONE AUSTRALIA LTD	876.13
EFT27655	23/08/2013	AIR FILTER DRY CLEAN SYSTEMS PTY LTD	65.78
EFT27656	23/08/2013	ANALYTICAL REFERENCE LABORATORY (ARL)	5,111.70
EFT27657	23/08/2013	AUSTRALIAN INSTITUTE OF MANAGEMENT - AIM	415.00
EFT27658	23/08/2013	BATTERY WORLD	46.00
EFT27659	23/08/2013	BG&E PTY LTD	10,440.54
EFT27660	23/08/2013	BP AUSTRALIA LIMITED	13,097.78
EFT27661	23/08/2013	BUNNINGS BUILDING SUPPLIES PTY LTD	41.41
EFT27662	23/08/2013	CARDNO (WA) PTY LTD	4,371.83
EFT27663	23/08/2013	CHICA CATERING (VALLEY ROAD PTY LTD)	599.50
EFT27664	23/08/2013	CITY OF SWAN	3,933.00
EFT27665	23/08/2013	CJD EQUIPMENT PTY LTD	328.39
EFT27666	23/08/2013	COMSYNC CONSULTING PTY LTD	2,395.25
EFT27667	23/08/2013	COVS PARTS PTY LTD	137.16
EFT27668	23/08/2013	DATA 3 PERTH	1,383.54
EFT27669	23/08/2013	DUN & BRADSTREET PTY LTD	39.60
EFT27670	23/08/2013	FIRE RESCUE SAFETY AUSTRALIA PTY LTD	2,495.00
EFT27671	23/08/2013	FLEXI STAFF PTY LTD	3,719.19
EFT27672	23/08/2013	FRANCIS SUZANNAH LEE	2,500.00
EFT27673	23/08/2013	J & K HOPKINS	88.00
EFT27674	23/08/2013	KEYNOTE CONFERENCES	7,430.00
EFT27675	23/08/2013	KONICA MINOLTA BUSINESS SOLUTIONS AUSTRALIA P/L	1,044.71
EFT27676	23/08/2013	LIQUID PACIFIC HOLDINGS P/L	5,280.00
EFT27677	23/08/2013	LO-GO APPOINTMENTS	1,387.65
EFT27678	23/08/2013	MINI-TANKERS AUSTRALIA PTY LTD	1,861.39
EFT27679	23/08/2013	NEVERFAIL SPRINGWATER	60.00
EFT27680	23/08/2013	NEVILLE REFRIGERATION	649.00
EFT27681	23/08/2013	PUREPROTECT CANNINGVALE	1,815.00
EFT27682	23/08/2013	RISK MANAGEMENT INSTITUTION OF AUSTRALASIA	361.00
EFT27683	23/08/2013	SITA AUSTRALIA PTY LTD	67.65
EFT27684	23/08/2013	SITA MEDICOLLECT AUSTRALIA PTY LTD	50.26
EFT27685	23/08/2013	SPUDS GARDENING SERVICES	1,823.00
EFT27686	23/08/2013	STAPLES AUSTRALIA LTD	308.08
EFT27687	23/08/2013	SWAN CHAMBER OF COMMERCE INC	400.00
EFT27688	23/08/2013	TELSTRA	6,333.64
EFT27689	23/08/2013	TELSTRA	209.27
EFT27690	23/08/2013	TELSTRA	19.25

Eastern Metropolitan Regional Council


**CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2013**

Cheque /EFT No	Date	Payee	Amount
EFT27691	23/08/2013	WALGA - WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION	27,099.60
EFT27692	23/08/2013	WREN OIL	18.15
EFT27693	27/08/2013	AIR FILTER DRY CLEAN SYSTEMS PTY LTD	212.96
EFT27694	27/08/2013	AUSTRALIAN HVAC SERVICES	291.50
EFT27695	27/08/2013	BAYSWATER MARTIAL ARTS & YOGA CENTRE	900.00
EFT27696	27/08/2013	BELMONT - REDCLIFFE NEWSROUND	572.70
EFT27697	27/08/2013	BOSS PTY LTD T/A TRISSET BUSINESS FORMS	2,882.00
EFT27698	27/08/2013	BP AUSTRALIA PTY LTD (LUBRICANT A/C 11818248)	987.95
EFT27699	27/08/2013	BUNNINGS BUILDING SUPPLIES PTY LTD	149.60
EFT27700	27/08/2013	CAPITAL TRANSPORT SERVICES (WA) PTY LTD	178.07
EFT27701	27/08/2013	CCH AUSTRALIA LTD	185.09
EFT27702	27/08/2013	CHANDLER MACLEOD GROUP	3,270.52
EFT27703	27/08/2013	CITY OF BAYSWATER	36,690.50
EFT27704	27/08/2013	CITY OF SWAN	14,674.23
EFT27705	27/08/2013	CORESTAFF WA PTY LTD	3,079.82
EFT27706	27/08/2013	CPR ELECTRICAL SERVICES	308.00
EFT27707	27/08/2013	LO-GO APPOINTMENTS	6,861.48
EFT27708	27/08/2013	MIDLAND TOYOTA (DVG)	321.73
EFT27709	27/08/2013	ODOUR CONTROL SYSTEMS INTERNATIONAL LTD	12,827.76
EFT27710	27/08/2013	PERTH SECURITY SERVICES - MCW CORPORATION PTY LTD	1,674.75
EFT27711	27/08/2013	PRESTIGE ALARMS	559.00
EFT27712	27/08/2013	RECRUITWEST	3,222.89
EFT27713	27/08/2013	RUDD INDUSTRIAL AND FARM SUPPLIES	357.85
EFT27714	27/08/2013	SNAP PRINTING	68.00
EFT27715	27/08/2013	ST JOHN AMBULANCE ASSOCIATION	199.00
EFT27716	27/08/2013	STAPLES AUSTRALIA LTD	758.22
EFT27717	27/08/2013	SYNNOTT MULHOLLAND MANAGEMENT SERVICES P/L T/A CONSULTATION	5,381.75
EFT27718	27/08/2013	TUTT BRYANT EQUIPMENT (BT EQUIPMENT PTY LTD)	3,401.04
EFT27719	27/08/2013	WALGA - WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION	19,903.77
EFT27720	27/08/2013	WESTRAC EQUIPMENT PTY LTD	176.99
EFT27721	27/08/2013	WORKFORCE INTERNATIONAL	1,599.29
EFT27722	27/08/2013	WREN OIL	18.15
EFT27723	30/08/2013	WALGS PLAN	62,329.12
EFT27724	30/08/2013	ACTIV PROPERTY CARE	180.00
EFT27725	30/08/2013	ADCORP	899.34
EFT27726	30/08/2013	ADT SECURITY	88.55
EFT27727	30/08/2013	AIRLITE CLEANING	1,542.08
EFT27728	30/08/2013	AIRWELL GROUP PTY LTD	10,354.85
EFT27729	30/08/2013	AUSTRACLEAR LIMITED (ASX)	127.06
EFT27730	30/08/2013	AUSTRALIAN INSTITUTE OF MANAGEMENT - AIM	1,060.00
EFT27731	30/08/2013	AUSTRALIAN LABORATORY SERVICES PTY LTD (ALS)	25,907.63
EFT27732	30/08/2013	C & K FABRICATION PTY LTD	1,430.00
EFT27733	30/08/2013	CCH AUSTRALIA LTD	114.71
EFT27734	30/08/2013	CITY OF BELMONT	19,800.00
EFT27735	30/08/2013	CJD EQUIPMENT PTY LTD	7,189.41
EFT27736	30/08/2013	FLEXI STAFF PTY LTD	2,925.34
EFT27737	30/08/2013	FUELFIX T/AS TANKS2GO	4,002.02
EFT27738	30/08/2013	FUJI XEROX AUSTRALIA PTY LTD	1,400.78
EFT27739	30/08/2013	IT VISION AUSTRALIA PTY LTD	462.00
EFT27740	30/08/2013	JOHN PAPAS TRAILERS (AUST) PTY LTD	12,895.30
EFT27741	30/08/2013	KEYNOTE CONFERENCES	3,740.00

Eastern Metropolitan Regional Council


**CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2013**

Cheque /EFT No	Date	Payee	Amount
EFT27742	30/08/2013	KOTT GUNNING LAWYERS	192.28
EFT27743	30/08/2013	LANDFILL GAS & POWER PTY LTD	12,358.24
EFT27744	30/08/2013	LO-GO APPOINTMENTS	1,387.65
EFT27745	30/08/2013	MICHAEL PAGE INTERNATIONAL	1,535.35
EFT27746	30/08/2013	MIDLAND TOYOTA (DVG)	351.73
EFT27747	30/08/2013	NATIONAL LUBRICATION SYSTEMS	1,369.05
EFT27748	30/08/2013	NATIONAL RADIO SALES AUSTRALIA P/L	1,212.20
EFT27749	30/08/2013	NEVERFAIL SPRINGWATER	127.35
EFT27750	30/08/2013	ODOUR CONTROL SYSTEMS INTERNATIONAL LTD	10,554.50
EFT27751	30/08/2013	ONSITE RENTALS PTY LTD	551.38
EFT27752	30/08/2013	PARCHEM CONSTRUCTION SUPPLIES	1,391.50
EFT27753	30/08/2013	SHIRE OF MUNDARING	51.00
EFT27754	30/08/2013	SPUDS GARDENING SERVICES	11,048.00
EFT27755	30/08/2013	STAPLES AUSTRALIA LTD	364.35
EFT27756	30/08/2013	STRATEGEN ENVIRONMENTAL CONSULTANTS PTY LTD	2,895.75
EFT27757	30/08/2013	SWAN MEDICAL GROUP	180.00
EFT27758	30/08/2013	THE ODOUR UNIT (WA) P/L	23,100.00
EFT27759	30/08/2013	TIM DAVIES LANDSCAPING PTY LTD	925.35
EFT27760	30/08/2013	TOTALLY WORKWEAR MIDLAND	431.52
EFT27761	30/08/2013	TOX FREE AUSTRALIA PTY LTD	4,064.90
EFT27762	30/08/2013	TOX FREE SOLUTIONS	2,640.14
EFT27763	30/08/2013	TUTT BRYANT EQUIPMENT (BT EQUIPMENT PTY LTD)	62.73
EFT27764	30/08/2013	VISY RECYCLING	79.76
EFT27765	30/08/2013	VOLICH WASTE CONTRACTORS PTY LTD	44.00
EFT27766	30/08/2013	YEOMAN PTY LTD ATF THE RJ ROHRLACH FAMILY TRUST	1,237.50
219642	01/08/2013	AMP LIFE LTD	2,010.00
219643	01/08/2013	AMP SUPER LEADER	1,302.90
219644	01/08/2013	AUSTRALIAN SUPER	3,567.69
219645	01/08/2013	BT BUSINESS SUPER	1,386.42
219646	01/08/2013	BT LIFETIME - PERSONAL SUPER	686.27
219647	01/08/2013	BT SUPER FOR LIFE	496.32
219648	01/08/2013	CBUS INDUSTRY SUPER	731.01
219649	01/08/2013	COLONIAL FIRST STATE	694.44
219650	01/08/2013	GENERATIONS PERSONAL SUPERANNUATION PLAN	660.94
219651	01/08/2013	GESB SUPER	180.86
219652	01/08/2013	MTAA SUPERANNUATION FUND	568.56
219653	01/08/2013	NORWICH UNION LIFE INSURANCE SOCIETY	389.27
219654	01/08/2013	ONEPATH LIFE LTD	613.83
219655	01/08/2013	RETAIL EMPLOYEES SUPERANNUATION TRUST	346.17
219656	01/08/2013	SUNSUPER	569.64
219657	01/08/2013	TELSTRA SUPER	476.64
219658	01/08/2013	ZURICH AUSTRALIAN SUPERANNUATION	720.14
219659	02/08/2013	EMRC PETTY CASH - BELMONT	594.15
219660	02/08/2013	EMRC PETTY CASH - HAZELMERE	180.60
219661	02/08/2013	EMRC PETTY CASH - REDHILL	374.75
219662	16/08/2013	EMRC PETTY CASH - REDHILL	303.15
219663	19/08/2013	UNISUPER	180.86
219664	20/08/2013	WATER CORPORATION	1,102.18
219665	27/08/2013	DEPARTMENT OF MINES AND PETROLEUM	192.00
219666	30/08/2013	AMP LIFE LTD	1,340.00
219667	30/08/2013	AMP SUPER LEADER	880.88
219668	30/08/2013	AUSTRALIAN SUPER	2,662.11
219669	30/08/2013	BT BUSINESS SUPER	915.60
219670	30/08/2013	BT LIFETIME - PERSONAL SUPER	448.22

Eastern Metropolitan Regional Council


**CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2013**

Cheque /EFT			
No	Date	Payee	Amount
219671	30/08/2013	BT SUPER FOR LIFE	330.88
219672	30/08/2013	CBUS INDUSTRY SUPER	441.09
219673	30/08/2013	COLONIAL FIRST STATE	462.96
219674	30/08/2013	GENERATIONS PERSONAL SUPERANNUATION PLAN	445.60
219675	30/08/2013	MTAA SUPERANNUATION FUND	380.27
219676	30/08/2013	ONEPATH LIFE LTD	394.50
219677	30/08/2013	RETAIL EMPLOYEES SUPERANNUATION TRUST	343.62
219678	30/08/2013	SUNSUPER	378.76
219679	30/08/2013	TELSTRA SUPER	317.76
219680	30/08/2013	UNISUPER	180.86
219681	30/08/2013	VIRGIN MONEY SUPER	63.73
219682	30/08/2013	ZURICH AUSTRALIAN SUPERANNUATION	491.72
219683	30/08/2013	EMRC PETTY CASH - BELMONT	660.00
727	13/08/2013	NATIONAL AUSTRALIA BANK	2,000,000.00
728	16/08/2013	ING	2,000,000.00
729	16/08/2013	NATIONAL AUSTRALIA BANK	1,000,000.00
730	19/08/2013	ING	500,000.00
731	19/08/2013	NATIONAL AUSTRALIA BANK	2,000,000.00
732	22/08/2013	WESTPAC BANKING CORPORATION	1,000,000.00
733	27/08/2013	WBC - CORPORATE MASTERCARD - P SCHNEIDER	141.83
734	27/08/2013	WBC - CORPORATE MASTER CARD - D AMEDURI	4,916.11
735	27/08/2013	WBC - CORPORATE MASTER CARD - MARILYNN HORGAN	1,066.20
736	27/08/2013	WBC - CORPORATE MASTER CARD - S FITZPATRICK	617.88
737	27/08/2013	WBC - CORPORATE MASTERCARD - H LIEW	258.90
PAY 2014-4	13/08/2013	PAYROLL FE 13/8/13	186,600.26
PAY 2014-5	27/08/2013	PAYROLL FE 27/8/13	184,064.75
1*AUG13	01/08/2013	BANK CHARGES 1523 - 1526	1,613.45
SUB TOTAL			<u>10,042,183.57</u>
LESS CANCELLED CHEQUES EFTs			
EFT27633	20/08/2013	BRIDGESTONE TYRE CENTRE - MIDLAND	-876.13
EFT27691	23/08/2013	WALGA - WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION	-27,099.60
219651	01/08/2013	GESB SUPER	-180.86
SUB TOTAL			<u>-28,156.59</u>
TOTAL			<u>10,014,026.98</u>
REPORT TOTALS			
			TOTAL
Bank Code	Bank Name		
1	EMRC - Municipal Fund		10,014,026.98
TOTAL			10,014,026.98



14.2 FINANCIAL REPORT FOR PERIOD ENDED 31 JULY 2013

REFERENCE: COMMITTEES-16183

PURPOSE OF REPORT

The purpose of this report is to provide Council with an overview of the Eastern Metropolitan Regional Council's (EMRC's) financial performance for the period ended 31 July 2013.

KEY ISSUES AND RECOMMENDATION(S)

- Significant year to date budget variances greater than 10% or \$10,000, whichever is the greater, within each nature and type category on the Statement of Financial Activity as at 31 July 2013 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 2013.

SOURCE OF REPORT

Director Corporate Services
 Manager Financial Services
 Finance Team Leader

BACKGROUND

It is a requirement of the Local Government (Financial Management) Regulations 1996 (Clause 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 2013/2014 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.

The financial summaries attached to this report provide an overview of year to date budget performance for operating activities and capital works.

As a result of the City of Stirling ceasing disposal of its tonnages at Red Hill Waste Management Facility from the beginning of August 2013, an initial budget / forecast review will be undertaken during August and September 2013.

A Statement of Financial Position is also provided with year to date actual balances compared with budget provisions and end of year forecasts for all balance sheet items.

REPORT

Outlined below are financial statements for the period ended 31 July 2013. Where possible the year to date monthly budget allocations have been 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 operating result from normal activities as at 31 July 2013 is a favourable variance of \$415,773. The following information is provided on key aspects of Council's end of year financial performance:

<u>Operating Income</u>	<i>Year to Date</i>	A favourable variance of \$33,421 (0.97%).
	<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 Other income of \$90,221 is \$34,308 (27.55%) below the year to date budget of \$124,529. This is mainly due to the lower than budgeted sales of mattress products totalling \$600 compared to a year to date budget of \$33,933. It is expected that with the purchase of a slow speed shredder which will prepare mattress products for sale, the annual budget of \$400,000 should be achieved during 2013/2014.

There were no further significant Operating Income variances as at 31 July 2013.

<u>Operating Expenditure</u>	<i>Year to Date</i>	A favourable variance of \$382,352 (12.10%).
	<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 Salary Expenses of \$658,039 is \$158,051 (19.37%) lower than the year to date budget of \$816,090. The variance is attributable to budgeted and vacant positions that are yet to be filled.
 2. Year to date Contract Expenses of \$194,623 is \$349,315 (64.22%) below the year to date budget provision of \$543,938 due predominately to the timing of various projects from different business units. Major variances from the Waste Services division include:
 - Rehabilitate Class III Cells (ALGER) - Red Hill Landfill Facility - \$42,974;
 - Remove and Crush Lateritic Caprock - \$41,666;
 - Undertake Engineering/Waste Management Special Projects (Regional Funding Program) - \$32,333;
 - Manage Greenwaste Mulching - \$23,317;
 - Operate and Maintain Class III Cells - \$21,602;
 - Monitor Environmental Impacts - Red Hill Water Monitoring - \$18,979;
 - Construct and Maintain Perimeter Bunds - \$10,416;
 - Operate and Maintain Stormwater System - Red Hill Landfill Facility - \$8,949;
 - Support Forum of Regional Councils (FORC) - \$8,824;
 - Develop Environmental Management System – Red Hill Landfill - \$7,083;
 - Provide Waste Management Consulting Services - Contaminated Sites - Member Councils - \$6,666;
-



Item 14.2 continued

- Rehabilitate Class IV Cells - Red Hill Landfill Facility - \$6,666;
- Monitor Environmental Impacts - Red Hill Odour Monitoring - \$6,666;
- Operate and Maintain Hazelmere Site - \$6,390; and
- Undertake Strategic Planning Research and Special Projects - \$6,250.

Other projects where the year to date expenditures have come in lower than expected compared to the year to date budget for various business divisions are: Corporate Services activities (\$16,707), Regional Development projects (\$46,281) and Environmental Services projects (\$18,962).

3. Year to date Material Expenses of \$22,410 is \$73,002 (76.51%) below the year to date budget of \$95,412. Principal variances below the year to date budget relate to various Corporate Services activities (\$14,250), Regional Development projects (\$4,255). Other projects from Waste Services activities contribute a further \$50,830 to the variance.
4. Year to date Depreciation Expense of \$650,442 is \$115,460 (21.58%) above the year to date budget provision of \$534,982. The increase is attributable to the increased value (\$1,319,340) of the depreciable value of plant following the revaluation of assets compared to budget.

The revaluation was introduced in 2012/2013 due to a change in accounting treatment as prescribed by the Australian Accounting Standards.

5. Year to date Costs Allocated of \$1,663 is \$33,749 (95.30%) below the year to date budget provisions of \$35,412.

There were no further significant Operating Expenditure variances as at 31 July 2013.

*Other Revenues and Expenses (Net)	<i>Year to Date</i>	A favourable variance of \$78,599 (16.72%).
	<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 is \$35,070 (27.19%) above the year to date budget of \$128,980.
2. Year to date Salary Expenses is \$11,296 (44.23%) below the year to date budget of \$25,539. This variance is due to a changeover of staff in the Resource Recovery business division and the budgeted position that has not been filled.
3. Year to date Costs Allocated of \$1,663 is \$20,346 (92.44%) below the year to date budget of \$22,009.

There were no further significant Other Revenues and Expenses variances as at 31 July 2013.



Item 14.2 continued

Capital Expenditure Statement (refer Attachment 2)

<u>Capital Expenditure</u>	<i>Year to Date</i>	A favourable variance of \$1,178,510.
	<i>End of Year Forecast</i>	As per budget – not yet due to be reviewed.

Capital Expenditure variances:

A favourable variance of \$1,178,510 exists as at 31 July 2013 when compared to the year to date budget provision of \$1,289,228. 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 expenditure to 31 July 2013 includes a part payment of \$106,940 for the new records management system.

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.

As end of year forecasts are yet to be reviewed, the forecast balance as at 31 July 2013 are as per budget estimates.

Statement of Cash and Investments (refer Attachment 4)

The level of cash and investments in the Municipal fund as at 31 July 2013 is \$11,450,469 and Restricted Assets amount to \$41,917,866. This figure is net of cumulative unrealised losses of \$601,485 which has been provided for in this amount.

The net movement for the month is a decrease of \$1,414,278.

Investment Report (refer Attachment 5)

Term deposits which matured in the month of July 2013 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 in the attached financial reports.

SUSTAINABILITY IMPLICATIONS

Nil



Item 14.2 continued

ATTACHMENT(S)

1. Statement of Comprehensive Income by Nature and Type (Ref: Committees-16205)
2. Capital Expenditure Statement (Ref: Committees-16206)
3. Statement of Financial Position (Ref: Committees-16207)
4. Statement of Cash and Investments (Ref: Committees-16208)
5. Investment Report (Ref: Committees-16209)

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 2013.

COUNCIL RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR CUCCARO

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 2013.

CARRIED UNANIMOUSLY

STATEMENT OF COMPREHENSIVE INCOME

Nature and Type

Year to Date

JULY 2013

Full Year

Actual	Budget	Variance
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Forecast	Budget	Variance
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Operating Income

\$3,239,612	\$3,177,722	\$61,890	(F)	User Charges	\$38,874,520	\$38,874,520	\$0	(F)
\$28,679	\$28,279	\$400	(F)	Special Charges	\$362,143	\$362,143	\$0	(F)
\$2,000	\$9,996	(\$7,996)	(U)	Contributions	\$724,646	\$724,646	\$0	(F)
\$0	\$0	\$0	(F)	Operating Grants	\$1,015,800	\$1,015,800	\$0	(F)
\$32,946	\$23,191	\$9,755	(F)	Interest Municipal Cash Investments	\$278,303	\$278,303	\$0	(F)
\$77,553	\$73,873	\$3,680	(F)	Reimbursements	\$886,567	\$886,567	\$0	(F)
\$90,221	\$124,529	(\$34,308)	(U)	Other	\$1,759,404	\$1,759,404	\$0	(F)
\$3,471,011	\$3,437,590	\$33,421	(F)	Total Operating Income	\$43,901,383	\$43,901,383	\$0	(F)

Operating Expenditure

\$658,039	\$816,090	\$158,051	(F)	Salary Expenses	\$9,801,805	\$9,801,805	\$0	(F)
\$194,623	\$543,938	\$349,315	(F)	Contract Expenses	\$6,608,817	\$6,608,817	\$0	(F)
\$22,410	\$95,412	\$73,002	(F)	Material Expenses	\$1,146,270	\$1,146,270	\$0	(F)
\$12,242	\$22,119	\$9,877	(F)	Utility Expenses	\$265,536	\$265,536	\$0	(F)
\$71,882	\$70,387	(\$1,495)	(U)	Fuel Expenses	\$844,764	\$844,764	\$0	(F)
\$1,546	\$1,722	\$176	(F)	Finance Fees and Interest Expenses	\$20,683	\$20,683	\$0	(F)
\$44,603	\$40,140	(\$4,463)	(U)	Insurance Expenses	\$281,030	\$281,030	\$0	(F)
\$650,442	\$534,982	(\$115,460)	(U)	Depreciation Expenses	\$6,420,134	\$6,420,134	\$0	(F)
\$1,124,717	\$1,071,815	(\$52,902)	(U)	Miscellaneous Expenses	\$12,969,658	\$12,969,658	\$0	(F)
\$0	\$0	\$0	(F)	Provision Expenses	\$111,895	\$111,895	\$0	(F)
(\$1,663)	(\$35,412)	(\$33,749)	(U)	Costs Allocated	(\$424,451)	(\$424,451)	\$0	(F)
\$2,778,841	\$3,161,193	\$382,352	(F)	Total Operating Expenditure	\$38,046,141	\$38,046,141	\$0	(F)

\$692,170	\$276,397	\$415,773	(F)	OPERATING RESULT FROM NORMAL ACTIVITIES	\$5,855,242	\$5,855,242	\$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; and
5. Miscellaneous Expenses - includes the Landfill Levy expense of \$784,418 as at 31 July 2013.

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 2013

Year to Date

Full Year

Actual

Budget

Variance

Forecast

Budget

Variance

Other Revenues

\$457,113	\$456,533	\$580	(F)	Secondary Waste Charge	\$5,690,727	\$5,690,727	\$0	(F)
\$0	\$0	\$0	(F)	Operating Grants	\$0	\$0	\$0	(F)
\$164,050	\$128,980	\$35,070	(F)	Interest Restricted Cash Investments	\$1,547,814	\$1,547,814	\$0	(F)
\$263	\$180	\$83	(F)	Reimbursements	\$2,169	\$2,169	\$0	(F)
\$0	\$0	\$0	(F)	Proceeds from Sale of Assets	\$724,614	\$724,614	\$0	(F)
\$621,426	\$585,693	\$35,733	(F)	Total Other Revenues	\$7,965,324	\$7,965,324	\$0	(F)

Other Expenses

\$14,243	\$25,539	\$11,296	(F)	Salary Expenses	\$316,956	\$316,956	\$0	(F)
\$51,245	\$60,673	\$9,428	(F)	Contract Expenses	\$754,630	\$754,630	\$0	(F)
\$1,153	\$1,205	\$52	(F)	Material Expenses	\$14,550	\$14,550	\$0	(F)
\$185	\$208	\$23	(F)	Utility Expenses	\$2,500	\$2,500	\$0	(F)
\$68	\$114	\$46	(F)	Insurance Expenses	\$1,375	\$1,375	\$0	(F)
\$854	\$1,001	\$147	(F)	Depreciation Expenses	\$12,020	\$12,020	\$0	(F)
\$3,386	\$4,914	\$1,528	(F)	Miscellaneous Expenses	\$59,113	\$59,113	\$0	(F)
\$0	\$0	\$0	(F)	Carrying Amount of Assets Disposed Of	\$450,859	\$450,859	\$0	(F)
\$1,663	\$22,009	\$20,346	(F)	Costs Allocated	\$264,451	\$264,451	\$0	(F)
\$72,797	\$115,663	\$42,866	(F)	Total Other Expenses	\$1,876,454	\$1,876,454	\$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)

\$548,629	\$470,030	\$78,599	(F)	OPERATING RESULT FROM OTHER ACTIVITIES	\$6,088,870	\$6,088,870	\$0	(F)
Surplus	Surplus				Surplus	Surplus		

\$1,240,799	\$746,427	\$494,372	(F)	CHANGE IN NET ASSETS FROM OPERATIONS	\$11,944,112	\$11,944,112	\$0	(F)
Surplus	Surplus				Surplus	Surplus		



CAPITAL EXPENDITURE STATEMENT

JULY 2013

Year to Date				Full Year					
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance		
Governance and Corporate Services									
\$0	\$31,702	\$31,702	(F)	\$0	Purchase Vehicles - Ascot Place (24440/00)	\$380,429	\$380,429	\$0	(F)
\$0	\$2,562	\$2,562	(F)	\$0	Purchase Furniture Fittings & Equipment - Corporate Services (24510/01)	\$30,750	\$30,750	\$0	(F)
\$106,940	\$74,904	(\$32,036)	(U)	\$44,744	Purchase Information Technology & Communication Equipment (24550/00)	\$898,850	\$898,850	\$0	(F)
\$0	\$2,500	\$2,500	(F)	\$0	Purchase Art Works (24620/00)	\$30,000	\$30,000	\$0	(F)
\$0	\$1,458	\$1,458	(F)	\$0	Capital Improvement Administration Building - Ascot Place (25240/01)	\$17,500	\$17,500	\$0	(F)
\$0	\$303	\$303	(F)	\$0	Upgrade Security Equipment - Ascot Place (25530/01)	\$3,639	\$3,639	\$0	(F)
\$106,940	\$113,429	\$6,489	(F)	\$44,744		\$1,361,168	\$1,361,168	\$0	(F)



CAPITAL EXPENDITURE STATEMENT

JULY 2013

Year to Date						Full Year		
Actual	Budget	Variance		On (F) = Favourable variation Order (U) = Unfavourable variation	Forecast	Budget	Variance	
Environmental Services								
\$0	\$125	\$125 (F)	\$0	Purchase Office Equipment - Environmental Services (24510/05)	\$1,500	\$1,500	\$0 (F)	
\$0	\$125	\$125 (F)	\$0	Purchase Office Furniture and Fittings - Environmental Services (24610/05)	\$1,500	\$1,500	\$0 (F)	
\$0	\$250	\$250 (F)	\$0		\$3,000	\$3,000	\$0 (F)	
Regional Development								
\$0	\$83	\$83 (F)	\$0	Purchase Office Equipment - Regional Development (24510/04)	\$1,000	\$1,000	\$0 (F)	
\$0	\$83	\$83 (F)	\$0	Purchase Office Furniture and Fittings - Regional Development (24610/04)	\$1,000	\$1,000	\$0 (F)	
\$0	\$166	\$166 (F)	\$0		\$2,000	\$2,000	\$0 (F)	
Risk Management								
\$0	\$41	\$41 (F)	\$0	Purchase Office Equipment - Risk Management (24510/06)	\$500	\$500	\$0 (F)	
\$0	\$41	\$41 (F)	\$0	Purchase Office Furniture and Fittings - Risk Management (24610/06)	\$500	\$500	\$0 (F)	
\$0	\$82	\$82 (F)	\$0		\$1,000	\$1,000	\$0 (F)	
Resource Recovery								
\$0	\$2,500	\$2,500 (F)	\$0	Resource Recovery Park - Land (24150/05)	\$30,000	\$30,000	\$0 (F)	
\$0	\$41,666	\$41,666 (F)	\$0	Construct and Commission Resource Recovery Park - C & I Building (24259/04)	\$500,000	\$500,000	\$0 (F)	



CAPITAL EXPENDITURE STATEMENT

JULY 2013

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

Resource Recovery

\$0	\$20,833	\$20,833	(F)	\$0	Construct and Commission Resource Recovery Park - Pyrolysis Building (24259/05)	\$250,000	\$250,000	\$0	(F)
\$0	\$833	\$833	(F)	\$0	Construct and Commission Resource Recovery Park - Community Transfer Station (24259/06)	\$10,000	\$10,000	\$0	(F)
\$0	\$4,166	\$4,166	(F)	\$0	Construct and Commission Resource Recovery Park - MRF (24259/09)	\$50,000	\$50,000	\$0	(F)
\$0	\$12,500	\$12,500	(F)	\$0	Construct and Commission Resource Recovery Park - Weighbridges (x2) (24392/02)	\$150,000	\$150,000	\$0	(F)
\$0	\$87,499	\$87,499	(F)	\$0	Construct and Commission Resource Recovery Park - Site Infrastructure (24399/01)	\$1,050,000	\$1,050,000	\$0	(F)
\$0	\$83,333	\$83,333	(F)	\$0	Purchase Resource Recovery Park Pyrolysis - Plant & Equipment (24410/03)	\$1,000,000	\$1,000,000	\$0	(F)
\$0	\$8,333	\$8,333	(F)	\$0	Purchase Resource Recovery Park C & I Building - Plant & Equipment (24410/04)	\$100,000	\$100,000	\$0	(F)
\$0	\$83	\$83	(F)	\$0	Purchase Office Equipment - Resource Recovery (24510/07)	\$1,000	\$1,000	\$0	(F)
\$0	\$83	\$83	(F)	\$180	Purchase Other Equipment - Resource Recovery (24590/07)	\$1,000	\$1,000	\$0	(F)
\$0	\$83	\$83	(F)	\$0	Purchase Office Furniture and Fittings - Resource Recovery (24610/07)	\$1,000	\$1,000	\$0	(F)
\$0	\$261,912	\$261,912	(F)	\$180		\$3,143,000	\$3,143,000	\$0	(F)

Waste Management



CAPITAL EXPENDITURE STATEMENT

JULY 2013

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

Waste Management

\$0	\$7,822	\$7,822	(F)	\$0	Construct Waste Management Facility Buildings - Red Hill Landfill Facility (24250/01)	\$93,886	\$93,886	\$0	(F)
\$0	\$7,749	\$7,749	(F)	\$0	Construct Waste Management Facility Buildings - Hazelmere (24250/02)	\$93,000	\$93,000	\$0	(F)
\$0	\$2,283	\$2,283	(F)	\$0	Construct Storage Shed for Mattresses - Hazelmere (24250/05)	\$27,400	\$27,400	\$0	(F)
\$0	\$1,666	\$1,666	(F)	\$0	Construct Lunchroom and Ablution Block - Red Hill Landfill Facility (24250/07)	\$20,000	\$20,000	\$0	(F)
\$0	\$4,166	\$4,166	(F)	\$0	Construct Waste Management Facility Buildings - Other - Hazelmere (24259/02)	\$50,000	\$50,000	\$0	(F)
\$0	\$267,916	\$267,916	(F)	\$0	Construct Class III Cell Stage 14(a) - Red Hill Landfill Facility (24310/12)	\$3,215,000	\$3,215,000	\$0	(F)
\$0	\$15,000	\$15,000	(F)	\$0	Construct Class III Leachate Pond - Red Hill Landfill Facility (24320/01)	\$180,000	\$180,000	\$0	(F)
\$0	\$1,250	\$1,250	(F)	\$0	Leachate Project - Red Hill Landfill Facility (24320/02)	\$15,000	\$15,000	\$0	(F)
\$0	\$15,833	\$15,833	(F)	\$0	Construct Siltation Ponds - Red Hill Landfill Facility (24350/00)	\$190,000	\$190,000	\$0	(F)
\$0	\$8,333	\$8,333	(F)	\$0	Construct Stormwater Control Pond - Red Hill Farm Stage I (24350/01)	\$100,000	\$100,000	\$0	(F)
\$0	\$9,208	\$9,208	(F)	\$0	Construct Nutrient Stripping Pond - Red Hill Landfill Facility (24360/00)	\$110,500	\$110,500	\$0	(F)
\$0	\$33,332	\$33,332	(F)	\$0	Construct Roads / Carparks - Red Hill Landfill Facility (24370/00)	\$400,000	\$400,000	\$0	(F)
\$0	\$31,250	\$31,250	(F)	\$0	Construct Access Road to Lots 8 9 10 - Red Hill Landfill Facility (24370/02)	\$375,000	\$375,000	\$0	(F)



CAPITAL EXPENDITURE STATEMENT

JULY 2013

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

Waste Management

\$0	\$8,333	\$8,333	(F)	\$0	Construct Perimeter Fencing - Red Hill Landfill Facility (24394/00)	\$100,000	\$100,000	\$0	(F)
\$0	\$4,166	\$4,166	(F)	\$3,600	Construct Litter Fence - Red Hill Farm (24394/04)	\$50,000	\$50,000	\$0	(F)
\$0	\$16,846	\$16,846	(F)	\$0	Construct Hardstand and Road - Hazelmere (24395/01)	\$202,175	\$202,175	\$0	(F)
\$0	\$29,166	\$29,166	(F)	\$0	Relocate Greenwaste Processing area - Red Hill Landfill Facility (24395/04)	\$350,000	\$350,000	\$0	(F)
\$0	\$2,652	\$2,652	(F)	\$0	Construct Monitoring Bores - Red Hill Landfill Facility (24396/00)	\$31,827	\$31,827	\$0	(F)
\$0	\$5,833	\$5,833	(F)	\$0	Washdown bay Upgrade - Red Hill Landfill Facility (24399/04)	\$70,000	\$70,000	\$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	\$151,820	\$151,820	(F)	\$24,580	Purchase / Replace Plant - Red Hill Landfill Facility (24410/00)	\$1,821,850	\$1,821,850	\$0	(F)
\$0	\$178,500	\$178,500	(F)	\$19,500	Purchase / Replace Plant - Hazelmere (24410/01)	\$2,142,000	\$2,142,000	\$0	(F)
\$0	\$6,250	\$6,250	(F)	\$0	Purchase Bagging Plant for Mulch/Compost (24410/02)	\$75,000	\$75,000	\$0	(F)
\$0	\$21,916	\$21,916	(F)	\$8,267	Purchase / Replace Minor Plant and Equipment-Red Hill Landfill Facility (24420/00)	\$263,000	\$263,000	\$0	(F)
\$1,283	\$7,000	\$5,717	(F)	\$821	Purchase / Replace Minor Plant and Equipment - Hazelmere (24420/02)	\$84,000	\$84,000	\$0	(F)
\$0	\$15,827	\$15,827	(F)	\$0	Purchase / Replace Vehicles - Red Hill Landfill Facility (24430/00)	\$189,925	\$189,925	\$0	(F)
\$0	\$45	\$45	(F)	\$0	Purchase / Replace Office Equipment - Engineering / Waste Management (24510/02)	\$550	\$550	\$0	(F)



CAPITAL EXPENDITURE STATEMENT

JULY 2013

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

Waste Management

\$0	\$3,250	\$3,250 (F)	\$0	Purchase / Replace Office Equipment - Red Hill Landfill Facility (24510/08)	\$39,000	\$39,000	\$0 (F)
\$0	\$2,916	\$2,916 (F)	\$0	Purchase Fire Fighting System/Equipment - Hazelmere (24520/07)	\$35,000	\$35,000	\$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	\$12,049	\$12,049 (F)	\$0	Purchase / Replace Security System - Red Hill Waste Management Facility (24530/08)	\$144,600	\$144,600	\$0 (F)
\$0	\$2,249	\$2,249 (F)	\$990	Purchase / Replace Security System - Hazelmere (24530/10)	\$27,000	\$27,000	\$0 (F)
\$0	\$25,083	\$25,083 (F)	\$0	Purchase / Replace Other Equipment - Red Hill Landfill Facility (24590/00)	\$301,000	\$301,000	\$0 (F)
\$2,495	\$1,975	(\$520) (U)	\$0	Purchase / Replace Miscellaneous Equipment - Hazelmere (24590/02)	\$23,700	\$23,700	\$0 (F)
\$0	\$250	\$250 (F)	\$0	Purchase/Replace Other Equipment - Engineering and Waste Management (24590/03)	\$3,000	\$3,000	\$0 (F)
\$0	\$83	\$83 (F)	\$0	Purchase Office Furniture and Fittings-Engineering and Waste Management (24610/03)	\$1,000	\$1,000	\$0 (F)
\$0	\$83	\$83 (F)	\$0	Purchase / Replace Office Furniture and Fittings - Red Hill Landfill Facility (24610/08)	\$1,000	\$1,000	\$0 (F)
\$0	\$125	\$125 (F)	\$0	Purchase Office Furniture and Fittings-Hazelmere (24610/10)	\$1,500	\$1,500	\$0 (F)
\$0	\$83	\$83 (F)	\$0	Purchase Miscellaneous Furniture and Fittings - Red Hill Education Programme (24690/01)	\$1,000	\$1,000	\$0 (F)



CAPITAL EXPENDITURE STATEMENT

JULY 2013

Year to Date				Full Year					
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance		
Waste Management									
\$0	\$166	\$166 (F)	\$0	Refurbish Environmental Education Centre - Redhill Landfill Facility (25253/00)	\$2,000	\$2,000	\$0 (F)		
\$0	\$6,666	\$6,666 (F)	\$0	Refurbish Waste Transfer Station Building - Red Hill Landfill Facility (25259/01)	\$80,000	\$80,000	\$0 (F)		
\$0	\$1,666	\$1,666 (F)	\$0	Refurbish Plant - Red Hill Landfill Facility (25410/00)	\$20,000	\$20,000	\$0 (F)		
\$3,778	\$913,389	\$909,611 (F)	\$57,758		\$10,960,913	\$10,960,913	\$0 (F)		
\$110,718	\$1,289,228	\$1,178,510 (F)	\$102,683	TOTAL CAPITAL EXPENDITURE	\$15,471,081	\$15,471,081	\$0 (F)		



STATEMENT OF FINANCIAL POSITION

JULY 2013

Actual June 2012	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
			Forecast	Budget	Variance
Current Assets					
\$3,021,270	\$2,795,845	Cash and Cash Equivalents	\$266,144	\$266,144	\$0 (F)
\$51,761,343	\$50,572,490	Investments	\$57,985,610	\$57,985,610	\$0 (F)
\$3,552,486	\$3,425,108	Trade and Other Receivables	\$3,552,486	\$3,552,486	\$0 (F)
\$86,077	\$79,146	Inventories	\$86,077	\$86,077	\$0 (F)
\$65,007	\$309,092	Other Assets	\$65,007	\$65,007	\$0 (F)
\$58,486,183	\$57,181,681	Total Current Assets	\$61,955,324	\$61,955,324	\$0 (F)
Current Liabilities					
\$5,409,053	\$2,105,425	Trade and Other Payables	\$5,409,053	\$5,409,053	\$0 (F)
\$1,229,726	\$1,229,726	Provisions	\$1,230,929	\$1,230,929	\$0 (F)
\$6,638,779	\$3,335,151	Total Current Liabilities	\$6,639,982	\$6,639,982	\$0 (F)
\$51,847,404	\$53,846,530	Net Current Assets	\$55,315,342	\$55,315,342	\$0 (F)
Non Current Assets					
\$16,361,457	\$16,361,456	Land	\$16,391,456	\$16,391,456	\$0 (F)
\$4,783,168	\$4,761,894	Buildings	\$5,692,789	\$5,692,789	\$0 (F)
\$9,152,875	\$9,451,195	Structures	\$13,068,135	\$13,068,135	\$0 (F)
\$9,825,700	\$9,438,067	Plant	\$12,653,725	\$12,653,725	\$0 (F)
\$291,050	\$585,395	Equipment	\$1,177,485	\$1,177,485	\$0 (F)
\$156,333	\$155,348	Furniture and Fittings	\$175,060	\$175,060	\$0 (F)
\$5,019,398	\$4,296,048	Work in Progress	\$5,019,398	\$5,019,398	\$0 (F)
\$45,589,981	\$45,049,403	Total Non Current Assets	\$54,178,048	\$54,178,048	\$0 (F)
Non Current Liabilities					
\$4,841,163	\$5,058,912	Provisions	\$4,953,058	\$4,953,058	\$0 (F)
\$4,841,163	\$5,058,912	Total Non Current Liabilities	\$4,953,058	\$4,953,058	\$0 (F)
\$92,596,222	\$93,837,021	Net Assets	\$104,540,332	\$104,540,332	\$0 (F)
Equity					
\$49,136,150	\$49,136,150	Accumulated Surplus/Deficit	\$60,901,269	\$60,901,269	\$0 (F)
\$42,319,723	\$42,319,723	Cash Backed Reserves	\$42,319,723	\$42,319,723	\$0 (F)
\$1,140,349	\$1,140,349	Asset \Revaluation Reserve	\$1,319,340	\$1,319,340	\$0 (F)
\$0	\$1,240,799	Net change in assets from operations	\$0	\$0	\$0 (F)
\$92,596,222	\$93,837,021	Total Equity	\$104,540,332	\$104,540,332	\$0 (F)



CASH AND INVESTMENTS

JULY 2013

Actual June 2012	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
			Forecast	Budget	Variance
Municipal Cash and Investments					
3,018,020	2,792,595	Cash at Bank - Municipal Fund 01001/00	262,894	262,894	0 (F)
1,250	1,250	Cash on Hand - Ascot Place 01019/00	1,250	1,250	0 (F)
200	200	Cash on Hand - Walliston/Mathieson & Coppin Road Transfer Stations 01019/01	200	200	0 (F)
1,800	1,800	Cash on Hand - Red Hill / Hazelmere 01019/02	1,800	1,800	0 (F)
10,040,526	8,654,624	Investments - Municipal Fund 02021/00	11,193,973	11,193,973	0 (U)
13,061,796	11,450,469	Total Municipal Cash	11,460,117	11,460,117	0 (U)
Restricted Cash and Investments					
1,029,772	1,037,454	Restricted Investments - Plant and Equipment 02022/01	927,240	927,240	0 (F)
1,664,322	1,676,737	Restricted Investments - Post Closure Site Rehabilitation Red Hill 02022/02	1,846,175	1,846,174	0 (F)
234,694	236,445	Restricted Investments - Future Development 02022/03	15,088	15,087	0 (F)
550,617	554,724	Restricted Investments - Environmental Monitoring Red Hill 02022/04	571,040	571,040	0 (U)
168,280	169,535	Restricted Investments - Environmental Insurance Red Hill 02022/05	134,340	134,340	0 (F)
12,619	12,713	Restricted Investments - Risk Management 02022/06	13,087	13,087	0 (F)
439,250	442,526	Restricted Investments - Class IV Cells Red Hill 02022/07	514,025	514,026	0 (U)
20,193	20,344	Restricted Investments - Regional Development 02022/08	12,828	12,828	(1) (U)
35,964,254	36,232,531	Restricted Investments - Secondary Waste Processing 02022/09	41,432,016	41,432,016	0 (F)
1,473,747	1,484,740	Restricted Investments - Class III Cells 02022/10	1,140,284	1,140,284	0 (U)
63,714	64,190	Restricted Investments - Building Refurbishment (Ascot Place) 02022/11	66,078	66,078	0 (U)
2,579	(116,057)	Restricted Investments - Accrued Interest 02022/19	2,579	2,579	0 (F)
(601,485)	(601,485)	Restricted Investments - Unrealised Loss/Gain on Investments 02022/20	(601,485)	(601,485)	0 (F)
698,261	703,469	Restricted Investments - Long Service Leave 02022/90	718,343	718,343	0 (F)
41,720,816	41,917,866	Total Restricted Cash	46,791,637	46,791,636	0 (F)
54,782,613	53,368,335	TOTAL CASH AND INVESTMENTS	58,251,754	58,251,754	0 (U)

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 2013

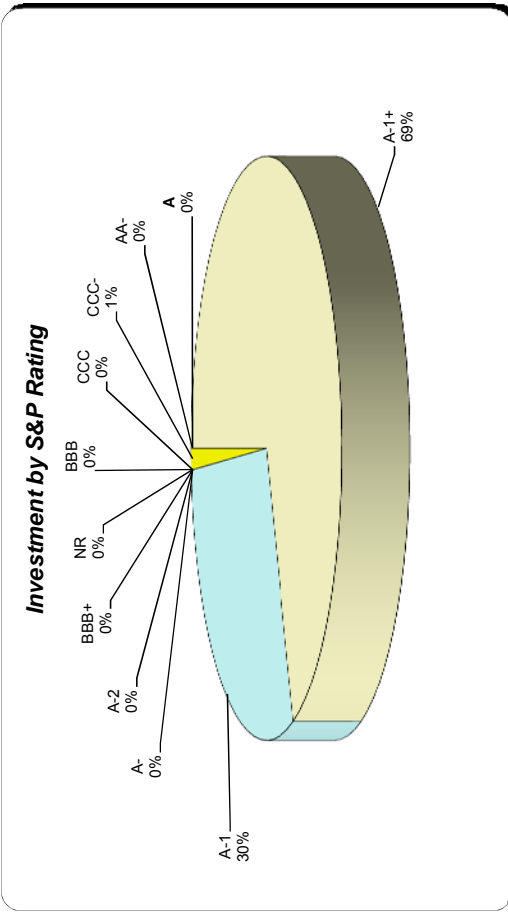
Investment Report Including CDOs

I. Overall Portfolio Limits

S&P Long Term Rating	S&P Short Term Rating	% Portfolio	Investment Maximum %	Comments
AAA	A-1+	69.17%	100%	
AA	A-1	29.64%	100%	
CCC and less		1.19%	0%	Policy Breached ¹
		100.00%		

Notes

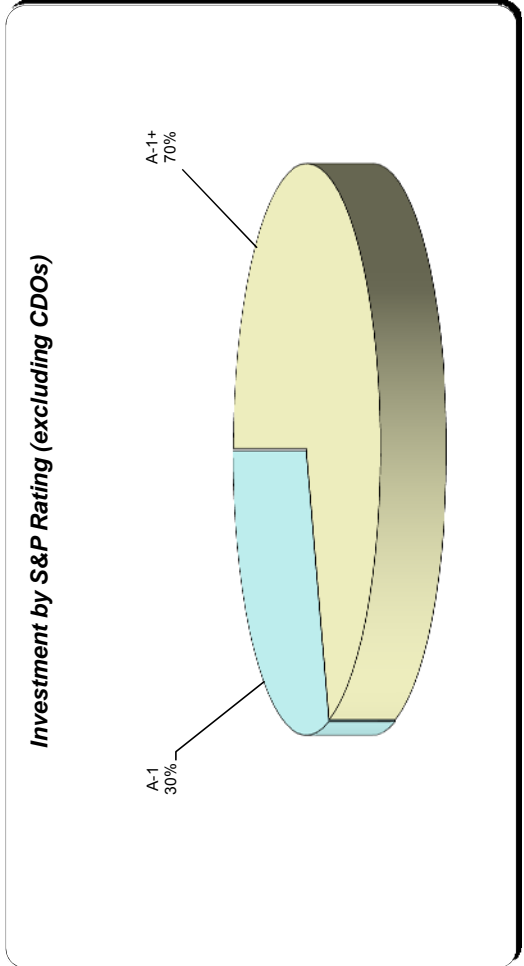
1. Policy breach above relates to the Lehman Brothers CDO investment



Investment Report Excluding CDOs

I. Overall Portfolio Limits

S&P Long Term Rating	S&P Short Term Rating	% Portfolio	Investment Maximum %	Comments
AAA	A-1+	70.00%	100%	
AA	A-1	30.00%	100%	
CCC and less		0.00%	0%	
		100.00%		



Investment Report Including CDOs

Investment Report Excluding CDOs

II. Single Entity Exposure

II. Single Entity Exposure

	% Portfolio	Comments
ANZ Banking Group	0.00%	
Bankwest	0.00%	
ING Bank	29.64%	
NAB	34.59%	
Westpac / St. George Bank	34.58%	
Lehman Brothers	1.19%	Policy breached ²
	<u>100.00%</u>	

	% Portfolio	Comments
ANZ Banking Group	0.00%	
Bankwest	0.00%	
ING Bank	30.00%	
NAB	35.00%	
Westpac / St. George Bank	35.00%	
	<u>100.00%</u>	

Notes

2. Policy breach above relates to the Lehman Bros CDO investment

III. Term to Maturity Framework

III. Term to Maturity Framework

Maturity Profile	Investment Policy Guidelines		Comments	
	% Portfolio	% Min		% Max
Less Than 1 Year	98.88%	40.00%	100.00%	
Greater Than 3 Years	1.12%	0.00%	0.00%	Policy breached ³
	<u>100.00%</u>			

Maturity Profile	Investment Policy Guidelines		Comments	
	% Portfolio	% Min		% Max
Less Than 1 Year	100.00%	40.00%	100.00%	
Greater Than 3 Years	0.00%	0.00%	0.00%	
	<u>100.00%</u>			

Notes

3. Policy breach above relates to the Lehman Bros CDO investment

NB: This report is consistent with the reporting requirements of the Policy 3.3 - Management of Investments Policy



14.3 EMRC ANNUAL REPORT 2012-2013

REFERENCE: COMMITTEES-16197

PURPOSE OF REPORT

To table the draft EMRC Annual Report 2012-2013 to Council for acceptance.

KEY ISSUES AND RECOMMENDATION(S)

- It is a requirement of section 5.53 of the *Local Government Act 1995* that an Annual Report is prepared for each financial year.
- Section 5.54 of the *Local Government Act 1995* requires the Annual Report to be accepted by the Council, by an absolute majority, no later than 31 December after that financial year.
- Section 5.55 of the *Local Government Act 1995* 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 2012-2013 and the statements therein.
2. Local public notice be given, in accordance with section 5.55 of the *Local Government Act 1995*, of the availability of the EMRC Annual Report 2012-2013.

SOURCE OF REPORT

Director Corporate Services
 Marketing, Communications & Events Coordinator

BACKGROUND

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.

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 to 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*;



Item 14.3 continued

- (h) Details of entries made under section 5.121 during the financial year in the register of complaints, including:
 - (ii) The number of complaints recorded in the register of complaints;
 - (iii) How the recorded complaints were dealt with; and
 - (iii) Any other details that the regulations may require; and
- (i) Such other information as may be prescribed.

Section 5.54 of the *Local Government Act 1995* requires the Annual Report to be accepted by the Council no later than 31 December 2013 after that financial year.

Section 5.55 of the *Local Government Act 1995* 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

The EMRC Annual Report 2012-2013 is presented in accordance with the provision of the *Local Government Act 1995* 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 in order that a mail-out can be conducted following approval and production of the Annual Report. All member Councils and member Council libraries are included on the database. The Annual Report e-book will also be available online at the 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 2013-2014 EMRC Budget.

SUSTAINABILITY IMPLICATIONS

Nil



Item 14.3 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)

Draft EMRC Annual Report 2012-2013 (Ref: Committees-16221)

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 2012-2013 and the statements therein.
2. Local public notice be given, in accordance with section 5.55 of the *Local Government Act 1995* of the availability of the EMRC Annual Report 2012-2013.

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR ZANNINO

THAT:

1. COUNCIL, BY ABSOLUTE MAJORITY, IN ACCORDANCE WITH SECTION 5.54 OF THE *LOCAL GOVERNMENT ACT 1995* ACCEPTS THE DRAFT EMRC ANNUAL REPORT 2012-2013 AND THE STATEMENTS THEREIN.
2. LOCAL PUBLIC NOTICE BE GIVEN, IN ACCORDANCE WITH SECTION 5.55 OF THE *LOCAL GOVERNMENT ACT 1995* OF THE AVAILABILITY OF THE EMRC ANNUAL REPORT 2012-2013.

CARRIED UNANIMOUSLY

30th Anniversary

EDITION



Annual Report
2012 - 2013

A proud history with a bright future ➔





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.





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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 suburbs: Town of Bassendean, City of Bayswater, City of Belmont, Shire of Kalamunda, Shire of Mundaring and City of Swan.

Providing services in waste management, environmental management, regional development and resource recovery, EMRC is a model of successful collaboration that has initiated and led projects that deliver real benefits to 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

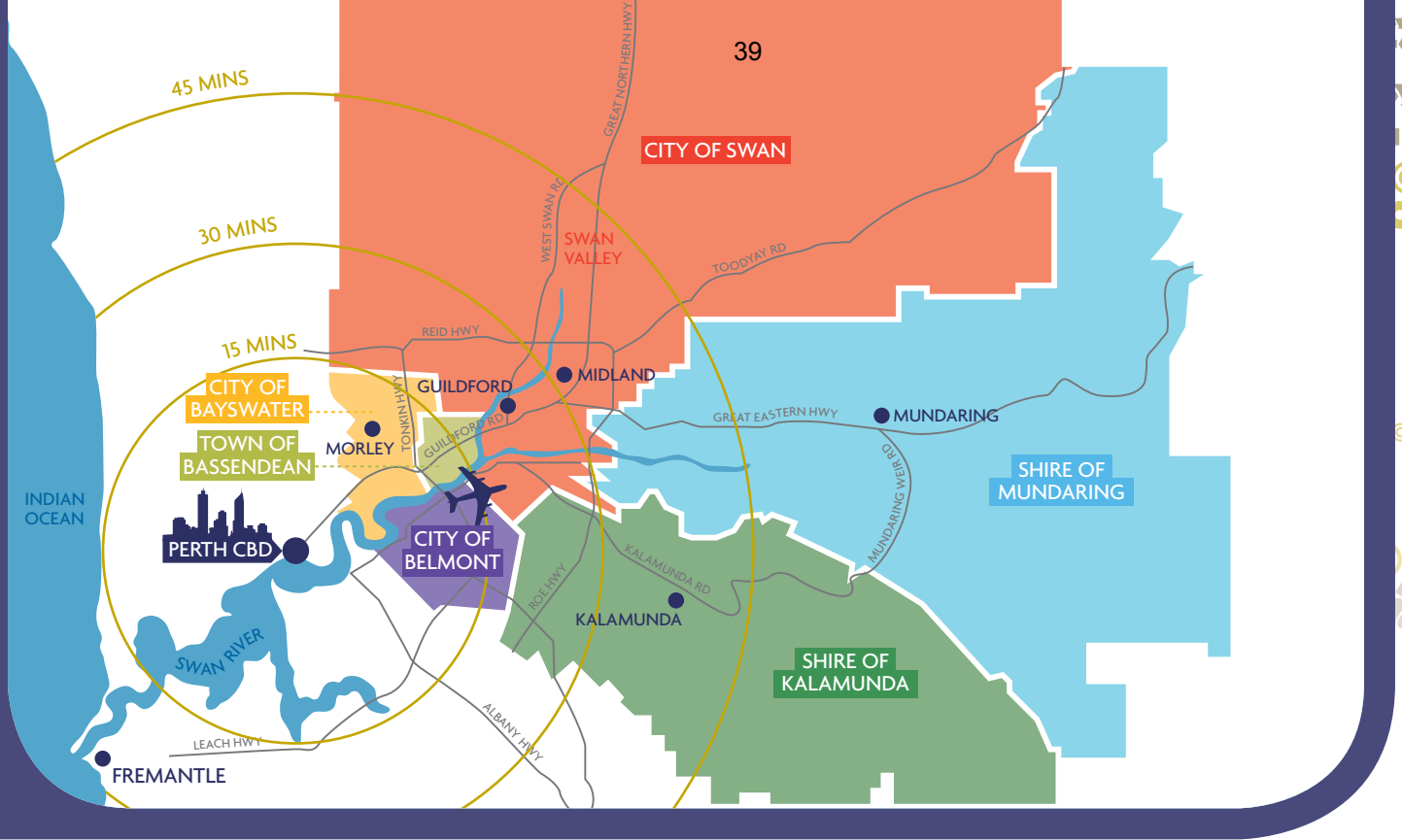
The Eastern Metropolitan Regional Council, by partnering with member councils (and other stakeholders), facilitates strategies and actions for the benefit and sustainability of Perth's Eastern Region.

Our Values

The following qualities represent the values that govern EMRC:

- **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 projects and service delivery.
- **Responsiveness**
Dynamic and flexible service delivery.
- **Integrity**
Accountability and consistency in all that we do.

Leaders ensure that the organisation's values are created and sustained by establishing the council's strategic direction and providing an environment that encourages all staff to reach their potential in achieving the organisational outcomes.



Facts About Perth's Eastern Region

Perth's Eastern Region stretches from the edge of the Perth CBD, along the Swan River, and through both residential and industrial areas. It incorporates the Swan Valley's world-class wine district, as well as forests and prime agricultural land in the Darling Ranges.

Home to approximately 337,000 people from diverse cultural backgrounds and constituting around one-third of the metropolitan area, Perth's Eastern Region is one of the city's fastest growing areas. It encompasses about 2,100 square kilometres, including substantial parklands, river foreshore areas, national parks, state forests and water catchments.

The region is a major transport hub, accommodating the international and domestic airports, as well as major roads and rail infrastructure linking Perth to regional centres in Western Australia and to the rest of Australia.

Together, EMRC and its six member councils form an economic, social and environmental force with the strength to deliver positive outcomes and drive their communities forward.

EMRC Services

EMRC's **Waste Services** directorate operates the Red Hill Waste Management Facility and the Hazelmere Recycling Centre, on behalf of its six member councils, and the Coppin Road and Mathieson Road transfer stations, on behalf of the Shire of Mundaring. EMRC provides initiatives and activities to aid diversion of waste from landfill to more environmentally sustainable solutions. These undertakings include composting and mulch processing of greenwaste; timber and mattress recycling; and the provision of advice regarding contaminated sites.

The **Regional Services** directorate consists of Environmental Services and Regional Development.

The **Environmental Services** team provides a range of services and delivers on 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 element is the provision of sustainability education that seeks to reduce the amount of energy and water that is consumed across the region. These objectives are achieved by developing strong partnerships and building effective working relationships with member councils and other stakeholders; in particular, community groups.

The core focus of the **Regional Development** team is to work with EMRC's six 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 for infrastructure, plan and advocate for alternative modes of transport such as cycling, walking and public transport, and facilitate regional tourism, cultural and recreational activities.

The **Corporate Services** directorate provides administrative support, human resources, information technology, financial management, marketing and communications, risk management, council support and governance services to the organisation. It also ensures that EMRC operations comply with the relevant statutory requirements.

The **CEO's Office** is comprised of organisational development and strategic planning services, waste education, as well as EMRC's Resource Recovery Project. The Resource Recovery Project aims to develop and implement resource recovery solutions which 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.

Chairman's Report



This year is EMRC's 30th anniversary, and an appropriate opportunity to reflect on some of the success stories that have made EMRC what it is today. Of course our success as a regional council would not have been possible without collaborative input from each and every one of our valued stakeholders.

EMRC is an organisation focused on supporting and contributing to priority project development to achieve social, environmental and economic benefit for communities in Perth's Eastern Region. This focus has positioned us as an industry leader in local government.

Waste Services

EMRC has the technical expertise, experience and a well-established track record in managing waste and providing solutions in response to the region's growing waste volumes. When reflecting on the history of EMRC's waste operations there is a long list of 'firsts', highlighting a proven track record of innovation and success and demonstrating why EMRC has become the industry leader it is today.

The Red Hill Waste Management Facility commenced operation in 1981. The facility houses Western Australia's only Class IV waste disposal cell, which is accessible to the wider metropolitan area. EMRC's waste facility was also the first municipal landfill in Western Australia to have a full leachate collection system, landfill gas extraction system and landfill gas power station. The facility also includes a composting operation certified as meeting Australian Standard® AS 4454:2003 *Composts, soil conditioners and mulches*. This is the only local government-run composting operation of its kind in Western Australia. It is also worth noting that the quality assurance accreditation has been maintained for the past four years. In addition to all of these initiatives, EMRC was also the first regional council to offer household hazardous waste management.

Further building on the successes of waste management operations, EMRC continued its focus on producing high-quality

products from recycled material, which are sold to the residents of Perth's Eastern Region and beyond, as well as to a number of industry bodies.

Resource Recovery

EMRC's Waste Education Team continued their focus on educating residents and community members of Perth's Eastern Region and beyond of the need to reduce, reuse, recycle and recover their waste. Despite these efforts, there is still a substantial and growing amount of waste disposed of in landfill. In response to the waste to landfill issue, EMRC continues to build on the past 12 years of research and is working to implement a resource recovery solution for the region.

The Public Environmental Review (PER) document, which assessed the potential health and environmental impacts of a Resource Recovery Facility at Red Hill, was released for an eight-week public comment period between 23 July 2012 and 17 September 2012. Information sessions were held in Gidgegannup and Mundaring in mid-August to inform the public of the results of the environmental impact assessment and to respond to questions and any concerns raised by residents. The sessions also provided the opportunity for community members to be advised of the submission process.

A funding application was submitted in February 2013 to the Federal Government's Clean Energy Innovation Fund for the Hazelmere Pyrolysis Project – part of the overall Hazelmere Resource Recovery Park – prepared by Ansac in consultation with EMRC and UWA. Ansac has since been advised the application was successful and \$5 million in Australian Government funding will be allocated toward the progression of the Hazelmere pyrolysis plant.

Corporate Services

Throughout the year EMRC, in accordance with the *Local Government Act 1995*, developed an Integrated Planning Framework in order to 'plan for the future'. As such, on 6 December 2012 EMRC



EMRC has the technical expertise, experience and a well-established track record in managing waste and providing solutions in response to the region’s growing waste volumes.



Council adopted EMRC’s Strategic Plan titled *EMRC 2022 – 10 Year Strategic Plan*. This document will guide and inform actions to be undertaken over the next 10 years. Also forming part of the Integrated Planning Framework is the *Corporate Business Plan 2013/14 to 2017/18*, adopted by EMRC Council on 20 June 2013. This document will be used to drive operational activities and is aligned to the priorities outlined in the *EMRC 2022 – 10 Year Strategic Plan*.

Environmental Services

EMRC commenced offering environmental services in 1993. Over the past 20 years a substantial number of innovative projects and activities have been undertaken, highlighting the benefits of EMRC’s diversification into environmental services.

Since 2005, EMRC member councils and a consortium of partners have been active participants in the design, development and implementation of the \$13.9 million Perth Solar City project. Through this project EMRC received just over \$1.6 million in Australian Government funding to assist with the implementation of a suite of initiatives designed to trial and showcase practical and innovative ways to be smarter about energy use.

Over the duration of the project, EMRC and member councils installed 15 demonstration projects throughout Perth’s Eastern Region, all of which were completed in early 2012. In total, 91.88kW of photovoltaic systems were installed, along with solar pool heating, lighting retrofits and Energy Reduction and Demand Management Systems. These installations alone are estimated to collectively save \$147,715 per annum in energy costs. The project formally concluded on 30 June 2013, having achieved or exceeded the majority of project targets. Over 16,000 householders have participated in the Perth Solar City project, making it Western Australia’s most comprehensive energy efficiency program. Collectively households saved over \$1 million on their electricity bills last year.

Regional Development

EMRC introduced regional development services in 1998 with a focus on advocacy in relation to transport and economic development for Perth’s Eastern Region, as well as the coordination and promotion of tourism-related activities within the area.

The Act-Belong-Commit Avon Descent celebrated its 40th anniversary in 2012, with more than 25,000 people helping to celebrate by attending the Family Fun Days. A series of free

community-based events were hosted along the banks of the Avon and Swan rivers again this year, attracting visitors to support those participating in the race while also enjoying a great day out for the whole family.

In 2013, more than 20,000 people took part in Perth’s Autumn Festival throughout the seven-week programme hosted throughout Perth’s Eastern Region. EMRC supported member councils by coordinating the funding application and by managing a regional marketing campaign for the events.

I am proud to highlight a snapshot of EMRC’s successes over the past 30 years and look forward to the ongoing positive contribution EMRC will make to the communities and environment of Perth’s Eastern Region and beyond. The past 30 years of successes reflect the professionalism and efforts of everyone associated with EMRC. In particular, I would like to take this opportunity to thank the Chief Executive Officer, Mr Peter Schneider, the Executive Management Team, and all staff for their professionalism, dedication and hard work that has enabled EMRC to be the industry leader that it is today.

I would also like to thank the state and federal politicians who have given their support to EMRC over the past 30 years, state government officers and to our industry partners. And finally, my thanks go to the EMRC Council and member councils for their ongoing hard work and commitment to ensuring Perth’s Eastern Region remains a great place to live, work, play and do business.

Cr Dr Alan Pilgrim
Chairman



Chief Executive Officer's Overview



The year 2013 marks EMRC's 30th anniversary, a time within an organisation's lifespan where you can reflect and say 'we have come a long way'. EMRC has evolved from an organisation that focused solely on waste management, to expanding into the only multi-faceted metropolitan regional council in Western Australia providing services in not only waste management, but also environmental services and regional development. With the assistance of each and every one of EMRC's stakeholders, we have progressed a great deal as an organisation over the past 30 years, and I can say without a doubt we have an extremely bright future ahead of us.

EMRC has been a multi-award-winning organisation for some years, having secured awards in each of our service areas, including:

- 1998 CASE Earth Award under Category 1 for the Class IV Waste Disposal Cell Red Hill Landfill Facility;
- 2006 Gold Western Australian Tourism Award for destination promotion;
- 2007 National Awards for Local Government, category winner for Natural Resource Management;
- 2009 Star 3 Media Business Development Award – presented to EMRC and EMICoL;
- 2011 City of Belmont Opportunity Award;
- 2012 West Coast Institute of Training Sustainable Business Award; and
- 2012 MobileMuster Award for working with schools.

EMRC was awarded the 2012 Local Chambers of Commerce and Industry Award in the category of sustainable business for the building retrofit carried out on the Ascot Place Administration Building. EMRC was also announced as a finalist in the 2012 WA Tourism Awards for the Act-Belong-Commit Avon Descent Family Fun Days and the Perth's Autumn Festival.

On top of being a multi-award-winning organisation, EMRC has also been successful in securing more than \$10.24 million in funding for various regional projects since 1996, when the EMRC applied for, and secured, its first grant. Securing this funding has enabled activities such as:

- Expansion of the Mattress Recycling Programme at Hazelmere;
- Expansion of the Fluorescent Light Recycling Programme;
- Production of battery recycling bins for the region;
- Hosting and promotion of the Avon Descent Family Fun Days and Perth's Autumn Festival;
- Native Fish Fauna Monitoring in the Helena River;
- Rehabilitation of the Swan River foreshore and its tributaries;
- Implementation of the Community Energy Efficiency Programme; and
- Engagement of a TravelSmart Officer to promote and enhance sustainable travel practices in Perth's Eastern Region.

Throughout this year alone, EMRC has successfully obtained a total of \$400,434 (ex GST) in funding to assist with implementing various projects to benefit Perth's Eastern Region and beyond. Of this, \$250,500 was provided by Lotterywest to stage and promote the five free community-based events, collectively known as the 2012 Act-Belong-Commit Avon Descent Family Fun Days.

Further, a grant of \$55,000 was received by Lotterywest, along with \$6,000 from Perth Airport and \$909 from the Department of Transport, which went towards staging the 2013 Perth's Autumn Festival. The festival was a great success yet again this year and I thank those who took the opportunity to attend and enjoy the festivities. The festival aligned again this year with the *Clean and Green Strategy* by encouraging sustainable and environmentally friendly behaviour from attendees.



On top of being a multi-award-winning organisation, EMRC has also been successful in securing more than \$10.24 million in funding for various regional projects.



The Eastern Hills Catchment Management Programme (EHCMP), a cornerstone function of the environmental services department, secured \$50,000 in grant funding from the State Natural Resource Management (NRM) Office. The EHCMP, in collaboration with Murdoch University, is producing an innovative mobile phone application that will empower the community, local government agencies and scientists to capture the incidence and severity of marri canker – a disease responsible for a significant portion of native tree decline in Western Australia’s South West region. The application will provide community members and local government officers with knowledge of the disease and assist scientists with collection of data to enable the advancement of their research into containing the spread of marri canker and treating marri trees.

A further \$38,025 in grant funding was received from the State NRM Office for conducting water quality monitoring of pollutants in the Helena River. The water quality monitoring will focus on observing possible linkages between pollutants and fish and mussel decline. On completion of these studies, and based on the results, EMRC will produce strategies for the conservation of native species and make recommendations for the management of important habitat areas if required.

Following the announcement by the Minister for Local Government Hon. John Castrilli MLA in mid 2011 that a review of the Perth metropolitan local government boundaries and governance structures was to take place, an independent Metropolitan Review Panel was appointed. The panel was appointed to examine the social, economic, environmental and governance challenges facing metropolitan Perth.

Throughout this year EMRC prepared a draft *Response to the Metropolitan Local Government Review Panel’s Final Report*, which was unanimously adopted by EMRC Council on 21 March 2013. The report highlighted that EMRC is well positioned to partner with all levels of government and take a lead role in delivering sustainable, broad scale social, economic and environmental outcomes. Being the only metropolitan regional council to offer services beyond that of waste management has positioned EMRC as an industry leader and it would therefore be remiss of the State Government to consider dissolving regional local governments. A key notion within the report highlighted that EMRC has a proud history with a bright future and can play a central role in waste management for metropolitan Perth for many years to come.

I take this opportunity to sincerely thank the aforementioned funding bodies for their generous support towards EMRC and the many innovative projects being implemented in collaboration, and on behalf of, Perth’s Eastern Region.

Being EMRC’s 30th anniversary, it is an appropriate time to make note of the organisation’s longest-serving employee Mr Brian Bushby – currently in the position of Operations Manager (Waste Services) – who has been with the organisation for 29 years. Brian has long been referred to as Mr Red Hill, having assisted in assessing the suitability of the initial Red Hill site for a waste facility. Brian began working at the Red Hill Waste Management Facility when it first opened to the public in 1981. I personally thank Brian for his dedication and commitment to the organisation.

The past year has been one of great achievement and I trust you will enjoy reading about EMRC’s progress in the following report. EMRC takes pride in its 30-year track record of growth, diversification, great achievements and accolades; however we are now focused on our bright future ahead. I look forward to working with member councils and other stakeholders on many regional projects in the coming years to ensure the brightest of futures for EMRC and Perth’s Eastern Region.

Peter B. Schneider
Chief Executive Officer



Elected Representatives



Back Row: Cr Alan Radford, Cr Graham Pittaway ^{OAM}, Cr Gerry Pule, Cr Janet Powell (EMRC Deputy Chairman), Cr Bob Emery, Cr Frank Lindsey and Cr Jennie Carter.

Front Row: Cr Glenys Godfrey, Cr David Färdig, Cr Dr Alan Pilgrim (EMRC Chairman), Cr Tony Cuccaro and Cr Charlie Zannino.

Inset left: Cr Phil Marks

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 and deputies as at 30 June 2013 were:

Councillors

- Cr Dr Alan Pilgrim – Shire of Mundaring – EMRC Chairman
- Cr Janet Powell – City of Belmont – EMRC Deputy Chairman
- Cr Jennie Carter – Town of Bassendean
- Cr Gerry Pule – Town of Bassendean
- Cr Alan Radford – City of Bayswater
- Cr Graham Pittaway ^{OAM} – City of Bayswater
- Cr Phil Marks – City of Belmont
- Cr Bob Emery – Shire of Kalamunda
- Cr Frank Lindsey – Shire of Kalamunda
- Cr Tony Cuccaro – Shire of Mundaring
- Cr Charlie Zannino – City of Swan
- Cr David Färdig – City of Swan

Deputy Councillors

- Cr John Gangell – Town of Bassendean
- Cr Barry McKenna – City of Bayswater
- Cr Margaret Thomas – Shire of Kalamunda
- Cr Stephen Fox – Shire of Mundaring
- Cr Kevin Bailey – City of Swan

Note: Cr Phil Marks moved position from deputy to member for the City of Belmont on EMRC Council on 13 June 2013, replacing former member Cr Glenys Godfrey who was elected to parliament.

Councillor Attendance

Note: The total number of meetings held during 2012-2013 are shown in brackets next to the meeting name.

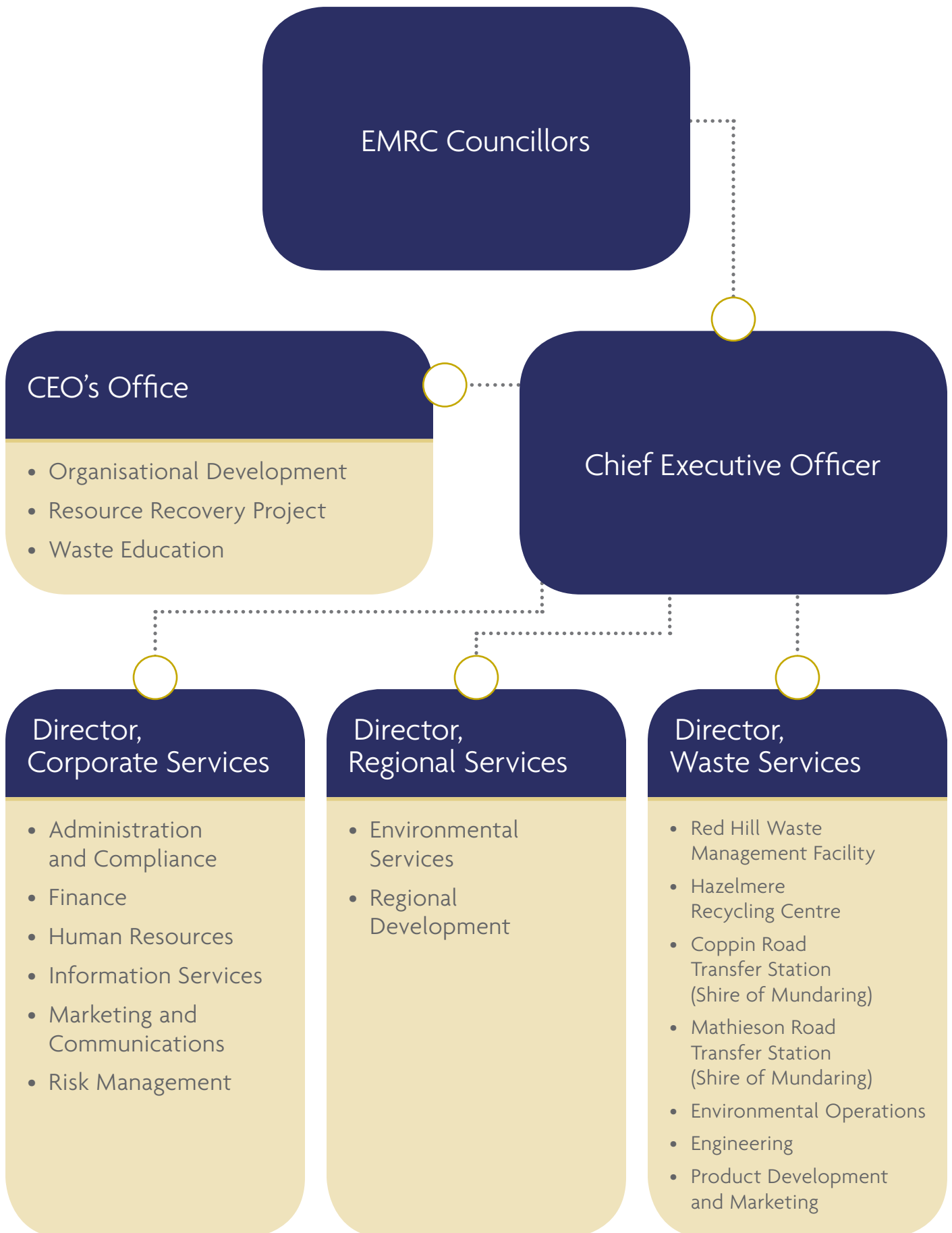
Councillors	Council	Ordinary Council (9)				Audit Committee (4)				Chief Executive Officer's Performance Review Committee (2)				Investment Committee (1)				Resource Recovery Committee (5)			
		✓	A	D	L	✓	A	D	L	✓	A	D	L	✓	A	D	L	✓	A	D	L
Cr Jennie Carter	Town of Bassendean	9																4	1		
Cr Gerry Pule	Town of Bassendean	9				4				1	1			1							1
Cr Graham Pittaway <small>OAM</small>	City of Bayswater	8	1			2	2			1	1										1
Cr Alan Radford	City of Bayswater	8	1					2						1				4	1		
Cr Janet Powell	City of Belmont	8			1	2	1		1	2											1
Cr Glenys Godfrey ^{1,2&3}	City of Belmont	5	2					1										2	2		
Cr Phil Marks ^{1,2&3}	City of Belmont	1																			
Cr Bob Emery	Shire of Kalamunda	6	2		1			1		2											
Cr Frank Lindsey	Shire of Kalamunda	7	2			3	1							1				4	1		
Cr Dr Alan Pilgrim	Shire of Mundaring	6	2		1	2	2			2				1							
Cr Tony Cuccaro	Shire of Mundaring	8	1					1										5			
Cr Charlie Zannino	City of Swan	7	2																		
Cr David Färdig	City of Swan	8	1			4				1	1							5			
Deputy Councillors																					
Cr John Gangell	Town of Bassendean																				
Cr Barry McKenna	City of Bayswater			1																	
Cr Margaret Thomas	Shire of Kalamunda		1																		
Cr Stephen Fox	Shire of Mundaring			1																	
Cr Kevin Bailey	City of Swan		1	2																	

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

Notes:

1. Cr Phil Marks moved position from deputy to member on EMRC Council to replace former member Cr Glenys Godfrey on 13 June 2013.
2. Cr Phil Marks was appointed as a member of the Resource Recovery Committee to replace former member Cr Glenys Godfrey on 20 June 2013.
3. Cr Phil Marks was elected as a deputy member on the Audit Committee to replace former deputy member Cr Glenys Godfrey on 20 June 2013.

Organisational Structure



Committees



Left to right: Mr Hua Jer Liew – Director, Corporate Services; Mr Peter Schneider – Chief Executive Officer; Mr Brian Jones – Director, Waste Services; and Mrs Marilyn Horgan – Director, Regional Services.

In order to assist with its planning and decision-making, council has appointed the following six committees:

Audit Committee (AC)

The Audit Committee consists of one councillor from each member council and was established to guide and assist EMRC with audits and financial management.

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 EMRC's business activities. Consisting of the member councils' Chief Executive Officers and 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 a 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 comprised of four EMRC councillors. The purpose of the committee is to deal with matters related to 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 for the region.

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 for council meetings.

Awards and Grants



Awards

EMRC continues to be recognised as an exemplary leader in environmentally sustainable waste management services, resource recovery, regional development and environmental services.

Over the past year, EMRC received a Local Chambers of Commerce and Industry Award in the category of Sustainable Business for the sustainable retrofit carried out on the Ascot Place Administration Building.

EMRC was also listed as a finalist for the 2012 WA Tourism Awards in the category of Tourism Marketing for the regional marketing campaigns carried out for the 2011 Act-Belong-Commit Avon Descent Family Fun Days and the 2012 Perth's Autumn Festival.

Grants

In 2012–2013, EMRC successfully applied for funding to implement projects on behalf of, or in collaboration with, its member councils.

A total of \$400,434 (ex GST) was secured for projects that provide a significant range of benefits to Perth's Eastern Region and EMRC acknowledges and thanks these funding bodies for their assistance. Funding allocated or received during the year was:

- \$250,500 – Staging the 2012 Act-Belong-Commit Avon Descent Family Fun Days (grant from Lotterywest);
- \$55,000 – Staging the 2013 Perth's Autumn Festival (grant from Lotterywest);
- \$50,000 – Developing a mobile phone application to assist with Marri Canker Disease research and preservation of a keystone species (grant from State Natural Resource Management);
- \$38,025 – Conducting water quality monitoring of pollutants for linkages in fish and mussel decline in the Helena River (grant from State Natural Resource Management);
- \$6,000 – Staging the 2013 Perth's Autumn Festival (grant from Perth Airport); and
- \$909 – Promoting family and community cycling opportunities during Bikeweek and staging the 2013 Perth's Autumn Festival (grant from the Department of Transport).

EMRC's Community Grants Programme



2012-2013 EMRC Community Grants Programme recipients with EMRC Chairman, Cr Dr Alan Pilgrim (**far left**) and EMRC CEO, Mr Peter Schneider (**far right**).

EMRC's Community Grants Programme was conducted again during 2012–2013, to support community groups in the vicinity of the Red Hill Waste Management Facility. A total of \$13,076 (ex GST) was awarded to the following nine community groups:

- 1st Gidgegannup Scout Group;
- Darlington Parkerville Football Club;
- Experience Gidgegannup;
- Gidgegannup Agricultural Society;
- Gidgegannup Junior Football Club;
- Gidgegannup Netball Club;
- Gidgegannup Recreation Club;
- Perth Hills Paintball Association; and
- Parkerville Junior Cricket Club.

This year's successful grant recipients were recognised with a cheque presentation ceremony at the 2012 Red Hill Open Day.



Key Result Area 1:
Environmental Sustainability



Assessments on the impact of the carbon legislation on waste management activities continued throughout the year.



To Provide Sustainable Waste Disposal Operations

Red Hill Waste Management Facility

EMRC's Annual Monitoring and Compliance Report for operations at the Red Hill Waste Management Facility was submitted to the Department of Environment and Conservation (DEC) on 31 March 2013, pursuant to condition G3 (b) of the Red Hill site licence. The report demonstrated EMRC's compliance with all site licence conditions.

EMRC annually reports on emissions of pollutants coming from the Red Hill Waste Management Facility as part of the Federal Government's National Pollutant Inventory (NPI) Programme. The report for the 2011-2012 financial year was submitted to the DEC for review on 26 September 2012. The report is publically available and can be viewed on the NPI website <www.npi.gov.au>

EMRC has been reporting carbon emissions and energy data to the Department of Climate Change and Energy Efficiency (DCCEE) since 2008, under the National Greenhouse and Energy Reporting Act 2007 (NGER Act). The 2011-2012 annual National Greenhouse and Energy Report, compiled for all of EMRC's facilities, was submitted to the Clean Energy Regulator in September 2012.

Assessments on the impact of the carbon legislation on waste management activities continued throughout the year, with data indicating EMRC would be liable, under the carbon price mechanism, for fugitive methane emissions from landfilling waste and greenwaste composting operations. EMRC has reporting obligations under the relevant legislation and will be required to report and pay for emissions by February 2014.

To account for the carbon price, EMRC has opened an Australian National Registry of Emissions Units (ANREU) account with the Clean Energy Regulator.

EMRC also explored opportunities under the Carbon Farming Initiative (CFI) and received advice that all landfills would be able to claim carbon credits under the CFI through capture and combustion of landfill gas from legacy waste. However, with the release of the methodology determination in August 2012, this was proven not to be the case as it varied significantly from the original methodology passed by the Domestic Offsets Integrity Committee. As a result, EMRC was therefore unable to participate in the CFI for legacy landfill gas converted to electricity at the Red Hill Waste Management Facility.

EMRC made a submission to the DCCEE in November 2012, and discussions were held with the CFI policy branch (DCCEE) in early 2013, in which EMRC advocated a change of criteria that would allow it to fairly participate. EMRC challenged this through the DCCEE but was unsuccessful.

Quarterly surface and groundwater monitoring activities continued at the Red Hill Waste Management Facility as part of the site's environmental monitoring programme. Data collected indicated groundwater recovery operations installed in 2009 had stopped further migration of leachate groundwater beyond the boundaries of the Red Hill Waste Management Facility.

EMRC has commissioned external consultants to carry out a number of field odour assessments at the Red Hill Waste Management Facility throughout 2013. The assessments include ambient odour intensity evaluation at nearby locations. Following the field assessments, the consultants will develop an odour management plan that identifies primary odour sources and defines management methods.

A specialist geosynthetic consultant was engaged to assist the Waste Services engineering staff in the design and specification of floating pond covers on leachate ponds at the Red Hill Waste Management Facility. While rain falling within the ponds dilutes the leachate, it also substantially increases the volume of leachate needing to be managed.

Tenders were sought during October 2012 for the supply and installation of floating pond covers, to capture the rainwater before it came into contact with the leachate.

EMRC accepted a tender at its 6 December 2012 meeting to install covers on four leachate ponds. Rainwater captured on the pond covers will now be pumped into stormwater storage ponds and used during the drier summer months for dust suppression or to maintain optimum moisture content in composting operations.

To extend the life of the Red Hill Waste Management Facility, an option to purchase land to the west of the facility was negotiated, subject to the land being rezoned for waste management activities. The rezoning was finalised during 2012-2013, resulting in an additional 37.22 ha of land available for waste disposal.

The current cell for Class III waste (Stage 13) at the Red Hill Waste Management Facility was filled at the end of June 2013. As part



of the ongoing development of the Red Hill Waste Management Facility, new landfill cells are constructed with the aim of having no less than six months of landfill airspace in reserve.

In February 2013, the Western Australian Planning Commission (WAPC) and City of Swan approved EMRC's application for an excavation licence to remove clay and caprock from Lot 12 at the Red Hill Waste Management Facility, for future cell development.

The new Lot 12 cell, known as 'Red Hill Farm Stage II' was designed in accordance with DEC best practice landfill guidelines and granted DEC works approval in January 2013. The tendered contract was awarded in January 2013 and comprised the provision of all plant, labour and materials necessary to satisfactorily complete the works. Cell construction started in February 2013 and was completed at the end of June 2013.

Hazelmere Recycling Centre

EMRC's Waste Services Team is preparing necessary documentation for a DEC licence approval application for future activities at the Hazelmere Recycling Centre, which includes greenwaste processing, a solid waste depot and commercial and industrial processing.

A quarterly dust-monitoring regime was implemented at the Hazelmere Recycling Centre in January 2013 to gauge dust levels in the vicinity before and after modifications were made to the wood grinder. This programme involves continuous monitoring of total suspended particulate (TSP) and respirable dust particles using a real-time dust monitor. Dust samples are collected quarterly and analysed by a laboratory for total combustible matter. Results indicated occasional high dust levels, which prompted the installation of a dust extraction system on the wood grinder. The new dust extraction system is in the commissioning phase.

Four sets of nested groundwater monitoring bores were installed at the Hazelmere Recycling Centre in November 2012 to determine background groundwater quality and obtain valuable baseline data before the expansion of operations at Hazelmere. To date, monitoring data indicates groundwater in the deeper aquifer is uncontaminated but initial results suggest that localised surface contamination has been detected from a source beyond the site

boundary. Routine groundwater monitoring has been implemented to confirm and track these results.

EMRC procured a number of new items of machinery for the Hazelmere Recycling Centre throughout 2012, including a track excavator, which is used to break down incoming timber to feed into the grinder, and a skid steer loader – a multipurpose piece of plant equipped with several attachments such as a bucket and forks.

Resource Recovery Project

Resource Recovery Park

The Hazelmere Resource Recovery Park is being progressively developed as a design concept. An initial audit of the engineering services required for the site has been completed, together with an assessment of the site entry and internal road network. A tender is being prepared for the detailed engineering design of the roads and drainage, services and landscaping.

EMRC has been investigating the feasibility of pyrolysing woodchip at its Hazelmere site to generate renewable electricity and biochar. Surplus electricity will be exported into the grid system and we are investigating the use of the by-product biochar as a soil amendment to improve the productivity of soils, sequester carbon or for sale as a solid fuel. A funding application to the federal government's Clean Energy Innovation Fund for the Hazelmere Pyrolysis Project was prepared by Ansac, in conjunction with EMRC and UWA, and submitted in February 2013. Ansac has been advised the application was successful.

During the development of the Hazelmere Recycling Centre, a fire service ring main was connected to two fire water storage tanks, to provide onsite capacity in the event of a fire. During the year the hydraulic fire services infrastructure was reviewed, which resulted in an upgrade to the fire services infrastructure to increase the site's capacity to fight a fire.

Resource Recovery Facility

The Public Environmental Review (PER) report was completed for the proposed Resource Recovery Facility (RRF) at the Red Hill Waste Management Facility in July 2012 and approved by the





Environmental Protection Authority (EPA) for public comment. During the eight-week public comment period, two community information sessions were provided by EMRC in Gidgegannup and Mundaring. After submissions closed, the project team prepared responses to public and government agency submissions, which the EPA will use as part of their assessment.

Community engagement for the Resource Recovery Project (RRP) continued throughout the year. Communications with stakeholders took place in the lead-up to the release of the PER, including newsletters, website updates, flyers, advertising and information sessions.

In October 2012, EMRC requested an amendment to the proposal, changing the site for the proposed RRF from Lot 12 Toodyay Road to Lot 8 Toodyay Road. The reason for this change was that Lots 8, 9 and 10 were in the final stages of acquisition from Boral Property. This location was better suited operationally and it enabled further reduction in environmental impacts associated with the RRF. The EPA is expected to complete its assessment report in July 2013.

The RRF financial model has been updated to show the effect of current market conditions for energy sales and renewable energy certificates. Funding support options are still being investigated through the state's Landfill Levy funds and elsewhere.

Preparations have commenced for the next phase of implementing the Resource Recovery Project at Red Hill.

Consulting Services

The Environmental Operations Team within Waste Services has been providing consulting services in the areas of contaminated site investigations, site remediation and environmental compliance monitoring to various member councils throughout the year.

To date, 11 projects have been completed, with the majority of projects focusing on the investigation and reporting of historical landfill sites across Perth's Eastern Region in accordance with the state contaminated sites legislation. The scope of works have included environmental site assessments, development of

sampling and analysis programmes, contaminant flow modelling, soil and hydrogeological assessments, geotechnical assessments, site remediation and landfill cap rehabilitation.

To Improve Regional Waste Management

During 2012-2013, the Waste Services environmental staff provided advice to consultants and contractors looking to dispose of contaminated soils and other hazardous waste – Class III/IV – and expanded its advisory services to member councils, including Preliminary Site Investigations (PSI) and Detailed Site Investigations (DSI).

Regional Waste Education Strategy (2013-2015)

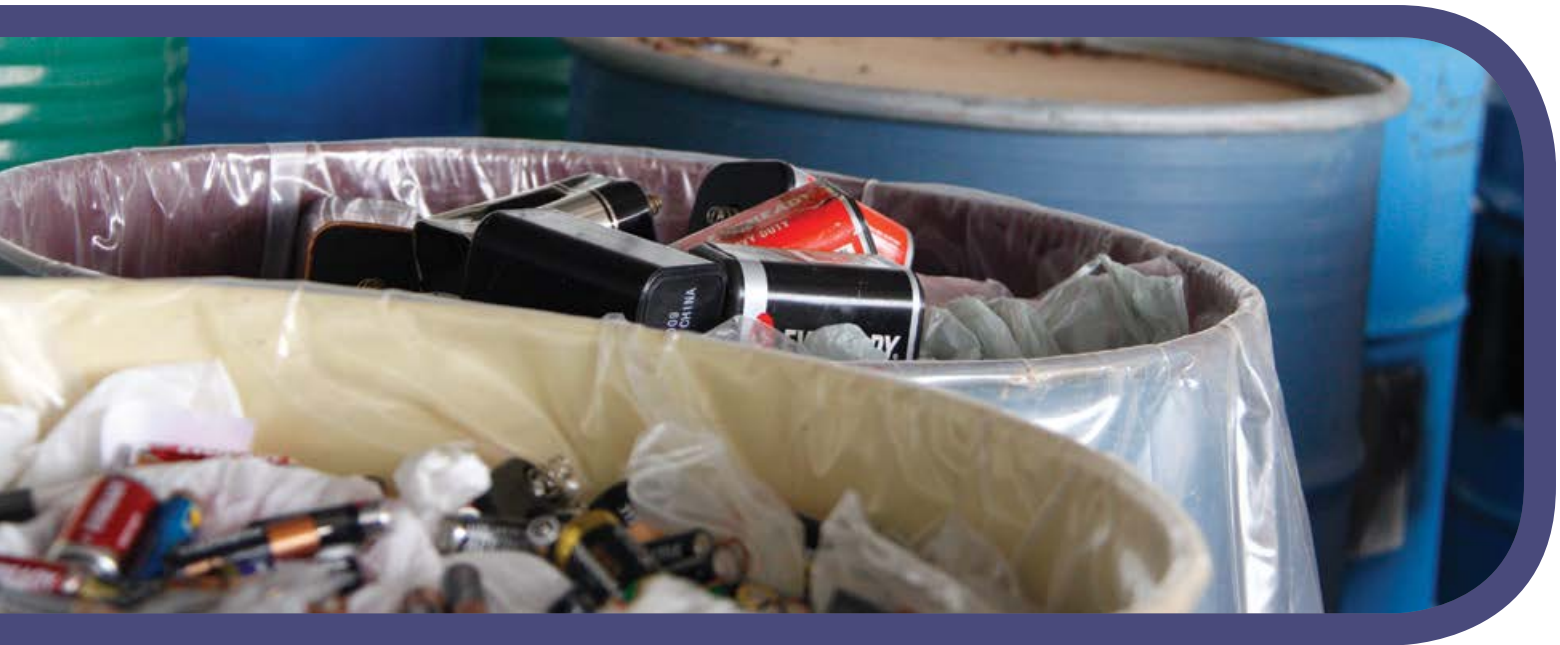
A workshop was held with the Regional Waste Education Steering Group (RWESG) in August 2012 to review the existing Waste Education Strategy and develop a new three-year plan. Results from focus group sessions and online surveys were presented to the RWESG, Waste Management Community Reference Group and the Resource Recovery Committee. EMRC Council officially endorsed the *Regional Waste Education Strategy (2013-2015)* in December 2012.

EMRC's Waste Education Team worked throughout the year to promote various waste education initiatives. The Earth Carers Training Programme continued throughout July 2012, including tours to the Wangara Materials Recovery Facility, Swan Depot and the Red Hill Waste Management Facility, and participation in a composting workshop.

Household Hazardous Waste

The permanent Household Hazardous Waste (HHW) area at Red Hill was included as part of the on-site tour for visitors and was included as a key focus area when making presentations and holding community workshops.

Further information on HHW featured in the annual waste and recycling guides, the Watch Your Waste advertising column in August, as well as on the R-Gang website. The Western Australian Local Government Association (WALGA) also designed a HHW brochure throughout the year, which was distributed to member council offices and the RWESG to further promote the initiative.



Dry Cell Battery Programme

The Dry Cell Battery Programme continued throughout the year, with promotion including mail-outs and emails to local primary schools, events and via the R-Gang website. Approximately 17.3 tonnes of batteries were collected throughout 2012-2013, with schools contributing 5.29 tonnes and public locations throughout Perth's Eastern Region contributing 12.01 tonnes.

Chidlow, Noranda and High Wycombe primary schools won the 'Battle of the Batteries' school battery recycling competition for the second year running in 2012, with Darlington Primary School winning the new 'Super Chargers' most improved category.

WALGA resolved an issue related to the transport of drums of collected dry cell batteries, resulting in the commencement of removal of accumulated stockpiles to battery recyclers from May 2013.

Compact Fluorescent Lamp Programme

Endorsement and management of the Compact Fluorescent Lamp (CFL) Programme continued with 647.7kg of CFL tubes and globes being collected and recycled from 18 drop-off locations at shopping centres, libraries and council offices across Perth's Eastern Region.

Waste and Recycling Guides

EMRC's Waste Education Team worked collaboratively with member council staff to design and distribute the *2012-2013 Waste and Recycling Guides*, which were delivered to 155,000 households in Perth's Eastern Region.

On 19 January 2013, the Waste Education Team handed out information packs to residents at the City of Swan's recyclable goods drop-off day, held at Jack Williamson Oval in Middle Swan. The Waste Services Team at the City of Swan were also given waste education packs containing information about EMRC programmes, such as battery and CFL recycling, which were distributed to residents who attended recycling drop-off days in August and September.

The reuse permaculture garden at the Red Hill Environmental Education Centre was replanted and mulched this year, with a constant flow of fertiliser supplied from the Red Hill worm farm. New resources were also purchased for the 'Smart Shopper' activity at the education centre, to help educate children visiting the centre.

In 2012, a proposal was drafted for the Helena College community service project, which involved students making waste-related displays to assist Waste Education Staff with community engagement at events. Under the supervision of an artist in residence, students created two displays – one representing the extraction and application of landfill gas and the other promoting the recycling of mobile phones.

EMRC staff were further educated on how to live with less waste throughout 2012-2013. The staff vegetable garden was replanted, updates were provided to staff regarding 'Plastic Free July' and tips were shared about sourcing sustainable local produce.

During National Recycling Week, daily emails, displays, posters and a competition were used to engage staff. In March 2013, EMRC staff participated in Clean Up Australia Day, collecting litter from the riverfront in Belmont.

All recycling areas at the Coppin Road and Mathieson Road transfer stations were upgraded throughout the year. With the introduction of the new 'entry to site' restrictions, this has increased the amount of recycling collected onsite and has also reduced the amount of waste going to landfill. New signage for customer directions and safety of operations has been installed. The greenwaste area at the Coppin Road Transfer Station has been upgraded, improving customer access and safety.

During 2012-2013, the Shire of Mundaring introduced an entry pass system to provide its residents with a limited number of free passes to the transfer stations. A new entry pass system was trialled at the Coppin Road Transfer Station and in September 2012 the barcode system was rolled out at the Mathieson Road Transfer Station.

To Provide Resource Recovery and Recycling Solutions in Partnership with Member Councils

Greenwaste Operation

The Red Hill Waste Management Facility continued to process greenwaste and focus on creating higher-value blended products designed to meet market needs, including use by the turf-growing industry to establish and maintain turf at parks and sporting ovals, as well as treating nematode-infected areas.

The greenwaste operations at the Red Hill Waste Management Facility processed approximately 13,700 tonnes of material, including approximately 9,000 tonnes of greenwaste into quality, accredited mulch products in 2012-2013. The main markets were mine site rehabilitation, with one customer purchasing more than 3,000 tonnes. Contracts for the supply of processed and unprocessed material to the broader composting industry continued to be explored and developed. Market outlets for soil conditioner remained constant in 2012-2013, predominantly being sold to landscapers and garden centres.

Red Hill Waste Management Facility's greenwaste operation has maintained quality assurance accreditation under Australian Standard® AS 4454:2003 *Composts, soil conditioners and mulches* for more than four years.

As the only local government in Western Australia to obtain Australian Standard® accreditation for its mulch, EMRC recognises the need to divert greenwaste for beneficial re-use, while increasing industry standards and educating consumers on the uses and effects of quality-processed composted products.

Ferricrete

EMRC is a preferred supplier under the Western Australian Local Government Association (WALGA) panel tender for the supply of roadbase materials. EMRC can supply local governments with ferricrete crushed to Main Roads WA Specification 501 for road and pathway construction.

Wood Waste

In 2012-2013 almost 13,000 tonnes of wood waste, in the form of untreated softwood timbers, packaging, pallets, off-cuts and particleboard were processed into woodfines and woodchip and supplied to industry for animal bedding, landscaping and to potting mix manufacturers. Income from the sale of recycled wood products in 2012-2013 was nearly \$420,000.

Since its inception in 2008, the timber processing plant at the Hazelmere Recycling Centre has processed over 40,000 tonnes of recycled wood, which otherwise would have been destined for disposal to landfill. The Department of Environment and Conservation (DEC) and the WA Waste Authority have recognised these efforts with awards and funding support.

Electronic Waste

The Red Hill Waste Management Facility has been established as a permanent collection facility for computers and televisions under the *Product Stewardship Act 2011*. EMRC, in conjunction with InfoActiv, organised temporary collection events from February to May 2013, which were well received by member councils and residents.

Mattresses

In 2012-2013 over 21,000 mattresses were diverted from landfill, with the component parts recycled as follows:

- Springs** – sold as scrap metal to recyclers
- Wood** – processed into recycled products for animal bedding
- Foam** – baled and sent to be made into underlay
- Cloth** – for use as rags in the oil and gas industries (this market is still being investigated).

Carpet Tiles

EMRC and carpet tile company InterfaceFLOR® together established Australia's first carpet tile recycling depot. Carpet tile waste is delivered and consolidated at EMRC's Hazelmere Recycling Centre before being shipped to InterfaceFLOR® facilities in New South Wales for recycling.





To Investigate Leading-Edge Waste Management Practices

During the year, new markets for mulch and compost were developed and investigations carried out to find new uses for recycled products. Research into blending ferricrete with recycled concrete road base to eliminate 'block cracking' has been initiated, as has using glass fines blended with ferricrete as a road base material. There has also been ongoing development of the Water Corporation's Lime Amended BioClay® (LABC) project at Red Hill with the Water Corporation planning to commercialise the product following preparation of trial batches.

A study tour of resource recovery facilities in the eastern states was completed in November 2012, involving three EMRC Councillors and officers. This included visits to suitable waste recycling facilities in Adelaide, Canberra and Melbourne. The information and contacts from these tours will be used to guide the development of the Hazelmere Resource Recovery Park.

An audit was conducted throughout May 2013 on contents collected from household bins in the region, after previously being carried out in 2004. Audits were also undertaken of waste received at Red Hill, at the tip face and the transfer station, to provide a current waste analysis. This will assist EMRC with investigating a possible commercial and industrial waste separation facility at the Hazelmere Recycling Centre. It will also assist with EMRC's efforts to reduce greenhouse gas emissions and its carbon liability.

To Contribute Towards Improved Regional Air, Water and Land Quality and Regional Biodiversity Conservation

Eastern Hills Catchment Management Programme

The Eastern Hills Catchment Management Programme (EHCMP) is a highly successful partnership between the Shires of Kalamunda and Mundaring, City of Swan, EMRC, Perth Region Natural Resource

Management (NRM) and Swan River Trust. The programme aims to achieve a coordinated strategic approach to the restoration of land, bushland and creek lines through a range of natural resource management activities and practices within the councils, broader community and regional NRM groups.

Eastern Hills NRM officers work in partnership to support a large, active and diverse community network. The network comprises more than 130 friends of groups and four catchment groups and two sub-catchment groups throughout the Shire of Kalamunda, Shire of Mundaring and the City of Swan, to plan, coordinate and implement bushland restoration of riparian zones and to research projects.

The NRM team liaises with catchment groups within Perth's Eastern Region through meetings, regular newsletters, phone calls, emails and onsite visits. The catchment groups are located in Helena River; Jane Brook; Susannah Brook; Blackadder, Woodbridge; Lower Helena; and Piesse Brook. About \$97,900 worth of assisted projects across the hills area in Perth's Eastern Region have been successful and will be implemented in 2013.

Bush Skills for the Hills

Bush Skills for the Hills (BSFTH) is a partnership programme delivered to the community by the EHCMP NRM officers and Local Government Bushcare officers. BSFTH is a series of free environmental training workshops, which include annual sessions on volunteer management and safety, practical bush land management and restoration skills. More than 350 community members attend each year.

Greenpage

The *Greenpage Newsletter* is produced by the EHCMP team, with input from the Shires of Kalamunda and Mundaring, the City of Swan and the community, and is distributed every two months to about 1,500 subscribers. The newsletter provides environmental information for Perth's Eastern Region and includes university research into environmental issues, as well as upcoming environmental events.

Water Quality Monitoring

EMRC secured a grant from the State NRM Office to conduct water quality monitoring along the Helena River for possible linkages between pollutants and fish and mussel decline.

EMRC will undertake seasonal water quality monitoring of pollutants (e.g. pesticides, herbicides, heavy metals, hydrocarbons) to provide a baseline data set. Completion of the study will allow EMRC to create strategies for the conservation of native species and to make recommendations for the management of important habitat areas. The findings will also support progress towards creating awareness about habitat requirements of freshwater aquatic species in Perth's Eastern Hills Region.

EHMCP Recognition

An end-of-year volunteer function was held in December 2012. Approximately 100 guests were present and catchment groups received gifts in appreciation of their commitment to increase and maintain biodiversity in Perth's Eastern Region. The EHMCP has long been recognised for its successful and innovative service delivery. Recent recognition includes:

- Winner of the WA Landcare Award - Local Government Landcare Partnership Award category 2011; and
- Nominated for the 2012 National Landcare Awards in the category of Local Government Landcare Partnership.

Weed Control and Revegetation

EHMCP, in partnership with three member councils (Kalamunda, Mundaring and Swan) completed weed control and revegetated riparian zones on priority tributaries of the Swan River. The project, funded by the Department of Environment and Conservation (DEC) Community Grants, saw 7,000 seedlings planted at Kadina Brook, Coulston Road and Amherst East involving the community, NRM staff and Ecojobs contractors.

The project will improve priority waterways through increased ecological integrity, reduced erosion, improved water quality, improved links between bushland and other foreshore sites, and adding depth to corridors along both sides of the river.

Youth Environmental Management Programmes

Subject to funding, Bush Skills for Youth will develop and deliver a skills-based, hands-on volunteer participation and education programme for young people in Perth's Eastern Region. The project aims to foster an interest in, and sense of responsibility for, local bushland conservation while building community connections and civic participation.

EMRC is seeking funding partners for youth projects and held a meeting with Lotterywest towards the end of 2012.

Marri Canker Research Project

The State NRM grant application for marri canker research was successful. A total of \$50,000 was received for the project, which aims to address the threat of native tree decline specific to marri canker – a disease that kills tens of thousands of marri trees.

EMRC has partnered with Murdoch University to trial treatments for marri canker and to develop a specially designed mobile phone application to enable the community to identify marri canker disease, as well as input details relating to tree health and location.



Treatment trials will be carried out on 100 trees in Greenmount National Park and Ledger Road Reserve, Gooseberry Hill and will be monitored to determine the effectiveness of the treatment methods.

Workshops will be held by EMRC and Murdoch University for community and local government employees to raise awareness of marri canker and provide information regarding the effectiveness of the treatment trials. Throughout these workshops, demonstrations will be carried out relating to the appropriate use of the marri canker phone application.

Water Campaign™ Programme

The Water Campaign™ provides local governments with a framework and structured approach to actively assess their consumption of water and to understand how their activities affect water quality within their area. The project delivers water action plans to address the issues identified and to achieve water reduction goals that have been set by member councils. This can result in significant water use reductions and cost savings for participating councils and demonstrates local government leadership in the management of our precious water resources.

The Water Campaign™ is a sustainability initiative from the International Council for Local Environmental Initiatives (ICLEI) and the Australian Government. Progression through this programme framework involves five milestones. Milestone 1 includes a water consumption inventory and analysis for corporate and community consumers, as well as selecting water quality priority areas. Milestone 2 involves developing water conservation and water





quality goals and target years, with Milestone 3 producing a Water Action Plan to assist with achieving these goals. Milestone 4 involves implementing the actions and reporting on progress, while Milestone 5 includes a re-inventory and review of the overall council progress.

There are 126 councils participating in the Water Campaign™ Programme throughout Australia, which includes 42 councils from Western Australia – six of which are member councils of EMRC.

The table below illustrates the 2012-2013 achievements for the eight councils that EMRC have assisted to progress through the Water Campaign™ Programme:

Council	Achieved in 2012-2013
Town of Bassendean	Achieved Milestone 5.
City of Bayswater	Progressing through Milestone 3.
City of Belmont	Re-inventory Report Card was completed by the EMRC, including a streamline water audit.
Shire of Kalamunda	Progressing with additional water conservation activities after having previously achieved Milestone 5.
Shire of Mundaring	Achieved Milestone 5.
City of South Perth	Achieved Milestone 5 and was endorsed as a Waterwise Council.
City of Swan	Simultaneous progression of Milestone 2 and Milestone 3.
Town of Victoria Park	Simultaneous progression of Milestone 2 and Milestone 3.

Those councils who completed a milestone will be acknowledged for their achievements at the ICLEI Awards and Recognition Breakfast in August 2013.

Water Auditing Services

EMRC completed water audits for the following locations throughout the year:

- Shire of Kalamunda Administration Building and Hartfield Park Recreational Facility at the Shire of Kalamunda;
- Jubilee Reserve at the Town of Bassendean;
- Wembley Community Centre, Town of Cambridge Town Hall, and the Town Youth Centre at the Town of Cambridge; and
- Manning Library at the City of South Perth.

A water investigation (electronic data logging) has also been completed for the City of South Perth Tennis Club.

Energy Audit Service

Three energy audits were undertaken at community facilities in the City of Bayswater – Olive Tree House Day Service, Morley Senior Citizens Centre and Lightning Park Recreation Centre. Audits included historical data analysis, site walk-through, data collection, data analysis and reporting. A presentation of the energy audit findings for Lightning Park Recreation Centre was provided at a community meeting and key recommendations are now being implemented.

Under the Community Energy Efficiency Programme (CEEP), energy audits of two key community facilities in the City of Bayswater took place. Energy audits for the Bayswater Library and Bayswater Waves Aquatic Centre were completed, including historical data analysis, site walk-through, data collection, data analysis and reporting. Reports were provided to the City of Bayswater and the Department of Climate Change and Energy Efficiency (DCCEE) as part of the CEEP reporting process.

Cooperative Research Centre for Water Sensitive Cities

EMRC is a member of the Cooperative Research Centre for Water Sensitive Cities a partnership between the University of Western Australia and the Centre for Water Sensitive Cities at Monash University.

The vision for the Centre for Water Sensitive Cities is to transform cities and their communities in ways that will help them live in harmony with natural water environments. The Centre for Water Sensitive Cities will play a pivotal role in transforming Australian cities to become resilient to current and future challenges.

Local and Regional Environment Strategies

The *Regional Environment Strategy 2011–2016*, approved by EMRC Council in November 2011, aims to ensure a sustainable approach for the future development, protection and management of Perth's Eastern Region. Major projects for 2012–2013 included:

- Funding and commencement of the marri canker project;
- Funding and commencement of the Helping the Helena project;
- Major review of the Regional Climate Change Adaptation Action Plan (RCCAAP) completed;
- Completion of the Town of Bassendean's Environmental Management Plan Review;
- Perth Solar City Project completion;
- Sustainable landscaping completed for the City of Bayswater;
- Completion of a number of water audits and energy audits;
- Completion of Water Campaign Milestones;
- Application for funding for an environmental youth programme with Lotterywest;
- Workshop held on the Swan and Helena Rivers Regional Recreational Path Development Plan;
- Submission in response to the Australian Government's Discussion Paper on the Local Government Energy Efficiency Programme;
- Participation in the Cooperative Research Centre for Water Sensitive Cities; and
- Ongoing implementation of the ACER programme, including setting of future targets and objectives to support action planning.

The City of Bayswater and EMRC are in the process of developing the Local Environment Strategy which will provide a framework for environmental management activities to enhance environmental outcomes for the City of Bayswater. The first community workshop was held on 11 May 2013 and demonstrated actions the community could implement to help conserve the City of Bayswater's environment.

EMRC reviewed the Town of Bassendean's existing Environmental Management Plan and developed a new 10-year plan for 2013 to 2023. This document provides a reference point for other key environmental plans and initiatives being undertaken by the Town of Bassendean.

EMRC produced a policy and procedure on Roadside Vegetation Management for the Shire of Kalamunda. These documents were built on extensive research and communication with the Roadside Conservation Committee and Department of Fire and Emergency Services (DFES). The documents will be presented to council for endorsement and for use by Shire of Kalamunda staff to determine the best method of managing roadside vegetation. The policy document will also be available to the community to show what can occur on roadsides with the Shire of Kalamunda's permission.

Community Energy Efficiency Programme

EMRC will receive \$647,420 in regional funding over three years through the Australian Government's Community Energy Efficiency Programme (CEEP), one of only seven WA recipients from 63 across Australia. The \$1.3 million regional project is titled *Re-energising Perth's Eastern Region: Energy efficient lighting, air-conditioning and pool pump retrofits of key community facilities in Perth's Eastern Region*.

The following facilities will be upgraded or retrofitted over the course of the project:

- Street lighting in the Town of Bassendean;
- Variable Speed Drive Systems and LED lighting at the Bayswater Waves Aquatic Centre;
- LED lighting and airconditioning at the Bayswater Library; and
- More efficient pumps and plant, together with Variable Speed Drive Systems and a solar pool water heating system at the Shire of Mundaring's Bilgoman Aquatic Centre.

Key Achievements and Milestones for 2012-2013:

- Memorandums of Understanding with the Town of Bassendean, City of Bayswater and Shire of Mundaring, together with relevant schedules of Activities and Milestones were signed by the Chief Executive Officers and copies provided to the DCCEE;
- Baseline energy audits were completed at Bayswater Waves and Bayswater Library with an updated Baseline Energy Efficiency Report;
- Design activities were completed and installation activities are underway for the Town of Bassendean's LED Street Lighting Retrofit, including approval of additional funds by the Town



of Bassendean to achieve a better project outcome;

- Design activities were completed and procurement activities are underway for the City of Bayswater's Variable Speed Drive System retrofit at Bayswater Waves, along with the City of Bayswater's Library LED retrofit and airconditioning upgrade, including approval of additional funds by the City of Bayswater to achieve a better project outcome; and
- Design activities are underway for the LED retrofit at Bayswater Waves.

To Address Climate Change Issues within the Region

Perth Solar City Project

EMRC, member councils and a consortium of partners have been active participants in the project design, development and implementation of the Perth Solar City project since 2005. The project was supported by \$13.9 million in Australian Government funding through the Solar Cities Programme. State, local government and industry funding has also been contributed on the basis of at least \$2 for every \$1 of Australian Government funding. The local government demonstration projects for the Perth Solar City project were completed in early 2012, with other products and services ending in September 2012. The Solar Cities Programme formally closed on 30 June 2013.

This year saw the development of an End of Project Report, which outlines the overall achievements of the Perth Solar City Programme. The report looks in more detail at the individual initiatives that have been implemented by EMRC and its member councils.

EMRC worked with Western Power and Innovative SCADA Solutions to install new data hardware and a dashboard at five EMRC and member council locations. The data software is assisting these sites with receiving live feed data in relation to the photovoltaic systems installed at the sites, which allows for easier data monitoring. All five sites were commissioned in March 2013.

Achieving Carbon Emission Reductions

The Achieving Carbon Emission Reductions (ACER) Programme is an initiative developed to encourage and support member councils in Perth's Eastern Region to monitor, report on and reduce corporate carbon emissions. The programme also provides advice, information and education on energy efficiency, carbon emissions and other climate change-related issues to member councils, the community and local businesses in the region.

Under the ACER Programme, EMRC and participating member councils joined the WALGA Emissions Reporting Platform hosted by Greensense Consulting, which was developed for local governments. This platform is an online software system used to collect and analyse carbon emissions data, mainly from electricity, gas and fuel use. Data will be used to target areas that require energy efficiency measures to be implemented and ensure accurate monitoring and reporting of carbon emissions. EMRC is a member of the Platform Steering Committee, which meets regularly to review the progress of the platform and agree on future development.

A DIY 'Home Energy Audit Kit' is available for loan from local libraries in participating member councils. The kit, developed by EMRC, enables staff and residents to audit the efficiency of their homes and suggests efficiency changes to reduce energy consumption.

Some of the key achievements for 2012-2013 included:

- Revision of the Town of Bassendean's and the Shire of Mundaring's Carbon Reduction Strategy to provide strategic context, background and a framework for achieving corporate emissions reduction;
- Revision of the City of Bayswater's Greenhouse Gas Abatement Plan to provide strategic context, background and a framework for achieving corporate emissions reduction;
- Assisting the City of Belmont to plan and implement actions under their Environment Plan, including incorporating energy



efficiency criteria in the tendering process;

- Ongoing implementation of the WALGA Emissions Reporting Platform for participating member councils including review and update of organisation structure, automatic upload of electricity data, and collection and manual input of data relating to fuel use, gas use and street lights;
- Preparation of Data Management Guidelines or Data Management Work Instruction to support the WALGA Emissions Reporting Platform for each participating council;
- Assistance with carbon mitigation actions across Perth's Eastern Region;
- Assistance to develop and implement energy efficiency trial projects across the region in areas that require measures to reduce energy costs;
- An energy efficiency initiative for EMRC's Ascot Place Administration Building was identified and implemented. 'Master/Slave' power boards have been distributed to all computing workstations at Ascot Place to save a significant amount of standby power;
- EMRC has approved and sourced a 10 per cent offset of Ascot Place Administration Building electricity from CoZero, an accredited renewable energy supplier; and
- EMRC hosted a workshop in the City of Bayswater with the keynote speaker from the Alternative Technology Association providing information regarding domestic solar panel photovoltaic systems to residents.

Future Proofing

The *Future Proofing Perth's Eastern Region – Regional Climate Change Adaptation Action Plan (RCCAAP) 2009-2013* identifies regional risks and actions to assist local government operations, services and communities in adapting and building resilience to climate change.

The implementation and progression of these regional actions, along with the development of Local Climate Change Adaptation Action Plans (LCCAAPs) for each member council, has been ongoing.

Some of the key RCCAAP actions included:

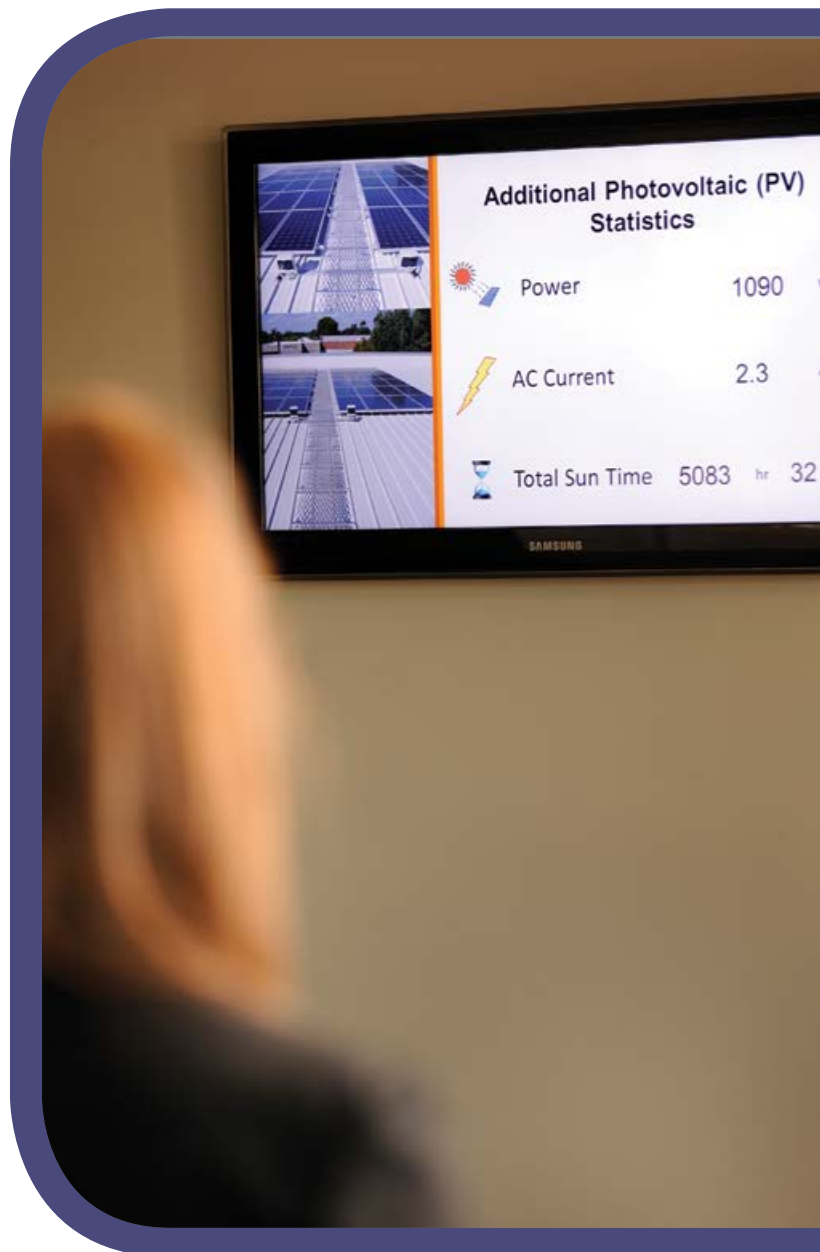
- EMRC and member councils signed the Western Australian Local Government Declaration on Climate Change;
- Extensive scoping of current flood modelling information, including the projected impacts of rising sea levels. Advocacy for more localised flood modelling for the region, via Geoscience Australia, the Department of Water (DoW), and the University of Western Australia;
- A submission on *State Planning Policy 2.6 - State Coastal Planning Policy*, particularly regarding the possible effects of rising sea levels on EMRC's four river-based member councils;
- Information for member council staff on accessing mapping of Acid Sulfate Soils (ASS) in the region, as well as information on training in ASS for local government officers;
- Advocating for increased political awareness and funding for regional projects to protect river foreshore assets, as well as development of a *River Protection Strategy*;
- Development of guidelines for the management of roadside vegetation, reconciling both conservation of biodiversity and bushfire risk; and
- Representation on the WALGA Senior Officers Group on Climate Change, along with involvement in other networking and information sharing opportunities.

EMRC has also guided the development and implementation of Local Climate Change Adaptation Action Plans (LCCAAPs) for each member council by:

- Continuing to work with the City of Belmont, the Shire of Mundaring and the Town of Bassendean to implement the key actions from their LCCAAPs; and
- Continuing to work with the City of Bayswater and the Shire of Kalamunda to finalise their LCCAAPs.

A major review of the RCCAAP has been completed and was presented and endorsed by EMRC Council in June 2013. The report recommended that EMRC continues action on climate change, approves the development of a new action plan for 2013-2016 and commits to continued funding for implementation of the RCCAAP and member council LCCAAPs.

The Future Proofing project has placed EMRC's member councils and Perth's Eastern Region as leaders in the area of adapting to climate change.





Key Result Area 2: Social Opportunities



Website visits have increased by 40 per cent over the past 12 months, with 70,000 unique visitors to the site each year.



To Facilitate Regional Tourism Development

The <perthtourism.com.au> website is an online regional portal maintained by EMRC which provides information on events, trails and experiences in Perth’s Eastern Region and directs enquiries to the Swan Valley, Mundaring and Perth Hills Visitor Centres for product information and bookings. The website provides a valuable source of free marketing for member councils and their communities to promote events within Perth’s Eastern Region. It is the central source of information for regional events such as Perth’s Autumn Festival and the Act-Belong-Commit Avon Descent Family Fun Days.

Website visits have increased by 40 per cent over the past 12 months, with 70,000 unique visitors to the site each year. EMRC implemented a number of website functionality updates to improve the search trail engine and event listing management.

To Facilitate Regional Cultural and Recreational Activities

Avon Descent

The Act-Belong-Commit Avon Descent Family Fun Days are a series of community-based events staged by participating councils along the foreshore of the Avon and Swan rivers. These events engage communities and attract spectators in the 124km Act-Belong-Commit Avon Descent white water race. The Act-Belong-Commit Avon Descent celebrated its 40th anniversary in 2012, a milestone achievement that saw record participation of international competitors. More than 25,000 people joined the action at the family fun days.

EMRC secured \$250,500 (ex GST) from Lotterywest to support the City of Bayswater, City of Belmont, Shire of Northam, City of Swan and Shire of Toodyay in staging five free events from Friday, 3 August to Sunday, 5 August 2012. Lotterywest grant funding also supported a significant regional marketing campaign, coordinated by EMRC, to promote family fun day events to the Perth metropolitan community and wider intrastate area, in collaboration with participating councils.

As a support partner of the 2012 Act-Belong-Commit Avon Descent, EMRC worked closely with the Northam’s Avon Descent Association to deliver another successful event this year. With support from EMRC, Lotterywest and Eventscorp, the Northam’s Avon Descent Association carried out a rigorous review of the organisation of the event, including the family fun days, to ensure continued event development and growth.

EMRC was a finalist in the 2012 WA Tourism Awards ‘Tourism Marketing’ category for the 2011 Act-Belong-Commit Avon Descent Family Fun Days’ regional marketing campaigns.

Perth’s Autumn Festival

Perth’s Autumn Festival is an annual seven-week programme that collaboratively promotes nominated tourism, community and cycling events held in Perth’s Eastern Region. Now in its 13th year, the festival has gained recognition as one of Perth’s key community events and draws residents and visitors alike to appreciate the arts, culture, culinary delights and natural beauty of the Swan River, Perth Hills and Swan Valley.

EMRC was a finalist in the 2012 WA Tourism Awards in the ‘Tourism Marketing’ category, for the 2012 Perth’s Autumn Festival regional marketing campaigns.

In 2013, more than 20,000 people took part in the following autumn festival events:

- A Vintage Weekend in the Swan Valley;
- Old Perth Road Markets;
- City of Bayswater’s Autumn River Festival;
- City of Belmont’s Autumn River Festival;
- Autumn River Ramble by the Swan;
- Bike in the Valley;
- Munda Biddi Festival of Cycling; and
- Bickley Harvest Festival.

EMRC supports the festival through business planning assistance and coordination of a regional marketing and public relations campaign. EMRC secured sponsorship from Perth Airport and funding from Lotterywest and the Department of Transport’s *Cycle Instead* Bikeweek 2013, to support event staging costs and additional marketing activities.

The festival was committed to a ‘Clean and Green in 2013’ initiative, by carrying out environmental and sustainable actions to reduce waste, water and energy use. EMRC also supported the initiative by using recycled paper and vegetable inks on the festival brochure and by incorporating TravelSmart and sustainability messages in marketing and promotional material.





Key Result Area 3:
Economic Development

To Facilitate Increased Investment in Regional Infrastructure

The Priority Roads Project list was reviewed by the Regional Integrated Transport Strategy Implementation Advisory Group (RITS IAG) in February 2013. Existing and emerging priority road projects for Perth's Eastern Region will be incorporated into the new *Regional Integrated Transport Strategy 2013-2016*.

Curtin University is undertaking a follow-on study from its previous research for EMRC, which investigated the community's aspirations for public transport in Perth's Eastern Region.

The state government's *Public Transport Plan for Perth 2031* outlined expansion of the public transport network in Perth and identified several routes similar to those identified by the community in EMRC's forums, including Airport Rail Spur, Ellenbrook and Mundaring. These routes will be audited to establish the development potential of land one kilometre either side and the results will underpin transport advocacy for EMRC.

Regional Walking Strategy

As part of the development of the *Regional Integrated Transport Strategy (RITS)*, it was agreed to develop a *Regional Walking Strategy (RWS)*.

The RWS will use the Walkability Audit Tool, developed by the Department of Transport (DoT) in partnership with EMRC in 2011-2012. The tool is used to conduct audits and identify gaps and poor infrastructure in the pathway network. It is proposed the audit's focus will be around schools, transport hubs and locations identified by member councils.

The RWS will report on priority improvements required to increase walking around these activity centres. This will form a Priority Walking Infrastructure Project List, which will become a regular item on the RITS IAG agenda.

TravelSmart

To encourage EMRC's staff and visitors to adopt sustainable transport behaviours, EMRC participated in the TravelSmart Workplace Programme run by the Western Australian DoT. The purpose was to understand EMRC's current travel behaviours, develop actions for change and create a Workplace Travel Plan (also known as a Green Travel Plan).

The development of EMRC's Workplace Travel Plan included the formation of a TravelSmart working group, a staff travel survey, a workplace access audit, a TravelSmart workshop, and a staff information presentation.

As a result of the Travel Plan, Workplace Access Guides for three sites (Ascot Place, Hazelmere and Red Hill) were created. Public transport and cycling information has been made available to staff, who participated in 'bike to work rides' during *Cycle Instead Bikeweek*, with more actions planned for next financial year.

Perth Hills Trails Master Plan

The development of a *Perth Hills Trails Master Plan* was identified by stakeholders as one of five cycle tourism priority projects to offer the greatest benefit to the region.



EMRC partnered with the Shires of Kalamunda and Mundaring, Department of Environment and Conservation (DEC) and the Perth Hills Trails Reference Group to develop a master plan that considered all walking, mountain biking, trail bike, horse riding and four-wheel-drive trails in the Perth Hills. The *Perth Hills Trails Master Plan* provides a strategy and action plan for the Perth Hills Trails network.

To Support the Development of Regional Education and Training Opportunities

A *Regional Youth and Education Discussion Paper* prioritised relevant youth projects for the region, complementing activities already underway and looking at proposed activities by member councils, the community sector and government. Consultation in 2012 included a stakeholder workshop, face-to-face meetings with key agencies, email submissions and a presentation to regional directors of key state government agencies. Young people from across Perth's Eastern Region were also given an opportunity to contribute via surveys and the use of an interactive engagement tool.





EMRC continued to participate in the SRT Swan Canning Riverpark Iconic Trails Project Steering Group.



Information from these activities was used to identify and prioritise relevant regional youth projects as outlined in the *Regional Economic Development Strategy (REDS)*, the *Regional Environment Strategy (RES)* and *Regional Advocacy Strategy (RAS)*.

The four project areas highlighted for future action are:

- Eastern Region Youth Network – to promote collaboration, peer support and training opportunities for those working with young people in Perth’s Eastern Region;
- Bush Skills for Youth – refocusing the existing Bush Skills Programme to target volunteering and involvement for young people;
- Regional Advocacy and Lobbying – including a focus on services and infrastructure required to meet the needs of young people in Perth’s Eastern Region. This includes improved access to public transport and regional service hubs for young people; and
- Regional Youth Week – working with member councils and regional partners to deliver a youth forum in 2014 and a calendar of activities in 2015.

These projects have been incorporated into Regional Services activities for 2013-2014.

To Facilitate Regional Economic Development Activities

Swan and Helena Rivers

The *Swan and Helena Rivers Management Framework* strategically identifies roles and responsibilities, and allocates actions to stakeholders, to guide the ongoing sustainable management and development of the eastern reaches of the Swan River and its major tributary, the Helena River.

Regional Aboriginal Consultation Guidelines have been developed, in consultation with member councils and key stakeholder groups, to enable more consultative and respectful Aboriginal engagement in planning and consultation processes, in line with the *Aboriginal Heritage Act 1972*. The guidelines were approved by EMRC in February 2013 and outline how local government officers can engage with the Aboriginal community to build relationships, facilitate better project outcomes through inclusion, and ensure legal compliance for consultation. The guidelines were distributed to stakeholders and published on EMRC’s website in June 2013.

EMRC coordinated a meeting of member council staff and relevant stakeholders to discuss how to implement the *Swan and Helena Rivers Regional Recreational Path Development Plan*. The meeting included a presentation by the Swan River Trust (SRT), with an update on the Swan Canning Riverpark Iconic Trails Project. Member council staff were consulted to identify and assess current path priorities, budgets and barriers. New information from the Town of Bassendean Draft Local Bike Plan (2012), the City of Belmont Draft Bike Plan (2012) and the *City of Swan Cycle Connect Strategy (2012)* have been included. Priority areas include path construction between Ashfield Flats and Guildford Bridge in the Town of Bassendean, Claughton Reserve in the City of Bayswater and Max Hunt Foreshore Precinct in the City of Swan; and path upgrades in Garvey Park and Ascot foreshore in the City of Belmont.

EMRC continued to participate in the SRT Swan Canning Riverpark Iconic Trails Project Steering Group. The Swan Canning Riverpark Iconic Trails Master Plan has progressed to draft stage and aims to guide development of a trails network to increase community benefit.

The National Trust of Australia (WA) completed a heritage audit of the riverpark for areas not covered in the *Swan and Helena Rivers Statement of Significance and Heritage Audit (2009)*. The audit identifies recorded heritage values within the riverpark under the themes of natural, Noongar and historical heritage. The National Trust of Australia (WA) is working on a riverpark interpretation plan for the SRT, which will incorporate findings from Stage 1 of EMRC’s *Swan and Helena Rivers Foreshore Trail Interpretation Plan*, to identify themes for interpretation, sites, methods and communication.

Regional Profile Tools

EMRC coordinated the continued subscription to REMPLAN, profile.id, and atlas.id. These tools provide economic and socio-demographic profiling data for the region and give member councils and other stakeholders online access to this data. There were several updates in 2012-2013, incorporating statistics from the 2011 Census. An economic profile for the region is available from EMRC’s website and has been translated to Chinese to promote the region to Chinese audiences and attract investment opportunities.

Annual training for member councils and key stakeholders has been provided for all available regional profiling tools.



Showcase Series

In June 2011, the Economic Development Officers Group (EDOG) identified the need to expand former industrial tours to incorporate small to medium enterprises. The Showcase Series has since been created and is being coordinated by EMRC.

The third event in the Showcase Series was held in February 2013, which focused on highlighting the importance of Perth's Eastern Region as a transport and industry hub. It featured presentations from the Gateway WA Consortium and the Public Transport Authority (PTA), and was attended by a variety of local government officials, community members and business owners.

Following on from the success of this series, the mini showcases will continue in 2013-2014.

Industry Engagement Framework

The Industry Engagement Framework (IEF) was developed in close consultation with EDOG. It comprises an IEF Toolkit, an agreed approach for capturing feedback from businesses in Perth's Eastern Region.

This framework consists of tools chosen specifically for their ability to creatively engage with business and industry. It facilitates engagement with businesses and industry stakeholders to help develop future tailored support strategies. The framework also embeds methods, tools and branding to support member councils.

The Business Insights Programme is the application of the IEF and presents a channel for member councils to promote their profile through an online two-way information exchange, and networking with local businesses. This supports a number of REDS actions relating to advocacy, education, business improvement and regional promotion activities.

Regional Digital Strategy

A *Regional Digital Strategy* (RDS) has been developed through extensive consultation with partnering member councils, business, industry and the community.

The RDS will act as a guide for the delivery of regional broadband activities to complement member council strategies and priorities as well as the state government digital strategy direction. Actions will be focused on the following activities:

- Lead and collaborate on digital technologies;
- Extend digital infrastructure;
- Develop residents' digital capacity and confidence;
- Promote and celebrate communities;
- Develop small businesses' digital capacity;
- Enable new business and work opportunities; and
- Enhance provision of services.

The RDS will assist with strengthening and diversifying the economy, contribute to business viability, and provide access to services and sustainable employment for residents of Perth's Eastern Region.



Key Result Area 4:
Good Governance





EMRC has consolidated its image as a credible partner for regional projects and this is supported by significant research.



To Improve Member Council and EMRC Financial Viability

In accordance with EMRC's Establishment Agreement the regional purposes of EMRC include the promotion of productive effectiveness and financial benefit to the member councils by facilitating the integration and sharing of resources.

Regional waste management, economic development and environmental programmes provide for improved coordination and economies of scale for all participants. In addition, EMRC has been successful in securing state and Federal Government grants, on behalf of its member councils, where regional cooperation and scale were influencing factors.

To Provide Advice and Advocacy on Issues Affecting Perth's Eastern Region

Implementing Strategic Regional Advocacy for 2012-2013

The focus of regional advocacy actions for 2012-2013 was on a range of strategic issues raised by member councils and outlined in EMRC strategies, such as the *Regional Economic Development Strategy*, *Regional Integrated Transport Strategy*, the *Regional Environmental Strategy* and the *Regional Climate Change Adaptation Action Plan*.

Topics raised at meetings with politicians included issues facing the Swan and Helena river systems, the impact of the carbon pricing legislation for local governments; rollout for the National Broadband Network; strategic transport and road infrastructure, including Great Eastern Highway safety issues in Mundaring; the need for the Perth Airport rail link; and the need for a university presence in the region.

A pre-budget submission outlining five priority areas for Perth's Eastern Region was provided to the Premier, Leader of the Opposition and Leader of the National Party, as well as to all eastern metropolitan local members and candidates for the 2013 state election. The five priority areas were strategic waste management, road and rail infrastructure, public transport, Swan and Helena river systems, and essential infrastructure.

EMRC has consolidated its image as a credible partner for regional projects and this is supported by significant research. The following submissions were lodged in response to various strategic direction documents:

- *Public Transport for Perth in 2031*;
- *Capital City Planning Framework - A Vision for Central Perth*;
- *Metropolitan Local Government Review Panel*;
- *Priority Plan for Investment in the Swan Canning Catchment*;
- *Swan River Trust Draft River Protection Strategy*;
- *State Coastal Planning Policy*; and
- *Pre-Budget Submission to the State Government*.

EMRC provides representation for the region on numerous peak bodies and committees, including:

- Gateway WA Project Coordination Group and Environmental Reference Group;
- Perth Region NRM Local Government Reference Group;
- The Swan Canning Policy Forum;
- Swan Canning River Park Iconic Trails Steering Group;
- Swan River Trust Committees;
- WALGA Greensense Emissions Reporting Platform and Climate Change;
- Cities as Water Supply Catchments;
- 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;
- Perth Solar City – Consortium; and
- Regional Development Australia Perth Committee Inc.

Review of Regional Advocacy Strategy

The *Regional Advocacy Strategy (RAS) 2010-2013* provided a framework that established principles, standard approaches and guidelines to underpin and guide strategic advocacy activities, and identified key regional issues to guide advocacy activities. A review of the RAS was carried out and EMRC has approved a revised RAS 2013-2016, which builds on the previous strategy and provides key priority areas for future activities.

The RAS 2013-2016 outlines key components that will be used to develop advocacy campaigns, and identifies three focus areas to address advocacy priorities. The priority areas are:

- Environmental sustainability;
- Economic growth and diversity; and
- Strong communities.





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 and private sector funding.

Advocacy and relationship-building aims to increase awareness of Perth's Eastern Region and the role of EMRC, and identifies and capitalises on future funding opportunities to support regional-scale projects and activities.

To Provide a Consultancy and Training Service

The Developing EMRC's Leaders Programme, which was designed in partnership with Central Institute of Technology, was launched in 2012. The programme was tailored to meet EMRC's specific requirements and covered topics such as emotional intelligence, compliance, communication and risk management. The 12-month programme was used to enhance managerial leadership capabilities and skills, recognising that leaders' roles were to set the standard and culture of the organisation.

The organisation continued its focus on staff training. A comprehensive internal training programme was implemented to enhance staff skills in organisational policies and procedures.

The Shire of Mundaring commissioned the Waste Services Environmental Operations Team to undertake annual water monitoring at the Coppin Road and Mathieson Road transfer stations. The programme involved sampling three groundwater monitoring bores and a leachate pond at the Mathieson Road Transfer Station, and a leachate pond and creek adjacent to the Coppin Road Transfer Station. Results from the programme were compared to relevant water quality guidelines and reported to the Shire of Mundaring.

The Waste Services Environmental Operations Team have been providing consulting works to member councils over the past year, specialising in contaminated site assessments of former landfill sites. These investigations focused on determining whether contamination existed and, if present, the nature of contaminants and the risk to the environment and human health. All investigations were conducted according to the Department of Environment and Conservation's Contaminated Sites Management Guidelines. So far, site assessments have been carried out for the Town of Bassendean, City of Bayswater and Shires of Kalamunda and Mundaring.

Remediation management was carried out at some of these sites, which involved excavation and disposal of contaminated material followed by site validation and testing.

The Environmental Operations Team is also accredited for groundwater sampling and carries out compliance groundwater monitoring for the Shires of Kalamunda and Mundaring.

To Manage Partnerships and Relationships with Stakeholders

The annual EMRC Community Grants Programme was conducted to support community groups in the vicinity of the Red Hill Waste Management Facility. The programme has assisted numerous groups to develop a wide range of projects since its inception in 1997. This year's successful grant recipients were recognised with a cheque presentation ceremony at the 2012 Red Hill Open Day.

The Waste Education Team delivered a number of workshops and attended numerous events throughout the year, sharing the waste reduction message and promoting sustainable living practices. Some of these workshops and events included the Royal Show, Waste and Recycling Conference public open day, Composting Awareness Week workshops (composting and worm farming), Red Hill Open Day and National Recycling Week tours. In February an Earth Day was held at Ellen Stirling School, with 10 waste and

recycling workshops. An Earth Carer stall was also exhibited at a Welcome to the West Defence Force event, which included a solar oven display, worm farms and compost, with more than 300 people in attendance.

Earth Carer volunteers were recruited for a display at Garden Week in March 2013, which included newspaper pot plant making activities with children and worm farm demonstrations. A stall was also held at the Gidgegannup Small Farm Field Day, and Watch Your Waste presentations and waste sorting activities were developed and facilitated for Guildford Living Smart participants and World Environment Day attendees at Bunnings in Kalamunda.

Resource Recovery Project (RRP) community engagement continued throughout the year. Communications surrounding the Hazelmere Resource Recovery Park are being developed to keep the community informed.

To Improve Marketing and Communications

EMRC's Marketing and Communications Team supports the organisation to develop and maintain strong communication with internal and external stakeholders, upholding the integrity of EMRC's brand.

Implementation of EMRC's Marketing and Communications Plan continued throughout the year, guiding the day-to-day marketing support for the organisation's strategic objectives and directorates, and outlining key projects and activities to strengthen the organisation's corporate communication.

Throughout 2012-2013, consultants from Research Solutions conducted four focus groups and surveyed 300 residents from across the region as part of a review of the current Waste Education Strategy. Results from the research have been used to develop the three-year *Waste Education Strategy 2013-2015*.

To Provide Responsible and Accountable Governance and Management of EMRC

EMRC's *Disability Access and Inclusion Plan 2010/11 to 2012/13* was reviewed and a new five-year draft *Disability Access and Inclusion Plan (draft DAIP) 2013/14 to 2017/18* was developed. The new draft DAIP was made available to the public for a six-week consultation period and is due to be tabled in early 2013-2014.

Sections 5.56(1) and (2) of the *Local Government Act 1995* (the Act) state that each local government is "to plan for the future of the district", by developing plans in accordance with the regulations. The *Local Government (Administration) Regulations 1996* (the Regulations) specify that a plan for the future comprises the following:

- A strategic community plan – a minimum 10-year timeframe; and
- A corporate business plan – a four to five year plan, which translates the 10-year strategic plan into operations.

A workshop in March 2012 involved EMRC Councillors, member council and EMRC staff, and was used to identify key opportunities and challenges facing Perth's Eastern Region. A draft plan, *EMRC 2022 – 10 Year Strategic Plan*, was developed as a result of the workshop and made available to the public for a 21-day consultation period. Following this, EMRC Council adopted *EMRC 2022 – 10*

Year Strategic Plan by absolute majority on 6 December 2012.

The *Corporate Business Plan 2013/14 to 2017/18* was adopted by EMRC Council on 20 June 2013. This plan sets out the actions staff will undertake over the next five years to deliver on *EMRC 2022 – 10 Year Strategic Plan*. It is intended to provide regular reports on the projects, programmes and services outlined within the document.

To Continue to Improve Financial and Asset Management Practices

An Asset Management Policy was developed and submitted and adopted by EMRC Council at its meeting on 21 March 2013.

The Annual Condition Report of all plant and equipment was completed in August 2012. This report was used to update the Plant Replacement Programme and to develop the 2013-2014 Plant Replacement Capital Budget.

Annual surveys of product stockpiles were carried out at Red Hill and Hazelmere at the end of June, to determine the stock at hand.

A full Red Hill Asset Audit was conducted in March 2012 in conjunction with an independent auditor.

To Continue to Improve Information Management Practices

Asset Replacements and Updates

During the year, computers were replaced to improve office productivity.

Ongoing improvements to the server virtualisation platform has resulted in 10 servers being virtualised, which has delivered many benefits including a reduction in the number of physical servers required, electricity consumption, and the airconditioning load; cost savings; and an improvement in disaster recovery response times.

A new digital phone system was installed at the Hazelmere Recycling Centre in February 2013. This has added increased functionality and is scalable as the Resource Recovery Park project is progressed.

Document and Records Management

The Electronic Document and Records Management System (EDRMS) is instrumental in assisting EMRC in executing its obligations under the *State Records Act 2000*. Following the cessation of support by the software vendor, EMRC has procured a new replacement system. The new system is being implemented and will allow EMRC to achieve productivity gains by modernising the supporting IT infrastructure.

To Improve Organisational Culture, Health, Welfare and Safety

The Safety Advisory Committee, Risk Management Steering Group and management groups continued to be the principal forums to discuss and address risk issues arising from operations. The organisation had five workers' compensation claims during the year, which was one less than the previous financial year. Three of the five claims were also lost-time injuries.

The new staff occupational health and safety (OH&S) induction process remained a central pillar of the programme and is now supported by induction refresher sessions, which cycle for each staff member every three years. Detailed briefings on specific OH&S topics were also conducted during the year, including injury management and accident/incident reporting.

Staff were encouraged to participate in events, such as daily walking, designed to foster healthier habits as well as to increase community participation.

The national push to have common OH&S laws throughout the states remained on the Federal Government's agenda and the WA response to this initiative has been closely monitored during the year. In anticipation of this legislation, internal contractor OH&S management has been upgraded. An initial report regarding the impact of these new laws on EMRC operations has been completed.

Significant risk-related achievements for the year included:

- Acquisition and implementation of risk management information software, which will greatly enhance the organisation's ability to record and manage risk exposures as they are identified. This software will also improve the integration of a risk management approach within daily and weekly operations.
- All high-level OH&S documents were reviewed during the year, ensuring guidance information for management is relevant and easy to use.
- Business Continuity Planning – each year the required initial response (first four days) to deal with the loss of the main administration building is reviewed and tested as to its workability, such as where staff will go and how they will be reconnected to a server.

Asset Management

EMRC is working on a project to migrate its assets from a standalone asset system to the SynergySoft asset system, which is a component of EMRC's core financial system – SynergySoft. Currently, SynergySoft is being used for fleet management and it is anticipated the migration will be completed during the 2013-2014 financial year. This project will return benefits associated with the close integration between the asset system, general ledger, purchasing system and budgeting. The new system will provide an asset management function to operational areas at Red Hill and Hazelmere.

Organisational Culture Improvement Programmes

EMRC continued its focus on delivering efficient and effective services to stakeholders and the community within Perth's Eastern Region throughout 2012-2013. The culture change programme, Our Journey Towards Success, continued with the assistance of an internal culture improvement team.

Culture improvement activities throughout the year included:

- A third staff survey was held in September 2012, showing significant improvement compared to the previous year;
- The annual Tree Planting Day was once again a success;
- The Rewards and Recognition Programme continued, with the Employee of the Year, Erin Harrison, being recognised at the staff Christmas function in December 2012;

- The FUNtastic Five continued, with fun activities for staff, such as an Easter Hunt, Word Scramble Game, Staff Pictionary, Footy Colours Day, and Be Comfy at Work events; and
- The health and wellbeing of staff continued through EMRC's Health Programme, including initiatives such as flu vaccinations, swimming vouchers and educational presentations. Subsidised yoga classes were also popular with staff.

A new transportable, with two offices and a built-in ablution module, was procured and delivered to the Hazelmere Recycling Centre during the first half of the financial year. This has proven to work very efficiently and has increased productivity at the weighbridge office.

With the new weighbridge office in place at the Hazelmere Recycling Centre, the old weighbridge office was transformed into staff amenities for mattress processing and wood waste staff. The transportable building was transformed into a lunchroom and ablution for on-site staff.

EMRC managers developed the *Workforce Plan 2013-2017* throughout the year. This strategic human resources management plan documents the key initiatives EMRC will implement to meet current and future objectives. The plan sets out a series of actions to ensure the organisation has the capability and capacity to provide the highest quality of service to internal and external stakeholders.

The Red Hill Safety Training Programme is developed annually with assistance of the Manager of Risk Management. This year the following safety training has been conducted on and off site:

- Nationally Accredited Forklift Operations;
- Training on Volvo EC290 Excavator;
- Senior First Aid;
- Workplace Bullying and Grievance Resolution;
- Grievance Training for Supervisors;
- Dealing with Difficult Customers;
- EMRC Injury Management;
- EMRC Accident/Incident Reporting Process;
- EMRC Employee Assistance Programme;
- Red Hill Mock Emergency Evacuation; and
- Defibrillator Operations.

The Safety Training Programme has been developed for both the Hazelmere Recycling Centre and external transfer stations, with the assistance of the Manager of Risk Management.

This financial year the following safety training has been conducted on and off site:

- Occupational Health and Safety Inductions;
- Senior First Aid;
- Workplace Bullying and Grievance Resolution;
- Grievance Training for Supervisors;
- Dealing with Difficult Customers;
- Safe Operation of Chainsaws;
- Basic Fire Fighting and Ground Monitor Operations; and
- High Working Platform.

Statutory Reports

Statutory Compliance Return

The Statutory Compliance Return for the period 1 January 2012 to 31 December 2012 was completed online and referred to the Audit Committee meeting held 7 March 2013 and the ordinary meeting of the Council held on 21 March 2013. 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 on 26 March 2013.

Council was able to advise that it achieved a high level of compliance with all matters applicable to EMRC's operations.

National Competition Policy

The Competition Principles Agreement (CPA) is a contractual agreement between the federal government and all state and territory governments. As a result, local government is committed to the CPA.

The CPA aims to ensure that all public enterprises operate in a transparent manner and in the best interests of the public. Under the CPA, public enterprises are required to review their operations to ensure that they have no competitive advantage, or disadvantage, in comparison to the private sector.

EMRC supports the CPA concept. 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, occupational health and safety services, and environmental services – should be subject to competitive neutrality principles.

Furthermore, 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 EMRC.

Register of Complaints

The *Local Government Act 1995* s.5.53(2)(hb) contains a provision that requires complaints made against any council member during the financial year under s.5.121 of the *Local Government Act 1995*, to be reported annually.

There have been no registered complaints against EMRC Council Members during the 2012-2013 financial year.

Payments to Employees

The *Local Government (Administration) Regulations 1996* prescribes under r19B that for the purposes of s.5.53(2)(g) of the *Local Government Act 1995*, the annual report of a local government must contain the following information:

a) The number of EMRC employees entitled to an annual salary of \$100,000 or more	Five staff members			
	\$120,000 to \$129,999	\$130,000 to \$139,999	\$170,000 to \$179,999	\$190,000 to \$199,999
b) The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000	Two staff members	One staff member	One staff member	One staff member

Plan for the Future

Section 5.53(2)(e) of the *Local Government Act 1995* requires local governments to provide an overview of the plan for the future of the district, made in accordance with s.5.56, including major initiatives that are proposed to commence, or to continue, in the next financial year. Full details are outlined in the *Corporate Business Plan 2013/14 to 2017/18*, available online at <www.emrc.org.au>

Key Result Area 1 - Environmental Sustainability	Key Result Area 2 - Social Opportunities
<p>Red Hill Waste Management Facility</p> <ul style="list-style-type: none"> • Construct leachate, siltation, stormwater and nutrient stripping ponds; and • Construct Class III Cells. <p>Hazelmere Recycling Centre</p> <ul style="list-style-type: none"> • Construct commercial and industrial building; • Construct pyrolysis plant; and • Construct weighbridge. <p>Environmental Projects</p> <ul style="list-style-type: none"> • Implement the <i>Regional Environmental Strategy</i>. 	<ul style="list-style-type: none"> • Coordinate the Avon Descent Family Fun Days; and • Coordinate the Perth's Autumn Festival.
Key Result Area 3 - Economic Development	Key Result Area 4 - Good Governance
<ul style="list-style-type: none"> • Implement the <i>Regional Economic Development Strategy</i>; and • Review the <i>Regional Integrated Transport Strategy</i>. 	<ul style="list-style-type: none"> • Implement the Biennial Stakeholder Perception Survey; and • Implement a new records management system.

Public Interest Disclosures Act 1998

During the 2012-2013 period, EMRC received no public interest disclosure applications.

State Records Act 2000

The Administration and Compliance Team provided record keeping in accordance with its record keeping plan. EMRC received feedback on the plan and all updated information was sent to the State Records Commission with approval given, acknowledging that the plan indicates a strong commitment to address matters within specific timeframes. The next review is due in December 2013.

EMRC's primary electronic document management system, Document Manager, has had 175,597 documents saved to its two repositories by staff since its implementation in July 2003.

Records management training was updated and new staff members were provided with a records induction to inform them of their responsibilities in regard to corporate record keeping. The records officer also provided a help-desk for Document Manager users and ongoing training to all staff.

Freedom of Information

During the 2012-2013 period, EMRC received no freedom of information enquiries.

Disability Services Act 1993

EMRC developed a draft Access and Inclusion Policy and a draft Disability Access and Inclusion Plan (DAIP) 2010–2012, both of which were adopted by Council on 19 August 2010, after a 42-day public consultation period. EMRC completed a total of 14 actions during 2012–2013.

Statement by Chief Executive Officer

**EASTERN METROPOLITAN REGIONAL COUNCIL
CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

**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 2013:

- complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- is an extract from the full financial report for the year ended 30 June 2013 and has been derived from and is consistent with the full financial report of the Eastern Metropolitan Regional Council.

Signed on the 27th day of August 2013



PETER B. SCHNEIDER
Chief Executive Officer

Independent Audit Report



Certified Practising Accountants

PARTNERS
Anthony Macri FCPA
Domenic Macri CPA
Connie 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 2013, 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 2013 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 Concise 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 2013. Our auditor's report on the financial report for the year was signed on 4 September 2013 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.



Independent Audit Reports (Cont.)

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

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 2013 complies with Accounting Standard AASB 1039: *Concise Financial Reports*.

Matters Relating to the Electronic Publication of the Concise Financial Report

This auditor's report relates to the concise financial report of Eastern Metropolitan Regional Council for the year ended 30 June 2013 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
 MACRI PARTNERS
 CERTIFIED PRACTISING ACCOUNTANTS
 SUITE 2, 137 BURSWOOD ROAD
 BURSWOOD WA 6100


 A MACRI
 PARTNER

PERTH
 DATED THIS 4TH DAY OF SEPTEMBER 2013.



Statement of Comprehensive Income

(By Program) for the year ended 30 June 2013

	Actual 2012/2013 \$	Budget 2012/2013 \$	Actual 2011/2012 \$
REVENUE			
Governance	94,324	301,443	57,406
General Purpose Funding	2,422,128	2,371,694	2,575,309
Community Amenities	42,825,808	46,903,101	36,954,974
Other Property and Services	1,625,128	1,760,966	1,363,632
TOTAL REVENUE	46,967,388	51,337,204	40,951,321
EXPENSES			
Governance	789,860	1,289,060	40,293
Community Amenities	28,419,164	32,541,820	23,019,671
Other Property and Services	4,404,456	5,474,195	4,469,098
TOTAL EXPENSES	33,613,480	39,305,075	27,529,062
INCREASE/(DECREASE)	13,353,908	12,032,129	13,422,259
DISPOSAL OF ASSETS			
Profit on Sale	48,158	165,088	805,991
Loss on Sale	(8,560)	0	(5,908)
PROFIT/(LOSS) ON DISPOSALS	39,598	165,088	800,083
REALISED/UNREALISED GAIN/(LOSS) FROM CHANGE IN FAIR VALUE OF INVESTMENTS			
General Purpose Funding	919,052	0	336,965
GAIN/(LOSS)	919,052	0	336,965
NET RESULT	14,312,558	12,197,217	14,559,307
OTHER COMPREHENSIVE INCOME			
Changes in Revaluation of Non-Current Assets	1,140,349	0	0
TOTAL OTHER COMPREHENSIVE INCOME	1,140,349	0	0
TOTAL COMPREHENSIVE INCOME	15,452,907	12,197,217	14,559,307

THE ACCOMPANYING NOTES FORM PART OF THE CONCISE FINANCIAL REPORT

Statement of Comprehensive Income

(By Nature and Type) for the year ended 30 June 2013

	Actual 2012/2013 \$	Budget 2012/2013 \$	Actual 2011/2012 \$
REVENUE			
Fees and Charges	41,053,206	41,954,640	35,119,314
Grants, Subsidies and Contributions	2,364,866	5,267,033	1,949,618
Interest Earnings	2,422,128	2,371,694	2,575,309
Other Revenue	1,127,188	1,743,837	1,307,080
TOTAL REVENUE	46,967,388	51,337,204	40,951,321
EXPENSES			
Employee Costs	8,088,700	9,469,318	7,759,113
Materials and Contracts	6,765,807	9,332,254	5,731,700
Utility Expenses	254,715	258,782	232,023
Insurance Expenses	273,199	257,589	226,205
Interest Expenses	18,921	15,300	16,159
Other Expenditure	14,122,584	13,898,009	10,587,500
Depreciation Expenses on Non-Current Assets	4,089,554	6,073,823	2,976,362
TOTAL EXPENSES	33,613,480	39,305,075	27,529,062
INCREASE/(DECREASE)	13,353,908	12,032,129	13,422,259
DISPOSAL OF ASSETS			
Profit on Sale	48,158	165,088	805,991
Loss on Sale	(8,560)	0	(5,908)
PROFIT/(LOSS) ON DISPOSALS	39,598	165,088	800,083
REALISED/UNREALISED GAIN/(LOSS) FROM CHANGE IN FAIR VALUE OF INVESTMENTS			
Realised Gain/(Loss)	940,914	0	336,965
Unrealised Gain/(Loss)	(21,862)	0	0
GAIN/(LOSS)	919,052	0	336,965
NET RESULT	14,312,558	12,197,217	14,559,307
Other Comprehensive Income			
Changes in Revaluation of Non-Current Assets	1,140,349	0	0
TOTAL OTHER COMPREHENSIVE INCOME	1,140,349	0	0
TOTAL COMPREHENSIVE INCOME	15,452,907	12,197,217	14,559,307

THE ACCOMPANYING NOTES FORM PART OF THE CONCISE FINANCIAL REPORT

Statement of Financial Position

As at 30 June 2013

	Actual 2012/2013 \$	Actual 2011/2012 \$
CURRENT ASSETS		
Cash and Cash Equivalents	54,022,470	47,125,607
Investments	0	29,348
Trade and Other Receivables	4,312,629	3,534,293
Inventories	86,077	44,528
Other Assets	65,007	108,495
TOTAL CURRENT ASSETS	58,486,183	50,842,271
NON CURRENT ASSETS		
Property, Plant and Equipment	31,417,707	22,883,120
Infrastructure	9,152,875	10,102,339
Work in Progress	5,019,398	412,862
TOTAL NON CURRENT ASSETS	45,589,980	33,398,321
TOTAL ASSETS	104,076,163	84,240,592
CURRENT LIABILITIES		
Trade and Other Payables	5,409,053	4,251,981
Provisions	1,229,726	1,190,512
TOTAL CURRENT LIABILITIES	6,638,779	5,442,493
NON CURRENT LIABILITIES		
Provisions	4,841,163	1,654,786
TOTAL NON CURRENT LIABILITIES	4,841,163	1,654,786
TOTAL LIABILITIES	11,479,942	7,097,279
NET ASSETS	92,596,221	77,143,313
EQUITY		
Retained Surplus	49,136,149	32,442,815
Reserves	42,319,723	44,700,498
Revaluation Surplus	1,140,349	0
TOTAL EQUITY	92,596,221	77,143,313

THE ACCOMPANYING NOTES FORM PART OF THE CONCISE FINANCIAL REPORT

Statement of Changes in Equity

for the year ended 30 June 2013

	Retained Surplus \$	Reserves \$	Revaluation Surplus \$	Total Equity \$
Balance as at 30 June 2011	31,530,289	31,053,717	0	62,584,006
Net Result	14,559,307	0	0	14,559,307
Total Other Comprehensive Income	0	0	0	0
Transfer (from) / to Reserves	(13,646,781)	13,646,781	0	0
BALANCE AS AT 30 JUNE 2012	32,442,815	44,700,498	0	77,143,313
Net Result	14,312,559	0	0	14,312,559
Total Other Comprehensive Income	0	0	1,140,349	1,140,349
Transfer (from) / to Reserves	2,380,775	(2,380,775)	0	0
BALANCE AS AT 30 JUNE 2013	49,136,149	42,319,723	1,140,349	92,596,221

THE ACCOMPANYING NOTES FORM PART OF THE CONCISE FINANCIAL REPORT

Statement of Cashflows

for the year ended 30 June 2013

	Actual 2012/2013 \$	Budget 2012/2013 \$	Actual 2011/2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Fees and Charges	44,892,851	41,954,640	38,693,206
Grants, Subsidies and Contributions	2,364,866	5,267,033	1,949,618
Interest Earnings	2,266,085	2,371,694	2,390,812
Other Revenue	1,127,188	1,743,837	1,307,080
TOTAL RECEIPTS	50,650,990	51,337,204	44,340,716
PAYMENTS			
Employee Costs	(8,088,393)	(9,453,735)	(7,547,868)
Materials and Contracts	(7,829,115)	(9,332,254)	(7,756,969)
Utility Expenses	(254,715)	(258,782)	(232,023)
Insurance Expenses	(284,418)	(257,589)	(225,296)
Interest Expenses	(18,921)	(15,300)	(16,159)
Other Expenditure	(10,877,800)	(13,775,483)	(10,464,969)
Goods and Services Tax paid	(2,215,544)	0	(2,651,337)
TOTAL PAYMENTS	(29,568,906)	(33,093,143)	(28,894,621)
NET CASH PROVIDED BY OPERATING ACTIVITIES	21,082,084	18,244,061	15,446,095
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash receipts from sale of assets	346,682	690,226	1,667,098
Cash payments for acquisition of assets	(15,480,303)	(24,090,652)	(7,101,569)
NET CASH USED IN INVESTING ACTIVITIES	(15,133,621)	(23,400,426)	(5,434,471)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash receipts from sale of investments	948,400	1,167	2,874,732
NET CASH PROVIDED BY FINANCING ACTIVITIES	948,400	1,167	2,874,732
SUMMARY OF CASH FLOWS			
Cash and cash equivalents at the beginning of the year	47,125,607	45,708,979	34,239,251
Net Increase/(Decrease) in Cash Held	6,896,863	(5,155,198)	12,886,356
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	54,022,470	40,553,781	47,125,607

THE ACCOMPANYING NOTES FORM PART OF THE CONCISE FINANCIAL REPORT

Discussion and analysis of the financial report for the year ended 30 June 2013

Information on Eastern Metropolitan Regional Council's Concise Financial Report

The concise financial report is an extract of the full financial report for the year ended 30 June 2013. The financial statements and disclosures in the concise financial report have been derived from the 2012/2013 financial report of Eastern Metropolitan Regional Council (EMRC). A copy of the full financial report and auditor's report is available upon request. Council was able to advise that it achieved a high level of compliance with all matters applicable to EMRC's operations.

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 2012/2013 financial report of the EMRC.

Statement of Comprehensive Income

Total Comprehensive Income of \$15,452,907 for the year ended 30 June 2013 is \$893,600 above the level of 2011/2012 and \$3,255,690 above the 2012/2013 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 \$46,967,388 for the year ended 30 June 2013 is \$6,016,067 above the 2011/2012 revenue from ordinary activities and \$4,369,816 below the 2012/2013 budget. The variance from the previous financial year is primarily due to the increase in disposal charges adopted for the 2012/2013 financial year.

Total expenses from ordinary activities of \$33,613,480 is \$6,084,418 greater than the 2011/2012 actual expenses from ordinary activities and \$5,691,595 below budget for 2012/2013. The variance is primarily due to lower expenditure on the following items during the 2012/2013 financial year compared to the budget: furthermore, 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.

- Employee Costs;
- Materials and Contract Expenses; and
- Depreciation Expenses on Non-Current Assets.

An actual profit of \$39,598 has resulted from the disposal of assets for the year ended 30 June 2013 and is \$760,485 below the 2011/2012 actual profit from the disposal of assets and \$125,490 below the budget for 2012/2013.

A realised/unrealised gain of \$919,052 has resulted from the sale/disposal of investments as at 30 June 2013 compared to a realised gain of \$336,965 as at 30 June 2012. Unrealised gains

or 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 or losses on financial instruments will not be realised until such time as the individual investments are sold.

The changes in revaluation of non-current assets has resulted in a surplus of \$1,140,349 and relates to the revaluation undertaken during 2012/2013 on the Plant and Equipment class of assets.

Statement of Financial Position

Overall, equity has increased during the 2012/2013 financial year by \$15,452,908 to \$92,596,221.

Current assets as at 30 June 2013 have increased by \$7,643,912 on the previous year.

The overall impact on cash and investments at the close of the financial year is an increase of \$6,867,515 to \$54,022,470.

Current liabilities as at 30 June 2013 have increased by \$1,196,286 to \$6,638,779 compared to the level stated as at 30 June 2012.

The net movement in the retained surplus is an increase of \$16,693,334 comprising the net result for the year of \$14,312,558 plus a net transfer from reserves of \$2,380,775 compared to the value in the previous year.

The value of reserves has decreased by \$2,380,775 in comparison to the level stated as at 30 June 2012. The decrease in reserves is primarily attributable to the use of funds to purchase land and to construct the new Class III cell.

Statement of Cash Flows

The overall impact on the cash position at the close of the financial year is an increase of \$6,896,863 to \$54,022,470 as a result of an increase in cash flow from operating activities.

Net cash provided by operating activities of \$21,082,084 reflects an increase of \$5,635,989 over the \$15,446,095 generated in the 2011/2012 financial year.

The cash flows used in investing activities for the 2012/2013 financial year reflects capital expenditure totalling \$15,480,303. This compares with capital expenditure totalling \$7,101,569 during the previous year.

Notes to the Concise Financial Report for the year ended 30 June 2013

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 2013. 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

Following the end of the 2012/2013 financial year, the City of Stirling has ceased disposal of its tonnages at the Red Hill Waste Management Facility from the beginning of August 2013.

With reference to the proposed amalgamation of local governments effective from 1 July 2015, it is understood that with the exception of minor boundary changes the EMRC region will remain unchanged. However the membership of the EMRC will move from 6 to 3 as a result of those proposed amalgamations.



Mission

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

*A proud history
with a bright future*



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14.4 HAZELMERE PYROLYSIS PROJECT EXPENDITURE

REFERENCE: COMMITTEES-16215

PURPOSE OF REPORT

To request Council approval for a progress payment to Ansac for the Hazelmere wood waste pyrolysis project.

KEY ISSUES AND RECOMMENDATION(S)

- Ansac have executed a Clean Technology Innovation Fund agreement with the Commonwealth Government's Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education.
- The AusIndustry agreement has a schedule of payments to Ansac with matching payments by EMRC.
- The first matching payment of \$230,016.60 (including GST) is due by the end of September 2013.

Recommendation(s)

That the Chief Executive Officer be authorised to make the first quarterly payment of \$230,016.60 to Ansac Pty Ltd for the Hazelmere Pyrolysis Project.

SOURCE OF REPORT

Director Waste Services

BACKGROUND

The 8 December 2011 meeting of Council (Ref: Committees-13323) considered the proposed investigation into the feasibility of pyrolysing wood waste and other residuals at EMRC's Hazelmere site and resolved that:

- “1. COUNCIL APPROVE EMRC PARTICIPATION IN A PROJECT TO ESTABLISH THE FEASIBILITY OF PYROLYSIS OF WOOD WASTE AND OTHER RESIDUALS AT HAZELMERE TIMBER RECYCLING CENTRE INVOLVING AN INITIAL FEASIBILITY STUDY FOLLOWED BY A SECOND STAGE DETAILED ENGINEERING STUDY.
2. THE OUTCOMES OF THE FIRST STAGE FEASIBILITY STUDY WILL BE REPORTED TO COUNCIL AND APPROVAL SOUGHT TO PROCEED WITH THE SECOND STAGE FEASIBILITY STUDY.”

The 19 April 2012 meeting of Council (Ref: Committees-13576) resolved that:

“COUNCIL, BY ABSOLUTE MAJORITY:

1. APPROVES EXPENDITURE OF \$80,000 FOR THE SECOND STAGE DETAILED ENGINEERING STUDY INTO A PYROLYSIS PLANT AT EMRC'S HAZELMERE SITE INVOLVING THE SPECIFICATION OF THE PLANT EQUIPMENT REQUIRED AND A BETTER COST ESTIMATE.
2. APPROVES THE REALLOCATION OF \$80,000 FROM 24399/00.JH (CONSTRUCT AND COMMISSION RESOURCE RECOVERY PARK) TO 72884/00.JF (EVALUATE RESOURCE RECOVERY PARK OPTIONS) TO COVER THE COSTS OF THE SECOND STAGE DETAILED ENGINEERING STUDY.



Item 14.4 continued

3. *SUPPORTS A GRANT APPLICATION TO THE CLEAN TECHNOLOGY INNOVATION FUND IN JULY 2012, TO BE PREPARED AND SUBMITTED BY ANSAC WITH INPUT FROM EMRC AND UWA AND SEEKING PROJECT FUNDING SUPPORT FOR A DEMONSTRATION WOOD WASTE PYROLYSIS FACILITY AT HAZELMERE."*

The 20 June 2013 meeting of Council (Ref: Committees-15654) resolved:

"THAT COUNCIL:

1. *PROCEED WITH THE HAZELMERE WOOD WASTE PYROLYSIS PROJECT.*
2. *BY ABSOLUTE MAJORITY IN ACCORDANCE WITH SECTION 5.42 OF THE LOCAL GOVERNMENT ACT 1995 AUTHORISE THE CEO TO ENTER INTO A CONTRACT BETWEEN EMRC AND ANSAC FOR THE ENGINEERING, PROCUREMENT, CONSTRUCTION AND COMMISSIONING OF THE HAZELMERE WOOD WASTE PYROLYSIS PLANT TO THE VALUE OF \$7,440,000 SUBJECT TO A, B, AND C;*
 - a) *EXECUTION OF A FUNDING AGREEMENT BETWEEN THE COMMONWEALTH GOVERNMENT AND ANSAC PTY LTD FOR GRANT FUNDING UNDER THE CLEAN ENERGY INNOVATION FUND;*
 - b) *RECEIPT OF ENVIRONMENTAL AND OTHER STATUTORY APPROVALS FOR THE PROJECT; AND*
 - c) *DEVELOPMENT OF A POWER PURCHASE AGREEMENT BETWEEN EMRC AND AN ELECTRICITY RETAILER."*

REPORT

Council's approval of 20 June 2013 to proceed with the Hazelmere Pyrolysis Project and authorise the Chief Executive Officer to enter into a contract between EMRC and Ansac is conditional on:

- a) The execution of a funding agreement between the Commonwealth Government and Ansac, which is now complete;
- b) Receipt of environmental and other statutory approvals for the project; and
- c) Development of a power purchase agreement between EMRC and an electricity wholesaler.

Only the first of these conditions has been met so far with the other two conditions being progressed by EMRC.

The AusIndustry grant agreement with Ansac Pty Ltd sets out a schedule of payments to Ansac against project milestones with matching payments by the EMRC. The first payment to Ansac from the EMRC is \$230,016.60 (including GST) and is due at the end of September 2013. This potential payment was highlighted in the report of 20 June 2013.

Council's approval is sought to authorise the Chief Executive Officer to make the first quarterly payment to Ansac to avoid jeopardising the contract between Ansac and AusIndustry at this early stage of the project.

The Design and Construct contract with Ansac is expected to be finalised during September 2013 followed by a power purchase agreement with an electricity wholesaler. The other condition precedent is the receipt of environmental and other statutory approvals for the project which will take longer to achieve. Ansac may have to renegotiate the payment schedule with AusIndustry if the environmental approval process takes longer than expected.



Item 14.4 continued

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.1 To provide sustainable waste disposal operations
- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils
- 1.4 To investigate leading edge waste management practices

FINANCIAL IMPLICATIONS

Funds are provided in the annual budget for 2013/2014 and 2014/2015 for expenditure to undertake capital works for the project and once in operation would reduce expenditure to dispose of any surplus wood chip.

SUSTAINABILITY IMPLICATIONS

The Resource Recovery Project is aimed at reducing greenhouse gas emissions from the EMRC's waste disposal operations and State programmes for reduction of waste to landfill.

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

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the Chief Executive Officer be authorised to make the first quarterly payment of \$230,016.60 to Ansac Pty Ltd for the Hazelmere Pyrolysis Project.

COUNCIL RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR CUCCARO

THAT THE CHIEF EXECUTIVE OFFICER BE AUTHORISED TO MAKE THE FIRST QUARTERLY PAYMENT OF \$230,016.60 TO ANSAC PTY LTD FOR THE HAZELMERE PYROLYSIS PROJECT.

CARRIED UNANIMOUSLY



14.5 ITEMS CONTAINED IN THE INFORMATION BULLETIN

REFERENCE: COMMITTEES-15934

The following item was included in the Information Bulletin, which accompanied the Agenda.

1 WASTE MANAGEMENT SERVICES

1.1 COUNCIL TONNAGE COMPARISONS AS AT 30 JUNE 2013 (Ref: Committees-15935)

RECOMMENDATION(S)

That Council notes the items contained in the Information Bulletin.

COUNCIL RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR CUCCARO

THAT COUNCIL NOTES THE ITEMS CONTAINED IN THE INFORMATION BULLETIN.

CARRIED UNANIMOUSLY



INFORMATION BULLETIN

Accompanying the
Ordinary Meeting of Council Agenda

19 September 2013

COUNCIL INFORMATION BULLETIN**19 September 2013****(REF: COMMITTEES-15934)****TABLE OF CONTENTS**

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1 WASTE SERVICES

1.1 COUNCIL TONNAGE COMPARISONS AS AT 30 JUNE 2013

REFERENCE: COMMITTEES-15935

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 Recycling Facility for the period 1 July 2012 to 30 June 2013.

REPORT

Attachment 1 to this report indicates that member Council tonnages totalling 131,831.74 tonnes were received during the period 1 July 2012 to 30 June 2013 compared to 140,927.57 tonnes received during the same period in 2011/2012.

Attachment 2 outlines "other" waste that was received being 244,672.14 tonnes together with combined cumulative tonnages for the period totaling 376,503.88 tonnes. The 2011/2012 tonnages of 221,906.32 and 362,833.89 respectively for the same period are also provided for comparison purposes.

Attachment 3 outlines the tonnages of various materials that have been exported from the site 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 Recycling Facility.

ATTACHMENT(S)

1. Council Tonnages - 1 July 2012 to 30 June 2013 (Ref: Committees-16109)
2. Other Tonnages - 1 July 2012 to 30 June 2013 (Ref: Committees-16110)
3. Tonnages Exported from Red Hill - 1 July 2012 to 30 June 2013 (Ref: Committees-16111)
4. Tonnages and quantities at Hazelmere Recycling Facility 1 July 2012 to 30 June 2013 (Ref: Committees-166112)

**EASTERN METROPOLITAN REGIONAL COUNCIL
2012/2013 YTD COUNCIL TONNAGES DISPOSED OF AT RED HILL WASTE MANAGEMENT FACILITY**

Week Ending	Bayswater Greenwaste		Belmont		Bassendean		Swan		Kalamunda		Mundaring Greenwaste		WMRC	Total
	Waste	Uncont G/W	Waste	Uncont G/W	Waste	Uncont G/W	Waste	Uncont G/W	Waste	Uncont G/W	Waste	Uncont G/W		
10-Jul-12	591.4	121.28	329.44	0.00	145.58	0.00	1023.92	0.00	539.38	13.62	394.54	0.00	3,159.16	
17-Jul-12	340.04	91.46	242.12	0.00	102.96	0.00	682.66	0.00	346.44	9.86	260.20	0.00	2,075.74	
24-Jul-12	326.48	72.66	236.80	0.00	100.46	0.00	704.66	0.00	356.02	5.76	254.10	0.00	2,056.94	
31-Jul-12	299.22	96.42	237.06	0.00	106.00	0.00	706.30	0.00	365.54	7.20	265.24	0.00	2,082.98	
7-Aug-12	299.48	61.86	228.32	0.00	99.70	0.00	712.24	0.00	338.86	5.52	255.54	0.00	2,001.52	
14-Aug-12	323.72	89.48	247.60	18.12	103.96	0.00	731.46	0.00	343.08	0.00	263.72	0.00	2,121.14	
21-Aug-12	337.94	82.74	259.58	0.00	108.30	0.00	754.84	0.00	353.86	9.62	272.08	0.00	2,178.96	
28-Aug-12	344.98	115.20	250.26	0.00	111.04	0.00	775.36	0.00	447.86	0.00	301.46	0.00	2,346.16	
31-Aug-12	184.72	51.84	156.28	0.00	63.82	0.00	454.00	1.04	268.94	0.00	109.54	0.00	1,290.18	
4-Sep-12	150.44	35.26	95.66	0.00	57.78	0.00	305.00	0.00	224.48	0.00	150.62	0.00	1,019.24	
11-Sep-12	350.66	123.74	262.80	0.00	122.36	0.00	778.70	63.86	529.70	88.24	239.08	0.00	2,559.14	
18-Sep-12	361.06	96.56	264.34	31.76	112.14	0.00	853.20	62.66	465.80	104.88	249.48	0.00	2,601.88	
25-Sep-12	350.42	134.34	259.56	0.00	119.62	0.00	837.00	82.30	520.42	203.56	252.30	0.00	2,759.52	
30-Sep-12	281.88	53.16	159.74	0.00	64.40	0.00	456.32	9.26	278.76	47.16	141.68	0.00	1,492.36	
09-Oct-12	504.06	164.40	355.94	0.00	152.58	0.00	1107.98	78.78	791.84	232.78	350.52	0.00	3,738.88	
16-Oct-12	354.52	96.90	259.76	0.00	124.08	0.00	781.50	69.88	548.08	102.46	252.48	0.00	2,589.66	
23-Oct-12	486.66	117.88	256.32	0.00	118.28	0.00	796.30	144.40	507.54	127.90	241.54	0.00	2,796.82	
31-Oct-12	409.20	104.14	299.04	0.00	127.58	0.00	933.10	39.84	677.66	169.04	288.04	0.00	3,047.64	
06-Nov-12	260.44	89.74	209.50	28.12	142.96	0.00	620.12	41.74	435.22	96.92	202.58	0.00	2,127.34	
13-Nov-12	351.44	64.68	256.08	0.00	176.86	0.00	782.96	49.46	582.96	99.68	259.42	0.00	2,623.54	
20-Nov-12	320.98	121.14	252.28	0.00	192.84	0.00	795.56	58.82	535.94	94.90	259.62	0.00	2,632.08	
27-Nov-12	350.50	81.14	252.12	0.00	207.76	0.00	861.10	15.34	395.36	4.94	257.84	0.00	2,426.10	
30-Nov-12	213.56	67.40	153.14	30.52	121.18	0.00	583.52	0.00	229.44	12.18	115.54	0.00	1,526.48	
04-Dec-12	164.90	40.40	101.48	0.00	95.36	0.00	419.86	42.94	181.06	0.00	157.24	0.00	1,203.24	
11-Dec-12	402.86	87.40	260.60	0.00	205.78	0.00	996.10	26.60	408.08	19.56	271.12	0.00	2,678.10	
18-Dec-12	363.02	116.34	262.60	33.84	144.12	0.00	990.00	10.64	462.40	16.36	278.28	0.00	2,677.60	
25-Dec-12	279.14	64.72	212.30	0.00	83.88	0.00	715.16	0.00	339.36	13.74	266.24	0.00	1,974.54	
31-Dec-12	371.68	94.82	225.44	0.00	104.22	0.00	849.78	0.00	418.26	13.80	276.32	0.00	2,354.32	
Sub-total	9,375.40	2,537.10	6,586.16	142.36	3,415.60	0.00	21,008.70	797.56	11,892.34	1,499.68	6,886.36	0.00	64,141.26	

EASTERN METROPOLITAN REGIONAL COUNCIL

2012-2013 YTD COUNCIL TONNAGES DISPOSED OF AT RED HILL WASTE MANAGEMENT FACILITY

Week Ending	Bayswater		Belmont		Bassendean		Swan		Kalamunda		Mundaring		WMRC	Total
	Waste	Greenwaste	Waste	Uncont G/W	Waste	Uncont G/W	Waste	Uncont G/W	Waste	Uncont G/W	Waste	Greenwaste		
08-Jan-13	465.08	85.86	285.72	0.00	133.32	0.00	1179.28	0.00	530.72	9.18	350.58	0.00	3,039.74	
15-Jan-13	399.36	103.54	246.30	0.00	119.84	0.00	1053.78	0.00	410.44	14.30	276.38	0.00	2,623.94	
22-Jan-13	362.40	89.64	249.42	0.00	107.88	0.00	975.76	22.20	423.08	15.72	262.66	0.00	2,508.76	
31-Jan-13	670.82	136.08	335.24	0.00	158.78	0.00	1306.86	0.00	549.70	55.52	325.70	0.00	3,538.70	
5-Feb-13	213.08	40.60	147.40	0.00	68.06	0.00	524.90	0.00	233.64	13.52	176.92	0.00	1,418.12	
12-Feb-13	335.22	89.42	234.40	0.00	94.50	0.00	1005.24	0.00	371.20	8.06	263.38	0.00	2,401.42	
19-Feb-13	327.12	63.14	233.60	18.14	103.06	0.00	944.66	0.00	367.86	8.44	235.64	0.00	2,301.66	
28-Feb-13	484.14	119.82	339.42	0.00	148.10	0.00	1319.98	13.34	522.56	12.56	429.38	0.00	3,389.30	
05-Mar-13	201.70	46.94	141.68	0.00	68.70	0.00	481.36	0.00	247.06	42.28	174.64	0.00	1,404.36	
12-Mar-13	359.62	94.26	251.26	0.00	107.20	0.00	960.92	0.00	664.18	289.78	281.96	0.00	3,009.18	
19-Mar-13	344.36	74.14	241.74	14.64	101.62	0.00	952.36	0.00	673.52	244.78	262.96	0.00	2,910.12	
26-Mar-13	342.00	97.10	249.80	0.00	106.52	0.00	902.70	0.00	596.98	121.48	321.40	0.00	2,737.98	
31-Mar-13	190.12	45.46	154.26	0.00	65.56	0.00	552.42	0.00	312.22	105.14	227.16	0.00	1,652.34	
09-Apr-13	494.48	127.02	328.66	10.06	150.56	0.00	1423.62	0.00	861.40	293.26	485.54	0.00	4,174.60	
16-Apr-13	328.86	68.36	239.66	0.00	99.68	0.00	1027.68	0.00	568.46	250.92	407.80	0.00	2,991.42	
23-Apr-13	338.16	104.72	253.54	32.30	112.52	0.00	1023.26	0.00	607.82	270.70	315.14	0.00	2,743.02	
30-Apr-13	345.66	88.68	247.62	0.00	111.14	0.00	911.02	0.00	612.40	161.64	318.94	0.00	2,793.30	
07-May-13	346.70	109.34	251.04	0.00	114.38	39.84	781.72	0.00	635.58	196.96	318.94	0.00	2,794.50	
14-May-13	335.24	77.72	239.18	0.00	107.60	114.18	747.74	0.80	613.98	127.08	245.18	0.00	2,608.70	
21-May-13	342.92	93.32	245.08	0.00	99.98	112.00	748.46	56.36	652.30	70.80	243.26	0.00	2,664.48	
28-May-13	340.92	72.40	247.68	23.38	111.58	204.98	725.64	125.58	776.38	182.26	232.70	0.00	3,043.50	
31-May-13	180.36	53.68	148.72	0.00	59.32	23.40	437.34	71.46	361.36	43.32	107.60	0.00	1,486.56	
04-Jun-13	144.02	33.28	75.04	0.00	41.58	57.00	279.78	69.98	314.80	39.82	136.14	0.00	1,191.44	
11-Jun-13	333.90	66.84	242.34	0.00	101.98	140.38	747.76	124.36	391.18	31.82	245.90	0.00	2,426.46	
18-Jun-13	322.76	87.84	231.92	0.00	100.44	0.00	740.44	79.44	463.72	22.42	273.20	0.00	2,322.18	
25-Jun-13	380.50	64.08	230.80	0.00	98.54	0.00	724.24	65.50	371.40	8.54	231.18	0.00	2,174.78	
30-Jun-13	185.42	43.92	143.48	0.00	106.20	0.00	429.14	62.32	190.26	5.48	173.70	0.00	1,339.92	
Sub-total	9,114.92	2,177.20	6,235.00	98.52	2,798.64	691.78	22,908.06	691.34	13,324.20	2,648.78	7,005.04	0.00	67,690.48	
Year to Date	18,490.32	4,714.30	12,821.16	240.88	6,214.24	691.78	43,916.76	1,486.90	25,216.54	4,145.46	13,891.40	0.00	131,831.74	
30-Jun-13		23,204.62	13,062.04		6,906.02		45,405.66		29,362.00		13,891.40	0.00	131,831.74	
Year to date as at 30-Jun-12	23,050.31	4,856.36	12,819.80	282.24	6,234.68	813.18	42,216.54	5.32	24,062.06	4,332.36	15,254.50	259.80	140,927.57	
as at 30-Jun-12		27,913.39	13,102.04		7,047.86		42,221.86		28,394.42		15,514.30	6,733.70	140,927.57	

EASTERN METROPOLITAN REGIONAL COUNCIL
2012/2013 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	Non Member Council Waste	Total Other	Total Tonnages (Council & Other)
10-Jul-12	215.68	111.38	0.00	25.40	31.50	3612.94	2378.86	6375.76	9,534.92
17-Jul-12	124.66	1200.50	0.00	17.58	20.78	2536.03	1885.21	5784.76	7,860.50
24-Jul-12	141.72	135.90	90.86	23.18	24.82	2071.82	1866.17	4354.47	6,411.41
31-Jul-12	120.66	242.56	135.03	17.36	11.34	1978.70	1792.87	4298.52	6,381.50
07-Aug-12	120.72	0.00	71.66	15.08	16.36	2178.14	1573.49	3975.45	5,976.97
14-Aug-12	128.58	204.60	0.00	18.64	14.94	2266.09	1878.70	4510.55	6,631.69
21-Aug-12	149.08	0.00	179.26	17.58	18.32	2086.88	1766.21	4217.33	6,396.29
28-Aug-12	127.64	6.54	32.90	22.22	28.16	1949.90	2023.89	4191.25	6,537.41
31-Aug-12	54.60	477.54	0.00	8.58	8.02	1227.50	823.74	2599.98	3,890.16
04-Sep-12	81.66	0.00	0.00	7.80	16.54	863.06	991.82	1960.88	2,980.12
11-Sep-12	166.14	157.14	0.00	15.74	17.72	2242.14	1891.94	4504.82	7,063.96
18-Sep-12	140.58	1052.60	254.32	18.92	31.84	1871.58	1708.43	5064.27	7,666.15
25-Sep-12	123.38	347.32	0.00	17.50	26.42	1989.32	1990.21	4494.15	7,253.67
30-Sep-12	99.36	0.00	46.06	10.66	15.90	1635.54	790.72	2598.24	4,090.60
09-Oct-12	194.56	300.52	6.42	23.70	42.18	2802.52	2368.06	5737.96	9,476.84
16-Oct-12	166.44	10.86	0.00	18.50	42.12	2224.86	1651.45	4114.23	6,703.89
23-Oct-12	150.64	1.12	0.00	17.62	26.92	2433.48	1907.70	4537.48	7,334.30
31-Oct-12	146.92	29.24	0.00	20.70	34.66	2989.34	2035.01	5255.87	8,303.51
06-Nov-12	127.62	0.00	0.00	16.08	21.90	2052.50	1206.60	3424.70	5,552.04
13-Nov-12	148.14	0.00	0.00	18.46	25.88	2424.88	1558.09	4175.45	6,798.99
20-Nov-12	123.64	20.58	0.00	19.00	19.54	2484.74	1954.69	4622.19	7,254.27
27-Nov-12	144.34	0.00	0.00	22.58	25.34	2763.72	1731.31	4687.29	7,113.39
30-Nov-12	43.16	1.90	122.86	8.64	27.08	1414.36	1058.11	2676.11	4,202.59
04-Dec-12	117.74	0.00	129.40	17.90	12.62	1236.04	657.73	2171.43	3,374.67
11-Dec-12	138.64	0.00	0.00	30.68	33.94	2760.70	2028.45	4992.41	7,670.51
18-Dec-12	144.12	0.00	0.00	31.88	29.62	2799.04	2299.60	5304.26	7,981.86
25-Dec-12	174.84	0.00	0.00	26.58	26.92	2297.18	1926.31	4451.83	6,426.37
31-Dec-12	136.68	0.00	0.00	11.50	10.56	1265.14	2223.13	3647.01	6,001.33
Sub-total	3,751.94	4,300.30	1,068.77	520.06	661.94	60,457.14	47,968.50	118,728.65	182,869.91

EASTERN METROPOLITAN REGIONAL COUNCIL

2012/2013 YTD OTHER TONNAGES & TOTAL TONNAGES DISPOSED OF AT RED HILL WASTE MANAGEMENT FACILITY

Week Ending	Transfer Station	Class III Contaminated	Class IV Contaminated	Untaminated Greenwaste Transfer St	Untaminated Greenwaste Commercial	Other Commercials	Non Member Council Waste	Total	Total Tonnages (Council & Other)
08-Jan-13	201.18	0.00	0.00	33.96	11.42	2082.76	2155.26	4484.58	7,524.32
15-Jan-13	151.50	39.64	0.00	28.32	14.90	2432.98	1718.51	4385.85	7,009.79
22-Jan-13	151.98	0.00	0.00	27.86	12.50	2493.94	1986.39	4672.67	7,181.43
31-Jan-13	216.64	170.70	311.74	38.74	24.48	2979.30	2572.67	6314.27	9,852.97
05-Feb-13	99.16	130.54	150.92	19.70	14.22	1606.84	1238.95	3260.33	4,678.45
12-Feb-13	148.10	178.94	620.60	32.76	27.20	2651.52	1845.86	5504.98	7,906.40
19-Feb-13	137.72	332.22	37.46	28.20	22.98	2943.12	1753.32	5255.02	7,556.68
28-Feb-13	183.80	524.82	122.34	41.78	19.48	3828.44	2584.20	7304.86	10,694.16
05-Mar-13	120.12	117.08	0.00	26.02	4.12	1467.10	1044.16	2778.60	4,182.96
12-Mar-13	150.32	217.38	15.40	26.94	15.90	2705.24	2173.36	5304.54	8,313.72
19-Mar-13	139.62	303.80	0.00	35.88	34.68	2820.50	1984.62	5319.10	8,229.22
26-Mar-13	146.80	129.86	45.44	34.84	38.60	2626.94	1914.12	4936.60	7,674.58
31-Mar-13	96.98	15.80	76.62	20.96	14.98	1224.04	1213.27	2662.65	4,314.99
09-Apr-13	202.85	163.28	45.68	39.56	16.76	3307.98	2603.27	6379.38	10,553.98
16-Apr-13	129.79	203.62	0.00	24.72	19.84	2785.18	1536.73	4699.88	7,691.30
23-Apr-13	129.74	158.52	8.02	25.26	10.78	2896.00	1735.15	4963.47	7,706.49
30-Apr-13	173.74	309.18	4.44	31.10	43.90	2179.00	1727.32	4468.68	7,261.98
07-May-13	178.42	204.96	0.00	29.36	16.22	2680.42	1524.67	4634.05	7,428.55
14-May-13	122.80	0.00	0.00	14.94	21.80	2788.04	1780.44	4728.02	7,336.72
21-May-13	145.72	1596.90	7.78	18.22	26.24	2488.80	1624.99	5908.65	8,573.13
28-May-13	140.10	1047.54	25.10	16.46	21.68	2564.26	1622.54	5437.68	8,481.18
31-May-13	50.76	0.00	22.00	7.60	20.06	1259.70	1049.02	2409.14	3,895.70
04-Jun-13	105.50	0.00	0.00	10.98	6.84	819.06	678.06	1620.44	2,911.88
11-Jun-13	168.76	4.82	20.42	17.78	19.06	2698.71	2053.87	4983.42	7,409.88
18-Jun-13	125.78	59.08	0.00	20.46	24.66	2487.69	2156.69	4874.36	7,196.54
25-Jun-13	139.58	1.30	0.00	24.82	14.68	2648.02	2137.10	4965.50	7,140.28
30-Jun-13	154.64	20.22	0.00	14.10	17.36	1743.44	1737.01	3686.77	5,026.69
Sub-total	3,912.10	5,930.20	1,513.96	691.32	535.34	65,209.02	48,151.55	125,943.49	193,633.97
Year to date 30-Jun-13	7,664.04	10,230.50	2,582.73	1,211.38	1,197.28	125,666.16	96,120.05	244,672.14	376,503.88
Year to date as at 30-Jun-12	6,541.22	10,606.44	3,629.96	1,229.84	1,439.08	103,419.62	95,040.16	221,906.32	362,833.89

EASTERN METROPOLITAN REGIONAL COUNCIL									
2012/2013 YTD TONNAGES EXPORTED FROM RED HILL WASTE MANAGEMENT FACILITY									
Week Ending	Clay	Ferricrete	Laterite Rock	Recycled Material	Mulch	Soil	Lime Amended BioClay	Total	
10-Jul-12	0.00	46.36	0.00	29.48	132.80	96.26	0.00	304.90	
17-Jul-12	0.00	70.66	0.00	3.54	53.78	29.10	0.00	157.08	
24-Jul-12	0.00	0.00	0.00	2.12	73.95	34.20	0.00	110.27	
31-Jul-12	0.00	12.86	0.00	17.14	228.74	63.26	0.00	322.00	
07-Aug-12	0.00	0.00	0.00	18.96	190.90	27.74	0.00	237.60	
14-Aug-12	0.00	0.00	0.00	3.68	19.68	52.44	0.00	75.80	
21-Aug-12	0.00	0.00	0.00	17.10	135.30	63.80	0.00	216.20	
28-Aug-12	0.00	0.00	0.00	7.72	320.62	82.88	0.00	411.22	
31-Aug-12	0.00	12.30	0.00	10.20	86.00	32.36	0.00	140.86	
04-Sep-12	0.00	0.00	0.00	0.80	0.00	0.00	0.00	0.80	
11-Sep-12	0.00	0.00	0.00	7.16	250.16	36.66	0.00	293.98	
18-Sep-12	0.00	28.96	0.00	5.06	117.43	53.56	0.00	205.01	
25-Sep-12	0.00	0.00	0.00	16.84	145.97	75.00	0.00	237.81	
30-Sep-12	52.64	33.80	0.00	5.86	130.62	70.46	0.00	293.38	
09-Oct-12	0.00	203.46	0.00	9.88	64.04	13.32	0.00	290.70	
16-Oct-12	0.00	77.44	0.00	21.38	47.66	61.38	0.00	207.86	
23-Oct-12	0.00	121.42	0.00	15.72	41.94	54.84	0.00	233.92	
31-Oct-12	0.00	131.74	0.00	18.14	89.80	115.60	0.00	355.28	
06-Nov-12	0.00	698.52	0.00	11.70	44.60	92.14	0.00	846.96	
13-Nov-12	0.00	419.30	0.00	21.16	215.40	74.96	0.00	730.82	
20-Nov-12	9.16	93.80	0.00	2.06	125.50	63.80	0.00	294.32	
27-Nov-12	0.00	162.34	0.00	15.58	44.24	58.40	0.00	280.56	
30-Nov-12	0.00	113.52	0.00	3.16	38.34	129.00	0.00	284.02	
04-Dec-12	0.00	24.14	0.00	1.22	9.40	47.40	0.00	82.16	
11-Dec-12	0.00	126.80	0.00	9.92	57.64	16.50	0.00	210.86	
18-Dec-12	198.34	187.38	0.00	1.24	26.38	38.18	0.00	451.52	
25-Dec-12	0.00	117.12	0.00	8.88	81.26	12.24	0.00	219.50	
31-Dec-12	0.00	75.20	0.00	0.56	0.00	0.00	0.00	75.76	
Sub Total	260.14	2,757.12	0.00	286.26	2,772.15	1,495.48	0.00	7,571.15	

EASTERN METROPOLITAN REGIONAL COUNCIL

2012/2013 YTD TONNAGES EXPORTED FROM RED HILL WASTE MANAGEMENT FACILITY

Week Ending	Clay	Ferricrete	Laterite Rock	Recycled Material	Mulch	Soil	Lime Amended BioClay	Total
08-Jan-13	0.00	4.86	0.00	8.76	48.30	17.18	0.00	79.10
15-Jan-13	0.00	401.10	0.00	37.52	62.52	0.00	0.00	501.14
22-Jan-13	25.04	414.08	0.00	18.88	120.68	29.58	25.68	633.94
31-Jan-13	0.00	41.00	0.00	6.56	246.52	23.92	0.00	318.00
05-Feb-13	0.00	436.96	0.00	11.80	188.88	13.14	0.00	650.78
12-Feb-13	0.00	84.62	0.00	7.04	294.90	8.18	0.00	394.74
19-Feb-13	0.00	24.48	0.00	11.32	282.66	3.88	0.00	322.34
28-Feb-13	316.96	220.22	0.00	7.56	132.81	3.12	99.92	780.59
05-Mar-13	0.00	0.00	0.00	0.88	36.80	1.94	0.00	39.62
12-Mar-13	0.00	110.24	0.00	16.92	209.06	0.00	0.00	336.22
19-Mar-13	0.00	102.56	0.00	9.54	89.01	25.00	0.00	226.11
26-Mar-13	0.00	126.12	0.00	14.20	63.49	38.22	0.00	242.03
31-Mar-13	0.00	140.90	0.00	4.84	3.84	0.00	0.00	149.58
09-Apr-13	0.00	237.16	0.00	16.14	133.83	20.74	0.00	407.87
16-Apr-13	0.00	303.26	0.00	13.18	484.31	0.00	0.00	800.75
23-Apr-13	0.00	105.32	0.00	9.65	196.57	19.36	0.00	330.90
30-Apr-13	0.00	88.78	0.00	21.74	232.67	0.00	0.00	343.19
07-May-13	0.00	187.30	0.00	15.52	377.88	65.90	0.00	646.60
14-May-13	0.00	115.86	0.00	9.40	53.84	0.00	0.00	179.10
21-May-13	0.00	222.60	0.00	16.70	51.20	22.34	0.00	312.84
28-May-13	0.00	469.50	0.00	6.76	56.39	15.28	0.00	547.93
31-May-13	0.00	363.92	0.00	8.68	27.40	0.00	0.00	400.00
04-Jun-13	0.00	373.98	0.00	4.32	11.58	0.00	0.00	389.88
11-Jun-13	0.00	122.40	0.00	26.80	189.86	20.18	0.00	359.24
18-Jun-13	0.00	109.26	0.00	5.38	158.08	22.54	204.42	499.68
25-Jun-13	0.00	354.62	0.00	14.80	95.68	11.70	597.40	1074.20
30-Jun-13	0.00	185.10	0.00	4.48	91.52	14.94	422.12	718.16
Sub Total	342.00	5,346.20	0.00	329.37	3,940.28	377.14	1,349.54	11,684.53
Year to date 30-Jun-13	602.14	8,103.32	0.00	615.63	6,712.43	1,872.62	1,349.54	19,255.68
Year to date as at 30-Jun-12	12.60	5,577.86	0.00	582.72	9,384.57	2,237.32	22.18	17,817.25

**EASTERN METROPOLITAN REGIONAL COUNCIL
2012/2013 YTD COUNCIL TONNAGES DISPOSED OF AT HAZELMERE RECYCLING CENTRE**

Month	Timber Recycling		Mattress Recycling			
	Incoming Waste Timber Tonne	Sale of wood chip / fines Tonne	Mattresses and Bases Received	Mattresses Recycled Number		
Jul-2012	1,651.47	692.22	1,356	1,334		
Aug-2012	1,753.79	720.00	1,190	837		
Sep-2012	1,551.57	756.67	1,223	1,125		
Oct-2012	1,640.47	803.33	1,336	1,145		
Nov-2012	1,560.37	1037.78	1,622	1,085		
Dec-2012	1,064.87	611.11	1,119	741		
Jan-2013	1435.61	1120.00	2,616	1,640		
Feb-2013	1528.67	1526.67	1,659	1,640		
Mar-2013	1491.30	1684.44	2,511	1,320		
Apr-2013	1705.99	558.89	2,370	1,364		
May-2013	2051.72	1084.44	2,139	1,722		
Jun-2013	1467.16	675.56	1,830	1,841		
Year to Date 30-Jun-13	18,902.99	11,271.11	20,971	15,794		
Year to date as at 30-Jun-12	17,427.58	11,187.20	21,537	15,499		



15 REPORTS OF COMMITTEES

15.1 TECHNICAL ADVISORY COMMITTEE MEETING HELD 5 SEPTEMBER 2013 (REFER TO MINUTES OF COMMITTEE – YELLOW PAGES)

REFERENCE: COMMITTEES-15931

The minutes of the Technical Advisory Committee meeting held on **5 September 2013** accompany and form part of this agenda – (refer to yellow section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invite general questions from members on the report of the Technical Advisory 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 FÄRDIG

SECONDED CR CARTER

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

CARRIED UNANIMOUSLY

TECHNICAL ADVISORY COMMITTEE

MINUTES

5 September 2013

(REF: COMMITTEES-15931)

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, 5 September 2013**. 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 Jim Coten (Chairman)	Executive Manager Operations	City of Swan
Mr James Riley (Deputising for Mr Pearson)	Manager Environmental Health Services	City of Bayswater
Mr Ric Lutey	Director Technical Services	City of Belmont
Mr Sam Assaad (Deputising for Mr Higham)	Manager Infrastructure Services	Shire of Kalamunda
Mr Shane Purdy (<i>from 4:01pm</i>)	Director Infrastructure Services	Shire of Mundaring
Mr Peter Schneider	Chief Executive Officer	EMRC

Apologies

Mr Simon Stewert-Dawkins (Deputy Chairman)	Director Operational Services	Town of Bassendean
Mr Doug Pearson	Director Technical Services	City of Bayswater
Mr Clayton Higham	Director Development and Infrastructure Services	Shire of Kalamunda

EMRC Officers

Mr Stephen Fitzpatrick	Director Waste Services
Mr Hua Jer Liew	Director Corporate Services
Mr Johan Le Roux	Manager Waste Services
Mr Dave Beresford	Project Engineer – Resource Recovery
Mr Ben Rowland	Environmental Advisor
Ms Lauren Panizza	Environmental Field Officer
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 JULY 2013

That the Minutes of the Technical Advisory Committee meeting held on 4 July 2013, which have been distributed, be confirmed.

TAC RESOLUTION(S)

MOVED MR ASSAAD

SECONDED MR LUTEY

THAT THE MINUTES OF THE TECHNICAL ADVISORY COMMITTEE MEETING HELD ON 4 JULY 2013 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 THE MEETING MAY BE CLOSED TO THE PUBLIC

Nil

10 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



11 REPORTS OF EMPLOYEES

11.1 TENDER 2012-05 BORE DRILLING SERVICES

REFERENCE: COMMITTEES-15933

PURPOSE OF REPORT

To advise Council of the results of Tender 2012-05 for the Supply Bore Drilling Services, and recommend a preferred tenderer.

KEY ISSUES AND RECOMMENDATION(S)

- Drilling Services are required for the ongoing development, monitoring and management of operations undertaken by EMRC.
- A tender for the supply of drilling services was advertised in The West Australian newspaper on 1 June 2013.
- The tender closed on 20 June 2013 and eight submissions were received.
- The tender submissions have been assessed and a preferred tenderer selected.

Recommendation(s)

That:

1. Council award Tender 2012-05 for Bore Drilling Services to Delmoss Nominees Pty Ltd T/A Welldrill for a 3 year period, as per the attached schedule of rates with an option for EMRC to extend for two single year extensions.
2. The contract rates for Tender 2012-05 be adjusted annually using the Consumer Price Index for Perth at the anniversary of the contract.
3. Council authorise the CEO to enter into a contract, on behalf of the EMRC, with Delmoss Nominees Pty Ltd T/A Welldrill in accordance with the tender submitted, as prescribed under the schedule for rates subject to any minor variations that may be agreed between the CEO and Delmoss Nominees Pty Ltd T/A Welldrill.

SOURCE OF REPORT

Director Waste Services
Environmental Advisor

BACKGROUND

As part of EMRC's waste services operations, its environmental and engineering departments require the ongoing services of a drilling contractor for establishment of groundwater bores, as well as for geotechnical and contaminated site investigations. Groundwater monitoring is a compliance requirement for EMRC's operations and the engineering of new waste cells requires preceding knowledge of site soil and geological profiles and is needed for works approvals and licensing purposes. A tendering process for the supply of drilling services to meet these ends has been undertaken.



Item 11.1 continued

REPORT

Drilling Services Tender 2012-05 was publicly advertised by EMRC on 1 June 2013 and remained open until 20 June 2013. The tender was established for a period of 3 years, plus two 1 year extensions to be exercised at the sole discretion of the EMRC, exercisable by the CEO, subject to satisfactory performance. Tender specification requirements included:

- Drilling using air core, down hole hammer and mud rotary methods;
- Drilling specified hole diameters;
- Drilling geotechnical test holes for investigational purposes;
- Construction of monitoring bores to specification;
- Construction of production bores to specification;
- Implementing appropriate environmental management protocols; and
- Implementing appropriate OH&S protocols.

Qualitative assessment criteria included:

- Business project experience;
- Tenderer's resources;
- Occupational health and safety; and
- Tendered price.

In total, eight tender submissions were received, and included the following companies:

- Strategic Drilling Services;
- Orbit Drilling Services;
- Higgs Exploration;
- Mathews Drilling;
- JSW Australia;
- Hagstrom Drilling;
- Drillmac/J&S Drilling; and
- Delmoss Nominees Pty Ltd T/A Welldrill.

The evaluation process was completed independently by three EMRC officers, and a meeting was held between evaluation panel members to discuss and compile the findings for each tender. Delmoss Nominees Pty Lt T/A Welldrill stood out with the highest evaluation score, having provided appropriate and relevant detail on experience and resource capability, had a thorough OH&S plan, and were competitively priced, particularly on drilling meter rates.

Delmoss Nominees Pty Ltd T/A Welldrill were considered to have provided the best value for money tender, and following positive reference checks, it was decided to recommend the tender be awarded to them.



Item 11.1 continued

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 - Environmental Sustainability

1.1 To provide sustainable waste disposal operations

Policy 5.1 Red Hill Environmental Policy

FINANCIAL IMPLICATIONS

Financial costs of exercising the tender is estimated to be in the order of \$400,000 over 5 years.

SUSTAINABILITY IMPLICATIONS

The EMRC will have the ability to maintain compliance with its groundwater monitoring requirements under Ministerial Conditions 274 and 462, as well as site assessment, monitoring and management under the Contaminated Sites Act 2003. Soil profile lithology information is also required for engineering planning and works approvals.

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	The tender can positively impact on member Councils, in that EMRC can provide groundwater investigation capabilities for contaminated site assessment and groundwater monitoring projects on behalf of member Councils.
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

Schedule of Rates (Ref: Committees-15940)

VOTING REQUIREMENT

Simple Majority



Item 11.1 continued

RECOMMENDATION(S)

That:

1. Council award Tender 2012-05 for Bore Drilling Services to Delmoss Nominees Pty Ltd T/A Welldrill for a 3 year period, as per the attached schedule of rates with an option for EMRC to extend for two single year extensions.
2. The contract rates for Tender 2012-05 be adjusted annually using the Consumer Price Index for Perth at the anniversary of the contract.
3. Council authorise the CEO to enter into a contract, on behalf of the EMRC, with Delmoss Nominees Pty Ltd T/A Welldrill in accordance with the tender submitted, as prescribed under the schedule for rates subject to any minor variations that may be agreed between the CEO and Delmoss Nominees Pty Ltd T/A Welldrill.

Shane Purdy entered the meeting 4:01pm.

TAC RECOMMENDATION(S)

MOVED MR LUTEY

SECONDED MR ASSAAD

That:

1. Council award Tender 2012-05 for Bore Drilling Services to Delmoss Nominees Pty Ltd T/A Welldrill for a 3 year period, as per the attached schedule of rates with an option for EMRC to extend for two single year extensions.
2. The contract rates for Tender 2012-05 be adjusted annually using the Consumer Price Index for Perth at the anniversary of the contract.
3. Council authorise the CEO to enter into a contract, on behalf of the EMRC, with Delmoss Nominees Pty Ltd T/A Welldrill in accordance with the tender submitted, as prescribed under the schedule for rates subject to any minor variations that may be agreed between the CEO and Delmoss Nominees Pty Ltd T/A Welldrill.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR CARTER

THAT:

1. COUNCIL AWARD TENDER 2012-05 FOR BORE DRILLING SERVICES TO DELMOSS NOMINEES PTY LTD T/A WELLDRILL FOR A 3 YEAR PERIOD, AS PER THE ATTACHED SCHEDULE OF RATES WITH AN OPTION FOR EMRC TO EXTEND FOR TWO SINGLE YEAR EXTENSIONS,
2. THE CONTRACT RATES FOR TENDER 2012-05 BE ADJUSTED ANNUALLY USING THE CONSUMER PRICE INDEX FOR PERTH AT THE ANNIVERSARY OF THE CONTRACT.
3. COUNCIL AUTHORISE THE CEO TO ENTER INTO A CONTRACT, ON BEHALF OF THE EMRC, WITH DELMOSS NOMINEES PTY LTD T/A WELLDRILL IN ACCORDANCE WITH THE TENDER SUBMITTED, AS PRESCRIBED UNDER THE SCHEDULE FOR RATES SUBJECT TO ANY MINOR VARIATIONS THAT MAY BE AGREED BETWEEN THE CEO AND DELMOSS NOMINEES PTY LTD T/A WELLDRILL.

CARRIED UNANIMOUSLY

3.4.3 PRICE SCHEDULE

Tenderers must complete the following price schedule. Before completing the Price Schedule, Tenderers should read the entire Request for Tender.

The contract/unit price/s includes all labour, plant and equipment, attendants, driver/operator's wages, taxes (excluding GST), charges, fees, import duties, overheads, profit and all other things necessary to perform the Works in an efficient and safe manner, including but not limited to spare parts, repairs and insurance. The contract/unit price/s shall not be subject to any rise and fall or fluctuation in exchange rates whatsoever.

Item Description	Tender Unit	Price / unit Tendered (ex GST)	GST Component	Price Tendered (inc GST)
1) MOBILISATION AND DEMOBILISATION AT DIFFERENT LOCATIONS				
(a) Mobilisation and demobilisation at <u>EMRC Recycling Centre, 77 Lakes Road, Hazelmere WA</u> - Includes Site set-up and Site clean-up - (One inclusive price)	Item	\$3500	\$350	\$3850
(b) Transport cost added to (a) above for the Mobilisation and demobilisation at any site up to 30 km travel from EMRC Recycling Centre at 77 Lakes Rd, Hazelmere WA. Mathieson Rd Transfer Station is included in this range. (One inclusive price)	Item	\$1000	\$100	\$1100
(c) Transport cost added to (a) above for the Mobilisation and demobilisation at any site more than 30 km and up to 50 km travel from the EMRC Recycling Centre at 77 Lakes Rd, Hazelmere WA. (One inclusive price)	Item	\$1500	\$150	\$1650
(d) Transport cost added to (a) above for the Mobilisation and demobilisation at any site more than 50 km travel from the EMRC Recycling Centre at 77 Lakes Rd, Hazelmere WA. Rate per km for the distance from 77 Lakes Rd (one way only)	Km	\$20 /km	\$2	\$22 /km

Item Description	Tender Unit	Price / unit Tendered (ex GST)	GST Component	Price Tendered (inc GST)
2) CONSTRUCTION OF BORE (Test bores, Monitoring bores, Production bores)				
(a) Drill to specified depth with the following methods:				
(i) 100mm - Down Hole Hammer	m	\$60 / m	\$6	\$66 / m
(ii) 150mm - Down Hole Hammer	m	\$70 / m	\$7	\$77 / m
(iii) 200mm - Down Hole Hammer	m	\$90 / m	\$9	\$99 / m
(iv) 100mm - Rotary Mud	m	\$70 / m	\$7	\$77 / m
(v) 150mm - Rotary Mud	m	\$80 / m	\$8	\$88 / m
(vi) 200mm - Rotary Mud	m	\$100 / m	\$10	\$110 / m
(vii) 100mm - Air Core	m	n/a		
(viii) 150mm - Air Core	m	\$75 / m	\$7.50	\$82.50 / m
(ix) 200mm - Air Core	m	n/a		
(x) Other – please see Welldrill Attachment 17 Schedule of Rates for Drilling Muds and Chemicals.	m	see attached	see attached	see attached
(b) Supply and install PVC Class 9 –				
(i) 50mm - plain casing and accessories	m	\$4 / m	\$0.40	\$4.40 / m
(ii) 100mm - plain casing and accessories	m	\$11 / m	\$1.10	\$12.10 / m
(iii) 150mm - plain casing and accessories	m	\$1.90 / m	1.90	\$20.90 / m

(c)	Supply and install PVC Class 18 –						
(i)	50mm - plain casing and accessories	m	\$7	/m	\$0.70	\$7.70	/m
(ii)	100mm - plain casing and accessories	m	\$23	/m	\$2.30	\$25.30	/m
(iii)	150mm - plain casing and accessories	m	\$41	/m	\$4.10	\$45.10	/m
(d)	Supply and install PVC Class 9 –						
(i)	50mm - slotted casing and accessories	m	\$7	/m	\$0.70	\$7.70	/m
(ii)	100mm - slotted casing and accessories	m	\$15	/m	\$1.50	\$16.50	/m
(iii)	150mm – slotted casing and accessories	m	\$25	/m	\$2.50	\$27.50	/m
(e)	Supply and install PVC Class 18 –						
(i)	50mm - slotted casing and accessories	m	\$10	/m	\$1.00	\$11.00	/m
(ii)	100mm - slotted casing and accessories	m	\$28	/m	\$2.80	\$30.80	/m
(iii)	150mm – slotted casing and accessories	m	\$49	/m	\$4.90	\$53.90	/m
(f)	Supply and install centralisers (for 150mm production bores)	Item	\$44	/Each	\$4.40	\$48.40	/Each
(g)	Supply and install end caps	Item	\$48	/Each	\$4.80	\$52.80	/Each
(h)	Install gravel pack, grout and cement to bore	Item	\$ 720	/Hour	\$72	\$792	/Hour
(i)	Supply graded gravel pack	Kg	\$ 6	/kg	\$0.60	\$6.60	/kg
(j)	Supply bentonite	kg	\$ 8	/kg	\$0.80	\$8.80	/kg
(k)	Supply cement	kg	\$ 1	/kg	\$0.10	\$1.10	/kg
(l)	Construct cement slab for bore standpipe (500mm x 500mm x 300mm)	Item	\$720	Each	\$72	\$792	Each

PART 3

COMPLETE AND RETURN THIS PART

PART 3

(m)	Supply and install lockable 1100mm <i>galvanised</i> steel standpipe well covers (to fit 100mm bore)	Item	\$ 259	Each	\$25.90	\$284.90	Each
(n)	Supply and install lockable 1100mm <i>standard</i> steel standpipe well covers (to fit 100mm bore)	Item	\$108	Each	\$10.80	\$118.80	Each
(o)	Airlift bore development	Item	\$ 720	/hr	\$72	\$ 792.00	/hr
(p)	Drill rig stand down rates	Item	\$ 600	/hr	\$60	\$660	/hr
(q)	EMRC Inductions/other meetings	Item	\$ 550	/hr	\$55	\$605	/hr
(r)	Any other costs other than the above items		n/a		n/a		n/a

* Please note that the Principal offers no guarantee of quantities.



11.2 TENDER 2013-05 THE PROVISION OF ANALYTICAL LABORATORY SERVICES

REFERENCE: COMMITTEES-16016

PURPOSE OF REPORT

To advise Council of the results of Tender 2013-05 for the Provision of Analytical Laboratory Services and recommend a preferred tenderer.

KEY ISSUES AND RECOMMENDATION(S)

- Analytical laboratory services are required for the ongoing monitoring and management of operations undertaken by the EMRC.
- A tender for the supply of analytical laboratory services was advertised in The West Australian newspaper on 29 June 2013.
- The tender closed on 17 July 2013 and five submissions were received.
- The tender submissions have been assessed and a preferred tenderer selected.

Recommendation(s)

That:

1. Council award Tender 2013-05 for Analytical Laboratory Services to ChemCentre for a 3 year period, with an option to extend for two single year extensions, as per the attached schedule of rates.
2. The contract rates for Tender number 2013-05 be adjusted annually using the Consumer Price Index for Perth at the anniversary of the contract.
3. Council authorise the CEO to enter into a contract, on behalf of the EMRC, with ChemCentre in accordance with the Tender submitted, as prescribed under the schedule for rates subject to any minor variations that may be agreed between the CEO and ChemCentre.

SOURCE OF REPORT

Director Waste Services
 Environmental Field Officer

BACKGROUND

EMRC's Waste Management Services business unit requires the ongoing services of a National Association of Testing Authorities accredited analytical laboratory to analyse water samples collected during water monitoring rounds at the Red Hill Waste Management Facility and Hazelmere Recycling Centre, and as otherwise required. Water monitoring is a compliance requirement under Ministerial Conditions 274 and 462 for EMRC's operations, and is also required for contaminated sites purposes. A tendering process for the supply of analytical laboratory services has been undertaken to meet these needs.



Item 11.2 continued

REPORT

Analytical Laboratory Services Tender 2013-05 was publically advertised by EMRC on 29 June 2013 and remained open until 17 July 2013. The tender was established for a period of 3 years, plus two 1 year extensions to be exercised at the sole discretion of EMRC, exercisable by the CEO subject to satisfactory performance. Tender specification requirements included:

- Quarterly analysis of groundwater, leachate and surface water samples from the Red Hill Waste Management Facility;
- Annual analysis of surface water from the John Forrest National Park;
- Quarterly analysis of groundwater samples from the Hazelmere Recycling Centre;
- Analysis of groundwater and surface water samples as undertaken for member Councils; and
- Analysis of additional water and soil samples, or other laboratory services as required.

Qualitative assessment criteria included:

- Provision of excellent customer service and professional support;
- Provision of quality controlled / quality assured results;
- Provision of reports suitable to the needs of EMRC within the agreed time period; and
- Tendered price.

In total, five tender submissions were received, and included the following companies:

- Australian Wool Testing Authority Ltd trading as Agrifood Technology;
- Analytical Reference Laboratory (WA) Pty Ltd;
- Australian Laboratory Services Pty Ltd;
- ChemCentre; and
- Eurofins Environment Testing Australia trading as Eurofins | mgt.

The evaluation process was completed independently by three EMRC officers, and a meeting was held between evaluation panel members to discuss and compile findings for each tender submission.

ChemCentre had the highest evaluation score, having addressed the customer service, quality assurance / quality control and reporting qualitative criteria to a high standard. They were considered the best value for money tenderer and had positive references so it was decided to recommend the tender being awarded to them.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- | | |
|-----|--|
| 1.1 | To provide sustainable waste disposal operations |
| 1.5 | To contribute towards improved regional air, water and land quality and regional biodiversity conservation |

Policy 5.1 Red Hill Environmental Policy

FINANCIAL IMPLICATIONS

The financial cost of exercising the tender is estimated to be in the order of \$1,000,000 over 5 years.




Item 11.2 continued

SUSTAINABILITY IMPLICATIONS

EMRC will have the ability to maintain compliance with its groundwater monitoring requirements under Ministerial Conditions 274 and 462, as well as site assessment, monitoring and management under the Contaminated Sites Act 2003.

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean City of Bayswater City of Belmont Shire of Kalamunda Shire of Mundaring City of Swan	 <p>EMRC also provides various water monitoring and site investigation services to its member Councils for which this tender will provide high quality, value for money laboratory analysis which is expected to result in positive financial and quality outcomes for member Councils.</p>

ATTACHMENT(S)

Schedule of Rates (Ref: Committees-16125)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That:

1. Council award Tender 2013-05 for Analytical Laboratory Services to ChemCentre for 3 years, with an option to extend for two single year extensions, as per the attached schedule of rates.
2. The contract rates for Tender number 2013-05 be adjusted annually using the Consumer Price Index for Perth at the anniversary of the contract.
3. Council authorise the CEO to enter into a contract, on behalf of the EMRC, with ChemCentre in accordance with the tender submitted, as prescribed under the schedule for rates subject to any minor variations that may be agreed between the CEO and ChemCentre.



Item 11.2 continued

TAC RECOMMENDATION(S)

MOVED MR ASSAAD

SECONDED MR RILEY

That:

1. Council award Tender 2013-05 for Analytical Laboratory Services to ChemCentre for a 3 year period, with an option to extend for two single year extensions, as per the attached schedule of rates.
2. The contract rates for Tender number 2013-05 be adjusted annually using the Consumer Price Index for Perth at the anniversary of the contract.
3. Council authorise the CEO to enter into a contract, on behalf of the EMRC, with ChemCentre in accordance with the Tender submitted, as prescribed under the schedule for rates subject to any minor variations that may be agreed between the CEO and ChemCentre.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR CARTER

THAT:

1. COUNCIL AWARD TENDER 2013-05 FOR ANALYTICAL LABORATORY SERVICES TO CHEMCENTRE FOR A 3 YEAR PERIOD, WITH AN OPTION TO EXTEND FOR TWO SINGLE YEAR EXTENSIONS, AS PER THE ATTACHED SCHEDULE OF RATES.
2. THE CONTRACT RATES FOR TENDER NUMBER 2013-05 BE ADJUSTED ANNUALLY USING THE CONSUMER PRICE INDEX FOR PERTH AT THE ANNIVERSARY OF THE CONTRACT.
3. COUNCIL AUTHORISE THE CEO TO ENTER INTO A CONTRACT, ON BEHALF OF THE EMRC, WITH CHEMCENTRE IN ACCORDANCE WITH THE TENDER SUBMITTED, AS PRESCRIBED UNDER THE SCHEDULE FOR RATES SUBJECT TO ANY MINOR VARIATIONS THAT MAY BE AGREED BETWEEN THE CEO AND CHEMCENTRE.

CARRIED UNANIMOUSLY

PART 3

COMPLETE AND RETURN THIS PART

PART 3

3.4.3 PRICE SCHEDULE

Line No.	Service Description	Tender Unit	Estimated Usage	Price Tendered (ex GST)	Additional Fees (list fee and price (ex GST))	GST Component	Price Tendered (inc GST)
1	Red Hill 2 Suite	per suite	10/year	\$8,703.00		\$870.30	\$9573.33
2	Red Hill 3 Suite	per suite	150/year	\$127,170.00		\$12,717.00	\$139,887.00
3	Red Hill 4 Suite	per suite	100/year	\$28,080.00		\$2,808.00	\$30,888.00
4	Haz 2 Suite	per suite	9/year	\$5,848.20		\$584.82	\$6,433.02
5	Haz 3 Suite	per suite	27/year	\$7,581.60		\$758.16	\$8,339.76
6	Water Monitoring Project 1	per sample	42/year	\$29,710.80		\$2,971.08	\$32,681.88
7	Water Monitoring Project 2	per sample	7/year	\$4,857.30		\$485.73	\$5,343.03

The Principal offers no guarantee as to the quantity of the services required.



11.3 TENDER 2013-08 – HAZELMERE RESOURCE RECOVERY PARK – PROVISION OF ENGINEERING AND LANDSCAPE SERVICES

REFERENCE: COMMITTEES-16043

PURPOSE OF REPORT

To advise Council of the results of Tender 2013-08 for the Hazelmere Resource Recovery Park – Provision of Engineering and Landscape Services, and recommend a preferred tenderer.

KEY ISSUES AND RECOMMENDATION(S)

- Engineering and Landscaping detailed design for the Hazelmere Resource Recovery Park is required following a concept plan and engineering servicing audit report.
- A tender for the Provision of Engineering and Landscape Services was advertised in The West Australian newspaper on Saturday 27 July 2013.
- The tender closed on Monday 12 August 2013 and nine submissions were received.
- The tender submissions have been assessed and a preferred tenderer selected.

Recommendation(s)

That Council:

1. Award Tender 2013-08 for Hazelmere Resource Recovery Park – Provision of Engineering and Landscape Services to Opus International Consultants.
2. Authorise the CEO to enter into a contract, with Opus International Consultants in accordance with the price schedule forming an attachment to this report, subject to any minor variations that may be agreed between the CEO and Opus International Consultants.
3. Authorise the CEO to expend additional monies, up to a 20% contingency of \$38,910.00 (ex. GST), if required.

SOURCE OF REPORT

Director Waste Services
 Project Engineer – Resource Recovery

BACKGROUND

For some time the Hazelmere Recycling Centre has been proposed to be developed into the Hazelmere Resource Recovery Park. Preliminary work has involved community engagement, feasibility studies and investigations into services that could best service Perth's Eastern Region. The EMRC in conjunction with Hassell Architects and JDSi Engineering Consultants, have developed a concept plan for the proposed Resource Recovery Park.

The scope of work for this tender builds on that earlier work and relates to the planning, landscape architecture and civil engineering services to support development of the next phase of the Hazelmere Resource Recovery Park project, including preliminary and detailed designs.



Item 11.3 continued

REPORT

Provision of Engineering and Landscape Services Tender 2013-08 was publicly advertised by the EMRC on 27 July 2013 and remained open until 12 August 2013. The tender was based on a fixed price lump sum basis with the provision for rates for minor variations. Tender specification requirements included:

- Provide planning support to the project team;
- Liaise with Urban designers and Landscape architects;
- Proactively liaise with the project team and other authorities as required to provide engineering advice and input into the planning of the Hazelmere Resource Recovery Park;
- Provide conceptual designs for internal services including water, power, gas, potable water, wastewater, stormwater, roading network, earthworks, lighting and building platforms;
- Provide preliminary and detailed design to enable the further development of the site including Construction Drawings for all internal services and the relocation of existing weighbridge and installation of a new weighbridge and weighbridge station; and
- Provide Landscape Services sufficient to provide preliminary and detailed design in coordination with the Engineering Services, meeting regulatory requirements, and utilising the practices of sustainability and conservation of water uses.

Qualitative assessment criteria included:

- Tenderers relevant prior experience of similar projects;
- Skills and experience of key personnel allocated to the project;
- A demonstrated understanding of the required tasks; and
- Tendered price.

In total, nine tender submissions were received from the following companies:

- Landscape Planners Pty Ltd;
- BOSTEJ Consulting Engineers Pty Ltd;
- McDowall Affleck Consulting Engineers Pty Ltd;
- Shawmac Consulting Engineers Pty Ltd;
- Opus International Consultants Ltd ;
- Pritchard Francis Pty Ltd;
- JDSi Consulting Engineers Pty Ltd;
- GHD Pty Ltd; and
- BPA Engineering Pty Ltd.



Item 11.3 continued

The evaluation process was completed independently by three EMRC officers, and one external consultant. A meeting was held between evaluation panel members to discuss and compile the findings for each tenderer. It was concluded:

- For the Engineering Services Opus scored consistently higher in all categories.
- For the Landscaping Services the points of difference were evident in all the non-price attributes with Opus scoring consistently the highest in all categories.
- Opus provided a submission utilising Opus staff for Engineering and Landscape Architecture thus providing some co-ordination, consistency and standard protocols.

Based on the Panel's evaluation, the tender from Opus International Consultants represented the highest rated assessments against the qualitative selections for both the Engineering Services and Landscaping Services criteria and demonstrated the most advantageous tender to the EMRC due to being a sole tenderer that will provide consistency and standardised protocols and procedures. Opus were also found to be competitively priced for both of the services offered. Following positive reference checks it was decided to recommend the tender be awarded to Opus International Consultants Ltd.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils
- 1.4 To investigate leading edge waste management practices

FINANCIAL IMPLICATIONS

The operating budget for 2013/2014 includes a provision of \$190,000.00 for Evaluating Resource Recovery Park Options.

The Tendered price offered by Opus International for undertaking both Engineering and Landscape Services is \$194,550.00.

This provision will be amended in the mid-year budget review to account for the other expenditure against this budget item.

SUSTAINABILITY IMPLICATIONS

The EMRC will be able to progress with the development of the Hazelmere Resource Recovery Park and be in a position to offer resource recovery and recycling solutions in partnership with member Councils to Perth's Eastern Region.

Increasing recovery and recycling opportunities for the region will result in an alignment with the strategic direction of reduced waste to landfill, therefore extending the life of the Red Hill Waste Management Facility.



Item 11.3 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)

Schedule of Rates (Ref: Committees-16167)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council:

1. Award Tender 2013-08 for Hazelmere Resource Recovery Park – Provision of Engineering and Landscape Services to Opus International Consultants.
2. Authorise the CEO to enter into a contract, with Opus International Consultants in accordance with the price schedule forming an attachment to this report, subject to any minor variations that may be agreed between the CEO and Opus International Consultants.
3. Authorise the CEO to expend additional monies, up to a 20% contingency of \$38,910.00 (ex. GST), if required.

Discussion ensued

Mr Riley queried whether the recommendation of “up to 20% contingency” was necessary. The CEO advised that the contingency is for additional services as required and is based on the hourly rates per the attachment.



Item 11.3 continued

TAC RECOMMENDATION(S)

MOVED MR LUTEY

SECONDED MR PURDY

That Council:

1. Award Tender 2013-08 for Hazelmere Resource Recovery Park – Provision of Engineering and Landscape Services to Opus International Consultants.
2. Authorise the CEO to enter into a contract, with Opus International Consultants in accordance with the price schedule forming an attachment to this report, subject to any minor variations that may be agreed between the CEO and Opus International Consultants.
3. Authorise the CEO to expend additional monies, up to a 20% contingency of \$38,910.00 (ex. GST), if required.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR CARTER

THAT COUNCIL:

1. AWARD TENDER 2013-08 FOR HAZELMERE RESOURCE RECOVERY PARK – PROVISION OF ENGINEERING AND LANDSCAPE SERVICES TO OPUS INTERNATIONAL CONSULTANTS.
2. AUTHORISE THE CEO TO ENTER INTO A CONTRACT, WITH OPUS INTERNATIONAL CONSULTANTS IN ACCORDANCE WITH THE PRICE SCHEDULE FORMING AN ATTACHMENT TO THIS REPORT, SUBJECT TO ANY MINOR VARIATIONS THAT MAY BE AGREED BETWEEN THE CEO AND OPUS INTERNATIONAL CONSULTANTS.
3. AUTHORISE THE CEO TO EXPEND ADDITIONAL MONIES, UP TO 20% CONTINGENCY OF \$38,910.00 (EX. GST), IF REQUIRED.

CARRIED UNANIMOUSLY

Price schedule

1.5 Lump Sum Services

Item	Service Description	Price Tendered (ex GST)	GST Component	Price Tendered (inc GST)
Engineering Design Services				
1	Planning Support	\$22,750	\$2,275	\$25,025
2	Conceptual Design	\$29,500	\$2,950	\$32,450
3	Preliminary Design	\$73,500	\$7,350	\$80,850
4	Detailed Design	\$39,000	\$3,900	\$42,900
	Totals	\$164,750	\$16,475	\$181,225
Landscape Design Services				
1	Preliminary Design	\$5,800	\$580	\$6,380
2	Schematic Design	\$9,800	\$980	\$10,780
3	Detailed Design	\$14,200	\$14,200	\$15,620
	Totals	\$29,800	\$2,980	\$32,780

1.6 Hourly Rates – Additional Services

The Tenderer should provide a breakdown of hourly rates in the event additional services are required by the Principle outside the initial scope of services in Part 2 of this document. Accordingly these hourly rates will be used as a basis for these services.

Staff	Discipline	Hourly Rate (ex GST)	GST	Hourly Rate (inc GST)
Engineering Design				
Matthew Thrush	Principal Civil	\$210	\$21	\$231
Mike O’Keeffe	Civil Engineer	\$150	\$15	\$165
Anthony Lewis	Civil Engineer	\$150	\$15	\$165
Fred Mulatya	Electrical Work Group Manager WA	\$220	\$22	\$242
Hassan Faruck	Electrical Engineer	\$165	\$16.5	\$181.5
Brendan Anderson	Electrical CAD Resource	\$145	\$14.5	\$159.5
Cara Clifton	Senior Landscape Architect	\$165	\$16.5	\$181.5
Vincent Chan Kun Wa	Landscape Architect	\$130	\$13	\$143



**15.2 RESOURCE RECOVERY COMMITTEE MEETING HELD 5 SEPTEMBER 2013
(REFER TO MINUTES OF COMMITTEE – ORANGE PAGES)
REFERENCE: COMMITTEES-15840**

The minutes of the Resource Recovery Committee meeting held on **5 September 2013** accompany and form part of this agenda – (refer to orange section of ‘Minutes of Committees’ for Council accompanying this Agenda).

QUESTIONS

The Chairman invited general questions from members on the report of the Resource Recovery Committee. Any questions relating to the confidential report will be dealt with under section 19.1 of the agenda “Confidential Items.”

RECOMMENDATION(S)

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

COUNCIL RESOLUTION(S)

MOVED CR CUCCARO SECONDED CR PULE

THAT COUNCIL ADOPTS THE RECOMMENDATIONS IN THE RESOURCE RECOVERY COMMITTEE REPORT (SECTION 15.2).

CARRIED UNANIMOUSLY

RESOURCE RECOVERY COMMITTEE

MINUTES

5 September 2013

(REF: COMMITTEES-15840)

A meeting of the Resource Recovery Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 5 September 2013**. The meeting commenced at **5:00pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 5:00pm.

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

Committee Members

Cr Tony Cuccaro (Chairman)	EMRC Member	Shire of Mundaring
Cr Jennie Carter (<i>from 5:02pm</i>)	EMRC Member	Town of Bassendean
Cr Frank Lindsey	EMRC Member	Shire of Kalamunda
Cr David Färdig	EMRC Member	City of Swan
Mr Simon Stewert-Dawkins	Director Operational Services	Town of Bassendean
Mr James Riley (Deputising for Mr Pearson)	Manager Environmental Health Services	City of Bayswater
Mr Ric Lutey	Director Technical Services	City of Belmont
Mr Sam Assaad (Deputising for Mr Higham)	Manager Infrastructure Services	Shire of Kalamunda
Mr Shane Purdy	Director Infrastructure Services	Shire of Mundaring
Mr Jim Coten	Executive Manager Operations	City of Swan
Mr Peter Schneider	Chief Executive Officer	EMRC

Leave of Absence Previously Approved

Cr Alan Radford (from 1/9/2013 to 7/9/2013 inclusive)

Apologies

Cr Phil Marks	EMRC Member	City of Belmont
Mr Doug Pearson	Director Technical Services	City of Bayswater
Mr Clayton Higham	Director Development and Infrastructure Services	Shire of Kalamunda

Deputy Committee Members - Observers

Cr Gerry Pule	EMRC Member	Town of Bassendean
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EMRC Officers

Mr Stephen Fitzpatrick	Manager Project Development
Mr Hua Jer Liew	Director Corporate Services
Mr Johan Le Roux	Manager Engineering/Waste Services
Mr Dave Beresford	Project Engineer – Resource Recovery
Ms Giulia Bono	Administration Officer (Minutes)

Guests

Ms Janelle Booth	A.Prince Consulting Pty Ltd
Mr Dan Dragovich	Herbet Smith Freehills
Mr Wade Dunstan	Stantons International
Mr John King	Cardno

3 DISCLOSURE OF INTERESTS

Nil

4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

Nil



11 REPORTS OF EMPLOYEES

11.1 HAZELMERE PYROLYSIS PROJECT UPDATE

REFERENCE: COMMITTEES-16042

PURPOSE OF REPORT

To advise Council on the status of the implementation of the Hazelmere wood waste pyrolysis project.

KEY ISSUES AND RECOMMENDATION(S)

- Ansac have executed a Clean Technology Innovation Fund agreement with the Commonwealth Government's Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education.
- Meetings will be held in September 2013 with senior representatives of Ansac and Anergy to progress the contract and facilitate the next stages of project implementation.
- Work has been completed to form a basis for the environmental approval.
- The grid connection application to Western Power was lodged on 14 June 2013.
- An application to the Independent Market Operator (IMO) for capacity payments from 2014/2015 was lodged but rejected by the IMO based on insufficient progress by Western Power on the grid connection application.
- The next stage of the grid connection process with Western Power, an Early Undertakings Agreement contract has been executed and will take up to 12 weeks to complete.
- Community engagement on the proposed project has commenced with the Hazelmere community.

Recommendation(s)

That the report be received.

SOURCE OF REPORT

Director Waste Services

BACKGROUND

The 8 December 2011 meeting of Council (Ref: Committees-13323) considered the proposed investigation into the feasibility of pyrolysing wood waste and other residuals at EMRC's Hazelmere site and resolved that:

- “1. COUNCIL APPROVE EMRC PARTICIPATION IN A PROJECT TO ESTABLISH THE FEASIBILITY OF PYROLYSIS OF WOOD WASTE AND OTHER RESIDUALS AT HAZELMERE TIMBER RECYCLING CENTRE INVOLVING AN INITIAL FEASIBILITY STUDY FOLLOWED BY A SECOND STAGE DETAILED ENGINEERING STUDY.
2. THE OUTCOMES OF THE FIRST STAGE FEASIBILITY STUDY WILL BE REPORTED TO COUNCIL AND APPROVAL SOUGHT TO PROCEED WITH THE SECOND STAGE FEASIBILITY STUDY.”



Item 11.1 continued

The 19 April 2012 meeting of Council (Ref: Committees-13576) resolved that:

“COUNCIL, BY ABSOLUTE MAJORITY:

1. *APPROVES EXPENDITURE OF \$80,000 FOR THE SECOND STAGE DETAILED ENGINEERING STUDY INTO A PYROLYSIS PLANT AT EMRC'S HAZELMERE SITE INVOLVING THE SPECIFICATION OF THE PLANT EQUIPMENT REQUIRED AND A BETTER COST ESTIMATE.*
2. *APPROVES THE REALLOCATION OF \$80,000 FROM 24399/00.JH (CONSTRUCT AND COMMISSION RESOURCE RECOVERY PARK) TO 72884/00.JF (EVALUATE RESOURCE RECOVERY PARK OPTIONS) TO COVER THE COSTS OF THE SECOND STAGE DETAILED ENGINEERING STUDY.*
3. *SUPPORTS A GRANT APPLICATION TO THE CLEAN TECHNOLOGY INNOVATION FUND IN JULY 2012, TO BE PREPARED AND SUBMITTED BY ANSAC WITH INPUT FROM EMRC AND UWA AND SEEKING PROJECT FUNDING SUPPORT FOR A DEMONSTRATION WOOD WASTE PYROLYSIS FACILITY AT HAZELMERE.”*

The 20 June 2013 meeting of Council (Ref: Committees-15654) resolved:

“THAT COUNCIL:

1. *PROCEED WITH THE HAZELMERE WOOD WASTE PYROLYSIS PROJECT.*
2. *BY ABSOLUTE MAJORITY IN ACCORDANCE WITH SECTION 5.42 OF THE LOCAL GOVERNMENT ACT 1995 AUTHORISE THE CEO TO ENTER INTO A CONTRACT BETWEEN EMRC AND ANSAC FOR THE ENGINEERING, PROCUREMENT, CONSTRUCTION AND COMMISSIONING OF THE HAZELMERE WOOD WASTE PYROLYSIS PLANT TO THE VALUE OF \$7,440,000 SUBJECT TO A, B, AND C;*
 - a) *EXECUTION OF A FUNDING AGREEMENT BETWEEN THE COMMONWEALTH GOVERNMENT AND ANSAC PTY LTD FOR GRANT FUNDING UNDER THE CLEAN ENERGY INNOVATION FUND;*
 - b) *RECEIPT OF ENVIRONMENTAL AND OTHER STATUTORY APPROVALS FOR THE PROJECT; AND*
 - c) *DEVELOPMENT OF A POWER PURCHASE AGREEMENT BETWEEN EMRC AND AN ELECTRICITY RETAILER.”*

REPORT

Ansac have executed a Clean Technology Innovation Fund agreement with the Commonwealth Government's Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education. This occurred in early July 2013, shortly before the funding profile of the Clean Technology Innovation Fund was changed by the Federal Government on 16 July 2013 due to budget constraints. There have been no announcements by the Federal Government as yet, but the successful grant is listed on the AusIndustry website under the Clean Technology Innovation page.

The grant agreement sets out a schedule of payments to Ansac against project milestones with matching payments by the EMRC. The first payment to Ansac from the EMRC is approximately \$250,000.00 and is due at the end of September 2013.

As part of the grant application, the EMRC was required to sign a Heads of Terms agreement.



Item 11.1 continued

A draft contract to design and construct the Hazelmere pyrolysis plant has been developed by Anergy and was received in mid-August 2013 for comment. A project meeting has been scheduled for the week of 2 September 2013 to review the contract and resolve any differences and progress the next steps.

Western Power grid connection and power purchase agreement

The grid connection application to Western Power was lodged on 14 July 2013 after considerable effort by the EMRC and its electrical consultants and with input from Ansac. Ideally, the application should have been lodged earlier in the year but information was not available from Ansac.

An application to the Independent Market Operator (IMO) for capacity payments from 2014/2015 was lodged but advice was received from the IMO that they were unable to consider the application for the next round of capacity payments because of insufficient progress by Western Power on the grid connection application. This means that the next opportunity for capacity payments will be in June 2014 for the 2016/2017 allocation.

The next stage of the grid connection process with Western Power is via an Early Undertakings Agreement and a contract has been executed for this and will take up to 12 weeks to complete.

In relation to a power purchase agreement, preliminary discussions have been held with Synergy but indications are that they would be unable to negotiate an agreement until the first half of 2014 because of demerger processes with Verve. Discussions have also been held with Perth Energy regarding a power purchase agreement.

Environmental approval

A mass balance has been completed for the project showing the fate of various parameters which will form the basis of an impact assessment model for the plant.

A background noise survey is being conducted as a prelude to noise modelling for the proposed plant.

Community engagement

Community engagement meetings were held with the Hazelmere Progress Association and the Community Action Network in July. Although the attendance at these meetings was low there was a lot of interest and key issues were identified as follows:

- Traffic impacts on the Hazelmere residential area;
- Stormwater management; and
- Re-use store access.

Information on the pyrolysis project and the Hazelmere Resource Recovery Park is being prepared for the EMRC website and newsletters.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.1 To provide sustainable waste disposal operations
- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils
- 1.4 To investigate leading edge waste management practices

FINANCIAL IMPLICATIONS

Funds are provided in the annual budget for 2013/2014 and 2014/2015 for expenditure to undertake capital works for the project and once in operation would reduce expenditure to dispose of any surplus wood chip.



Item 11.1 continued

SUSTAINABILITY IMPLICATIONS

The Resource Recovery Project is aimed at reducing greenhouse gas emissions from the EMRC's waste disposal operations and State programmes for reduction of waste to landfill.

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

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the report be received.

RRC RECOMMENDATION(S)

MOVED CR LINDSEY

SECONDED MR PURDY

That the report be received.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR CUCCARO

SECONDED CR PULE

THAT THE REPORT BE RECEIVED

CARRIED UNANIMOUSLY



11.2 EMRC WASTE STREAM AUDIT AND ANALYSIS 2013

REFERENCE: COMMITTEES-16024

PURPOSE OF REPORT

To advise Council of the results of the May 2013 waste audit of member Council household waste plus waste received at the Red Hill Waste Management Facility.

KEY ISSUES AND RECOMMENDATION(S)

- Consultants A.Prince Consulting Pty. Ltd. (APC) completed waste audits during May 2013.
- Two waste streams were audited – 2013 household kerbside mobile garbage bins (MGB's) of the six member Councils, and the mixed waste stream at Red Hill - this included the City of Stirling Materials Recovery Facility (MRF) residues from the Atlas Plant, and the Balcatta transfer station waste.
- Results of the household MGB audit composition were similar to the 2004 audit, however a reduction in weight disposed per household was evident.
- Audit results are available for the combined waste stream to Red Hill as well as the MGB results for individual Councils.
- The auditors have made recommendations related to increased recycling opportunities, diversion of material from landfill and highlighted significant options for recovery of material from the waste stream.
- The results provide EMRC with compositional data for the waste strategy and any potential National Greenhouse & Energy Reporting Act 2007 (NGER) reporting requirements.

Recommendation(s)

That the report be received.

SOURCE OF REPORT

Project Engineer – Resource Recovery

BACKGROUND

The EMRC conducted a waste audit during September 2004 using APC, the results of which were presented to the 18 November 2004 Strategic and Secondary Waste Treatment Committee (SSWTC) meeting. The purpose of this audit was to ascertain any seasonal variation within, and characterise the domestic waste stream including Bayswater green waste, commercial and trailer waste and residuals from regional recycling facilities disposed of at Red Hill. This was a follow-up audit from one conducted in 2002 'summer' which was to characterise the waste stream and provide information which would be useful to the development of a future resource recovery facility.

After calling for tenders, APC was awarded the audit and the work was carried out during May 2013.



Item 11.2 continued

REPORT

APC conducted the waste audit over 3 weeks in May 2013. The audit was divided into 3 components:

1. Domestic waste stream (kerbside 240 litre mobile garbage bins);
2. Baled residual waste from Atlas materials recovery facility (on behalf of City of Stirling); and
3. Mixed waste stream from the Red Hill Waste Management Facility (excluding domestic waste as previously audited under components).

The first part of the audit was the baled residual waste from the Atlas plant. Samples were collected from the baling process over a 3 day (6–8 May 2013) period every hour consisting of approximately 100kg each. These were transported to EMRC's Hazelmere facility the following day for auditing.

The second portion APC audited was the contents of the 240 litre mobile garbage bins for domestic waste in the six member councils – the Cities of Bayswater, Belmont and Swan, the Shires of Kalamunda and Mundaring and the Town of Bassendean. To provide consistency in reporting 100 bins were audited from each member Council providing a total of 600 samples. This was an aggregated, weight based audit, including moisture testing. This part of the audit was conducted over 6 days from 10–17 May 2013. APC used the WA Department of Environment and Conservation's *Kerbside and Recycling Audit Manual 2008* (the Manual) as a guideline for the collection method. The streets in which samples were collected were based on the socio-economic average for the particular member Council. The waste was sorted into 34 discrete categories.

The final part of the audit was the combined waste stream disposed of at Red Hill, including a visual audit at the transfer station. APC followed the *NSW EPA Disposal Based C&I Waste Audit Methodology 2008* as a guideline for the audit methodology. The audit of Red Hill included a visual assessment of all loads deposited at the landfill face with the exception of the domestic kerbside waste stream, contaminated soils and Atlas baled waste. The kerbside waste and Atlas baled waste were physically audited separately in the weeks prior to the visual audit. The composition data from those two audits was applied to the relevant Atlas and council vehicles and combined with the visual audit results. Garbage bags of rubbish were extracted for sorting from some C&I loads where bags comprised more than 20% of the load and these were physically audited at a location on-site away from the tip face.

Summary results are as follows:

Kerbside Audit

- **Waste Generation:** The average weight of waste produced per household per week in the audited councils was 12.8kg. Households in Bassendean produced the most waste per week – 15.2kg, while households in Mundaring, who have a 140 litre mobile garbage bin for waste collection, produced the least – 9.9kg. (Refer Attachment 1).
- **Composition of waste stream:** The largest proportion of the waste stream comprised food, at 27%, followed by garden organics, at 25%, and recyclable items for which a recycling service is currently provided, at 15%. (Refer Attachment 1).
- **Proportion of Vegetation in the Waste Stream:** The average rubbish bin in the region contained 25% garden organics. The highest proportions were found at Kalamunda (33.5%) and Belmont (30.5%). Bayswater, which has a separate containerised green waste service, has the lowest proportion of green waste in its garbage (7.3%). Swan (22.8%) and Mundaring (21.8%) had similar proportions but do not provide a containerised green waste service but Mundaring provide a transfer station drop off to residents. These results may be due to the more rural nature of some of the dwellings in these areas. (Refer Attachment 1).
- **Proportion of Recyclables:** The average proportion of recyclable material in the waste for all councils audited was 15%. Of the recyclable items, paper and cardboard accounted for 7% and containers 6.3%. The proportion of this material was as high as 16.8% in Kalamunda, and as low as 13.7% in Bassendean. (Refer Attachment 1).



Item 11.2 continued

- Moisture Content Range:** The Guideline for Determining the Renewable Components in Waste for Electricity Generation (Clean Energy Regulator, 2001) was used to specify the 11 categories for moisture content. The results presented the average moisture content for the six member councils by material. There was a significant range for some of the materials ranging from 9% to 73%. This reflects the actual variability in the moisture content of the materials, such as nappies and food. Some materials, such as paper, may have been contaminated by other moisture during the collection/compaction process. Kitchen organics made up the highest average of 72.9% followed by garden organics 57% and magazines the lowest at 9% with the overall average moisture content being 41%.
- Presentation and Utilisation Rates:** Every second house in the defined street was selected, as prescribed in the 'Manual'. The presentation rate is defined as the proportion of households presenting garbage bins for collection as shown in the table below. Utilisation is the percentage that the bin is full. An APC supervisor accompanied the collection truck to record the number of bins collected, bin volumes, presented and non-presented bins. Whereas the presentation rate was relatively consistent the utilisation of capacity varied significantly. Swan had the highest presentation rate of 91% with the lowest being Belmont 75%. Utilisation was highest from Mundaring 90% (note: 140 litre bin) and lowest being Bayswater 40%. However comparing volume disposed, Bayswater has the least amount and Belmont the greatest. Bayswater had significantly less garden organics presented due to the third 'Green waste' bin provided by Council.

Council	Households surveyed*	General waste presented	Presentation rate	Bin Size Ltr	Median % full	Ltrs Presented	Average Weight kg
Bassendean	130	100	77%	240	45%	108	15.2
Bayswater	120	100	83%	240	40%	96	10.5
Belmont	134	100	75%	240	70%	168	15.1
Kalamunda	113	100	88%	240	50%	120	13.2
Mundaring	113	100	88%	140	90%	126	9.9
Swan	110	100	91%	240	50%	120	13.1
Overall	720	600	83%		55%	123	12.83

*excluding units and vacant land

- Waste Audit Comparison 2004 and 2013:** Composition of the garbage stream in 2013 was similar to that found by APC in 2004, even though the 2004 audit was conducted in September (early spring) and the 2013 audit was conducted in May (early autumn). The average weekly waste generation per household has reduced to 12.8kg/hhld/wk from 15.9kg/hhld/wk with garden organics reducing from 32% to 25%, however food waste increased on average from 21% to 27%. There was no trend for recyclables in the waste stream. Bayswater, Bassendean and Swan had reductions due to less paper in the waste. The overall recyclables average reduced from 16.6% in 2004 to 15.1% in 2013. (Refer Attachments 2 and 3).

Red Hill Landfill Audit

A total of 1,679 vehicle entered the site during the week of the audit 19 -25 May 2013 with between 219-234 per day during the week and 141–183 during the weekend, mostly to the transfer station. The audit captured 89% of the vehicles (1488); this was due to operational constraints mostly at the tip face. A total of 7,149 tonnes of material was disposed during the week (excluding contaminated soil and hazardous material).



Item 11.2 continued

- **Landfill Usage:** Of the total vehicles audited, 896 (60%) commercial operators visited the landfill tip face during the audit period. It is estimated that 39,980m³ of waste was deposited equating to around 6,972 tonnes. These quantities represent approximately 98% of the total waste over the week, with only 2% going to the transfer station. The busiest time recorded was Wednesday between 10.00 – 11.00am. Only 71 vehicles (8% of total) used the landfill on Saturday and even less, 23 vehicles, on Sunday (2.5%).
- **Transfer Station Usage:** During the audit period 592 vehicles (40%) were audited at the transfer station. However by contrast only 610m³, or 177 tonnes, were disposed at this part of the facility. The busiest days were Saturday and Sunday, 19% and 20% of the transfer station total respectively.
- **Waste Composition Transfer Station:** Of the vehicles using the small vehicle area 35% were car and trailer and 32% were utility vehicles (Ute). The highest volumes of waste disposed were in the 'building material' category 18% (47% by weight), wood products 14%, and recyclable material 14%, when including paper and cardboard this raises to 23%. Recycling facilities are provided for patrons, however, only a minor fraction utilise this, improved signage may assist with raising awareness. Potentially recoverable or divertible material made up approximately 88% of the waste disposed over the week of the audit.
- **Landfill Disposal Face Composition:** A smaller range of materials (from commercial loads) was disposed at the main disposal face. Plastic (34%), paper and cardboard (13%) made up nearly 50% of the waste stream. Vegetation, wood products, and organics accounting for a further 26%. The remainder was made up of garbage bags (8.3%) and minor fractions of building materials, textiles and incidentals.
- **Commercial Garbage Bag Composition:** Bagged waste was extracted from C&I loads where bags comprised more than 20% of the load. A sample of 10-15 bags were removed for physical sorting away from the tipping area. Some 166 bags or 1.9 tonnes of material was sorted during the audit. The majority of the waste was paper/cardboard (32%) and organics 26%. Recyclables made up 12% and other plastic 15%. The remainder was minor fractions of textiles, vegetation and wood products and some incidentals.
- **Baled Waste Atlas Plant Composition:** The baled residual material from the Atlas facility was small fractions of waste and covered with organic material which made for difficulties in sorting and distinguishing the components. The major proportion of the material was identified as organic material (50%) that could be composted and plastic contributing around 40%.
- **Audit Comparison – Landfill:** A comparison of the 2004 and 2013 audits for the main disposal area highlighted a significant increase in plastic and a reduction in paper/cardboard and wood products. Garden vegetation and bagged waste were relatively similar. Some other categories were reported in an alternate format. (Refer Attachment 4).
- **Audit Comparison – Transfer Station:** The results of the 2004 and 2013 audits are similar in many respects. Paper/cardboard, wood/timber, textiles and garbage bags varied marginally in volume over the two audits (+/- 2%), however garden vegetation reduced by 9% from 14.3% to 5.1%. This may be due to the seasonal variations of the audits. (Refer attachment 5).
- **Potential Material Recovery Options:** By weight, the largest areas for potential recovery include organic materials for composting or mulching (40%), followed by recyclable materials, such as glass, metal, plastics, textiles, mattresses and e-waste (18%). C&D wastes, such as concrete, bricks, asphalt and tiles can be crushed and used for engineering purposes such as roadbase (7.5%). While the individual components are recoverable the practicality of recovering the material is challenging in some circumstances. Other materials such as cardboard, garden organics, metals and wood are in some cases delivered as single waste streams to the site and are therefore easier to recover and transport to the EMRC's appropriate processing facility. (Refer Attachment 6).



Item 11.2 continued

APC has made a number of recommendations for future audits and waste management, including:

1. There is potential to increase recycling in all councils. In each council, 14–17% of the waste stream is recyclable.
2. A smaller general waste bin, reinforced with a clear and consistent education campaign, may result in increased waste diversion from landfill.
3. There is an opportunity to divert more recyclables at the Red Hill transfer station by greater education and signage.
4. A more detailed audit of the timber and wood fraction of the Red Hill transfer station material could determine opportunities for reprocessing or reuse.
5. Additional opportunities for the diversion of materials from landfill including key target materials, such as cardboard, wood and garden organics for carbon emissions purposes and building material, metals and plastics to further increase recovery of resources from the site.

The results of the waste audit provide valuable information for the future implementation of the Resource Recovery Project together with a current picture of household disposal behaviour which will also be useful for the project and the regional waste education program.

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 waste audit costs were included for in the 2012/2013 Resource Recovery budget.

SUSTAINABILITY IMPLICATIONS

The activity is consistent with the development of a sustainable waste solution for the 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	



Item 11.2 continued

ATTACHMENT(S)

1. Chart of Kerbside Waste Bin Consolidated Composition – Total and by Council – 2013 (Ref: Committees-16117)
2. Chart of Kerbside Waste Bin Weekly Weight Per Household Comparison – 2004 and 2013 (Ref: Committees-16118)
3. Chart of Kerbside Waste Bin Consolidated Composition Comparison – 2004 and 2013 (Ref: Committees-16119)
4. Chart of Red Hill Landfill Audit Composition Comparison – 2004 and 2013 (Ref: Committees-16120)
5. Chart of Red Hill Transfer Station Audit Composition Comparison – 2004 and 2013 (Ref: Committees-16121)
6. Chart of Red Hill Potential Material Recovery Options (Ref: Committees-16122)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the report be received.

Discussion ensued

The Director Waste Services provided a brief overview of the report.

Ms Booth presented Item 5.1, a presentation on the results of the EMRC 2013 waste audits by A.Prince Consulting Pty Ltd at this point in the meeting.

Ms Booth left the meeting at 5:56pm.

RRC RECOMMENDATION(S)

MOVED CR CARTER

SECONDED CR LINDSEY

That the report be received.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

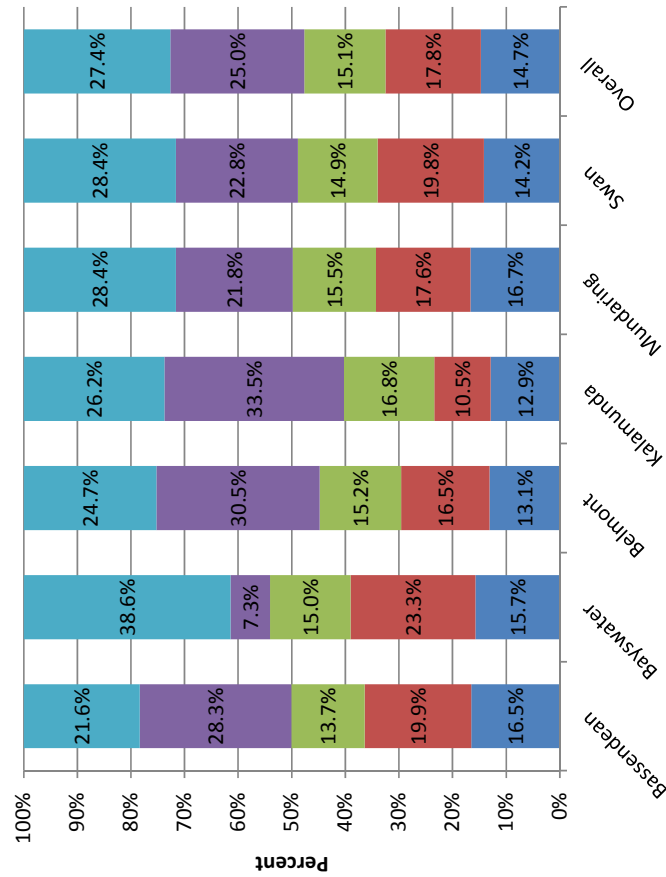
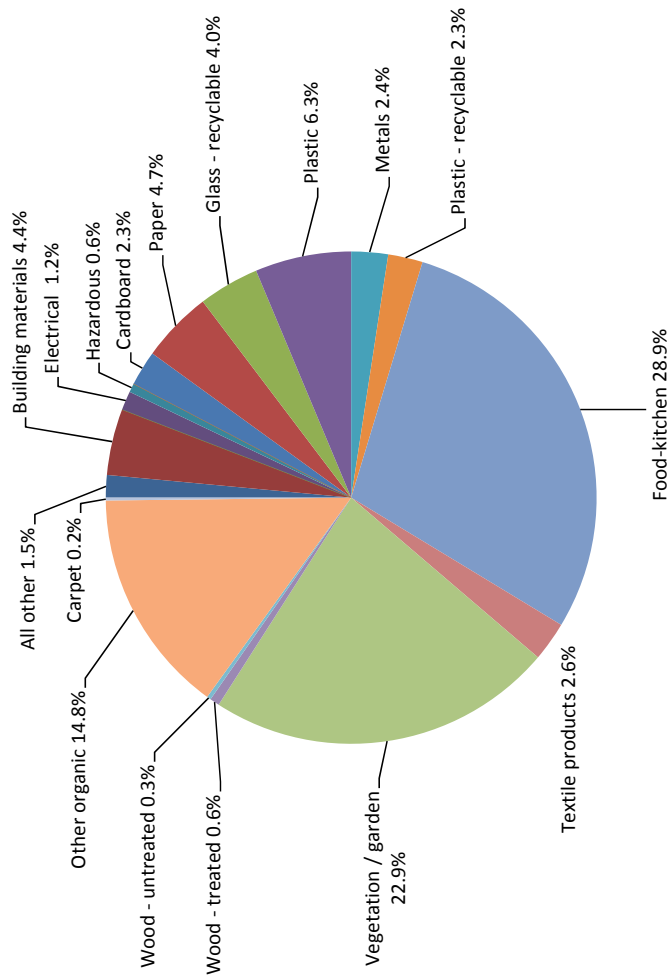
MOVED CR CUCCARO

SECONDED CR PULE

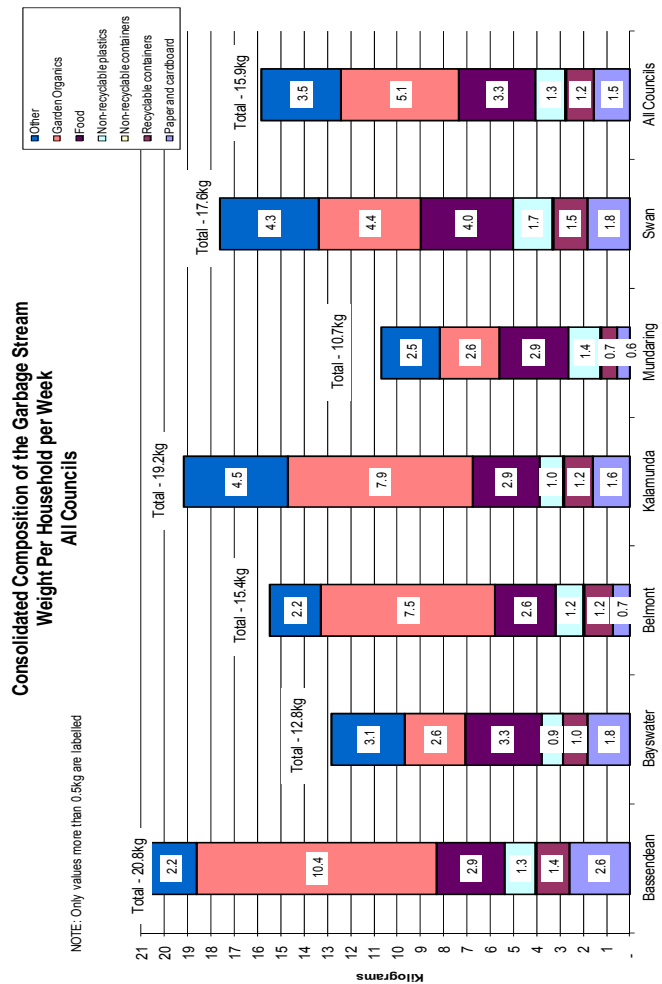
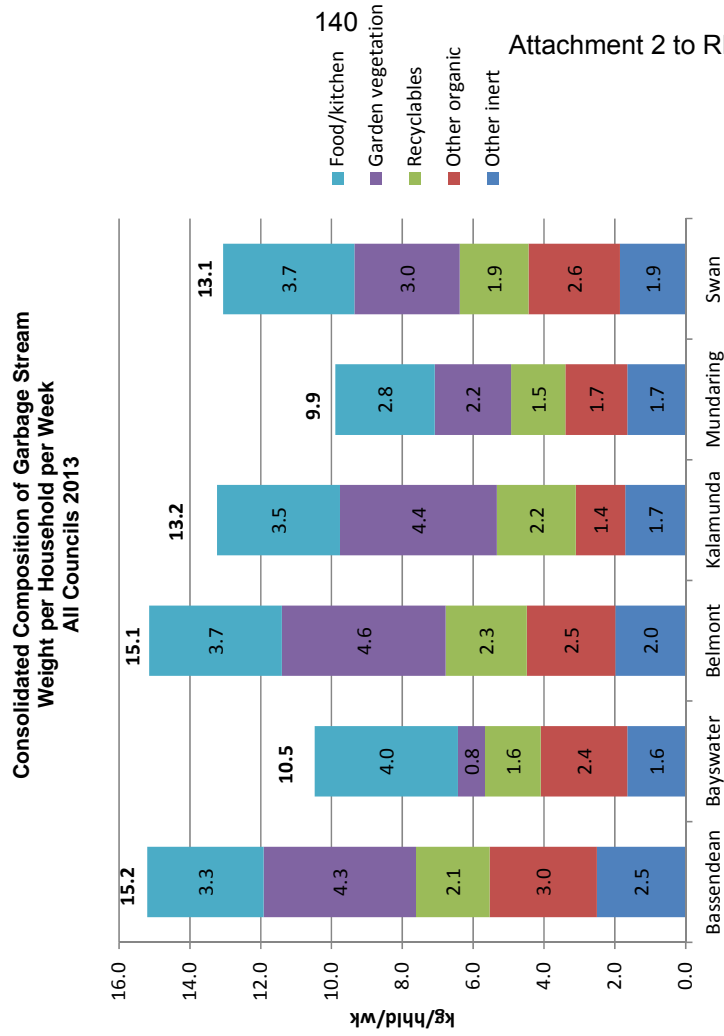
THAT THE REPORT BE RECEIVED.

CARRIED UNANIMOUSLY

Attachment 1. Chart of Kerbside Waste Bin Consolidated Composition – Total and by Council - 2013.

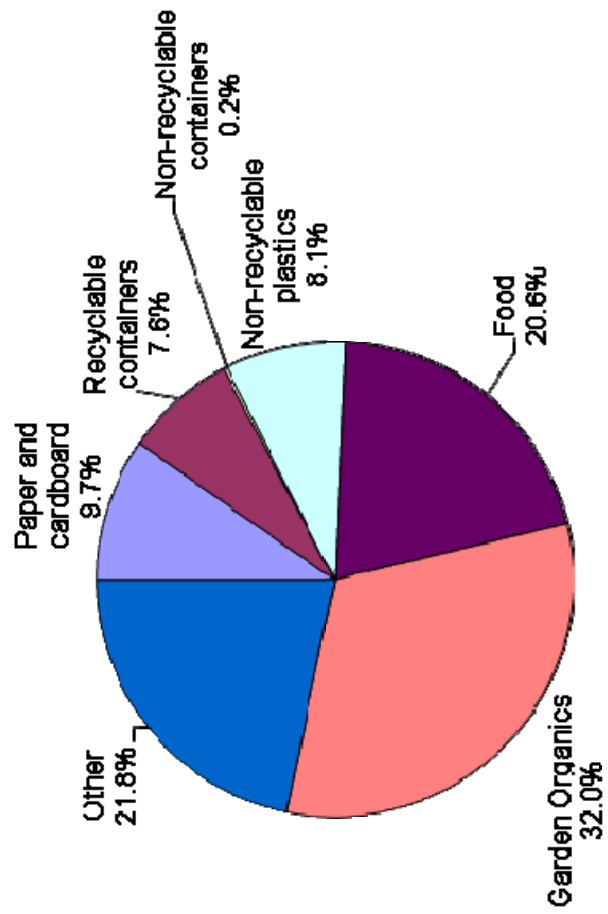


Attachment 2. Chart of Kerbside Waste Bin Weekly Weight per Household Comparison - 2004 and 2013.

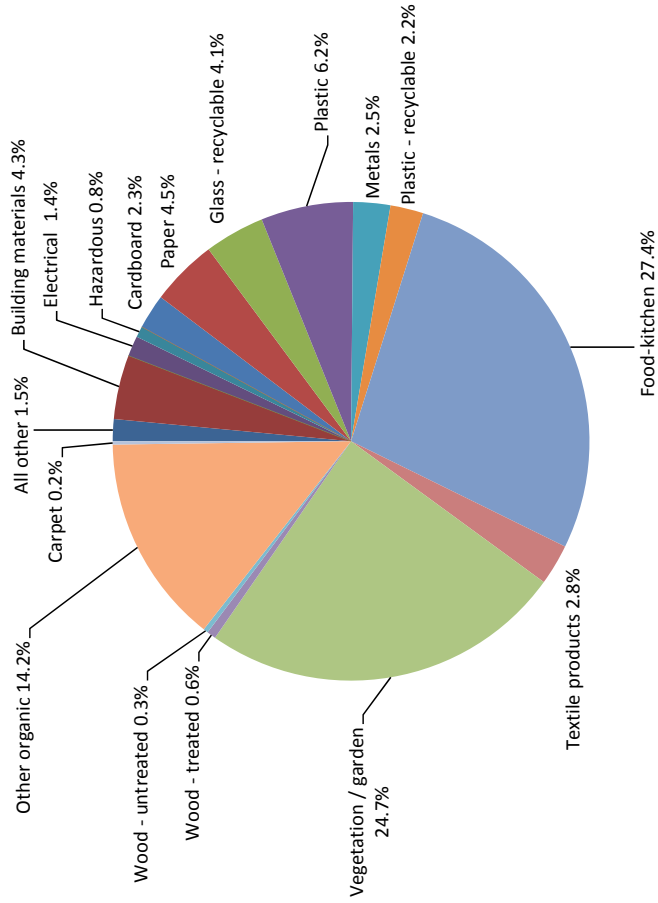


Attachment 3. Chart of Kerbside Waste Bin Consolidated Composition Comparison - 2004 and 2013.

Consolidated Composition of Garbage All Councils 2004

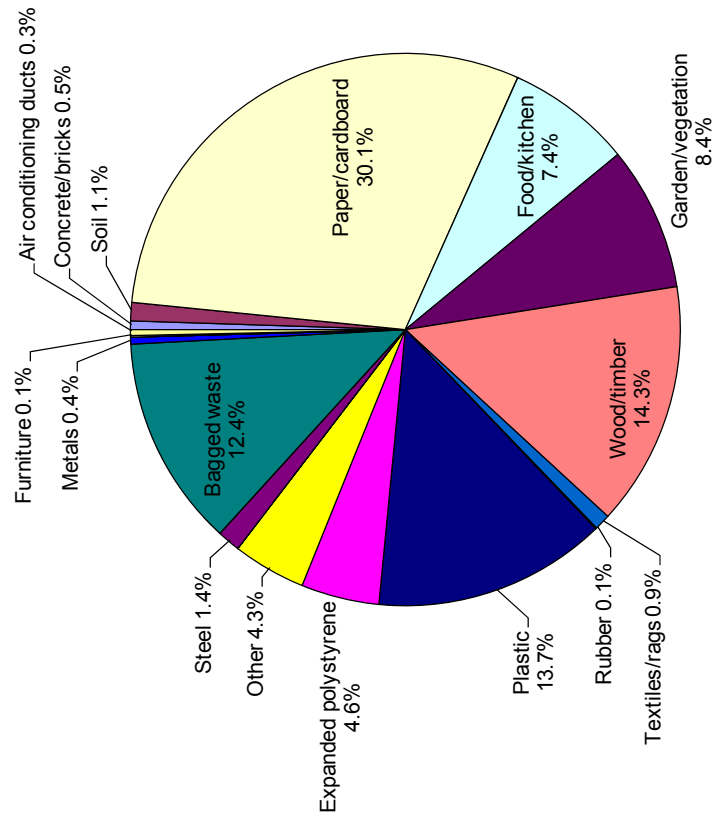


Consolidated Composition of Garbage All Councils 2013

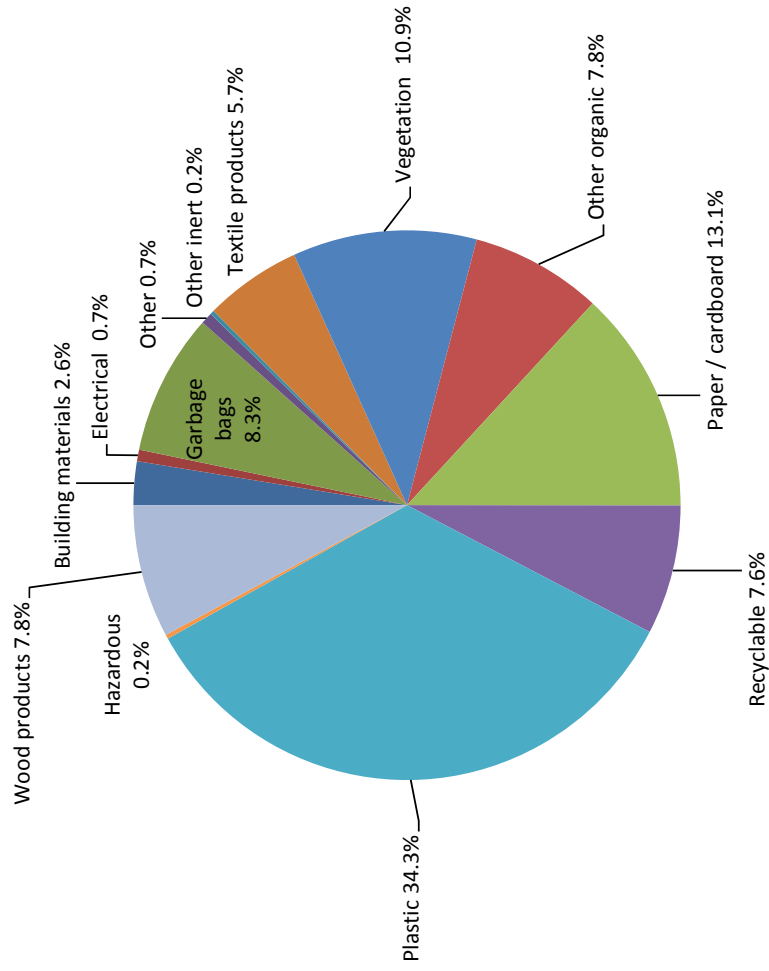


Attachment 4. Chart of Red Hill Landfill Audit Composition Comparison - 2004 and 2013.

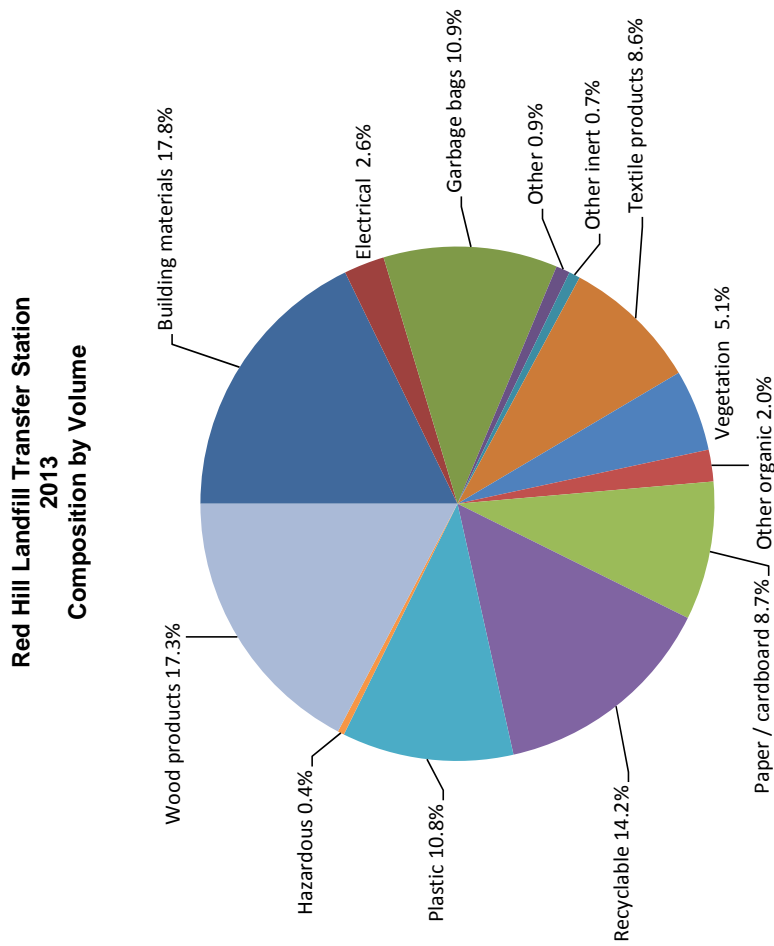
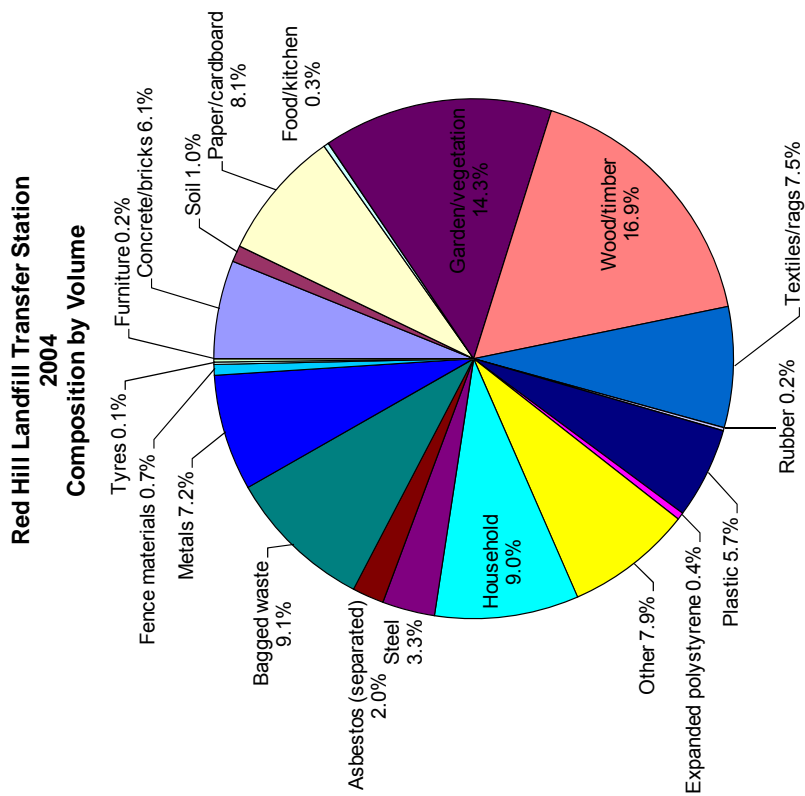
**Red Hill Landfill 2004
Composition by Volume**



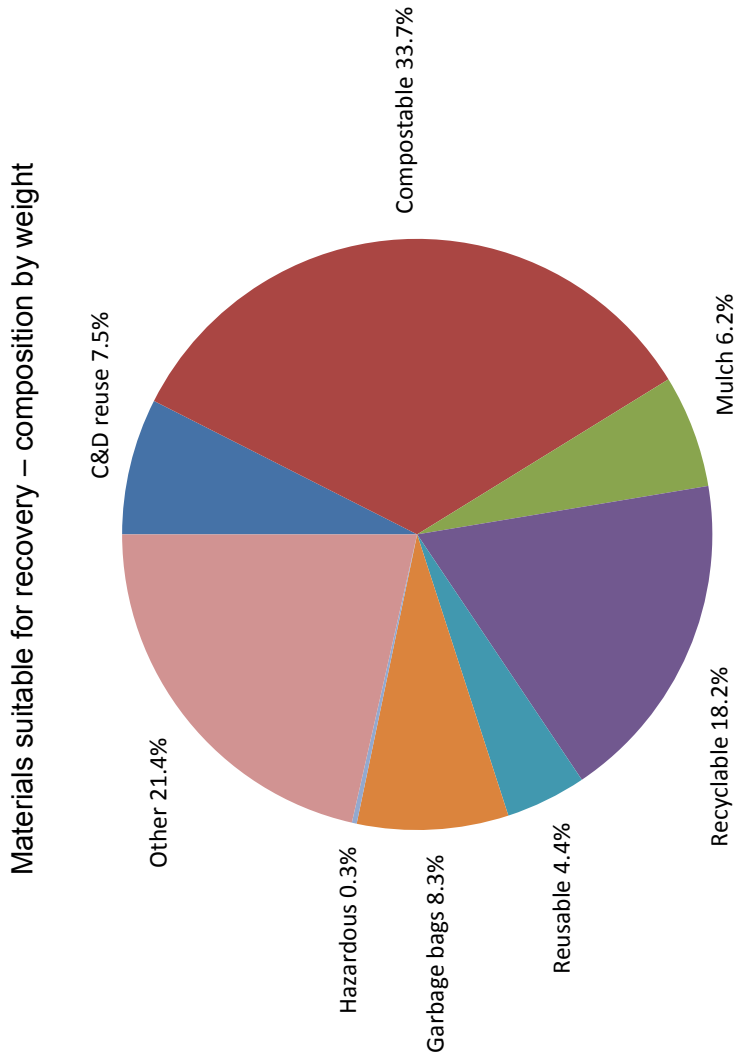
**Red Hill Landfill 2013
Composition by Volume**



Attachment 5. Chart of Red Hill Transfer Station Audit Composition Comparison - 2004 and 2013.



Attachment 6. Chart of Red Hill Potential Material Recovery Options.





11.3 RESOURCE RECOVERY FACILITY – PROJECT UPDATE

REFERENCE: COMMITTEES-15277

PURPOSE OF REPORT

To advise Council of the progress of the Resource Recovery Facility (RRF) project.

KEY ISSUES AND RECOMMENDATION(S)

- The Environmental Protection Authority (EPA) released its Report and Recommendations on the proposed RRF at Red Hill in July 2013.
- Three appeals were lodged on this report and recommendations.
- Final Ministerial approval is expected in September 2013.
- The next stages of the project involve preparations for the tender process, deciding on the contract ownership model, amending the Establishment Agreement, developing a project plan, developing a participating member's agreement, deciding on the initial capacity of the plant and putting a funding arrangement in place.

Recommendation(s)

That the report be received.

SOURCE OF REPORT

Director Waste Services

BACKGROUND

On 30 April 2009 (Ref: Committees-9127), Council resolved to proceed with the Expression of Interest process.

At the 27 August 2009 meeting of Council (Ref: Committees-9571), it was resolved that:

- "1. *THE FOLLOWING RESPONDENTS TO THE EXPRESSION OF INTEREST ARE LISTED AS ACCEPTABLE TENDERERS:*
- A. *ENERGOS AS;*
 - B. *EVERGREEN ENERGY CORPORATION PTY LTD;*
 - C. *GRD MINPROC LIMITED;*
 - D. *MOLTONI ENERGY PTY LTD;*
 - E. *SITA ENVIRONMENTAL SOLUTIONS;*
 - F. *TRANSPACIFIC CLEANAWAY LIMITED; AND*
 - G. *WSN ENVIRONMENTAL SOLUTIONS.*



Item 11.3 continued

2. *THE FOLLOWING RESPONDENTS TO THE EXPRESSION OF INTEREST ARE NOT LISTED AS ACCEPTABLE TENDERERS:*
 - A. *ANAECO LIMITED; AND*
 - B. *THIESS SERVICES PTY LTD.*
3. *THE RESPONDENTS TO EXPRESSION OF INTEREST 2009-10 BE ADVISED OF THE OUTCOME OF THE ASSESSMENT.*
4. *THE ATTACHMENT REMAINS CONFIDENTIAL AND BE CERTIFIED BY THE ACTING CHIEF EXECUTIVE OFFICER AND THE EMRC CHAIRMAN.*
5. *THE TENDER EVALUATION COMMITTEE BE ACKNOWLEDGED FOR THE SIGNIFICANT EFFORT PUT INTO EVALUATING THE EOI SUBMISSIONS."*

On 24 September 2009 (Ref: Committees-9922), Council resolved that:

- "1. *THE FOLLOWING PRELIMINARY RECOMMENDATIONS OF THE RESOURCE RECOVERY COMMITTEE FORM THE BASIS OF CONSULTATION BETWEEN THE EMRC AND THE MEMBER COUNCILS AND THE COMMUNITY WITH THE INTENTION OF REPORTING BACK TO COUNCIL IN APPROXIMATELY MARCH 2010 WITH A FINAL RECOMMENDATION:*
 - A) *RED HILL WASTE MANAGEMENT FACILITY IS THE PREFERRED SITE FOR THE RRF BASED ON ENVIRONMENTAL, ECONOMIC AND PLANNING CONSIDERATIONS, COMMUNITY RESEARCH AND THE POTENTIAL VALUE OF THE EMRC HAZELMERE SITE AS A RESOURCE RECOVERY PARK.*
 - B) *THE DESIGN & CONSTRUCT CONTRACT OWNERSHIP MODEL IS PREFERRED TO A BUILD OWN OPERATE CONTRACT MODEL.*
 - C) *THE RRF TECHNOLOGY OPTIONS INCLUDING ANAEROBIC DIGESTION, GASIFICATION AND PYROLYSIS ARE RANKED HIGHER THAN COMBUSTION AND PLASMA AT THIS STAGE BUT MORE INFORMATION IS REQUIRED BEFORE A FINAL PREFERENCE CAN BE DETERMINED.*
 - D) *A THIRD BIN FOR HOUSEHOLD ORGANIC WASTE COLLECTION IS CONSIDERED IN CONJUNCTION WITH ANAEROBIC DIGESTION TECHNOLOGY."*

Further, on 3 December 2009 (Ref: Committees-10346), Council resolved that:

- "1. *COUNCIL APPROVE A VISIT TO EASTERN STATES AND OVERSEAS RESOURCE RECOVERY REFERENCE FACILITIES TO BE UNDERTAKEN BY THE CHAIRMAN, RESOURCE RECOVERY COMMITTEE, MR JOHN KING, PROJECT DIRECTOR FOR CARDNO LIMITED AND THE MANAGER PROJECT DEVELOPMENT.*
2. *INFORMATION GAINED FROM THE VISIT BE REPORTED TO THE RRC AND COUNCIL IN EARLY 2010 AS PART OF THE FINAL RECOMMENDATION ON THE PREFERRED RESOURCE RECOVERY FACILITY OPTIONS."*

On 22 April 2010 (Ref: Committees-15130), Council resolved in relation to the reference facility visits that:

- "1. *THE REPORT BE RECEIVED.*
2. *INFORMATION GAINED FROM THE RESOURCE RECOVERY FACILITY VISITS BE APPLIED TO THE ANALYSIS OF THE PROJECT OPTIONS ON TECHNOLOGY, CONTRACT MODEL AND BIN COLLECTION SYSTEM.*
3. *THAT THE ATTACHMENT TO THIS REPORT REMAIN CONFIDENTIAL AND BE CERTIFIED BY THE CHIEF EXECUTIVE OFFICER AND CHAIRMAN."*



Item 11.3 continued

On 20 May 2010 (Ref: Committees-10810), Council resolved that:

- "1. *THE FOLLOWING OPTIONS ARE CONFIRMED AS THE PREFERRED OPTIONS FOR THE RESOURCE RECOVERY FACILITY:*
 - A) *RED HILL WASTE MANAGEMENT FACILITY IS THE PREFERRED SITE FOR THE RRF.*
 - B) *THE DESIGN & CONSTRUCT CONTRACT OWNERSHIP MODEL IS PREFERRED TO A BUILD OWN OPERATE CONTRACT MODEL AT THIS STAGE OF THE PROJECT.*
 - C) *THE RRF TECHNOLOGY OPTIONS INCLUDE ANAEROBIC DIGESTION, GASIFICATION, PYROLYSIS AND COMBUSTION. PLASMA TECHNOLOGY WILL ONLY BE CONSIDERED IF IT IS AN INTEGRAL PART OF ONE OF THESE TECHNOLOGIES.*
 - D) *A THIRD BIN FOR HOUSEHOLD ORGANIC WASTE COLLECTION BE CONSIDERED IN CONJUNCTION WITH ANAEROBIC DIGESTION TECHNOLOGY, OTHERWISE A TWO BIN SYSTEM IS RECOMMENDED FOR THE THERMAL TECHNOLOGY OPTIONS.*
2. *COUNCIL PROCEEDS WITH THE ENVIRONMENTAL AND PLANNING APPROVALS TASK FOR THE RESOURCE RECOVERY PROJECT BASED ON THE PREFERRED SITE AND TECHNOLOGY OPTIONS."*

On 21 October 2010 (Ref: Committees-11544), Council resolved to amend the Resource Recovery budget to allow for the predicted cost of baseline environmental monitoring and additional consultant costs as follows:

"THAT THE BUDGET FOR SEEK ENVIRONMENTAL APPROVALS (TASK 15) IN THE ANNUAL BUDGET UNDER RESOURCE RECOVERY BE INCREASED FROM \$220,000 TO \$525,000 AND THAT THIS INCREASE BE FUNDED FROM THE SECONDARY WASTE RESERVE."

On 23 June 2011 (Ref: Committees-12150), Council resolved that:

- "1. *COUNCIL NOTES THE ADVICE FROM SITA ENVIRONMENTAL SOLUTIONS AND WSN ENVIRONMENTAL SOLUTIONS OF THEIR INTENTION TO WITHDRAW FROM THE TENDER PROCESS FOR THE EMRC RESOURCE RECOVERY FACILITY.*
2. *THE LIST OF ACCEPTABLE TENDERERS BE AMENDED TO REMOVE SITA ENVIRONMENTAL SOLUTIONS AND WSN ENVIRONMENTAL SOLUTIONS.*
3. *SITA ENVIRONMENTAL SOLUTIONS BE ADVISED OF COUNCIL'S ACKNOWLEDGEMENT OF BOTH SITA ENVIRONMENTAL SOLUTIONS AND WSN ENVIRONMENTAL SOLUTION'S WITHDRAWAL FROM THE EMRC RESOURCE RECOVERY FACILITY TENDER PROCESS.*
4. *THE REPORT AND ATTACHMENTS REMAIN CONFIDENTIAL AND BE CERTIFIED BY THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER."*

Council also resolved at the 23 June 2011 meeting (Ref: Committees-12157) that:

- "1. *COUNCIL CONFIRMS THE DESIGN & CONSTRUCT AND THE DESIGN BUILD OPERATE AND MAINTAIN CONTRACT MODELS ARE PREFERRED TO THE BUILD OWN OPERATE MODEL AT THIS STAGE OF THE PROJECT.*
2. *COUNCIL NOTES A FINAL DECISION ON THE PREFERRED CONTRACT MODEL WILL BE MADE PRIOR TO PREPARATION OF THE RESOURCE RECOVERY FACILITY TENDER DOCUMENTATION."*

Originating from the June 2011 CEOAC meeting (Ref: Committees-12380), Council resolved on 23 June 2011:

- "1. *THAT AT SOME POINT IN THE FUTURE, PRIOR TO TENDERS BEING CALLED FOR THE RESOURCE RECOVERY FACILITY, THE ESTABLISHMENT AGREEMENT BE AMENDED TO REFLECT THE RESOURCE RECOVERY FACILITY AS A "NEW PROJECT."*
3. *THAT MEMBER COUNCILS BE ADVISED OF THE IMPLICATIONS OF THE PROPOSED AMENDMENT."*



Item 11.3 continued

On 18 August 2011 (Ref: Committees-12849), Council resolved:

“THAT COUNCIL CONFIRMS THE TECHNOLOGY OPTIONS FOR THE RESOURCE RECOVERY FACILITY AT RED HILL WASTE MANAGEMENT FACILITY AS ANAEROBIC DIGESTION AND GASIFICATION.”

At the 3 November 2011 meeting of Council (Ref: Committees-13114), a clarification of gasification technology was provided and what this class of thermal waste treatment technology includes.

On October 2012 (Ref: Committees-14718), Council resolved that:

- “1. THE PREFERRED LOCATION FOR THE RESOURCE RECOVERY FACILITY BE CHANGED FROM SITE B2 IN THE NORTH-WEST CORNER OF LOT 12, RED HILL WASTE MANAGEMENT FACILITY TO LOT 8 (SITE E), TOODYAY ROAD, SUBJECT TO THE GRANTING OF APPROVAL FOR THE REZONING OF LOTS 8, 9 AND 10 AND COMPLETION OF THE LAND TRANSACTION WITH BORAL.*
- 2. THE CURRENT PROPOSAL BEFORE THE ENVIRONMENTAL PROTECTION AUTHORITY FOR A RESOURCE RECOVERY FACILITY AT RED HILL IS AMENDED NOMINATING SITE E AS THE PREFERRED LOCATION.”*

By way of explanation, the three contract ownership models being considered for the RRF are as follows:

Build Own Operate

Under a Build Own Operate (BOO) contract delivery model, the Contractor will be required to build, finance, own and operate the facility for a fixed period of time (the economical life of the facility and anticipated to be for 20 years). Under this contract model, some of the project risks, and in particular, the risks associated with the design, construction and performance of the RRF, are transferred to the Contractor.

Design and Construct

Under a Design and Construct (D&C) contract delivery model, the Contractor will design and construct a facility that conforms to agreed standards and performance requirements. If the D&C model was adopted by the EMRC, the Contractor will also be required to operate the facility for a minimum of 12 months and up to two years after the completion of wet commissioning. Under this contract model, the operational and ownership risks would be assumed by the EMRC, particularly following transfer of operational responsibilities to the EMRC and expiry of warranties and defects liability periods. The EMRC may operate the facility using its own staff or enter into a separate contract for the operation of the facility under this D&C contract delivery model.

Design, Build Operate and Maintain

Under a Design, Build Operate and Maintain (DBOM) contract delivery model, ownership of the RRF is with the EMRC but operation and maintenance is with the Operator. The EMRC will contract with the main contractor, who is most likely to be an Operator or technology provider who will be responsible for subcontracting and managing the risk of a builder for the construction phase. The EMRC will be required to obtain its own funding for the RRF and will have to fund construction payments during the construction phase and service payments during the operation phase, usually by way of regular monthly payments linked to the amount of waste processed by the RRF.

As with the BOO, the Operator's involvement in the RRF continues until the expiry of the operation term. However, unlike the BOO, the operating period under a DBOM can be less than under a BOO as it does not have to match the duration of the debt repayments. This is because the debt repayments are made by the EMRC direct to its financier, rather than by the Operator to its financier.

Under this contract model, the project risks associated with the design, construction and performance of the RRF, are transferred to the Contractor whereas the ownership risk resides with the EMRC.



Item 11.3 continued

Acceptable Tenderers and Technologies

Acceptable Tenderers as at 1 September 2011	Technology Offered at EOI Stage
Energos AS	Gasification
Evergreen Energy Corporation Pty Ltd	Anaerobic Digestion
Amec (formerly Amec Minproc Limited)	Anaerobic Digestion and Combustion
Phoenix Energy Australia Pty Ltd (formerly Moltoni Energy Pty Ltd)	Combustion
Transpacific Cleanaway Limited	Anaerobic Digestion

REPORT

On 22 July 2013 the EPA issued its Report and Recommendations on the proposed Resource Recovery Facility at Red Hill (refer Attachment 1). The EPA has concluded that the proposal can be managed to meet the EPA's objectives provided there is satisfactory implementation by the proponent of the recommended conditions.

Matters addressed in the conditions include:

- a) Minimising the cumulative odour emissions;
- b) Ensuring a robust odour control system design, should anaerobic digestion be the chosen technology; and
- c) Ensuring that, should gasification be the chosen technology, it is consistent with the EPA and Waste Authority's strategic advice.

The potential for increased cumulative odour impact was a key consideration of the assessment and requires the EMRC under condition 6 of the approval to reduce cumulative odour levels prior to operation of the anaerobic digestion or gasification facility to as low as reasonably practicable. This will require the investigation of options and measures to reduce the cumulative impacts from Red Hill Waste Management Facility, for by example, relocating the green waste windrows and re-running the odour modelling to demonstrate the chosen measures provide an overall improvement.

For the anaerobic digestion technology option, the approval conditions include:

- Peer review of the detailed design of the total odour control system,
- Air Quality Report at Works Approval stage including a rerun of the dispersion modelling,
- Odour limit on biofilter (500 odour units),
- Building under negative air pressure, and
- Fast acting doors on waste receipt/processing building.

For the gasification technology option, the approval conditions include:

- Must meet the technology considerations in the EPA's and Waste Authority's section 16(e) strategic advice on waste to energy technologies;
 - Components have operated reliably elsewhere,
 - Can operate within the emission standards equal to the EU Waste Incineration Directive,
 - Operated at a similar scale to that proposed, and
 - Components have a successful track record in treating the proposed waste streams.

A time limit of five years applies from the date of the final approval and substantial progress must be made within this period otherwise the approval lapses.

Compliance reporting is required throughout the implementation period and public availability of all validated environmental data is required for the life of the proposal.



Item 11.3 continued

There were three appeals on the EPA report from:

1. Swan Valley Ratepayers and Residents Association;
2. Environment House; and
3. Alliance for a Clean Environment.

The EMRC has responded to the Appeals Convenor on the matters in these appeals, none of which is substantive.

The next steps in the implementation of this project relate to the preparation for the tender process:

1. Decide on contract model(s).
2. Decide on initial RRF capacity.
3. Develop draft tender specification.
4. Amend Establishment Agreement to make the RRF a new project (Deed of Variation).
5. Prepare Project Plan.
6. Prepare Member Council Participation Agreement.
7. Consultation with member Councils.
8. Individual MC resolutions to proceed with the tender.
9. EMRC Council resolution to proceed with the tender.

Preparations for the tender process (Task 17 of Cardno contract)

This was intended to involve pre-tender workshops to decide the scope of the tender, the tender evaluation criteria, the tender evaluation method and the tender evaluation committee. A workshop meeting would be useful to ensure that the member Councils understand the tender process and evaluation methodology and to select an evaluation committee.

Contract Delivery Mechanism (Task 11 of Cardno contract)

This was reviewed in June 2011 with the addition of the Design, Build, Operate and Maintain (DBOM) as one of the preferred contract delivery models. The DBOM and the Design and Construct (D&C) contract delivery models are preferred over the Build Own Operate (BOO) contract delivery model.

Other options have been investigated recently including an alliance type of contract as used by Main Roads and WaterCorp. To facilitate the tender process, the tender will need to specify preferably one preferred contract delivery model.

Staging of the Project (Task 8)

Cardno prepared an outline report on this task in June 2006, which addressed member Council waste tonnage projections, State policy on resource recovery, product markets and technology providers for a broad range of technologies. For various reasons, the final report on Task 8 was never completed and would have considered economies of scale, technology changes, the effect of the Resource Recovery Park and the staging options for the RRF.

The RRF proposal for environmental approval was based on either an anaerobic digestion facility of up to 150,000 tonnes per annum capacity or an energy from waste (gasification) facility of up to 200,000 tonnes per annum. These capacity limits were based on 2010 EMRC member Council waste tonnage projections to 2050. Either of these two technology options can be staged in their capacity development to suit the tonnage committed by the member Councils and potential growth in waste tonnage driven by population growth.

So the initial capacity of the RRF needs to be determined as part of the tender specification.



Item 11.3 continued

Amendment of the EMRC Establishment Agreement

Council's June 2011 resolution requires the Establishment Agreement to be amended to reflect the Resource Recovery Facility as a new project.

If adopted, this Further Deed of Variation means that member Councils will need to agree to participate in the project and by doing so, provide a proportional guarantee for any borrowings by the EMRC in order to finance the project, noting that a proportion of the funding would be provided from the Secondary Waste Reserve.

Participating Members Agreement and Project Plan (Task 9).

The Participating Members Agreement will:

- set out the requirements for a guarantee of any loan funds on a proportional basis.
- establish the commitment to deliver waste and pay the gate fee.
- require agreement to the pricing structure to be used for the RRF fee.

A business plan will be required to satisfy the requirements of the Local Government Act 1995.

Funding Arrangements

Preliminary discussions were held with the WATC in 2010 and 2011 regarding funding arrangements for the RRF. This would need to be revisited to understand their current procedures and processes and develop an in principle agreement for loan funding before proceeding with a tender.

The financial commitment requirements from participating member Councils was discussed at the 4 August 2011 meeting of RRC (Ref: Committees-12853, report item 9.6). The report noted that:

Prior to calling for tenders from the acceptable tenderers, the EMRC would need an agreement in principle from the participating member Councils that they would deliver their waste to the RRF for the term of the contract (under a BOO or DBOM) or the life of the facility (under a D&C). This then sets the capacity requirement for the RRF in the tender specification. It would also allow the EMRC to finalise preparations for a loan facility with the Western Australian Treasury Corporation (WATC), subject to adjustments for the final tendered price and the loan offset from use of the Secondary Waste Reserve.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils

FINANCIAL IMPLICATIONS

All costs covered within this report are accounted for in the annual budget approved by Council.

SUSTAINABILITY IMPLICATIONS

The Resource Recovery Facility and/or Resource Recovery Park will contribute toward minimising the environmental impact of waste by facilitating the sustainable use and development of resources.



Report and recommendations of the Environmental Protection Authority



**Resource Recovery Facility,
Red Hill**

Eastern Metropolitan Regional Council

Report 1487

July 2013

Public Environmental Review Environmental Impact Assessment Process Timelines

Date	Progress stages	Time (weeks)
21/12/10	Level of assessment set	
24/10/11	Final ESD approved	44
23/07/12	Environmental Review Document (ERD) released for public review	39
17/09/12	Public review period for ERD closed	8
18/12/12	Final Proponent response to ERD issues raised	13
4/04/13	EPA released s16e strategic advice on waste-to-energy technologies	14
26/06/13	Final information required for assessment received from Proponent	12
17/07/13	Transmittal of EPA report to the Minister for Environment	3
22/07/13	Publication of EPA report	5 days
05/08/13	Close of appeals period	2

Timelines for an assessment may vary according to the complexity of the project and are usually agreed with the proponent soon after the level of assessment is determined.

In this case, the Environmental Protection Authority met its timeline objective in the completion of the assessment and provision of a report to the Minister.



Dr Paul Vogel
Chairman

17 July 2013

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2. References
3. Summary of identification of key environmental factors
4. Recommended Environmental Conditions and nominated Decision-Making Authorities
5. Summary of submissions and proponent's response to submissions

1. Introduction and background

This report provides the advice and recommendations of the Environmental Protection Authority (EPA) to the Minister for Environment on the key environmental factors and principles for the proposal by the Eastern Metropolitan Regional Council (EMRC), to develop a Resource Recovery Facility (RRF) at the existing Red Hill Waste Management Facility (WMF) in the Perth metropolitan area.

The proposed facility would be used to process kerbside municipal solid waste. The EMRC are proposing to use one of two technology options for processing waste:

- anaerobic digestion; or
- gasification.

Further details of the proposal are presented in Section 2 of this report. Section 3 discusses the key environmental factors and principles for the proposal. The conditions to which the proposal should be subject, if the Minister determines that it may be implemented, are set out in Section 4. Section 5 provides the EPA's conclusions, and Section 6 presents the EPA's recommendations.

Appendix 5 contains a summary of submissions and the proponent's response to submissions and is included as a matter of information only and does not form part of the EPA's report and recommendations. Issues arising from this process, and which have been taken into account by the EPA, appear in the report itself.

Red Hill Waste Management Facility

The existing Red Hill WMF began operation as a landfill in 1981 and has expanded to be one of Perth's largest landfills. It receives Class III and Class IV waste, with dedicated cells for putrescible waste and contaminated soil, a greenwaste processing area for producing mulch and compost, and a transfer station for recyclable material.

The establishment of the RRF would assist the EMRC in diverting waste from landfill and increase the life expectancy of the Red Hill WMF.

Strategic advice on Waste-to-Energy technologies

The EPA and the Waste Authority have recently undertaken and released their strategic review on 'Environmental and Health Performance of Waste to Energy Technologies' (EPA, 2013) under section 16(e) of the *Environmental Protection Act 1986* (EP Act). This strategic review is available on the EPA's website as EPA Report 1468.

The strategic review concluded that it has been demonstrated internationally that modern Waste-to-Energy plants can operate within strict emission standards with acceptable environmental and health impacts to the community when a plant is well designed and operated using best practice technologies and processes.

The EPA supports the establishment of Waste-to-Energy plants in Western Australia, subject to a number of principles which are outlined in the EPA's section 16(e) advice.

2. The proposal

The EMRC are proposing to develop a RRF to process kerbside municipal solid waste within the existing Red Hill WMF (Figure 1).

The EMRC is proposing to use one of two technology options which are:

- anaerobic digestion, with a maximum capacity of 150,000 tonnes per annum (tpa); or
- waste-to-energy using a gasification process, with a maximum capacity of 200,000 tpa.

The proponent intends to make a final decision on the technology to be used following the environmental impact assessment process. If approved, the detailed design would be undertaken through the Engineering, Procurement and Construction phase.

Anaerobic digestion

Three anaerobic digestion technologies, Kompogas, Bekon and Amec Minproc, were considered by the EMRC. The technologies proposed were used as a basis for predicting environmental impacts.

Anaerobic digestion technology processes the organic fraction of municipal solid waste. Organic waste is fed into a fermenter, where microorganisms process the waste to produce biogas and compost. The biogas is then burnt in gas engines to produce energy.

Residual digestate is produced by the anaerobic digestion process and is separated from the residual liquid through a filter press or centrifuge and matured through aerobic composting. Surplus liquid residue from the process would be utilised as liquid fertiliser, discharged to the Red Hill landfill leachate management system or treated in a waste water treatment plant.

Gasification

The Energos technology has been used to model the environmental impacts for gasification technology. The gasification facility would consist of a number of components including the following:

- fuel bunker and transport system;
- thermal conversion unit, consisting of a primary gasification chamber for converting waste to syngas and a secondary chamber for syngas combustion;
- heat recovery steam generator;
- power generation system; and
- flue-gas cleaning system.

The first Energos facility was commissioned in 1997, and Energos technology has been used for processing residual municipal solid waste and commercial waste. The most recently established plant is the Sarpsborg II plant in Norway, which was commissioned in 2010.

The gasification technology facility would process the non-recyclable fraction of municipal solid waste. The facility would consist of four modules of 50,000 tpa each to give a total capacity of 200,000 tpa. The proposed capacity is greater than for anaerobic digestion since it would process both the organic fraction plus non-recyclable material that has calorific value.

To be considered a Waste-to-Energy plant, a facility needs to have reasonable efficiency. The proponent has advised that the Energos plant is expected to have an efficiency of approximately 0.59. Increasing the efficiency to the European Union Waste Incineration Directive (WID) (EU, 2000) standard of 0.65 would require higher steam pressure which the proponent considers unfeasible for Western Australian conditions, and the EPA accepts this, in this circumstance.

The gasification process would produce residual bottom ash and fly ash. This would be disposed of in the appropriate class of landfill located at the Red Hill WMF.

The main characteristics of the proposal are summarised in Table 1 below. A detailed description of the proposal is provided in Section 4 of the PER (EMRC, 2012a) and in the section 43A application (EMRC, 2012b).

Table 1: Summary of key proposal characteristics

Summary of the Proposal	
Proposal Title	Resource Recovery Facility
Proponent Name	Eastern Metropolitan Regional Council
Short Description	<p>The proponent proposes to construct and operate a resource recovery facility for the processing of waste to produce energy at Red Hill.</p> <p>The waste management facility would use one of the following technologies:</p> <ul style="list-style-type: none"> • anaerobic digestion; or • gasification.

Table 1 (continued)

Anaerobic Digestion		
Element	Location	Proposed Extent Authorised
Resource Recovery Facility and associated infrastructure	Site E, Red Hill (Figure 1).	Clearing of up to 0.85 ha of remnant vegetation.
Waste types accepted for processing:		The organic fraction of municipal solid waste from either a source separated collection system or from the rubbish bin using the mechanical separation designed into the facility.
Excluded wastes: <ul style="list-style-type: none"> • wastes with heavy metal concentrations greater than the requirements for Class III landfill; • 'Scheduled' wastes such as polychlorinated biphenyls and organochlorines; • Asbestos; • highly corrosive or toxic liquids or gases such as strong acids or chlorine or fluorine; • radioactive waste; • explosives; and • materials already deposited in the onsite landfill. 		Not to be processed.
Quantity of waste to be processed:		Up to 150,000 tpa.
Odour concentration emitted from biofilter:		Less than 500 odour units.
Building under negative pressure:		Waste may only be accepted while the building is being maintained under negative pressure.
Fast Acting Doors:		Waste may only be accepted while the Fast Acting Doors are fully operational.

Table 1 (continued)

Gasification		
Element	Location	Proposed Extent Authorised
Resource Recovery Facility and associated infrastructure	Site E, Red Hill (Figure 1).	Clearing of up to 0.85 ha of remnant vegetation.
Waste types accepted for processing:		Municipal solid waste from the rubbish or residual bins of a two bin or three bin collection system.
Excluded wastes: <ul style="list-style-type: none"> • wastes with heavy metal concentrations greater than the requirements for Class III landfill; • 'Scheduled' wastes such as polychlorinated biphenyls and organochlorines; • Asbestos; • highly corrosive or toxic liquids or gases such as strong acids or chlorine or fluorine; • radioactive waste; • explosives; and • materials already deposited in the onsite landfill 		Not to be processed.
Quantity of waste to be processed:		Up to 200,000 tpa.

During the assessment the EMRC moved the proposed location to the western portion of the Red Hill WMF (Site B2 to E, Figure 1).

The EPA agreed that the change in location to Site E reduced the overall predicted environmental impacts compared to Site B2 and approved the change under section 43A of the EP Act. Table 1, *Summary of key proposal characteristics* includes relevant changes to the proposal made under section 43A of the EP Act.

The potential impacts of the proposal initially predicted by the proponent in the PER document (EMRC, 2012a) for Site B2 and their proposed management are summarised in Table ES2 of the proponent's document. The potential impacts predicted by the proponent for Site E are detailed in the section 43A application (EMRC, 2012b).

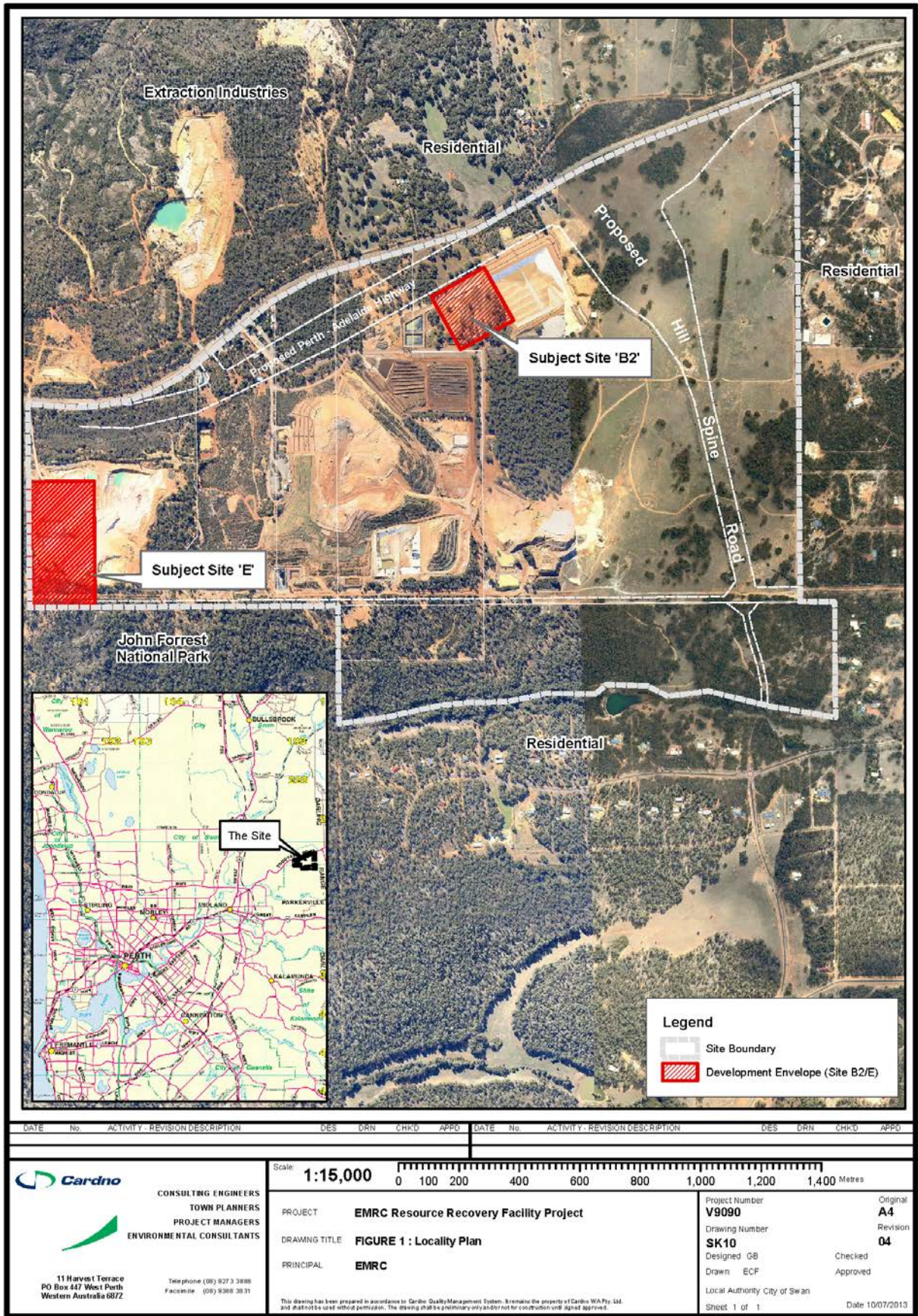


Figure 1: Development envelope including regional context

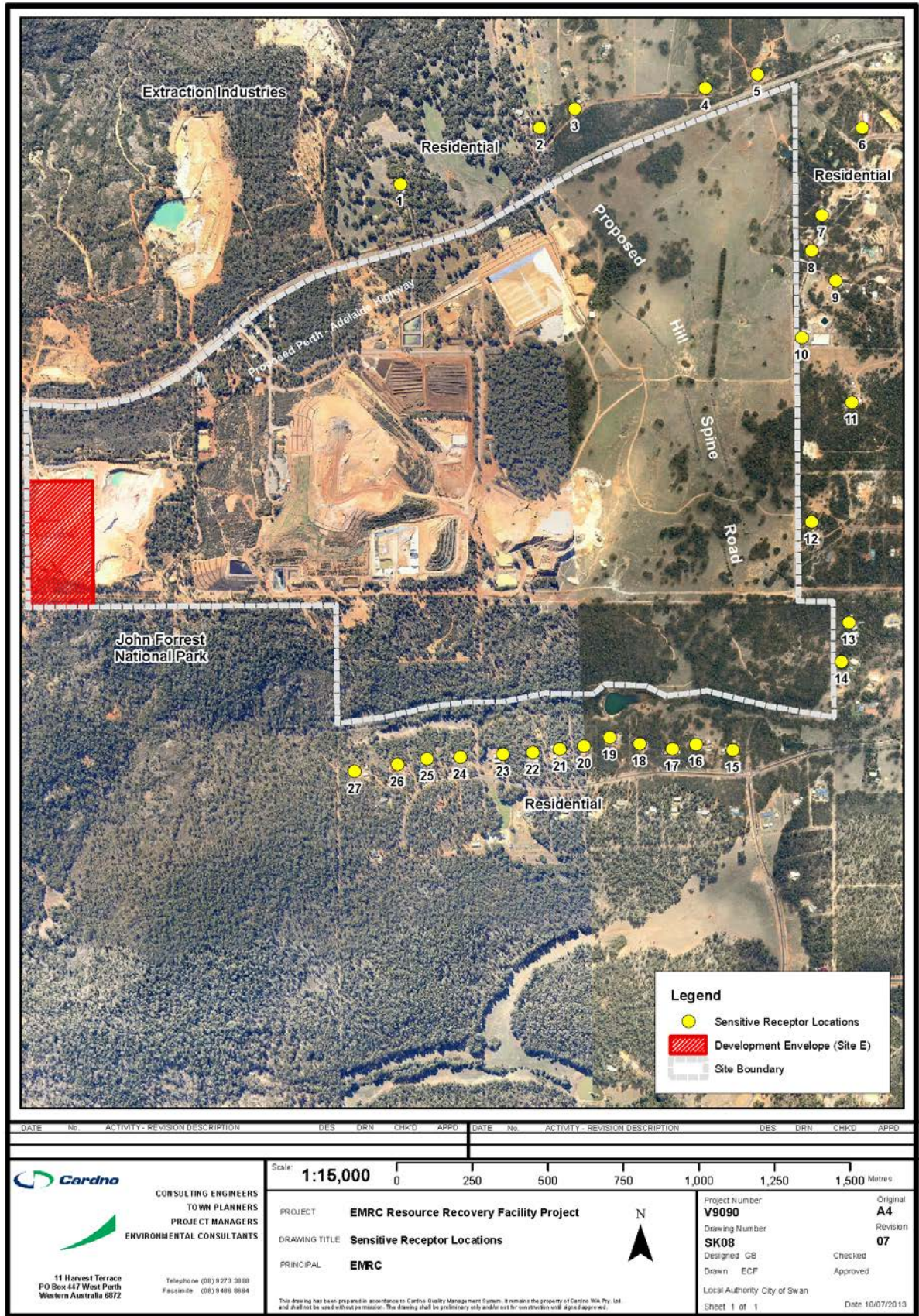


Figure 2: Locations of sensitive receptors surrounding the Red Hill Waste Management Facility

3. Key environmental factors and principles

Section 44 of the EP Act requires the EPA to report to the Minister for Environment on the key environmental factors relevant to the proposal and the conditions and procedures, if any, to which the proposal should be subject. In addition, the EPA may make recommendations as it sees fit.

For this assessment, the EPA is assessing each of the proposed technologies (anaerobic digestion and gasification) on their individual merits to determine whether the EPA's objectives can be met. The assessment should not be seen as a comparison of the technologies.

The identification process for the key environmental factors selected for detailed evaluation in this report is summarised in Appendix 3. The reader is referred to Appendix 3 for the evaluation of factors not discussed below. A number of these factors, such as inland waters environmental quality and amenity (noise), are relevant to the proposal, but the EPA is of the view that the information set out in Appendix 3 provides sufficient evaluation.

It is the EPA's opinion that the following key environmental factors for the proposal require detailed evaluation, for both anaerobic digestion and gasification technology, in this report:

- (a) Air quality; and
- (b) Amenity (odour).

The above key factors were identified from the EPA's consideration and review of all environmental factors generated from the PER document, the section 43a application, and the submissions received, in conjunction with the proposal characteristics set out in Table 1.

Details on the key environmental factors for anaerobic digestion and their assessment are contained in Sections 3.1.1 – 3.1.2. Details on the key environmental factors for gasification and their assessment are contained in Sections 3.2.1 – 3.2.2. The description of each factor shows why it is relevant to the proposal and how it will be affected by the proposal, taking into consideration environmental impact management by the proponent. The assessment of each factor is where the EPA decides whether or not a proposal meets the environmental objective set for that factor.

The following principles were considered by the EPA in relation to the proposal:

- (a) the precautionary principle;
- (b) the principle of intergenerational equity;
- (c) the principle of the conservation of biological diversity and ecological integrity;

- (d) principles relating to improved valuation, pricing and incentive mechanisms; and
- (e) the principle of waste minimisation.

3.1 Anaerobic digestion

3.1.1 Air quality

Description

The proposal is located to the west of the existing Red Hill WMF, and the nearest residence is approximately one kilometre to the south-east. Predominant winds have been recorded north to north-easterly during the morning and west to south-westerly during the afternoon. During operation of the anaerobic digestion facility, air emissions would be produced from the exhausts of the gas engines, the biogas burner and the flare. These emissions include oxides of nitrogen and sulphur (NO_x and SO_2), carbon monoxide, Non-Methane Volatile Organic Compounds (NMVOC), and formaldehyde.

A baseline air quality monitoring study was conducted between April and July 2011 to characterise the existing background levels of pollutants. This study included the continuous measurement of the oxides of nitrogen and sulphur (NO_x and SO_2), carbon monoxide, and particulate matter (PM_{10} and $\text{PM}_{2.5}$). Discrete campaign-based monitoring was also conducted for polycyclic aromatic hydrocarbons, total suspended particles, particulate matter (PM_{10}), metals, hydrochloric and hydrofluoric acids, hydrogen sulphide, volatile organic compounds and carbonyls.

Air dispersion modelling was undertaken based on the data from Amec Minproc and Bekon anaerobic digestion technologies to assess potential impacts on air quality. Both direct and cumulative impacts were considered. Initial modelling was undertaken using an eight metre exhaust stack and exceedances of air quality standards were predicted. Emissions were remodelled with a 25 metre stack, which resulted in the predicted Ground Level Concentrations (GLC) complying with air quality standards.

All criteria pollutants were predicted to be compliant with the National Environment Protection Measure (NEPM) air quality standards at discrete receptors. The maximum predicted GLC for the two anaerobic digestion technologies for NO_x and SO_2 for example, was found to be less than 18 per cent and 0.4 per cent respectively at discrete receptors (see Figure 2) for maximum one hour average concentrations. Cumulative impacts of these pollutants at discrete receptors were found to be 30 per cent and 3.6 per cent of the respective assessment criteria. Other pollutants including NMVOCs and formaldehyde were found to meet relevant air quality standards and guidelines.

The proponent intends to use best practice and a stack of appropriate height and design to ensure compliance with air quality standards. The stack design would be finalised during the detailed design stage. Monitoring of air emissions would be conducted for the life of the project and would be detailed in a publicly available emissions management and monitoring plan, to be developed as part of the Works Approval required under Part V of the EP Act. The details of the plan would be dependent on the final design of the facility and would include development of standard operating procedures to deliver low emission outcomes, regular maintenance of all equipment to ensure compliance with standards, a contingency plan, and regular review of the management plan.

Submissions

Key matters raised in submissions focused on:

- shortcomings in the air quality modelling;
- the effect of an inconsistent waste mix on the outcomes of the model;
- cumulative impacts from air emissions from additional industrial facilities in the area; and
- the baseline monitoring data for air emissions not covering a full year.

Assessment

The EPA's environmental objective for this factor *is to maintain air quality for the protection of the environment and human health and amenity.*

The EPA notes that the results of the air dispersion modelling predict compliance with the NEPM standards for criteria pollutants, and that other emissions also meet relevant criteria.

Following the EMRC's final tender process the supplier of the anaerobic digestion technology would be chosen. Since the air emissions data is based on example emission data, the EPA has recommended condition 8, which requires that emissions from the chosen anaerobic digestion facility be benchmarked against best practice. Condition 8 also requires the preparation of an Air Quality Report that sets out emission rates and addresses normal operations, start up, shut down, and equipment failure conditions. The Air Quality Report also requires revised air quality modelling.

The main source of emissions is from the gas engine exhausts, and the EPA considers that these point sources are most appropriately managed via the Works Approval and Licence required under Part V of the EP Act. The Air Quality Report required by condition 8 would form part of the Works Approval application.

Summary

Having particular regard to the:

- (a) air dispersion modelling results predicting compliance with the NEPM;
- (b) provisions of Part V of the EP Act; and
- (c) recommended condition 8,

it is the EPA's opinion that the proposal can be managed to meet the EPA's environmental objective for air quality provided the recommended condition is imposed.

3.1.2 Amenity (odour)

Description

The organic waste to be processed is inherently odorous and the facility has the potential to emit odours. To minimise odour potential the facility would be maintained under negative pressure, with all odorous exhaust air treated through a biofilter. The facility would also be fitted with fast acting doors to minimise the escape of odours. There is potential for odorous emissions during operational hours when the roller doors are open to allow waste trucks to enter and exit.

Site specific odour monitoring was undertaken in January 2011 to determine odour emission rates for all odorous sources at the existing WMF. Monitoring outcomes concluded that major sources of odour are the greenwaste windrows and the landfill gas engine exhausts.

Of the three anaerobic digestion technologies, Amec Minproc had the highest odour emission rate from the biofilter and therefore the Amec Minproc technology rate has been used to predict odour impacts. Dispersion modelling using site specific meteorological data was used to predict cumulative impacts from the existing operation and the anaerobic digestion facility. Results predict one exceedance of the odour criteria under current WMF operations at one sensitive receptor (Receptor 12, Figure 2).

The exceedance at Receptor 12 is mainly due to the existing greenwaste windrows, which contributes up to 78 per cent of maximum odour concentrations at this location. The predicted cumulative odour impacts are dominated by the existing operations at Red Hill and the proposed anaerobic digestion facility would not significantly increase odour impacts. The proponent is considering managing the exceedance at Receptor 12 through the relocation of the greenwaste windrows to a suitable location that would be identified through dispersion modelling.

Submissions

Key matters raised in submissions focused on:

- whether the use of a biofilter to manage odours is appropriate in Perth's hot and dry climate;

- odour complaints being prevalent for the existing Red Hill WMF; and
- management actions to reduce existing odour emissions.

Assessment

The EPA's environmental objective for this factor *is to ensure that impacts to amenity are reduced as low as reasonably practicable.*

The Department of Environment Regulation (DER, formerly the Department of Environment and Conservation) has advised that it does not consider the proponent's odour modelling to be conservative due to the odour monitoring techniques used to gather input data, and the historic odour complaint data for the WMF. However, the DER recognises that the anaerobic digestion facility as modelled would not significantly increase the odour impact.

The DER has also recommended the relocation of the greenwaste windrows as a means to minimise cumulative odour impact. Given the existing complaints and the DER's advice, the EPA considers that in order for the cumulative odour impacts to be considered acceptable, the proponent would need to reduce existing odour emissions. The EPA has recommended a condition to achieve this.

Condition 6 requires the preparation and implementation of a Cumulative Odour Reduction Report, which would involve the investigation of management measures to reduce the existing impact. Condition 6 also requires that a re-run of the odour emission modelling be undertaken to demonstrate an overall reduction in the predicted cumulative odour impacts.

The DER also advised that a suitably sealed building can be achieved and that biofilters are capable of controlling odour adequately from anaerobic digestion type facilities. However, the DER noted that the ongoing operational management of the biofilter is crucial to good performance in Perth's hot and dry climate.

The EPA notes that the biofilter is responsible for approximately 94 per cent of the emissions and fugitive emissions through the fast acting doors responsible for the remaining 6 per cent. The EPA has recommended condition 7 to ensure that the odour emissions from the anaerobic digestion facility are minimised and appropriately managed. Condition 7 requires an independent peer review of the detailed design of the odour control system, which specifically addresses such things as:

- building orientation and sealing;
- performance and specification of the air extraction system to maintain the building under negative pressure;
- biofilter design, size and loading;
- degree of automation of the monitoring and control system for critical parameters;
- redundancy incorporated into the design;

- robustness of the facility and design, and operational protocols;
- monitoring required to demonstrate odour performance; and
- technology suppliers warranty with respect to odour performance,

with particular emphasis on the design process control, management and maintenance of the biofilter.

The EPA notes that the detailed design of the odour control system would form part of the Works Approval application under Part V of the EP Act, and the DER would further assess the odour prevention and minimisation measures at this time.

Summary

Having particular regard to the:

- (a) anaerobic digestion facility being a minor contributor to the cumulative odour impact from the WMF;
- (b) recommended condition 6 requiring cumulative odour impact to be reduced; and
- (c) recommended condition 7 requiring peer review of the odour control system;

it is the EPA's opinion that the proposal can be managed to meet the EPA's environmental objective for amenity provided the recommended conditions are imposed.

3.2 Gasification

3.2.1 Air quality

Description

Gasification technology uses a thermal conversion unit to convert waste into a fuel gas. This fuel gas is then burnt to raise steam and produce electricity. The exhaust emissions from the steam boiler are vented through a stack and have the potential to impact air quality.

As discussed in Section 3.1.1, baseline monitoring was conducted for the project area to characterise existing GLCs of pollutants.

Air dispersion modelling using Energos technology data was undertaken to predict GLCs of pollutants. The modelling results predict that the criteria pollutants comply with the NEPM standard. The highest GLC predicted was the one-hour average nitrogen oxide (NO_x) emissions at 7.8 per cent of the assessment standard for discrete receptors. Other pollutants including dioxins and mercury were predicted to meet relevant air quality standards and guidelines. Results from the cumulative assessment also predict compliance with assessment criteria for all parameters.

To illustrate a worst case, modelling was also undertaken using the emission limits from the WID. Results from this worst case predict that the GLCs would still comply with the relevant standards.

The proponent intends to monitor air emissions. This would be done for the life of the project and would be detailed in a publicly available emissions management and monitoring plan, to be developed as part of a Works Approval application. The details of the plan would be dependent on the final design of the facility and would include development of standard operating procedures to deliver low emission outcomes, regular maintenance of all equipment to ensure compliance with standards, a contingency plan, and regular review of the management plan.

Submissions

Key matters raised in submissions focused on:

- shortcomings in the air quality modelling;
- effect of an inconsistent waste mix on the outcome of the model;
- cumulative emissions from additional industrial facilities in the area;
- Energos type facilities have been experiencing emission problems; and
- stack emissions increasing from inefficiency of filters.

Assessment

The EPA's environmental objective for this factor is *to maintain air quality for the protection of the environment and human health and amenity*.

Emission standards

The EPA and the Waste Authority's strategic review of the Environmental and Health Performance of Waste-to-Energy Technologies (EPA, 2013) identifies the European Union WID as the appropriate standard for Waste-to-Energy facilities in Western Australia.

The EPA notes that the proposed continuous monitoring of the main stack emissions is appropriate. However, for those emissions that are not continuously monitored (e.g. heavy metals, dioxins and furans), the EPA considers that during the initial operation of the plant (minimum of two years following receipt of Certificate of Practical Completion) that more frequent testing should be required.

The EPA notes that under Part V of the EP Act, the DER can specify in the Works Approval that the plant must be constructed to meet the requirements of the WID. The DER can also specify stack emission limits as it deems appropriate in the operating Licence.

The EPA also notes that gasification technology (as opposed to combustion) offers the potential for emissions at much lower concentrations than the limits in the WID, and considers that for these emissions it is appropriate for the DER to set targets lower than those in the WID.

The EPA considers that the Works Approval and Licensing processes under Part V of the EP Act are the appropriate regulatory mechanisms to specify the emission limits and monitoring criteria.

Following the EMRC's final tender process there is the possibility of an alternative gasification technology being chosen. The EPA considers that an alternative equivalent technology could be implemented provided that it meets the technology considerations in the EPA and Waste Authority's strategic advice for Waste-to-Energy plants (EPA, 2013). The EPA has recommended condition 9 to allow for this.

Condition 9 requires the preparation of documentation to demonstrate that the chosen gasification technology has been operated reliably elsewhere, can operate within the WID limits, has a successful track record in treating the waste streams proposed, has operated at a similar scale to the proposal, and has a configuration of components that has been demonstrated elsewhere.

Summary

Having particular regard to the:

- (a) air dispersion modelling results predicting compliance with the NEPM;
- (b) provisions of Part V of the EP Act;
- (c) monitoring and management measures proposed; and
- (d) recommended condition 9,

it is the EPA's opinion that the proposal can be managed to meet the EPA's environmental objective for air quality provided the recommended condition is imposed.

3.2.2 Amenity (odour)

Description

The main source of odour for the gasification technology would be through the truck entry and exit doors of the facility. The building is maintained under negative pressure and the extracted air is passed into the combustion chamber. As such, the gasification technology does not need biofilters to control odours.

As discussed in Section 3.1.2, odour monitoring was conducted at the Red Hill WMF to characterise existing odour sources and emission rates. Odour modelling of the existing WMF predicted one exceedance at Receptor 12

(Figure 2). Cumulative odour modelling was undertaken to predict odour impacts for Energos technology and results showed that there would be no additional exceedances of the odour criteria with the addition of a gasification facility.

Submissions

Key matters raised in submissions focused on:

- odour complaints generated from the existing WMF;
- that further investigations should be made to reduce odour emissions from the greenwaste windrows; and
- concern regarding odour impacts at nearby residents.

Assessment

The EPA's environmental objective for this factor is *to ensure that impacts to amenity are reduced as low as reasonably practicable*.

As discussed in Section 3.1.2, the EPA considers that in order for the cumulative odour impacts to be considered acceptable, the proponent would need to reduce existing odour emissions from the WMF. The EPA has recommended a condition that would achieve this.

Condition 6 requires the preparation and implementation of a Cumulative Odour Reduction Report, which would involve the investigation of management measures to reduce the existing impact. Condition 6 also requires that a rerun of the odour emissions modelling be undertaken to demonstrate an overall reduction in the predicted cumulative odour impacts.

The EPA notes that the detailed design of the odour control system would form part of the Works Approval application under Part V of the EP Act and that the DER would further assess the odour prevention and minimisation measures at this time.

Summary

Having particular regard to the:

- (a) gasification facility being a minor contribution to the cumulative odour impact; and
- (b) recommended condition 6 requiring cumulative odour impact to be reduced,

it is the EPA's opinion that the proposal can be managed to meet the EPA's environmental objective for amenity, provided the recommended condition is imposed.

3.3 Environmental principles

In preparing this report and recommendations, the EPA has had regard for the object and principles contained in s4A of the EP Act. Appendix 3 contains a summary of the EPA's consideration of the principles.

4. Conditions

Section 44 of the EP Act requires the EPA to report to the Minister for Environment on the key environmental factors relevant to the proposal and on the conditions and procedures to which the proposal should be subject, if implemented. In addition, the EPA may make recommendations as it sees fit.

4.1 Recommended conditions

Having considered the information provided in this report, the EPA has developed a set of conditions that the EPA recommends be imposed if the proposal by the EMRC to develop and operate a RRF, is approved for implementation.

These conditions are presented in Appendix 4. Matters addressed in the conditions include the following:

- (a) minimising the cumulative odour emissions;
- (b) ensuring a robust odour control system design, should anaerobic digestion be the chosen technology; and
- (c) ensuring that, should gasification be the chosen technology, it is consistent with the EPA and the Waste Authority's strategic advice.

It should be noted that other regulatory mechanisms relevant to the proposal are the Works Approval and License required under Part V of the EP Act.

4.2 Consultation

In developing these conditions, the EPA consulted with the proponent and the DER in respect of matters of fact and matters of technical or implementation significance. Minor changes, which did not change the intent or scope, were made to some conditions to improve clarity. Condition 8 was amended to improve consistency with EPA Guidance Statement 55 *Implementing best practice in proposals submitted to the environmental impact assessment process*, and Schedule 1 Table 2 was amended to make the authorised extent more practical.

5. Conclusion

The EPA has considered the proposal by the EMRC to develop a RRF to process kerbside municipal solid waste within the Red Hill WMF using either anaerobic digestion or gasification technology.

The EPA recognises the potential for waste facilities to diminish amenity via odour, and has paid particular attention to ensuring that odour is minimised and managed to prevent unacceptable impacts. Given the historical odour complaints from the Red Hill WMF, and the potential for increased cumulative odour impact with the addition of a RRF, the EPA has recommended a condition to reduce cumulative odour emissions.

For anaerobic digestion, the EPA has also recommended a condition requiring peer review of the detailed design of the total odour control system for anaerobic digestion to ensure it is well designed and appropriately managed so that odour emissions are acceptable.

The EPA and the Waste Authority recently released the section 16(e) strategic advice for Waste-to-Energy plants. This advice noted that the WID is the appropriate standard for Waste-to-Energy technologies. The EPA notes that the Energos gasification technology meets the WID emission limits however, following the EMRC's final tender process, there is the possibility of an alternative gasification technology being chosen. The EPA considers that an alternative equivalent technology could be implemented provided that it meets the technology considerations in the EPA and the Waste Authority's section 16(e) strategic advice. The EPA has recommended condition 9 to allow flexibility for this possibility.

The EPA considers that the Works Approval and Licensing process under Part V of the EP Act managed by the DER will be critical to ensure that the RRF is appropriately managed.

The EPA has therefore concluded that the proposal can be managed to meet the EPA's objectives provided there is satisfactory implementation by the proponent of the recommended conditions set out in Appendix 4 and summarised in Section 4.

6. Recommendations

The EPA submits the following recommendations to the Minister for Environment:

1. That the Minister notes that the proposal being assessed is for the development of a RRF using either anaerobic digestion or gasification technology at the Red Hill WMF in Perth;
2. That the Minister considers the report on the key environmental factors and principles as set out in Section 3;
3. That the Minister notes that the EPA has concluded that it is likely that the EPA's environmental objectives would be achieved provided there is satisfactory implementation by the proponent of the recommended conditions set out in Appendix 4 and summarised in Section 4; and
4. That the Minister imposes the conditions and procedures recommended in Appendix 4 of this report.

Appendix 1

List of submitters

Organisations:

Alliance for a Clean Environment Inc.

City of Belmont

Department of Indigenous Affairs

Department of Water

Department of Health

Department of Environment and Conservation

Environment House

Gidgengannup Progress Association

Jewel Nominees

Mount Helena Residents and Ratepayers Progress Association

Save Perth Hills

Stoneville and Parkerville Progress Association

Transition Town Guildford

Individuals:

7 individual submissions

Appendix 2

References

EMRC (2012a) Public Environmental Review: *EMRC Resource Recovery Facility*, prepared by Cardno (WA) Pty Ltd for EMRC, July 2012.

EMRC (2012b) *EMRC Resource Recovery Facility Section 43A Application: Relocation of RRF*, prepared by Cardno (WA) Pty Ltd for EMRC, October 2012.

EPA (2003) *Implementing Best Practice in proposals submitted to the Environmental Impact Assessment process*. Environmental Protection Authority Guidance Statement No. 55, December 2003.

EPA (2013) *Environmental and Health Performance of Waste to Energy Technologies*. Report No. 1468. Environmental Protection Authority, Government of Western Australia, April 2013.

EU (2000) European Parliament and Council of the European Union (2000) Waste Incineration Directive (WID). *Directive 2000/76/EC of the European Parliament and of the Council on the Incineration of Waste*. Official Journal of the European Communities. L332/91.

EU (2005) European Union *Best Available Technology, Energy Efficiency Regulation* required under EUD-COM (2005), 667 final.

Appendix 3

Summary of identification of key environmental factors and principles

Preliminary Environmental Factors	Proposal Characteristics	Government Agency and Public Comments	Identification of Key Environmental Factors
LAND			
Flora and Vegetation	<p>Clearing of 0.85 hectares remnant vegetation.</p> <p>Site location historically cleared for quarry operations.</p>	No submissions received on this factor.	Not considered to be a key environmental factor.
Terrestrial Fauna	<p>Clearing of 0.85 hectares remnant vegetation.</p> <p>There are three Threatened Species likely to utilise the project area.</p>	No submissions received on this factor.	<p>Majority of the site has been cleared and is unlikely to have significant impact on fauna habitat.</p> <p>Not considered to be a key environmental factor.</p>
WATER			
Inland Waters Environmental Quality	<p>The closest surface water body to the site is a small creek located 300 metres north of the site, and flowing in a westerly direction. There are also two prevalent water tables beneath the site.</p> <p>A breach of the facility, flooding or regular housekeeping activities could lead to contamination of the environment and result in decreased water quality.</p>	<p>Department of Environment Regulation:</p> <ul style="list-style-type: none"> Combustion of waste materials will produce large amounts of bottom ash and fly ash that are likely to contain potentially leachable material. Appropriate leaching tests should be undertaken to demonstrate the suitability of bottom and fly ash materials for use or disposal outside of a lined landfill cell. <p>Public submissions:</p> <ul style="list-style-type: none"> Concern that the close proximity of the Helena and Mundaring reservoirs to the project site may potentially impact drinking water catchments and sources. The gasification plant may result in large amounts of toxic material (ash) being placed in the Red Hill landfill, which may potentially contaminate land and water. 	<p>The nearest surface water body is located upstream from the proposed facility and is unlikely to be impacted from potential spills and leakages.</p> <p>The Red Hill site is an operating waste facility and has lined cells that can accept up to class IV waste.</p> <p>Under Part V of the EP Act, the DER can regulate the ongoing management and monitoring of contaminated discharge during the Works Approval stage and implement relevant conditions for the licence to manage environmental impacts.</p> <p>Not considered to be a key environmental factor.</p>
AIR			
Air Quality	The proposal would produce air emissions, including NO _x , SO _x and other pollutants from the	<p>Department of Environment Regulation:</p> <ul style="list-style-type: none"> The DER recommends that the air quality modelling be revisited to reflect worst case emissions, and that any 	Considered to be a key environmental factor and discussed in Sections 3.1.1 and 3.2.1 Air Quality under the relevant

Preliminary Environmental Factors	Proposal Characteristics	Government Agency and Public Comments	Identification of Key Environmental Factors
	anaerobic digestion and gasification technologies	<p>shortcomings be identified and addressed.</p> <ul style="list-style-type: none"> • Potential failure modes can cause increased air emissions and measures should be identified to correct this. <p>Department of Health:</p> <ul style="list-style-type: none"> • The DOH is satisfied with the level of conservatism used for the modelled substances and that the proposed technologies are unlikely to cause health effects, provided emissions remain consistently below the recommended air quality health based references for the life of the facility. <p>Public submissions:</p> <ul style="list-style-type: none"> • Concerns that an inconsistent waste mix could change the modelled outcome, which may cause health impacts during operations. • Existing SO_x, NO_x and particulate levels are already poor in the area and no information on cumulative impacts from emissions has been provided. • Air monitoring was done during winter months and no monitoring was undertaken during summer months, which raises concern that monitoring locations were selectively located to avoid prevailing dry easterly winds. • Strong easterly winds during the morning and westerly winds during the evening would cause harmful emissions to be transported back and forth through dense populations. 	technology heading.

Preliminary Environmental Factors	Proposal Characteristics	Government Agency and Public Comments	Identification of Key Environmental Factors
PEOPLE			
Human Health	Establishment of the project can affect human health from exposure to air pollution, contamination of the food chain, water contamination, noise and increased risks of injury.	<p>Department of Health:</p> <ul style="list-style-type: none"> • Statements and comments related to impact on public health are recommended, particularly in relation to odour control and the reuse of treated solid (compost) and liquid wastes. • The PER should include disaster preparedness, health, social and mental wellbeing of the workforce and visitors. <p>Public submissions:</p> <ul style="list-style-type: none"> • Consideration should be given to indirect exposure pathways to human health such as from drinking water and food. • Anaerobic digestion technology is preferable to gasification technology as there is less risk to human health. • Standards for compounds including dioxins, nanoparticles and some heavy metals are not available and, in the absence of standards, may result in human health impacts. 	<p>Potential impacts from emissions on human health are considered through other factors including air quality, amenity (odour), and inland waters environmental quality.</p> <p>Not considered to be a key environmental factor.</p>
Heritage	The DIA Register of Aboriginal Sites indicates the closed boundary of one Heritage Place overlaps Lots 8, 9 and 10.	<p>Department of Indigenous Affairs:</p> <ul style="list-style-type: none"> • There is potential for cultural material to be revealed in the relatively undisturbed sections of the land, and should cultural or skeletal material be discovered during the project, work should cease immediately and be reported to the DIA. • All relevant documents on heritage surveys undertaken should be provided to the DIA. • The proponent is obligated to abide by the requirements of the <i>Aboriginal Heritage Act 1972</i>. 	<p>No Aboriginal heritage sites were recorded within the project area. Surveys also did not identify any new heritage sites.</p> <p>Heritage would be managed under the <i>Aboriginal Heritage Act 1972</i>.</p> <p>The proposed RRF would not impact any registered sites.</p> <p>Not considered to be a key environmental factor.</p>

Preliminary Environmental Factors	Proposal Characteristics	Government Agency and Public Comments	Identification of Key Environmental Factors
Amenity (noise)	Construction and operation of the facility would increase noise impacts to nearby receptors. The facility would be operating 24 hours a day.	<p>Department of Environment Regulation:</p> <ul style="list-style-type: none"> • Existing noise emissions already exceed the assigned levels by up to 9 dB at one of the nearby residences. The proponent should develop a Noise Management Plan to ensure overall noise emissions from all operations comply with the noise regulations. • Reversing beepers on heavy machinery have been identified by the local community to be a source of noise impact and less intrusive mobile equipment reversing safety systems should be used to minimise impacts. <p>Public submissions:</p> <ul style="list-style-type: none"> • Concerns that noise emissions from the facility would impact nearby residents. 	<p>Noise modelling was undertaken for the anaerobic digestion and gasification technologies to predict noise levels generated from the facility.</p> <p>The worst case predicted noise level to surrounding residences is 26 dB from anaerobic digestion and 25 dB from gasification technology. This represents a noise level at least 9 dB below the assigned noise level at receptors and at least 4 dB below the adjusted assigned noise level, which takes into account contributing industry noise. Results show that noise compliance can be achieved at all times.</p> <p>Action has been undertaken to control existing noise exceedances generated by the Landfill Gas Power Station, and noise monitoring will be undertaken to ensure compliance.</p> <p>Noise can be managed under the <i>Environmental Protection (Noise) Regulations 1997</i>.</p> <p>Not considered to be a key environmental factor.</p>
Amenity (odour)	Odour would be generated from the facility due to the nature of the waste used for processing.	<p>Department of Environment Regulation:</p> <ul style="list-style-type: none"> • The DER recommends that the chosen technology for odour prevention represent best practice, and that odour will be controlled under worst case odour loading. • The use of a biofilter for managing odour at an anaerobic digestion facility is a high risk strategy due to Perth's hot and dry climate. • The existing waste disposal facility has generated a 	<p>Considered to be a key environmental factor and discussed in Sections 3.1.2 and 3.2.2 Amenity (odour) under the relevant technology heading.</p>

Preliminary Environmental Factors	Proposal Characteristics	Government Agency and Public Comments	Identification of Key Environmental Factors
		<p>number of odour complaints during warmer months, and the challenge of reducing the impact has not been met by the proponent.</p> <p>Department of Health:</p> <ul style="list-style-type: none"> • DOH supports further investigation to reduce emissions from the greenwaste windrows to ensure ambient odour concentration criteria is met. <p>Public submissions:</p> <ul style="list-style-type: none"> • Odour emissions from the facility are concerning for nearby residents. 	

Abbreviations:

DER – Department of Environment Regulation (formerly the Department of Environment and Conservation)

DIA – Department of Indigenous Affairs

DOH – Department of Health

RRF – Resource Recovery Facility

dB - decibels

PRINCIPLES		
Principle	Relevant Yes/No	If yes, Consideration
<p>1. The precautionary principle <i>Where there are threats of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation.</i> <i>In application of this precautionary principle, decisions should be guided by –</i> <i>(a) careful evaluation to avoid, where practicable, serious or irreversible damage to the environment; and</i> <i>(b) an assessment of the risk-weighted consequences of various options.</i></p>	Yes	Specialist surveys and assessment have been undertaken to inform the environmental assessment process. A risk assessment of possible environmental impacts has been conducted and environmental management measures have been proposed to minimise the risk to the environment.
<p>2. The principle of intergenerational equity <i>The present generation should ensure that the health, diversity and productivity of the environment is maintained and enhanced for the benefit of future generations.</i></p>	Yes	The project would contribute to current and future waste management outcomes and provide benefits for future generations without negatively impacting on health, diversity and productivity of the environment.
<p>3. The principle of the conservation of biological diversity and ecological integrity <i>Conservation of biological diversity and ecological integrity should be a fundamental consideration.</i></p>	Yes	Site specific studies have been undertaken to determine the presence of significant flora, fauna and ecological communities.
<p>4. Principles relating to improved valuation, pricing and incentive mechanisms <i>(1) Environmental factors should be included in the valuation of assets and services.</i> <i>(2) The polluter pays principles – those who generate pollution and waste should bear the cost of containment, avoidance and abatement.</i> <i>(3) The users of goods and services should pay prices based on the full life-cycle costs of providing goods and services, including the use of natural resources and assets and the ultimate disposal of any waste.</i> <i>(4) Environmental goals, having been established, should be pursued in the most cost effective way, by establishing incentive structure, including market mechanisms, which enable those best placed to maximize benefits and/or minimize costs to develop their own solution and responses to environmental problems.</i></p>	Yes	Environmental management costs would be incorporated into planning of the project.
<p>5. The principle of waste minimisation <i>All reasonable and practicable measures should be taken to minimize the generation of waste and its discharge into the environment.</i></p>	Yes	<p>Best practice emission controls would be used to minimise the discharge of air emissions into the environment.</p> <p>The proposal would reduce the amount of waste to landfill and increase the recovery of resources.</p>

Appendix 4

Identified Decision-making Authorities and Recommended Environmental Conditions

Identified Decision-making Authorities

Section 44(2) of the EP Act specifies that the EPA's report must set out (if it recommends that implementation be allowed) the conditions and procedures, if any, to which implementation should be subject. This Appendix contains the EPA's recommended conditions and procedures.

Section 45(1) requires the Minister for Environment to consult with decision-making authorities, and if possible, agree on whether or not the proposal may be implemented, and if so, to what conditions and procedures, if any, that implementation should be subject.

The following decision-making authorities have been identified for this consultation:

Decision-making Authority	Approval
1. Department of Environment Regulation	Works Approval and Licence
2. City of Swan	Building and Planning Approvals

RECOMMENDED ENVIRONMENTAL CONDITIONS

**STATEMENT THAT A PROPOSAL MAY BE IMPLEMENTED
(PURSUANT TO THE PROVISIONS OF THE
ENVIRONMENTAL PROTECTION ACT 1986)**

RESOURCE RECOVERY FACILITY, RED HILL

Proposal: Resource Recovery Facility at Red Hill.

Proponent: EASTERN METROPOLITAN REGIONAL COUNCIL
Australian Company Number 89 631 866 056

Proponent Address: 1st Floor Ascot Place, 226 Great Eastern Highway
BELMONT WA 6984

Assessment Number: 1844

Report of the Environmental Protection Authority Number: 1487

The proponent may implement the Proposal subject to the implementation conditions and procedures set out below in this Statement.

Note: Schedule 3 provides definitions of terms and phrases used in this statement.

1 Proposal Implementation

- 1-1 The proponent shall use either anaerobic digestion technology or gasification digestion technology, but not both.
- 1-2 If anaerobic digestion technology is used when implementing the Proposal, the proponent shall not exceed the authorised extent of physical and operational elements provided for in Table 2 in Schedule 1 of this Statement and shall also ensure the requirements of conditions 2, 3, 4, 5, 6, 7 and 8 of this Statement are met, unless amendments to the Proposal and the authorised extent of the Proposal has been approved under the EP Act.
- 1-3 If gasification waste digestion technology is used when implementing the Proposal, the proponent shall not exceed the authorised extent of physical and operational elements provided for in Table 2 in Schedule 2 of this Statement and shall also ensure the requirements of conditions 2, 3, 4, 5, 6 and 9 of this Statement are met, unless amendments to the Proposal and the authorised extent of the Proposal has been approved under the EP Act.

2 Contact Details

- 2-1 The proponent shall notify the CEO of any change of its name, physical address or postal address for the serving of notices or other correspondence within 28 days of such change. Where the proponent is a corporation or an association of persons, whether incorporated or not, the postal address is that of the principal place of business or of the principal office in the State.

3 Time Limit for Proposal Implementation

- 3-1 The proponent shall not commence implementation of the proposal after the expiration of 5 years from the date of this statement, and any commencement, within this 5 year period, must be substantial.
- 3-2 Any commencement of implementation of the proposal, within 5 years from the date of this statement, must be demonstrated as substantial by providing the CEO with written evidence, on or before the expiration of 5 years from the date of this statement.

4 Compliance Reporting

- 4-1 The proponent shall prepare and maintain a compliance assessment plan to the satisfaction of the CEO.
- 4-2 The proponent shall submit to the CEO the compliance assessment plan required by condition 4-1 at least six months prior to the first compliance assessment report required by condition 4-6, or prior to implementation, whichever is sooner.

The compliance assessment plan shall indicate:

- (1) the frequency of compliance reporting;
 - (2) the approach and timing of compliance assessments;
 - (3) the retention of compliance assessments;
 - (4) the method of reporting of potential non-compliances and corrective actions taken;
 - (5) the table of contents of compliance assessment reports; and
 - (6) public availability of compliance assessment reports.
- 4-3 The proponent shall assess compliance with conditions in accordance with the compliance assessment plan required by condition 4-1.
- 4-4 The proponent shall retain reports of all compliance assessments described in the compliance assessment plan required by condition 4-1 and shall make those reports available when requested by the CEO.
- 4-5 The proponent shall advise the CEO of any potential non-compliance within seven days of that non-compliance being known.
- 4-6 The proponent shall submit to the CEO the first compliance assessment report 15 months from the date of issue of this Statement addressing the 12 month period from the date of issue of this

Statement and then annually from the date of submission of the first compliance assessment report.

The compliance assessment report shall:

- (1) be endorsed by the proponent's Managing Director / General Manager / Chief Executive Officer or a person delegated to sign on the Managing Director's / General Manager's / Chief Executive Officer's behalf;
- (2) include a statement as to whether the proponent has complied with the conditions;
- (3) identify all potential non-compliances and describe corrective and preventative actions taken;
- (4) be made publicly available in accordance with the approved compliance assessment plan; and
- (5) indicate any proposed changes to the compliance assessment plan required by condition 4-1.

5 Public Availability of Data

5-1 Subject to condition 5-2, within a reasonable time period approved by the CEO of the issue of this statement and for the remainder of the life of the proposal the proponent shall make publically available, in a manner approved by the CEO, all validated environmental data (including sample design, sampling methodologies, empirical data and derived information products (e.g. maps)) relevant to the assessment of this proposal and implementation of this Statement.

5-2 If any data referred to in condition 5-1 contains particulars of:

- (1) a secret formula or process; or
- (2) confidential commercially sensitive information.

the proponent may submit a request for approval from the CEO to not make this data publically available. In making such a request the proponent shall provide the CEO with an explanation and reasons why the data should not be made publically available.

6 Odour – Existing Operations

6-1 The proponent shall reduce the cumulative odour levels prior to operation of the anaerobic digestion or gasification facility to as low as reasonably practicable.

6-2 The proponent shall prepare a Cumulative Odour Reduction Report.

6-3 The Cumulative Odour Reduction Report required pursuant to condition 6-2 shall:

- (1) investigate options and propose measures to reduce the cumulative odour impact from the Red Hill Waste Management Facility by management measures such as relocating the greenwaste windrows; and

- (2) provide a re-run of the model (SLR Consulting Australia 2012 '*Resource Recovery Facility: Odour Impact Assessment for Lot 8 (Site E) Toodyay Road*' Report) to demonstrate that the chosen measures from 6-3(1) provides an overall improvement in predicted cumulative odour impacts,

to the satisfaction of the CEO on advice of the DER.

- 6-4 Prior to operation of the anaerobic digestion or gasification facility the proponent shall implement management measures approved by the CEO to meet condition 6-1.

Should the option be anaerobic digestion, then condition 7 and 8 applies.

7 Odour Control System

- 7-1 The proponent shall ensure that maximum odour emissions from the anaerobic digestion facility are less than those listed in Column 3 of Table 2 in Schedule 1.

- 7-2 The proponent shall commission an independent peer review of the detailed design of the total odour control system, prior to submission of a Works Approval, that addresses:

- (1) building orientation (shielding of openings from prevailing winds);
- (2) sealing of the building to minimise fugitive emissions;
- (3) location of extraction points, ducting and fans, and performance specification of the air collection network within the building;
- (4) humidification system in the building and at the air inlet of the biofilter;
- (5) biofilter surface irrigation system;
- (6) degree of automation of the monitoring/control system for critical parameters such as temperature, relative humidity, volumetric flow of the air at the inlet of the biofilter as well as the back-pressure, and the temperature and moisture content of the biofilter media;
- (7) biofilter type (open, covered or enclosed) and design (suitability for Western Australia's hot and dry climate);
- (8) biofilter size and loading, number of building air changes per hour;
- (9) type of biofilter media used;
- (10) redundancy incorporated in the design;
- (11) the robustness of the facility design and operational protocols to achieve (or better) the authorised extent in Schedule 1;
- (12) the verification / monitoring required to demonstrate compliance with the authorised extent in Schedule 1; and
- (13) the technology suppliers warranty with respect to achieving the authorised extent in Schedule 1,

to the requirements of the CEO.

The peer review should have particular emphasis on the design, process control, management, and maintenance of the biofilter.

- 7-3 The proponent shall submit a copy of the peer review report required by condition 7-2 to the DER with the application for the Works Approval.

8 Air Quality

- 8-1 The proponent shall ensure that emissions from the anaerobic digestion facility are as low as reasonably practicable.

- 8-2 The proponent shall prepare an Air Quality Report.

- 8-3 The Air Quality Report required pursuant to condition 8-2 shall:

- (1) benchmark the emissions for all criteria pollutants from the chosen anaerobic digestion technology against best practice;
- (2) set out emission rates for all the sources;
- (3) address normal operations, start up, shut down, and equipment failure; and
- (4) provide a rerun of the model (Synergetics 2012 '*Air Quality dispersion modelling of the proposed Resource Recovery Facility (RRF) at Red Hill Waste Management Facility – Location RRF on Lot 8, Toodyay Road – for Eastern Metropolitan Regional Council*' Report),

to the satisfaction of the CEO on advice of the DER.

- 8-4 The proponent shall submit the Air Quality Report required by condition 8-2 to the DER with the application for the Works Approval.

Should the option be gasification, then condition 9 applies.

9 Gasification Technology

- 9-1 The proponent shall ensure that the gasification technology to be implemented is consistent with the EPA and the Waste Authority's strategic advice ('*Environmental and Health Performance of Waste to Energy Technologies*: Report No. 1468' under section 16(e) of the *Environmental Protection Act 1986*).

- 9-2 The proponent shall prepare and submit documentation that demonstrates the chosen gasification technology:

- (1) uses only components that have operated reliably elsewhere;
- (2) can operate well within emission standards equal to the 'Directive 2000/76/EC of the European Parliament and of the Council (4 December 2000)';
- (3) uses only components that have a successful track record in treating the waste streams proposed;
- (4) has operated at a similar scale to that proposed; and

- (5) has a configuration of components that has been demonstrated elsewhere,

to the satisfaction of the CEO on advice of the DER.

- 9-3 The proponent shall commission an independent peer review, to provide comment on the validity of the documentation prepared for condition 9-2 to demonstrate the chosen gasification technology meets points (1), (2), (3), (4), and (5) of condition 9-2 to the satisfaction of the CEO on advice of the DER.
- 9-4 The proponent shall submit a copy of the documentation required by condition 9-2 and the peer review required by 9-3 to the DER with the application for the Works Approval.

Notes

The following notes are provided for information and do not form a part of the implementation conditions of the Statement:

- The proponent for the time being nominated by the Minister for Environment under section 38(6) of the *Environmental Protection Act 1986* is responsible for the implementation of the proposal unless and until that nomination has been revoked and another person is nominated.
- If the person nominated by the Minister, ceases to have responsibility for the proposal, that person is required to provide written notice to the Environmental Protection Authority of its intention to relinquish responsibility for the proposal and the name of the person to whom responsibility for the proposal will pass or has passed. The Minister for Environment may revoke a nomination made under section 38(6) of the *Environmental Protection Act 1986* and nominate another person.
- To initiate a change of proponent, the nominated proponent and proposed proponent are required to complete and submit *Post Assessment Form 1 – Application to Change Nominated Proponent*.
- The General Manager of the Office of the Environmental Protection Authority was the Chief Executive Officer of the Department of the Public Service of the State responsible for the administration of section 48 of the *Environmental Protection Act 1986* at the time the Statement was signed by the Minister for Environment.

ANAEROBIC DIGESTION OPTION

Schedule 1

Table 1: Summary of the Proposal

Proposal Title	EMRC Resource Recovery Facility
Short Description	The proponent proposes to construct and operate a resource recovery facility for the processing of waste to produce compost and biogas using anaerobic digestion technology. The biogas would be burnt in gas engines to produce electricity.

Table 2: Location and authorised extent of physical and operational elements

Element	Location	Authorised Extent
Resource Recovery Facility and associated infrastructure	Site E, Red Hill (Figure 1)	Clearing of up to 0.85 ha of remnant vegetation.
Waste types accepted for processing:		The organic fraction of municipal solid waste from either a source separated collection system or from the rubbish bin using the mechanical separation designed into the facility.
Excluded wastes: <ul style="list-style-type: none"> • Wastes with heavy metal concentrations greater than the requirements for Class III landfill • 'Scheduled' wastes such as polychlorinated biphenyls and organochlorines • Asbestos • Highly corrosive or toxic liquids or gases such as strong acids or chlorine or fluorine • Radioactive waste • Explosives • Materials already deposited in the onsite landfill 		Not to be processed.
Quantity of waste to be processed:		Up to 150,000 tpa.
Odour concentration emitted from biofilter:		Less than 500 odour units.
Building under negative pressure:		Waste may only be accepted while the building is being maintained under negative pressure.
Fast Acting Doors:		Waste may only be accepted while the Fast Acting Doors are fully operational.

Figures

Figure 1 Development envelope and locations of sensitive receptors surrounding the Red Hill Waste Management Facility

GASIFICATION OPTION

Schedule 2

Table 1: Summary of the Proposal

Proposal Title	EMRC Resource Recovery Facility
Short Description	The proponent proposes to construct and operate a resource recovery facility for the processing of waste to produce steam using gasification technology. The steam would be used in a steam turbine to produce electricity.

Table 2: Location and authorised extent of physical and operational elements

Element	Location	Authorised Extent
Resource Recovery Facility and associated infrastructure	Site E, Red Hill (Figure 1)	Clearing of up to 0.85 ha of remnant vegetation.
Waste types accepted for processing:		Municipal solid waste from the rubbish or residual bins of a two bin or three bin collection system.
Excluded wastes: <ul style="list-style-type: none"> • Wastes with heavy metal concentrations greater than the requirements for Class III landfill • 'Scheduled' wastes such as polychlorinated biphenyls and organochlorines • Asbestos • Highly corrosive or toxic liquids or gases such as strong acids or chlorine or fluorine • Radioactive waste • Explosives • Materials already deposited in the onsite landfill 		Not to be processed.
Quantity of waste to be processed:		Up to 200,000 tpa.

Figures

Figure 1 Development envelope and locations of sensitive receptors surrounding the Red Hill Waste Management Facility

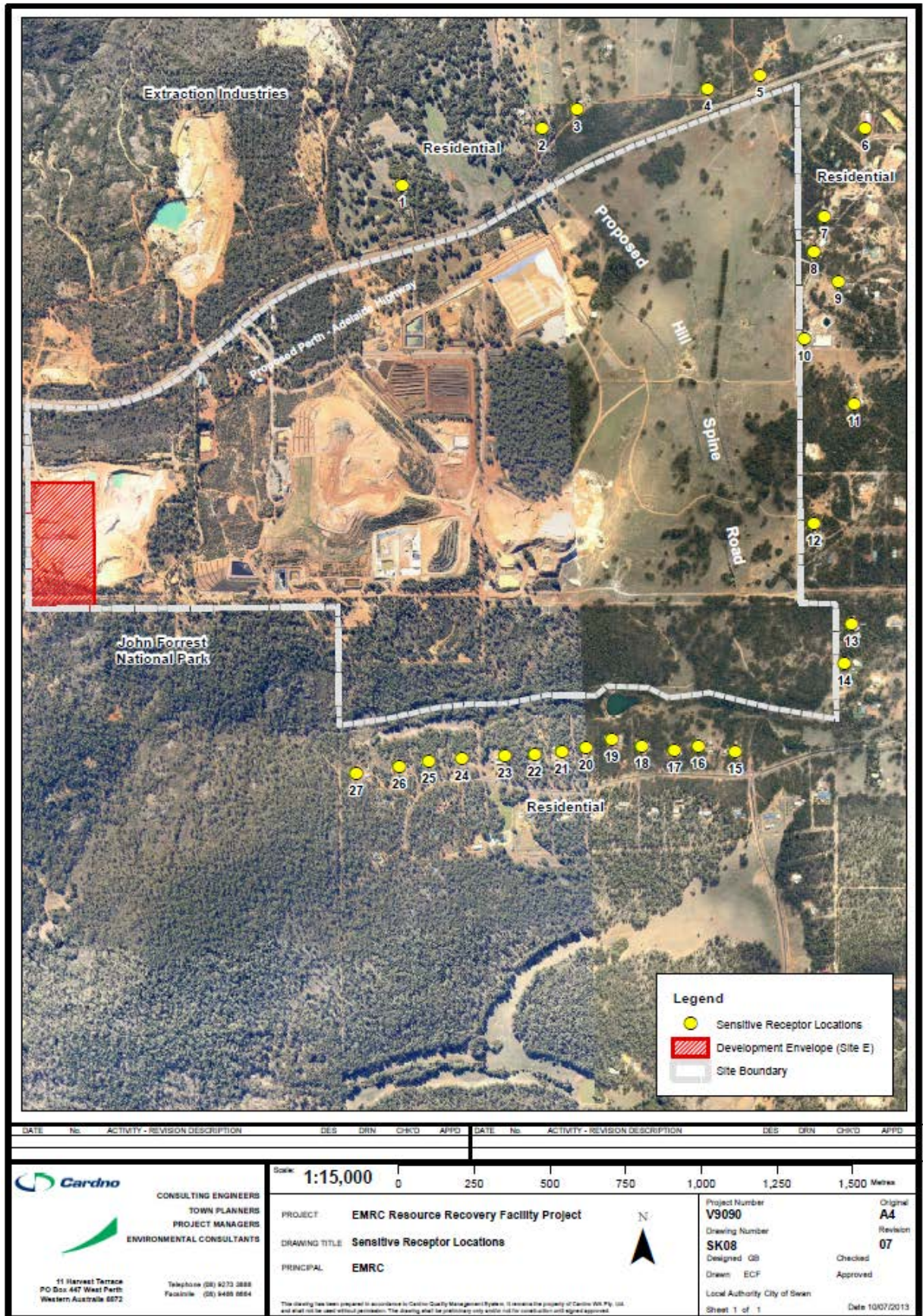


Figure 1: Development envelope and locations of sensitive receptors surrounding the Red Hill Waste Management Facility

Schedule 3

Term or Phrase	Definition
CEO	The Chief Executive Officer of the Department of the Public Service of the State responsible for the administration of section 48 of the <i>Environmental Protection Act 1986</i> , or their delegate.
Criteria pollutants	Key air pollutants set by the National Environment Protection Measure for Ambient Air Quality, which includes carbon monoxide, ozone, sulphur dioxide, nitrogen dioxide, lead and particles (PM ₁₀).
DER	Department of Environment Regulation
EPA	Environmental Protection Authority
EP Act	<i>Environmental Protection Act 1986</i>
ha	hectare
Odour unit	The concentration of odorant(s) at standard conditions that elicits a physiological response from a panel (detection threshold) equivalent to that elicited by one Reference Odour Mass (ROM), evaporated in one cubic metre of neutral gas at standard conditions.
tpa	Tonnes per annum

Appendix 5

Summary of Submissions and Proponent's Response to Submissions

N.B. This appendix was not provided by the EPA.



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

Item 14.1 Resource Recovery Facility, Red Hill – Tender Process was dealt with earlier in the meeting at Item 9 Announcement Of Confidential Matters For Which Meetings May Be Closed To The Public

RECOMMENDATION (Closing meeting to the public)

That the meeting be closed to members of the public in accordance with Section 5.23(2)(c) of the Local Government Act for the purpose of dealing with matters of a confidential nature.

RRC RESOLUTION

MOVED CR FÄRDIG

SECONDED CR LINDSEY

THAT THE MEETING BE CLOSED TO MEMBERS OF THE PUBLIC IN ACCORDANCE WITH SECTION 5.23 (2) (C) OF THE LOCAL GOVERNMENT ACT FOR THE PURPOSE OF DEALING WITH MATTERS OF A CONFIDENTIAL NATURE.

CARRIED UNANIMOUSLY

The doors of the meeting were closed at 5:05pm and members of the public departed the Council Chambers.

Ms Booth departed the meeting at 5:05pm.

The Director Waste Services, Director Corporate Services, Manager Engineering/Waste Services, Project Engineer – Resource Recovery, Mr Dan Dragovich, Mr Wade Dunstan, Mr John King and the Administration Officer (Minutes) remained in Council Chambers.



14.1 RESOURCE RECOVERY FACILITY, RED HILL – TENDER PROCESS

REFERENCE: COMMITTEES-16044

This item is recommended to be confidential because it contains matters of a commercial-in-confidence nature.

The Committee considered the Confidential Item circulated with the Agenda under Separate Cover.

RECOMMENDATION [Meeting re-opened to the public]

That the meeting be re-opened, the members of the public be invited to return to the meeting and the recommendations passed behind closed doors be recorded.

RRC RESOLUTION

MOVED CR FÄRDIG

SECONDED CR LINDSEY

THAT THE MEETING BE RE-OPENED, THE MEMBERS OF THE PUBLIC BE INVITED TO RETURN TO THE MEETING AND THE RECOMMENDATIONS PASSED BEHIND CLOSED DOORS BE RECORDED.

CARRIED UNANIMOUSLY

The doors of the meeting were re-opened at 5:35pm and members of the public returned to Council Chambers.

Recording of the recommendations passed behind closed doors, namely:

14.1 RESOURCE RECOVERY FACILITY, RED HILL – TENDER PROCESS

REFERENCE: COMMITTEES-16044

RRC RECOMMENDATION(S)

MOVED CR FÄRDIG

SECONDED CR LINDSEY

THAT:

1. THE CURRENT EXPRESSION OF INTEREST/TENDER PROCESS FOR THE EMRC RESOURCE RECOVERY FACILITY (EOI 2009-10) BE CANCELLED AND ACCEPTABLE TENDERERS ADVISED ACCORDINGLY.
2. COUNCIL CONTINUE WITH THE RESOURCE RECOVERY PROJECT IMPLEMENTATION.
3. THE REPORT REMAINS CONFIDENTIAL AND IS CERTIFIED BY THE CHAIRMAN AND CEO.

CARRIED UNANIMOUSLY



15 FUTURE MEETINGS OF THE RESOURCE RECOVERY COMMITTEE

The next meeting of the Resource Recovery Committee will be held on **Thursday, 10 October 2013 (if required)** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 5:00pm.

Future Meetings 2013

Thursday	10	October (if required)	at	EMRC Administration Office
Thursday	21	November	at	EMRC Administration Office

16 DECLARATION OF CLOSURE OF MEETING

There being no further business, the Chairman declared the meeting closed at 6:12pm.



**15.3 AUDIT COMMITTEE MEETING HELD 5 SEPTEMBER 2013
(REFER TO MINUTES OF COMMITTEE – PINK PAGES)
REFERENCE: COMMITTEES-15975**

The minutes of the Audit Committee meeting held on **5 September 2013** accompany and form part of this agenda – (refer to pink section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invite general questions from members on the report 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 15.3).

COUNCIL RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR LINDSEY

THAT COUNCIL ADOPTS THE RECOMMENDATIONS IN THE AUDIT COMMITTEE REPORT (SECTION 15.3).

CARRIED UNANIMOUSLY

AUDIT COMMITTEE**MINUTES****5 September 2013****(REF: COMMITTEES-15975)**

A meeting of the Audit Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 5 September 2013**. The meeting commenced at **6:30pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Acting Chairman, opened the meeting at 6:30pm and welcomed Mr Terry Tan and Mr Mit Gudka from Macri Partners along with Mr James Cottrill from Stantons International.

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

Councillor Attendance

Cr David Färdig (Acting Chairman)	EMRC Member	City of Swan
Cr Gerry Pule	EMRC Member	Town of Bassendean
Cr Frank Lindsey	EMRC Member	Shire of Kalamunda
Cr Tony Cuccaro (Deputising for Cr Pilgrim)	EMRC Member	Shire of Mundaring

Apologies

Cr Janet Powell (Chairman)	EMRC Member	City of Belmont
Cr Graham Pittaway OAM	EMRC Member	City of Bayswater
Cr Alan Pilgrim	EMRC Member	Shire of Mundaring

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 Terry Tan	Macri Partners
Mr Mit Gudka	Macri Partners
Mr James Cottrill	Stantons International

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 6 JUNE 2013

That the Minutes of the Audit Committee meeting held 6 June 2013, which have been distributed, be confirmed.

AC RESOLUTION(S)

MOVED CR PULE

SECONDED CR LINDSEY

THAT THE MINUTES OF THE AUDIT COMMITTEE HELD ON 6 JUNE 2013, 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 INTERNAL AUDIT REPORT PROGRAMME 2012/2013

REFERENCE: COMMITTEES-15976

PURPOSE OF REPORT

The purpose of this report is to present the Audit Committee (AC) with the internal audit report of the 2012/2013 internal audit programme.

KEY ISSUES AND RECOMMENDATION(S)

- At the September 2011 round of meetings, Council endorsed a four year internal audit programme consisting of 16 auditable areas.
- This year represents the second year of the internal audit programme which commenced in May 2013 for the Accounts Payable, Corporate Governance, Grant Management and Risk Management audit areas.
- The internal audit report covering each of the above areas is attached and has been assessed with overall ratings of very good and no major issues identified.

Recommendation(s)

That Council notes the internal audit report forming the attachment of this report.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

At the Audit Committee (AC) meeting held on 22 September 2011 (Ref: Committees-13105), the Committee endorsed a four year audit programme, which was subsequently adopted by Council at its meeting of 22 September 2011.

The four year programme consists of:

Auditable Area	Year			
	2011/2012	2012/2013	2013/2014	2014/2015
Contract Management	✓			
IT General Controls	✓			
Payroll	✓			
Procurement	✓			
Accounts Payable		✓		
Corporate Governance		✓		
Grants Management		✓		
Risk Management		✓		
Human Resource Management			✓	



Item 11.1 continued

Auditable Area	Year			
	2011/2012	2012/2013	2013/2014	2014/2015
Waste Management			✓	
Accounts Receivable			✓	
Records Management			✓	
Investment Policies				✓
Taxation				✓
Project Planning				✓
IT Vulnerability Assessment				✓

REPORT

The internal audit programme for this year commenced in May 2013 for the following audit areas, specifically:

- Accounts Payable;
- Corporate Governance;
- Grant Management; and
- Risk Management.

The overall assessments of the quality of management controls for the Accounts Payable, Corporate Governance and Grant Management audit areas were very good with no issues identified.

As the EMRC is currently in the process of transitioning to a new computerised risk management system which is ISO 31000:2009 compliant, the Internal Auditor has not provided an assessment of the quality of management control for the Risk Management audit area.

The report for the 2012/2013 internal audit programme is attached.

Arrangements have been made for a representative of the EMRC's internal auditors, Stantons International, to be in attendance at the meeting to give an overview of their findings and address any queries the Audit Committee may have.

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 annual budget provides for the internal audit function.

Stantons International

Chartered Accountants and Consultants

**EASTERN METROPOLITAN REGIONAL COUNCIL
Internal Audit Report**

August 2013

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1.0 SUMMARY OF FINDINGS

Auditable Area	Summary of Findings
Accounts Payable	There were no findings identified with regards to Accounts Payable.
Grant Management	There were no findings identified with regards to Grants Management
Risk Management	We identified that most of the risks reviewed in the risks register only indicated that there was only one cause and one control for each risk cause identified. In our assessment the risk appeared to have more than one cause. In reality the risks are likely to have more than one cause and one control designed to reduce the overall impact of the risk to acceptable levels should they occur
Corporate Governance	There were no findings identified with regards to Corporate Governance

2.0 AUDITABLE AREAS

The 2012- 13 Internal Audit was related to the following auditable areas:

- Accounts Payable
- Grant Management
- Risk Management
- Corporate Governance

Refer to section 4.0 for the detailed scope and objectives related to each broad auditable area listed above.

3.0 RISK RATINGS AND INTERPRETATION

Risks Rating	Rating Interpretation	Suggested timing of implementing recommendations
CRITICAL	<i>The finding poses a severe risk to the organisation if not appropriately and timely addressed</i>	<i>Commence remedial action immediately</i>
MAJOR	<i>The finding poses significant risk to the organisation if not appropriately and timely addressed.</i>	<i>Commence remedial action within 3 months</i>
MODERATE	<i>The finding poses less significant risk to the organisation if not appropriately and timely addressed.</i>	<i>Commence remedial action within 6 months</i>
MINOR	<i>The finding poses minimal risk to the organisation If not appropriately and timely addressed, the risk may develop more or cause other risks to develop</i>	<i>Commence remedial action within 12 months</i>

Inherent Limitations

Because of the inherent limitations of any internal control structure it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An Audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Liability limited by a scheme approved under Professional Standards Legislation.

4.0 SUMMARY OF OBSERVATIONS

The sections below provide a summary of the areas assessed in our audit fieldwork.

4.1 ACCOUNTS PAYABLE

4.1.1 Quality of Management Control

<u>Quality of Management Control:</u>	<input type="checkbox"/>	Excellent	<u>Overall Risk</u>	Low	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	Very Good	<u>Exposure</u>	Medium	<input type="checkbox"/>
	<input type="checkbox"/>	Satisfactory	(considering	High	<input type="checkbox"/>
	<input type="checkbox"/>	Needs Improvement	controls in place)		
	<input type="checkbox"/>	Unsatisfactory			

4.1.1 Scope and Objectives

<u>Audit Scope</u>	<p>The scope of this audit covered the following:</p> <ol style="list-style-type: none"> 1. Local Government (Financial Management) regulations 1996 (r.11) 2. Local Government (Functions and General) regulations 1996 (r.11A) 3. Purchases in compliance with purchasing policy 4. Segregation of duties in both manual and electronic processing environments 5. Timeliness of payments of accounts 6. Payments within financial delegation 7. Prevention and detection of unauthorised payments (duplicates, overpayments and fictitious payments) 8. EMRC reconciliation process.
---------------------------	---

<u>Audit Objectives:</u>	<p>The objectives of the audit were to review processes over:</p> <ol style="list-style-type: none"> 1. Compliance with the Local Government regulations and internal policies. 2. Existence, effectiveness and adequacy of controls in relation to the Purchasing and Accounts Payable function at EMRC.
---------------------------------	---

4.1.2 Detailed Audit Assessment

We performed audit procedures to determine the adequacy and appropriateness of controls in relation to the Accounts Payable financial cycle. This function is responsible for facilitating activities to do with purchasing and payments to suppliers for goods and services obtained by EMRC to achieve its daily operational objectives. Like any other activities with EMRC, controls are dictated by policies and procedures which are reflective of the Act and the regulations. As such our audit assessed the Accounts Payable function for compliance with the appropriate sections of the relevant legislation. *Local Government (Financial Management) Regulations 1996* 'Payment of Accounts' (r.11) provides for both the Purchasing policy and requirements for payments of accounts. Our assessment of the policy with regards to accounts payable indicated that it is a well-structured and detailed policy that provided for segregation of payment thresholds based on monetary values. It provides for further instructions on other purchasing provisions such as purchasing for contracted services.

Further detailed tests were performed to ensure that the provisions of the regulations and statement of the policy are well implemented. Tests were based on a sample extracted from a population of expenses incurred in the financial year (1 July 2012 to the time of the audit in April 2013). Below are the audit tests performed to determine if:

- Invoice/Document is addressed to EMRC and has been approved by an authorising officer
- Remittance advices agree to the corresponding invoice and other relevant documentation
- Invoices for services rendered were paid on a timely manner (within 30 days)
- GST was appropriately accounted for
- Purchase orders were raised where applicable and that details on the purchase order agreed to the invoice
- Invoice has been coded and signed by authorising officer
- Supporting documentation has been stamped 'POSTED', dated and signed
- Expenditure relates to EMRC or expenditure occurred within EMRC's policies.

In addition to the tests performed above, we determined the adequacy of controls around expenditure for:

Segregation of duties

We independently obtained the Synergysoft user access list from and assessed for compliance with policy delegations of authority. We assessed also to determine if Finance had the capability to change delegations of authority in the system. It was pleasing to note that only the IT section had the authority and capability to change any access/authority to different parts of the Synergysoft system at EMRC. Only the finance team has access to the creditors listing, and any changes to the creditors listing has to be approved by the finance team leader or the finance manager. Further review of segregation of duties indicated that an authorising officer has the ability to both raise a requisition and convert it to a purchase order provided it is below their credit limit. This does not pose any risk given the existing controls in place but may need to be reviewed for appropriateness.

Duplicate invoice testing

Using one of the invoice numbers from our sample of expenditure for testing purchases and payments above, we tested the Synergysoft system's ability to detect and report on duplicate invoices. We attempted to process the same invoice number into the Synergysoft system. A notification came up on screen in red stating this invoice number has been used and would not let us process the invoice into the system again confirming the controls in place.

Authority around bank payments

We assessed controls around the disbursements of funds to ensure that only appropriate persons are listed on the system for authorising payments. We also assessed this appropriateness by tracing the listed personnel to the payment documents. There were no issues noted.

In general we noted the controls around Accounts Payable have been implemented effectively by staff.

4.2 GRANT MANAGEMENT

4.2.1 Quality of Management Control

<u>Quality of Management Control:</u>	<input type="checkbox"/>	Excellent	<u>Overall Risk</u>	Low	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	Very Good	<u>Exposure</u>	Medium	<input type="checkbox"/>
	<input type="checkbox"/>	Satisfactory	(considering	High	<input type="checkbox"/>
	<input type="checkbox"/>	Needs Improvement	controls in place)		
	<input type="checkbox"/>	Unsatisfactory			

4.2.1 Scope and Objectives

<u>Audit Scope</u>	<p>The scope of this audit covered the following:</p> <ol style="list-style-type: none"> 1. Existence of effective grant program guidelines and procedures 2. Administering approved grants 3. Compliance with the terms of the grant agreement 4. Effectiveness of the grant administration processes which include: <ul style="list-style-type: none"> • Assessment • Approval • Execution and service delivery • Monitoring • Reporting. 5. Determination of appropriateness of expenditure of grant monies 6. Recordkeeping of all grant related records.
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<u>Audit Objectives:</u>	<p>The objective of the audit was to review the processes over the management of grants within the Council and determine if the controls were effective.</p>
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4.1.2 Detailed Audit Assessment

Incoming Grants

We performed audit procedures to determine the adequacy and appropriateness of controls in relation to Incoming Grants. We based our testing around EMRC's Business Management Systems (BMS) to ensure there were effective controls in place to monitor the grants effectively.

From the business management systems we performed the following tests on a sample of grants awarded during the year:

1. Grant Application Process

With regards to the grant application process our audit assessed to determine if:

- Project Officer/Admin Officer has created a grant file for contract records
- Appropriate Project Officer has reviewed grant requirements
- Project Officer/Admin Officer has developed a grant application plan
- Sighted written Grant Application.

2. Grants Management Process

We assessed the grants management process by:

- Evidencing that notification of successful grant application has been received
- Sighting evidence that contract/grant funder requirements have been reviewed and signed
- Identifying if there were any variations to the original contract. If any, we further assessed to ensure appropriate steps have been followed
- Sighting evidence that contract was signed off by either the CEO or their delegate as required
- Reviewing evidence that Grant project was implemented in accordance with project plan
- Sighting evidence that the Project Officer was managing contract reporting and invoicing.

3. Grants Acquittal Process

We assessed the acquittal process by:

- Obtaining evidence that EMRC has written to relevant grant body submitting the acquittal documentation
- Evidencing that a grant register has been updated once the grant file has been closed off.

We noted all required documentation was filed accordingly and acquittals were performed appropriately as required. We based the majority of our testing around the BMS and it is useful to note that the BMS was developed as guidelines rather than a set procedure. While there are no issues, we recommend that EMRC adopts the BMS as the guideline for grants management.

Outgoing Grants

We performed audit procedures to determine the adequacy and appropriateness of controls in relation to Outgoing Grants. Through discussions with staff and review of files, we noted that a budget to provide \$15,000 worth of grants in the 2012/13 period exists. As there was no Project Completion reports complete for the 2012/13, we tested the 2011/12 grants for completion testing. For the period 2012/13, nine grants were approved and the total funding granted came to a total of \$13,076.

All the approved community groups are required to follow the EMRC Community Grants Program Guidelines. If the community group breached any of the conditions in the

guidelines, EMRC can terminate the arrangement at any time and without giving the community group any prior notice.

Tests were conducted for a sample of grants around the Community Grants Program Guidelines which included;

1. Assessment:

We assessed for the assessment of grants to ensure:

- Application was fully completed and signed by two applicants (one being the president or equivalent of the organisation)
- Applicant had an ABN number, or states a reason for not having one
- Applicant related to one of the following regions: Gidgegannup, Hovea, Parkerville, and/or Stoneville area
- Grant was intended to be used for any of the following categories: recreational, social, cultural/community, and/or sustainability
- Intended expenditure of grant was in line with EMRC guidelines
- Quotes were presented on application.

2. Approvals

We assessed for the approval process of grants to ensure:

- Grant Evaluation Forms were fully completed
- Evidence of grant acceptance letter was maintained
- Grant acceptance letter was signed by the CEO.

3. Grant Payments

We assessed the adequacy of payment process controls of grants through:

- Tracing approved grants to the general ledger of the Synergysoft system
- Verifying that the need for payment was authorised/entered by the program manager
- Ensuring all amounts have been processed in the correct accounting period
- Ensuring all coding was correct
- Mathematical accuracy was achieved.

4. Project Completion Report

Our audit also tested the project completion reports for these projects to ensure:

- Project Completion Reports were filled out
- Project Completion Report were signed by two of the applicants (one being the president or equivalent of the organisation)
- Project Completion Report showed all supporting documentation on how grant monies were spent
- Expenditure is in line with EMRC guidelines
- Evidence was in the Project Completion Report that shows the applicant publically acknowledged the support from EMRC.

We noted the records management was very well maintained and compliance with the Community Grants Program Guidelines were excellent. There were no issues noted.

4.3 RISK MANAGEMENT

4.3.1 Quality of Management Control

Quality of Management Control:	<input type="checkbox"/>	Excellent	Overall Risk	Low	<input type="checkbox"/>
	<input type="checkbox"/>	Very Good	Exposure	Medium	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	Satisfactory	(considering	High	<input type="checkbox"/>
	<input type="checkbox"/>	Needs Improvement	controls in place)		
	<input type="checkbox"/>	Unsatisfactory			
	<input checked="" type="checkbox"/>	N/A	–		
		Transitioning to a new system.			

Note: EMRC has put in place a new computerised risk management system which by design is appropriate. Effectiveness of the risk management process will be assessed after the new system has been used for at least twelve months from the date of commissioning.

4.3.1 Scope and Objectives

<u>Audit Scope</u>	<p>The scope of this audit covered:</p> <ul style="list-style-type: none"> ▪ EMRC's risk management framework ▪ Risk register ▪ ISO 31000:2009 risk management standard.
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<u>Audit Objectives:</u>	<p>The objectives of the audit were to review the processes over:</p> <ul style="list-style-type: none"> • EMRC's risk management and to evaluate the adequacy, appropriateness and effectiveness of controls using key elements of ISO 31000:2009 as a baseline • Management review and reporting.
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4.1.2 Detailed Audit Assessment

Policies and Procedures

Policies and procedures provide guidance on the direction and expected way of managing business activities. They address and fill in the “what”, “who” “how”, “when” and “where” requisitions demanded of those tasked to carry out activities required to achieve objectives. With regards to risk management, the Standard provides guidance on the minimum expectations required of a good risk management policy (the policy). The Standard requires the following minimum requirements for a good risk management policy:

1. The organisation's rationale for managing risk
2. Links between the organisation's objectives and policies and the risk management policy
3. Accountabilities and responsibilities for managing risk

4. The way in which conflicts of interest are dealt with
5. Commitment to make the necessary resources available to assist those accountable and responsible for managing risk
6. The way in which risk management performance will be measured and reported
7. Commitment to review and improve the risk management policy and framework periodically and in response to an event or change in circumstance.

We performed a detailed assessment of EMRC's risk management policy to determine the level of compliance with the requirements listed above. It was pleasing to note that the policy is well documented and covers all the aspects of specified in the Risk Management Standard. Notably, the policy also quotes the standard as the primary matter of guidance with regards to risk management. There were no issues identified.

Risk Assessment

Section 5.4 of the standard provides guidance on risk assessment processes that enable organisations to achieve an effective risk assessment process. EMRC's annual risk identification, assessment and evaluation process workflow identifies the assessment process in conjunction with the Standard. Our audit assessed the effectiveness with which EMRC implemented the elements of the risk assessment process to ensure risks impacting on achieving objectives are identified and dealt with. Below are the risk assessment elements:

- Risk Identification
- Risk Analysis
- Risk Evaluation
- Risk Treatment.

We assessed each of the above elements to determine their effectiveness in complying with the Standard taking into account the nature of the EMRC's business and operating environment. Refer to the sections below for more detail.

Risk Identification

EMRC's Risk Management Plan, dated December 2011 provides that "The EMRC will develop procedures to assist with the efficient and consistent preparation of Risk Registers and Risk Treatment Plans across the organisation. These procedures will follow the risk assessment process outlined in AS/NZS/ISO 31000 and so enables the application of that Standard to the organisation's operations. Historically, EMRC used biennial Risk Surveys as the primary process to identify and assess its key risk exposures. Since March 2013, risk identification is now part of the annual business plan where the item of risk is captured within the strategic planning process. This is supplemented with annual workshops and meetings run by the Manager Risk Management to cover the Red Hill and Hazelmere operations.

Section 5.4.2 of the standard requires an organisation to "*generate a comprehensive list of risks based on those events that might create, enhance, prevent, accelerate or delay the achievement of objectives*" and "*people with the appropriate knowledge should be involved in identifying risks*".

Our audit sees the risk identification process as the most important aspect of risk assessment. The application of all other aspects for risk assessment is dependent on the accuracy and completeness with which risks are identified. Implementing rigour in risk identification is the key to effective risk management. We identified that the newly adopted method is adequate by design. The effectiveness of this approach has not been assessed as it was still new at the time of the audit. It is important to state that EMRC is in the process of automating its risk management process through the use of a customised risk management system, a module in the existing Synergysoft system. The risk management system is AS/NZS/ISO 31000:2009 compliant and is intended to support a centralised risk management process within EMRC.

Risk Analysis

Section 5.4.3 of the Standard specifies that *“Risk analysis provides an input to risk valuation and risk decision on whether the risk needs to be treated, and the most appropriate risk treatment strategies and methods”*.

Our audit analysed the risk register to determine existence and application of the risk analysis tools and techniques. The EMRC Risk Management Plan provides Risk Assessment Criteria which consists of appropriate reference tables. We assessed the risks in the risk register to determine the adequacy of the implementation of the risk assessment criteria. Our audit also aimed to identify any documented analyses which could detail all the consequences and likelihood (with possible reasoning for likelihoods) of identified risks. There were no issues noted with risk analysis.

Risk Evaluation and Risk Treatment

Section 5.4.4 of the Standard articulates that the *“The purpose of risk evaluation is to assist in making decisions, based on the outcome of risk analysis, about which risk needs treatment and the priority for treatment implementation”*. The Standard also states that each risk should be allocated to an owner whose responsibilities, among others, is to accept and sign-off on the risk and perform regular review of the risk.

Our audit was designed to review the documented risk evaluation process in relation to risks in the risk register. The review was meant to determine the adequacy and effectiveness of risk evaluation for all identified risks. Our review noted that at the time of the audit, EMRC was transitioning into a new and centralised risk management process using Synergysoft as noted under the “Risk identification” section above. The design of the system indicates that it has the capability of addressing issues regarding risk treatment action plans raised above. As such, there were no issues noted.

Design and Operating Effectiveness of Controls

The design of controls is essential in mitigating against the severity of risk consequences. Our audit assessed the controls to determine if:

1. A clear description of the control was present
2. If the described controls was sufficient to prevent the identified cause or causes
3. Controls were assessed for operating effectiveness
4. Risks rating were adjusted as a result of assessing controls.

In relation to the above, our audit noted the finding below.

Findings

We identified that most of the risks reviewed in the risks register only indicated that there was only one cause and one control for each risk cause identified. In our assessment the risk appeared to have more than one cause. In reality the risks are likely to have more than one cause and one control designed to reduce the overall impact of the risk to acceptable levels should they occur

Risks

Risk Rating: Moderate

1. In the absence of an adequate identification of a number of causes for each risk, including adequate controls against any risk cause, there is always a risk that identified risks which seem to have adequate controls may still continue to pose significant risk exposure to EMRC.

Recommendations

1. EMRC may develop a targeted controls assessment mechanism for assessing the effectiveness of controls assigned to mitigate the impact of risks should they occur. Both Internal and External Audit (for external auditors this is applicable to the extent of processes that directly impact on financial reporting) can also be used specifically to target certain controls and report on their design and operating effectiveness. Such reports will then be useful in reassessing the risk rating.

It is important to note that this issue may be addressed by the new computerised risk management system as the design of the new system appear to have the required parameters for fully identifying all possible risk causes and assigning appropriate controls to mitigate against the overall impact of the risks should it occur.

Management Comments

We agree that it is imperative to ensure that nominated risk controls assessment mechanism are in place to mitigate the impacts of the risks identified should they occur. It has been identified by the EMRC Risk Steering Group that this issue was exacerbated by the lack of a computerised-based approach to identify, implement controls and manage the risk in a systematic approach.

Consequently, the EMRC has commenced and is in the process of implementing ISO-compliant risk management software that will address the issues identified.

Responsible Officer

Manager Risk Management

Target completion date

30 June 2014

Resourcing

The standard requires a “Commitment to make the necessary resources available to assist those accountable and responsible for managing risk”. In light of this requirement, our audit determined the adequacy and existence of those resources accountable and responsible for managing risks. The risk Management Plan provides under section 3.3 *Risk Management Structure and Responsibilities* the resources available to manage risks. It is pleasing to note that the following resources have been assigned the responsibilities for managing risks:

- All staff
- Business Unit Managers
- Risk Management Steering Group (RMSG)
- Audit Committee.

Apart from the resources above, we also assessed to determine if training and awareness is regularly provided to employees. The Risk Management Plan provides that “Within this framework, training will provide appropriate tools and practices for the effective management of risks.” It is important to note that EMRC has positively identified the importance of training with regards to risk management. The EMRC has a Risk Steering group that meets regularly and is made up of the CEO, Directors, Site Manager Red Hill and Manager Risk Management. Our audit considers this adequate. There were no issues identified.

4.4 CORPORATE GOVERNANCE

4.4.1 Quality of Management Control

<u>Quality of Management Control:</u>	<input type="checkbox"/>	Excellent	<u>Overall Risk</u>	Low	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	Very Good	<u>Exposure</u>	Medium	<input type="checkbox"/>
	<input type="checkbox"/>	Satisfactory	(considering	High	<input type="checkbox"/>
	<input type="checkbox"/>	Needs Improvement	controls in place)		
	<input type="checkbox"/>	Unsatisfactory			

4.4.2 Scope and Objectives

<u>Audit Scope</u>	The scope of this audit will focus on the reliability and integrity of information, compliance, and achievement of objectives in relation to the corporate governance processes.
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<u>Audit Objectives:</u>	<p>The objectives of this audit was to review the processes over:</p> <ol style="list-style-type: none"> I. Reliability and Integrity of Information <ul style="list-style-type: none"> • Provision of information to the Council (relevant, timely, accurate and concise information). II. Compliance <ul style="list-style-type: none"> • Processes in place to monitor organisational compliance with applicable legislation • Compliance with Local Governance Act 1995 – Part 2 has been complied with. III. Achievement of Objectives <ul style="list-style-type: none"> • Determine how the Council assesses its own performance • Determine how the Council assesses the performance of the organisation. IV. Good corporate governance practices in accordance to the AS8000:2003 standard
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4.4.3 Detailed Audit Assessment

A number of recommendations on corporate governance best practice generally exist to support effective monitoring for those responsible for organisational oversight. There are no Local Government specific written recommendations or standards on corporate governance. We performed an audit of EMRC's Corporate Governance practices by applying best practice guidelines as baseline standards. The Australian Stock Exchange (ASX) and the Public Sector Commission (PSC) provide best practice recommendations and general guidelines on corporate governance. More pertinent to our audit was the definition of corporate governance stated in the ASX Corporate Governance Principles and Recommendations as "the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations." While this statement is more applicable to the corporations, our audit identified that it is equally applicable to the council hence we adopted a number of fundamentals against which the Council's effectiveness on Corporate Governance was assessed.

The strategic plan provides the general direction to which an organisation pursues its goals. It is the basis for allocating resources in a way that ensure effective and efficient use of such resources to achieve goals. Operational plans supports the strategic plans in providing more direct support to the activities required to move the organisation towards the goals. In relation to corporate governance, the existence of strategic and operational plans provides the definition of what is to be overseen by those tasked to do so, so the organisation can achieve its goals. Our audit assessed the existence and effectiveness of monitoring activities in place to ensure effective oversight.

Monitoring the control environment

Policies and procedures are developed to ensure minimal losses associated with any authorised activity are incurred by EMRC. Our audit assessed for the existence of a policy relevant to governance, specifically those that provide guidance on conduct to ensure conformity with requirements both legislative and non-legislative. We assessed if the Council had a code of conduct that sets out the expected conduct of its employees to ensure the level of compliance with all other policies and practices are followed. We assessed the code of conduct to determine if it covered the minimum expectations with regards to statement of practices that ensured integrity within the Council and clear statements of practice that provides for the accountability of individuals for reporting and investigating reports of unethical practices. It was pleasing to note that Council has a very comprehensive Code of Conduct. Among other things, the code of conduct covers the following:

- Details the objectives of code and role of members (primary role is to represent the community links with expectation to stakeholders)
- Details breaches and misconduct. EMRC's complaints officer is the CEO who will conduct the investigation for any unethical practices
- Members and employees behavior guidance
- Conflict of interests guidance (including disclosure requirements)
- Acceptance of gifts / and other personal benefits
- Conduct of members and employees.

Apart from the key policy regarding corporate governance above, the audit further assessed for the existence of policies that govern the conduct of the Councillors responsible for the oversight of the Council. The Establishment Agreement provides guidance on the key responsibilities of the councillors pursuant to the provisions of Part 2 of the *Local Government Act*. The existence of the Establishment Agreement was assessed to ensure it covered the requirements of the provisions of Part 2 of the Act which were within the control of EMRC. Our assessment did not reveal or identify any issues.

Internal and external reporting

Reporting is an integral part of monitoring the activities of the organisation to determine if there are any areas having an impact on achieving objectives. Reports provide information for timely decision making with regards to corrective and/or value adding course of actions. We assessed for the effectiveness of reporting on matters that are relevant to governance. As part of this assessment we also verified for the frequency of meetings in place to discuss any matters of significance identified by the reports on matters of governance. Pertinent to internal reporting was the existence and effectiveness of reporting on monitoring strategic objectives. The Strategic Plan sets out the strategic objectives which have a number of strategies attached to them. The strategies are carried out by business units through the interplan. The interplan is a summary of progress of actions against strategies listed in the Strategic Plan. This is reported to Council on a four monthly basis. Further discussion with key staff members indicated that reporting will be carried out on a quarterly basis. We also assessed for the existence of any external reporting that also further strengthens the aspect of governance. We identified that EMRC provides a Compliance Audit return to the Department of Local Government and Regional Development pursuant to regulation 14 of the Local Government (Audit) Regulation 1996: Compliance audits by local governments. There were no issues identified.

5.0 CONCLUSION

It was pleasing to note that controls around Accounts Payable, Corporate Governance and Grant Management were adequate and did not indicate any issues that warranted presentation in this report. EMRC is currently improving its risk management processes through the introduction of a centralised automated system. In our assessment, we were pleased by the current design and direction EMRC is taking towards Risk Management. Evidence obtained to date indicated that in its current design, the automated risk management is adequate. We however encourage that EMRC perform an independent post implementation review of the new centralised risk management system. The post implementation review includes assessing the appropriateness of take-up of the new system, training on the new environment, and effectiveness of risk Identification and the application of risk assessment processes embedded in the new system. It is also important to state that risk identification is part of the risk assessment process and all other processes are dependent on its effectiveness.



11.2 ANNUAL FINANCIAL REPORT AND AUDIT REPORT FOR YEAR ENDED 30 JUNE 2013

REFERENCE: COMMITTEES-16012

PURPOSE OF REPORT

To review and adopt Council's draft Annual Financial Report for the year ended 30 June 2013.

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 2012/2013 Financial Report and is attached for Council adoption.

Recommendation(s)

That:

1. Council adopts the audited Annual Financial Report for the year ended 30 June 2013 and the Independent Auditor's Report on that Annual Financial Report forming attachment 1 of this report.
2. Council notes the contents of the Interim Audit Report and the management comments provided in response 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 2012/2013 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
 Manager Financial Services

BACKGROUND

It is a requirement under s 6.4 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.

REPORT

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 11.2 continued

Council's auditor, Mr A Macri of Macri Partners has completed the audit of the Eastern Metropolitan Regional Council Annual Financial Report for the year ended 30 June 2013.

Attached is a copy of the audited Annual Financial Report for the year ended 30 June 2013 for recommendation to Council for adoption (refer Attachment 1).

The Auditor will be represented, as required by Clause 2.2 (e) of the Audit Committee Terms of Reference, when the Committee is reviewing the draft Annual Financial Report.

The following comments are provided on key elements of the financial results for 2012/2013:

Statement of Comprehensive Income (pg 6 - 7 of 50)

Total Revenue of \$46,967,388 as at 30 June 2013 is \$6,016,067 greater than the 2011/2012 actual revenue and \$4,369,816 below budget for 2012/2013.

Total Expenses of \$33,613,480 is \$6,084,418 greater than the 2011/2012 expenses and \$5,691,595 below budget for 2012/2013.

An actual profit of \$39,598 has resulted from the Disposal of Assets as at 30 June 2013 and is \$760,485 below the 2011/2012 actual profit of \$800,083 and \$125,490 below the budget for 2012/2013 of \$165,088.

The total change in Fair Value of Investments for the period ending 30 June 2013 is a realised gain of \$940,914 and an unrealised loss of \$21,862 compared to a realised gain of \$336,965 as at 30 June 2012. The realised gains from the change in fair value of investments represents the profit above book value from the sale of CDO's during the year.

Unrealised gains or losses represent a fair market 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 or losses on financial instruments will not be realised until such time as the individual investments are sold.

The changes in revaluation of non-current assets has resulted in a surplus of \$1,140,349 and relates to the revaluation undertaken during 2012/2013 on the Plant and Equipment class of assets.

Total Comprehensive Income of \$15,452,907 as at 30 June 2013 is \$893,600 above the level of 2011/2012 and \$3,255,690 above the 2012/2013 budget.

Statement of Financial Position (pg 8 - 9 of 50)

Current assets as at 30 June 2013 have increased by \$7,643,912 to \$58,486,183 from \$50,842,271 in 30 June 2012. This is primarily due to the increase in the level of cash and cash equivalents as well as an increase in Trade and Other Receivables.

The overall impact on cash and investments at the close of the financial year is an increase of \$6,867,515 to \$54,022,470 compared to the level of cash and investments from the previous year.

Current liabilities as at 30 June 2013 have increased by \$1,196,286 to \$6,638,779 compared to 30 June 2012.

The value of Reserves has decreased by \$2,380,775 to \$42,319,723 compared to the previous financial year. This is primarily attributable to the use of funds to purchase land and to construct the new Class III cell.

Overall equity has increased during the 2012/2013 financial year by \$15,452,908 to \$92,596,221.



Item 11.2 continued

Cash Flow Statement (pg 10 of 50)

The overall impact on the cash position at the end of the financial year is an increase of \$6,896,863 to \$54,022,470 from the previous corresponding period (2011/2012) of \$47,125,607.

Net Cash provided by Operating Activities of \$21,082,084 in 2012/2013 reflects an increase of \$5,635,989 from the cash generated in 2011/2012 of \$15,446,095.

The cash flows utilised in investing activities for 2012/2013 reflects capital expenditure totalling \$15,480,303 compared to capital expenditure totalling \$7,101,569 during 2011/2012.

Significant items of capital expenditure during the year included:

- Purchase Waste Management Land - Red Hill Waste Disposal Site (\$6,710,163);
- Construct Class III Cell Farm Stage 2 - Red Hill Landfill Facility (\$4,052,349);
- Purchase/Replace Plant - Red Hill Waste Management Facility (\$1,769,003);
- Purchase/Replace Plant - Hazelmere (\$606,377);
- Purchase of Vehicles - Ascot Place and Red Hill (\$554,880);
- Leachate Project - Red Hill Landfill Facility (\$519,701);
- Purchase Fire Fighting System/Equipment - Hazelmere (\$313,847);
- Purchase/Replace Minor Plant & Equipment - Red Hill Waste Management Facility (\$247,470); and
- Construct Hardstand and Road - Hazelmere (\$163,726).

Significant capital items that were budgeted but not purchased, constructed below budget or construction not completed during the year included (to the nearest thousand dollars):

- Resource Recovery Park - Hazelmere (\$3,680,396);
- Purchase/replace plant - Hazelmere facility (\$897,402);
- Information technology purchases - Ascot Place (\$579,716);
- Construct water storage dam - Red Hill Landfill Facility (\$490,960);
- Construction of roads/carparks - Red Hill Landfill Facility (\$485,000);
- Purchase/replace other equipment - Red Hill Landfill facility (\$271,310);
- Construct Class III Cell Stage 14(a) - Red Hill Waste Management Facility (\$270,000);
- Construct greenwaste processing area - Red Hill Landfill Facility (\$175,000);
- Construct Class III leachate pond - Red Hill Waste Management Facility (\$150,000);
- Purchase/replace security system - Red Hill Landfill facility (\$143,033).
- Construct siltation pond - Red Hill Landfill facility (\$130,000);
- Construct hardstand and road - Hazelmere (\$122,449);
- Construct perimeter bunds - Red Hill Landfill Facility (\$120,000);
- Purchase of Vehicles - Ascot Place (\$113,549);
- Construct stormwater control pond - Red Hill Landfill facility (\$100,000); and
- Construct perimeter fencing - Red Hill Landfill Facility (\$100,000).



Item 11.2 continued

Funding for the majority of the capital items listed above has been carried forward into the 2013/2014 financial year.

Reserves (pg 36 - 39 of 50)

At the end of the 2012/2013 financial year the amount held in Reserves (page 38 of 50, Note 17) decreased by \$2,380,775 to a balance of \$42,319,723. This compares favourably by \$1,276,672 to the 2012/2013 budget of \$41,043,051 due to higher than budgeted surpluses.

STRATEGIC/POLICY IMPLICATIONS

Addresses the following:

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 in 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 for 2012/2013.
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

1. Annual Financial Report for the Year Ended 30 June 2013 (Ref: Committees-16126)
2. Interim Audit Report for Year Ended 30 June 2013 (Ref: Committees-16127)

VOTING REQUIREMENT

Simple Majority



Item 11.2 continued

RECOMMENDATION(S)

That:

1. Council adopts the audited Annual Financial Report for the year ended 30 June 2013 and the Independent Auditor's Report on that Annual Financial Report forming attachment 1 of this report.
2. Council notes the contents of the Interim Audit Report and the management comments provided in response 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 2012/2013 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 gave a brief overview of the Annual Financial Results.

The Acting Chairman thanked and congratulated EMRC officers.

AC RECOMMENDATION(S)

MOVED CR PULE

SECONDED CR LINDSEY

That:

1. Council adopts the audited Annual Financial Report for the year ended 30 June 2013 and the Independent Auditor's Report on that Annual Financial Report forming attachment 1 of this report.
2. Council notes the contents of the Interim Audit Report and the management comments provided in response 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 2012/2013 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

COUNCIL RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR LINDSEY

THAT:

1. COUNCIL ADOPTS THE AUDITED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2013 AND THE INDEPENDENT AUDITOR'S REPORT ON THAT ANNUAL FINANCIAL REPORT FORMING ATTACHMENT 1 OF THIS REPORT.
2. COUNCIL NOTES THE CONTENTS OF THE INTERIM AUDIT REPORT AND THE MANAGEMENT COMMENTS PROVIDED IN RESPONSE 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 2012/2013 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 2013**

EASTERN METROPOLITAN REGIONAL COUNCIL**2012/2013 ANNUAL FINANCIAL REPORT****TABLE OF CONTENTS**

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STATEMENT BY CHIEF EXECUTIVE OFFICER



**For the Year Ended
30 June 2013**

EASTERN METROPOLITAN REGIONAL COUNCIL**FINANCIAL REPORT****FOR THE YEAR ENDED 30 JUNE 2013****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 2013 are in my opinion properly drawn up to present fairly the financial position of the Eastern Metropolitan Regional Council at 30 June 2013 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 27th day of August 2013



PETER B. SCHNEIDER
Chief Executive Officer

FINANCIAL REPORT



**For the Year Ended
30 June 2013**

EASTERN METROPOLITAN REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

BY PROGRAM	NOTE	ACTUAL 2012/2013 \$	BUDGET 2012/2013 \$	ACTUAL 2011/2012 \$
REVENUE				
Governance		94,324	301,443	57,406
General Purpose Funding		2,422,128	2,371,694	2,575,309
Community Amenities		42,825,808	46,903,101	36,954,974
Other Property and Services		1,625,128	1,760,966	1,363,632
TOTAL REVENUE		46,967,388	51,337,204	40,951,321
EXPENSES				
Governance		789,860	1,289,060	40,293
Community Amenities		28,419,164	32,541,820	23,019,671
Other Property and Services		4,404,456	5,474,195	4,469,098
TOTAL EXPENSES		33,613,480	39,305,075	27,529,062
INCREASE / (DECREASE)		13,353,908	12,032,129	13,422,259
DISPOSAL OF ASSETS				
Profit on Sale		48,158	165,088	805,991
Loss on Sale		(8,560)	0	(5,908)
PROFIT / (LOSS) ON DISPOSALS	22	39,598	165,088	800,083
REALISED/UNREALISED GAIN/(LOSS) FROM CHANGE IN FAIR VALUE OF INVESTMENTS				
General Purpose Funding	7(c)	919,052	0	336,965
GAIN / (LOSS)		919,052	0	336,965
NET RESULT		14,312,558	12,197,217	14,559,307
OTHER COMPREHENSIVE INCOME				
Changes in Revaluation of Non-Current Assets	12	1,140,349	0	0
TOTAL OTHER COMPREHENSIVE INCOME		1,140,349	0	0
TOTAL COMPREHENSIVE INCOME		15,452,907	12,197,217	14,559,307

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 2013

BY NATURE AND TYPE	NOTE	ACTUAL 2012/2013 \$	BUDGET 2012/2013 \$	ACTUAL 2011/2012 \$
REVENUE				
Fees and Charges	4	41,053,206	41,954,640	35,119,314
Grants, Subsidies and Contributions	5	2,364,866	5,267,033	1,949,618
Interest Earnings	2	2,422,128	2,371,694	2,575,309
Other Revenue		1,127,188	1,743,837	1,307,080
TOTAL REVENUE		46,967,388	51,337,204	40,951,321
EXPENSES				
Employee Costs		8,088,700	9,469,318	7,759,113
Materials and Contracts		6,765,807	9,332,254	5,731,700
Utility Expenses		254,715	258,782	232,023
Insurance Expenses		273,199	257,589	226,205
Interest Expenses		18,921	15,300	16,159
Other Expenditure		14,122,584	13,898,009	10,587,500
Depreciation Expenses on Non-Current Assets	2	4,089,554	6,073,823	2,976,362
TOTAL EXPENSES		33,613,480	39,305,075	27,529,062
INCREASE / (DECREASE)		13,353,908	12,032,129	13,422,259
DISPOSAL OF ASSETS				
Profit on Sale		48,158	165,088	805,991
Loss on Sale		(8,560)	0	(5,908)
PROFIT / (LOSS) ON DISPOSALS	22	39,598	165,088	800,083
REALISED/UNREALISED GAIN/(LOSS) FROM CHANGE IN FAIR VALUE OF INVESTMENTS				
Realised Gain/(Loss)		940,914	0	336,965
Unrealised Gain/(Loss)		(21,862)	0	0
GAIN / (LOSS)	7(c)	919,052	0	336,965
NET RESULT		14,312,558	12,197,217	14,559,307
OTHER COMPREHENSIVE INCOME				
Changes in Revaluation of Non-Current Assets	12	1,140,349	0	0
TOTAL OTHER COMPREHENSIVE INCOME		1,140,349	0	0
TOTAL COMPREHENSIVE INCOME		15,452,907	12,197,217	14,559,307

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 2013

	NOTE	ACTUAL 2012/2013 \$	ACTUAL 2011/2012 \$
CURRENT ASSETS			
Cash and Cash Equivalents	7(a)	54,022,470	47,125,607
Investments	7(b)	0	29,348
Trade and Other Receivables	9	4,312,629	3,534,293
Inventories	11	86,077	44,528
Other Assets	10	65,007	108,495
TOTAL CURRENT ASSETS		<u>58,486,183</u>	<u>50,842,271</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	12	31,417,707	22,883,120
Infrastructure	13	9,152,875	10,102,339
Work in Progress	13	5,019,398	412,862
TOTAL NON CURRENT ASSETS		<u>45,589,980</u>	<u>33,398,321</u>
TOTAL ASSETS	21	<u>104,076,163</u>	<u>84,240,592</u>
CURRENT LIABILITIES			
Trade and Other Payables	15	5,409,053	4,251,981
Provisions	16	1,229,726	1,190,512
TOTAL CURRENT LIABILITIES		<u>6,638,779</u>	<u>5,442,493</u>
NON CURRENT LIABILITIES			
Provisions	16	4,841,163	1,654,786
TOTAL NON CURRENT LIABILITIES		<u>4,841,163</u>	<u>1,654,786</u>
TOTAL LIABILITIES		<u>11,479,942</u>	<u>7,097,279</u>
NET ASSETS		<u>92,596,221</u>	<u>77,143,313</u>
EQUITY			
Retained Surplus		49,136,149	32,442,815
Reserves	17	42,319,723	44,700,498
Revaluation Surplus	14	1,140,349	0
TOTAL EQUITY		<u>92,596,221</u>	<u>77,143,313</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 2013

	NOTE	RETAINED SURPLUS \$	RESERVES \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 30 June 2011		31,530,289	31,053,717	0	62,584,006
Net Result		14,559,307	0	0	14,559,307
Total Other Comprehensive Income		0	0	0	0
Transfer (from) / to Reserves		(13,646,781)	13,646,781	0	0
Balance as at 30 June 2012		32,442,815	44,700,498	0	77,143,313
Net Result		14,312,559	0	0	14,312,559
Total Other Comprehensive Income		0	0	1,140,349	1,140,349
Transfer (from) / to Reserves		2,380,775	(2,380,775)	0	0
Balance as at 30 June 2013		49,136,149	42,319,723	1,140,349	92,596,221

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 2013

	NOTE	ACTUAL 2012/2013 \$	BUDGET 2012/2013 \$	ACTUAL 2011/2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Fees and Charges		44,892,851	41,954,640	38,693,206
Grants, Subsidies and Contributions		2,364,866	5,267,033	1,949,618
Interest Earnings		2,266,085	2,371,694	2,390,812
Other Revenue		1,127,188	1,743,837	1,307,080
Total Receipts		50,650,990	51,337,204	44,340,716
Payments				
Employee Costs		(8,088,393)	(9,453,735)	(7,547,868)
Materials and Contracts		(7,829,115)	(9,332,254)	(7,756,969)
Utility Expenses		(254,715)	(258,782)	(232,023)
Insurance Expenses		(284,418)	(257,589)	(225,296)
Interest Expenses		(18,921)	(15,300)	(16,159)
Other Expenditure		(10,877,800)	(13,775,483)	(10,464,969)
Goods and Services Tax paid		(2,215,544)	0	(2,651,337)
Total Payments		(29,568,906)	(33,093,143)	(28,894,621)
NET CASH PROVIDED BY OPERATING ACTIVITIES	18(ii)	21,082,084	18,244,061	15,446,095
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash receipts from sale of assets		346,682	690,226	1,667,098
Cash payments for acquisition of assets		(15,480,303)	(24,090,652)	(7,101,569)
NET CASH USED IN INVESTING ACTIVITIES		(15,133,621)	(23,400,426)	(5,434,471)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash receipts from sale of investments		948,400	1,167	2,874,732
NET CASH PROVIDED BY FINANCING ACTIVITIES		948,400	1,167	2,874,732
SUMMARY OF CASH FLOWS				
Cash and cash equivalents at the beginning of the year		47,125,607	45,708,979	34,239,251
Net Increase/(Decrease) in Cash Held		6,896,863	(5,155,198)	12,886,356
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	18(i)	54,022,470	40,553,781	47,125,607

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 2013**

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES

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:

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.

(a) Trust Funds

Monies held in the Trust Fund, which Council holds 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 2013.

(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.

(c) Property, Plant and Equipment

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

Initial Recognition

All assets are initially recognised at cost. 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Property, Plant and Equipment (continued)

Application of Fair Value to Local Government Financial Reporting

Regulation 17A of the Local Government (Financial Management) Regulations 1996 mandates the measurement of non-current assets at Fair Value effective from 1 July 2012.

The table provides the phased-in implementation of fair value in accordance with the timeframe below:

<u>Financial Year</u>	<u>Asset Group - Resources</u>
• 2012/2013	Plant and Equipment
• 2013/2014 or 2014/2015 (Alternate year to infrastructure)	Land and Buildings
• 2013/2014 or 2014/2015 (Alternate year to land and buildings)	Infrastructure
• 2014/2015	All Other Class of Assets

Thereafter, in accordance with the regulation, each asset class must be revalued at least every 3 years.

The Council has commenced the process of adopting Fair Value in accordance with the Regulations. 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) Regulation 16(a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government 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 as at 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) Regulation 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) Regulation 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 FM Reg 4 (2) Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

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

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Property, Plant and Equipment (continued)

Revaluation

The Council uses a mix of both independent and management valuations using the following as a guide:

- Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).
- For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).
- With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).
- For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).
- 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 profit or loss.
- Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.
- Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.
- In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value impose a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council will still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the Initial Recognition section as detailed above.

Those assets carried at fair value will be carried in accordance with the Revaluation Methodology section as detailed above.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Depreciation of Non-Current Assets (excluding freehold land)

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period, as follows:

• Buildings	2-10%
• Structures	
General	2-10%
Class III and IV Waste Cells	% of actual usage
• Plant	15-40%
• Furniture and fittings	10-40%
• Equipment	10-40%

(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 2013

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

(j) Revenue Recognition

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 2013

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 non-discounted basis.

Previously Council has consistently recognised this provision by way of an incremental charge based on the volumetric usage of the landfill air space. From June 2011, the present value for the rehabilitation of the site has been calculated to be \$1,500,000 and has been deemed sufficient for post closure management purposes. To ensure that the principles of the present value are maintained, the annual increase in cumulative interest income relating to the \$1,500,000 is reflected as a provision expense each year.

The provision is measured using the best estimate of the amounts required and is reassessed periodically.

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 non-discounted basis.

Previously Council has consistently recognised this provision by way of an incremental charge based on the volumetric usage of the landfill air space. From June 2011, the present value for the environmental monitoring of the site has been calculated to be \$500,000 and has been deemed sufficient for post closure management purposes. To ensure that the principles of the present value are maintained, the annual increase in cumulative interest income relating to the \$500,000 is reflected as a provision expense each year.

The provision is measured using the best estimate of the amounts required and is reassessed periodically.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

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 is based on the CO₂e emitted in the respective years and under the liability method of accounting, a corresponding recognition of future years' CO₂e emitted is recognised in the year the liability has been incurred.

(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 2013

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) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to end of the reporting period. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(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% for 2012/13). It also contributes to the LGSP and other choice funds for full scheme members (5% for 2012/13). Contributions to defined contribution plans are recognised as an expense as they become payable.

(u) Rounding Of 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 2013

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 either 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 profit or loss.

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.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Financial Instruments (continued)

(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 tainted and 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.

(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.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Financial Instruments (continued)

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.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ended 30 June 2013.

Council's assessment of these new standards and interpretations is set out below:

Title and topic	Issued	Applicable	Impact
(i) ASB 9 – Financial Instruments AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	December 2009 September 2012	1 January 2013 Deferred AASB 9 until 1 January 2015	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 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	December 2009	1 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iii) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	1 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and topic	Issued	Applicable	Impact
(iv) AASB 10 – Consolidated Financial Statements AASB 11 – Joint Arrangements AASB 12 – Disclosure of Interests in Other Entities AASB 127 – Separate Financial Statements AASB 128 – Investments in Associates and Joint Ventures AASB 2011 – 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 131, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	1 January 2013	Nil – None of these except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.
(v) AASB 2011 - 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	1 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.
(vi) AASB 119 – Employee Benefits AASB 2011 – 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011 – 8 and Interpretation 14]	September 2011	1 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and topic	Issued	Applicable	Impact
(vii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	1 January 2013	<p>Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.</p> <p>This Standard is not expected to significantly impact on the Council's financial statements.</p>
(viii) AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2013	1 January 2014	<p>This Standard adds application guidance to AASB 132: <i>Financial Instruments: Presentation</i> to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>This Standard is not expected to significantly impact the Council's financial statements.</p>
(ix) AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle. [AASB1,101,116,132,134 and Interpretation 2]	June 2012	1 January 2013	<p>Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council's financial statements.</p>

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and topic	Issued	Applicable	Impact
(x) AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	December 2012	1 January 2013	Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.

(aa) 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 became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 2010 – 8

AASB 2011 - 3

AASB 2011 - 13

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

2. REVENUE AND EXPENSES

	ACTUAL 2012/2013		ACTUAL 2011/2012
	\$		\$
Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit of the Financial Report	9,860		9,360
- Audit and assurance of grant acquittals	1,870		2,400
	11,730		11,760
	11,730		11,760
Depreciation and Amortisation Expense			
Buildings	268,407		225,802
Structures	1,101,210		611,493
Plant	2,455,117		1,937,381
Equipment	241,917		178,422
Furniture and Fittings	22,903		23,264
	4,089,554		2,976,362
	4,089,554		2,976,362
	ACTUAL	BUDGET	ACTUAL
	2012/2013	2012/2013	2011/2012
(ii) Crediting as Revenue:	\$	\$	\$
Interest Earnings			
Interest on funds held in Reserves	1,910,460	2,133,360	1,622,164
Interest on Municipal Cash and Investments	355,625	238,334	768,648
Accrued Interest Earnings	156,043	0	184,497
	2,422,128	2,371,694	2,575,309
	2,422,128	2,371,694	2,575,309
	ACTUAL		ACTUAL
	2012/2013		2010/2011
	\$		\$
Significant Revenue			
General Purpose Funding	919,052		336,965
	919,052		336,965
	919,052		336,965

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 2013****3. COMPONENT FUNCTIONS/ACTIVITIES**

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

Governance

Records income and expenditure relating to the administration and operation of facilities and services to members of Council together with other administrative governance costs.

General Purpose Funding

Records interest revenue as well as other general purpose revenue.

Community Amenities

Records income and expenditure associated with the Red Hill Waste Disposal Facility - Class III cell, Class IV cell, weighbridge, transfer stations and Hazelmere Site.

Other Property and Services

Records income and expenditure for public works overheads, plant operation, materials, salaries and wages. It also records income and expenditure for the Risk Management and Environmental Service departments (incorporating various Environmental Projects), the operations of the Ascot Place activity, and income and expenditure relating to the Regional Development activity incorporating various projects.

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.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

4. FEES AND CHARGES SUMMARY BY PROGRAM	ACTUAL 2012/2013 \$	BUDGET 2012/2013 \$	ACTUAL 2011/2012 \$
Governance	340	600	604
Community Amenities	41,035,446	41,924,040	35,045,448
Other Property and Services	17,420	30,000	73,262
Total Statutory Fees and Charges	41,053,206	41,954,640	35,119,314

5. GRANT, SUBSIDY AND CONTRIBUTION REVENUE BY PROGRAM	ACTUAL 2012/2013 \$	ACTUAL 2011/2012 \$
Community Amenities	913,165	728,021
Other Property and Services	1,451,701	1,221,597
Total Statutory Fees and Charges	2,364,866	1,949,618

6. CONTROL OVER CONTRIBUTIONS	ACTUAL 2012/2013 \$	ACTUAL 2011/2012 \$
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:

• Eastern Hill Catchment Management Project	46,359	325
• Helping the Helena Project	7,705	0
• EHCM Project - Community Engagement	13,928	0
• Marri Canker Project	1,515	0
• Community Energy Efficient Program (CEEP)	19,023	0
• Regional Active Transport Plan	0	25,000
	<u>88,530</u>	<u>25,325</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:

• Eastern Hill Catchment Management Project	325	0
• Regional Active Transport Plan	25,000	0
• Perth Solar City Project	0	46,647
	<u>25,325</u>	<u>46,647</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

7(a). CASH AND CASH EQUIVALENTS

	ACTUAL 2012/2013 \$	ACTUAL 2011/2012 \$
Cash and Cash Equivalents - Unrestricted	12,301,653	5,061,846
Cash and Cash Equivalents - Restricted	41,720,817	42,063,761
	<u>54,022,470</u>	<u>47,125,607</u>

7(b). INVESTMENTS

Investments - Restricted	0	29,348
	<u>0</u>	<u>29,348</u>

Financial Assets at fair value through profit or loss

At the beginning of the year	29,348	2,567,115
Disposals	(948,400)	(2,874,732)
Unrealised gain/(loss) from change in fair value of investments	919,052	336,965
Value at the end of the year	<u>0</u>	<u>29,348</u>

Held for Trading

- Financial Instruments	0	29,348
Value at the end of the year	<u>0</u>	<u>29,348</u>

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

Plant and Equipment	1,029,772	1,211,123
Site Rehabilitation Red Hill - Post Closure	1,664,322	1,697,942
Future Development	234,694	2,913,350
Environmental Monitoring Red Hill	550,617	526,688
Environmental Insurance Red Hill	168,280	195,912
Risk Management	12,619	12,071
Class IV Cells Red Hill	439,250	362,862
Regional Development	20,193	17,913
Secondary Waste Processing	35,964,254	33,522,665
Class III Cells	1,473,747	3,517,865
Building Refurbishment (Ascot Place)	63,714	60,945
Long Service Leave	698,261	661,162
	<u>42,319,723</u>	<u>44,700,498</u>
Add movement in accrued interest	2,579	0
Less unrealised gain/(loss) from changes in fair value of Investments	(601,485)	(2,607,389)
	<u>41,720,817</u>	<u>42,093,109</u>

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

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

	ACTUAL 2012/2013	ACTUAL 2011/2012
General Purpose Funding	<u>919,052</u>	<u>336,965</u>

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 2013, 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
	(2,607,389)
Opening Balance as at 1 July 2012	(2,607,389)
Add: Realised/Unrealised gains on disposal of Investments for 2012/2013	919,052
Add: Write back of accumulated unrealised losses on disposals	1,086,852
	(601,485)
Balance as at 30 June 2013	(601,485)

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 2012/2013 budget was \$1,635,317.

The actual net current asset position balance shown in the audited financial report as at 30 June 2012 and after adjustment for Restricted Assets was \$3,306,669.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

9. TRADE AND OTHER RECEIVABLES	ACTUAL 2012/2013 \$	ACTUAL 2011/2012 \$
Current		
Sundry Debtors	3,504,054	2,888,717
Other Debtors	48,842	45,851
Accrued Interest Earnings	760,143	604,100
Provision for Impairment of Receivables	(410)	(4,375)
	<u>4,312,629</u>	<u>3,534,293</u>
10. OTHER ASSETS	ACTUAL 2012/2013 \$	ACTUAL 2011/2012 \$
Current		
Prepayment - General	33,097	88,621
Prepayment - Insurance	22,310	11,091
Prepayment - Miscellaneous	9,600	8,783
	<u>65,007</u>	<u>108,495</u>
11. INVENTORIES	ACTUAL 2012/2013 \$	ACTUAL 2011/2012 \$
Current		
Distillate	31,803	32,178
Oils	2,186	3,571
Unleaded Fuel	8,179	8,779
Jumbobags	43,909	0
	<u>86,077</u>	<u>44,528</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

12. PROPERTY, PLANT AND EQUIPMENT	ACTUAL 2012/2013	ACTUAL 2011/2012
	\$	\$
Land - At Cost	16,361,457	9,255,511
Buildings - At Cost	7,052,800	6,871,451
Less Accumulated depreciation	(2,269,633)	(2,001,227)
	4,783,167	4,870,224
Total Land and Buildings	21,144,624	14,125,735
Plant - Independent Valuation 2013	9,825,700	14,487,134
Less Accumulated depreciation	0	(6,416,340)
	9,825,700	8,070,794
Equipment - Independent Valuation 2013	291,050	1,791,183
Less Accumulated depreciation	0	(1,252,755)
	291,050	538,428
Total Plant and Equipment	10,116,750	8,609,222
Furniture and Fittings - Independent Valuation 2013	156,333	491,205
Less Accumulated depreciation	0	(343,042)
	156,333	148,163
TOTAL PROPERTY, PLANT AND EQUIPMENT	31,417,707	22,883,120

MOVEMENT IN CARRYING AMOUNTS

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

	LAND	BUILDINGS	PLANT	EQUIPMENT	FURNITURE and FITTINGS	TOTAL
	\$	\$	\$	\$	\$	\$
Balance as at the beginning of the year	9,255,511	4,870,224	8,070,794	538,428	148,163	22,883,120
Additions	7,105,946	181,349	3,189,208	181,991	63,527	10,722,021
Disposals	0	0	(298,524)	(8,461)	(99)	(307,084)
Impairment Loss	0	0	0	0	(32,354)	(32,354)
Revaluation - Increment/(Decrement)	0	0	1,319,340	(178,991)	0	1,140,349
Depreciation Expense	0	(268,406)	(2,455,118)	(241,917)	(22,904)	(2,988,345)
Carrying amount at the end of the year	16,361,457	4,783,167	9,825,700	291,050	156,333	31,417,707

The Council's Plant and Equipment was revalued at 30 June 2013 by independent valuers. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy).

The revaluation resulted in an overall increase of \$1,140,349 in the net value of the Council's plant and equipment. All of this 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.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

13. INFRASTRUCTURE	ACTUAL 2012/2013	ACTUAL 2011/2012
	\$	\$
<u>Structures</u>	21,098,497	20,947,591
Less Accumulated depreciation	(11,945,622)	(10,845,252)
	<u>9,152,875</u>	<u>10,102,339</u>

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

Balance as at the beginning of the year	10,102,339	10,580,016
Additions	151,746	133,816
Depreciation Expense	(1,101,210)	(611,493)
Carrying amount at the end of the year	<u>9,152,875</u>	<u>10,102,339</u>

Work in Progress

The work in progress value is represented by:

Class III Farm Stage 1 and 2 construction	4,052,549	200
Red Hill Leachate Project	519,701	0
Hazelmere fire fighting system/equipment	318,782	4,935
Other	128,366	407,727
Total WIP as the end of the year	<u>5,019,398</u>	<u>412,862</u>

14. REVALUATION SURPLUS

A revaluation surplus has arisen on the revaluation of the following class of non-current assets:

Plant and Equipment

Opening balance	0	0
Revaluation Increment	1,319,340	0
Revaluation Decrement	(178,991)	0
	<u>1,140,349</u>	<u>0</u>

15. TRADE AND OTHER PAYABLES

Current

Payroll Accruals	192,787	205,641
GST Liability	357,955	484,735
Sundry Creditors	4,858,311	3,561,605
	<u>5,409,053</u>	<u>4,251,981</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

16. PROVISIONS	ACTUAL 2012/2013 \$	ACTUAL 2011/2012 \$
Current		
Employees Annual Leave	766,609	754,453
Employees Long Service Leave	412,034	436,059
Carbon Pricing	51,083	0
	<u><u>1,229,726</u></u>	<u><u>1,190,512</u></u>
Non-current		
Employees Long Service Leave	122,808	97,778
Red Hill Landfill Site Post Closure Rehabilitation	1,664,322	1,415,464
Red Hill Landfill Environmental Monitoring	550,617	141,544
Carbon Pricing	2,503,416	0
	<u><u>4,841,163</u></u>	<u><u>1,654,786</u></u>
Analysis of total provisions:		
Current	1,229,726	1,190,512
Non-current	4,841,163	1,654,786
	<u><u>6,070,889</u></u>	<u><u>2,845,298</u></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 2012	754,453	533,837	0	1,415,464	141,544	2,845,298
Net Movement in Provisions	12,156	1,005	2,554,499	248,858	409,073	3,225,591
Balance as 30 June 2013	<u><u>766,609</u></u>	<u><u>534,842</u></u>	<u><u>2,554,499</u></u>	<u><u>1,664,322</u></u>	<u><u>550,617</u></u>	<u><u>6,070,889</u></u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

17. RESERVES	ACTUAL 2012/2013 \$	BUDGET 2012/2013 \$	ACTUAL 2011/2012 \$
(a) Plant and Equipment Reserve			
Opening balance as at 1 July	1,211,123	1,211,096	38,811
Transfer from retained surplus	2,629,585	2,629,585	4,289,340
Transfer to retained surplus	(2,865,962)	(3,790,965)	(3,119,055)
Interest	55,026	57,395	2,027
Closing Balance as at 30 June	1,029,772	107,111	1,211,123
(b) Site Rehabilitation Reserve - Post Closure			
Opening balance as at 1 July	1,697,942	1,700,612	3,023,037
Transfer from retained surplus	0	111,394	111,362
Transfer to retained surplus	(111,362)	0	(1,594,372)
Interest	77,742	80,641	157,915
Closing Balance as at 30 June	1,664,322	1,892,647	1,697,942
(c) Future Development Reserve			
Opening balance as at 1 July	2,913,350	2,941,374	1,505,552
Transfer from retained surplus	1,000,000	0	2,039,152
Transfer to retained surplus	(3,752,015)	(2,853,015)	(710,000)
Interest	73,360	139,477	78,646
Closing Balance as at 30 June	234,695	227,836	2,913,350
(d) Environmental Monitoring Reserve			
Opening balance as at 1 July	526,688	529,750	306,803
Transfer from retained surplus	0	0	203,858
Transfer to retained surplus	0	0	0
Interest	23,929	25,120	16,027
Closing Balance as at 30 June	550,617	554,870	526,688
(e) Environmental Insurance Reserve			
Opening balance as at 1 July	195,912	198,047	211,327
Transfer from retained surplus	0	0	0
Transfer to retained surplus	(36,533)	(36,533)	(26,455)
Interest	8,901	9,391	11,039
Closing Balance as at 30 June	168,280	170,905	195,912

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

17. RESERVES (Continued)	ACTUAL 2012/2013 \$	BUDGET 2012/2013 \$	ACTUAL 2011/2012 \$
(f) Risk Management Reserve			
Opening balance as at 1 July	12,071	12,185	11,472
Transfer from retained surplus	0	0	0
Transfer to retained surplus	0	0	0
Interest	548	578	599
Closing Balance as at 30 June	12,619	12,763	12,071
(g) Class IV Reserve			
Opening balance as at 1 July	362,862	365,695	289,265
Transfer from retained surplus	59,901	58,487	58,487
Transfer to retained surplus	0	0	0
Interest	16,486	17,341	15,110
Closing Balance as at 30 June	439,249	441,523	362,862
(h) Regional Development Reserve			
Opening balance as at 1 July	17,913	17,920	23,806
Transfer from retained surplus	855,000	855,000	770,000
Transfer to retained surplus	(853,534)	(663,166)	(777,137)
Interest	814	817	1,244
Closing Balance as at 30 June	20,193	210,571	17,913
(i) Secondary Waste Reserve			
Opening balance as at 1 July	33,522,665	33,749,744	23,083,322
Transfer from retained surplus	5,322,672	5,590,416	12,552,176
Transfer to retained surplus	(4,342,099)	(5,916,410)	(3,318,644)
Interest	1,461,016	1,600,382	1,205,811
Closing Balance as at 30 June	35,964,254	35,024,132	33,522,665
(j) Class III Reserve			
Opening balance as at 1 July	3,517,865	3,535,822	1,898,829
Transfer from retained surplus	2,210,852	2,201,903	1,659,846
Transfer to retained surplus	(4,414,800)	(4,275,000)	(140,000)
Interest	159,830	167,665	99,190
Closing Balance as at 30 June	1,473,747	1,630,390	3,517,865

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

17. RESERVES (Continued)	ACTUAL 2012/2013 \$	BUDGET 2012/2013 \$	ACTUAL 2011/2012 \$
(k) Building Refurbishment Reserve			
Opening balance as at 1 July	60,945	61,524	57,920
Transfer from retained surplus	0	0	0
Transfer to retained surplus	0	0	0
Interest	2,769	2,917	3,025
Closing Balance as at 30 June	63,714	64,441	60,945
(l) Site Rehabilitation Reserve - Ongoing			
Opening balance as at 1 July	0	0	0
Transfer from retained surplus	224,412	0	0
Transfer to retained surplus	(224,412)	0	0
Interest	0	0	0
Closing Balance as at 30 June	0	0	0
(m) Long Service Leave Reserve			
Opening balance as at 1 July	661,162	667,166	603,573
Transfer from retained surplus	7,060	7,060	26,060
Transfer to retained surplus	0	0	0
Interest	30,039	31,636	31,529
Closing Balance as at 30 June	698,261	705,862	661,162
TOTAL RESERVES	42,319,723	41,043,051	44,700,498

Fair Value of investments at balance date has resulted in an unrealised loss of \$601,485 (refer Note 7(c)). This had the effect of Reserves falling short of being cash backed by the unrealised loss.

The crystallisation of the unrealised losses may occur at such time as the individual investments are sold, redeemed, matured or defaulted and may be at an amount different from that disclosed above.

EASTERN METROPOLITAN REGIONAL COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013****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

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

Site Rehabilitation Reserve - Post Closure

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

Future Development Reserve

This reserve was established to finance future developments being undertaken by the Eastern Metropolitan Regional Council. The reserve is also utilised to provide funds for projects that the Eastern Metropolitan Regional Council 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

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

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

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

Environmental Insurance 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 Eastern Metropolitan Regional Council's existing insurance policies.

Risk Management 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

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

Regional Development Reserve

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

Building Refurbishment Reserve

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

Site Rehabilitation Reserve - Ongoing

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

Long Service Leave 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 2013

18. NOTES TO THE STATEMENT OF CASH FLOWS

(i) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, the Eastern Metropolitan Regional Council 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
	2012/2013	2012/2013	2011/2012
	\$	\$	\$
Cash and Cash Equivalents - Unrestricted	12,301,653	3,727,914	5,061,846
Cash and Cash Equivalents - Restricted	41,720,817	36,825,867	42,063,761
Total Cash	54,022,470	40,553,781	47,125,607

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

Net Result	15,452,907	12,197,217	14,559,307
Depreciation	4,089,554	6,073,823	2,976,362
(Profit)/Loss on sale of assets	(39,598)	(165,088)	(800,083)
Increase/(Decrease) in provisions - Other	657,931	122,526	122,530
Increase/(Decrease) in accrued interest on Loans	0	0	0
Increase/(Decrease) in provisions - Employee	13,162	15,583	160,929
Increase/(Decrease) in provisions - Carbon price	2,554,499	0	0
Increase/(Decrease) in Sundry Creditors	1,283,853	0	(724,682)
Increase/(Decrease) in GST	(126,780)	0	6,440
(Increase)/Decrease in accrued interest earnings	(156,043)	0	(184,497)
(Increase)/Decrease in Receivables	(622,293)	0	(331,522)
(Increase)/Decrease in Inventory	(41,549)	0	1,577
(Increase)/Decrease in Prepayments	43,488	0	(3,301)
(Increase)/Decrease in unrealised gain/loss from change in fair value of investments	(919,052)	0	(336,965)
(Increase)/Decrease in Revaluation on non-current assets	(1,140,349)	0	0
Increase/(Decrease) in Impairment Loss	32,354	0	0
Net cash from operating activities	21,082,084	18,244,061	15,446,095

(iii) Undrawn Borrowing Facilities

Credit Standby Arrangements

There were no bank overdraft facilities in place for the Eastern Metropolitan Regional Council at balance date.

Credit Card Limits	43,000	43,000
Credit Utilised at Balance Date	(3,167)	(5,962)
Net cash from operating activities	39,833	37,038

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

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 2012/2013 \$	ACTUAL 2011/2012 \$
- Current	1,178,643	1,190,512
- Non-current	122,808	97,778
Total Employee Entitlements	<u>1,301,451</u>	<u>1,288,290</u>
	ACTUAL FTE's 2012/2013	ACTUAL FTE's 2011/2012
Total number of (FTE) employees at end of financial year	<u>91</u>	<u>100</u>

20. COUNCILLORS FEES AND ALLOWANCES

	ACTUAL 2012/2013 \$	BUDGET 2012/2013 \$	ACTUAL 2011/2012 \$
--	--	--	--

The following fees, expenses and allowances were paid to council members and/or the Chairman

Councillors' meeting fees	75,833	77,000	77,000
Chairman's meeting fees	14,000	14,000	14,000
Deputy Councillors' meeting fees	700	3,500	980
Chairman's Local Government fee	6,000	6,000	6,000
Deputy Chairman's Local Government fee	1,500	1,500	1,500
	<u>98,033</u>	<u>102,000</u>	<u>99,480</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

21. ASSETS CLASSIFIED BY TYPE AND LOCAL GOVERNMENT PROGRAM	ACTUAL 2012/2013 \$	ACTUAL 2011/2012 \$
CURRENT ASSETS		
General Purpose Funding	17,795,139	9,960,286
Governance	777,173	734,178
Community Amenities	39,893,679	40,129,895
Economic Services	20,193	17,913
NON-CURRENT ASSETS		
Land		
Governance	2,531,274	2,531,274
Community Amenities	13,830,182	6,724,237
Buildings		
Governance	3,669,736	3,795,068
Community Amenities	1,113,431	1,075,157
Structures		
Community Amenities	9,152,875	10,102,339
Plant		
Governance	525,000	482,519
Community Amenities	9,300,700	7,588,274
Equipment		
Governance	176,100	308,749
Community Amenities	114,950	229,678
Furniture and Fittings		
Governance	156,333	148,164
Work In Progress		
Unclassified	5,019,398	412,861
	<u>104,076,163</u>	<u>84,240,592</u>

22. DISPOSAL OF ASSETS	ACTUAL 2012/2013 \$			BUDGET 2012/2013 \$		
	Net Book Value	Sale Price	Gain (Loss)	Net Book Value	Sale Price	Gain (Loss)
Plant	298,524	346,682	48,158	525,137	690,225	165,088
Equipment	8,461	0	(8,461)	0	0	0
Furniture and Fittings	99	0	(99)	0	0	0
Total Assets Disposed	<u>307,084</u>	<u>346,682</u>	<u>39,598</u>	<u>525,137</u>	<u>690,225</u>	<u>165,088</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

23. INFORMATION ON BORROWINGS

(a) Borrowings

The EMRC currently do not have any loans or borrowings.

(b) New Borrowings

There were no new borrowings during the 2012/13 financial year.

(c) Unspent Loans

There were no unspent loans during the 2012/13 financial year.

24. INTEREST IN THE EMRC

The following table shows the total interest in the EMRC as at year end:

Member Council	2012/2013		2011/2012	
	%	\$	%	\$
Town of Bassendean	4.58	4,236,303	4.60	3,550,574
City of Bayswater	19.84	18,373,133	19.22	14,824,118
City of Belmont	11.43	10,581,155	11.04	8,516,406
Shire of Kalamunda	17.21	15,937,574	17.40	13,420,932
Shire of Mundaring	11.61	10,752,890	12.13	9,357,418
City of Swan	35.33	32,715,166	35.61	27,473,865
Total Equity	100.00	92,596,221	100.00	77,143,313

The EMRC participating Member Councils' interest distributions for 2012/2013 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 2013

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

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2012/2013	2011/2012	2012/2013	2011/2012
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	54,022,470	47,125,607	54,022,470	47,125,607
Receivables	4,312,629	3,534,293	4,312,629	3,534,293
Financial Assets at fair value through profit and loss	0	29,348	0	29,348
	<u>58,335,099</u>	<u>50,689,248</u>	<u>58,335,099</u>	<u>50,689,248</u>
Financial Liabilities				
Payables	5,409,053	4,251,981	5,409,053	4,251,981
	<u>5,409,053</u>	<u>4,251,981</u>	<u>5,409,053</u>	<u>4,251,981</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 2013

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 independent advisers before placing any cash and investments.

	2012/2013	2011/2012
	\$	\$
Impact of a 10% movement in price of investments:		
- Equity	0	2,935
- Statement of Comprehensive Income	0	2,935
Impact of a 1% movement in interest rates on cash and investments:		
- Equity	540,225	471,550
- Statement of Comprehensive Income	540,225	471,550

(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:

	2012/2013	2011/2012
	\$	\$
Percentage of Other Receivables		
- Current	90.0%	95.8%
- Overdue	10.0%	4.2%
	<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 2013

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>2012/2013</u>					
Payables	5,409,053	0	0	5,409,053	5,409,053
	<u>5,409,053</u>	<u>0</u>	<u>0</u>	<u>5,409,053</u>	<u>5,409,053</u>
<u>2011/2012</u>					
Payables	4,251,981	0	0	4,251,981	4,251,981
	<u>4,251,981</u>	<u>0</u>	<u>0</u>	<u>4,251,981</u>	<u>4,251,981</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 currently 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 2013

26. COMMITMENTS FOR CAPITAL EXPENDITURE	ACTUAL 2012/2013 \$	ACTUAL 2011/2012 \$
Commitments for the acquisition of assets contracted for at the reporting date but not recognised as liabilities, payable:		
- Not longer than one year	129,480	1,356,606
Total Capital Commitments	129,480	1,356,606

27. FINANCIAL RATIOS	ACTUAL 2012/2013	ACTUAL 2011/2012	ACTUAL 2010/2011
Current Ratio	2.69 : 1.00	1.75 : 1.00	2.78 : 1.00
Asset Sustainability Ratio	0.92 : 1.00	1.58 : 1.00	2.13 : 1.00
Operating Surplus Ratio	0.29 : 1.00	0.34 : 1.00	0.27 : 1.00
Own Source Revenue Coverage Ratio	1.36 : 1.00	1.46 : 1.00	1.16 : 1.00
Debt Service Cover Ratio	Not Applicable	Not Applicable	Not Applicable

The following information relates to those ratios which only require an attestation they have been checked and are supported by verifiable information. It does not form part of the audited annual financial report.

	ACTUAL 2012/2013	ACTUAL 2011/2012	ACTUAL 2010/2011
Asset Consumption Ratio	0.59 : 1.00	N/A	N/A
Asset Renewal Funding Ratio	1.00 : 1.00	N/A	N/A
Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$		
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$		

N/A - In keeping with amendments to Local Government (Financial Management) Regulation 50, comparatives for the two preceding years (being 2012 and 2011) have not been reported as financial information is not available.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

28. 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 Federation, this investment was redeemed for \$450,000.

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 redemption amounts. This action is the subject of a stay until 20 January 2014. In the event the application is granted, it will not result in a recoverable debt unless and until it is registered in Australia. If Lehman makes that application it will then be opposed, resulting in litigation which will take years to conclude. The legal advice provided to the EMRC about this claim is, in substance, the claim is unlikely to succeed.

29. ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of grants from the State and Federal Government. The total of grant revenue from government sources is disclosed in Note 5.

30. EVENTS AFTER THE REPORTING PERIOD

Following the end of the 2012/2013 financial year, the City of Stirling has ceased disposal of its tonnages at the Red Hill Waste Management Facility from the beginning of August 2013.

With reference to the proposed amalgamation of local governments effective from 1 July 2015, it is understood that with the exception of minor boundary changes the EMRC region will remain unchanged. However the membership of the EMRC will move from 6 to 3 as a result of those proposed amalgamations.

INDEPENDENT AUDIT REPORT



**For the Year Ended
30 June 2013**

TO: MEMBERS OF EASTERN METROPOLITAN REGIONAL COUNCIL

We have audited the financial report of the Eastern Metropolitan Regional Council, which comprises the Statement of Financial Position as at 30 June 2013 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 the council'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 the Council, 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 followed applicable independence requirements of Australian professional ethical pronouncements.



INDEPENDENT AUDITOR'S REPORT**TO: MEMBERS OF EASTERN METROPOLITAN REGIONAL COUNCIL (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 2013 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 1996, 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) There are 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 27 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.

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


 A MACRI
 PARTNER

PERTH
 DATED THIS 4th DAY OF SEPTEMBER 2013.

18 April 2013

Chief Executive Officer
Eastern Metropolitan Regional Council
PO Box 234
BELMONT WA 6984

Dear Sir

RE: INTERIM AUDIT VISIT FOR THE YEAR ENDING 30 JUNE 2013

We carried out an interim audit of the Council for the year ending 30 June 2013.

Our interim audit covered a review of the accounting and internal control procedures in operation, as well as testing of transactions, in the following areas:

- Purchases
- Payments and Creditors
- Receipts and Sundry Debtors
- Payroll
- Bank Reconciliations
- General Accounting and IT Controls
- Investments
- Registers (Tenders Register and Register of Financial Interests)
- Minutes Review

Our review also covered an examination of some compliance matters, which are required under the Local Government Act 1995 (as amended) and Financial Management Regulations 1996.

Please note that our examination of internal controls was carried out for audit purposes designed primarily for the purpose of expressing an opinion on the financial statements of the Eastern Metropolitan Regional Council.

Because of the inherent limitations of any internal control structure, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may

become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

It should be appreciated that the matters noted came to our attention during the course of our normal audit examination and as a result do not necessarily include all those matters which a more extensive or special examination might identify.

Accordingly, our comments in this management letter are not intended to cover all aspects of the Council's internal controls and accounting systems and are limited to those matters that arose from our normal audit procedures.

The following matter was noted and is brought to your attention.

TENDERS REGISTER

As part of our audit procedures, we reviewed the Tenders Register for compliance with the Local Government Act 1995 (as amended) and Local Government (Functions and General) Regulations 1996.

Regulation 17 of the Local Government (Functions and General) Regulations 1996 requires the tender register to include the following information in respect of each invitation to tender:-

- (a) a brief description of the goods or services required;
- (b) particulars of the making of –
 - (i) the decision to invite tenders; and
 - (ii) if applicable, decision to seek expressions of interest under regulation 21(1);
- (c) particulars of –
 - (i) any notice by which expressions of interest from prospective tenderers was sought;
 - (ii) any person who submitted an expression of interest; and
 - (iii) any list of acceptable tenderers that was prepared under regulation 23(4);
- (d) a copy of the notice of the invitation to tender;
- (e) the name of each tenderer whose tender has been opened; and
- (f) the name of any successful tenderer;
- (g) the amount of the consideration or a summary of the amount of the consideration sought in the tender accepted by the local government.

Our findings from our selection of samples indicated that whilst the tenders register complied with all the legislative requirements, the prices provided by all tenderers were also indicated in the register, which may be deemed to be of commercial confidentiality. The regulation only requires the consideration to be shown of the successful tender.

We highlight the above for management attention only.

Management Comments:

The EMRC acknowledges the finding that the EMRC has exceeded the requirement of Regulation 17 of the Local Government (Functions and General) Regulations 1996 by providing the considerations submitted by all tenderers in the Tender Register. Accordingly, the process will be amended for future tenders to only include the prices by the successful tenderer.



We thank your staff for the assistance provided during the audit. Should you have any queries with respect to the above or any other matters please do not hesitate to contact our office.

Yours faithfully



MACRI PARTNERS
EMRC01 AMng Inform Audit Visit Letter 2013





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 meets 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 2013

Thursday	10	October (if required)	at	EMRC Administration Office
Thursday	21	November (if required)	at	EMRC Administration Office

16 DECLARATION OF CLOSURE OF MEETING

There being no further business the meeting was closed at 6:40pm.



16 REPORTS OF DELEGATES

Cr Carter tabled a report and provided a brief overview of her recent visit to AMEC's Anaerobic Digestion Plant in Lancashire, United Kingdom while on holiday and a brief discussion ensued.

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

18.1 FORECAST REVIEW 2013/2014

REFERENCE: COMMITTEES 16246

The Chief Executive Officer provided a brief overview of the report.

The Chairman commended EMRC officers on the report.

RECOMMENDATION(S)

That the report be received.

COUNCIL RESOLUTION(S)

MOVED CR RADFORD

SECONDED CR PULE

CARRIED UNANIMOUSLY

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

RECOMMENDATION (Closing meeting to the public)

That with the exception of, the meeting be closed to members of the public in accordance with Section 5.23 (2) of the Local Government Act for the purpose of dealing with matters of a confidential nature.

COUNCIL RESOLUTION

MOVED CR FÄRDIG

SECONDED CR CARTER

THAT WITH THE EXCEPTION OF, THE CHIEF EXECUTIVE OFFICER, DIRECTOR CORPORATE SERVICES, DIRECTOR REGIONAL SERVICES, DIRECTOR WASTE SERVICES, AND PERSONAL ASSISTANT TO THE DIRECTOR CORPORATE SERVICES FOR ITEM 19.1 THE MEETING BE CLOSED TO MEMBERS OF THE PUBLIC IN ACCORDANCE WITH SECTION 5.23 (2) OF THE LOCAL GOVERNMENT ACT FOR THE PURPOSE OF DEALING WITH MATTERS OF A CONFIDENTIAL NATURE.

CARRIED UNANIMOUSLY

The doors of the meeting were closed at 6:22pm and members of the public departed the Council Chambers.

The Chief Executive Officer, Director Corporate Services, Director Regional Services, Director Waste Services and the Personal Assistant to the Director Corporate Services remained in Council Chambers.



Item 19 continued

19.1 ITEM 14.1 OF THE RESOURCE RECOVERY MINUTES – RESOURCE RECOVERY FACILITY, RED HILL – TENDER PROCESS – SEPTEMBER 2013

REFERENCE: COMMITTEES-16222

This item is recommended to be confidential because it contains matters of a commercial-in-confidence nature.

The Council considered the Confidential Item circulated with the Agenda under Separate Cover.

RECOMMENDATION [Meeting re-opened to the public]

That the meeting be re-opened, the members of the public be invited to return to the meeting and the recommendations passed behind closed doors be recorded.

COUNCIL RESOLUTION

MOVED CR CUCCARO SECONDED CR MARKS

THAT THE MEETING BE RE-OPENED, THE MEMBERS OF THE PUBLIC BE INVITED TO RETURN TO THE MEETING AND THE RECOMMENDATIONS PASSED BEHIND CLOSED DOORS BE RECORDED.

CARRIED UNANIMOUSLY

The doors of the meeting were re-opened at 6:25pm and members of the public returned to Council Chambers.

Recording of the resolutions passed behind closed doors, namely:

19.1 ITEM 14.1 OF THE RESOURCE RECOVERY MINUTES – RESOURCE RECOVERY FACILITY, RED HILL – TENDER PROCESS – SEPTEMBER 2013

REFERENCE: COMMITTEES-16222

COUNCIL RESOLUTION

MOVED CR CUCCARO SECONDED CR LINDSEY

THAT:

1. THE CURRENT EXPRESSION OF INTEREST/TENDER PROCESS FOR THE EMRC RESOURCE RECOVERY FACILITY (EOI 2009-10) BE CANCELLED AND ACCEPTABLE TENDERERS ADVISED ACCORDINGLY.
2. COUNCIL CONTINUE WITH THE RESOURCE RECOVERY PROJECT IMPLEMENTATION.
3. THE REPORT REMAINS CONFIDENTIAL AND IS CERTIFIED BY THE CHAIRMAN AND CEO.

CARRIED UNANIMOUSLY



20 FUTURE MEETINGS OF COUNCIL

The next meeting of Council will be held on **Thursday 5 December 2013** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 6:00pm.

Future Meetings 2013

Thursday 5 December at EMRC Administration Office
January 2014 (recess)

21 DECLARATION OF CLOSURE OF MEETING

The Chairman thanked Councillor's and staff for their cooperation and contribution throughout the year and wished councillors well for the upcoming local government elections.

The Deputy Chairman also thanked the EMRC and Councillor's for their support and advice throughout the year and wished those facing election good luck. The Deputy Chairman also commented on her eight years with the EMRC and thanked everyone for their professionalism and consistency over that time.

Cr Marks commented that whilst his membership on the EMRC had been short, it had been an enjoyable experience.

There being no further business, the meeting was closed at 6:34pm.
