



MINUTES

CERTIFICATION OF CONFIRMATION OF COUNCIL MEETING MINUTES

14 DECEMBER 2011

I, Cr Alan Pilgrim, hereby certify that the following minutes [pages 1 to 37] of the Special Meeting of Council held on 14 December 2011 were confirmed at a meeting of the Council held on 16 February 2012.

A handwritten signature in blue ink, appearing to read "Alan Pilgrim", is written over a horizontal line. The signature is fluid and cursive.

Signature

Cr Alan Pilgrim

Person presiding at the Council Meeting held on 16 February 2012



MINUTES

Special Meeting of Council

14 December 2011

SPECIAL MEETING OF COUNCIL

MINUTES

14 December 2011

(REF: COMMITTEES-13517)

A Special Meeting of Council was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 14 December 2011**. The meeting commenced at **1.30pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 1.30pm. The Chairman thanked Cr Färdig for attending the meeting while he was on approved leave of absence.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Councillor Attendance

Cr Alan Pilgrim (Chairman)	EMRC Member	Shire of Mundaring
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 Graham Pittaway OAM	EMRC Member	City of Bayswater
Cr Glenys Godfrey	EMRC Member	City of Belmont
Cr Janet Powell (Deputy Chairman)	EMRC Member	City of Belmont
Cr Bob Emery	EMRC Member	Shire of Kalamunda
Cr Frank Lindsey	EMRC Member	Shire of Kalamunda
Cr Tony Cuccaro	EMRC Member	Shire of Mundaring
Cr Charlie Zannino	EMRC Member	City of Swan
Cr David Färdig	EMRC Member	City of Swan

Apologies

Nil

Leave of Absence Previously Approved

Deputy Member – Observer

Cr Phil Marks	EMRC Deputy Member	City of Belmont
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EMRC Officers

Mr Peter Schneider	Chief Executive Officer
Mr Hua Jer Liew	Director Corporate Services
Mr Brian Jones	Director Waste Services
Mrs Marilyn Horgan	Director Regional Services
Mrs Prapti Mehta	Manager Human Resources
Ms Mary-Ann Winnett	Personal Assistant to Director Corporate Services (Minutes)

EMRC Observers

Ms Terri-Ann Ashton	Manager Administration and Compliance
Mr Ben Perkins	Environment and Sustainability Coordinator
Mrs Annie Hughes-d'Aeth	Administration Support Officer

Observers

Mr Stuart Cole	Chief Executive Officer	City of Belmont
Ms Rhonda Hardy	Director Corporate & Community Services	Shire of Kalamunda
Mr Mike Foley	Chief Executive Officer	City of Swan

3 DISCLOSURE OF INTERESTS

Nil



4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

N/A

5 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

N/A

6 PUBLIC QUESTION TIME

Nil

7 APPLICATION FOR LEAVE OF ABSENCE

7.1 CRS JENNIE CARTER, ALAN RADFORD AND GRAHAM PITTAWAY - LEAVE OF ABSENCE

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR POWELL

THAT COUNCIL APPROVE APPLICATIONS FOR LEAVE OF ABSENCE FOR CR CARTER FROM 16 FEBRUARY 2012 TO 16 FEBRUARY 2012 INCLUSIVE, CR RADFORD FROM 22 JANUARY 2012 TO 24 FEBRUARY 2012 AND CR PITTAWAY FROM 5 JANUARY 2012 TO 25 JANUARY 2012 INCLUSIVE.

CARRIED UNANIMOUSLY

8 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil

9 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

N/A



10 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

N/A

11 QUESTIONS WITHOUT NOTICE

N/A

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

Nil

13 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



14 REPORTS OF OFFICERS

14.1 METROPOLITAN LOCAL GOVERNMENT REVIEW PANEL - DRAFT SUBMISSION

REFERENCE: COMMITTEES-13518

PURPOSE OF REPORT

To seek Council endorsement of EMRC's submission to the Issues Paper released for comment by the Metropolitan Local Government Review Panel.

KEY ISSUES AND RECOMMENDATION(S)

- The State Government has initiated reform of Western Australia's local government sector and as part of this the Minister for Local Government Hon John Castrilli MLA announced a review of Perth metropolitan government boundaries and governance structures.
- An independent Metropolitan Review Panel (the Panel) has been appointed to examine the social, economic, environmental and governance challenges facing metropolitan Perth.
- The Panel has released an Issues Paper and submissions have been invited from the community and local governments on the key questions posed in it by 23 December 2011.
- A draft Position Paper was presented to Council at the meeting held on 8 December 2011 where Council resolved to hold a Special Meeting of Council to discuss the Position Paper.

Recommendation(s)

- That Council endorse the draft Position Paper for submission to the Local Government Metropolitan Review Panel by 23 December 2011.

SOURCE OF REPORT

Chief Executive Officer

BACKGROUND

The State Government has initiated reform of Western Australia's local government sector and, as part of this, on 24 June 2011, the Minister for Local Government Hon John Castrilli MLA announced a review of Perth metropolitan local government boundaries and governance structures.

An independent Metropolitan Review Panel (the Panel) has been appointed to examine the social, economic, environmental and governance challenges facing metropolitan Perth. The Panel has released an Issues Paper and submissions have been invited from the community and local governments on key questions by 23 December 2011. The Panel intends to release its draft conclusions in March 2012 and further comments will be invited at that time before reporting back to the Minister for Local Government by 30 June 2012.

A draft Position Paper was presented to Council at the meeting held on 8 December 2011, with the recommendation that:

"COUNCIL ENDORSE THE DRAFT POSITION PAPER FOR SUBMISSION TO THE LOCAL GOVERNMENT METROPOLITAN REVIEW PANEL BY 23 DECEMBER 2011".



Item 14.1 continued

Council resolved:

“THAT A SPECIAL MEETING OF COUNCIL BE CALLED AT THE EARLIEST POSSIBLE TIME TO DISCUSS THE POSITION PAPER TO BE SUBMITTED TO THE LOCAL GOVERNMENT METROPOLITAN REVIEW PANEL”.

REPORT

A Special Council meeting will be held on 14 December 2011. The draft Position Paper *“The EMRC – an effective governance model”* is attached for Council consideration.

The draft Paper is divided into two parts. Part One provides a brief background on the EMRC, its current governance framework and the regional benefits that have flowed to Perth’s Eastern Region, as a result of its governance structure. Part Two provides a response to the Metropolitan Local Government Review Panel’s Issues Paper, and promotes the value and contribution of a regional entity governance model such as the EMRC to manage regional issues including waste, transport, environmental management and economic development.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

- 4.6 To provide responsible and accountable governance and management of the EMRC

FINANCIAL IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Not applicable

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)

Position Paper - *The EMRC – an effective governance model* (Ref: Committees-13519)



Item 14.1 continued

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council endorse the draft Position Paper for submission to the Local Government Metropolitan Review Panel by 23 December 2011.

The Chairman advised that the CEO had spent a lot of time over the week-end revising the Draft Position Paper, taking on board comments received from the last Council meeting held on 8 December 2011 and comments sent to him since the meeting. The Chairman thanked Councillors for their input.

The Chairman referred to page 15 of the Draft Position Paper and explained that the reason the paragraph was still included was to demonstrate that the EMRC had explored the issue of shared services and identified that it was not pursued as it was not economically viable. The Chairman felt that the submission was strengthened by leaving the paragraph in but it could be removed if deemed appropriate by Council. Cr Godfrey stated that she agreed with the Chairman's view.

The Chairman thanked EMRC staff for their work in preparing the report for last week's Council meeting at short notice and for taking on board Council's suggestions and stated that the revised document was a strengthened version.

COUNCIL RESOLUTION(S)

MOVED CR GODFREY

SECONDED CR EMERY

THAT COUNCIL ENDORSE THE DRAFT POSITION PAPER FOR SUBMISSION TO THE LOCAL GOVERNMENT METROPOLITAN REVIEW PANEL BY 23 DECEMBER 2011.

CARRIED UNANIMOUSLY



Advancing Perth's Eastern Region 

POSITION PAPER

The EMRC – an effective governance model



Submission by the Eastern Metropolitan Regional Council to the Local Government Review Panel December 2011



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I EXECUTIVE SUMMARY

An independent Metropolitan Local Government Review Panel has been appointed by the Minister for Local Government, Hon John Castrilli MLA, with the objectives of submitting recommendations to him on appropriate boundaries and governance models for local government in the Perth metropolitan area.

The Eastern Metropolitan Regional Council (EMRC) has prepared this Position Paper - *The EMRC – an effective governance model* to provide input into the Panel's review. The Paper asserts that local governments are under pressure to ensure that their services meet community needs in the context of a population geared to grow and age over the next 50 years and beyond.

The Paper demonstrates that an organisation such as the EMRC is well positioned to partner with all levels of government and take a lead role in delivering regional initiatives, in conjunction with its member Councils, resulting in sustainable social, economic and environmental outcomes for Perth's Eastern Region.

The key notions being supported within this submission include:

- The EMRC as a Regional Council was initially established by its member Councils to provide waste treatment and / or disposal services. In response to emerging issues and at the request of the member Councils, the services provided regionally were expanded to include: regional economic and community development, natural resource management activities, and environmental services, amongst others;
- The benefit of the geographic cluster making up Perth's Eastern Region is that it represents a compact, contiguous region, which facilitates the successful provision of regional strategies and services, regional advocacy, regional partnerships and grant submissions and administration;
- The EMRC model provides economic advantage to its member Councils resulting from economies of scale and resource sharing;
- The issue of attracting and retaining skilled staff is enabled in the EMRC model as it can employ a multi-disciplinary, multi-skilled cohort in specialist areas such as waste

management, environment and economic development for the benefit of the member Councils and the region;

- The cooperative, political and executive framework of the EMRC enables the member Councils individually and collectively to promote and advocate on issues for the benefit of local government and to better serve the community;
- The Regional Council is able to undertake regional scale initiatives, at the request of and for the benefit of member Councils, thereby supporting and sharing in the development and expertise inherent in each, enabling them to enhance their service delivery and focus on local issues; and
- The EMRC model is sufficiently robust and flexible enough to allow all or a subset of member Councils to be involved in various services or projects, and to opt out of those services and projects on a pre-determined exit strategy. The model is also flexible enough to accommodate any new functions given to local government as part of the reform agenda, which in the view of member Councils would be best delivered on a regional basis.

II INTRODUCTION

This Paper is divided into two parts. Part One provides a brief background on the EMRC, its current governance framework and the regional benefits that have flowed to Perth's Eastern Region, as a result of its governance structure. It then discusses EMRC's strategic direction, in the context of federal and state strategic directions, and recommends it as an effective governance model structured to deliver long term social, environmental and economic benefits for metropolitan Perth communities.

Part Two provides a response to the Metropolitan Local Government Review Panel's Issues Paper, and proposes that a regional entity such as the EMRC is best placed to manage regional issues such as waste, transport, environmental management and economic development on behalf of its member Councils.

III PART ONE

1. EMRC – a Brief Background

1.1 Perth's Eastern Region

Perth's Eastern Region extends from the edge of the Perth CBD, along the Swan River, through residential, commercial and industrial areas to the outer metropolitan agricultural areas of the Swan Valley and the Hills. The region encompasses 2,100 square kilometres and is home to approximately 319,000 residents. Perth's Eastern Region includes urban residential, rural residential, commercial and industrial areas as well as extensive natural areas, agricultural land, Swan River foreshore segments, national parks, state forests and water catchments.

Perth's Eastern Region is emerging as a key economic powerhouse for Western Australia. Strategically placed within metropolitan Perth, the Region contains Perth's international and domestic airports, as well as major arterial roads and rail infrastructure and industrial and commercial areas which link metropolitan Perth to the rest of Western Australia and beyond. The Region generates an estimated 10.7% of WA's Gross State Product and the major industry sectors, based on their output value, are manufacturing, transport and storage, construction, property and business services and wholesale trade. The key industry sectors that employ the largest number of workers are manufacturing, retail trade, wholesale trade, transport and storage, property and business services, health and community services and construction.

The EMRC is a local government entity established under the *Local Government Act 1995*. The EMRC works in partnership with six local councils located in Perth's Eastern Region — Town of Bassendean, City of Bayswater, City of Belmont, Shire of Kalamunda, Shire of Mundaring and City of Swan. Together, these six councils constitute around one third of metropolitan Perth. EMRC assists the councils to ensure that the entire region fulfils its potential as one of Western Australia's most vibrant and fast growing areas.

1.2 The Early Days

The *Eastern Refuse Disposal Zone Committee* comprising of five local government authorities - the Town of Bassendean, City of Belmont and the Shires of Bayswater, Mundaring and Swan was formed in the early 1970's as a result of the Australian Federal Government's policy decision to grant financial assistance to local authorities for rubbish disposal on a regional basis. Land at Redhill on Toodyay Road was identified as a potential area for future landfill activity and successful negotiations commenced with various stakeholders for land acquisition. Land purchased by the then Shire of Bayswater from Main Roads WA was developed as a waste disposal site and waste disposal commenced at Redhill in 1980 following the WA State Government's decision to close all landfill sites along the Swan River. EMRC was constituted (under the *Local Government Act 1960*) in 1983 with the designated purpose of providing waste treatment and / or disposal services to its five member Councils.

In the late 1980's the EMRC's constitution went through a number of amendments to allow the EMRC to provide safety and environmental services, in addition to waste services. It was amended once again in 1995 in order to admit the Shire of Kalamunda as a member. In 1998 the Constitution was replaced by an *Establishment Agreement (EMRC 1998)* as provided for under the *Local Government Act 1995*.

The *Establishment Agreement* provided a means for member Councils to promote, initiate, undertake, manage and facilitate a wide range of services, facilities and strategies; resulting in financial benefit to the member Councils, and enhancing service delivery to the community.

2. The EMRC Today

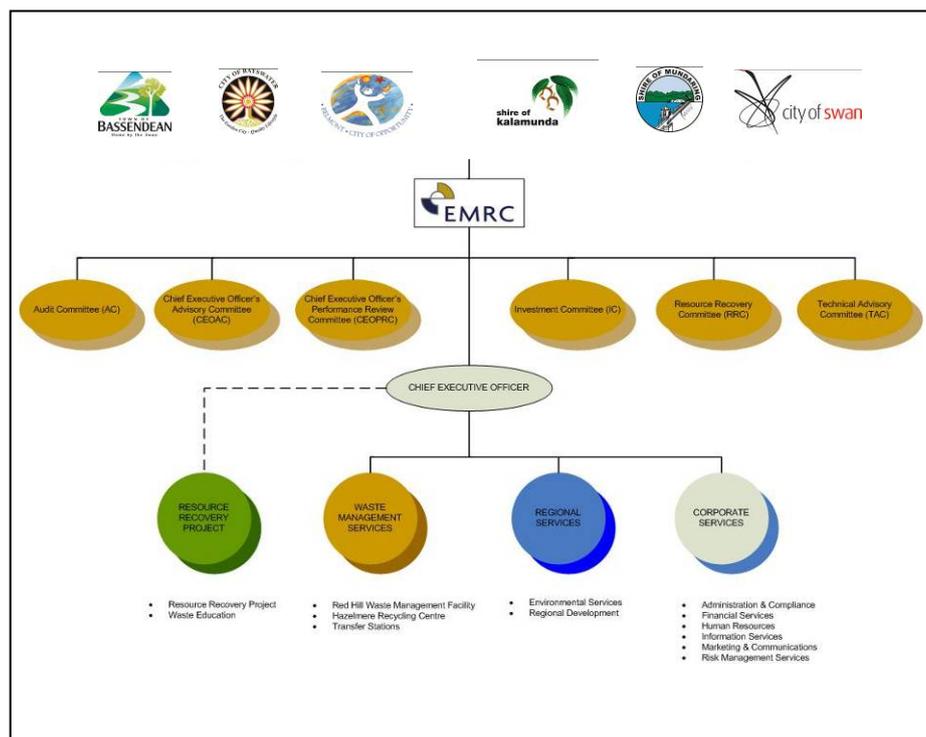
2.1 Governance Structure

The EMRC is a regional local government established under Section 3.61(1) of the *Local Government Act 1995* which states that:

Two or more local governments may, with the Minister's approval, establish a regional local government to do things, for the participants, for any purpose for which a local government can do things under this Act or any other Act.

The EMRC is a body corporate and has as its governing body, a Council established under its Establishment Agreement. This Agreement provides for each participant Council to appoint two elected members to be members of EMRC's Council and an additional member to deputise for those members when either one of them is not available. Each EMRC Councillor has an equal vote at Council meetings.

EMRC also has a number of committees established with specific terms of reference. One of the committees, the Chief Executive Officers Advisory Committee comprises of the EMRC's CEO and the six CEOs of member Councils. This Committee's function is to consider matters of regional relevance with a view to developing regional strategic plans and policies.



EMRC's Governance Structure

The EMRC Council holds bi-monthly meetings (with provision to hold a monthly meeting, if required) and makes decisions on strategic direction, resourcing and to consider recommendations referred to it by the six Committees.

A key role is to deliver on current and future priorities for the communities in Perth's Eastern Region. Council's focus has always been on ensuring that it delivers community outcomes, and has, since EMRC's inception, put in place an integrated planning framework to ensure realisation of its 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.*

The EMRC's Integrated Planning Framework comprises of: a "Strategic Plan for the Future" with a quadruple bottom line, resourcing plans, operational plans and a reporting structure. Regular reviews have ensured that the strategic plans are robust and continue to meet community expectations. The overall objective of the "Strategic Plan for the Future" is to ensure that Council uses its best endeavours to meet the needs of current and future generations in Perth's Eastern Region through integration of environmental protection, social advancement and economic prosperity, supported by good governance.

As such, Council's aim is to:

- facilitate the sustainable use and development of resources.
- facilitate diverse tourism, cultural and recreational opportunities.
- facilitate sustainable economic development and employment opportunities.
- be a responsive, progressive and responsible organisation.

EMRC's "Strategic Plan for the Future" is complemented by a number of strategies designed to deliver regional benefits. These include:

- Strategic Waste Management Strategy¹
- Regional Advocacy Strategy – 2010-2015²
- Regional Integrated Transport Strategy 2010-2013³

¹ The Waste Management Strategy provides background on legislation and policy impacting on waste management in Western Australia. It identifies issues and has recommendations relating to landfill facilities, greenhouse gas data collection, illegal dumping, waste education and waste collection and treatment services.

² The Advocacy Strategy guides EMRC's advocacy activities at Federal and State levels

³ Perth's Eastern Region is a major air, rail and road transport hub and The Regional Integrated Transport Strategy has been developed to address escalating traffic congestion and related safety concerns.

- Regional Economic Development Strategy 2010-2015⁴
- Regional Tourism Strategy 2010-2015⁵
- Regional Environmental Strategy 2011-2016⁶
- Swan and Helena Rivers Management Framework⁷

EMRC's council is focussed on ensuring that service and programme priorities not only identify with the long term aspirations of the communities in Perth's Eastern Region but also align with Australian Federal Government and WA State Government strategic policy directions.

2.2 Financial Model

The EMRC has a financially strong balance sheet with \$70 million in assets without any loan or overdraft facilities. Half of the assets are held in cash or cash equivalents for future developments and funding sustainable future projects such as the Resource Recovery Facility⁸.

Member Councils provide waste disposal revenue to the EMRC in the form of a "gate fee" for each tonne of waste disposed of. The EMRC's waste management facilities are open to the public and commercial customers and as a regional local government run on best practice principles. The fees and charges underpinning the revenue structure are competitively priced when compared to other local government-owned and commercially-owned waste disposal sites. The EMRC has a sound and sustainable cost structure and surpluses generated from waste revenue, as well as grant income assist in funding economic development and environmental projects.

⁴ The Economic Development Strategy has seven key focus areas, each with associated objectives and prioritised actions. The key focus areas consider issues such as liveability; employment self-containment; attracting knowledge intensive industries; business growth and attraction; infrastructure; governance; and environmental sustainability.

⁵ The Tourism Strategy has seven key focus areas that align under the components of Destination Development, Destination Marketing and Destination Management. The key focus areas include: advocacy and governance; research; land use planning; infrastructure; product development; regional event programs; and collaborative marketing.

⁶ The Environmental Strategy guides the development of regional environmental projects and services for the next five years.

⁷ The EMRC, member Councils, Swan River Trust and the WA Planning Commission have partnered to enhance the Swan and Helena Rivers through carefully planned land use activities that improve environmental, economic and social values of one of the state's most unique and valuable natural assets.

⁸ The proposed Resource Recovery Facility is designed to treat and recover materials and/or energy from waste through thermal, chemical and/or biological means.

In 2010/2011, waste disposal revenue from member Councils represented 43.5% of total waste disposal revenue. 56.5% of the waste disposal revenue in 2010/2011 was derived from commercial and non-member Council customers. Over the next five years, reliance on revenue from member Councils is expected to decrease even further. As a result of the future closure of metropolitan landfills it is anticipated that by 2016/2017, the EMRC will increase its commercial customer base resulting in revenue from member Councils representing only 35.4% of EMRC's total waste disposal income.

EMRC provides a model of sustainability - it not only provides services to member Councils, but also extends its services to other local governments and commercial enterprises, thus delivering significant social, economic and environmental dividends beyond Perth's Eastern Region.

2.3 Regional Waste Management

EMRC's core business is the provision of waste disposal services to its member Councils.

Without compromising service levels to its members, the EMRC also provides waste services to other customers including the City of Stirling, and until recently, the Western Metropolitan Regional Council. Western Australia's only Class IV⁹ and Class V¹⁰ waste disposal cells have been constructed at the Redhill Waste Management Facility which can be accessed by the wider metropolitan Perth population. With an estimated 50 year life span (35 million cubic meters of airspace) Redhill will be one of only two remaining metropolitan Perth's landfill sites in the next decade.

The Redhill Waste Management Facility is recognised as best practice in the waste management industry. Significant progress has been made towards seeking international standard accreditation (ISO 14001) for its Environmental Management System, and it is the only site in Western Australia running a composting operation that has been certified as meeting Australian Standards.

EMRC continues to introduce innovative waste management programmes. For example, it was the first Regional Council to offer Household Hazardous Waste management

⁹ Contaminated solid waste

¹⁰ Toxic waste

programmes, was the first to capture landfill gas to generate power, and will also be the first in Australia to potentially commence re-mining of old landfill sites.

EMRC also owns and operates the Hazelmere Recycling Centre, which is currently:

- Western Australia's only industrial timber recycler, supplying woodchip to broiler growers and particle board manufacturers.
- Western Australia's only mattress recycler.
- Australia's first, and Western Australia's only carpet tile recycling depot.

There are currently four other Regional Councils in metropolitan Perth formed by local councils seeking benefit from the economies of scale in waste management services.

EMRC is the only Regional Council in metropolitan Perth to have extended its services to deliver benefits other than waste management to its regional community. Geographically, EMRC has an advantage in that its members abut each other in a tight geographic cluster. This geographic grouping has enabled EMRC to provide services at a scale which is beneficial to a region containing a shared community of interest.

2.4 Regional Coordination

EMRC's Establishment Agreement provides for it to undertake a range of projects and services and a means for member councils to share resources and facilities. The cooperative, political and executive framework of the EMRC enables the member Councils individually and collectively to promote and advocate on issues for the benefit of local government and to better serve the community.

EMRC represents a model of successful collaboration, and for 28 years, has initiated and led projects for its member Councils that deliver real benefits to the region in the areas of waste management and resource recovery, environmental sustainability and regional economic development - these services enable member councils to enhance outcomes for their communities and for Perth's Eastern Region as a whole.

Major initiatives and strategies developed and undertaken by the EMRC for the benefit of member Councils and Perth's Eastern Region include:

Environmental Projects

- Consortium partner in the Perth Solar City project attracting \$73.5 million in federal government funding.
- Eastern Hills Catchment Management Program.
- Regional Environmental Strategy and Local Government Natural Resource Management Policy Manual.
- Achieving Carbon Emissions Reduction program.
- Water Campaign program.
- Swan and Helena River Management Framework.
- Regional Climate Change Adaptation Action Plan.
- Regional Environmental Strategy 2011-2016

Regional Development Projects

- Regional Integrated Transport Strategy 2010-2013
- Regional Economic Development Strategy 2010-2015
- Regional Tourism Strategy 2010-2015

Waste Management

- Operation of the Red Hill Waste Management Facility
- Operation of the Hazelmere Recycling Facility
- Operation of member Council waste transfer stations
- Planning for a Resource Recovery Facility (alternative waste treatment technology)
- Planning for a Resource Recovery Park (recycling & reuse centre)

2.5 Advocacy

As a regional entity, EMRC acts on behalf of its six member Councils and their communities for the benefit and sustainability of Perth's Eastern Region. As such EMRC has undertaken advocacy activities in the pursuit of specific and desired outcomes for the region. The areas that EMRC has been able to play an influencing role in, at federal and state levels, include among other things:

- The health, protection and sustainable use of the Swan and Helena Rivers;
- An effective and integrated regional transport system;
- Establishment of high speed, reliable broadband in the region;
- Continued and timely delivery of underground power;
- Facilitation of economic development and investment opportunities;
- Continued improvement of regional waste management activities;
- A natural environment that is protected enhanced and maintained for future generations;
and
- Enhanced social inclusion and access to health, education and community services for all residents.

3. EMRC's Role into the Future

3.1 Challenges and Opportunities

In February 2009 the Minister for Local Government announced reform strategies for local government and encouraged local governments to take steps to voluntarily amalgamate and form appropriate regional groupings. EMRC's member Councils made a definite & unanimous commitment to the EMRC as their preferred regional grouping.

The local government reform agenda presents both challenges and opportunities. The challenge is to create a bold vision for the future of local government and develop the right governance model to address the needs of the future.

The reform agenda provides the opportunity for the EMRC to continue to strengthen collaboration with all stakeholders in regional strategic planning. EMRC has experience in identifying and responding to pressures affecting the future of regional communities, and has a 28 year track record in setting direction and developing strategies to deliver sustainable community outcomes. EMRC's governance model has enabled member Councils to leverage off the economies of scale and synergies offered through their collaboration, providing for an improved financial position and degree of sustainability.

A 2010 report commissioned by the EMRC – *Feasibility of Shared Services* – identified that it may be possible for the EMRC to expand their services on a regional scale. This however was not progressed at the time as there wasn't considered sufficient benefit in relation to the size of the investment that would have been required.

The reform agenda provides the EMRC with further impetus and opportunity to partner with member Councils to enhance service delivery and act as a coordinating body between federal, state and local governments. Such an arrangement would produce more integrated policy outcomes and would enable community members to receive consistent services from a single access point, which may also result in reduced regulatory and compliance limitations.

3.2 Governance Model – A Coordinating Entity

The local government reform in metropolitan Perth may result in local government boundary adjustments and if this is the case, a wide range of innovative and improved approaches to service delivery would be required to ensure that services continue to meet the service levels expected by the community. The role of a regional entity such as the EMRC would enable a focus on developing:

- A cooperative model that increases capacity yet still allows for local identity and decision making.
- A strong working relationship and integration with Councils on operations and decision-making;
- A robust partnership with local, state and federal governments, communities and businesses, to deliver strategic regional outcomes.
- Development of a strong revenue stream and lower costs due to services being provided at a regional level

The EMRC governance model has been recognised and held up as best practice through a number of reports such as: *The Journey: Sustainability into the Future* (WALGA, 2008) and *Ensuring the Future Sustainability of Communities* (Department of Local Government, 2006).

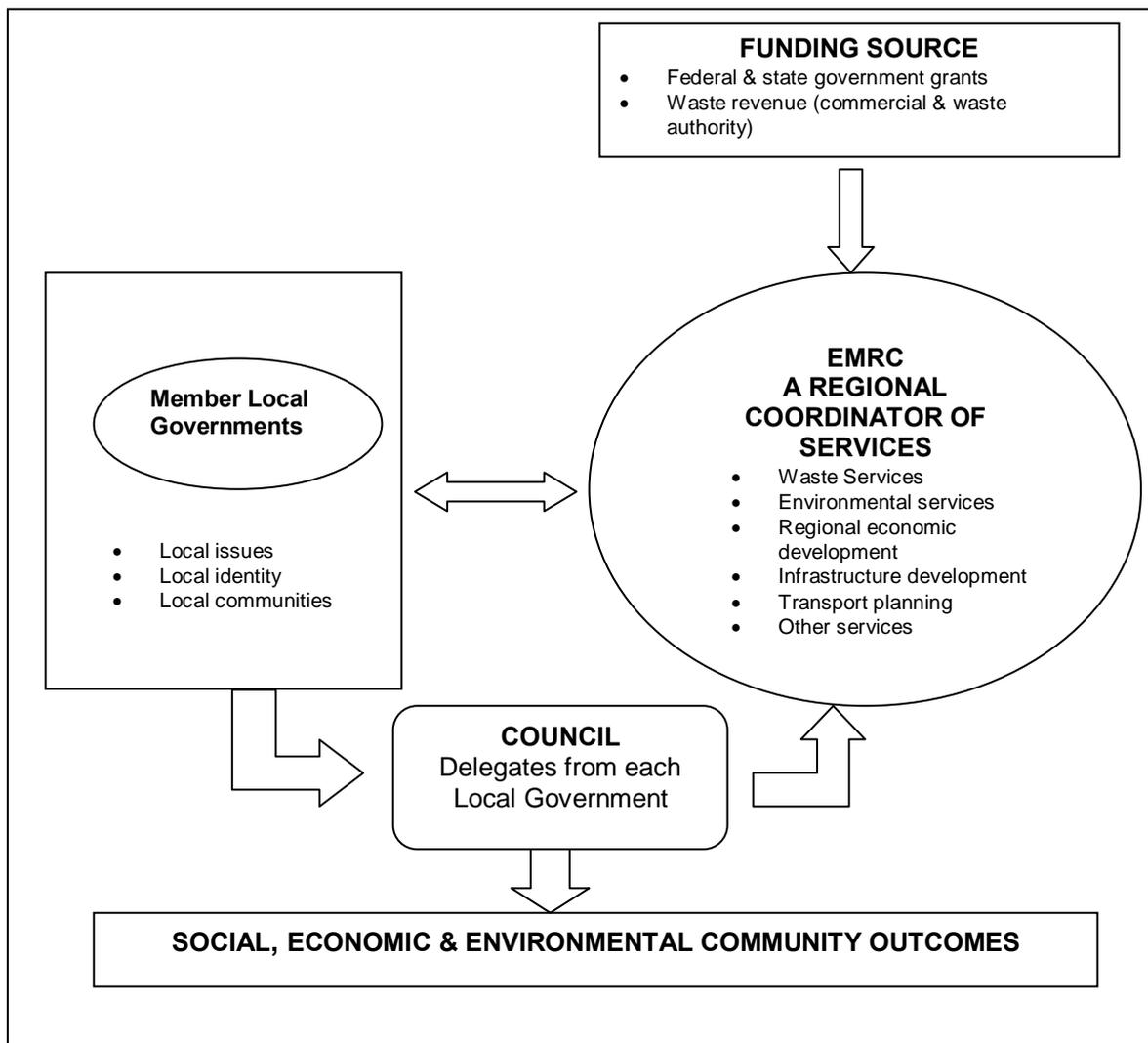
EMRC has acted as the representative body for the WA State Government's Strategic Waste Initiative Scheme projects, Household Hazardous Waste and E-Waste management and regional funding procurements. EMRC also represents its member Councils' interests on the Municipal Waste Advisory Council.

It is therefore considered essential that any local government reform agenda, takes into consideration the successes of the past when planning for the future.

4. Proposed Governance Model

EMRC would continue to provide regional strategic planning, and deliver services and programmes. Waste management would continue to form part of the total suite of services offered by the EMRC, however depending on what, if any, new functions are transferred to local government as part of the reform agenda, EMRC would be well placed to deliver those best suited to being provided at a regional scale.

This governance framework model enables individual local governments to retain local services whilst being offered the flexibility of transferring responsibility for delivering cross boundary services to a coordinating entity. The model offers reassurance to local communities concerned with maintaining a community of interest, as local representation is maintained. Operational funding would continue to be derived from member Councils and commercial waste disposal customers, fee for service for regional projects, and federal and state grants.



EMRC a Regional Coordinator of Services

IV PART TWO

Response to the Metropolitan Local Government Review - Questions for Local Government

1. *What are the biggest issues facing local government in metropolitan Perth*

Local government will be required to effectively plan for a population geared to grow and age over the next 50 years and beyond ensuring:

- Environmental impacts as a result of the growth are minimised.
- People are able to live in affordable and attractive localities where there is a sense of community and connectedness.
- Jobs, industries and economic development opportunities are provided.
- An integrated network of services exists with appropriate infrastructure in place (e.g. roads, recreation, waste etc)

Environmental, social and economic sustainability planning will need to be undertaken to ensure that the aspirations of all community members are met, and will also need to take into consideration a number of issues including those outlined below:

1.1 Demographic Changes

Over the next fifty years local government will have to respond proactively to the demands placed on its services as a result of population growth (in numbers as well as in spread), the growth of an educated society and the emergence of a diverse and multicultural population. All these factors will affect the way people live, work and commute.

1.2 Asset Management

A challenge will be to manage, maintain and replace infrastructure such as paths, roads, swimming pools, libraries and community centres, whilst funding the establishment of infrastructure in new growth areas. Land releases will be required to accommodate population growth, and another challenge will be to ensure that planning focuses on providing choices which do not compromise land, water and air quality. Furthermore it will be important to ensure that people are able to meet all their needs (e.g. employment, education recreation, services etc) without having to travel great distances from where they live.

Adapting to the changes and building sustainable communities will require the integration of environmental, social and economic factors. Tackling many of the issues will require a regional and coordinated approach, benefiting from the development of strong relationships with all levels of government, community and other stakeholders in order to maximise effectiveness.

1.3 Urban Growth and Environmental Issues

Urban growth brings with it the challenge of providing required infrastructure such as waste management facilities, community facilities, roads etc. The cost of providing this infrastructure and maintaining it, has a huge impact on local government sustainability and service delivery. Increases in urban infill and fast outer urban growth for metropolitan Perth have the potential to result in detrimental impacts on air, water and land quality. Local governments have a key role to play in ensuring that urban development does not negatively impact on their communities and the environment. Pooling resources and taking a regional approach to managing natural resources is an effective means of dealing with these issues.

1.4 Climate Change

Climate change represents a significant challenge to federal, state and local governments due to the predicted impacts on infrastructure, land use planning, biodiversity, environmental health and fire and emergency services, as well as parks and reserve management. In addition, there will be challenges and opportunities associated with impacts of the carbon tax on local and regional economies.

Adapting to the impacts of climate change also provides opportunities. Regional level planning integrated into local planning and risk management, will ensure all levels of government and the community are aligned towards a coordinated approach.

1.5 Financial Sustainability

Increasing costs related to service delivery has placed a financial burden on local governments. Local governments have also become increasingly involved in non-traditional services such as the provision of affordable housing and community safety. These and other factors have caused many local governments to either defer or reduce expenditure, due to an inability to fund services and programmes. Furthermore, the capacity to increase rates is

limited due to increases in state government fees, levies and charges impacting on councils' ratepayers. These factors are likely to have a long term impact on local government operations and their ability to meet community expectations.

It is important for local government to be financially sustainable to be able to maintain and/or improve service delivery. Realising the benefits from economies of scale and regional shared service provision, will assist local councils to continue their efforts to meet community expectations.

1.6 Attracting and Retaining Skilled Staff

An important issue for local governments is to be able to attract and retain staff that have the skills, experience and knowledge to meet the demands of increasing community expectations. In the current economic climate, staff recruitment and retention is a major issue where skilled and experienced employees are retiring or have chosen to move out of the local government industry into the private sector, especially given the demands for personnel in the mining and resources sector.

EMRC's Position

It is the EMRC's position that the above challenges can best be met by a regional and collaborative approach, which will enable local government to pool human and capital resources in order to provide sustainable social, economic and environmental outcomes. As discussed in Part One of this Position Paper, the EMRC model is proven and successful and as such EMRC has taken a lead role in assisting its member Councils to respond to a regional solution for many of the challenges detailed above. Additional to the regional collaboration approach, the EMRC has been very successful in bringing together all levels of government to address issues where they all have a role to play. Examples include public transport and transport infrastructure, a coordinated approach to an integrated waste management solution and issues to do with the Swan and Helena Rivers systems.

2. What changes or improvements in arrangements are needed between state and local government sectors for governing Perth?

There is a need for coordinated planning at a regional level that aligns with local, state and federal government strategic planning initiatives. All Australian capital cities are required to have in place a Capital Cities Strategic Plan and these will be the basis for attracting federal funding. In addition, the WA State Government's *Directions 2031 and Beyond* guiding framework will be used as the strategic planning document to feed into the Capital City strategic planning requirements.

EMRC's Position

It is the EMRC's position that if the WA State Government implementation plans for the seven sub regions identified in *Direction 2031 and Beyond* are to succeed; there is a need for strong regional governance bodies, such as the EMRC to:

- Provide an effective transparent mechanism to strategically respond to the needs of each region.
- Act as a single reporting entity / point of contact to state and federal government on the sub regions needs.
- Develop integrated high level strategic planning to align land use planning, major projects, infrastructure and policy.

3. What services should local government provide in the Perth metropolitan area?

Local government has, by necessity as a result of federal and state government obfuscation, moved beyond the traditional service delivery roles and now provides a range of services which include community development, recreation, aged and youth services, statutory planning, security, parking, environmental planning, infrastructure planning and economic development.

Community expectations of local government are changing. Councils are no longer just "roads, rates and rubbish". Instead there are expectations from communities that their local council will act as an advocate and champion strategic projects in delivering a wide range of social, economic and environmental outcomes. For this to continue, local government will need to be properly resourced.

In meeting this expectation, the role of local government is to deliver services leveraging off a linked network of partners such as volunteers, community groups (including small business), local, state and federal governments, other government bodies, non-government organisations, not-for-profit organisations and the private sector.

EMRC's Position

It is the EMRC's position that an organisation such as itself is well positioned to partner with all levels of government and take a lead role in delivering regional initiatives such as waste management, regional economic development, regional natural resource management, regional infrastructure planning, river management and regional community development. Some of the high priority regional projects developed by the EMRC include:

- a. EMRC has taken a leadership role in developing a coordinated regional response to climate change and, through its *Regional Climate Change Adaptation Plan 2009-2013*, is addressing key regional issues in relation to:
 - Improving management of the local environment and community assets
 - Developing transport, planning and building systems that support low carbon emissions
 - Supporting the community to adjust to the cost of a carbon economy
 - Supporting innovation and economic development opportunities associated with new technologies

- b. EMRC's Strategic Plan for the Future 2010-2014 has a quadruple bottom line structure. EMRC has taken the lead in developing a coordinated regional response to ensuring that infrastructure needs, economic development opportunities and environmental issues are taken into consideration for future population planning.

- c. EMRC's *Regional Economic Development Strategy 2010-2015* is aligned to *Directions 2031 and Beyond* and outlines a regional framework for the delivery of economic outcomes throughout Perth's Eastern Region. It complements and supports member Councils' strategic planning and aims to partner and collaborate with all levels of government, businesses and other stakeholders to deliver regional economic outcomes.

- d. The *Regional Integrated Transport Strategy Action Plan 2012-2013*, provides a coherent strategic framework for the management and development of a transport system that integrates all transport modes and contributes towards the development of an efficient and effective transport network.

- e. EMRC's *Eastern Hills Catchment Management Programme (EHCMP)* has been developed in partnership with member Councils, Perth Region NRM, Department of Environment, Swan River Trust, WA Planning Commission and private land owners to develop a holistic and strategic approach towards land conservation. The EHCMP has proven its effectiveness through the overwhelming and ongoing active participation by the community, including 1,700 volunteers coordinated by the EMRC.

- f. EMRC, in partnership with the Swan River Trust, has developed a set of guidelines for local governments in priority catchment areas. *The Local Government Natural Resource Management (NRM) Policy Manual* is an easy to use reference guide designed to assist local governments to manage natural resources in their region, and reduce nutrient and other pollutants in priority catchment areas of the Swan-Canning river systems. The NRM Policy Manual includes best practice guidelines for areas such as: land use planning and development control; storm water/drainage management; and provision of services such as recreational facilities. The Manual also contains a checklist of policy and legislation pertaining to natural resource management during the planning process.

4. How should Local government be financed to provide services?

EMRC has been collecting its primary income from fees and charges for waste services provided to industry, member councils and other councils as well as contributions from member Councils to various other projects. The fees and charges not only factor in the cost of supplying the service, but also in establishing funds for future capital outlays for major projects such as the Resource Recovery Facility (alternative waste treatment).

The EMRC, like many local governments, relies to a certain extent on funding from both state and federal government grants to supplement income from rates and other charges and to provide essential services and infrastructure to their communities.

Compared to commercial and private enterprises, Regional local governments face greater compliance costs and restrictions on the day to day running of their operations, particularly in the areas of:

1. Debt Funding
2. Ownership structure

4.1 Debt Borrowing

Private and commercial organisations fund their operations through a balance of equity and debt. While debt is regarded as the cheaper form of funding, there are legislative restrictions on this type of funding for local governments and, in particular, regional local governments.

As a regional local government, the EMRC is restricted in how it can borrow under *the Local Government Act 1995*. Section 6.21(1)(a), states that where a regional local government borrows money, obtains credit or arranges for financial accommodation to be extended to the regional local government that money, credit or financial accommodation is to be secured only by the regional local government giving security over the financial contributions of the participants to the regional local government's funds as set out or provided for in the establishment agreement for the regional local government.

As the EMRC is operated in surplus, there has been no requirement for any financial contribution from participating member Councils. The fees received from the member

Councils are a fee for service and as such do not meet the definition of a financial contribution.

A regional local government may also give security over Government grants which were not given to the regional local government for a specific purpose; however these are not very common.

Therefore in order for the EMRC to borrow, each Council from the member Councils are required to give security to the lender over their general funds, in accordance with section 6.21(c). This imposes a significant administrative burden with a reliance on the support of each member Council. This however restricts the borrowing capacity of the member council to the extent of the guarantee given. As the EMRC has realisable assets in their own right, consideration should be given to amending the Act to allow regional councils to supply a guarantee over their own assets.

4.2 Ownership Structure

Private and commercial organisations are able to set up or acquire an interest to give them control of an incorporated company to provide the parent company protection afforded under the Corporations Act. An incorporated company is also able to fund the business through a combination of the equity contribution from the shareholders as well as debt funding in its own right.

Under section 3.60 of the *Local Government Act 1995*, a local government cannot form or take part in forming, or acquire an interest giving it the control of, an incorporated company or any other body corporate except a regional local government unless it is permitted to do so by regulations.

An incorporated company or joint partnership arrangements for regional councils may allow a larger pool of participants into the project or business, thereby reducing the ownership risk of the project. This would reduce the level of capital investment funding required for regional local governments. This would allow for some start-up projects that would benefit the community that may not have been able to be implemented otherwise, due to high capital requirements.

5. Are there any state provided services that local government might be better placed to provide?

The community expects efficient and effective services, and all three tiers of government are essential to deliver these. Local government, as the tier closest to the community, is best placed to provide services such as community development, community safety, waste management, environmental management, economic development, youth and aged services and local area planning. The state government should take a regulatory role as well as continue to provide significant services such as health, education and security.

EMRC's Position

It is the EMRC's position that an entity such as the EMRC is an important element of governance as its role is to coordinate and implement regional strategies and services. This provides economies of scale and synergies enabling local councils to free up resources for local matters. Whilst regional cooperation and resource sharing already exists, there is potential for EMRC to extend the scope and coverage of its activities in response to the demands of its member Councils.

6. Are there any changes to key legislation which are essential or desirable?

- On 25 November 2010 the Hon Max Trenorden MLC introduced a Private Member's Bill, the *Local Government Amendment (Regional Subsidiaries) Bill 2010* into the Legislative Council. This bill, if passed would provide legislation to enable local governments to provide a range of services and functions that are currently unavailable under the *Local Government Act 1995*. Essentially, the current provisions of the Act apply to regional councils unless specifically excluded under section 3.66. Under the Private Members Bill the opposite would apply i.e. the Act would not apply unless specifically cited. This would allow regional Councils to act with a more commercial focus, reduce some of the compliance costs they are currently burdened with and allow them to be more responsive to the requirements of their member Councils.

- Both the state and federal governments have indicated that their preference is to provide grant funding on a regional basis rather than deal with multiple individual councils as they view this as being more administratively efficient and the provision of projects across local government boundaries is considered more effective. This supports the regional council governance model provided by the EMRC, and supported throughout this submission.

A prime example of where this has been beneficial, apart from the Perth Solar City project mentioned in Section 2.4 regional coordination, is the Avon Descent Family Fun Days grant from Lotterywest. Prior to EMRC's involvement, individual councils participating in this event secured individual grants totalling approximately \$100,000. EMRC were asked to become involved in coordinating the Family Fun Days events on behalf of four of its member Councils plus the Shires of Northam and Toodyay. This resulted in a better managed marketing effort, and more cohesive operational methodology for the events. As requested by Lotterywest, EMRC became responsible for submitting a single grant application on behalf of the six (6) councils involved and secured funding of \$250,000, more than doubling the previous total secured by individual councils.

V REFERENCES

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Legislation:

Local Government Amendment (Regional Subsidiaries) Bill 2010 (Western Australia)

Local Government Act 1960 (Western Australia)

Local Government Act 1995 (Western Australia)



15 REPORTS OF COMMITTEES

N/A

16 REPORTS OF DELEGATES

N/A

17 MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

N/A

18 NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE CHAIRMAN OR PERSON PRESIDING OR BY DECISION OF MEETING

N/A

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

Nil

20 FUTURE MEETINGS OF COUNCIL

Future Meetings 2012

Thursday	16 February	at	EMRC Administration Office
Thursday	22 March (if required)	at	EMRC Administration Office
Thursday	19 April	at	EMRC Administration Office
Thursday	24 May (if required)	at	EMRC Administration Office
Thursday	21 June	at	EMRC Administration Office
Thursday	19 July (if required)	at	EMRC Administration Office
Thursday	23 August	at	EMRC Administration Office
Thursday	20 September (if required)	at	EMRC Administration Office
Thursday	18 October	at	EMRC Administration Office
Thursday	6 December	at	EMRC Administration Office
January 2013 (recess)			

21 DECLARATION OF CLOSURE OF MEETING

There being no further business, the meeting was closed at 1.42pm.