



MINUTES

CERTIFICATION OF CONFIRMATION OF COUNCIL MEETING MINUTES

22 September 2011

I, Cr Alan Pilgrim hereby certify that the following minutes [pages 1 to 180] of the Meeting of Council held on 22 September 2011 were confirmed at a meeting of the Council held on 3 November 2011.


Signature

Cr Alan Pilgrim

Person presiding at the Council Meeting held on 3 November 2011

ORDINARY MEETING OF COUNCIL

MINUTES

22 September 2011

(REF: COMMITTEES-12735)

An Ordinary Meeting of Council was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 22 September 2011**. 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 Graham Pittaway (Chairman)	EMRC Member	City of Bayswater
Cr Gerry Pule	EMRC Member	Town of Bassendean
Cr Alan Radford	EMRC Member	City of Bayswater
Cr Glenys Godfrey	EMRC Member	City of Belmont
Cr Janet Powell	EMRC Member	City of Belmont
Cr Don McKechnie	EMRC Member	Shire of Kalamunda
Cr Frank Lindsey	EMRC Member	Shire of Kalamunda
Cr Tony Cuccaro (Deputy Chairman)	EMRC Member	Shire of Mundaring
Cr Alan Pilgrim	EMRC Member	Shire of Mundaring
Cr David Färdig	EMRC Member	City of Swan
Cr Charlie Zannino	EMRC Member	City of Swan

Apologies

Cr John Gangell	EMRC Member	Town of Bassendean
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EMRC Officers

Mr Peter Schneider	Chief Executive Officer
Mr Hua Jer Liew	Director Corporate Services
Ms Marilynn Horgan	Director Regional Services
Mr Johan Le Roux	Acting Director Waste Services
Ms Theresa Eckstein	Executive Assistant to Chief Executive Officer
Ms Mary-Ann Winnett	Personal Assistant to Director Corporate Services (Minutes)

EMRC Observers

Mr David Ameduri	Manager Financial Services
Ms Terri-Ann Ashton	Manager Administration and Compliance
Ms Teresa Creasy	Manager Marketing and Communications
Ms Teale Binckes	Marketing and Communications Officer

Observers

Mr Bob Jarvis	Chief Executive Officer	Town of Bassendean
Mr Jonathan Throssell	Chief Executive Officer	Shire of Mundaring
Mr Doug Pearson	Director Technical Services	City of Bayswater

3 DISCLOSURE OF INTERESTS

Nil



4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

4.1 Belmont Opportunity Award

The Chairman and CEO attended the City of Belmont Mayoral Dinner on Saturday 17 September 2011 where EMRC received a City of Belmont 2011 Opportunity Award.

The Award was a pleasant surprise and was presented to the EMRC for "Working in partnership with the City of Belmont to deliver real benefits to the region through its promotion of the City, the efficient delivery of services in the areas of environmental and waste management and achieving long term gains for the community".

The Chairman thanked fellow Councillors, the CEO and staff for their valued contribution and to the City of Belmont for their formal recognition of the EMRC's contribution to the Region.

4.2 Natural Savewater Awards

The EMRC has been shortlisted as a finalist in the National 2011 Savewater Awards. The National 2011 program attracted over 1,000 entries from across Australia and internationally. The EMRC's entry was shortlisted by an independent judging panel of experts, headed by environmental consultant, Mr Rob Gell. Mr Gell said "it is extremely pleasing to see organisations and individuals engaging in some outstanding projects to save our precious water resource and we hope this continues well into the future".

The winners for this year's program will be announced in Melbourne on Friday 11th November 2011.

4.3 Canberra Advocacy Visit – 14 & 15 September 2011

The Chairman, CEO and Director Regional Services, were in Canberra last week to visit Ministers, Shadow Ministers and senior Ministerial Advisors in order to brief them on a range of regional priorities and issues. Although the 2 days were packed with meetings the trip was very beneficial and enlightening. A trip report will be provided to a future meeting of Council.

5 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

6 PUBLIC QUESTION TIME

Nil

7 APPLICATION 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 18 AUGUST 2011

That the minutes of the Ordinary Meeting of Council held on 18 August 2011 which have been distributed, be confirmed.

COUNCIL RESOLUTION

MOVED CR PULE

SECONDED CR GODFREY

THAT THE MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD ON 18 AUGUST 2011 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

10 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

11 QUESTIONS WITHOUT NOTICE

In response to a query from Cr Godfrey on whether the EMRC could consider the supply and delivery of small loads of mulch to customers the CEO advised that it would be noted for the future and could be considered then.

Cr McKechnie advised that the Rapid Transport Infrastructure report had been released for comment and asked if the EMRC had submitted any comments. The CEO advised that it was a Public Transport Authority report and was being considered by the East Zone group and the EMRC had supplied information to all the member Councils. A draft report had been sent to WALGA for consideration at their next meeting and a report was also being submitted to the CEOAC meeting being held on 11 October 2011.

In response to Cr McKechnie's query on whether the EMRC had undertaken any more advocacy work the CEO advised that the EMRC had met the Minister for Transport; Housing, the Honourable Troy Buswell MLA and provided him with a copy of the Integrated Transport Strategy.

Cr Godfrey felt there were gaps in the Rapid Transport Infrastructure report in relation to activity centres such as Armadale, Kalamunda and Midland and encouraged Councillors to attend the next East Zone meeting to participate in tabling a response.

12 ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH THE MEETING 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 CONFIDENTIAL REPORT – TAKING ORDER FOR LOTS 62 & 603 GREAT EASTERN HIGHWAY ASCOT

13 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



14 REPORTS OF OFFICERS

QUESTIONS

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

RECOMMENDATION

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

Cr Pilgrim referred to page 87 of the Agenda - Closure of EMRC Facilities for the Christmas/New Year Period 2011/2012 and queried whether discussions were held with staff at the Shire of Mundaring regarding the closure of the Mathieson Road and Coppin Road Transfer Stations. The CEO confirmed that consultations were held with the Shire of Mundaring's Director Infrastructure Services. A copy of the report would be sent to all member Council CEO's after the meeting.

The CEO referred to item 14.3 EMRC 2010/2011 Annual Report and acknowledged the work that had gone into the report by EMRC's Manager Marketing and Communications and the Marketing and Communications Officer. The Chairman stated that the report was a credit to the EMRC and beautifully designed and he congratulated them on their efforts.

Cr Godfrey agreed that the report was an excellent document and stated that she was particularly pleased that the photos in the report related to Perth's Eastern Region.

COUNCIL RESOLUTION

MOVED CR GODFREY SECONDED CR PULE

THAT THE OFFICERS REPORTS (SECTION 14) BE ADOPTED.

CARRIED UNANIMOUSLY



14 REPORTS OF OFFICERS

14.1 LIST OF ACCOUNTS PAID DURING THE MONTH OF AUGUST 2011

REFERENCE: COMMITTEES-13054

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 2011 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 2011 is provided for noting.

Recommendation(s)

That Council notes the CEO's list of accounts for August 2011 paid under delegated power in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, as attached to this report totalling \$8,149,364.13.

SOURCE OF REPORT

Director Corporate Services
 Manager Financial Services

BACKGROUND

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

REPORT

The table below summarises the payments drawn on the funds during the month of August 2011. A list detailing the payments made is appended as an attachment to this report.

Municipal Fund	EFT Payments:	20673 – 20962	
	Cheque Payments:	219110 – 219116	
	Payroll EFT:	PAY-3, PAY-4, PAY-4.1 & PAY-5	
	DIRECT DEBITS		
	- Bank Charges:	1*AUG11	
	- Other:	516 - 525	\$8,157,072.68
	LESS		
	Cancelled EFTs and Cheques	EFT20752	(\$7,708.55)
Trust Fund	Not Applicable		Nil
Total			\$8,149,364.13



Item 14.1 continued

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

- 4.6 To provide responsible and accountable governance and management of the EMRC
- 4.7 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 2011 (Ref: Committees-13065)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council notes the CEO's list of accounts for August 2011 paid under delegated power in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, as attached to this report totalling \$8,149,364.13.

COUNCIL RESOLUTION(S)

MOVED CR GODFREY

SECONDED CR PULE

THAT COUNCIL NOTES THE CEO'S LIST OF ACCOUNTS FOR AUGUST 2011 PAID UNDER DELEGATED POWER IN ACCORDANCE WITH REGULATION 13(1) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996, AS ATTACHED TO THIS REPORT TOTALLING \$8,149,364.13.

CARRIED UNANIMOUSLY



Eastern Metropolitan Regional Council

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 CEO's DELEGATED PAYMENTS LIST
 FOR THE MONTH OF AUGUST 2011

User: Le Truong

Cheque /EFT No	Date	Payee	Amount
EFT20673	03/08/2011	AURORA ENVIRONMENTAL	3,477.38
EFT20674	03/08/2011	FUJI XEROX AUSTRALIA PTY LTD	1,916.59
EFT20675	03/08/2011	KLB SYSTEMS	665.50
EFT20676	03/08/2011	PERTH SECURITY SERVICES - MCW CORPORATION PTY LTD	4,372.67
EFT20677	03/08/2011	ACCESS INDUSTRIAL TYRES	280.50
EFT20678	03/08/2011	ADCORP	5,702.83
EFT20679	03/08/2011	ALL DAY CONTRACTING	7,839.34
EFT20680	03/08/2011	ARCH SOFTWARE AUSTRALIA	6,050.00
EFT20681	03/08/2011	AUSTRACLEAR LIMITED (ASX)	70.75
EFT20682	03/08/2011	AUSTRALIAN INSTITUTE OF MANAGEMENT - AIM	3,135.00
EFT20683	03/08/2011	AUSTRALIAN LIMNOLOGICAL SERVICES PTY LTD T/A WETLAND RESEARC	4,400.00
EFT20684	03/08/2011	BRING COURIERS	516.41
EFT20685	03/08/2011	BT EQUIPMENT PTY LTD T/A TUTT BRYANT EQUIPMENT	260.18
EFT20686	03/08/2011	CJD EQUIPMENT PTY LTD	2,715.06
EFT20687	03/08/2011	COLONIAL PRINT & PROMOTIONS	2,077.90
EFT20688	03/08/2011	CORPORATE EXPRESS AUSTRALIA LTD	327.25
EFT20689	03/08/2011	EMAIL MEDIA	165.00
EFT20690	03/08/2011	FRUIT BOOST PTY LTD ATF BANDITS TRUST	933.50
EFT20691	03/08/2011	HILLS FRESH	79.65
EFT20692	03/08/2011	ISS WASHROOM SERVICES	52.43
EFT20693	03/08/2011	IT VISION AUSTRALIA PTY LTD	30,442.50
EFT20694	03/08/2011	KELLY SERVICES (AUSTRALIA) LTD	169.18
EFT20695	03/08/2011	KEYWEST LOCK SERVICE	151.80
EFT20696	03/08/2011	KORDT ENGINEERING	7,040.00
EFT20697	03/08/2011	MACHINERY WAREHOUSE	2,112.00
EFT20698	03/08/2011	MITCHELL AND PARTNERS AUSTRALIA PTY LTD	289.43
EFT20699	03/08/2011	MR DAVID SCHMIDT	762.45
EFT20700	03/08/2011	MS GROUNDWATER MANAGEMENT	8,360.00
EFT20701	03/08/2011	MUNDARING CONCRETE PTY LTD	1,288.32
EFT20702	03/08/2011	NATIONAL LUBRICATION SYSTEMS	2,987.70
EFT20703	03/08/2011	NEVERFAIL SPRINGWATER	82.50
EFT20704	03/08/2011	NEVERFAIL SPRINGWATER LTD - HAZELMERE	28.75
EFT20705	03/08/2011	O'BRIEN GLASS	559.49
EFT20706	03/08/2011	ON SITE RENTALS PTY LTD	618.20
EFT20707	03/08/2011	PRESTIGE PUMP RENTALS	487.93
EFT20708	03/08/2011	RELIABLE PROCESS MAINTENANCE PTY LTD	524.70
EFT20709	03/08/2011	ROSS HUMAN DIRECTIONS	4,546.08
EFT20710	03/08/2011	SHUGS ELECTRICAL	1,257.30
EFT20711	03/08/2011	SIGNS & LINES	518.67
EFT20712	03/08/2011	SNAP PRINTING	121.25
EFT20713	03/08/2011	ST JOHN AMBULANCE ASSOCIATION	199.00
EFT20714	03/08/2011	SUCCESS WATERS PTY LTD T/A HAYDN ROBINSON	3,659.70
EFT20715	03/08/2011	TELSTRA - A/C 008 2879 300 - SECONDARY WASTE PRJ	167.61
EFT20716	03/08/2011	TIM DAVIES LANDSCAPING PTY LTD	858.00
EFT20717	03/08/2011	TOTALLY WORKWEAR MIDLAND	916.43
EFT20718	03/08/2011	UNIQUE WASTE MANAGEMENT SERVICES	1,072.72
EFT20719	03/08/2011	VOLICH WASTE CONTRACTORS PTY LTD	44.00
EFT20720	03/08/2011	WESTRAC EQUIPMENT PTY LTD	3,359.22
EFT20721	05/08/2011	EXPERIENCE PERTH	165.00
EFT20722	05/08/2011	IPING PTY LTD	1,128.80



Eastern Metropolitan Regional Council

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 CEO's DELEGATED PAYMENTS LIST
 FOR THE MONTH OF AUGUST 2011

User: Le Truong

Cheque /EFT No	Date	Payee	Amount
EFT20723	05/08/2011	ADCORP	6,563.18
EFT20724	05/08/2011	ANALYTICAL REFERENCE LABORATORY	148.50
EFT20725	05/08/2011	BUNNINGS BUILDING SUPPLIES PTY LTD	49.94
EFT20726	05/08/2011	KENNARDS HIRE	272.00
EFT20727	05/08/2011	KEYNORTH CONTRACTORS	3,960.00
EFT20728	05/08/2011	ROSS HUMAN DIRECTIONS	7,165.67
EFT20729	05/08/2011	SNAP PRINTING	120.00
EFT20730	05/08/2011	TELSTRA - A/C 295 7816 000 - RED HILL	630.07
EFT20731	05/08/2011	TOTALLY WORKWEAR MIDLAND	22.45
EFT20732	10/08/2011	NORDIC HOMES PTY LTD	40,227.00
EFT20733	10/08/2011	PAYG PAYMENTS	52,313.78
EFT20734	10/08/2011	AIR-MET SCIENTIFIC PTY LTD	214.50
EFT20735	10/08/2011	FUJI XEROX AUSTRALIA PTY LTD	306.35
EFT20736	10/08/2011	PERTH SECURITY SERVICES - MCW CORPORATION PTY LTD	4,435.45
EFT20737	10/08/2011	ACCESS INDUSTRIAL TYRES	349.80
EFT20738	10/08/2011	ADCORP	137.24
EFT20739	10/08/2011	B&J CATALANO PTY LTD	215.52
EFT20740	10/08/2011	BEAUMONDE CATERING	2,063.85
EFT20741	10/08/2011	BP GIDGEGANNUP	82.70
EFT20742	10/08/2011	CABCHARGE	114.46
EFT20743	10/08/2011	CAPITAL TRANSPORT SERVICES (WA) PTY LTD	692.27
EFT20744	10/08/2011	CHAMBERLAIN AUTO ELECTRICS	294.25
EFT20745	10/08/2011	COMSYNC CONSULTING PTY LTD	2,109.25
EFT20746	10/08/2011	COOL CLEAR WATER GROUP LTD	290.40
EFT20747	10/08/2011	CORPORATE EXPRESS AUSTRALIA LTD	930.89
EFT20748	10/08/2011	CRISALIS INTERNATIONAL PTY LTD	13,860.00
EFT20749	10/08/2011	CUTTING EDGES REPLACEMENT PARTS PTY LTD	1,488.32
EFT20750	10/08/2011	EURO DIESEL SERVICES PTY LTD	42.83
EFT20751	10/08/2011	FREEHILLS	2,530.00
EFT20752	10/08/2011	HAYS SPECIALIST RECRUITMENT	7,708.55
EFT20753	10/08/2011	KELLY SERVICES (AUSTRALIA) LTD	292.21
EFT20754	10/08/2011	KINETIC HEALTH GROUP PTY LTD	258.50
EFT20755	10/08/2011	LEDA WINE CO T/A HARRIS ORGANIC WINES	301.09
EFT20756	10/08/2011	LEN FRENCH FENCING CONTRACTOR	140.00
EFT20757	10/08/2011	NEVERFAIL SPRINGWATER	60.00
EFT20758	10/08/2011	NEVERFAIL SPRINGWATER LTD - MATHIESON ROAD	46.25
EFT20759	10/08/2011	NEVILLE REFRIGERATION	429.00
EFT20760	10/08/2011	ROSS HUMAN DIRECTIONS	872.28
EFT20761	10/08/2011	SIGN SUPERMARKET	154.00
EFT20762	10/08/2011	ST JOHN AMBULANCE ASSOCIATION	160.00
EFT20763	10/08/2011	TELSTRA - A/C 335 6242 598 - MOBILE PHONES	254.05
EFT20764	10/08/2011	TOLL PRIORITY	157.62
EFT20765	10/08/2011	TOTAL ENVIRONMENT CENTRE	275.00
EFT20766	10/08/2011	TOTALLY WORKWEAR MIDLAND	42.29
EFT20767	10/08/2011	VERTICAL TELECOM WA PTY LTD (VERTEL)	305.80
EFT20768	10/08/2011	WASTE MASTER	216.48
EFT20769	12/08/2011	MOTORCHARGE PTY LTD	5,771.88
EFT20770	12/08/2011	AIR FILTER DRY CLEAN SYSTEMS PTY LTD	154.95
EFT20771	12/08/2011	ALL DAY CONTRACTING	467.50
EFT20772	12/08/2011	ANALYTICAL REFERENCE LABORATORY	148.50
EFT20773	12/08/2011	AUSTRALIAN LABORATORY SERVICES PTY LTD	915.75
EFT20774	12/08/2011	BEAUMONDE CATERING	2,700.13



Eastern Metropolitan Regional Council

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CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2011

User: Le Truong

Cheque /EFT No	Date	Payee	Amount
EFT20775	12/08/2011	C & H SWEEPING	495.00
EFT20776	12/08/2011	CORPORATE EXPRESS AUSTRALIA LTD	246.84
EFT20777	12/08/2011	DEPARTMENT OF AGRICULTURE	452.60
EFT20778	12/08/2011	DUN & BRADSTREET PTY LTD	34.60
EFT20779	12/08/2011	GOLDY MOTORS	352.10
EFT20780	12/08/2011	GREENSENSE	3,850.00
EFT20781	12/08/2011	LINFOX ARMAGUARD PTY LTD	510.54
EFT20782	12/08/2011	LIQUOR TRADERS AUSTRALIA	1,382.44
EFT20783	12/08/2011	MCINERNEY FORD	37,320.62
EFT20784	12/08/2011	MUNDARING TYRE CENTRE	60.00
EFT20785	12/08/2011	TELSTRA - A/C 3356 2426 14 (MOBILE DATA)	178.02
EFT20786	12/08/2011	TRANSLATION HOUSE	154.00
EFT20787	12/08/2011	VALLEY ROAD PTY T/A CHICA CATERING	1,216.00
EFT20788	12/08/2011	HAYS SPECIALIST RECRUITMENT	7,708.55
EFT20789	17/08/2011	ECONOMIC DEVELOPMENT AUSTRALIA	15.00
EFT20790	17/08/2011	INTEWORK INC	616.62
EFT20791	17/08/2011	SWAN GOLD TOURS	535.00
EFT20792	17/08/2011	UNISON INTERACTIVE PTY LTD	3,934.00
EFT20793	17/08/2011	ADCORP	204.94
EFT20794	17/08/2011	ARCHER GROUP PTY LTD T/A ARCHER IMAGERY	990.00
EFT20795	17/08/2011	AUSTRALIA POST - RED HILL	279.39
EFT20796	17/08/2011	BIN BATH AUSTRALIA PTY LTD	262.57
EFT20797	17/08/2011	BOC GASES	975.49
EFT20798	17/08/2011	BUNNINGS BUILDING SUPPLIES PTY LTD	1.88
EFT20799	17/08/2011	CMA RECYCLING PTY LTD	1,158.30
EFT20800	17/08/2011	COMPU-STOR	724.05
EFT20801	17/08/2011	CORPORATE EXPRESS AUSTRALIA LTD	176.84
EFT20802	17/08/2011	CROSSLAND & HARDY PTY LTD	5,654.91
EFT20803	17/08/2011	DINGO BUS CHARTER	522.50
EFT20804	17/08/2011	EURO DIESEL SERVICES PTY LTD	1,270.49
EFT20805	17/08/2011	GLENFORDS (WA) TOOL CENTRE	99.00
EFT20806	17/08/2011	KINETIC HEALTH GROUP PTY LTD	99.00
EFT20807	17/08/2011	LEN FRENCH FENCING CONTRACTOR	460.00
EFT20808	17/08/2011	MAIL PLUS PERTH	277.20
EFT20809	17/08/2011	NATIONAL LUBRICATION SYSTEMS	467.83
EFT20810	17/08/2011	NEVERFAIL SPRINGWATER	97.40
EFT20811	17/08/2011	OAKVALE CAPITAL LTD	2,405.82
EFT20812	17/08/2011	ODOUR CONTROL SYSTEMS INTERNATIONAL LTD	11,822.58
EFT20813	17/08/2011	SHUGS ELECTRICAL	418.00
EFT20814	17/08/2011	SPUDS GARDENING SERVICES	9,130.00
EFT20815	17/08/2011	SUSTAINABLE ENERGY ASSOCIATION OF AUSTRALIA	660.00
EFT20816	17/08/2011	THE LISTER SPECIALISTS PTY LTD	1,321.71
EFT20817	17/08/2011	TOTALLY WORKWEAR MIDLAND	162.18
EFT20818	17/08/2011	TRANSPACIFIC CLEANAWAY LTD	527.02
EFT20819	17/08/2011	VALLEY ROAD PTY T/A CHICA CATERING	837.20
EFT20820	17/08/2011	WURTH AUSTRALIA PTY LTD	11.93
EFT20821	19/08/2011	KLB SYSTEMS	77.00
EFT20822	19/08/2011	MORLEY GENERAL CLEANING SERVICE	9,218.70
EFT20823	19/08/2011	ALL DAY CONTRACTING	6,594.84
EFT20824	19/08/2011	BP AUSTRALIA LIMITED (A/C 10092625)	32,277.08
EFT20825	19/08/2011	BP AUSTRALIA PTY LTD (LUBRICANT A/C 11818249)	3,159.70
EFT20826	19/08/2011	CABCHARGE	6.00



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CEO's DELEGATED PAYMENTS LIST
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User: Le Truong

Cheque /EFT No	Date	Payee	Amount
EFT20827	19/08/2011	CORPORATE EXPRESS AUSTRALIA LTD	104.46
EFT20828	19/08/2011	ELEMENT HYDROGRAPHIC SOLUTIONS	1,796.30
EFT20829	19/08/2011	ENVIRONMENT HOUSE	440.00
EFT20830	19/08/2011	GOURMET INDULGENCE	292.60
EFT20831	19/08/2011	HIGHWAY MOTOR TRIMMERS	159.50
EFT20832	19/08/2011	KINETIC HEALTH GROUP PTY LTD	55.00
EFT20833	19/08/2011	KORDT ENGINEERING	7,040.00
EFT20834	19/08/2011	NATIONAL AUSTRALIA BANK	70.00
EFT20835	19/08/2011	PIRTEK	917.23
EFT20836	19/08/2011	SCRD HOLDINGS P/L T/A SECURE COMPUTER RECYLING & DISPOSAL	2,642.86
EFT20837	19/08/2011	SLR CONSULTING AUSTRALIA PTY LTD	6,270.00
EFT20838	19/08/2011	SYNERGY	6,464.90
EFT20839	19/08/2011	UNIQUE WASTE MANAGEMENT SERVICES	1,529.99
EFT20840	19/08/2011	WESTERN RESOURCE RECOVERY PTY LTD	1,058.75
EFT20841	19/08/2011	WREN OIL	36.30
EFT20842	19/08/2011	KEYNOTE CONFERENCES	15,444.00
EFT20843	24/08/2011	PAYG PAYMENTS	50,738.97
EFT20844	24/08/2011	ADT SECURITY	1,336.50
EFT20845	24/08/2011	UNISON INTERACTIVE PTY LTD	264.00
EFT20846	24/08/2011	WESTERN METROPOLITAN REGIONAL COUNCIL	110.00
EFT20847	24/08/2011	ADCORP	3,795.23
EFT20848	24/08/2011	AHA! CONSULTING	3,850.00
EFT20849	24/08/2011	AMBIUS	987.42
EFT20850	24/08/2011	ARRB GROUP	88,000.00
EFT20851	24/08/2011	AUSTRALIAN HVAC SERVICES	550.00
EFT20852	24/08/2011	B&J CATALANO PTY LTD	452.33
EFT20853	24/08/2011	BELMONT - REDCLIFFE NEWSROUND	116.26
EFT20854	24/08/2011	BULLANT SECURITY PTY LTD	135.00
EFT20855	24/08/2011	CCH AUSTRALIA LTD	183.00
EFT20856	24/08/2011	CHAMBERLAIN AUTO ELECTRICS	556.80
EFT20857	24/08/2011	CORPORATE EXPRESS AUSTRALIA LTD	86.31
EFT20858	24/08/2011	CROMMELINS AUSTRALIA	213.18
EFT20859	24/08/2011	HILLS FRESH	87.87
EFT20860	24/08/2011	IMPRINT PLASTIC	17.60
EFT20861	24/08/2011	IRRIGATION AUSTRALIA LTD	330.00
EFT20862	24/08/2011	JOONDALUP PHOTO DESIGN	342.50
EFT20863	24/08/2011	KONICA MINOLTA BUSINESS SOLUTIONS AUSTRALIA P/L	620.64
EFT20864	24/08/2011	LANDFILL GAS & POWER PTY LTD	3,644.96
EFT20865	24/08/2011	MUNDARING TYRE CENTRE	602.00
EFT20866	24/08/2011	NEVERFAIL SPRINGWATER	45.00
EFT20867	24/08/2011	NEVERFAIL SPRINGWATER LTD - HAZELMERE	117.50
EFT20868	24/08/2011	PIRTEK	34.88
EFT20869	24/08/2011	RELIABLE PROCESS MAINTENANCE PTY LTD	4,480.30
EFT20870	24/08/2011	RESEARCH SOLUTIONS PTY LTD	13,337.50
EFT20871	24/08/2011	ROSS HUMAN DIRECTIONS	7,378.02
EFT20872	24/08/2011	RUDD INDUSTRIAL AND FARM SUPPLIES	151.80
EFT20873	24/08/2011	SALLY PAULIN	300.00
EFT20874	24/08/2011	SNAP PRINTING	794.70
EFT20875	24/08/2011	SUPERCLEAN LAUNDRY AND LINEN	79.10
EFT20876	24/08/2011	TELSTRA - A/C 246 2455 400 - RH SECURITY MONITOR	38.50
EFT20877	24/08/2011	TOTALLY WORKWEAR MIDLAND	169.39



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 CEO's DELEGATED PAYMENTS LIST
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Cheque /EFT No	Date	Payee	Amount
EFT20878	24/08/2011	UNIQUE WASTE MANAGEMENT SERVICES	198.00
EFT20879	24/08/2011	VISY RECYCLING	24.39
EFT20880	24/08/2011	WESTERN AUSTRALIAN LOCAL GOVERNMENT	577.50
EFT20881	26/08/2011	DATA 3 PERTH	2,096.13
EFT20882	26/08/2011	SHIRE OF KALAMUNDA	51,192.90
EFT20883	26/08/2011	ALL DAY CONTRACTING	7,540.49
EFT20884	26/08/2011	ASTAR HARDWARE DISTRIBUTION	523.05
EFT20885	26/08/2011	B&J CATALANO PTY LTD	2,109.03
EFT20886	26/08/2011	CARDNO (WA) PTY LTD	41,488.82
EFT20887	26/08/2011	CHAMBERLAIN AUTO ELECTRICS	174.30
EFT20888	26/08/2011	CITY OF BAYSWATER	79,464.00
EFT20889	26/08/2011	CITY OF SWAN	9,619.72
EFT20890	26/08/2011	COMPLETE EARTH PTY LTD	279.46
EFT20891	26/08/2011	CORPORATE EXPRESS AUSTRALIA LTD	95.97
EFT20892	26/08/2011	CVP ELECTRICAL	14,025.00
EFT20893	26/08/2011	DUN & BRADSTREET PTY LTD	12.86
EFT20894	26/08/2011	FILTERS PLUS	392.70
EFT20895	26/08/2011	KELLY SERVICES (AUSTRALIA) LTD	292.21
EFT20896	26/08/2011	PRESTIGE ALARMS	559.00
EFT20897	26/08/2011	PULSE DESIGN	2,843.50
EFT20898	26/08/2011	RUDD INDUSTRIAL AND FARM SUPPLIES	5.14
EFT20899	26/08/2011	SNAP PRINTING	635.35
EFT20900	26/08/2011	TELSTRA - A/C 148 4710 000 - ASCOT PLACE	2,279.06
EFT20901	26/08/2011	TELSTRA - A/C 163 4688 200 - HAZELMERE	117.83
EFT20902	26/08/2011	TELSTRA - A/C 256 0950 500 - ASCOT PLACE LIFT	19.25
EFT20903	26/08/2011	TOTALLY WORKWEAR MIDLAND	59.95
EFT20904	26/08/2011	VALLEY ROAD PTY T/A CHICA CATERING	90.00
EFT20905	26/08/2011	VISY RECYCLING	24.39
EFT20906	26/08/2011	WREN OIL	18.15
EFT20907	31/08/2011	ADT SECURITY	456.50
EFT20908	31/08/2011	FUJI XEROX AUSTRALIA PTY LTD	796.35
EFT20909	31/08/2011	IPING PTY LTD	110.00
EFT20910	31/08/2011	RED 11 PTY LTD	6,213.85
EFT20911	31/08/2011	ACCESS INDUSTRIAL TYRES	467.50
EFT20912	31/08/2011	ADCORP	37,992.55
EFT20913	31/08/2011	AIR FILTER DRY CLEAN SYSTEMS PTY LTD	188.76
EFT20914	31/08/2011	AIRWELL PUMPS PTY LTD	572.66
EFT20915	31/08/2011	AURORA ENVIRONMENTAL	2,200.00
EFT20916	31/08/2011	AUSTRACLEAR LIMITED (ASX)	105.29
EFT20917	31/08/2011	AUSTRALIAN HVAC SERVICES	1,136.85
EFT20918	31/08/2011	AUSTRALIAN LABORATORY SERVICES PTY LTD	228.80
EFT20919	31/08/2011	BATTERY WORLD	350.00
EFT20920	31/08/2011	BLACKADDER WOODBRIDGE CATCHMENT GROUP	348.25
EFT20921	31/08/2011	BT EQUIPMENT PTY LTD T/A TUTT BRYANT EQUIPMENT	2,152.22
EFT20922	31/08/2011	BUNNINGS BUILDING SUPPLIES PTY LTD	53.00
EFT20923	31/08/2011	CARPENTRY, HOUSE AND YARD MAINTENANCE	906.00
EFT20924	31/08/2011	CHEMCENTRE	1,294.70
EFT20925	31/08/2011	CJD EQUIPMENT PTY LTD	2,773.96
EFT20926	31/08/2011	COMSYNC CONSULTING PTY LTD	2,359.50
EFT20927	31/08/2011	CORPORATE EXPRESS AUSTRALIA LTD	1,251.00
EFT20928	31/08/2011	COVS PARTS PTY LTD	1,096.86
EFT20929	31/08/2011	CROMMELINS AUSTRALIA	64.85



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CEO's DELEGATED PAYMENTS LIST
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Cheque /EFT No	Date	Payee	Amount
EFT20930	31/08/2011	ELEMENT HYDROGRAPHIC SOLUTIONS	1,485.00
EFT20931	31/08/2011	FAIRFAX RADIO NETWORK PTY LTD	3,520.00
EFT20932	31/08/2011	FRUIT BOOST PTY LTD ATF BANDITS TRUST	746.80
EFT20933	31/08/2011	GOODCHILD ENTERPRISES	385.00
EFT20934	31/08/2011	HILLS FRESH	79.20
EFT20935	31/08/2011	INDEPTH INTERACTIVE	1,496.00
EFT20936	31/08/2011	INNOTECH SITE SERVICES PTY LTD	1,720.40
EFT20937	31/08/2011	ISS WASHROOM SERVICES	52.43
EFT20938	31/08/2011	JAYCOURT NOMINEES PTY LTD T/A BARFIELD MECHANICAL SERVICES	908.05
EFT20939	31/08/2011	LEFKAPHA P/L T/A CENTRE FORD	33,998.00
EFT20940	31/08/2011	MIDLAND TOYOTA	26,239.36
EFT20941	31/08/2011	MORRISSEY MARKETING	1,150.00
EFT20942	31/08/2011	MUNDARING TYRE CENTRE	35.00
EFT20943	31/08/2011	NATIONAL LUBRICATION SYSTEMS	1,212.86
EFT20944	31/08/2011	NEVERFAIL SPRINGWATER	57.60
EFT20945	31/08/2011	ON SITE RENTALS PTY LTD	618.20
EFT20946	31/08/2011	OTIS ELEVATOR COMPANY PTY LTD	15.74
EFT20947	31/08/2011	PERTH FM RADIO PTY LTD MIX 94.5 - AUSTEREO PTY LTD	2,480.50
EFT20948	31/08/2011	PITNEY BOWES AUSTRALIA (WA)	333.64
EFT20949	31/08/2011	PRECISION PANEL & PAINT	2,179.61
EFT20950	31/08/2011	RADIO PERTH PTY LTD	580.80
EFT20951	31/08/2011	ROSS HUMAN DIRECTIONS	6,058.56
EFT20952	31/08/2011	SAFETY SIGNS SERVICE	965.14
EFT20953	31/08/2011	SHUGS ELECTRICAL	202.40
EFT20954	31/08/2011	STAIRCASE DESIGN	363.00
EFT20955	31/08/2011	TIM DAVIES LANDSCAPING PTY LTD	858.00
EFT20956	31/08/2011	UNIQUE WASTE MANAGEMENT SERVICES	770.00
EFT20957	31/08/2011	UNISON INTERACTIVE PTY LTD	1,360.00
EFT20958	31/08/2011	VOLICH WASTE CONTRACTORS PTY LTD	44.00
EFT20959	31/08/2011	WA HINO SALES AND SERVICE	245.76
EFT20960	31/08/2011	WESTRAC EQUIPMENT PTY LTD	2,110.19
EFT20961	31/08/2011	GOGETTA EQUIPMENT PTY LTD	72,600.00
EFT20962	31/08/2011	HUGHMARK QUALITY FURNITURE	6,448.75
219110	03/08/2011	DEPARTMENT OF MINES AND PETROLEUM	192.00
219111	03/08/2011	EMRC PETTY CASH - HAZELMERE	193.90
219112	03/08/2011	EMRC PETTY CASH - REDHILL	296.20
219113	03/08/2011	EMRC PETTY CASH - BELMONT	498.15
219114	10/08/2011	EMRC PETTY CASH - REDHILL	257.65
219115	23/08/2011	BORAL BRICKS WESTERN AUSTRALIA PTY LTD	1.00
219116	23/08/2011	CITY OF SWAN	6,600.00
516	16/08/2011	WESTPAC BANKING CORPORATION	3,000,000.00
517	19/08/2011	WESTPAC BANKING CORPORATION	1,000,000.00
518	19/08/2011	ENERTECH LTD	2,032.54
519	22/08/2011	ANZ BANKING GROUP	1,500,000.00
520	29/08/2011	ANZ BANKING GROUP	1,000,000.00
521	29/08/2011	WBC - CORPORATE MASTERCARD - RYAN HURST	3,780.82
522	29/08/2011	WBC - CORPORATE MASTER CARD - B JONES	749.22
523	29/08/2011	WBC - CORPORATE MASTER CARD - D AMEDURI	18.84
524	29/08/2011	WBC - CORPORATE MASTER CARD - S FITZPATRICK	116.32
525	29/08/2011	WBC - CORPORATE MASTERCARD - H LIEW	374.80
PAY-3	02/08/2011	PAYROLL FE 2/8/11	174,384.76



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User: Le Truong

Cheque /EFT No	Date	Payee	Amount
PAY-4	16/08/2011	PAYROLL FE 16/8/11	174,581.59
PAY-4.1	23/08/2011	PAYROLL	406.38
PAY-5	30/08/2011	PAYROLL FE 30/8/11	178,134.32
1*AUG11	01/08/2011	BANK CHARGES 1418 - 1422	1,154.80
SUB TOTAL			<u>8,157,072.68</u>
LESS CANCELLED CHEQUES & EFTs			
EFT20752	10/08/2011	HAYS SPECIALIST RECRUITMENT	-7,708.55
SUB TOTAL			<u>-7,708.55</u>
TOTAL			<u><u>8,149,364.13</u></u>

REPORT TOTALS

Bank Code	Bank Name	TOTAL
1	EMRC - Municipal Fund	8,149,364.13
TOTAL		8,149,364.13

C:\Program Files\SynergySoftLGS\Crystal\CreditorListOfAccount_EMRC.rpt



14.2 FINANCIAL REPORT FOR PERIOD ENDED 31 JULY 2011

REFERENCE: COMMITTEES-13044

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 2011.

KEY ISSUES AND RECOMMENDATION(S)

- Significant year to date budget variances greater than 10% or \$10,000, which ever is the greater, within each nature and type category on the Statement of Financial Activity as at 31 July 2011 have been identified and are reported on in the body of the report.

Recommendation(s)

That the Statement of Comprehensive Income, Capital Expenditure Statement, Statement of Financial Position and the Statement of Cash and Investments for the period ended 31 July 2011 be received.

SOURCE OF REPORT

Director Corporate Services
Manager Financial Services

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 2011/2012 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.

The initial forecast review for 2011/2012 will be undertaken during November 2011 and will be based on the financial performance to the period ended 31 October 2011.

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 summaries for the period ended 31 July 2011. 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 2011 is a favourable variance of \$462,211. The following information is provided on key aspects of Council's financial performance:

<u>Operating Income</u>	<i>Year to Date</i>	An unfavourable variance of \$192,079 (7.05%).
	<i>End of Year Forecast</i>	As per Budget - not yet due to be reviewed.

Operating Income variances:

1. Year to date User Charges of \$2,077,388 is \$318,773 (13.30%) below the year to date budget. The variance is due to lower than budgeted Disposal Charge income from member Councils (\$129,387) and Commercial clients (\$192,828). The variance relating to Commercial clients is also due to the City of Stirling only disposing of part of their waste at the Red Hill waste disposal facility during July 2011. Full disposal did not commence until August 2011.
2. Year to date Special Charges of \$22,544 is \$10,023 (30.78%) below the year to date budget. This income relates to the CWES Levy of \$3 per tonne which forms part of the member Council disposal rate. The variance is due to the lower than budgeted tonnages received from member Councils as at 31 July 2011.
3. Contribution income for projects is invoiced throughout the year based on project timings. Year to date Contributions of \$68,403 is \$24,489 (55.77%) above the year to date budget. This variance is a result of timing differences for various Environmental Services projects.
4. Year to date Operating Grants of \$122,780 is \$64,558 (110.88%) above the year to date budget due to the timing of invoicing for various projects. This variation primarily related to an Eastern Hills Catchment Management Project (EHCMP) grant totalling \$98,550 received during July 2011 compared to a year to date budget of \$21,201.
5. Interest Earnings on Municipal Cash and Investments of \$107,497 is \$74,849 above the year to date budget of \$32,648. This is offset by the Interest Earnings on Restricted Cash Investments which is \$70,943 below the year to date budget of \$159,261.

The variance between the two categories of income is a result of the accounting treatment of accrued interest applicable to the Municipal and Reserve funds (Refer also Interest Restricted Cash Investments). Interest earnings income is allocated to the appropriate funds when received.

6. Other operating income of \$67,193 is \$36,849 (35.42%) below the year to date budget of \$104,042. This variance is attributable to lower than budgeted income of \$12,651 from the sale of products from the Mathieson Road and Coppin Road Transfer Stations and \$9,976 attributable to the Lime Amended Bio-Clay Operations which is not expected to be operational until January 2012.

There were no further significant Operating Income variances as at 31 July 2011.

<u>Operating Expenditure</u>	<i>Year to Date</i>	A favourable variance of \$654,290 (27.83%).
	<i>End of Year Forecast</i>	As per Budget - not yet due to be reviewed.



Item 14.2 continued

Operating Expenditure variances:

1. Contract expenses of \$176,039 is \$381,760 (68.44%) lower than budget due predominantly to the timing of various projects. Major variations below the year to date budget include Software annual license fees & maintenance fees (\$57,280), Red Hill Administration (\$35,652), Manage Greenwaste Mulching project (\$20,176), Red Hill water monitoring & groundwater remediation (\$27,900), Operate and maintain plant (\$16,263), Mining of Lot 11 at the Red Hill Waste Disposal site (\$22,916), as well as other Waste Management projects (\$106,025), Regional Development projects (\$21,002), Environmental Services projects (\$22,041) and various Corporate Services activities (\$52,480).
2. Year to date Material expenses are \$54,290 (51.87%) below the year to date budget provisions. The variance relates to \$11,271 expenditure to date compared to a year to date budget provision of \$35,055 on operating and maintaining the Class III waste disposal cell. This is dependent on the timing of the purchase of cover for the Class III cell. Other projects from Waste Services contribute \$6,881 to the variance. Other variances include Corporate Services activities (\$7,744) and Environmental Services projects (\$3,238).
3. Depreciation expenses of \$309,840 are \$83,545 (21.24%) below the budget. The variance is attributable to the timing of the capital expenditure as well as lower than the year to date budget for the cell usage cost actual of (\$111,599 compared to a budget of \$136,011), as a result of lower than budgeted tonnages received to date.
4. Miscellaneous expenses of \$700,230 are \$125,761 (15.23%) below the year to date budget. This is primarily due to the lower than year to date budget for the landfill levy expense (\$601,284 compared to a budget of \$721,748) as a result of lower than budgeted tonnages received to date.
5. Costs Allocated relate to internal cost allocations only and do not affect the overall operating result. Year to date allocations of \$1,038 is \$17,651 lower than the year to date budget of \$18,689.

There were no further significant Operating Expenditure variances as at 31 July 2011.

<u>*Other Revenues and Expenses (Net)</u>	<i>Year to Date</i>	A favourable variance of \$440,071 (77.77%).
	<i>End of Year Forecast</i>	As per Budget - not yet due to be reviewed.

** Note: This section also includes Unrealised Gain/Loss from change in fair value of Investments*

Other Revenues and Expenses variances:

1. Year to date Secondary Waste Charge receipts are \$54,775 (12.92%) below the year to date budget provision of \$423,841. This variance is attributable to the lower than budgeted tonnages received from all member Councils.
2. Interest Earnings on Restricted Cash Investments of \$88,318 is \$70,943 (44.55%) below the year to date budget of \$159,261. This is offset by the Interest Earnings on Municipal Cash and Investments which is \$74,849 above the year to date budget of \$32,648.

The variance between the two categories of income is a result of the accounting treatment of accrued interest applicable to the Municipal and Reserve funds (Refer also Interest Municipal Cash and Investments). Interest earnings income is allocated to the appropriate funds when received.

3. Year to date Proceeds from the Sale of Assets are \$486,210 above the year to date budget provision of \$76,063. This variance is primarily attributable to the sale of a Cat 826H waste compactor sold in July 2011. The disposal was approved by Council at its June 2011 meeting.
4. Year to date Contract expenses are \$45,290 (91.35%) below the year to date budget provision of \$49,577. This relates to the timing of Resource Recovery project consultancy contracts.



Item 14.2 continued

5. Costs Allocated relate to internal cost allocations only and do not affect the bottom line surplus. Year to date allocations total \$1,038 compared to a year to date budget of \$18,626.
6. The total change in Fair Value of Investments for the period ending 31 July 2011 is a gain of \$3,344. This is made up of Unrealised Gains of \$3,054 and Realised Gains of \$290. The Unrealised Gains or Losses from the change in fair value of investments is due to the change in value of ADI's since 30 June 2011.

The Realised Gains or Losses from the change in fair value of investments represents the profit above book value as a result of the maturity of an ADI during July 2011.

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.

There were no further significant Other Revenues and Expenses variances as 31 July 2011.

Capital Expenditure Statement (refer Attachment 2)

<u>Capital Expenditure</u>	<i>Year to Date</i>	A favourable variance of \$133,175
	<i>End of Year Forecast</i>	As per Budget - not yet due to be reviewed.

Capital Expenditure variances:

A favourable variance of \$133,175 exists as at 31 July 2011 when comparing to the year to date budget provision. The year to date budget provisions are used as a guide only as expenditure of a capital nature is undertaken as and when required. Significant Capital Expenditure items to 31 July 2011 include progress work undertaken on the construction of Waste Management Facility building at the Red Hill Waste Disposal Site.

Statement of Financial Position (refer Attachment 3)

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

Currently, as end of year forecasts are yet to be reviewed the forecast balances as at 31 July 2011 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 2011 is \$9,533,818 and Restricted Assets amount to \$26,957,614. This figure is net of cumulative unrealised losses of \$4,184,420 which have been provided for in this amount.

The net movement for the month is a decrease of \$734,537.

Currently, as end of year forecasts are yet to be reviewed the forecast balances as at 31 July 2011 are as per budget estimates.

Investment Report (refer Attachment 5)

One (1) term deposit matured in the month of July 2011 and was re-invested into a further term deposit.



Item 14.2 continued

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

- 4.6 To provide responsible and accountable governance and management of the EMRC; and
- 4.7 To continue to improve financial and asset management practices.

FINANCIAL IMPLICATIONS

As outlined in the attached financial reports.

SUSTAINABILITY IMPLICATIONS

Nil

ATTACHMENT(S)

1. Statement of Comprehensive Income by Nature and Type (Ref: Committees-13066)
2. Capital Expenditure Statement (Ref: Committees-13067)
3. Statement of Financial Position (Ref: Committees-13068)
4. Statement of Cash and Investments (Ref: Committees-13069)
5. Investment Report (Ref: Committees-13070)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the Statement of Comprehensive Income, Capital Expenditure Statement, Statement of Financial Position and the Statement of Cash and Investments for the period ended 31 July 2011 be received.

COUNCIL RESOLUTION(S)

MOVED CR GODFREY

SECONDED CR PULE

THAT THE STATEMENT OF COMPREHENSIVE INCOME, CAPITAL EXPENDITURE STATEMENT, STATEMENT OF FINANCIAL POSITION AND THE STATEMENT OF CASH AND INVESTMENTS FOR THE PERIOD ENDED 31 JULY 2011 BE RECEIVED.

CARRIED UNANIMOUSLY



STATEMENT OF COMPREHENSIVE INCOME

Nature and Type

Year to Date			July 2011		Full Year		
Actual	Budget	Variance		Forecast	Budget	Variance	
Operating Income							
(\$2,077,388)	(\$2,396,161)	(\$318,773)	(U)	User Charges	(\$28,754,116)	(\$28,754,116)	\$0 (F)
(\$22,544)	(\$32,567)	(\$10,023)	(U)	Special Charges	(\$390,849)	(\$390,849)	\$0 (F)
(\$68,403)	(\$43,914)	\$24,489	(F)	Contributions	(\$527,121)	(\$527,121)	\$0 (F)
(\$122,780)	(\$58,222)	\$64,558	(F)	Operating Grants	(\$698,695)	(\$698,695)	\$0 (F)
(\$107,497)	(\$32,648)	\$74,849	(F)	Interest Municipal Cash Investments	(\$391,786)	(\$391,786)	\$0 (F)
(\$66,007)	(\$56,337)	\$9,670	(F)	Reimbursements	(\$676,194)	(\$676,194)	\$0 (F)
(\$67,193)	(\$104,042)	(\$36,849)	(U)	Other	(\$1,248,565)	(\$1,248,565)	\$0 (F)
(\$2,531,812)	(\$2,723,891)	(\$192,079)	(U)	Total Operating Income	(\$32,687,326)	(\$32,687,326)	\$0 (F)
Operating Expenditure							
\$368,205	\$382,490	\$14,285	(F)	Salary Expenses	\$7,731,805	\$7,731,805	\$0 (F)
\$176,039	\$557,799	\$381,760	(F)	Contract Expenses	\$5,219,223	\$5,219,223	\$0 (F)
\$50,375	\$104,665	\$54,290	(F)	Material Expenses	\$1,257,363	\$1,257,363	\$0 (F)
\$9,735	\$15,604	\$5,869	(F)	Utility Expenses	\$187,359	\$187,359	\$0 (F)
\$54,228	\$59,870	\$5,642	(F)	Fuel Expenses	\$718,520	\$718,520	\$0 (F)
\$1,307	\$1,233	(\$74)	(U)	Finance Fees and Interest Expenses	\$14,800	\$14,800	\$0 (F)
\$28,199	\$29,062	\$863	(F)	Insurance Expenses	\$216,782	\$216,782	\$0 (F)
\$309,840	\$393,385	\$83,545	(F)	Depreciation Expenses	\$4,720,972	\$4,720,972	\$0 (F)
\$700,230	\$825,991	\$125,761	(F)	Miscellaneous Expenses	\$9,747,671	\$9,747,671	\$0 (F)
\$0	\$0	\$0	(F)	Provision Expenses	\$114,384	\$114,384	\$0 (F)
(\$1,038)	(\$18,689)	(\$17,651)	(U)	Costs Allocated	(\$218,180)	(\$218,180)	\$0 (F)
\$1,697,120	\$2,351,410	\$654,290	(F)	Total Operating Expenditure	\$29,710,699	\$29,710,699	\$0 (F)
(\$834,692)	(\$372,481)	\$462,211	(F)	OPERATING RESULT FROM NORMAL ACTIVITIES	(\$2,976,627)	(\$2,976,627)	\$0 (F)
Surplus	Surplus				Surplus	Surplus	

Notes:

1. User Charges - include member Councils, WMRC 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 predominately from government agencies; and
5. Miscellaneous Expenses - includes Landfill Levy as the major component.

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

Other Revenues and Exepenses 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

Year to Date			July 2011			Full Year		
Actual	Budget	Variance		Forecast	Budget	Variance		
Other Revenues								
(\$369,066)	(\$423,841)	(\$54,775)	(U)	Secondary Waste Charge	(\$5,086,092)	(\$5,086,092)	\$0	(F)
(\$88,318)	(\$159,261)	(\$70,943)	(U)	Interest Restricted Cash Investments	(\$1,911,190)	(\$1,911,190)	\$0	(F)
\$0	(\$129)	(\$129)	(U)	Reimbursements	(\$1,550)	(\$1,550)	\$0	(F)
(\$562,273)	(\$76,063)	\$486,210	(F)	Proceeds from Sale of Assets	(\$912,773)	(\$912,773)	\$0	(F)
(\$1,019,657)	(\$659,294)	\$360,363	(F)	Total Other Revenues	(\$7,911,605)	(\$7,911,605)	\$0	(F)
Other Expenses								
\$8,307	\$14,408	\$6,101	(F)	Salary Expenses	\$292,815	\$292,815	\$0	(F)
\$4,287	\$49,577	\$45,290	(F)	Contract Expenses	\$600,100	\$600,100	\$0	(F)
\$818	\$2,162	\$1,344	(F)	Material Expenses	\$26,050	\$26,050	\$0	(F)
\$152	\$266	\$114	(F)	Utility Expenses	\$3,200	\$3,200	\$0	(F)
\$177	\$188	\$11	(F)	Insurance Expenses	\$2,261	\$2,261	\$0	(F)
\$859	\$978	\$119	(F)	Depreciation Expenses	\$11,745	\$11,745	\$0	(F)
\$1,456	\$7,253	\$5,797	(F)	Miscellaneous Expenses	\$87,150	\$87,150	\$0	(F)
\$0	\$0	\$0	(F)	Carrying Amount of Assets Disposed Of	\$501,566	\$501,566	\$0	(F)
\$1,038	\$18,626	\$17,588	(F)	Costs Allocated	\$218,180	\$218,180	\$0	(F)
\$17,094	\$93,458	\$76,364	(F)	Total Other Expenses	\$1,743,067	\$1,743,067	\$0	(F)
Realised/Unrealised (Gain)/Loss From Change in Fair Value of Investments								
(\$3,054)	\$0	\$3,054	(F)	Unrealised (Gain)/Loss	\$0	\$0	\$0	(F)
(\$290)	\$0	\$290	(F)	Realised (Gain)/Loss	\$0	\$0	\$0	(F)
(\$3,344)	\$0	\$3,344	(F)	Total (Gain)/Loss from change in Fair Value of Investments	\$0	\$0	\$0	(F)
(\$1,005,907)	(\$565,836)	\$440,071	(F)	OPERATING RESULT FROM OTHER ACTIVITIES	(\$6,168,538)	(\$6,168,538)	\$0	(F)
Surplus	Surplus				Surplus	Surplus		
(\$1,840,599)	(\$938,317)	\$902,282	(F)	CHANGE IN NET ASSETS FROM OPERATIONS	(\$9,145,165)	(\$9,145,165)	\$0	(F)
Surplus	Surplus				Surplus	Surplus		



CAPITAL EXPENDITURE STATEMENT

JULY 2011

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation		Full Year		
Actual	Budget	Variance				Forecast	Budget	Variance
Governance and Corporate Services								
\$0	\$0	\$0	(F)	\$24,743	Purchase Vehicles - Ascot Place (24440/00)	\$275,238	\$275,238	\$0 (F)
\$0	\$0	\$0	(F)	\$1,890	Purchase Furniture Fittings & Equipment - Corporate Services (24510/01)	\$91,440	\$91,440	\$0 (F)
\$693	\$0	(\$693)	(U)	\$7,313	Purchase Information Technology & Communication Equipment (24550/00)	\$425,000	\$425,000	\$0 (F)
\$0	\$0	\$0	(F)	\$0	Purchase Art Works (24620/00)	\$17,000	\$17,000	\$0 (F)
\$0	\$25,416	\$25,416	(F)	\$0	Capital Improvement Administration Building - Ascot Place (25240/01)	\$305,000	\$305,000	\$0 (F)
\$693	\$25,416	\$24,723	(F)	\$33,946		\$1,113,678	\$1,113,678	\$0 (F)



CAPITAL EXPENDITURE STATEMENT

JULY 2011

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
Actual	Budget	Variance			Forecast	Budget	Variance
Environmental Services							
\$0	\$0	\$0 (F)	\$0	Purchase Office Equipment - Environmental Services (24510/05)	\$2,000	\$2,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase Office Furniture and Fittings - Environmental Services (24610/05)	\$1,500	\$1,500	\$0 (F)
\$0	\$0	\$0 (F)	\$0		\$3,500	\$3,500	\$0 (F)
Regional Development							
\$0	\$0	\$0 (F)	\$0	Purchase Office Equipment - Regional Development (24510/04)	\$1,000	\$1,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase Office Furniture and Fittings - Regional Development (24610/04)	\$1,500	\$1,500	\$0 (F)
\$0	\$0	\$0 (F)	\$0		\$2,500	\$2,500	\$0 (F)
Risk Management							
\$0	\$0	\$0 (F)	\$0	Purchase Office Equipment - Risk Management (24510/06)	\$500	\$500	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase Office Furniture and Fittings - Risk Management (24610/06)	\$500	\$500	\$0 (F)
\$0	\$0	\$0 (F)	\$0		\$1,000	\$1,000	\$0 (F)
Resource Recovery							
\$0	\$17,958	\$17,958 (F)	\$0	Construct and Commission Resource Recovery Park (24399/01)	\$215,500	\$215,500	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase Office Equipment - Resource Recovery (24510/07)	\$1,000	\$1,000	\$0 (F)



CAPITAL EXPENDITURE STATEMENT

JULY 2011

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

Resource Recovery

\$0	\$250	\$250	(F)	\$0	Purchase Other Equipment - Resource Recovery (24590/07)	\$4,000	\$4,000	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Purchase Office Furniture and Fittings - Resource Recovery (24610/07)	\$3,000	\$3,000	\$0	(F)
\$0	\$18,208	\$18,208	(F)	\$0		\$223,500	\$223,500	\$0	(F)

Waste Management

\$0	\$47,499	\$47,499	(F)	\$3,000	Purchase Waste Management Land - Midland Brick (24150/02)	\$570,000	\$570,000	\$0	(F)
\$148,268	\$27,833	(\$120,435)	(U)	\$7,436	Construct Waste Management Facility Buildings - Red Hill Landfill Facility (24250/01)	\$334,000	\$334,000	\$0	(F)
\$0	\$4,582	\$4,582	(F)	\$0	Construct Waste Management Facility Buildings - Hazelmere (24250/02)	\$55,000	\$55,000	\$0	(F)
\$0	\$3,332	\$3,332	(F)	\$0	Construct Weighbridge Office - Hazelmere (24250/03)	\$40,000	\$40,000	\$0	(F)
\$0	\$1,666	\$1,666	(F)	\$0	Construct Amenities and Ablution Building - Hazelmere (24250/04)	\$20,000	\$20,000	\$0	(F)
\$0	\$833	\$833	(F)	\$0	Construct Storage Shed for Mattresses - Hazelmere (24250/05)	\$30,000	\$30,000	\$0	(F)
\$3,600	\$2,631	(\$969)	(U)	\$0	Upgrade Power - Redhill Landfill Facility (24259/03)	\$31,578	\$31,578	\$0	(F)
\$0	\$1,666	\$1,666	(F)	\$0	Construct Class III Cell Farm Stage 2 - Red Hill Landfill Facility (24310/11)	\$20,000	\$20,000	\$0	(F)
\$0	\$10,000	\$10,000	(F)	\$0	Construct Siltation Ponds - Red Hill Landfill Facility (24350/00)	\$120,000	\$120,000	\$0	(F)
\$0	\$4,165	\$4,165	(F)	\$0	Construct Nutrient Stripping Pond - Red Hill Landfill Facility (24360/00)	\$50,000	\$50,000	\$0	(F)



CAPITAL EXPENDITURE STATEMENT

JULY 2011

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation	Full Year			
Actual	Budget	Variance			Forecast	Budget	Variance	
Waste Management								
\$0	\$11,665	\$11,665	(F)	\$0	Construct Roads / Carparks - Red Hill Landfill Facility (24370/00)	\$140,000	\$140,000	\$0 (F)
\$0	\$80,000	\$80,000	(F)	\$0	Construct Water Storage Dams - Red Hill Landfill Facility (24393/00)	\$960,000	\$960,000	\$0 (F)
\$0	\$3,082	\$3,082	(F)	\$880	Construct Hardstand and Road - Hazelmere (24395/01)	\$37,000	\$37,000	\$0 (F)
\$0	\$3,600	\$3,600	(F)	\$0	Construct LABC Blending Area - Red Hill Landfill Facility (24395/03)	\$43,200	\$43,200	\$0 (F)
\$0	\$2,500	\$2,500	(F)	\$0	Construct Monitoring Bores - Red Hill Landfill Facility (24396/00)	\$30,000	\$30,000	\$0 (F)
\$0	\$10,000	\$10,000	(F)	\$0	Construct Perimeter Bunds - Red Hill Landfill Facility (24397/00)	\$120,000	\$120,000	\$0 (F)
\$0	\$624	\$624	(F)	\$0	Construct Solar PV Tracking System - Red Hill Landfill Facility (24399/02)	\$24,606	\$24,606	\$0 (F)
\$0	\$1,208	\$1,208	(F)	\$0	Hazelmere Site Development (24399/03)	\$14,500	\$14,500	\$0 (F)
\$0	\$0	\$0	(F)	\$0	Purchase / Replace Plant - Red Hill Landfill Facility (24410/00)	\$3,071,000	\$3,071,000	\$0 (F)
\$8,320	\$0	(\$8,320)	(U)	\$2,995	Purchase / Replace Plant - Hazelmere (24410/01)	\$539,000	\$539,000	\$0 (F)
\$0	\$0	\$0	(F)	\$0	Purchase Bagging Plant for Mulch/Compost (24410/02)	\$35,000	\$35,000	\$0 (F)
\$0	\$0	\$0	(F)	\$24,245	Purchase / Replace Minor Plant and Equipment-Red Hill Landfill Facility (24420/00)	\$388,000	\$388,000	\$0 (F)
\$1,400	\$0	(\$1,400)	(U)	\$0	Purchase / Replace Minor Plant and Equipment - Hazelmere (24420/02)	\$15,000	\$15,000	\$0 (F)
(\$33,744)	\$0	\$33,744	(F)	\$42,792	Purchase / Replace Vehicles - Red Hill Landfill Facility (24430/00)	\$132,369	\$132,369	\$0 (F)



CAPITAL EXPENDITURE STATEMENT

JULY 2011

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

Waste Management

\$0	\$0	\$0	(F)	\$0	Purchase / Replace Office Equipment - Engineering / Waste Management (24510/02)	\$550	\$550	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Purchase / Replace Office Equipment - Red Hill Landfill Facility (24510/08)	\$37,680	\$37,680	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Purchase Fire Fighting System/Equipment - Hazelmere (24520/07)	\$200,600	\$200,600	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Purchase / Replace Fire Fighting Equipment - Red Hill Landfill Facility (24520/08)	\$1,000	\$1,000	\$0	(F)
\$1,143	\$0	(\$1,143)	(U)	\$0	Purchase / Replace Security System - Red Hill Waste Management Facility (24530/08)	\$155,000	\$155,000	\$0	(F)
\$0	\$83	\$83	(F)	\$0	Purchase / Replace Security System - Hazelmere (24530/10)	\$21,000	\$21,000	\$0	(F)
\$278	\$0	(\$278)	(U)	\$9,690	Purchase / Replace Other Equipment - Red Hill Landfill Facility (24590/00)	\$129,150	\$129,150	\$0	(F)
\$0	\$0	\$0	(F)	\$1,364	Purchase / Replace Miscellaneous Plant & Equipment - Hazelmere (24590/02)	\$1,000	\$1,000	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Purchase/Replace Other Equipment - Engineering and Waste Management (24590/03)	\$5,500	\$5,500	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Purchase Office Furniture and Fittings-Engineering and Waste Management (24610/03)	\$2,500	\$2,500	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Purchase / Replace Office Furniture and Fittings - Red Hill Landfill Facility (24610/08)	\$39,946	\$39,946	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Purchase Office Furniture and Fittings-Hazelmere (24610/10)	\$2,500	\$2,500	\$0	(F)



CAPITAL EXPENDITURE STATEMENT

JULY 2011

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
Actual	Budget	Variance			Forecast	Budget	Variance
Waste Management							
\$0	\$208	\$208 (F)	\$0	Purchase Miscellaneous Furniture and Fittings - Red Hill Education Programme (24690/01)	\$2,500	\$2,500	\$0 (F)
\$0	\$666	\$666 (F)	\$0	Refurbish Environmental Education Centre - Redhill Landfill Facility (25253/00)	\$9,000	\$9,000	\$0 (F)
\$0	\$0	\$0 (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)
\$129,265	\$219,509	\$90,244 (F)	\$92,402		\$7,528,179	\$7,528,179	\$0 (F)
\$129,958	\$263,133	\$133,175 (F)	\$126,347	TOTAL CAPITAL EXPENDITURE	\$8,872,357	\$8,872,357	\$0 (F)



STATEMENT OF FINANCIAL POSITION

JULY 2011

Actual 2010/2011	Actual Year to Date		Full Year		
			Forecast	Budget	Variance
		(F) = Favourable variation (U) = Unfavourable variation			
Current Assets					
\$3,728,566	\$3,415,336	Cash and Cash Equivalents	\$109,849	\$109,849	\$0 (F)
\$33,497,403	\$33,076,096	Investments	\$42,772,179	\$42,772,179	\$0 (F)
\$2,598,670	\$2,890,790	Trade and Other Receivables	\$2,598,670	\$2,598,670	\$0 (F)
\$46,105	\$27,921	Inventories	\$46,105	\$46,105	\$0 (F)
\$105,194	\$226,396	Other Assets	\$105,194	\$105,194	\$0 (F)
\$39,975,938	\$39,636,538	Total Current Assets	\$45,631,997	\$45,631,997	\$0 (F)
Current Liabilities					
\$4,970,223	\$2,808,583	Trade and Other Payables	\$4,970,223	\$4,970,223	\$0 (F)
\$1,046,241	\$1,046,241	Provisions	\$1,080,824	\$1,080,824	\$0 (F)
\$6,016,464	\$3,854,824	Total Current Liabilities	\$6,051,047	\$6,051,047	\$0 (F)
\$33,959,474	\$35,781,714	Net Current Assets	\$39,580,950	\$39,580,950	\$0 (F)



STATEMENT OF FINANCIAL POSITION

JULY 2011

Actual 2010/2011	Actual Year to Date		Full Year		
			Forecast	Budget	Variance
		(F) = Favourable variation (U) = Unfavourable variation			
Non Current Assets					
\$7,639,917	\$7,639,917	Property Plant and Equipment	\$8,209,917	\$8,209,917	\$0 (F)
\$4,374,432	\$4,374,432	Buildings	\$5,017,444	\$5,017,444	\$0 (F)
\$10,580,017	\$10,468,418	Structures	\$10,402,117	\$10,402,117	\$0 (F)
\$6,742,728	\$6,742,728	Plant	\$8,582,934	\$8,582,934	\$0 (F)
\$397,379	\$397,379	Equipment	\$1,114,062	\$1,114,062	\$0 (F)
\$133,638	\$133,638	Furniture and Fittings	\$180,211	\$180,211	\$0 (F)
\$272,020	\$401,978	Work in Progress	\$271,520	\$271,520	\$0 (F)
\$30,140,129	\$30,158,489	Total Non Current Assets	\$33,778,203	\$33,778,203	\$0 (F)
Non Current					
\$1,515,597	\$1,515,597	Provisions	\$1,629,981	\$1,629,981	\$0 (F)
\$1,515,597	\$1,515,597	Total Non Current Liabilities	\$1,629,981	\$1,629,981	\$0 (F)
\$62,584,006	\$64,424,606	Net Assets	\$71,729,172	\$71,729,172	\$0 (F)
Equity					
\$32,133,863	\$32,133,863	Accumulated Surplus/Deficit	\$32,133,863	\$32,133,863	\$0 (F)
\$30,450,144	\$30,450,144	Cash Backed Reserves	\$30,450,144	\$30,450,144	\$0 (F)
\$0	\$1,840,599	Net change in assets from operations	\$9,145,166	\$9,145,166	\$0 (F)
\$62,584,006	\$64,424,606	Total Equity	\$71,729,173	\$71,729,173	\$0 (F)



CASH AND INVESTMENTS

JULY 2011

Actual 2010/2011	Actual Year to Date		Full Year		
			Forecast	Budget	Variance
Municipal Cash and Investments					
3,724,916	3,411,686	Cash at Bank - Municipal Fund 01001/00	106,199	106,199	0 (F)
1,250	1,250	Cash on Hand - Ascot Place 01019/00	1,250	1,250	0 (F)
600	600	Cash on Hand - Walliston/Mathieson & Coppin Road Transfer Stations 01019/01	600	600	0 (F)
1,800	1,800	Cash on Hand - Red Hill / Hazelmere 01019/02	1,800	1,800	0 (F)
6,638,110	6,118,483	Investments - Municipal Fund 02021/00	4,516,305	4,516,305	0 (F)
10,366,677	9,533,818	Total Municipal Cash	4,626,155	4,626,155	0 (F)
Restricted Cash and Investments					
38,811	38,921	Restricted Investments - Plant and Equipment 02022/01	98,086	98,086	0 (F)
3,023,037	3,031,635	Restricted Investments - Site Rehabilitation Red Hill 02022/02	3,183,622	3,183,622	0 (F)
1,505,552	1,509,834	Restricted Investments - Future Development 02022/03	192,222	192,222	0 (F)
306,803	307,676	Restricted Investments - Environmental Monitoring Red Hill 02022/04	325,892	325,892	0 (F)
211,328	211,929	Restricted Investments - Environmental Insurance Red Hill 02022/05	198,047	198,047	0 (F)
11,471	11,504	Restricted Investments - Risk Management 02022/06	12,185	12,185	0 (F)
289,265	290,088	Restricted Investments - Class IV Cells Red Hill 02022/07	365,695	365,695	0 (F)
23,807	23,874	Restricted Investments - Regional Development 02022/08	31,672	31,672	0 (F)
23,083,322	23,148,971	Restricted Investments - Secondary Waste Processing 02022/09	33,744,553	33,744,553	0 (F)
1,898,829	1,904,230	Restricted Investments - Class III Cells 02022/10	3,569,635	3,569,635	0 (F)
57,920	58,084	Restricted Investments - Building Refurbishment (Ascot Place) 02022/11	61,524	61,524	0 (F)
(4,194,424)	(4,184,420)	Restricted Investments - Unrealised Loss/Gain on Investments 02022/20	(4,194,424)	(4,194,424)	0 (F)
603,573	605,289	Restricted Investments - Long Service Leave 02022/90	667,166	667,166	0 (F)
26,859,292	26,957,614	Total Restricted Cash	38,255,873	38,255,873	0 (F)
37,225,969	36,491,432	TOTAL CASH AND INVESTMENTS	42,882,028	42,882,028	0 (F)

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

EMRC Investment Report

July 2011

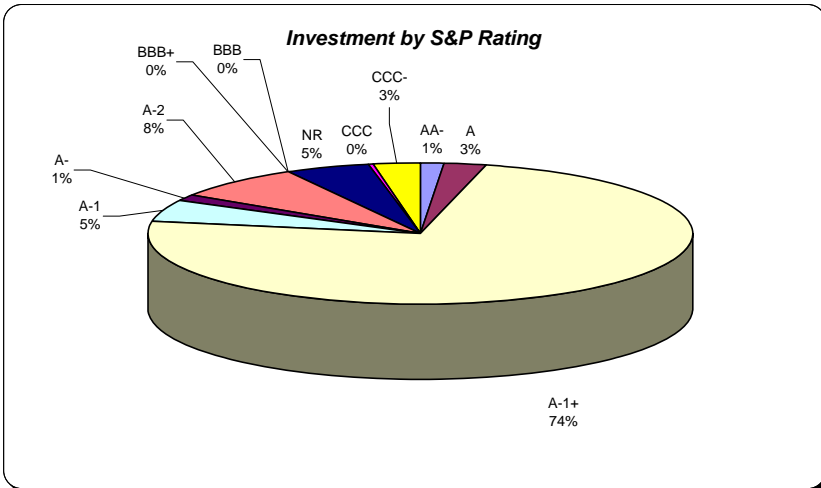
Investment Report Including CDOs

I. Overall Portfolio Limits

S&P Long Term Rating	S&P Short Term Rating	% Portfolio	Investment Maximum %	Comments
AAA	A-1+	81.97%	100%	Includes Bank Guarantee ¹
AA	A-1	1.25%	100%	
A	A-2	6.25%	60%	
BBB		0.00%	0%	
CCC and less		10.53%	0%	Policy Breached ²
		<u>100.00%</u>		

Notes

1. AAA tranche includes \$1m term deposits with banks that have a lower than AAA rating but is covered by the Bank Guarantee
2. Policy breach above relates to the \$4.23m Lehman Brothers CDOs investment



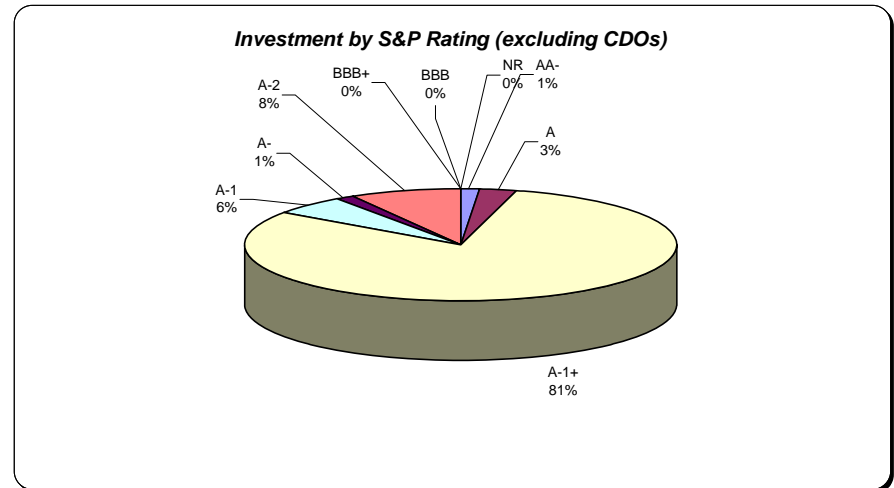
Investment Report Excluding CDOs

I. Overall Portfolio Limits

S&P Long Term Rating	S&P Short Term Rating	% Portfolio	Investment Maximum %	Comments
AAA	A-1+	91.62%	100%	Includes Bank Guarantee ³
AA	A-1	1.39%	100%	
A	A-2	6.99%	60%	
BBB		0.00%	0%	
CCC and less		0.00%	0%	
		<u>100.00%</u>		

Notes

3. AAA tranche includes \$1m term deposits with banks that have a lower than AAA rating but is covered by the Bank Guarantee



EMRC Investment Report

July 2011

Investment Report Including CDOs

II. Counterparty Credit Framework

	% Portfolio	Comments
ANZ Banking Group	38.60%	
Bank of Queensland	2.49%	
Bankwest	4.98%	
Credit Union Australia	2.49%	
Deutsche Bank	0.00%	
Elders Rural Bank	0.00%	
HSBC FRN	2.49%	
ING	2.49%	
Macquarie Bank	1.27%	
Members equity bank	2.49%	
NAB	14.94%	
Suncorp Metway	2.49%	
Westpac / St. George Bank	14.72%	
Lehman Brothers	10.53%	Policy breached ⁴

Notes

4. Policy breach above relates to the Lehman Bros CDOs investment

III. Term to Maturity Framework

Maturity Profile	% Portfolio	Investment Policy Guidelines		Comments
		% Min	% Max	
Less Than 1 Year	88.22%	40%	100%	
Greater Than 1 year	3.98%	0%	60%	
Greater Than 3 Years	7.60%	0%	35%	
Greater Than 5 Years	0.00%	0%	25%	
Greater Than 6 Years	0.20%	0%	0%	Policy Breached ⁵
	<u>100.00%</u>			

Notes

5. Policy breach above relates to a \$80,000 Lehman Brothers CDO with a term to March 2017

Investment Report Excluding CDOs

II. Counterparty Credit Framework

	% Portfolio	Comments
ANZ Banking Group	43.15%	
Bank of Queensland	2.78%	
Bankwest	5.57%	
Credit Union Australia	2.78%	
Deutsche Bank	0.00%	
Elders Rural Bank	0.00%	
HSBC FRN	2.78%	
ING	2.78%	
Macquarie Bank	1.42%	
Members equity bank	2.78%	
NAB	16.70%	
Suncorp Metway	2.78%	
Westpac / St. George Bank	16.46%	

III. Term to Maturity Framework

Maturity Profile	% Portfolio	Investment Policy Guidelines		Comments
		% Min	% Max	
Less Than 1 Year	98.608%	40%	100%	
Greater Than 1 year	1.392%	0%	60%	
Greater Than 3 Years	0.000%	0%	35%	
Greater Than 5 Years	0.000%	0%	25%	
Greater Than 6 Years	0.000%	0%	0%	
	<u>100.00%</u>			

NB: This report is consistent with the reporting requirements of the Policy 3.5 - Management of Investments Policy



14.3 EMRC 2010/2011 ANNUAL REPORT

REFERENCE: COMMITTEES-13045

PURPOSE OF REPORT

To present the draft EMRC 2010/2011 Annual Report to Council for acceptance.

KEY ISSUES AND RECOMMENDATION(S)

- It is a requirement of the *Local Government Act 1995*; section 5.53 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 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.*'
- Section 5.56 of the *Local Government Act 1995*, states that, '*(1) a local government is to plan for the future of the district. (2) a local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.*'

Recommendation(s)

That the Draft EMRC 2010/2011 Annual Report be accepted by absolute majority in accordance with section 5.53 of the *Local Government Act 1995* and the statements therein adopted.

SOURCE OF REPORT

Director Corporate Services
 Marketing and Communications Officer

BACKGROUND

It is a requirement of the *Local Government Act 1995 (The Act)*; section 5.53 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 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*'.

Section 5.56 of the *Local Government Act 1995*, states that, '*(1) a local government is to plan for the future of the district and (2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.*'

REPORT

The EMRC 2010/2011 Annual Report (year ending 30 June 2011) is presented in accordance with the provision of the *Local Government Act 1995* and addresses all required contents.

It is proposed that the Annual Report be distributed in predominantly E-book format (as per previous years), 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 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

Requirement of the *Local Government Act 1995*, Section 5.53, Section 5.54, Section 5.55 and Section 5.56.

FINANCIAL IMPLICATIONS

\$9,500 has been allocated for design and production of the Annual Report in the 2011-2012 EMRC Budget. The actual cost for design and production of the EMRC 2010/2011 Annual Report is \$8,665.

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 2010/2011 Annual Report \(Ref: Committees-13063\)](#)

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That the Draft EMRC 2010/2011 Annual Report be accepted by absolute majority in accordance with section 5.53 of the Local Government Act 1995 and the statements therein adopted.

COUNCIL RESOLUTION(S)

MOVED CR GODFREY SECONDED CR PULE

THAT THE DRAFT EMRC 2010/2011 ANNUAL REPORT BE ACCEPTED BY ABSOLUTE MAJORITY IN ACCORDANCE WITH SECTION 5.53 OF THE LOCAL GOVERNMENT ACT 1995 AND THE STATEMENTS THEREIN ADOPTED.

CARRIED UNANIMOUSLY

DRAFT

Attachment to Council 22 September 2011 Item 14.3





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.



Contents

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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 which 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 300,000 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 the state and to the rest of Australia.

Together, EMRC and its six member Councils form an economic, social and environmental force with the strength to get things done and drive their communities forward.

EMRC's Services

EMRC's **Waste Services** directorate operates the Red Hill Waste Management Facility, Hazelmere Recycling Centre, and transfer stations in Chidlow, Mundaring and Woorlooloo, on behalf of its six member Councils. 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 green waste; and timber and mattress recycling.

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

The **Environmental Services** team provides a range of services and projects that focus on best practice land management,

improving air and water quality across the 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; create sustainable economic growth and employment opportunities; increase investment and infrastructure upgrades; plan and advocate for alternative modes of transport, such as cycling, walking, and public transport; secure funding for efficient transport infrastructure; facilitate regional cultural and recreation activities; as well as improve the growth of tourism in Perth's Eastern Region.

The **Corporate Services** directorate provides administrative support, human resources, information technology, financial management, marketing and communications, risk management and 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, 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



I am proud to be a part of another year that saw EMRC deliver various initiatives of great benefit and value. Ours is an innovative organisation that demonstrates excellence by example, both within and beyond Perth's Eastern Region, and in a manner that considers the generations to come. EMRC ensures high performance in everything it does and this can only be achieved with the collaborative efforts of many people in the region.

The organisation focuses on environmentally responsible projects which contribute to building a better community; therefore, all initiatives are carried out with extensive consideration to the environment. Our ethos of leading by example was demonstrated in many projects throughout the year and the quality of the recycled products depicts just how innovative this organisation is.

Waste Services

A new stationary industrial wood waste grinder at Hazelmere, the first of its kind in Australia, was the initial step towards establishing a Resource Recovery Park at the site and project planning for other resource recovery activities has begun in earnest. At the Red Hill Waste Management Facility, there has been substantial revegetation, as well as continued progress in implementing the sites environmental management systems. The waste services division introduced additional recycling initiatives at the transfer stations it operates on behalf of member Councils.

Resource Recovery

Regional waste education initiatives continued to help reduce, reuse, recycle and recover waste. However, there is still a substantial amount of waste being placed in landfill each year; therefore, the Resource Recovery Project, designed for a sustainable future for the region, continued throughout the year. This included the establishment of a Community Task Force to guide the creation of a Community Partnership Agreement (CPA), wherein indicators for the Resource Recovery Facility's performance will be benchmarked against agreed social, environmental and economic outcomes. A draft CPA was released for public comment in April–May 2011.

Community talks on the thermal and anaerobic technology options for the facility were held throughout the year, providing the opportunity to learn from industry professionals. A Public Environmental Report (PER) was commenced and will assess the potential environmental and health impacts of the facility. Part of this process involved conducting baseline surveys, at the Red Hill Waste Management Facility, on noise and odour levels, as well as air quality surveys.

Corporate Services

EMRC's Strategic Plan for the Future 2010–2014 outlines a commitment to delivering facilities, services and events which are accessible to the whole community. Accordingly, EMRC Council adopted a Disability Access and Inclusion Policy and Disability Access and Inclusion Plan (DAIP) 2010–2012, with achievements reported annually to the Disability Services Commission.

Regional Development

EMRC continued to improve regional tourism and economic development and made significant progress on the Regional Cycle Network Master Plan, with two community forums that gathered community knowledge and feedback



With the input of many people from within our region and beyond, we can continue to foster and develop innovative solutions.

about the network. EMRC also oversaw the regional marketing and secured sponsorship for two cycling events at the 2011 Perth's Autumn Festival, which enjoyed a record number of 20,000 attendees.

The 2010 Avon Descent Family Fun Days proved to be another success, with EMRC securing \$275,550 towards staging the events and implementing a regional marketing campaign. Our sincere thanks go to Lotterywest for helping to make these days possible through this grant.

In October 2010, EMRC Council approved the Regional Economic Development Strategy (REDS) 2010–2015. Developed in conjunction with our six member Councils, it is designed to ensure that regional economic development activities delivered by EMRC, complement and support those projects already under way, or proposed, by member Councils, business or industry.

Environmental Services

The development of the Regional Environmental Strategy (RES) started this year. A reflection of the many environmental and sustainability initiatives currently being undertaken by EMRC, this strategic framework will guide service delivery of environmental management, natural resource management and sustainability activities for the next five years.

Advances were made in the Regional Climate Change Adaptation Action Plan (RCCAAP) 2009–2013. A climate change forum was held to inform stakeholders about the legal implications, extra insurance costs and the increasing pressure being placed on local governments to adapt to

climate change. Work also progressed on the development of draft Local Climate Change Action Plans (LCCAPs) for five member Councils.

The achievements and accolades from the past year would not have come without the hard work and dedication of many people. My sincere thanks go to the chief executive officer, Mr Peter Schneider; the executive management team; and all EMRC staff for their expertise, professionalism and dedication. I thank the state and federal politicians who have given their support to the organisation over the past year. Finally, thanks go to the EMRC councillors for their ongoing commitment and hard work, as well as the member Councils for continuing to work towards sustaining the future of Perth's Eastern Region.

With the input of many people from within our region and beyond, we can continue to foster and develop innovative solutions. I look forward to working together with all stakeholders on a wide range of activities that enhance the growth and sustainability of our future.

Councillor Graham Pittaway OAM
Chairman



Sustainability is a key platform of EMRC's mission and the renovation of our administration building was yet another commitment to innovation in sustainability



Chief Executive Officer's Overview



It is my privilege to lead such an innovative, high performing and environmentally responsible organisation. I am confident that through ongoing work with, and for, our member Councils we will continue to lead by example. We place great value on the many alliances established over the past 28 years. Maintaining strong relationships with member Councils, key government agencies, community groups and clients is essential to the success of EMRC.

It is through strong commitment to our organisation that we continue to make a valuable and innovative contribution to this great region. I acknowledge that none of our achievements would be possible without the dedicated efforts of EMRC staff. Over the past twelve months, they have worked diligently towards achieving strategic objectives and reaching several milestones.

One of the most significant projects completed was the renovation of the Ascot Place administration building in Belmont. Sustainability is a key platform of EMRC's mission and the renovation of our administration building was yet another commitment to innovation in sustainability, as well as to our staff and Council, providing them with a safe and professional environment in which to operate. In the design, the surrounding gardens and solar panels on the roof were deemed essential in demonstrating sustainable building principles. Now that the retrofit is complete and operations have returned to normal, the water and energy efficiency savings provide living proof that the modifications were invaluable. The life of the building has been extended well beyond original expectations and has significantly reduced the thermal mass component of operations. The photovoltaic (PV) systems were secured through the Australian Government's Perth Solar City program. The Australian Government are acknowledged for funding this important part of the building project.

The Ascot Place gardens showcase the use of innovative products, recycled from waste materials at the organisation's waste management facilities. Amongst a suite of other recycled products which EMRC produces, mulch; soil compost; ferricrete gravel and woodchip, were used in the garden design. Their application assists with water retention and promotes visually attractive garden design. In contributing to the state's 'Towards Zero Waste 2020 Strategy', EMRC officially welcomed the new wood waste grinding machine at Hazelmere – the first of its kind in Australia. The new plant reduces double handling of material, produces a better quality product, and provides EMRC with sufficient capacity to increase production in years to come, diverting more wood waste from landfill.

While incorporating water use reduction strategies as a part of the building renovation, to ensure a sustainable water source for the future, EMRC has also been taking a collaborative approach in progressing local councils through the Water Campaign™ Milestone Framework. These collaborative efforts were recognised at the WA Water



Awards where EMRC accepted a finalist award in the category of 'Program Innovation'.

A new phase of the Perth Solar City program unfolded this year with the launch of several demonstration projects, designed to display and promote energy-efficient technology and practices to residents in the region. EMRC's support included a 'Sustainable Communities Competition', giving community groups the opportunity to be named the most sustainable community group within Perth's Eastern Region. This competition was announced as a finalist in the Sustainable Energy Association (SEA) 2011 Sustainable Energy Industry Excellence and Innovation Awards. The purpose of the awards is to acknowledge outstanding projects that embody the principles of sustainable energy, energy efficiency and/or greenhouse gas abatement or mitigation.

EMRC not only acts as an industry leader, but provides members of the region with the tools to better understand climate change, and educate them about ways in which, they too, can reduce their carbon emissions. To this end, the newly developed ACER (Achieving Carbon Emissions Reduction) Home Energy Audit Kit encourages and supports member Council residents to monitor, report on and reduce their carbon emissions. Recognising the excellence of this initiative, the ACER Program was listed as a finalist in the 2010 WA Sustainable Energy Industry Excellence and Innovation Awards. The kits are now available from selected libraries and councils within Perth's Eastern Region with the vision that, through their use, we

can all work together to achieve a sustainable future.

The past year has been filled with progression and triumph, and I take pride in what has been achieved. However, the focus is now on the future – with EMRC being a responsive and innovative leader, in assisting Perth's Eastern Region to be a great place to live, work, play and do business. I look forward to working with member Councils and other stakeholders on a range of innovative regional activities.

Peter B. Schneider
Chief Executive Officer

Organisational Structure





Left to right: Mr Peter Schneider - Chief Executive Officer; Mr Brian Jones - Director, Waste Services; Mr Hua Jer Liew - Director, Corporate Services; and Mrs Prapti Mehta - Acting Director, Regional Services.

Committees

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 the EMRC's Chief Executive Officer, the committee provides recommendations to EMRC's Council.

Chief Executive Officer Performance Review Committee (CEOPRC)

The Chief Executive Officer Performance Review Committee consists of 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 Investment 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 the EMRC's Chief Executive Officer. The committee reviews and provides reports on technical matters and recommendations for Council meetings.

Elected Representatives



Back row: Cr Gerry Pule, Cr Alan Radford, Cr Frank Lindsey, Cr Don McKechnie and Cr Charlie Zannino Front row: Cr Alan Pilgrim, Cr Glenys Godfrey, Cr Graham Pittaway (EMRC Chairman), Cr Tony Cuccaro (EMRC Deputy Chairman) and Cr Janet Powell Inset top right: Cr David Färdig Inset bottom right: Cr John Gangell



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. At 30 June 2011, the appointed Council members were:

- **Cr Graham Pittaway OAM** – City of Bayswater – EMRC Chairman
- **Cr Tony Cuccaro** – Shire of Mundaring – EMRC Deputy Chairman
- **Cr John Gangell** – Town of Bassendean
- **Cr Gerry Pule** – Town of Bassendean
- **Cr Lynda Butler** – Town of Bassendean (Deputy)
- **Cr Alan Radford** – City of Bayswater
- **Cr Barry McKenna** – City of Bayswater (Deputy)
- **Cr Glenys Godfrey** – City of Belmont
- **Cr Janet Powell** – City of Belmont
- **Cr Phil Marks** – City of Belmont (Deputy)
- **Cr Don McKechnie** – Shire of Kalamunda
- **Cr Frank Lindsey** – Shire of Kalamunda
- **Cr Noreen Townsend** – Shire of Kalamunda (Deputy)
- **Cr Alan Pilgrim** – Shire of Mundaring
- **Cr Jenny Johnson** – Shire of Mundaring (Deputy)
- **Cr Charlie Zannino** – City of Swan
- **Cr David Färdig** – City of Swan
- **Cr Kevin Bailey** – City of Swan (Deputy)

Councillor Attendance

Note: The total number of meetings held during 2010/2011, are shown in brackets next to the meeting name.

Councillors	Council	Ordinary Council (9)				Audit Committee (3)				Chief Executive Officer's Performance Review Committee (2)				Investment Committee (1)				Resource Recovery Committee (6)				
		✓	A	D	L	✓	A	D	L	✓	A	D	L	✓	A	D	L	✓	A	D	L	
Cr John Gangell	Town of Bassendean	6	2		1				1													
Cr Gerry Pule	Town of Bassendean	9				2	1			2				1					6			
Cr Graham Pittaway	City of Bayswater	9								1	1											
Cr Alan Radford	City of Bayswater	8	1			3							1					5			1	
Cr Glenys Godfrey	City of Belmont	8	1															5	1			
Cr Janet Powell	City of Belmont	9				3				2											1	
Cr Don McKechnie	Shire of Kalamunda	5	3		1																	
Cr Frank Lindsey	Shire of Kalamunda	9				2	1				1			1				5	1			
Cr Tony Cuccaro	Shire of Mundaring	9								2								4	2			
Cr Alan Pilgrim	Shire of Mundaring	8	1			3								1								
Cr Charlie Zannino	City of Swan	8			1																	
Cr David Färdig	City of Swan	7			2	2			1	2								5				
Deputy Councillors																						
Cr Lynda Butler	Town of Bassendean			3																		
Cr Barry McKenna	City of Bayswater			1																		
Cr Phil Marks	City of Belmont			1																		
Cr Noreen Townsend	Shire of Kalamunda		1	2																		
Cr Jenny Johnson	Shire of Mundaring			1																		
Cr Kevin Bailey	City of Swan			2																		

✓ = ATTENDED MEETING

A = APOLOGY

D = DEPUTISED

L = LEAVE OF ABSENCE

Awards & 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 was awarded as a finalist in the 2010 Western Australian Environment Awards in the category of 'Waste and Resource Management' for its mattress recycling facility at the Hazelmere Recycling Centre.

EMRC also received an award under the Perth Region Natural Resource Management (NRM) Awards of Recognition Program in the category of 'local government' for its Eastern Hills Catchment Management Program. Along with these achievements, EMRC was also listed as a finalist in the Australian Water Association (AWA) Water Awards for its involvement in progressing member Councils through the milestones of the Water Campaign™.

EMRC was also a finalist in the Climate Adaptation Champions Awards, recognised by the National Climate Change Adaptation Research Facility (NCCARF) as a leader in climate change adaptation for EMRC's Future Proofing – Regional Climate Change Adaptation Action Plan.

EMRC was also shortlisted for the Sustainable Energy Association 2011 Awards for the Perth Solar City - Sustainable Communities Competition.

Grants

In 2010–2011, EMRC successfully applied for funding to implement projects on behalf of, or in collaboration with, its member Councils. A total of \$1,363,849 (inc. GST) from government programs was secured for projects that provide a significant range of benefits to Perth's Eastern Region.

Funding allocated or received during the year is included below. EMRC acknowledges and thanks these funding bodies for their assistance.

- **\$26,400** – Implementation of Eastern Hills Catchment Management Program; grant from the City of Swan.
- **\$47,415** – 'Strengthening Our Streams', East Tributaries Restoration Project; grant from the state NRM Office.
- **\$47,875** – Monitoring the animal and plant life in the Helena River; grant from the Swan River Trust.
- **\$30,000** – Eastern Tributaries Restoration Project; grant from Caring for our Country.
- **\$275,550** – Staging the 2010 Avon Descent Family Fun Days and implementing a regional marketing campaign; grant from Lotterywest.
- **\$21,050** – Watsonia Road Threatened Ecological Communities Conservation Project; grant from Department of Environment and Conservation.
- **\$915,559** – Living Smart Program and Solar City Demonstration Projects; grant from the Australian Government's Perth Solar City program.



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





Left image: 2010-2011 EMRC Community Grants Program recipients with EMRC's CEO, Mr Peter Schneider (far right) and Deputy Chairman, Cr Tony Cuccaro (far left).

EMRC Community Grants Program

EMRC's Community Grants Program was conducted again during 2010–2011, to support community groups in the vicinity of the Red Hill Waste Management Facility. A total of \$13,000 was awarded to the following 13 community groups.

- Experience Gidgegannup
- Gidgegannup Agricultural Society
- Gidgegannup Basketball Club
- Gidgegannup Community Church
- Gidgegannup Football Club
- Gidgegannup Junior Football Club
- Gidgegannup Netball Club
- Gidgegannup Playgroup
- Gidgegannup Progress Association
- Gidgegannup Recreation Club
- Jane Brook Catchment Group
- Parkerville Junior Cricket Club
- Perth Hills Paintball Association

This year's successful grant recipients were recognised with a cheque presentation ceremony at the 2010 Red Hill Open Day.



Key Result Area 1:

Environmental Sustainability



Key Result Area 1: Environmental Sustainability

To Provide Sustainable Waste Disposal Operations

EMRC's Red Hill Waste Management Facility is a best-practice facility with a reputation for excellence in environmental management. The waste services team undertakes a variety of activities to deliver sustainable environmental outcomes based on the management of environmental impacts. The focus is on minimising risks that could affect workers, the environment and surrounding communities.

To this end, an environmental handbook and induction process were developed for new employees and contractors to identify risks, outline environmental management processes and provide information on environmental policy, licence conditions and some of the major environmental issues that need to be managed at the site.

The Annual Monitoring and Compliance Report 2010 was completed and submitted to the Department of Environment (DEC) as per the licence requirements. It documents the measures and actions taken to prevent environmental incidents at the facility.

Groundwater contamination, caused by historical landfill operations continued to be managed and closely monitored. While the extent of the contamination was not extensive, EMRC continued its work with groundwater consultants to pump and treat the groundwater. The plume of impacted groundwater is now receding.

An Interim Carbon Abatement Strategy was developed to prepare for any future emission-reduction legislation and, as a member of the Australian Landfill Owners Association (ALOA), EMRC is working to identify additional strategies and actions to reduce the environmental impact of waste disposal. The strategy aims to evaluate EMRC's liabilities – both economic and environmental – under legislation regulating greenhouse gas emissions. Several greenhouse gas abatement projects have been subjected to detailed cost analysis to determine which options are most cost-effective under various scenarios.

A final plan of Environmental Management System (EMS) objectives and targets was formulated and endorsed by senior management and awareness programs, with site staff, were run by the environmental team, including a session on the Red Hill Groundwater Remediation Program. An environmental incident reporting procedure is now in place so that incidents are reported, appropriate actions are recorded, and progress on corrective action is documented on a single form so that, once all actions are completed, incidents can be closed out.

An EMS section was developed for EMRC's intranet, integrating all the components of the EMS into one home page. This provides staff with essential access to relevant environmental management documentation. Monthly EMS meetings have also been established which are attended by environmental staff, managers and operations staff where progress of the EMS is discussed, along with action plans from the environmental issues register, incident reports, complaints and general business.

The environmental issues register was also reassessed and a new risk-rating matrix was developed to rank all previous and future issues. The Hazelmere Recycling Centre is the site of Western Australia's only industrial wood waste and mattress recycling operation.

The organisation's vision for Hazelmere is a hub of resource recovery activities, diverting significant quantities of waste from landfill



The Hazelmere Recycling Centre is the site of Western Australia's only industrial wood waste and mattress recycling operation.



by processing the waste material into reusable products. In April 2011, a new stationary wood waste processing plant, the first of its kind in Australia, was commissioned and began processing material at the centre. It is expected to provide EMRC with sufficient capacity to increase production for many years to come. Processed woodchips are being sold to a particleboard manufacturer and the fine fractions sold to broiler growers in the region. Approximately 75 metres long and 9 metres high, the grinder reduces processing time, makes EMRC more self sufficient and provides a better quality product.

Together with the Australian carpet tile manufacturer, InterfaceFLOR®, EMRC has established the nation's first carpet tile recycling depot. Carpet tile waste is delivered and consolidated at the Hazelmere Recycling Centre before being shipped to the InterfaceFLOR® headquarters in New South Wales for recycling. Currently, the company recycles approximately 10,000 cubic metres of carpet tile waste per annum from Western Australia.

A 30 metre weighbridge has now been installed and commissioned at the centre so that the amount of waste being processed and recycled can be more accurately recorded. Preliminary design work on the Hazelmere Resource Recovery Park Project Plan has also begun.

A report was presented to EMRC's Council in June 2011 seeking member Council input into the resource recovery activities which may be incorporated into the project plan for the Resource Recovery Park.

To Improve Regional Waste Management

EMRC's waste education team continued to implement strategies to encourage responsible waste management in the community. As part of this, a Waste Education Strategy

was developed for the Shire of Mundaring transfer stations, including the design and implementation of new signage at the Mathieson Road and Coppin Road Transfer Stations.

EMRC's School Battery Recycling Program was developed in order to redirect batteries from household waste and ensure environmentally responsible disposal. Over 60 schools in the region belong to the program. During 2010–2011, EMRC took part in a Western Australian Local Government Association (WALGA) review of future funding and administration of the metropolitan-wide Dry-Cell Battery Collection Program. It was decided the program would continue and that new schools should be encouraged to join the program through induction assemblies. The program is promoted through community education and professional development days for teachers. Meanwhile, battery bins were regularly collected from schools and public places. Endorsement and management of the Compact Fluorescent Lamp (CFL) Program continued with its promotion during community education talks and professional development days for teachers. EMRC managed drop-off locations at shopping centres, libraries and council offices, as well as worked with environmental consultants, Eco Cycle, to measure the success of the program so far, and how best to improve it in the future.

Outdoor activities at the Red Hill Environmental Education Centre included the completion of the centre's reuse garden, starting a worm farm with the help of students from Swan Christian College, working with Helena College students to reuse materials for artwork in the garden, installation of a sustainable reticulation system with slow-release membranes throughout the garden and planting of a 'pledge tree' at the centre entrance to enable students to make a pledge for their goal to reduce waste at home.



The Waste Education Strategy was used for a number of programs including an update of the design and content on the R-Gang website to ensure waste information is easily accessible. There were waste reduction tours of the Red Hill Waste Management Facility for schools and community groups and EMRC's waste management practices were promoted through major national campaigns and events, such as National Recycling Week; Keep Australia Beautiful Week and Gardening Week. EMRC's waste education team also assisted in raising awareness of the Resource Recovery Project and were instrumental in the design and distribution of the *2010 Waste and Recycling Guides*.

The Earth Carers Training Program continued throughout the year with Earth Carers from EMRC, the Mindarie Regional Council and the Western Metropolitan Regional Council taking part in a hands-on workshop. The carers learned to reuse old timber,

otherwise destined for landfill, and were taught how to turn off-cuts into something useful. Over four days in July 2010, 20 Earth Carers took part, resulting in an incredible display of creativity and enthusiasm for cutting, chopping, carving, planing, and whittling. Feedback from the workshop was very positive and left participants with a keen desire to learn other practical ways of living with less waste.

EMRC's waste education team continued to implement strategies to encourage responsible waste management in the community.

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

The environmental approval process for the Resource Recovery Facility at the Red Hill Waste Management Facility started in June 2010, with referral to the Environmental Protection Authority (EPA).

After the determination of appeals, the level of assessment was set at a public environmental report (PER) with an eight-week public review period. A draft environmental scoping document was submitted to the EPA in March 2011. Consultants were asked to undertake baseline monitoring at the facility for air quality, odour and noise; and for modelling the impacts of the Resource Recovery Facility technology options. The monitoring commenced in April 2011 and will provide valuable input to the PER.

A report on the preferred location for the Resource Recovery Facility within the Red Hill Waste Management Facility was prepared. This involved considering future site developments, Resource Recovery Facility infrastructure requirements and its proximity to residents. A preliminary feasibility study on a potable water supply for the Resource Recovery Facility was completed, as were preliminary discussions with Western Power regarding connection of the facility to the grid system. A report on the comparison of available contract delivery models for the Resource Recovery Facility, including a 'design, build, operate and maintain' contract model, was also completed.

To Investigate Leading Edge Waste Management Practices

EMRC's waste services team expanded its waste diversion programs and developed sustainable markets for materials recovered and recycled from the waste stream.

During 2010-2011, of the 297,165 tonnes of waste accepted at Red Hill Waste Management Facility, 34,226 tonnes was diverted from landfill and manufactured into a range of recycled products designed to meet the specific needs of several distinct markets. Approximately 13,064 tonnes of green waste was diverted for composting during 2010-2011.



EMRC continued to work with generators of industrial wood waste during 2010-2011, 13,229 tonnes of industrial wood waste was recycled and sold for reuse in particleboard manufacture and animal bedding. The processing of this material has diverted an estimated 88,237 cubic metres from landfills in Perth. EMRC also recycled 18,407 mattresses during the year. After dismantling, individual components were sent for recycling, diverting an estimated 11,044 cubic metres from landfills in Perth.

Over 75 tonnes of electronic waste was collected for recycling at the Red Hill Waste Management Facility in 2010-2011.

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

The Eastern Hills Catchment Management Program (EHCMP) is a highly successful collaborative partnership between the shires of Kalamunda and Mundaring, the City of Swan and EMRC.

The EHCMP supports local community catchment, friends of groups with technical advice, and on-ground assistance, which contributes to improved land quality and regional biodiversity conservation. In addition, the EHCMP assists community groups with networking, newsletter development, funding applications and acquittal processes. The success of the program is due to the dedication and commitment of over 1,700 volunteers who participate in the land care activities.

In May 2010, the EHCMP was announced as a recipient of \$34,459 under the State Natural Resource Management (NRM) Funding Program for a native fish monitoring project in the Helena River. Three sites below the Helena River Pumpback Dam station and three sites between the Pumpback Dam and Mundaring Weir were chosen to sample freshwater invertebrates as baseline data for the Helena River. A consultant undertook two surveys in November 2010 and March 2011 and a preliminary report

recommends that management actions target the lower and middle reaches of the Helena River. The Swan River Trust has made a further funding commitment to the project which will enable additional sampling of the river in 2011-2012.

The EHCMP also hosted an end-of-year celebration for over 100 volunteers, recognising their outstanding contribution in Perth's Eastern Region. The event included the launch of the 2011 Bush Skills for the Hills Program, a series of free, hills-focused community workshops with hands on practical guidance. As part of the 2011 season, EMRC organised nine workshops and three movies which proved successful, attracting good community attendance. Topics included phytophthora dieback; chemical-free weed control; the *Aboriginal Heritage Act 1972* and seed hunting.

Through the Eastern Tributaries Restoration Project, the EMRC has undertaken NRM in seven priority sites which cover an area of more than 10 square kilometres:

- Bugle Tree Creek
- Christmas Tree Creek
- Lower Lesmurdie Falls
- Susannah Brook
- Crumpet Creek
- John Forrest National Park
- F R Berry Reserve

Work undertaken at these sites to date includes the removal of weeds; revegetation of riparian zones; removal of bridal creeper and watsonia; realignment of drainage; the treatment of grassy weeds with solarisation and the removal of an island of giant reed (*Arundo donax*), which resembles bamboo.

The Water Campaign™ is a sustainability program developed by the International Council for Local Environmental Initiatives (ICLEI) and the federal government, aimed at providing local governments with a framework and structured approach to actively assess and manage their water resources. EMRC supports member Councils and other local governments to progress through the five milestones involved in the process.

During 2010-2011, EMRC assisted the City of Bayswater to define the actions and goals required to achieve Milestone 2. EMRC also helped the Shires of Mundaring and Kalamunda to complete Milestone 4. Liaison with the Water Corporation and relevant shire staff enabled the collection of information required to progress the Shire of Mundaring through the Waterwise Council program and obtain a Waterwise Council status. The City of Belmont completed Milestone 5 with EMRC's assistance, and is close to completing a post-Milestone 5 re-inventory. EMRC liaised with the relevant staff at the City of Swan in order to obtain the information required to progress through Milestone 1. Other councils in the wider metropolitan area were also helped through the program by EMRC. The Town of Victoria Park completed Milestone 1, and the City of South Perth progressed through Milestone 5.

Two EMRC staff members became accredited water auditors and completed an audit of EMRC's administration office at

Ascot Place with their recommendations now being implemented. They also completed a water audit for the Bilgoman Aquatic Centre, the Mundaring Recreation Ground and the City of Belmont's operations centre. They are currently undertaking an audit for the City of South Perth civic centre.

Additionally, EMRC started development of a Regional Environmental Strategy (RES) which reflects the many environmental and sustainability initiatives currently being undertaken to identify future needs at a regional level. The draft RES was produced after interviews and workshops with member Council environmental and sustainability officers in 2010. The RES will be finalised in 2011–2012 and used as a strategic framework to guide service delivery of environmental, natural resource management and sustainability activities for the next five years. EMRC also assisted the City of Bayswater to develop a Local Environment Strategy. A number of meetings and workshops were held with the council's staff and the resulting information will provide an Environmental Strategy which aligns with the city's strategic direction.



To Address Climate Change Issues Within the Region

Perth's Eastern Region is home to the Perth Solar City program – one of seven designated 'Solar Cities' across Australia, funded by the Australian Government. The \$73.5 million project offers a suite of initiatives designed to bring together individuals, communities, governments and businesses to trial and showcase practical and creative ways of using energy more efficiently. The project is designed to change the way people think about using energy so they can adapt and prepare for a low carbon future.

Several Perth Solar City demonstration projects were completed in 2010–2011. The Town of Bassendean installed a 3.6 kW photovoltaic (PV) system at the Bassendean Memorial Library and a 4.08 kW PV system at Ashfield Reserve. It is anticipated that the combined reduction in greenhouse gas emissions from these two systems will be approximately 11.9 tonnes per annum, with a yearly financial saving of just over \$1,700. A lighting retrofit was also carried out on the library and a streetlight retrofit undertaken at Ashfield Reserve. The City of Bayswater installed a 15 kW PV system on the newly completed Maylands Multi Purpose Centre and the City of Belmont completed its Oasis Leisure Centre project in May 2011, which included a lighting retrofit and the installation of solar water heating which has already seen a reduction of 60% in gas consumption.

The Shire of Kalamunda's administration building was installed with an energy reduction and demand management system which monitors the building's energy consumption helping to change consumption patterns, thereby reducing emissions and saving money. Additionally, the shire installed the 2 kW PV component of its library project. The remaining component, a 0.9 kW windpod turbine, will be installed next financial year.

The Shire of Mundaring's administration building project included the installation of a 16 kW PV system which is expected to reduce greenhouse gas emissions by approximately 25.77 tonnes and save \$6,893 per year. The City of Swan completed its Altone Park demonstration project with the installation of an energy management system allowing staff to monitor the energy consumption of the facility and plan future energy reduction.

EMRC's Ascot Place demonstration project was completed, which included a 9 kW PV system, expected to reduce greenhouse gas emissions by approximately 14.6 tonnes per annum and save \$3,281 each year. Additionally, the Red Hill Waste Management Facility system was completed, which included a 9 kW sun-tracking PV system, increasing efficiency. It is predicted this will reduce greenhouse gas annual emissions by approximately 20.5 tonnes and save \$4,592 per annum.

The Living Smart Program was delivered in partnership with the Department of Transport, through individual phone coaching sessions which reached 6,000 residents. Sustainable behavioural changes resulted in 4,016 water-reducing actions, saving 197 kL of water per day and 7,782 energy-reducing actions, saving 14,000 kWh per day. The Sustainable Communities Competition was sponsored by SunPower™ and Solahart®. This exciting and innovative project was aimed at delivering skills to the community and to celebrate sustainability, renewable energy and energy efficiency within the region. The competition sought to recognise



sustainability champions who represented a collection of people, such as a street, a group of friends, a club or association. Community groups had the opportunity to win a fully installed 2.1 kW PV system for their nominated community facility. The prize was won by the Kalamunda Spring Road Community Kindergarten. By participating in the competition, each member of the community group entrants also went into the draw to win a fully installed 1.2 kW PV system for their own home.

The ACER Program was developed to encourage and support member Councils to monitor, report on and reduce their carbon emissions. It provides information and education for the community and local businesses to help them reduce energy consumption and other issues related to climate change. There have been a number of highlights and actions achieved this financial year under the ACER Program. EMRC, along with four member Councils – City of Bayswater, City of Belmont, Shire of Kalamunda and Shire of Mundaring – signed up to the WALGA Greensense Local Government Emissions Reporting Platform. Member Councils who participate in the ACER Program will be able to use their WALGA Greensense Local Government Emissions Reporting Platform data in the near future to gain a more accurate estimate of the possible indirect costs of a carbon price. This will help them in planning and implementing greenhouse gas abatement and carbon reduction actions in response to the federal government's carbon tax. In addition, an ACER Home Energy Audit Kit was developed to assist residents to better understand climate change and ways in which they can reduce carbon emissions. The kits are available through a selection of libraries and member Council offices.


Following the Ascot Place building upgrade, a review

of energy consumption was undertaken and EMRC will continue to conduct inventory reviews of its corporate greenhouse gas emissions.

In partnership with its six member Councils, EMRC developed the Regional Climate Change Adaptation Action Plan (RCCAAP) 2009–2013. The RCCAAP is a foundation document that outlines what needs to be done to adapt to climate change on the regional scale over the next four years. The plan is used to advance advocacy for climate change and leverage more funding. The plan will be monitored annually to determine progress. In implementing the plan, EMRC continued to help develop local action plans for five of the member Councils. The local action plans identify actions that can be undertaken and establish member Councils as local leaders in adapting to climate change.

A climate change forum, designed for local government elected members and key staff, was held and included chief executive officers; directors; planners; engineers; as well as environmental and community development officers to inform them about potential legal implications for local government associated with exposure to climate change impacts and insurance cost increases. It addressed such issues as state and federal government requirements for the local government sector and the increasing pressure on local government building and planning services to adequately respond to climate change.

EMRC also progressed with the development of draft local climate change action plans (LCCAAP) for the Shires of Mundaring and Kalamunda, the Cities of Bayswater and Belmont and the Town of Bassendean.



Key Result Area 2:
Social Opportunities



Key Result Area 2: Social Opportunities

To Facilitate Regional Tourism Development

EMRC's tourism activities were guided by the Regional Tourism Strategy (RTS) 2010–2015 which provides a strategic framework for tourism within Perth's Eastern Region. EMRC undertook a range of marketing activities focusing on the promotion of tourism to attract visitors to the region.

The organisation participated in a number of stakeholder workshops and discussions, with the purpose of developing projects and strategies aimed at increasing tourism in the region. These included the Forum Advocating Cultural and Eco Tourism (FACET); the Perth Hills Tourism Precinct Working Group; the Northam's Avon Descent Association (NADA) annual sponsors meeting; and roundtable forums held by the Tourism Council Western Australia, which allowed members the opportunity to discuss important issues directly with the Premier and government ministers.

A two-page spread promoting Perth's Eastern Region was placed in the *Experience Perth Holiday Planner 2011/2012*, with a focus on parks and trails. The publication is well recognised by industry and consumers as the premier publication promoting Perth and its surrounds as a holiday destination.

It has a shelf life of 12 months and a targeted distribution of 120,000 copies, both within Australia and internationally. The planner showcases extensive information on the entire region, featuring destination editorials, maps and product listings.

EMRC's publication, *Cycle Perth's Eastern Region* was distributed through various networks including the Department of Transport's Bikewest website and its brochure order forms; member Councils' TravelSmart officers, council

offices and recreation facilities; as well as through tourism, cycling and hospitality businesses. It was also available at the visitor centres in Kalamunda, Mundaring and the Swan Valley.

PerthTourism.com.au is the regional online portal maintained by EMRC, providing information on events, trails and experiences in the region to residents and prospective visitors. The website is designed to direct enquiries to the region's three visitor centres for detailed product information and bookings. The website has experienced increasing traffic since the start of April 2011, due to radio and print promotion for Perth's Autumn Festival. In April, the website received almost 4,500 unique visitors, about 150 per day.

In December 2011, EMRC started a tourism research program. Potential areas of research were prioritised and scoped at a workshop with the Economic Development Officer Group (EDOG). EMRC also purchased the annual international visitor numbers and national visitor numbers for the year ending September 2010. This data will be useful in developing targeted strategies for attracting visitors to the region.

Development of the Swan and Helena Rivers Foreshore Trail Interpretation Plan was completed in collaboration with project consultants. The plan will link in with the Swan and Canning Iconic River Trails Project currently being undertaken by the South West Aboriginal Land and Sea Council (SWALSC).

Key stakeholders and relevant agencies will be asked to provide final comments and feedback into the Stage 1 report on The Swan and Helena Rivers Foreshore Trail Interpretation Plan. Federal government Tourism Quality (TQUAL) funding will be investigated to implement Stage 2 of the project for the design and physical structure of the interpretation.



Perth's Autumn Festival is working to become 'Clean and Green by 2013...'



To Facilitate Regional Cultural and Recreational Activities

EMRC provided funding to develop and collaboratively market events staged over a six-week period under the umbrella of Perth's Autumn Festival. This year's regional marketing included a radio campaign through 96fm, 6iX and 6PR. In addition, 10,000 brochures were printed and distributed by EMRC and event organisers and a print campaign was trialled through the Sunday Times. Other promotional activities included an e newsletter, social media, and a cycling-specific flyer that was promoted at the Look Good, Feel Good Expo in January, and the World Sports Expo in February.

EMRC organised sponsorship for the events through Perth Solar City as a major event sponsor, Westralia Airports Corporation as an event sponsor, as well as *Cycle Instead* sponsorship, from Bikewest, for two cycling events. EMRC organised 50 free bikes for people to hire at the two cycling events – the Autumn River Ramble by the Swan and Cycle the Trails of the Hills. The festival ended in early May and attracted a record number of around 20,000 attendees, in spite of a decreased number of festival events. Perth's Autumn Festival is working to become 'Clean and Green by 2013', and initiatives undertaken this year included a sustainability event audit of the Bickley Carmel Harvest Festival, funded by EMRC, along with recycling, reusable glasses, and a tree-planting activity.

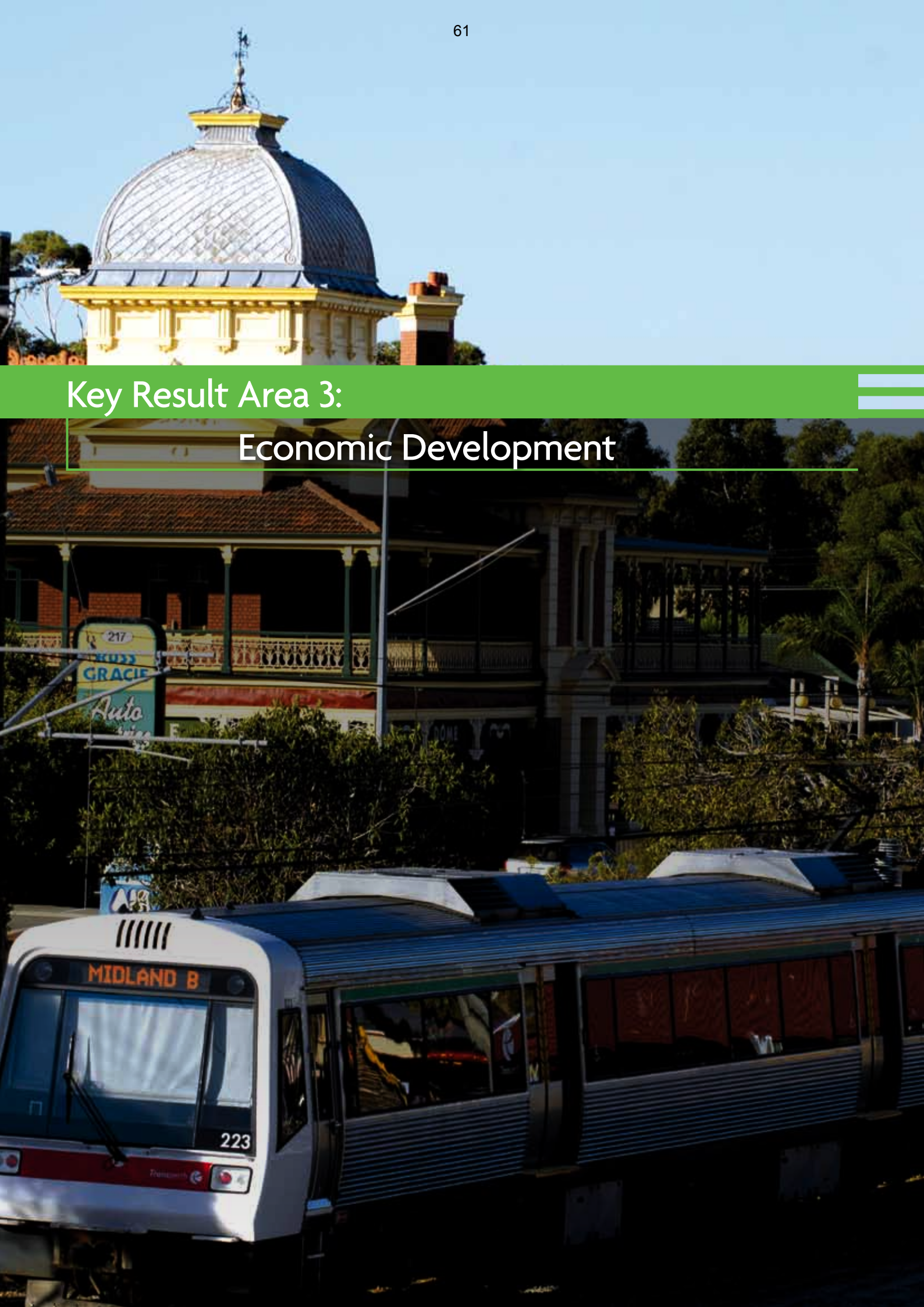
In 2010, the Discover the Treasures of the Hills event was changed from a driving tour of the Shire of Mundaring, to a walking treasure hunt around Mundaring village centre, in order to be more environmentally friendly. Cycling events were also introduced in 2010 for the first time, with four being held in conjunction with the six member Council tourism and community events.

The Avon Descent Family Fun Days are a series of five community-based events staged by participating councils along the Avon and Swan River foreshore to engage communities and attract spectators to the 134 kilometre whitewater race. In 2010, EMRC secured \$275,550 in funding from Lotterywest for a regional marketing campaign and delivery of the Avon Descent Family Fun Days by participating councils. The Fun Days were held from 6 to 8 August. Despite the low water levels resulting in the withdrawal of most power craft, the five events held along the racecourse were well received. Promotion on PerthTourism.com.au, encouraged attendees to walk, cycle or catch public transport to the events, and included a hyperlink to the Transperth website.



Key Result Area 3:

Economic Development





Key Result Area 3: Economic Development

To Facilitate Increased Investment in Regional Infrastructure

EMRC negotiated a funding agreement with the Department of Transport (DoT) to develop a 'Walking Strategy for Perth's Eastern Region 2011–2016' using *Walk WA: A Walking Strategy for Western Australia 2007–2020* and the International Charter for Walking frameworks as guides. The funding also enabled the EMRC to develop a 'walkability' audit tool and conduct a training session with member Council officers to pilot the tool through a site audit at one location in the region.

The walkability audit tool is for use by officers of local government authorities to improve pedestrian safety, accessibility and amenity in their municipality. The purpose of the audit is to identify inadequate, or unsafe, pedestrian facilities; identify appropriate countermeasures; and document the findings of the situation in an audit report. The tool consists of a guideline and checklist to conduct the on-site pedestrian audit and prepare a report.

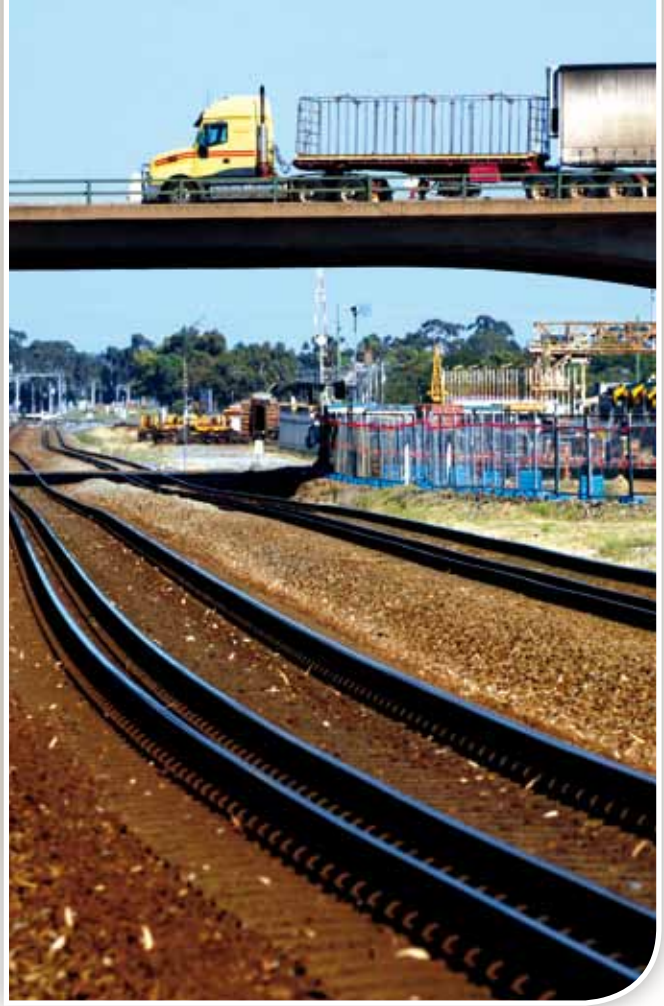
A successful regional funding submission was prepared by EMRC and submitted on behalf of the region by the Shire of Kalamunda to the Department of Transport for the Perth Bicycle Network Local Government Grants Program. In late January 2011, ARRB Group was selected as the consultant for a regional cycle network project. Two community forums, held in March 2011, gathered community knowledge on the network, infrastructure and the prioritisation of future projects. The final plan was completed and submitted on 25 May 2011. It will be used by member Councils to assist them when planning for the expansion and maintenance associated with their respective cycle networks.

EMRC and its member Councils, through the Regional Integrated Transport Strategy Implementation Advisory Group (RITS IAG), has maintained close liaison with all the transport planning initiatives occurring at the state and federal levels and have received regular presentations on several key developments. These include the upgrades around Perth Airport, the Perth Airport Preliminary Master Plan and the Perth Airport Transport Master Plan; the Public Transport 20-Year Plan; the TravelSmart Household Program; and the proposed Light Rail Plan.

To Support the Development of Regional Education and Training Opportunities

EMRC undertook a gap analysis of the services, activities and projects being delivered in youth education and training within Perth's Eastern Region.

The outcome of the scoping exercise will provide a future direction for supporting youth and education. A *Regional Youth and Education Discussion Paper* has been developed which will be used to inform the regional youth and education strategy, clearly identifying any agreed role for EMRC to add value to, and not duplicate, efforts being made by member Councils.



To Facilitate Regional Economic Development Activities

EMRC, in collaboration with member Councils and other stakeholders, continued to progress with the development of a Regional Economic Development Strategy (REDS).

This strategy sets in place a structured framework for the delivery of economic development activities for the period 2010–2015. Activities which will be implemented through the REDS include research of regional industry trends; promotion of the region as an attractive investment destination; and investigations into industry capability and clustering initiatives. Development of the REDS has included analysis of REMPLAN™ 3 data as well as input collated from the EDOG and a range of business, industry and government stakeholders.

The Engineering and Manufacturing Industry Cooperative Limited (EMICoL) is a cluster group of industries predominantly made up of small to medium businesses in the manufacturing, engineering, mining and fabrication sectors. A review of industry clusters was undertaken in 2010, including an evaluation of the EMICoL cluster before a final decision on cluster development selection was made. The final report was received in May 2011 and concluded that the continued

Activities which will be implemented through the REDS include research of regional industry trends; promotion of the region as an attractive investment destination; and investigations into industry capability and clustering initiatives.

existence of EMICoL, together with increasing membership and attraction of industry sponsorship, is testimony to its business commitment and belief in its principles, paving the way for future opportunities in industry clustering for the region.

In 2008, EMRC purchased profile.id, an online regional profiling tool enabling users to analyse local community characteristics. EMRC has now also bought atlas.id, an online social atlas of thematic maps showing where specific groups of people live. EMRC purchased REMPLAN™ 3 in 2009, a user friendly regional economic analysis software package that gives access to a dynamic economic modelling capability and detailed regional economic data for up to 109 different industry sectors. An additional dataset was added to existing datasets for the Perth metropolitan area in July 2010 to allow for comparisons between Perth's Eastern Region, member Councils and the broader Perth area. Training sessions for EMRC and member Council officers on profile.id and REMPLAN™ 3 were held at EMRC in July 2010. EMRC provides access to REMPLAN™ 3 to member Councils via a dedicated computer located at its Ascot Place offices.

EMRC organised half-day field trips during 2010–2011 to familiarise EMRC and member Council staff with industrial estates in the region. The aim of the tours is to cross-promote opportunities for growth of existing businesses and investment attraction to Perth's Eastern Region. Field trips included a tour of the Midland Redevelopment Authority, Midland Atelier, and future sites for the Midland Health Campus and the proposed Raffles University. Visitors on the day included staff from the Department of Commerce, the Department of Planning, the Department of Training and Workforce Development, Enterprise Connect and Polytechnic West (formerly Swan TAFE). EMRC also organised a tour of several key industrial and commercial growth areas in the City of Swan, including the Hazelmere Enterprise Area and a visit to the Hazelmere Recycling Facility. Another field trip involved a tour of sites in the Shire of Mundaring, including Primary Sales with perspectives and insights on the agricultural sector, engineering sector and EMICoL cluster.



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The Swan and Helena River Management Framework (SHRMF) was initiated by EMRC and four of its member Councils (Town of Bassendean, City of Bayswater, City of Belmont and City of Swan) with the support of the Swan River Trust and the Western Australian Planning Commission. Key activities during the year included EMRC working in partnership with a range of key stakeholders, member Councils, relevant agencies and providers of Aboriginal heritage advice and services to develop a deeper understanding of the issues and processes required for Aboriginal consultation. The Regional Aboriginal Consultation Plan aims to document a step-by-step process for member Council officers to better undertake Aboriginal consultation that is inclusive and respectful of Aboriginal heritage and culture.

A presentation about the Swan and Helena Rivers Foreshore Trail Interpretation Plan was delivered to the South West Aboriginal Land and Sea Council (SWALSC) Metro Working Party outlining the draft plan. The Foreshore Trail Interpretation Plan with a Heritage and Tourism Interpretation Framework resource has now been completed.

The Swan and Helena Rivers Regional Recreational Path Development Plan progressed during the year with EMRC identifying member Councils' path priorities and budgets. Staff attended a number of events and relevant meetings including a state trails conference. They also participated in a number of initiatives including the Swan River Trust Swan Canning Iconic Trails Master Plan Project Steering Group; the Swan and Canning Iconic River Trails Project Advisory Group; and the Swan Canning Local Government Policy Forum (C21).



Key Result Area 4:
Good Governance



Key Result Area 4: Good Governance

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

EMRC's Regional Advocacy Strategy 2010–2015 was developed in 2009, which provides a framework for guiding the delivery of EMRC's advocacy and government relations activities. Throughout the year, EMRC continued to prepare ministerial and government agency advocacy briefing papers. Meetings were held with ministers and senior staff from state government agencies.

EMRC established a number of communication channels with commonwealth and state decision makers and officials and is consolidating its image as a credible partner for regional projects. Standard procedures, documents and policies were established and these are complemented by an accumulated body of research capable of supporting regional advocacy and government relations efforts.

Representation of EMRC on the Gateway WA Steering Committee was established to provide strategic guidance and direction to the planning and development of the Gateway WA: Perth Airport and Freight Access Project. EMRC, together with the City of Belmont, also participated on the Great Eastern Highway – City East Alliance Project to undertake the design and construction of the Great Eastern Highway upgrade, between Kooyong Road and Tonkin Highway. EMRC also attended a stakeholder forum concerning the Perth to Darwin Highway in May 2010, which attracted over 50 stakeholders. The final Perth to Darwin Highway Stakeholder Forum Report and Advocacy Action Plan was developed and distributed. The state government is aiming to lodge an Infrastructure Australia bid by 2013–2014 to secure the funding for construction to commence.

Representatives from EMRC also attended meetings and forums with the Swan River Trust, including the River Guardians' Swan River Dreaming boat tour; NRM; sub-regional chairs and coordinators group meetings.

In July 2010, the regional business case for high-speed broadband was presented by EMRC to the Department of Commerce, Science, Innovation and Business team. EMRC also hosted an exclusive visit from a representative of the National Broadband Network Company (NBN Co) to discuss the roll-out of high speed broadband across Perth's Eastern Region.

EMRC continued to advocate for a review of the funding model for the state underground power program and EMRC's senior staff also made a number of presentations to senior federal and state ministers as well as local government authorities.

To Manage Partnerships and Relationships With Stakeholders

In July 2010, a Community Task Force (CTF) was appointed after a call for expressions of interest. The ten members of the CTF included two EMRC representatives and eight community representatives, drawn from around the Red Hill Waste Management Facility and the wider region.

The CTF was formed to develop a Community Partnership Agreement (CPA) in relation to the development and performance of the proposed Resource Recovery Facility, which once endorsed by Council, will form part of the tender documentation. In September 2010, following the appointment and initial meetings of the CTF, a community forum on the Resource Recovery Project was held at Rosehill Lodge in Guildford, attracting approximately 100 participants.

The CTF was formed to develop a Community Partnership Agreement (CPA) in relation to the development and performance of the proposed Resource Recovery Facility, once endorsed by Council.

The forum provided significant feedback on several key issues related to the establishment of the Resource Recovery Facility and was used in the development of the draft CPA. The CTF met regularly throughout the year under the guidance of an independent facilitator to develop the draft CPA which was issued for community feedback in May 2011. The CTF has also been asked to provide feedback on the draft EMRC tender evaluation criteria.

In February 2011, EMRC organised a briefing of councillors and officers by visiting activist Dr Paul Connett on his vision for waste management. Following the presentations to the community on waste-to-energy technologies in April 2010, a community presentation on anaerobic digestion technology was held in June 2011.

Throughout the year, EMRC conducted several project briefings of resident and community groups, including the Mount Helena Resident and Ratepayers Association and the Hovea Residents and Ratepayers Association. The annual EMRC Community Grants Program was conducted to support community groups in the vicinity of the Red Hill Waste Management Facility.

The program has assisted numerous groups to develop a wide range of projects since its inception in 1997. This year's successful grant recipients were presented with a cheque at a ceremony during the 2010 Red Hill Open Day. Under the 2010–2011 program, a total of \$13,000 was awarded to 13 community groups.





EMRC also conducted the 2010–2011 Biennial Stakeholder Perception Survey from May to June 2011. This research enables EMRC to track its performance against a number of strategic objectives and perception-based key result areas, as defined in EMRC's Strategic Plan for the Future, by measuring stakeholder awareness and satisfaction with EMRC's services and projects. Findings are used to improve service delivery and help develop strategic, business and communications planning.

The Waste Management Community Reference Group and the Red Hill Community Liaison Group continued to meet throughout the year and were involved in, and informed about, EMRC's waste management initiatives and the Resource Recovery Project, including updates on the Community Consultation Plan for the Groundwater Remediation Project.

To Improve Marketing and Communications

EMRC's Marketing and Communications Plan continued during the year, providing day-to-day marketing assistance to support the organisation's strategic objectives and directorates.

EMRC's major networking event for the year, the biennial cocktail function, was held in March 2011 and centred on the theme 'leading innovation in sustainability'. The event was important to further enhance relationships and share future plans with key stakeholders.

To Provide Responsible and Accountable Governance and Management of EMRC

A requirement of the *Disability Services Act 1993* (section 27) is that public authorities have a disability access and inclusion plan. EMRC developed an Access and Inclusion Policy and a Disability Access and Inclusion Plan (DAIP) 2010–2012, which was adopted by the Council on 19 August 2010.

The DAIP has seven outcomes and is focused on ensuring that people with disabilities have the same opportunities as everyone else. EMRC has appointed an internal staff team to implement the DAIP. The DAIP Policy and Plan can be viewed on EMRC's website at www.emrc.org.au.

The statutory compliance return for the period 1 January 2010 to 31 December 2010 was completed and lodged. EMRC's Council was able to report that it achieved a high level of compliance in all operations. It is a requirement of sections 5.18 and 5.46 of the *Local Government Act 1995* (the Act) that delegations made by the Council to committees and to the CEO are reviewed at least once in every financial year. These reviews were completed in December 2010.

The policies of EMRC, determined by Council as required by section 2.7(2)(b) of the Act, guide and inform management and the public about key Council principles. It is important that policies are reviewed regularly and amended where necessary. A full review of EMRC's Council policy was undertaken in September 2010.

A Risk Management Plan was endorsed by the executive team in March 2011 and preliminary scheduling of relevant activities was formulated. The plan will continue to be put into action in 2011–2012. The purpose of the plan is to better manage the organisation's key risk exposures and to integrate a formal risk management approach into all key activities. This will ensure that risk exposures associated with future activities and projects will be properly identified, assessed and managed. The

main elements of the implementation will include presenting the plan to management and organising risk management training; identifying key operational risk exposures and assessing the level of risk using a defined methodology; and documenting and monitoring risk management action.

It is anticipated that the outcomes of the plan will be a comprehensive list identifying the most significant risks facing the organisation so as to produce formal action plans regarding how best to address them and how to improve the overall risk culture of the organisation.

To Continue to Improve Financial and Asset Management

Financial forecasts within EMRC's Five-Year Financial Plan are regularly reviewed in order to provide an indicative forecast of EMRC's five-year financial position.

The financial plan tonnage forecasts along with the Asset and Plant Replacement Program are also regularly reviewed and have been used to derive forecast income and expenditure for the Council. Council reviewed the Investment Policy in November 2010 and EMRC focusses on maximising return on its investment portfolio within the level of risk deemed appropriate within the policy.

The Investment Policy was reviewed by Council's internal auditors and external investment advisors and achieves a balance in managing risk versus reward.

To continue improvement of building assets following the renovation of the administration building, EMRC developed a Building Maintenance Program for Ascot Place. Asset Management Plans for Red Hill Waste Management Facility and Hazelmere Recycling Centre are also being developed. Proper planning and consideration of the development plans for both sites are needed in order to complete this task.

The construction contract for the new administration building at Red Hill Waste Management Facility has been awarded and completion is scheduled for the first quarter of 2011–2012. The new building will be manufactured off site and transported in three sections and then assembled at the facility. This cost-effective, semi-permanent structure was chosen for its mobility and flexibility, as it can be relocated in the future should the need arise. It will provide much needed office space to the waste management team.

To Continue to Improve Information Management Practices

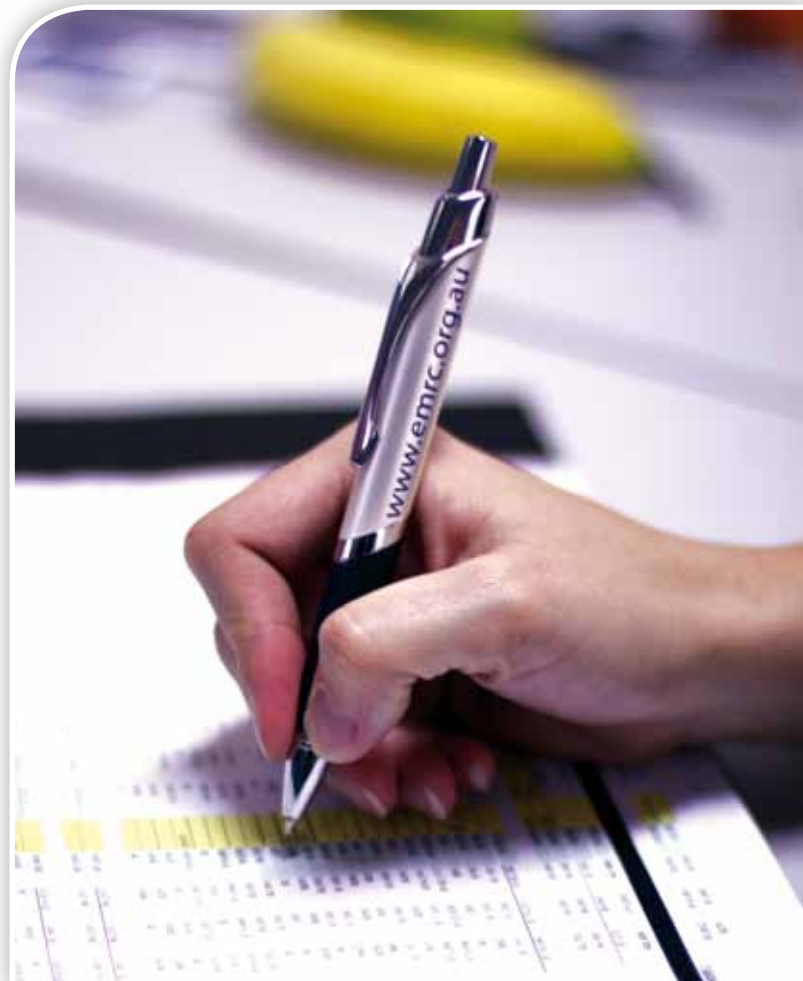
The Five-Year IT Plan progressed during the year and saw the completion of a number of projects. The SynergySoft tenders and contracts module was developed to EMRC requirements and an upgrade program for servers and workstations was completed during the year.

A storage area network (SAN) was installed as a component of the Server Virtualisation Project. A virtualisation host environment was built and five virtual servers are in production. EMRC's document management system (Document Manager) was upgraded in December 2010. An analysis of options for implementing dedicated communications links from Ascot Place to Red Hill Waste Management Facility and Hazelmere Recycling Centre is in progress.

The broadband service at Hazelmere Recycling Centre was replaced with a new wireless service better able to handle the increase in staff working at the site. The configuration has been refined and is providing a stable and cost effective service.

To Improve Organisational Culture, Health, Welfare and Safety

The organisation continued its focus on delivering effective and efficient services to stakeholders, and the community in 2010–2011. The Chief Executive Officer's priority was for EMRC to continue to explore innovative and alternative means of service delivery and, in order to do this, EMRC embarked on a process of enhancing the organisation's culture.



Staff were encouraged to engage in the shift towards high performance, by having the opportunity to participate in the process which was named 'Our Journey Towards Success'.

With the assistance of AIM-UWA Alliance, EMRC's senior staff developed a shared vision for the organisation. Following this, the Chief Executive Officer appointed an internal culture improvement team – Team MERC ('making EMRC really cool'), which developed posters for display at various locations and rolled out a number of projects. A staff survey was conducted in September 2010, with 74 per cent of staff responding. The results provided the Chief Executive Officer and the executive team with information for areas of improvement.

An Employee Suggestion Program (ESP) was also started in November 2010, designed to encourage staff to think of innovative and creative ideas for improving operations and services, and for making EMRC a 'great place to work'. A number of staff ideas have already been implemented. For example, a staff member at the Red Hill Waste Management Facility suggested that painting a yellow line along the road towards the transfer station would help customers find their way easily.

A Rewards and Recognition (R&R) Program was launched in January 2011 for outstanding accomplishments, achievements, behaviours and initiatives of staff, that display the values of the organisation. Staff members are able to nominate their



colleagues throughout each month. Team MERC evaluate nominations and select an employee of the month and up to two runners up, who receive reward vouchers.

A number of activities were organised for staff throughout the year by the FUNtastic Five – five staff members who develop FUN activities at EMRC. They organised an outdoor 'movie nite' in March 2011 when staff brought picnics to share and the FUNtastic Five also coordinated EMRC's involvement

in events such as 'Clean Up Australia Day', 'Australia's Biggest Morning Tea', 'Planting @ Red Hill', and establishing a vegetable and herb garden at Ascot Place.

EMRC's staff induction process was improved and now includes a corporate induction, safety induction, local induction and tours to the Red Hill and Hazelmere facilities. An annual training calendar was developed for training on EMRC's systems and processes for new staff, while existing



An Employee Suggestion Program (ESP) was designed to encourage staff to think of innovative and creative ideas for improving operations and services.



staff were encouraged to attend as a refresher. A series of group training sessions focusing on staff development were also organised. All managers attended training on the *Local Government Act 1995*. EMRC and member Council directors attended governance training that was designed specifically for senior officers. Other training included presentation skills, project management skills and disability access and inclusion awareness training.

EMRC's Safety Advisory Committee and the Risk Management Steering Group continued to meet to develop strategies with the view of reducing and managing risk within EMRC's operations. Occupational health and safety training for staff has been a critical element of the management of risk. Briefing sessions included areas such as manual handling and eye protection. The staff induction process has been upgraded to ensure safe work practices are encouraged at EMRC.

The health and well-being of staff was addressed through various health initiatives during the year and included complimentary flu vaccinations and pool vouchers and educational presentations.

The updated Risk Management Plan was endorsed and adopted by the executive team, delivering on an enterprise-wide approach. It included a comprehensive review and assessment of the organisation's key strategic threats and concluded with a management workshop in December 2010. A further update of the Business Continuity Plan, focusing on the continuity of head office operations was also completed.

A revised Corporate Safety Management Plan was adopted and comprehensive occupational health and safety manuals were compiled for the transfer stations. The new \$2.3 million wood waste recycling plant at Hazelmere was constructed and commissioned without incident and an enhanced risk performance measurement and reporting process was introduced. An internal Occupational Health and Safety System Audit (WorkSafe plan template) and a Health Promotion Management Guideline and Plan were also completed.

An initial analysis of the new model national occupational health and safety laws was undertaken and management briefing sessions will be conducted in the first half of the 2011–2012 financial year. It is anticipated that these measures, along with other systems and process improvements, will create a safer, healthier workplace for staff.



Statutory Reports

Statutory Compliance Return

The Statutory Compliance Return for the period 1 January 2010 to 31 December 2010 was completed and lodged as required. 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 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 2010–2011 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			
	\$110,000 to \$119,999	\$120,000 to \$129,999	\$160,000 to \$169,999	\$170,000 to \$179,999
b) The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000	one staff member	two staff members	one staff member	one staff member

Freedom of Information

During the 2010–2011 period, EMRC received no freedom of information enquires.

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 2010–2011. These included providing information to the community on EMRC's DAIP, ensuring that all events organised by EMRC provide, as a minimum, accessible parking and toilets and promotional material in alternative formats.

Public Interest Disclosures Act 1998

During the 2010–2011 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 time frames. The next review is due in December 2013.

EMRC's primary electronic document management system, Document Manager, has had 143,178 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.

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.

The Local Government (Administration) Regulations 1996 r19C(9) Planning for the Future – s.5.56, states that a local government is to ensure that a plan for the future made in accordance with this regulation applies in respect of each financial year after the financial year ending 30 June 2006. Therefore, EMRC's five-year financial plan is detailed to outline the operating income and expenditure for the period from 2010–2011 to 2015–2016.

Five Year Financial Plan

The five-year financial plan outlines EMRC's operating income and expenditure.

	Budget	Forecast			
*Financial Summary	2011/2012 \$	2012/2013 \$	2013/2014 \$	2014/2015 \$	2015/2016 \$
Operating Income	(32,687,326)	(36,079,167)	(39,536,214)	(43,440,812)	(47,516,281)
Operating Expenditure	29,710,699	30,933,408	32,292,705	33,451,140	35,070,207
Normal Operating Result	(2,976,628)	(5,145,759)	(7,243,509)	(9,989,672)	(12,446,074)
Other Income	(7,911,605)	(7,894,675)	(8,222,930)	(8,809,604)	(9,288,082)
Other Expenditure	1,743,067	1,556,053	1,480,439	2,363,521	1,226,931
Change in net assets from operations	(9,145,166)	(11,484,381)	(13,986,000)	(16,435,754)	(20,507,225)
Capital Expenditure	8,872,357	7,667,113	20,030,595	28,896,920	19,962,423
Net Operating and Capital Expenditure	(272,809)	(3,817,268)	6,044,595	12,461,166	(544,802)

* Current as at the adoption of the 2011/2012 Budget on 21 July 2011.

Statement by Chief Executive Officer

**EASTERN METROPOLITAN REGIONAL COUNCIL
CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

**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 2011:

- complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- is an extract from the full financial report for the year ended 30 June 2011 and has been derived from and is consistent with the full financial report of the Eastern Metropolitan Regional Council.

Signed on the 22nd day of August 2011


PETER B. SCHNEIDER
Chief Executive Officer

Independent Audit Report



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 2011, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and related notes. The concise financial report does not contain all the disclosures required by Australian Accounting Standards.

Council's Responsibility for the Concise Financial Report

The Council is responsible for the preparation and fair presentation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports (including Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal controls 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 2011. Our auditor's report on the financial report for the year was signed on 30 August 2011 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.

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.



Auditor's Opinion

In our opinion, the concise financial report of the Eastern Metropolitan Regional Council for the year ended 30 June 2011 complies with Accounting Standard AASB 1039: Concise Financial Reports.



MACRI PARTNERS
Certified Practising Accountants
28 Thorogood Street
BURSWOOD WA 6100



A MACRI - PARTNER

PERTH
DATED THIS 30th DAY OF AUGUST 2011.



Statement of Comprehensive Income

(By Program) for the year ended 30 June 2011

	ACTUAL 2010/2011 \$	BUDGET 2010/2011 \$	ACTUAL 2009/2010 \$
Revenue			
Governance	32,540	301,796	63,370
General Purpose Funding	1,982,934	1,863,329	1,402,278
Community Amenities	29,832,049	29,621,363	25,918,852
Other Property and Services	2,207,105	2,191,025	2,044,563
Total Revenue	34,054,627	33,977,513	29,429,064
Expenses			
Governance	586,492	1,093,251	1,722,846
Community Amenities	20,641,120	22,112,479	18,459,295
Other Property and Services	4,185,502	5,165,779	3,072,565
Total Expenses	25,413,114	28,371,509	23,254,707
Increase/(Decrease)	8,641,514	5,606,004	6,174,357
Disposal of Assets			
Profit on Sale	38,136	19,121	27,345
Loss on Sale	(1,062)	0	(4,010)
Profit/(Loss) on Disposals	37,074	19,121	23,335
Realised/Unrealised Gain/(Loss) from Change in Fair Value of Investments			
General Purpose Funding	1,035,940	0	621,457
Gain/(Loss)	1,035,940	0	621,457
Other Comprehensive Income	0	0	0
Total Comprehensive Income	9,714,528	5,625,125	6,819,149

Statement of Comprehensive Income

(By Nature & Type) for the year ended 30 June 2011

	ACTUAL 2010/2011 \$	BUDGET 2010/2011 \$	ACTUAL 2009/2010 \$
Revenue			
Fees and Charges	27,821,888	28,105,143	23,817,507
Contributions	1,321,313	1,210,122	1,491,238
Operating Grants	1,714,015	1,797,977	1,684,567
Interest Earnings	1,982,934	1,863,329	1,402,279
Other Revenue	1,214,476	1,000,942	1,033,473
Total Revenue	34,054,627	33,977,513	29,429,064
Expenses			
Employee Costs	7,034,119	7,457,983	7,234,962
Materials and Contracts	6,296,307	7,552,383	6,710,358
Utility Expenses	147,303	161,636	112,923
Insurance Expenses	195,144	196,885	198,199
Finance Fees and Interest Expenses	15,838	12,900	13,537
Other Expenditure	8,855,901	9,403,888	6,173,645
Depreciation Expenses	2,868,502	3,585,835	2,811,083
Total Expenses	25,413,114	28,371,509	23,254,707
Increase/(Decrease)	8,641,514	5,606,004	6,174,357
Disposal of Assets			
Profit on Sale	38,136	19,121	27,345
Loss on Sale	(1,062)	0	(4,010)
Profit/(Loss) on Disposals	37,074	19,121	23,335
Realised/Unrealised Gain/Loss from Change in Fair Value of Investments			
Realised Gain/(Loss)	973,550	0	0
Unrealised Gain/(Loss)	62,390	0	621,457
Gain/(Loss)	1,035,940	0	621,457
Other Comprehensive Income	0	0	0
Total Comprehensive Income	9,714,528	5,625,125	6,819,149

Statement of Financial Position

as at 30 June 2011

	ACTUAL 2010/2011 \$	ACTUAL 2009/2010 \$
Current Assets		
Cash and Cash Equivalents	34,239,251	21,190,494
Investments	2,567,115	6,977,404
Trade and Other Receivables	3,018,273	2,761,025
Inventories	46,105	23,408
Other Assets	105,194	73,514
Total Current Assets	39,975,938	31,025,845
Non Current Assets		
Property, Plant and Equipment	29,868,109	26,955,716
Work in Progress	272,020	2,213,284
Total Non Current Assets	30,140,129	29,169,000
Total Assets	70,116,067	60,194,845
Current Liabilities		
Trade and Other Payables	4,970,223	4,830,408
Provisions	1,046,241	1,074,972
Total Current Liabilities	6,016,464	5,905,380
Non Current Liabilities		
Provisions	1,515,597	1,419,987
Total Non Current Liabilities	1,515,597	1,419,987
Total Liabilities	7,532,061	7,325,367
Net Assets	62,584,006	52,869,478
Equity		
Retained Surplus	32,133,862	28,234,696
Reserves	30,450,144	24,634,782
Total Equity	62,584,006	52,869,478

Statement of Changes in Equity

for the year ended 30 June 2011

	RETAINED SURPLUS \$	RESERVES \$	TOTAL EQUITY \$
Balance as at 30 June 2009	19,513,931	26,536,398	46,050,330
Net Result	6,819,149	0	6,819,149
Total Other Comprehensive Income	0	0	0
Transfer (from) / to	1,901,616	(1,901,616)	0
Balance as at 30 June 2010	28,234,696	24,634,782	52,869,478
Net Result	9,714,528	0	9,714,528
Total Other Comprehensive Income	0	0	0
Transfer (from) / to	(5,815,362)	5,815,362	0
Balance as at 30 June 2011	32,133,862	30,450,144	62,584,006

Statement of Cash Flows

for the year ended 30 June 2011

	ACTUAL 2010/2011 \$	BUDGET 2010/2011 \$	ACTUAL 2009/2010 \$
Cash Flows from Operating Activities			
Cash Flows from Normal Operating Activities			
Cash Receipts in the Course of Normal Operations	30,505,109	27,366,418	26,280,481
Cash Payments in the Course of Normal Operations	(24,223,131)	(23,398,734)	(18,822,313)
Interest Receipts – Municipal Cash	589,455	209,250	195,539
Net Cash Provided by Normal Operating Activities	6,871,433	4,176,934	7,653,707
Cash Flows from Other Operating Activities			
<i>Resource Recovery</i>			
Cash Receipts from Secondary Waste Charge	4,359,912	4,687,716	4,250,236
Cash Receipts from Resource Recovery Project	197	50	71,915
Cash Payments for Resource Recovery Project	(1,077,077)	(1,212,474)	(1,098,501)
Interest Receipts – Secondary Waste Investment	944,708	1,295,803	622,120
<i>Other Activities</i>			
Interest Receipts – Other Restricted Investments	305,912	418,276	428,722
Net Cash Provided by Other Operating Activities	4,533,652	5,189,371	4,274,492
Net Cash Provided by Operating Activities	11,405,085	9,366,305	11,928,199
Cash Flows from Investing Activities			
Cash Receipts from Sale of Assets	354,300	445,362	437,031
Cash Payments for Acquisition of Assets	(4,156,856)	(6,331,284)	(8,825,082)
Net Cash Used in Investing Activities	(3,802,556)	(5,885,922)	(8,388,051)
Cash Flows from Financing Activities			
Cash Receipts from sale of investments	5,446,229	1,500,000	2,551,799
Net Cash Provided by Financing Activities	5,446,229	1,500,000	2,551,799
Summary of Cash Flows			
Cash at the Beginning of the Year	21,190,493	17,406,733	15,098,546
Net Increase (Decrease) in Cash Held	13,048,758	4,980,383	6,091,947
Cash at the End of the Year	34,239,251	22,387,116	21,190,493

Discussion & Analysis of the Financial Report

for the year ended 30 June 2011

Concise Financial Report

The financial statements and disclosures in the Concise Financial Report have been derived from the financial report for the year ended 30 June 2011 of the Eastern Metropolitan Regional Council and is an extract from the full financial report.

The information about the Concise Financial Report is provided to assist readers in understanding this report and is based on the Eastern Metropolitan Regional Council's Statements of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

Statement of Comprehensive Income

The Actual Net Result of \$9,714,528 for the year ended 30 June 2011 is \$2,895,379 above the level of 2009/2010 and \$4,089,403 above the 2010/2011 budget.

Total Revenue from Ordinary Activities of \$34,054,627 for the year ended 30 June 2011 is \$4,625,563 above the 2009/2010 revenue from ordinary activities and \$77,114 above the 2010/2011 budget.

Total Expenses from Ordinary Activities of \$25,413,114 for the year ended 30 June 2011 is \$2,158,407 greater than the 2009/2010 actual expenses from ordinary activities and \$2,958,395 below the 2010/2011 budget.

An actual profit of \$37,074 has resulted from the Disposal of Assets for the year ended 30 June 2011 and is \$13,739 more than the 2009/2010 actual profit from the disposal of assets and \$17,953 above the 2010/2011 budget.

A realised/unrealised gain of \$1,035,940 has resulted from the sale/disposal of investments and change in the fair value of investments as at 30 June 2011, compared to an unrealised gain of \$621,457 as at 30 June 2010. 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.

Statement of Financial Position

Overall equity has increased during the 2010/2011 financial year by \$9,714,528 to \$62,584,006.

Current assets as at 30 June 2011 have increased by \$8,950,093 to the previous year.

The overall impact on cash and investments at the close of the financial year is an increase of \$8,638,468 to \$36,806,366.

Current liabilities as at 30 June 2011 have increased by \$111,084 to \$6,016,464 compared to the level stated as at 30 June 2010.

The value of the retained surplus has increased by \$3,899,166 compared to the value in the previous year. The value of Reserves has increased by \$5,815,362 in comparison to the level stated as at 30 June 2010.

Statement of Cash Flows

The overall impact on the cash position at the close of the financial year is an increase of \$13,048,758 to \$34,239,251. This is principally as a result of investments converted to cash and cash equivalents and an increase in cash flow from operating activities.

Net Cash provided by Operating Activities of \$11,405,085 reflects a decrease of \$523,114 over the \$11,928,199 generated in 2009/2010.

The cash flows used in investing activities for 2010/2011 reflects capital expenditure totalling \$4,156,856. This compares with capital expenditure totalling \$8,825,082 during the previous year.

Notes to the Concise Financial Report

for the year ended 30 June 2011

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 2011. 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 Eastern Metropolitan Regional Council. 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 Eastern Metropolitan Regional Council 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.

Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Eastern Metropolitan Regional Council, the results of those operations, or the state of affairs of the Eastern Metropolitan Regional Council.

Mission

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



EMRC
ANNUAL REPORT
2010-2011

Advancing Perth's Eastern Region 

Eastern Metropolitan Regional Council

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14.4 CLOSURE OF EMRC FACILITIES FOR THE CHRISTMAS/NEW YEAR PERIOD 2011/2012

REFERENCE: COMMITTEES-12874

PURPOSE OF REPORT

The purpose of this report is to seek approval from Council for the closure of EMRC facilities over the Christmas/New Year period.

KEY ISSUES AND RECOMMENDATION(S)

- In previous years the Ascot Place Administration Office has closed over the Christmas/New Year period.
- In previous years the Waste Management Facilities have closed for a more limited period of time over the Christmas/New Year period.

Recommendation(s)

That:

1. The Ascot Place Administration Office be closed from 5pm Thursday 22 December 2011 and on each day thereafter until it re-opens on Tuesday 3 January 2012.
2. The Hazelmere Recycling Centre be closed from 3pm Friday 23 December 2011 and on each day thereafter until it is re-opened on Tuesday 3 January 2012.
3. The Red Hill Waste Management Facility be closed on Christmas Day (Sunday 25 December 2011), New Year's Day (Sunday 1 January 2012).
4. The Coppin Road and Mathieson Road Transfer Stations (Shire of Mundaring) be closed on Christmas Day (Sunday 25 December 2011), Boxing Day (Monday 26 December 2011) and New Year's Day (Sunday 1 January 2012).
5. The Christmas and New Year closure times for the EMRC facilities be advertised.

SOURCE OF REPORT

Acting Director Waste Services
Manager Administration & Compliance

BACKGROUND

Council at its meeting on 8 December 1994 resolved that the Red Hill Waste Management Facility close on Christmas Day, New Year's Day and Good Friday of each year.

It has been the practice in previous years to also close the Ascot Place Administration Office during the Christmas and New Year period and to close the Hazelmere Recycling Centre between Christmas Day and New Year's Day.

Last year the Ascot Place Administration Office was closed from Thursday 23 December 2010 and re-opened on Tuesday 4 January 2011 and the Hazelmere Recycling Centre was closed from Friday 24 December 2010 and re-opened on Tuesday 4 January 2011. Last year the Red Hill Waste Management Facility was closed Christmas Day, Boxing Day, New Year's Day and Sunday 2 January 2011.



Item 14.4 continued

REPORT

It is proposed that the Ascot Place Administration Office be closed from 5pm on Thursday 22 December 2011. As most enquires during this period of closure would relate to waste disposal and can be best handled at the Red Hill Waste Management Facility, it is considered that clients and/or the general public will not be inconvenienced by this arrangement.

After closing on Thursday 22 December 2011 at 5pm, it is proposed that the Ascot Place Administration Office will remain closed for the Christmas and New Year Public Holidays and re-open on Tuesday 3 January 2012.

It is proposed that the Hazelmere Recycling Centre be closed from 3pm on Friday 23 December 2011 and reopen on Tuesday 3 January 2012.

EMRC officers would be required to make appropriate leave arrangements during this period e.g. time in lieu, annual leave, or accrued rostered days off. Christmas Day, Boxing Day and New Year's Day public holidays will be observed on Monday 26 December 2011, Tuesday 27 December 2011 and Monday 2 January 2012 respectively.

Council at its meeting on 8 December 1994 resolved that the Red Hill Waste Management Facility close on Christmas Day, New Year's Day and Good Friday of each year. It is therefore proposed that the Red Hill Waste Management Facility close on Christmas Day (Sunday 25 December 2011) and New Year's Day (Sunday 1 January 2012) for the Christmas period 2011/2012.

The EMRC on behalf of the Shire of Mundaring operates the Coppin Road and Mathieson Road Transfer Stations, and in accordance with the Site Management Agreement, the Transfer Stations will be closed on Christmas Day (Sunday 25 December 2011), Boxing Day (Monday 26 December 2011) and New Year's Day (Sunday 1 January 2012) for the Christmas period 2011/2012.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

- 4.4 To manage partnerships and relationships with stakeholders
- 4.5 To improve marketing and communications
- 4.6 To provide responsible and accountable governance and management of the EMRC

FINANCIAL IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} Nil } Christmas Closure dates for transfer stations as outlined within report. } Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	Nil



Item 14.4 continued

ATTACHMENT(S)

Nil

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That:

1. The Ascot Place Administration Office be closed from 5pm Thursday 22 December 2011 and on each day thereafter until it re-opens on Tuesday 3 January 2012.
2. The Hazelmere Recycling Centre be closed from 3pm Friday 23 December 2011 and on each day thereafter until it is re-opened on Tuesday 3 January 2012.
3. The Red Hill Waste Management Facility be closed on Christmas Day (Sunday 25 December 2011), New Year's Day (Sunday 1 January 2012).
4. The Coppin Road and Mathieson Road Transfer Stations (Shire of Mundaring) be closed on Christmas Day (Sunday 25 December 2011), Boxing Day (Monday 26 December 2011) and New Year's Day (Sunday 1 January 2012).
5. The Christmas and New Year closure times for the EMRC facilities be advertised.

COUNCIL RESOLUTION(S)

MOVED CR GODFREY

SECONDED CR PULE

THAT:

1. THE ASCOT PLACE ADMINISTRATION OFFICE BE CLOSED FROM 5PM THURSDAY 22 DECEMBER 2011 AND ON EACH DAY THEREAFTER UNTIL IT RE-OPENS ON TUESDAY 3 JANUARY 2012.
2. THE HAZELMERE RECYCLING CENTRE BE CLOSED FROM 3PM FRIDAY 23 DECEMBER 2011 AND ON EACH DAY THEREAFTER UNTIL IT IS RE-OPENED ON TUESDAY 3 JANUARY 2012.
3. THE RED HILL WASTE MANAGEMENT FACILITY BE CLOSED ON CHRISTMAS DAY (SUNDAY 25 DECEMBER 2011), NEW YEAR'S DAY (SUNDAY 1 JANUARY 2012).
4. THE COPPIN ROAD AND MATHIESON ROAD TRANSFER STATIONS (SHIRE OF MUNDARING) BE CLOSED ON CHRISTMAS DAY (SUNDAY 25 DECEMBER 2011), BOXING DAY (MONDAY 26 DECEMBER 2011) AND NEW YEAR'S DAY (SUNDAY 1 JANUARY 2012).
5. THE CHRISTMAS AND NEW YEAR CLOSURE TIMES FOR THE EMRC FACILITIES BE ADVERTISED.

CARRIED UNANIMOUSLY



15 REPORTS OF COMMITTEES

15.1 AUDIT COMMITTEE MEETING HELD 22 SEPTEMBER 2011

Council considered Item 15.1 Audit Committee Meeting held 22 September 2011 later in the meeting at Item 18 New Business Of An Urgent Nature Approved By The Chairman Or Person Presiding Or By Decision Of Meeting.

16 REPORTS OF DELEGATES

Cr Godfrey advised that when she attended the Waste and Recycle Conference 2011 last week she had met the new Chairman of the Waste Authority, Mr Peter Fitzpatrick, and he had advised that they would be reviewing the waste strategy and putting forward a new one.

Cr Powell advised that at the Waste and Recycle Conference 2011 she attended a presentation on "Learnings from a 12 month trial of Public Place Fluorescent Globe Recycling in the Eastern Metropolitan Region of WA". The paper was co-delivered by EMRC's Waste Education Coordinator, Ms Tania Wells with Ms Kelsie Prabawa of Eco Change Consulting. Cr Powell stated that the session was well attended, attendees were very impressed and it made her very proud to be part of the EMRC.

Cr Pule stated that one of the objectives of the EMRC was to change the advertisements on fluorescent globes relating to the mercury content and asked if this had been progressed any further. The CEO advised that he would take that on notice.

17 MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil



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

**18.1 AUDIT COMMITTEE MEETING HELD 22 SEPTEMBER 2011
(REFER TO MINUTES OF COMMITTEE - PINK PAGES)
REFERENCE: COMMITTEES-13108**

The minutes of the Audit Committee meeting adjourned from 8 September 2011 and 15 September 2011 and held on **22 September 2011**.

QUESTIONS

The Chairman invited 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, the recommendations in the Audit Committee report (Section 18.1) be adopted.

COUNCIL RESOLUTION(S)

MOVED CR POWELL

SECONDED CR PULE

THAT THE RECOMMENDATIONS IN THE AUDIT COMMITTEE REPORT (SECTION 18.1) BE ADOPTED.

CARRIED UNANIMOUSLY

AUDIT COMMITTEE**MINUTES****22 September 2011****(REF: COMMITTEES-13108)**

A meeting of the Audit Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 22 September 2011**. The meeting commenced at **4.33pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 4.33pm and welcomed Mr Macri and Mr Tan from Macri Partners.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Councillor Attendance

Cr Janet Powell (Chairman)	EMRC Member	City of Belmont
Cr Gerry Pule	EMRC Member	Town of Bassendean
Cr Alan Radford (<i>from 4.34pm</i>)	EMRC Member	City of Bayswater
Cr Frank Lindsey	EMRC Member	Shire of Kalamunda
Cr David Färdig	EMRC Member	City of Swan

Apologies

Cr Alan Pilgrim (Deputy Chairman)	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
Ms Mary-Ann Winnett	Personal Assistant to Director Corporate Services (Minutes)

Visitors

Mr Tony Macri (<i>departed 4.36pm</i>)	Macri Partners
Mr Terry Tan (<i>departed 4.36pm</i>)	Macri Partners

Deputy Committee Members – Observers

Cr Graham Pittaway	City of Bayswater
--------------------	-------------------

3 DISCLOSURE OF INTERESTS

Nil

4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

Nil

5 APPLICATION FOR LEAVE OF ABSENCE

Cr Färdig advised that he would be away from 14 November 2011 to 1 January 2012 inclusive.

6 PRESENTATIONS

Nil



7 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

7.1 MINUTES OF AUDIT COMMITTEE MEETING HELD ON 7 JULY 2011

That the Minutes of the Audit Committee meeting held 7 July 2011, which have been distributed, be confirmed.

AC RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR PULE

THAT THE MINUTES OF THE AUDIT COMMITTEE HELD ON 7 JULY 2011, WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

Cr Radford entered the meeting at 4.34pm.

7.2 MINUTES OF AUDIT COMMITTEE MEETING HELD ON 8 SEPTEMBER 2011

That the Audit Committee notes that the meeting due to be held on 8 September 2011 did not occur as a quorum was not available.

AC RESOLUTION(S)

MOVED CR PULE

SECONDED CR LINDSEY

THAT THE AUDIT COMMITTEE NOTES THAT THE MEETING DUE TO BE HELD ON 8 SEPTEMBER 2011 DID NOT OCCUR AS A QUORUM WAS NOT AVAILABLE.

CARRIED UNANIMOUSLY

7.3 MINUTES OF AUDIT COMMITTEE MEETING HELD ON 15 SEPTEMBER 2011

That the Audit Committee notes that the meeting due to be held on 15 September 2011 did not occur as a quorum was not available.

AC RESOLUTION(S)

MOVED CR PULE

SECONDED CR RADFORD

THAT THE AUDIT COMMITTEE NOTES THAT THE MEETING DUE TO BE HELD ON 15 SEPTEMBER 2011 DID NOT OCCUR AS A QUORUM WAS NOT AVAILABLE.

CARRIED UNANIMOUSLY

8 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil



9 QUESTIONS WITHOUT NOTICE

Nil

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

Nil

11 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



12 REPORTS OF OFFICERS/AUDITORS

12.1 ANNUAL FINANCIAL REPORT AND AUDIT REPORT FOR YEAR ENDED 30 JUNE 2011

REFERENCE: COMMITTEES-13104

PURPOSE OF REPORT

To review Council's draft Annual Financial Report for the year ended 30 June 2011 and to recommend adoption of the Annual Financial Report for the Year Ended 30 June 2011.

KEY ISSUES AND RECOMMENDATION(S)

The 'Terms of Reference of the Audit Committee' includes a list of duties and responsibilities. Among those duties and responsibilities is a requirement for the Committee to:

- Review Council's draft annual financial report; and
- Recommend adoption of the Annual Financial Report to Council.

Recommendation(s)

That:

1. The audited Annual Financial Report for the year ended 30 June 2011 and the report of the Auditor on that Annual Financial Report be adopted.
2. That Council notes the contents of the Interim Audit Report and the management comments provided in response.
3. In accordance with Regulation 51(2) of the Local Government (Financial Management) Regulations 1996, a copy of the 2010/2011 Annual Financial Report be submitted to the Departmental CEO, Department of Local Government, within 30 days of the receipt by the local government'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.

REPORT

The 'Terms of Reference of the Audit Committee' includes a list of duties and responsibilities. Among those duties and responsibilities (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 12.1 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 2011.

Attached is a copy of the audited Annual Financial Report for the year ended 30 June 2011 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 2010/2011.

Statement of Comprehensive Income (pg 6 - 7 of 44)

Total Revenue of \$34,054,627 as at 30 June 2011 is \$4,625,563 greater than the 2009/2010 actual revenue and \$77,114 above budget for 2010/2011.

Total Expenses of \$25,413,114 is \$2,158,407 greater than the 2009/2010 expenses and \$2,958,395 below budget for 2010/2011.

An actual profit of \$37,074 has resulted from the Disposal of Assets as at 30 June 2011 and is \$13,739 higher than the 2009/2010 actual profit of \$23,335 and \$17,953 above the budget for 2010/2011 of \$19,121.

The total change in Fair Value of Investments for the period ending 30 June 2011 is a gain of \$1,035,940 compared to an unrealised gain of \$621,457 as at 30 June 2010. This is made up of Unrealised Gains of \$62,390 and Realised Gains of \$973,550. The Unrealised Gain from the change in fair value of investments is made up from the change in value of ADI's since 30 June 2010. The Realised Gains from the change in fair value of investments represents the profit above book value from the sale of ADI's, CDO's and the maturity of ADI'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 Actual Net Result of \$9,714,528 as at 30 June 2011 is \$2,895,379 above the level of 2009/2010 and \$4,089,403 above the 2010/2011 budget.

Statement of Financial Position (pg 8 - 9 of 44)

Current assets as at 30 June 2011 have increased \$8,950,093 in comparison to the level stated as at 30 June 2010. This is due to the increase in the level of cash and cash equivalents as well as an increase in Trade and Other Receivables offset by the decrease in investments.

The overall impact on cash and investments at the close of the financial year is an increase of \$8,638,468 to \$36,806,366.

Current liabilities as at 30 June 2011 have increased by \$111,084 compared to 30 June 2010.

The value of Reserves has increased by \$5,815,362 in comparison to the level stated as at 30 June 2010.

Overall equity has increased during the 2010/2011 financial year by \$9,714,528 to \$62,584,006.



Item 12.1 continued

Cash Flow Statement (pg 10 of 44)

Net Cash provided by Operating Activities of \$11,405,085 reflects a decrease of \$523,114 from the 2009/2010 value of \$11,928,199.

The overall impact on the cash position at the close of the financial year is an increase of \$13,048,758 to \$34,239,251 from the 2009/2010 value of \$21,190,493.

The cash flows used in investing activities for 2010/2011 reflects capital expenditure totalling \$4,156,856 compared to capital expenditure totalling \$8,825,082 during 2009/2010.

Significant items of capital expenditure during the year included:

- Upgrade administration building - Ascot Place (\$119,024);
- Purchase/replace vehicles - Ascot Place and Red Hill (\$375,127);
- Information Technology purchases (\$118,394);
- Construct facility building - Red Hill Landfill Facility (\$124,267);
- Construct facility building - Hazelmere Site (\$202,104);
- Construct weighbridge - Hazelmere Site (\$107,261);
- Construct solar PV tracking system - Red Hill Landfill Facility (\$80,955);
- Purchase/replace plant - Hazelmere (\$2,350,286); and
- Purchase/replace plant - Red Hill (\$308,465).

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):

- Purchase/replace vehicles - Ascot Place (\$176,000);
- Information technology purchases - Ascot Place (\$262,000);
- Purchase Waste Management land - Red Hill Landfill facility (\$500,000);
- Construct facility building - Red Hill Landfill Facility (\$286,000);
- Construct siltation pond - Red Hill Landfill facility (\$158,000);
- Construction of roads/carparks - Red Hill Landfill Facility (\$83,000);
- Construct solar PV tracking system - Red Hill Landfill Facility (\$79,000); and
- Purchase/replace minor plant and equipment - Red Hill Landfill facility (\$155,000).

Funding for the majority of the capital items listed above has been carried forward into the 2011/2012 financial year.

Reserves (pg 30 - 33 of 44)

During the 2010/2011 financial year the amount held in Reserves (page 32 of 44, Note 15) increased by \$5,815,362 to a balance of \$30,450,144. This is \$575,812 less than the budgeted 2010/2011 closing balance of \$31,025,956.



Item 12.1 continued

STRATEGIC/POLICY IMPLICATIONS

Addresses the following:

Key Result Area 4 – Good Governance

- 4.1 To improve member Council and EMRC financial viability
- 4.7 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 of increase in the total equity of the EMRC from 2009/2010 to 2010/2011 as advised under separate cover.
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 2011 including Independent Auditor's Report from Macri Partners (Ref: Committees-13112)
2. Interim Audit Report for Year Ended 30 June 2011 (Ref: Committees-13111)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

1. The audited Annual Financial Report for the year ended 30 June 2011 and the report of the Auditor on that Annual Financial Report be adopted.
2. That Council notes the contents of the Interim Audit Report and the management comments provided in response.
3. In accordance with Regulation 51(2) of the Local Government (Financial Management) Regulations 1996, a copy of the 2010/2011 Annual Financial Report be submitted to the Departmental CEO, Department of Local Government, within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.



Item 12.1 continued

AC RECOMMENDATION(S)

MOVED CR FÄRDIG

SECONDED CR PULE

That:

1. The audited Annual Financial Report for the Year Ended 30 June 2011 and the report of the Auditor on that Annual Financial Report be adopted.
2. That Council notes the contents of the Interim Audit Report and the management comments provided in response.
3. In accordance with Regulation 51(2) of the Local Government (Financial Management) Regulations 1996, a copy of the 2010/2011 Annual Financial Report be submitted to the Departmental CEO, Department of Local Government, within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.

CARRIED UNANIMOUSLY

Mr Macri and Mr Tan departed the meeting at 4.36pm.

COUNCIL RESOLUTION(S)

MOVED CR POWELL

SECONDED CR PULE

THAT:

1. THE AUDITED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011 AND THE REPORT OF THE AUDITOR ON THAT ANNUAL FINANCIAL REPORT BE ADOPTED.
2. THAT COUNCIL NOTES THE CONTENTS OF THE INTERIM AUDIT REPORT AND THE MANAGEMENT COMMENTS PROVIDED IN RESPONSE.
3. IN ACCORDANCE WITH REGULATION 51(2) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996, A COPY OF THE 2010/2011 ANNUAL FINANCIAL REPORT BE SUBMITTED TO THE DEPARTMENTAL CEO, DEPARTMENT OF LOCAL GOVERNMENT, WITHIN 30 DAYS OF THE RECEIPT BY THE LOCAL GOVERNMENT'S CEO OF THE AUDITOR'S REPORT ON THAT FINANCIAL REPORT.

CARRIED UNANIMOUSLY

**ANNUAL
FINANCIAL
REPORT**

**For the Year Ended
30 June 2011**

EASTERN METROPOLITAN REGIONAL COUNCIL**2010/2011 ANNUAL FINANCIAL REPORT****TABLE OF CONTENTS**

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STATEMENT BY CHIEF EXECUTIVE OFFICER



**For the Year Ended
30 June 2011**

**EASTERN METROPOLITAN REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

**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 2011 are in my opinion properly drawn up to present fairly the financial position of the Eastern Metropolitan Regional Council at 30 June 2011 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 on the 22nd day of August 2011



PETER B. SCHNEIDER
Chief Executive Officer

FINANCIAL REPORT



**For the Year Ended
30 June 2011**

EASTERN METROPOLITAN REGIONAL COUNCIL**STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2011

BY PROGRAM	NOTE	ACTUAL 2010/2011	BUDGET 2010/2011	ACTUAL 2009/2010
REVENUE				
Governance		32,540	301,796	63,370
General Purpose Funding		1,982,934	1,863,329	1,402,278
Community Amenities		29,832,049	29,621,363	25,918,852
Other Property and Services		2,207,105	2,191,025	2,044,563
TOTAL REVENUE		34,054,627	33,977,513	29,429,064
EXPENSES				
Governance		586,492	1,093,251	1,722,846
Community Amenities		20,641,120	22,112,479	18,459,295
Other Property and Services		4,185,502	5,165,779	3,072,565
TOTAL EXPENSES		25,413,114	28,371,509	23,254,707
INCREASE / (DECREASE)		8,641,514	5,606,004	6,174,357
DISPOSAL OF ASSETS				
Profit on Sale		38,136	19,121	27,345
Loss on Sale		(1,062)	0	(4,010)
PROFIT / (LOSS) ON DISPOSALS	20	37,074	19,121	23,335
REALISED/UNREALISED GAIN/(LOSS) FROM CHANGE IN FAIR VALUE OF INVESTMENTS				
General Purpose Funding	7(c)	1,035,940	0	621,457
GAIN / (LOSS)		1,035,940	0	621,457
Other Comprehensive Income		0	0	0
TOTAL COMPREHENSIVE INCOME		9,714,528	5,625,125	6,819,149

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 2011

BY NATURE AND TYPE	NOTE	ACTUAL 2010/2011	BUDGET 2010/2011	ACTUAL 2009/2010
REVENUE				
Fees and Charges	4	27,821,888	28,105,143	23,817,507
Contributions		1,321,313	1,210,122	1,491,238
Operating Grants	5	1,714,015	1,797,977	1,684,567
Interest Earnings	2	1,982,934	1,863,329	1,402,279
Other Revenue		1,214,476	1,000,942	1,033,473
TOTAL REVENUE		34,054,627	33,977,513	29,429,064
EXPENSES				
Employee Costs		7,034,119	7,457,983	7,234,962
Materials and Contracts		6,296,307	7,552,383	6,710,358
Utility Expenses		147,303	161,636	112,923
Insurance Expenses		195,144	196,885	198,199
Finance Fees and Interest Expenses		15,838	12,900	13,537
Other Expenditure		8,855,901	9,403,888	6,173,645
Depreciation Expenses	2	2,868,502	3,585,835	2,811,083
TOTAL EXPENSES		25,413,114	28,371,509	23,254,707
INCREASE / (DECREASE)		8,641,514	5,606,004	6,174,357
DISPOSAL OF ASSETS				
Profit on Sale		38,136	19,121	27,345
Loss on Sale		(1,062)	0	(4,010)
PROFIT / (LOSS) ON DISPOSALS	20	37,074	19,121	23,335
REALISED/UNREALISED GAIN/LOSS FROM CHANGE IN FAIR VALUE OF INVESTMENTS				
Realised Gain/(Loss)		973,550	0	0
Unrealised Gain/(Loss)		62,390	0	621,457
GAIN / (LOSS)	7(c)	1,035,940	0	621,457
Other Comprehensive Income		0	0	0
TOTAL COMPREHENSIVE INCOME		9,714,528	5,625,125	6,819,149

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 2011

	NOTE	ACTUAL 2010/2011	ACTUAL 2009/2010
CURRENT ASSETS			
Cash and Cash Equivalents	7(a)	34,239,251	21,190,494
Investments	7(b)	2,567,115	6,977,404
Trade and Other Receivables	9	3,018,273	2,761,025
Inventories	11	46,105	23,408
Other Assets	10	105,194	73,514
TOTAL CURRENT ASSETS		<u>39,975,938</u>	<u>31,025,845</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	12	29,868,109	26,955,716
Work in Progress		272,020	2,213,284
TOTAL NON CURRENT ASSETS		<u>30,140,129</u>	<u>29,169,000</u>
TOTAL ASSETS	19	<u>70,116,067</u>	<u>60,194,845</u>
CURRENT LIABILITIES			
Trade and Other Payables	13	4,970,223	4,830,408
Provisions	14	1,046,241	1,074,972
TOTAL CURRENT LIABILITIES		<u>6,016,464</u>	<u>5,905,380</u>
NON CURRENT LIABILITIES			
Provisions	14	1,515,597	1,419,987
TOTAL NON CURRENT LIABILITIES		<u>1,515,597</u>	<u>1,419,987</u>
TOTAL LIABILITIES		<u>7,532,061</u>	<u>7,325,367</u>
NET ASSETS		<u>62,584,006</u>	<u>52,869,478</u>
EQUITY			
Retained Surplus		32,133,862	28,234,696
Reserves	15	30,450,144	24,634,782
TOTAL EQUITY		<u>62,584,006</u>	<u>52,869,478</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 2011

	NOTE	RETAINED SURPLUS \$	RESERVES \$	TOTAL EQUITY \$
Balance as at 30 June 2009		19,513,931	26,536,398	46,050,330
Net Result		6,819,149	0	6,819,149
Total Other Comprehensive Income		0	0	0
Transfer (from) / to		1,901,616	(1,901,616)	0
Balance as at 30 June 2010		28,234,696	24,634,782	52,869,478
Net Result		9,714,528	0	9,714,528
Total Other Comprehensive Income		0	0	0
Transfer (from) / to		(5,815,362)	5,815,362	0
Balance as at 30 June 2011		32,133,862	30,450,144	62,584,006

The statement of changes in equity 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 2011

	NOTE	ACTUAL 2010/2011 \$	BUDGET 2010/2011 \$	ACTUAL 2009/2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Flows from Normal Operating Activities				
Cash receipts in the course of normal operations		30,505,109	27,366,418	26,280,481
Cash payments in the course of normal operations		(24,223,131)	(23,398,734)	(18,822,313)
Interest receipts - Municipal Cash		589,455	209,250	195,539
Net Cash Provided by Normal Operating Activities		6,871,433	4,176,934	7,653,707
Cash Flows from Other Operating Activities				
<u>Resource Recovery</u>				
Cash receipts from secondary waste charge		4,359,912	4,687,716	4,250,236
Cash receipts from resource recovery project		197	50	71,915
Cash payments for resource recovery project		(1,077,077)	(1,212,474)	(1,098,501)
Interest receipts - secondary waste investment		944,708	1,295,803	622,120
<u>Other Activities</u>				
Interest receipts - other restricted investments		305,912	418,276	428,722
Net Cash Provided by Other Operating Activities		4,533,652	5,189,371	4,274,492
NET CASH PROVIDED BY OPERATING ACTIVITIES	16(ii)	11,405,085	9,366,305	11,928,199
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash receipts from sale of assets		354,300	445,362	437,031
Cash payments for acquisition of assets		(4,156,856)	(6,331,284)	(8,825,082)
NET CASH USED IN INVESTING ACTIVITIES		(3,802,556)	(5,885,922)	(8,388,051)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash receipts from sale of investments		5,446,229	1,500,000	2,551,799
NET CASH PROVIDED BY FINANCING ACTIVITIES		5,446,229	1,500,000	2,551,799
SUMMARY OF CASH FLOWS				
Cash at the beginning of the year		21,190,493	17,406,733	15,098,546
Net Increase (Decrease) in Cash Held		13,048,758	4,980,383	6,091,947
CASH AT THE END OF THE YEAR	16(i)	34,239,251	22,387,116	21,190,493

The Statement of Cash Flows 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 2011**

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

Basis of Preparation

The financial report is a general purpose financial statement 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.

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) 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.

(b) Fixed Assets

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 includes the cost of all materials, direct labour and variable and fixed overheads.

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits. 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 significantly from that determined using fair value at reporting date.

Land Under Roads

The roads on the land owned by the EMRC are private roads. The land under these private roads has already been recognised as part of the land cost shown in the Statement of Financial Position.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Depreciation of Non-Current Assets

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%

(d) Rates

The Eastern Metropolitan Regional Council 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.

(e) 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.

(f) Trade and Other Payables

Trade and other payables are carried at amortised cost. They 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.

(g) 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 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 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) 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.

(i) 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.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

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.

(j) 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.

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.

(k) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectibility 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 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) 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 not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(m) Provision for Site Rehabilitation

The estimated closure and post-closure site rehabilitation cost is charged to the Statement of Comprehensive Income on a volumetric basis over the life of the landfill site.

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.

The estimated remaining capacity of the site as at 30 June 2010 is 34,588,376 m³.

(n) Provision for Environmental Monitoring

The estimated closure and post-closure environmental monitoring cost is charged to the Statement of Comprehensive Income on a volumetric basis over the life of the landfill site.

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.

The estimated remaining capacity of the site as at 30 June 2010 is 34,588,376 m³.

(o) 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.

(p) 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.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) 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 balance sheet date. 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 2010/11). It also contributes to the LGSP and other choice funds for full scheme members (5% for 2010/11). Contributions to defined contribution plans are recognised as an expense as they become payable.

(r) 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.

(s) Comparative Figures

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

(t) 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.

(u) Leases

Leases of fixed assets, 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.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Investments and Other Financial Assets

Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(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. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Statement of Comprehensive Income as gains and losses from investment securities.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Investments and Other Financial Assets (Continued)

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the Statement of Comprehensive Income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the Statement of Comprehensive Income as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

Council assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the Statement of Comprehensive Income.

(w) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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 2011.

Council's assessment of these new standards and interpretations is set out below:

Title and topic	Issued	Applicable	Impact
(i) AASB 9 – Financial Instruments	December 2009	1 January 2013	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 that the standard will have any material effect.
(ii) AASB 124 – Related Party Disclosures	December 2009	1 January 2011	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
(iii) AASB 1053 – Application of Tiers of Australian Accounting Standards	June 2010	1 July 2013	Nil – Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iv) AASB 2009-12 Amendments to Australian Accounting Standard [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	December 2009	1 January 2011	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB 8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.
(v) 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 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 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and topic	Issued	Applicable	Impact
(vi) AASB 2010 – 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	1 July 2013	Nil – None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(vii) AASB 2010 – 4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB134 and Interpretation 13]	June 2010	1 January 2011	Nil – The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.
(viii) AASB 2010 – 5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	October 2010	1 January 2011	Nil – The revisions embodied in this standard are largely editorial in nature or relate to standards not applicable to the Council and will have minimal effect (if any) on the accounting practices of the Council.
(ix) AASB 2010 – 6 Amendments to Australian Accounting Standards – Disclosure on Transfer of Financial Assets [AASB 1 & AASB 7]	November 2010	1 July 2011	Nil – The revisions embodied in this standard amend disclosures required on transfer of financial assets. The Council is not expected to have any qualifying transfer.
(x) 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 2011

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and topic	Issued	Applicable	Impact
(xi) AASB 2010 – 8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	December 2010	1 January 2012	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2010 – 9 Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]	December 2010	1 July 2011	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2009 – 14 Amendments to Australian Interpretations -- Prepayments of a minimum Funding Requirement [AASB Interpretation 14]	December 2009	1 January 2011	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2010 – 10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]	December 2010	1 January 2013	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

(y) 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 2009 – 5

AASB 2009 – 8

AASB 2009 –10

AASB 2009 –13

AASB 2010 – 1

AASB 2010 – 3

Interpretation 19

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature and 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 2011

2. REVENUE AND EXPENSES

	ACTUAL 2010/2011		ACTUAL 2009/2010
	\$		\$
Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
Auditing and Financial Reporting	9,360		8,500
Other	6,400		2,400
	15,760		10,900
Depreciation and Amortisation Expense			
Buildings	176,596		140,140
Structures	1,059,699		1,106,377
Plant	1,450,920		1,404,192
Equipment	164,522		143,462
Furniture and Fittings	16,765		16,912
	2,868,502		2,811,083
	ACTUAL	BUDGET	ACTUAL
	2010/2011	2010/2011	2009/2010
(ii) Crediting as Revenue:	\$	\$	\$
Interest Earnings			
Interest on funds held in Reserves	1,222,975	1,676,162	1,031,015
Interest on Other Restricted Cash (LSL)	27,645	37,917	19,827
Interest on Municipal Cash and Investments	589,455	149,250	195,539
Accrued Interest Earnings	142,859	0	155,898
	1,982,934	1,863,329	1,402,279
	ACTUAL		ACTUAL
	2010/2011		2009/2010
	\$		\$
Significant Revenue			
General Purpose Funding	1,035,940		621,457
	1,035,940		621,457

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 2011****3. COMPONENT FUNCTIONS / ACTIVITIES**

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

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 Facilities - Class III cell, Class IV cell, weighbridge, transfer station 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 2011

4. FEES AND CHARGES SUMMARY BY PROGRAM	ACTUAL 2010/2011 \$	BUDGET 2010/2011 \$	ACTUAL 2009/2010 \$
Governance	85	2,000	5,906
Community Amenities	27,755,814	27,982,143	23,618,473
Other Property and Services	65,989	121,000	193,128
Total Statutory Fees and Charges	27,821,888	28,105,143	23,817,507

5. GRANT REVENUE BY PROGRAM	ACTUAL 2010/2011 \$	ACTUAL 2009/2010 \$
Community Amenities	264,083	628,400
Other Property and Services	1,449,932	1,056,167
Total Statutory Fees and Charges	1,714,015	1,684,567

6. CONTROL OVER CONTRIBUTIONS	ACTUAL 2010/2011 \$	ACTUAL 2009/2010 \$
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:

Perth Solar City Project	46,647	0
Watsonia OMCF Project	0	8,760

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

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:

Watsonia OMCF Project	8,760	0
Earth Carers Volunteer Program	0	5,850

EASTERN METROPOLITAN REGIONAL COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011****7(a). CASH AND CASH EQUIVALENTS**

	ACTUAL 2010/2011 \$	ACTUAL 2009/2010 \$
Cash and Cash Equivalents - Unrestricted	9,947,074	9,785,467
Cash and Cash Equivalents - Restricted	24,292,177	11,405,028
	<u>34,239,251</u>	<u>21,190,494</u>

7(b). INVESTMENTS

Investments - Restricted	2,567,115	6,977,404
	<u>2,567,115</u>	<u>6,977,404</u>

Financial Assets at fair value through profit or loss

At the beginning of the year	6,977,404	8,907,746
Disposals	(5,446,229)	(2,551,799)
Unrealised gain/(loss) from change in fair value of investments	1,035,940	621,457
Value at the end of the year	<u>2,567,115</u>	<u>6,977,404</u>

Held for Trading

- Financial Instruments	2,567,115	6,977,404
Value at the end of the year	<u>2,567,115</u>	<u>6,977,404</u>

The following Cash and Investments have restrictions imposed by regulation or other externally imposed requirements:

Plant and Equipment	38,811	387,395
Site Rehabilitation Red Hill	3,023,037	2,660,225
Future Development	1,505,552	510,222
Environmental Monitoring Red Hill	306,803	292,292
Environmental Insurance Red Hill	211,328	224,245
Risk Management	11,471	10,929
Class IV Cells Red Hill	289,265	225,485
Regional Development	23,807	294,281
Secondary Waste Processing	23,083,322	19,029,568
Class III Cells	1,898,829	944,959
Building Refurbishment (Ascot Place)	57,920	55,180
Long Service Leave	603,573	556,867
	<u>31,053,716</u>	<u>25,191,650</u>
Less unrealised gain/(loss) from changes in fair value of Investments	(4,194,424)	(6,809,218)
	<u>26,859,292</u>	<u>18,382,432</u>

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

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

	ACTUAL 2010/2011	ACTUAL 2009/2010
General Purpose Funding	<u>1,035,940</u>	<u>621,457</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 2011, reflected in the Statement of Comprehensive Income are summarised as follows:

Year	\$	
2007/2008		(4,180,201)
2008/2009		(3,250,474)
2009/2010		<u>621,457</u>
Opening Balance as at 1 July 2010		(6,809,218)
Add: Realised gains on disposal of Investments for 2010/2011	973,550	
Add: Unrealised gains in value of Investments for 2010/2011	<u>62,390</u>	1,035,940
Add: Write back of accumulated unrealised losses on disposals		<u>1,578,854</u>
Balance as at 30 June 2011		<u>(4,194,424)</u>

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 2010/2011 budget was \$5,682,078.

The actual net current asset position balance shown in the audited financial report as at 30 June 2010 and after adjustment for Restricted Assets was \$6,738,033.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

9. TRADE AND OTHER RECEIVABLES	ACTUAL 2010/2011 \$	ACTUAL 2009/2010 \$
General	2,604,774	2,508,897
Miscellaneous	22,623	21,495
Accrued Interest Earnings	419,603	276,744
Provision for Impairment of Receivables	(28,727)	(46,112)
	<u>3,018,273</u>	<u>2,761,025</u>

10. OTHER ASSETS	ACTUAL 2010/2011 \$	ACTUAL 2009/2010 \$
Prepayment - General	83,659	60,321
Prepayment - Insurance	12,000	12,000
Prepayment - Miscellaneous	9,535	1,193
	<u>105,194</u>	<u>73,514</u>

11. INVENTORIES	ACTUAL 2010/2011 \$	ACTUAL 2009/2010 \$
Distillate	38,233	14,213
Oils	2,958	2,465
Unleaded Fuel	4,914	6,729
	<u>46,105</u>	<u>23,408</u>

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EASTERN METROPOLITAN REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2011

12. NON CURRENT ASSETS MOVEMENTS - PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS	STRUCTURES	PLANT	EQUIPMENT	FURNITURE and FITTINGS	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Carrying Amount at Cost							
Balance 30 June 2010	7,639,917	4,005,812	20,195,809	10,971,552	1,609,067	413,439	44,835,596
Additions	0	2,144,044	617,966	3,055,308	221,718	59,085	6,098,121
Disposals	0	0	0	(621,766)	(92,924)	(10,650)	(725,340)
Balance 30 June 2011	<u>7,639,917</u>	<u>6,149,856</u>	<u>20,813,775</u>	<u>13,405,094</u>	<u>1,737,861</u>	<u>461,874</u>	<u>50,208,377</u>

Accumulated Depreciation / Amortisation

Balance 30 June 2010	0	(1,598,829)	(9,174,060)	(5,517,093)	(1,267,777)	(322,121)	(17,879,880)
Disposals	0	0	0	305,647	91,817	10,650	408,114
Depreciation Expense	0	(176,596)	(1,059,699)	(1,450,920)	(164,522)	(16,765)	(2,868,502)
Balance 30 June 2011	<u>0</u>	<u>(1,775,425)</u>	<u>(10,233,759)</u>	<u>(6,662,366)</u>	<u>(1,340,482)</u>	<u>(328,236)</u>	<u>(20,340,268)</u>

Net Book Value

As at 30 June 2010	<u>7,639,917</u>	<u>2,406,984</u>	<u>11,021,749</u>	<u>5,454,459</u>	<u>341,290</u>	<u>91,317</u>	<u>26,955,716</u>
As at 30 June 2011	<u>7,639,917</u>	<u>4,374,431</u>	<u>10,580,016</u>	<u>6,742,728</u>	<u>397,379</u>	<u>133,638</u>	<u>29,868,109</u>

Assets at cost are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136: "Impairment of Assets".

EASTERN METROPOLITAN REGIONAL COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

13. TRADE AND OTHER PAYABLES	ACTUAL 2010/2011 \$	ACTUAL 2009/2010 \$
Current - Creditors		
Payroll Accruals	155,326	128,168
GST Liability	478,295	225,958
Sundry Creditors	4,336,602	4,476,282
	<u>4,970,223</u>	<u>4,830,408</u>

14. PROVISIONS**Current**

Employees Annual Leave	677,986	749,182
Employees Long Service Leave	368,255	325,790
	<u>1,046,241</u>	<u>1,074,972</u>

PROVISIONS**Non-current**

Employees Long Service Leave	81,119	85,677
Red Hill Landfill Site Rehabilitation	1,304,073	1,213,011
Red Hill Landfill Environmental Monitoring	130,405	121,299
	<u>1,515,597</u>	<u>1,419,987</u>

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

15. RESERVES

	ACTUAL 2010/2011 \$	BUDGET 2010/2011 \$	ACTUAL 2009/2010 \$
(a) Plant and Equipment Reserve			
Opening balance as at 1 July	387,395	385,564	776,748
Transfer from retained surplus	2,681,984	2,642,288	2,221,349
Transfer to retained surplus	(3,049,800)	(2,938,265)	(2,640,753)
Interest	19,232	26,309	30,051
Closing Balance as at 30 June	38,811	115,896	387,395
(b) Site Rehabilitation Reserve			
Opening balance as at 1 July	2,660,225	2,647,972	2,635,734
Transfer from retained surplus	230,747	0	100,000
Transfer to retained surplus	0	(214,595)	(181,862)
Interest	132,065	180,682	106,353
Closing Balance as at 30 June	3,023,037	2,614,059	2,660,225
(c) Future Development Reserve			
Opening balance as at 1 July	510,222	503,039	2,946,239
Transfer from retained surplus	1,470,000	1,700,000	0
Transfer to retained surplus	(500,000)	(500,000)	(2,550,000)
Interest	25,330	34,324	113,983
Closing Balance as at 30 June	1,505,552	1,737,363	510,222
(d) Environmental Monitoring Reserve			
Opening balance as at 1 July	292,292	291,655	281,405
Transfer from retained surplus	0	0	0
Transfer to retained surplus	0	0	0
Interest	14,511	19,901	10,887
Closing Balance as at 30 June	306,803	311,556	292,292
(e) Environmental Insurance Reserve			
Opening balance as at 1 July	224,245	223,673	238,367
Transfer from retained surplus	0	0	0
Transfer to retained surplus	(24,050)	(24,050)	(23,344)
Interest	11,132	15,262	9,222
Closing Balance as at 30 June	211,327	214,885	224,245

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

15. RESERVES (Continued)	ACTUAL 2010/2011 \$	BUDGET 2010/2011 \$	ACTUAL 2009/2010 \$
(f) Risk Management Reserve			
Opening balance as at 1 July	10,929	10,902	10,522
Transfer from retained surplus	0	0	0
Transfer to retained surplus	0	0	0
Interest	543	744	407
Closing Balance as at 30 June	11,472	11,646	10,929
(g) Class IV Reserve			
Opening balance as at 1 July	225,485	225,310	87,232
Transfer from retained surplus	52,586	46,801	134,878
Transfer to retained surplus	0	0	0
Interest	11,194	15,374	3,375
Closing Balance as at 30 June	289,265	287,485	225,485
(h) Regional Development Reserve			
Opening balance as at 1 July	294,282	293,473	412,501
Transfer from retained surplus	470,000	200,000	250,000
Transfer to retained surplus	(755,084)	(482,090)	(384,178)
Interest	14,609	20,025	15,959
Closing Balance as at 30 June	23,807	31,408	294,282
(i) Secondary Waste Reserve			
Opening balance as at 1 July	19,029,568	18,990,498	16,080,560
Transfer from retained surplus	4,324,832	4,687,716	3,733,620
Transfer to retained surplus	(1,215,786)	(1,271,980)	(1,406,732)
Interest	944,708	1,295,803	622,120
Closing Balance as at 30 June	23,083,322	23,702,037	19,029,568
(j) Class III Reserve			
Opening balance as at 1 July	944,959	937,656	3,013,965
Transfer from retained surplus	911,958	944,152	924,384
Transfer to retained surplus	(5,000)	(5,000)	(3,109,993)
Interest	46,912	63,980	116,603
Closing Balance as at 30 June	1,898,829	1,940,788	944,959

EASTERN METROPOLITAN REGIONAL COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011****15. RESERVES (Continued)**

	ACTUAL 2010/2011 \$	BUDGET 2010/2011 \$	ACTUAL 2009/2010 \$
(k) Building Refurbishment Reserve			
Opening balance as at 1 July	55,180	55,075	53,125
Transfer from retained surplus	0	0	0
Transfer to retained surplus	0	0	0
Interest	2,739.31	3,758	2,055
Closing Balance as at 30 June	57,920	58,833	55,180
RESERVES AT END OF FINANCIAL YEAR	30,450,144	31,025,956	24,634,782

FUNDS SET ASIDE FOR :**Long Service Leave Reserve**

Opening balance as at 1 July	556,868	555,691	512,481
Transfer from retained surplus	19,060	25,560	24,560
Transfer to retained surplus	0	0	0
Interest	27,645	37,917	19,827
Closing Balance as at 30 June	603,573	619,168	556,868

Fair Value of investments at balance date has resulted in an unrealised loss of \$4,194,424 (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 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 2011

15. 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

To finance the replacement of major items of plant and equipment.

Site Rehabilitation Reserve

To finance the rehabilitation of the completed cells at the Red Hill waste disposal site and the rehabilitation of the site at time of decommissioning.

Future Development Reserve

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

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

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.

EASTERN METROPOLITAN REGIONAL COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011****16. 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 2010/2011	BUDGET 2010/2011	ACTUAL 2009/2010
	\$	\$	\$
Cash and Cash Equivalents - Unrestricted	9,947,074	2,998,537	9,785,467
Cash and Cash Equivalents - Restricted	24,292,177	19,388,579	11,405,027
Total Cash	34,239,251	22,387,116	21,190,494

(ii) Reconciliation of net cash used in operating activities to Net Result

Net Result	9,714,528	5,625,125	6,819,149
Depreciation	2,868,502	3,585,835	2,811,082
(Profit)/Loss on sale of assets	(37,074)	(19,121)	(23,335)
Increase/(Decease) in provisions - Redhill	100,168	140,383	104,476
Increase/(Decease) in provisions - Staff	(33,289)	34,083	170,166
Increase/(Decease) in Sundry Creditors	(112,522)	0	3,072,431
Increase/(Decease) in GST	252,337	0	(4,429)
(Increase)/Decease in accrued interest earnings	(142,859)	0	(155,898)
(Increase)/Decrease in Receivables	(114,389)	0	(228,625)
(Increase)/Decrease in Inventory	(22,697)	0	7,272
(Increase)/Decrease in Prepayments	(31,680)	0	(22,633)
Increase/(Decease) in unrealised gain/loss from change in fair value of investments	(1,035,940)	0	(621,457)
Net cash from operating activities	11,405,085	9,366,305	11,928,199

(iii) Financing Facilities

There were no bank overdraft facilities in place for the Eastern Metropolitan Regional Council at balance date.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

17. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlements liability recognised and included in the financial report is as follows:

Provision for Employee Entitlements (Refer to Note 14)	ACTUAL 2010/2011 \$	ACTUAL 2009/2010 \$
- Current	1,046,241	1,074,972
- Non-current	81,119	85,677
Total Employee Entitlements	1,127,360	1,160,649
	ACTUAL FTE's 2010/2011	ACTUAL FTE's 2009/2010
Total number of (FTE) employees at end of financial year	89	90

18. COUNCILLORS FEES AND ALLOWANCES

ACTUAL 2010/2011 \$	BUDGET 2010/2011 \$	ACTUAL 2009/2010 \$
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The following fees, expenses and allowances were paid to council members and/or the Chairman

Councillors' meeting fees	77,000	77,000	90,208
Chairman's meeting fees	14,000	14,000	17,833
Deputy Councillors' meeting fees	1,300	3,500	2,060
Chairman's Local Government fee	6,000	6,000	5,500
Deputy Chairman's Local Government fee	1,500	1,500	1,375
	99,800	102,000	116,977

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

19. ASSETS CLASSIFIED BY TYPE AND LOCAL GOVERNMENT PROGRAM	ACTUAL 2010/2011 \$	ACTUAL 2009/2010 \$
Current Assets		
General Purpose Funding	13,155,457	13,030,808
Governance	672,964	622,977
Community Amenities	26,123,711	17,077,779
Economic Services	23,806	294,281
Land		
Governance	3,022,393	3,022,392
Community Amenities	4,617,524	4,617,524
Buildings		
Governance	3,724,690	1,991,650
Community Amenities	649,741	415,334
Structures		
Community Amenities	10,580,016	11,021,749
Plant		
Governance	566,828	654,282
Community Amenities	6,175,900	4,800,177
Equipment		
Governance	245,740	244,511
Community Amenities	151,639	96,779
Furniture and Fittings		
Governance	133,638	91,317
Work In Progress		
Unclassified	272,020	2,213,284
	<u><u>70,116,067</u></u>	<u><u>60,194,845</u></u>

20. DISPOSAL OF ASSETS	BUDGET 2010/2011 \$			ACTUAL 2010/2011 \$		
	Net Book Value	Sale Price	Gain (Loss)	Net Book Value	Sale Price	Gain (Loss)
Plant	426,241	445,362	19,121	316,118	354,254	38,136
Equipment	0	0	0	1,108	46	(1,062)
Total Assets Disposed	<u><u>426,241</u></u>	<u><u>445,362</u></u>	<u><u>19,121</u></u>	<u><u>317,226</u></u>	<u><u>354,300</u></u>	<u><u>37,074</u></u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

21. 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 2010/11 financial year.

(c) Unspent Loans

There were no unspent loans during the 2010/11 financial year.

22. INTEREST IN THE EMRC

The following table shows the total interest in the EMRC as at year end:

Member Council	2010/2011		2009/2010	
	%	\$	%	\$
Town of Bassendean	4.63	2,897,798	4.63	2,448,370
City of Bayswater	19.37	12,121,180	19.56	10,338,914
City of Belmont	10.98	6,873,600	11.00	5,816,483
Shire of Kalamunda	17.47	10,935,611	17.47	9,236,067
Shire of Mundaring	12.18	7,623,618	12.21	6,457,434
City of Swan	35.37	22,132,199	35.13	18,572,209
Total Equity	100.00	62,584,006	100.00	52,869,478

The EMRC participating Member Council's interest distribution for 2010/2011 has 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 2011

23. 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	
	2010/2011	2009/2010	2010/2011	2009/2010
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	34,239,251	21,190,494	34,239,251	21,190,494
Receivables	3,018,273	2,761,025	3,018,273	2,761,025
Financial Assets at fair value through profit and loss	2,567,115	6,977,404	2,567,115	6,977,404
	<u>39,824,639</u>	<u>30,928,923</u>	<u>39,824,639</u>	<u>30,928,923</u>
Financial Liabilities				
Payables	4,970,223	4,830,408	4,970,223	4,830,408
	<u>4,970,223</u>	<u>4,830,408</u>	<u>4,970,223</u>	<u>4,830,408</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.

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EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

23. 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 (where applicable). 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 (where applicable) before placing any cash and investments.

	2010/2011	2009/2010
	\$	\$
Impact of a 10% movement in price of investments:		
- Equity	256,712	697,740
- Statement of Comprehensive Income	256,712	697,740
Impact of a 1% movement in interest rates on cash and investments:		
- Equity	368,064	281,679
- Statement of Comprehensive Income	368,064	281,679

(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:

	2010/2011	2009/2010
	\$	\$
Percentage of Other Receivables		
- Current	84.0%	95.7%
- Overdue	16.0%	4.3%
	<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 2011

23. 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. Payment terms can be extended and overdraft facilities drawn upon if required.

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>2010/2011</u>					
Payables	4,970,223	0	0	4,970,223	4,970,223
	<u>4,970,223</u>	<u>0</u>	<u>0</u>	<u>4,970,223</u>	<u>4,970,223</u>
<u>2009/2010</u>					
Payables	4,830,408	0	0	4,830,408	4,830,408
	<u>4,830,408</u>	<u>0</u>	<u>0</u>	<u>4,830,408</u>	<u>4,830,408</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 2011

24. EMPLOYEES' REMUNERATION

Set out below, in bands of \$10,000, is the number of employees of the Eastern Metropolitan Regional Council entitled to an annual salary of \$100,000 or more:

	ACTUAL 2010/2011	ACTUAL 2009/2010
100,000 – 109,999	0	1
110,000 – 119,999	1	2
120,000 – 129,999	2	1
160,000 – 169,999	1	0
170,000 – 179,999	1	1

25. COMMITMENTS FOR CAPITAL EXPENDITURE

	ACTUAL 2010/2011 \$	ACTUAL 2009/2010 \$
--	------------------------------------	------------------------------------

Commitments for the acquisition of assets contracted for at the reporting date but not recognised as liabilities, payable:

- Not longer than one year	1,434,428	2,236,521
Total Capital Commitments	1,434,428	2,236,521

26. FINANCIAL RATIOS

	ACTUAL 2010/2011	ACTUAL 2009/2010	ACTUAL 2008/2009
Current Ratio	2.32 : 1.00	2.27 : 1.00	2.83 : 1.00
Debt Ratio	10.7%	12.4%	8.0%
Debt Service Ratio	Not Applicable	Not Applicable	Not Applicable
Gross Debt to Revenue Ratio	Not Applicable	Not Applicable	Not Applicable
Untied Cash to Trade Creditors Ratio	2.29 : 1.00	2.03 : 1.00	1.94 : 1.00
Gross Debts to Economically Realisable Assets Ratio	Not Applicable	Not Applicable	Not Applicable
Rate Coverage Ratio	Not Applicable	Not Applicable	Not Applicable
Outstanding Rates Ratio	Not Applicable	Not Applicable	Not Applicable

27. CONTINGENT LIABILITIES

Nil

28. 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.

INDEPENDENT AUDIT REPORT



**For the Year Ended
30 June 20 11**

INDEPENDENT AUDITOR'S REPORT

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 2011 and the Statement of Comprehensive Income, 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 notes.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; 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 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 entity'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 entity'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.



Auditor's Opinion

In our opinion, the financial report of the Eastern Metropolitan Regional Council:

- (i) gives a true and fair view of the financial position of the Eastern Metropolitan Regional Council as at 30 June 2011 and of its financial performance for the year ended on that date; and
- (ii) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards (including the Australian Accounting Interpretations).

Statutory Compliance

We did not during the course of our audit become aware of any instances where the Council did not comply with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).



MACRI PARTNERS
 CERTIFIED PRACTISING ACCOUNTANTS
 28 THOROGOOD STREET
 BURSWOOD WA 6100



A MACRI
 PARTNER

PERTH
 DATED THIS 30th DAY OF AUGUST 2011.



10 August 2011

Chief Executive Officer
Eastern Metropolitan Regional Council
PO Box 234
BELMONT WA 6984

Dear Sir

RE: INTERIM AUDIT VISIT FOR THE YEAR ENDED 30 JUNE 2011

We carried out an interim audit of the Council for the year ended 30 June 2011.

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)
- Provisions for Site Rehabilitation and Environmental Monitoring
- 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.



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 matters were noted and are brought to your attention.

PAYROLL

We obtained an Employee "Leave Accrual Report" as at 20 May 2011. Our review found that the report contains 5 staff with outstanding annual leave entitlements in excess of 8 weeks to a maximum of 29 weeks.

Local Government Industry Award 2010 stipulates that an employer may require an employee to take annual leave by giving at least four weeks' notice where more than eight weeks' leave is accrued, provided that the employee retains a balance of at least eight weeks.

We recommend that any annual leave deferred be approved in writing by the Chief Executive Officer or by the Council as appropriate.

Management Comment:

The Executive Management Team has discussed this finding and agrees that leave balances should be less than eight (8) weeks on per individual basis.

A review has been undertaken on those individuals and each Director will discuss with the affected employees with a view to prepare an annual leave plan for the year. The overarching criteria will be that any leave to be taken will not impact significantly on the operations of the EMRC and if over an extended period, temporary staff may be utilised to backfill certain positions.

Any staff with leave balances above eight weeks deferred beyond June 2012 will be required to request for permission from the Chief Executive Officer.



PROVISIONS FOR SITE REHABILITATION AND ENVIRONMENTAL MONITORING

We reviewed the formulae used for calculating the provisions for site rehabilitation and environmental monitoring of the Red Hill site for the year-end audit. Using the incremental method, the Council accrues closure costs by gradually increasing the provision over the volume of the site filled.

We noted that there are primarily three variables in the formulae which need updating to reflect accurate provisions for the financial year ending 30 June 2011; i.e.

- (i) Total capacity (volume) of the landfill site – this has increased as confirmed by our discussions with management;
- (ii) Estimate of the closure and post-closure site rehabilitation cost; and
- (iii) Estimate of the closure and post-closure environmental monitoring cost.

We recommend that the management review the above items listed and obtain independent confirmation of the figures to consider adequacy of the provisions for the financial year ending 30 June 2011. This will ensure that the provision amounts have been properly calculated and the true cost of decommissioning in the future is reflected in the accounts.

In addition, according to Accounting Standard 137 *Provisions, Contingent Assets and Contingent Liabilities*, the provisions must be measured on the basis of the net present value of expected future cash outflows. The provisions should be reviewed annually to adjust for evolving closure requirements, changes to the estimated lives of operations and revisions to discount rates and for inflation.

Management Comment:

A report was submitted to Council at its 23 June 2011 meeting to advise the results of the review into the post closure provisions for environmental monitoring and the rehabilitation of the Red Hill site.

There have been reserves to ensure funds are available to undertake the required environmental monitoring and the site rehabilitation following the closure of the site in existence since the early 1990's. When the initial calculation was undertaken to determine the amount per tonne to be allocated to the reserves to fund the environmental management and site rehabilitation post closure was undertaken the anticipated remaining airspace was thought to be 4,850,000m³.

Since the initial remaining airspace calculation was made Lots 12 (Red Hill Farm) and Lot 801 have been purchased so that the remaining airspace is now in the order of 34,500,000m³. The introduction of commercial and industrial (C&I) recycling at the planned Hazelmere Resource Recovery Park (RRP), the planned Resource Recovery Facility (RRF) to process organic waste and progressing a trial to re-mine closed cells would extend the life of the landfill considerably and also minimise the environmental monitoring costs and site rehabilitation costs required post closure.

It is estimated that in the order of \$1.5 million needs to be available for site rehabilitation when no more waste is being received. Currently there is a charge of \$0.3093/tonne set aside for site rehabilitation and this is deemed to be sufficient.

It is estimated that \$0.5 million needs to be set aside for post closure environmental monitoring.



Council confirmed that the present value amounts of \$1.5 million for the rehabilitation of the site and \$0.5 million to fund the environmental monitoring of the Red Hill Waste Management Facility is sufficient for post closure management purposes. Combined, this represents \$2.0 million.

At the end of May 2011, the Site Rehabilitation reserve has \$2.6 million while the Environmental Monitoring has \$0.22 million, giving a combined total of \$2.8 million.

The surplus will be transferred to an appropriate reserve and the Interest from the \$2.0 million reserves will be accumulated in the Site Rehabilitation Reserve and Environmental Monitoring Reserve to compensate for any inflation.

Regular review on the sufficiency of these reserves will take place on a periodic basis of approximately every five (5) years or sooner subject to material changes in operational circumstances.

An amount of \$0.3093 per tonne will continue to be set aside in a reserve to fund ongoing site rehabilitation.

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

EMRCOD\AMCsp Interim Audit\Verk\Letter\2011





12.2 DRAFT STRATEGIC INTERNAL AUDIT PLAN 2012-2015

REFERENCE: COMMITTEES-13105

PURPOSE OF REPORT

The purpose of this report is to present a draft internal audit programme for endorsement

KEY ISSUES AND RECOMMENDATION(S)

- At its meeting of 24 August 2006, Council noted that the internal audit function was to be outsourced following the retirement of the Manager Compliance and Internal Audit and requested that an internal audit programme be developed and received by the Audit Committee.
- A four year cyclical programme has been developed to coincide with the CEO's legislative requirement to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government.
- At the April 2007 round of meetings, Council endorsed a four year internal audit programme consisting of 16 auditable areas.
- Stantons International was awarded the tender to provide the internal audit services and the contract was executed on 28 September 2007.
- With the tabling of the 2010/2011 Internal Audit Report to the Audit Committee at its 7 July 2011 meeting, that represented the completion of the four year audit programme.

Recommendation(s)

That:

1. Council notes the review of the internal audit programme by the Audit Committee and endorses the draft Strategic Internal Audit Plan 2012-2015 contained within the attachment to this report.
2. Arrangements be made to tender for an external service provider to perform the internal audit function of the EMRC in accordance with the Strategic Internal Audit Plan 2012-2015 forming the attachment to this report.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

Among the duties and responsibilities of the Audit Committee is:

"To review the scope of the internal audit plan and programme and the effectiveness of the function. This review should consider whether, over a period of years the internal audit plan systematically addresses:

- Internal controls over revenue, expenditure, assets and liability processes;
- The efficiency, effectiveness and economy of significant Council programs; and
- Compliance with regulations, policies, but practice guidelines, instructions and contractual arrangements."

At the Audit Committee meeting held on 10 August 2006, a report was considered on satisfying the internal audit requirements following the retirement of the Manager Compliance and Internal Audit.



Item 12.2 continued

At its meeting of 24 August 2006, Council noted that the internal audit function was to be outsourced following the retirement of the Manager Compliance and Internal Audit and requested that an internal audit programme be developed and received by the Audit Committee.

At the Audit Committee meeting held on 10 August 2006 a report was considered on satisfying the internal audit requirements following the retirement of the Manager Compliance and Internal Audit (Ref: Committees 5053).

In relation to this matter, Council resolved at its meeting of 24 August 2006 as follows:-

1. *"THAT THE RETIREMENT OF THE MANAGER COMPLIANCE AND INTERNAL AUDIT, MR KEVIN LANG, BE NOTED AND HE BE ACKNOWLEDGED AND THANKED FOR HIS CONTRIBUTION.*
2. *THAT IT BE NOTED THE INTERNAL AUDIT FUNCTION WILL BE OUTSOURCED TO A SUITABLY QUALIFIED CONTRACTOR.*
3. *THAT AN INTERNAL AUDIT PROGRAMME BE DEVELOPED AND REFERRED TO THE COMMITTEE FOR REVIEW IN ACCORDANCE WITH THE COMMITTEES TERMS OF REFERENCE."*

Following Council's resolution of 24 August 2006, Stantons International was engaged to formulate a draft internal audit programme for the EMRC.

The resulting document, entitled "Draft Strategic Internal Audit Plan" (SIAP) was developed using a methodology, which included:

1. Review of previous internal audit activity, risk management plan and strategic planning documents, identifying auditable areas on a functional and strategic basis.
2. Develop "base" audit plan utilising information gained in 1. above.
3. Run a facilitated workshop with "senior" management and selected stakeholders to discuss proposed auditable areas based on information gathered in step 1 above, professional judgement and corporate knowledge.
4. Based on outcomes from workshop in step 3, develop draft strategic internal audit plan (SIAP), including scope and objectives of individual reviews.
5. Present strategic internal audit plan and annual internal audit plan to Audit Committee for approval.

In addition to conducting a workshop with management, the draft SIAP was reviewed by the Executive Management Team prior to being finalised, as part of the due diligence process.

This was endorsed by the Audit Committee at its 12 April 2007 meeting and was subsequently adopted by Council at the 26 April 2007 meeting.

Stantons International was engaged following a tender process for the provision of internal audit services in September 2007.

REPORT

The tabling of the 2010/2011 Internal Audit Report to the Audit Committee at its 7 July 2011 meeting marked the completion of the Strategic Internal Audit Plan 2007-2010.

Based on the previous Strategic Internal Audit Plan 2007-2010 and following discussions with the internal auditor, Stantons International as well as incorporating the audit findings from the Internal Audit Reports for the past 4 years, an updated document, entitled "Draft Strategic Internal Audit Plan 2012-2015" (SIAP) has been developed (attached).



Item 12.2 continued

The internal audit programme has been spread over a four year cycle to coincide with the requirements of the Local Government (Financial Management) Regulations 1996 for the CEO to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every four financial years) and report to the local government the results of those reviews (regulation 5(2)(c)).

Once the SIAP has been approved by the committee it is intended that the document will form the basis of the specification for a tender to perform the internal audit function of the EMRC.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

- 4.1 To improve member Council and EMRC financial viability
- 4.6 To provide responsible and accountable governance and management of the EMRC
- 4.7 To continue to improve financial and asset management practices
- 4.8 To continue to improve information management practices

FINANCIAL IMPLICATIONS

Estimated annual cost of the internal audit programme is in the vicinity of \$23,000 pa (on average), which is provided for in the 2011/12 annual budget and 5 year forecasts.

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

Draft Strategic Internal Audit Plan 2012-2015 (Ref: Committees-13110)

VOTING REQUIREMENT

Simple Majority



Item 12.2 continued

RECOMMENDATION(S)

That:

1. Council notes the review of the internal audit programme by the Audit Committee and endorses the draft Strategic Internal Audit Plan 2012-2015 contained within the attachment to this report.
2. Arrangements be made to tender for an external service provider to perform the internal audit function of the EMRC in accordance with the Strategic Internal Audit Plan 2012-2015 forming the attachment to this report.

AC RECOMMENDATION(S)

MOVED CR FÄRDIG

SECONDED CR PULE

That:

1. Council notes the review of the internal audit programme by the Audit Committee and endorses the draft Strategic Internal Audit Plan 2012-2015 contained within the attachment to this report.
2. Arrangements be made to tender for an external service provider to perform the internal audit function of the EMRC in accordance with the Strategic Internal Audit Plan 2012-2015 forming the attachment to this report.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR POWELL

SECONDED CR PULE

THAT:

1. COUNCIL NOTES THE REVIEW OF THE INTERNAL AUDIT PROGRAMME BY THE AUDIT COMMITTEE AND ENDORSES THE DRAFT STRATEGIC INTERNAL AUDIT PLAN 2012-2015 CONTAINED WITHIN THE ATTACHMENT TO THIS REPORT.
2. ARRANGEMENTS BE MADE TO TENDER FOR AN EXTERNAL SERVICE PROVIDER TO PERFORM THE INTERNAL AUDIT FUNCTION OF THE EMRC IN ACCORDANCE WITH THE STRATEGIC INTERNAL AUDIT PLAN 2012-2015 FORMING THE ATTACHMENT TO THIS REPORT.

CARRIED UNANIMOUSLY



Draft Strategic Internal Audit Plan

2012 – 2015



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1. INTERNAL AUDIT FUNCTION

The internal audit function is conducted in accordance with the Institute of Internal Auditors Professional Practices Framework (PPF). The PPF consists of three categories of guidance: Standards and Ethics, Practice Advisories, and Development and Practice Aids. During the development of the PPF, the definition of Internal Auditing was amended to the following.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Based on the above definition, the audit types will fall under the following three broad categories:

- Risk Management (RM)
- Controls (C)
- Governance (G)

The objectives of each review will fall under the following two broad categories:

Assurance Audits (AA)

- Review the reliability and integrity of accounting and financial management information and control systems – the focus of these reviews includes tests of the accuracy, reliability, completeness, timeliness and usefulness of information.
- Ensure compliance with policies, plans, procedures, laws and regulations
- Safeguarding assets – these reviews focus on physical and logical security and include testing for risks such as fire, theft, improper / illegal activities.
- Efficiency and effectiveness of operations.

Consulting Audits (CA)

- During consulting engagements, we address risk consistent with the organisation's or unit's objectives and take into consideration the existence of other significant risks

These will be listed in the "Audit Type / Objectives" column of the Internal Audit Plan. For example;

- a controls review with the objective of providing assurance will be denoted as – C/AA.
- a governance review undertaken on a consulting basis will be denoted as – G/CA

Follow Up Reviews (FUR)

- Undertaken to determine whether recommendations from previous reviews have been implemented in a timely manner and are achieving the intended results.

The following suggested business rules and strategic internal audit plan are designed to assist in the delivery of an efficient and effective internal audit function.



2. PROPOSED STRATEGIC INTERNAL AUDIT PLAN

2012 – 2015

Auditable Area	2011/12	2012/13	2013/14	2014/15
Contract Management	40 hours			
IT General Controls	40 hours			
Payroll	40 hours			
Procurement	40 hours			
Accounts Payable		40 hours		
Corporate Governance		40 hours		
Grants Management		40 hours		
Risk Management		40 hours		
Human Resource Management			60 hours	
Waste Management			40 hours	
Accounts Receivable			40 hours	
Records Management			40 hours	
Investment Policies				30 hours
Taxation				40 hours
Project Planning				40 hours
IT Vulnerability Assessment				50 hours
Sub total	160	160	180	160
Audit Committee Meetings	2 hours	2 hours	2 hours	2 hours
Total	162 hours	162 hours	182 hours	162 hours



3. AUDIT OBJECTIVES

Audit Objectives are categorised as follows:

PRIMARY OBJECTIVE	SUB FOCUS
Reliability and Integrity of Information	Accurate
	Reliable
	Timely
	Complete
	Useful
	Controls over record keeping and reporting adequate and effective
Compliance	Policies
	Plans
	Procedures
	Laws
	Regulations
Safeguarding of Assets (Physical & Logical)	Theft
	Fire
	Improper / Illegal activities
	Exposure to the elements
Efficiency / Effectiveness	Standards established for measuring economy & efficiency
	Established standards understood and met
	Deviations from standards identified, etc.
	Corrective action taken
Accomplishment of Established Objectives and Goals for Operations and Programs	Established goals & objectives conform with those of the organisation and are being met



Auditable Area:	Contract Management
Audit Year:	2011/12
Audit Hours:	40
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Compliance with Local Government Act and Regulations ▪ Contract approval and advice to tenderers ▪ Variations to contracts ▪ Terms and conditions ▪ Insurances – Termination of coverage & renewals ▪ Health Safety and Environment and quality control monitoring of contractor requirements ▪ Timeliness of contract delivery ▪ Lack of Contracts Register ▪ Contracts expiring prior to us going out to tender
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none"> ▪ Determine whether contracts information is recorded accurately and in a timely manner ▪ Identify whether contracts are renewed on a timely basis ▪ Determine whether contract management reports assist in timely decision making <p>Compliance</p> <ul style="list-style-type: none"> ▪ Determine whether contracts are managed in accordance with the contract requirements ▪ Determine whether contract requirements are in accordance with applicable legislation ▪ Identify the processes in place to manage contract variations <p>Safeguarding of Assets</p> <ul style="list-style-type: none"> ▪ Determine whether contracts are required to have adequate insurance coverage in place for the duration of the contract



Auditable Area:	IT General Controls
Audit Year:	2011/12
Audit Hours:	40
Audit Type:	RM / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Availability of information systems ▪ Integrity of information ▪ Confidentiality of information ▪ Ongoing use of legacy systems
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none"> ▪ Identify and review information system controls to ensure the availability, integrity and confidentiality of information <p>Compliance</p> <ul style="list-style-type: none"> ▪ Compare the information systems within the organisation against the baseline Australian standard AS/NZS 17799 Information security management <p>Efficiency / Effectiveness</p> <ul style="list-style-type: none"> ▪ Determine whether all current systems in use contribute to the efficiency and effectiveness of operations <p>Achievement of Objectives</p> <ul style="list-style-type: none"> ▪ Examine any information security policies and framework against the Australian standard AS/NZS17799 ▪ Review supporting policies and operational procedures and information systems documentation and identify any gaps ▪ Provide pro active advice to enhance the prevention of information systems control risks



Auditable Area:	Payroll
Audit Year:	2011/12
Audit Hours:	40
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none">▪ Lack of authorisation of data being processed▪ Compliance with awards and legislation▪ Compliance with employment contracts
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none">▪ Identify controls over the accuracy and timeliness of payments <p>Compliance</p> <ul style="list-style-type: none">▪ Determine whether employees are paid in accordance with applicable awards and legislation. <p>Safeguarding of Assets</p> <ul style="list-style-type: none">▪ Determine whether adequate security exists over payroll records▪ Identify whether the fortnightly payroll is appropriately authorised



Auditable Area:	Procurement
Audit Year:	2011/12
Audit Hours:	40
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Efficiency ▪ Probity on tenders ▪ Compliance with Local Government Act and Regulations
Audit Objectives:	<p>Compliance</p> <ul style="list-style-type: none"> ▪ Determine whether the procurement process is conducted in accordance with applicable policies and legislation <p>Safeguarding of Assets</p> <ul style="list-style-type: none"> ▪ Identify whether there is adequate probity over the procurement process <p>Efficiency / Effectiveness</p> <ul style="list-style-type: none"> ▪ Determine whether the procurement process is conducted in an efficient manner <p>Achievement of Objectives</p> <ul style="list-style-type: none"> ▪ Determine whether the procurement process facilitates the Council achieving best value for money in its decision making



Auditable Area:	Accounts Payable
Audit Year:	2012/13
Audit Hours:	40
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Authorisation (including receipt of goods/services) ▪ Accuracy (incl coding) ▪ Timeliness ▪ Compliance with legislation re: ABN/ Withholding Tax
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none"> ▪ Determine whether payments are accurate, complete, made in a timely manner and have adequate support ▪ Determine whether adequate controls exist to provide reasonable assurance that payments are made to approved creditors ▪ Determine whether controls over record keeping provide reasonable assurance that accounts are posted to the correct account in a timely manner <p>Compliance</p> <ul style="list-style-type: none"> ▪ Identify whether payments are made in accordance with approved policy <p>Safeguarding of Assets</p> <ul style="list-style-type: none"> ▪ Determine whether there are adequate procedures in place to mitigate the risk of fraudulent payments



Auditable Area:	Corporate Governance
Audit Year:	2012/13
Audit Hours:	40
Audit Type:	G / CA
Risks Identified:	<ul style="list-style-type: none"> ▪ Register of Interests being out of date ▪ New Councillors not being fully informed about their roles and responsibilities about the EMRC.
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none"> ▪ Determine whether the Council receives relevant, timely, accurate and concise information <p>Compliance</p> <ul style="list-style-type: none"> ▪ Identify processes in place to monitor organisational compliance with applicable legislation <p>Efficiency / Effectiveness</p> <ul style="list-style-type: none"> ▪ Determine how the Council ensures it has access to required levels of skills and expertise <p>Achievement of Objectives</p> <ul style="list-style-type: none"> ▪ Determine how the Council assesses its own performance ▪ Determine how the Council assesses the performance of the organisation ▪ Determine how the Council establishes and monitors organisation direction



Auditable Area:	Grants Management
Audit Year:	2012/13
Audit Hours:	40
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none">▪ Tracking of grants received or proposed▪ Acquittal of grant funding▪ Audit of grant expenditure for final report
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none">▪ Determine whether reports are produced to enable timely review of grant expenditure <p>Compliance</p> <ul style="list-style-type: none">▪ Determine whether acquittals are conducted in accordance with grant terms and conditions▪ Identify whether expenditure is in accordance with the grant approval▪ Determine whether grant expenditure is approved in accordance with delegated authority



Auditable Area:	Risk Management
Audit Year:	2012/13
Audit Hours:	40
Audit Type:	RM / AA
Risks Identified:	<ul style="list-style-type: none">▪ What is the process and how is it measured and reported
Audit Objectives:	Efficiency and Effectiveness <ul style="list-style-type: none">▪ Determine whether the risk management plan is developed and monitored in accordance with approved standards or policies▪ Determine whether the risk management plan is regularly updated and reported to senior management and the Council



Auditable Area:	Human Resource Management
Audit Year:	2013/14
Audit Hours:	60
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none">▪ Compliance with legislation▪ Lack of awareness▪ Not having appropriate policies in place▪ Security▪ Completeness of information
Audit Objectives:	Compliance <ul style="list-style-type: none">▪ Assess whether procedures are in place to provide adequate assurance that personnel processes comply with documented and approved policies and procedures▪ Determine whether personnel policies are transparent, impartial and capable of review▪ Assess awareness of policies and procedures



Auditable Area:	Waste Management
Audit Year:	2013/14
Audit Hours:	40
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Leachate impacts on the surrounding environment leading to substantial cleanup costs ▪ Dramatic change in regulatory environment leading to landfills being strongly discouraged ▪ Inability to develop new disposal areas quickly enough to keep ahead of the waste ▪ Cash Management ▪ Safety of gatehouse operators from irate customers, particularly as gate fees increase. ▪ Fire and other Health Safety and Environment incident on the weighbridge ▪ Fraud eg. Cash handling, incorrect charging etc. ▪ Issue of incorrect tipping tickets ▪ Charging incorrect tipping fees ▪ Calibration of weighbridge
Audit Objectives:	<p>Undertake a high level review of:</p> <p>Compliance</p> <ul style="list-style-type: none"> ▪ Determine compliance with legislative requirements and Council policy <p>Efficiency / Effectiveness</p> <ul style="list-style-type: none"> ▪ Assess whether processes are undertaken in an efficient manner <p>Achievement of Objectives</p> <p>Determine whether processes facilitate the achievement of waste management objectives</p>



Auditable Area: **Accounts Receivable**

Audit Year: 2013/14

Audit Hours: 40

Audit Type: C / AA

Risks Identified:

- Credit checks – ongoing & review
- Payment procedures
- Debt incurred
- Timeliness
- Accuracy
- Authorisation
- Approval of bad debts and write offs
- Lack of outstanding debtors follow up

Audit Objectives: **Reliability and Integrity of Information**

- Determine whether accounts receivable are calculated accurately, completely and in a timely manner

Compliance

- Determine whether policies and procedures are documented, understood by staff and followed

Safeguarding of Assets

- Identify whether the Council has procedures in place for the timely identification of potential debtors' financial capacity



Auditable Area:	Records Management
Audit Year:	2013/14
Audit Hours:	40
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none">▪ Compliance with policies and legislation
Audit Objectives:	Compliance <ul style="list-style-type: none">▪ Determine the extent to which legislation, Australian Standards, policies and procedures have been complied with



Auditable Area:	Investment Policies
Audit Year:	2014/15
Audit Hours:	30
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Compliance with policy ▪ Review for appropriateness ▪ Funds Management Procedures
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none"> ▪ Determine whether there are adequate reporting processes in place to provide reasonable assurance that investment information is useful and received in a timely manner <p>Compliance</p> <ul style="list-style-type: none"> ▪ Identify whether an investments policy exists, is authorised and available to the relevant staff <p>Safeguarding of Assets</p> <ul style="list-style-type: none"> ▪ Identify whether investments are authorised in accordance with approved policy <p>Efficiency / Effectiveness</p> <ul style="list-style-type: none"> ▪ Identify whether processes are in place to provide reasonable assurance that the Council is receiving the best possible return on investment



Auditable Area:	Taxation
Audit Year:	2014/15
Audit Hours:	40
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none">▪ Compliance with legislation▪ Submission of returns and payments at correct time
Audit Objectives:	Compliance <ul style="list-style-type: none">▪ Assess the level of compliance with applicable State and Commonwealth legislation.



Auditable Area:	Project Planning
Audit Year:	2014/15
Audit Hours:	40
Audit Type:	C / CA
Risks Identified:	<ul style="list-style-type: none"> ▪ Scope of project ▪ Project Management ▪ Independence ▪ Access to expert advice ▪ Funding and ownership models
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none"> ▪ Identify the scope for project managers to access expert advice as and when required ▪ Identify the accuracy and timeliness of project financial reporting <p>Compliance</p> <ul style="list-style-type: none"> ▪ Identify whether project milestones are approved in accordance with the project plan <p>Efficiency / Effectiveness</p> <ul style="list-style-type: none"> ▪ Determine whether the scope of projects is clearly defined and understood <p>Achievement of Objectives</p> <ul style="list-style-type: none"> ▪ Assess the effectiveness of project planning ▪ Provide pro-active advice to enhance the prevention of project risks.



Auditable Area:	IT Vulnerability Assessment
Audit Year:	2014/15
Audit Hours:	50
Audit Type:	RM / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Availability of information systems ▪ Integrity of information ▪ Confidentiality of information ▪ Potential theft of data
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none"> ▪ Identify and review information system security controls to ensure the availability, integrity and confidentiality of information <p>Compliance</p> <ul style="list-style-type: none"> ▪ Reference to applicable internal IT policies <p>Efficiency / Effectiveness</p> <ul style="list-style-type: none"> ▪ Determine whether current systems provide effective controls to mitigate vulnerabilities and are operating efficiently <p>Achievement of Objectives</p> <ul style="list-style-type: none"> ▪ Conduct an external vulnerability assessment using no knowledge of the organisation using a set of defined tools ▪ Conduct an external vulnerability assessment using detailed knowledge of key devices and services using a set of defined tools ▪ Provide pro-active advice to enhance the prevention of malicious attacks to information systems.



12.3 EXTERNAL AUDIT SERVICES CONTRACT EXTENSION

REFERENCE: COMMITTEES-13106

PURPOSE OF REPORT

To seek Council approval to exercise the option to extend the appointment of Anthony Macri of Macri Partners as the external auditor for the EMRC for a further two years.

KEY ISSUES AND RECOMMENDATION(S)

- It is a requirement of the Local Government Act (Part 7, Division 2 - Appointment of Auditors) and the Local Government (Audit) Regulations 1996 that a Local Government is to appoint a person, on the recommendation of the audit committee, to be its auditor.
- The current audit contract was subject to a tender for the provision of external audit services in 2009, in accordance with the requirements of the Local Government Act 1995 and the Local Government (Audit) Regulations 1996
- In accordance with Section 7.3 of the Local Government Act 1995, Council appointed Anthony Macri, Registered Company Auditor (No. 14034), of Macri Partners, for the period 1 July 2008 to 30 June 2011 with an option of a further two (2) year extension, at the sole discretion of the EMRC, commencing 1 July 2011 and ending on 30 June 2013.
- The initial period of the contract will expire with the completion of the audit undertaken on the 2010/2011 Annual Financial Statements.

Recommendation(s)

That Council, by absolute majority in accordance with Section 7.3 of the Local Government Act 1995, exercise the option to extend the appointment of Anthony Macri, Registered Company Auditor (No. 14034), of Macri Partners, for the audits of the 2011/2012 and 2012/2013 Annual Financial Statements, commencing 1 July 2011 and ending 30 June 2013, at an annual fee of \$10,450 and \$11,000 (incl. GST) respectively.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

It is a requirement of the Local Government Act (Part 7, Division 2 Appointment of auditors) and the Local Government (Audit) Regulations 1996 that a Local Government is to, from time to time whenever such an appointment is necessary or expedient, appoint (by absolute majority) a person, on the recommendation of the audit committee, to be its auditor.

Anthony Macri of Macri Partners (previously Barrett & Partners – DFK) has been the auditor of EMRC since the 2003/2004 Financial Year Audit. Additionally, Macri Partners are and have been the external auditor for all of the EMRC's member councils for a number of years. Macri Partners are the current auditors for 16 metropolitan local governments, 2 country councils and 3 regional councils.

On 4 April 2009 tenders were invited from qualified persons for the provision of external audit services in accordance with the requirements of the Local Government Act 1995 and the Local Government (Audit) Regulations 1996, for the EMRC. Macri Partners had either the highest or equal highest weighted score as assessed by the evaluation panel. They were also significantly better on a price basis than the other tenderers

Macri Partners senior qualified staff will spend approximately 60 hours on the audit of a total estimated time of 75 hours to complete the audit.



Item 12.3 continued

REPORT

The current contract for the provision of external audit services was awarded to Anthony Macri of Macri Partners in May 2009 for three financial year audits (2008/2009, 2009/2010 and 2010/2011) with the option of a further two (2) year extension.

With the finalisation of the audit for the 2010/2011 Annual Financial Statements, the contract for the provision of external audit services will cease unless the EMRC exercises the option to extend the contract for a further two years.

The EMRC is not aware of any breaches by Macri Partners or any circumstance that would restrict Macri Partners from discharging its duties as the external auditors nor prevent the EMRC from extending the contract.

If the EMRC chose not to extend the contract, there would be a further investment in resources and cost to invite new tenders. Additionally, there would be a significant amount of time for a new auditor to understand the operations and the history of the EMRC.

If the EMRC chose not to extend the contract, the EMRC would also be exposed to pricing risk, in particular to any price increases in wages and service costs that may be above the original 2009 tender price.

It is recommended that the EMRC exercise its option to extend the current contract for the provision of external audit services with Anthony Macri of Macri Partners for a further two years.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

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

FINANCIAL IMPLICATIONS

The price tendered for the remaining two years is \$21,450.

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

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



Item 12.3 continued

ATTACHMENT(S)

Tender 2009/07 Price Schedule – Macri Partners (Ref: Committees-13109)

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That Council, by absolute majority in accordance with Section 7.3 of the Local Government Act 1995, exercise the option to extend the appointment of Anthony Macri, Registered Company Auditor (No. 14034), of Macri Partners, for the audits of the 2011/2012 and 2012/2013 Annual Financial Statements, commencing 1 July 2011 and ending 30 June 2013, at an annual fee of \$10,450 and \$11,000 (incl. GST) respectively.

AC RECOMMENDATION(S)

MOVED CR FÄRDIG

SECONDED CR PULE

That Council, by absolute majority in accordance with Section 7.3 of the Local Government Act 1995, exercise the option to extend the appointment of Anthony Macri, Registered Company Auditor (No. 14034), of Macri Partners, for the audits of the 2011/2012 and 2012/2013 Annual Financial Statements, commencing 1 July 2011 and ending 30 June 2013, at an annual fee of \$10,450 and \$11,000 (incl. GST) respectively.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR POWELL

SECONDED CR PULE

THAT COUNCIL, BY ABSOLUTE MAJORITY IN ACCORDANCE WITH SECTION 7.3 OF THE LOCAL GOVERNMENT ACT 1995, EXERCISE THE OPTION TO EXTEND THE APPOINTMENT OF ANTHONY MACRI, REGISTERED COMPANY AUDITOR (NO. 14034), OF MACRI PARTNERS, FOR THE AUDITS OF THE 2011/2012 AND 2012/2013 ANNUAL FINANCIAL STATEMENTS, COMMENCING 1 JULY 2011 AND ENDING 30 JUNE 2013, AT AN ANNUAL FEE OF \$10,450 AND \$11,000 (INCL. GST) RESPECTIVELY.

CARRIED UNANIMOUSLY

**PRICE SCHEDULE AS SUBMITTED BY MACRI PARTNERS AS PART OF
TENDER 2009/07 – PROVISION OF EXTERNAL AUDIT SERVICES**

LUMP SUM – EXTERNAL AUDIT SERVICES

Based on their estimated time to carry out the audit, they envisage the staffing would be as follows:

Staffing	No of Hours	Hourly Cost (ex GST)	Total Cost (ex GST)
Partner	11	\$180	\$ 1,980
Manager	19	\$140	\$ 2,660
Senior	30	\$120	\$ 3,600
Assistant	15	\$100	\$ 1,500
TOTALS	75		\$ 9,740

Macri Partners believe that the above hours would be required to undertake the audit of the Council. However, with their knowledge of the local government systems and with their experienced staff who are familiar with the EMRC's audit, they will be able to discount their fees, without reducing the hours, and perform the audit at the following fees:

Year	Price Tendered (ex GST)	GST	Price Tendered (inc GST)
2008/2009	\$ 8,000	\$ 800	\$ 8,800
2009/2010	\$ 8,500	\$ 850	\$ 9,350
2010/2011	\$ 9,000	\$ 900	\$ 9,900
2011/2012 (Optional)	\$ 9,500	\$ 950	\$ 10,450
2012/2013 (Optional)	\$ 10,000	\$ 1,000	\$ 11,000
TOTALS	\$ 45,000	\$ 4,500	\$ 49,500



13 REPORTS OF DELEGATES

Nil

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

Nil

15 GENERAL BUSINESS

Cr Pule expressed appreciation of EMRC staff for their efforts today in preparing the Audit Committee Minutes for consideration by Council this evening.

16 FUTURE MEETINGS OF THE AUDIT COMMITTEE

Meetings of the Audit Committee are covered under the Audit Committee Terms of Reference as follows.

“2.3 Meetings

The Committee meet as required at the discretion of the Chairman of the Committee at least three (3) times per year to coincide with approval of strategic and annual plans, the annual budget and the auditor’s report on the annual financial report.

Additional meetings shall be convened at the discretion of the Chairman or at the written request of any member of the Committee or external auditor.”

Future Meetings 2011

Thursday 6 October (if required) at EMRC Administration Office

17 DECLARATION OF CLOSURE OF MEETING

There being no further business the meeting was closed at 4.43pm.



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) (c) of the Local Government Act for the purpose of dealing with matters of a confidential nature.

COUNCIL RESOLUTION

MOVED CR CUCCARO SECONDED CR RADFORD

THAT WITH THE EXCEPTION OF THE CHIEF EXECUTIVE OFFICER, THE MANAGER ADMINISTRATION AND COMPLIANCE AND THE PERSONAL ASSISTANT TO THE DIRECTOR CORPORATE SERVICES 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 6.32pm and members of the public departed the Council Chambers.

19.1 TAKING ORDER FOR LOTS 62 & 603 GREAT EASTERN HIGHWAY ASCOT

REFERENCE: COMMITTEES-13051

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 POWELL

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

Members of the public returned to Council Chambers at 6.38pm.



Recording of the resolutions passed behind closed doors, namely:

19.1 TAKING ORDER FOR LOTS 62 & 603 GREAT EASTERN HIGHWAY ASCOT

REFERENCE: COMMITTEES-13051

COUNCIL RESOLUTION(S)

MOVED CR CUCCARO SECONDED CR PULE

THAT:

1. THE CEO BE AUTHORISED BY ABSOLUTE MAJORITY TO NEGOTIATE AND AGREE UPON A CLAIM FOR COMPENSATION FOR THE MAIN ROADS TAKING ORDER ON LOT 62 & LOT 603 GREAT EASTERN HIGHWAY, ASCOT.
2. THE REPORT AND ATTACHMENTS REMAIN CONFIDENTIAL AND BE CERTIFIED BY THE CHAIRMAN AND CEO.

CARRIED UNANIMOUSLY

20 FUTURE MEETINGS OF COUNCIL

The next meeting of Council will be held on **Thursday 3 November 2011** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 6.00pm.

Future Meetings 2011

Thursday	3 November	at	EMRC Administration Office
Thursday	8 December	at	EMRC Administration Office
January 2012 (recess)			

The Chairman thanked all Councillors for the support they had provided to him during the last two years and wished Councillors the best of luck in the upcoming Local Government elections.

Cr Pule thanked the CEO, Directors and staff of the EMRC and stated that it had been a pleasure to be part of this great Council and an honour to work with them all.

21 DECLARATION OF CLOSURE OF MEETING

There being no further business, the meeting was closed at 6.40pm.