

# Annual Report

## 2020/2021





EMRC

EMRC

EMRC





# Contents

|   |    |                              |    |  |    |
|---|----|------------------------------|----|--|----|
| About the EMRC  | 5  | Councillor Attendance        | 21 | Annual Financial Report                              | 54 |
| Our Vision for Waste Management in Perth's Eastern Region | 9  | Executive Leadership Team    | 23 | Statement by Chief Executive Officer                 | 55 |
| Alignment with the EMRC's Strategic Goals                 | 12 | EMRC Services                | 24 | Statement of Comprehensive Income By Program         | 56 |
| Chairman's Report   | 15 | EMRC Service Delivery Model  | 25 | Statement of Comprehensive Income By Nature and Type | 56 |
| Chief Executive Officer's Report                          | 17 | Committees                   | 26 | Statement of Financial Position                      | 57 |
| Organisational Structure                                  | 19 | Grants                       | 27 | Statement of Changes in Equity                       | 57 |
| Elected Representatives                                   | 20 | Environmental Sustainability | 28 | Statement of Cash Flows                              | 58 |
|   |    | Economic Development         | 40 | Notes to and forming part of the Financial Report    | 58 |
|   |    | Good Governance              | 44 | Independent Auditor's Report                         | 66 |
|   |    | Statutory Reports            | 52 |  |    |

KEY RESULT AREA 1

KEY RESULT AREA 2

KEY RESULT AREA 3





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



### OUR VALUES

The values that govern the EMRC are:

- EXCELLENCE** – Striving for excellence through the development of quality and continuous improvement.
- RECOGNITION** – Valuing staff in a supporting environment that focuses on their wellbeing.
- INNOVATION** – Focus on innovative approaches in project and service delivery.
- RESPONSIVENESS** – Dynamic and flexible service delivery.
- INTEGRITY** – Accountability and consistency in all that we do.



# About the EMRC

The EMRC is an incorporated body established under the Western Australian Local Government Act 1995. The EMRC's operations are governed by its Council under an Establishment Agreement.

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

In brief, the Establishment Agreement states that the EMRC will:

Work collaboratively with member Councils to facilitate local government to enhance its service delivery to the community;

Be efficient and effective in delivering quality services and facilities;

Maintain a framework which allows the members to promote and market the role of local government;

Implement a strategic plan that is regularly reviewed; and

Avoid providing any service or facility that adversely impacts on the services or facilities of any member Council

In line with this brief, the EMRC provides a broad range of services across the Region including waste management and education, resource recovery, urban and natural environmental management and regional development.

Working in partnership with our member Councils and other stakeholders, the EMRC delivers local and regional scale projects across each of these areas for the benefit of the Region.

The EMRC Council is responsible for setting the EMRC's strategic direction. EMRC management implements this direction, ensures the organisation's values are sustained and provides an environment that encourages all staff to reach their full potential.



# About Perth's Eastern Region

The Region is a major gateway to greater Perth, hosting major air, road and rail transport hubs. Significant recent investment in transport infrastructure has driven rapid improvements in freight capability and has enhanced the Region's attractiveness to national and international businesses seeking well-connected locations.

Major industrial areas at Malaga, Kewdale, Hazelmere, Forrestfield, Bayswater, Ashfield and Bassendean play key roles in transport, storage, manufacturing and logistics servicing the state's vital construction and resource sectors.

Development of Perth Airport, Midland Health and University Campus and NorthLink WA continue to provide support for future growth. Developments including Metronet and EastLink WA will further support regional development.

The Region's environment provides a high quality of life for its residents. Amenities include national parks, walking and cycling trails and reserves on the banks of the Swan River. Heritage, culture and arts attractions include one of the oldest settled areas in WA and the ever-popular Swan Valley and boutique wineries in the Perth Hills.

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

Perth's Eastern Region  
is home to

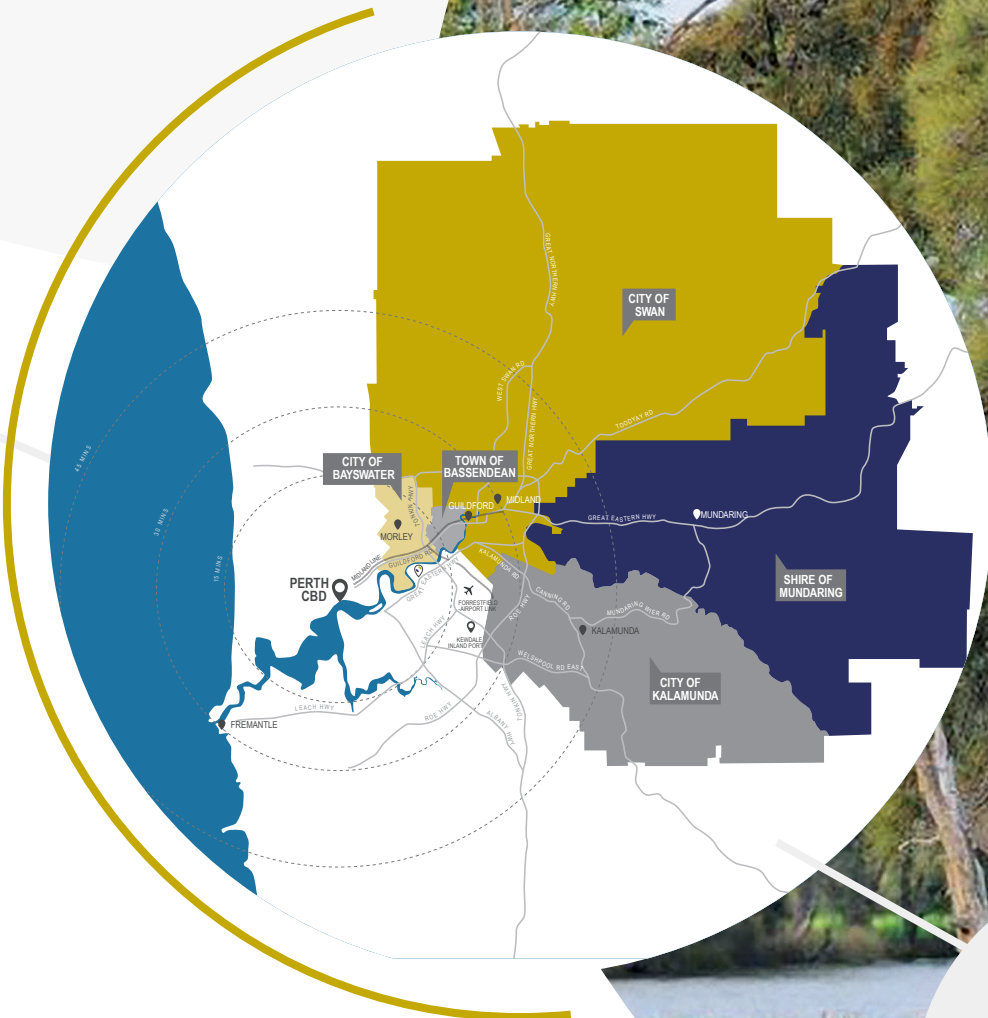
**339,000  
people**

**2,065  
km<sup>2</sup>**

total area of Perth's  
Eastern Region

Perth's Eastern Region is an area bounded by the EMRC's five member Councils: Town of Bassendean, City of Bayswater, City of Kalamunda, Shire of Mundaring and City of Swan. At 2,065 square kilometres, the Region is approximately one-third of Perth's metropolitan area and is home to 339,000 people.





of waste per household

**122,000**

Number of households

**900kg**

of waste generated per household





**141,000  
tonnes**

of household waste  
generated annually  
in our region













# Alignment with the EMRC's Strategic Goals

## Alignment with the EMRC's Corporate Business Plan

The EMRC's aim for Key Result Area One, in its Corporate Business Plan, is to provide best practice waste management services which are sustainable, efficient and meet the needs of the region. Further, the EMRC's position is that waste is a valuable resource that should be used in a sustainable and efficient way to meet the evolving needs of the region and protect the environment. Education to drive behaviour is critical to removing barriers to behaviour change.

## Alignment with the EMRC's Regional Environmental Strategy and Sustainable Development Goals (SDGs)

The EMRC's Regional Environment Strategy 2016-2020 was developed using the global United Nations Sustainable Development Goals (SDG) framework. Governments worldwide including the Australian Government have agreed to these goals. SDGs are important globally, nationally and locally. The SDGs are embedded in the Food Organics Garden Organics (FOGO) Recovery Strategy. The EMRC found that in developing the Regional Environment Strategy eight of the challenges most important to the EMRC region aligned with seven of the global drivers (SDGs) and of these seven SDGs, six are relevant to waste management. Sustainable and effective waste management therefore directly contributes to achievement of six of the EMRC's strategic objectives for environmental management in the region. The following page shows this interrelationship.



### Local Challenges

- Biodiversity conservation
- Bushfire protection
- Sustainable urban growth
- Waste management
- Water scarcity
- Water quality
- Fossil fuel dependence
- Climate change



### Strategic Objectives

- Adopts sustainable, affordable and modern energy sources and promotes energy efficiency
- Fosters safe, resilient, resource efficient and environmentally sustainable urban areas
- Fosters sustainable consumption and production patterns and promotes sustainable lifestyles
- Addresses climate change and its impacts through mitigation and adaptation
- Protects, restores and enhances terrestrial ecosystems, addresses land degradation and prevents biodiversity loss
- Contributes to the global partnership for sustainable development and achievement of relevant SDGs and targets





# FOGO



## Recyclables

- ✓ Glass bottles & jars
- ✓ Plastic bottles & containers
- ✓ Aluminium & steel cans
- ✓ Paper (not shredded)
- ✓ Cardboard (flattened)



## FOGO

- ✓ Food organics
- ✓ Garden organics
- ✓ Compostable liners
- ✓ Soiled paper products



## General waste

- ✓ Soft plastics
- ✓ Polystyrene





# Chairman's Report

**The Eastern Metropolitan Regional Council is a shining example of how people can use democracy to come together in a spirit of cooperation to solve shared problems.**

Nearly 40 years ago, the local governments of Perth's Eastern Region decided to pool resources to create a community-owned waste management organisation.

The EMRC was established to efficiently process and recover resources for the benefit of our member Councils and communities.

In time, initiatives such as safety management, regional development advocacy, and expertise in sustainability issues were among the value-creating initiatives added to the EMRC's portfolio.

The four-year term I served as a Councillor of the EMRC, with two of those years serving as Chairman, taught me that our communities are the beneficiaries of the wise decisions and collectivist approach our member Councils chose to take all those years ago.

I have been honoured to work with dedicated and hard-working Councillors from member Councils across our region to develop and implement our Food Organics Garden Organics (FOGO) strategy.

I would like to pay special thanks to the hard-working staff of the EMRC who consistently demonstrate best-practice in governance.

Having now served my time as Chairman of this organisation, I wish my successor, the CEO, and all the members of his team all the very best as they work together with Council and the EMRC's stakeholders to conquer the challenges ahead.

I am certain that success in this task will be achieved through developing a shared vision for a better future in the knowledge that we are stronger together.

Cr Jai Wilson  
EMRC Chairman











# Chief Executive Officer's Report

**I am pleased to report that the EMRC, with the support of our member Councils and stakeholders, continues to take a leading role in the journey towards net zero – a balance between the amount of greenhouse gas entering and the amount removed from the atmosphere. On a global scale, achieving net zero is one of the key challenges of the next few decades.**

Among a number of significant positive developments in 2020/2021, the EMRC laid a strong foundation for widespread adoption of net zero with a Strategic Review, developed in consultation with member Councils.

The Review acknowledges community expectations of a strategic approach towards building and expanding community-owned infrastructure, while emphasising

a requirement for greater sustainability in waste management practices, particularly in the fields of waste avoidance, waste separation at the source, the use of recycled products and decarbonisation.

I am also pleased to report that the EMRC Team has continued its unstinting commitment to safety. No-one - employees, customers, contractors or visitors - should be harmed or hurt on any EMRC controlled site. I would like to acknowledge the passion and drive of everyone involved towards ensuring a safe workplace. No Lost Time Injuries (LTI) were recorded in 2020/2021.

In June, the EMRC opened a dialogue connecting State and other Local Government agencies with the EMRC, enabling a leadership position in the move towards a Circular Economy. Attendees at our Circular Economy Masterclass explored ways of improving material efficiency and commercial opportunities, to bring about meaningful jobs and positive environmental outcomes which will flow from adoption of the Circular Economy.

In short, the EMRC continues to evolve with multiple initiatives in place to assist not only Perth's Eastern Region, but the whole of WA, towards the achievement of Net Zero and achieving the objectives and targets of our State Waste Avoidance and Resource Recovery Strategy 2030.

Further positive developments in 2020/2021 include the commencement of FOGO material processing at the Red Hill Waste Management Facility in August 2020, permitting an impressive landfill diversion rate of 70%. Polystyrene collection and compacting services and an empty aerosol collection network were introduced at all EMRC operated Community Recycling Centres.

An important component of transparency is a commitment to a two-way, open dialogue with the communities we serve. With the trust of our stakeholders and an understanding of their needs, we look forward to achieving great things together.

In closing, I would like to thank our 2020/2021 Chairman Jai Wilson for his energy and enthusiasm,

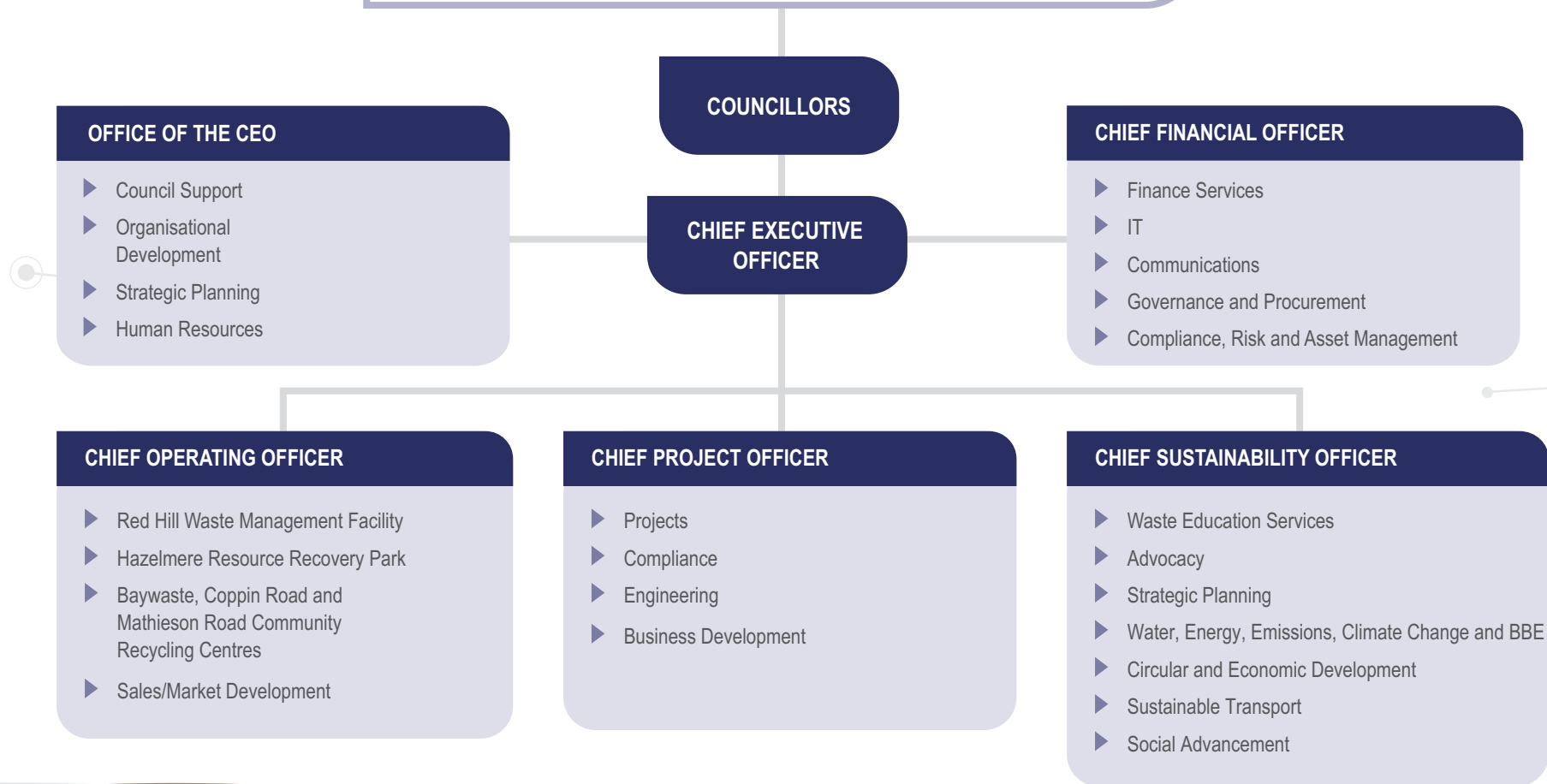
the dedication of the EMRC's staff and the valuable support provided by the EMRC's Executive Leadership Team of Hua Jer Liew, Chief Financial Officer; Brad Lacey, Chief Operating Officer; Doug Bruce, Chief Project Officer and Wendy Harris, Chief Sustainability Officer and I invite you to peruse through the many achievements displayed in this Annual Report.

Marcus Geisler  
Chief Executive Officer





# Organisational Structure



# Elected Representatives

The EMRC's Establishment Agreement specifies that two Councillors from each member Council be appointed to the EMRC's Council, while a third Councillor is appointed to deputise in their absence. Appointed Council members at 30 June 2021 were:

## DEPUTY COUNCILLORS

- Cr Hilary MacWilliam – Town of Bassendean
- Cr Filomena Piffaretti – City of Bayswater
- Cr Robert Rossi - City of Belmont
- Cr Cameron Blair – City of Kalamunda
- Cr Amy Collins – Shire of Mundaring
- Cr Ian Johnson – City of Swan

## COUNCILLORS

- Cr Jai Wilson – Town of Bassendean – EMRC Chairman
- Cr Doug Jeans – Shire of Mundaring – EMRC Deputy Chairman
- Cr Kathryn Hamilton – Town of Bassendean
- Cr Lorna Clarke – City of Bayswater
- Cr Giorgia Johnson – City of Bayswater
- Cr Phil Marks - City of Belmont - from January 2021
- Cr Janet Powell - City of Belmont
- Cr Lesley Boyd – City of Kalamunda
- Cr Dylan O'Connor - City of Kalamunda
- Cr John Daw – Shire of Mundaring
- Cr Mel Congerton – City of Swan
- Cr Charlie Zannino – City of Swan



**Back row:** Cr Mel Congerton, Cr Kathryn Johnson, Cr John Daw, Cr Lorna Clarke, Cr Charlie Zannino, Cr Giorgia Johnson, Cr Dylan O'Connor  
**Front row:** Cr Lesley Boyd, Cr Jai Wilson (Chairman), Cr Doug Jeans (Deputy Chairman), Cr Janet Powell. **Inset:** Cr Phil Marks.



# Councillor Attendance



| COUNCILLORS         | MEMBER COUNCIL     | COUNCIL* (10) |   |   |   | COUNCIL AGENDA BRIEFING REVIEW (4) |   |   |   | AUDIT COMMITTEE (3) |   |   |   | CEO PERFORMANCE REVIEW COMMITTEE (1) |   |   |   | WASTE ADVISORY COMMITTEE (2) |   |   |   | LEGAL COMMITTEE (5) |   |   |   |
|---------------------|--------------------|---------------|---|---|---|------------------------------------|---|---|---|---------------------|---|---|---|--------------------------------------|---|---|---|------------------------------|---|---|---|---------------------|---|---|---|
|                     |                    | ✓             | A | D | L | ✓                                  | A | D | L | ✓                   | A | D | L | ✓                                    | A | D | L | ✓                            | A | D | L | ✓                   | A | D | L |
| Cr Jai Wilson       | Town of Bassendean | 10            |   |   |   | 4                                  | 1 |   |   |                     |   |   |   | 1                                    |   |   |   |                              |   |   |   | 5                   |   |   |   |
| Cr Kathryn Hamilton | Town of Bassendean | 9             | 1 |   |   | 3                                  | 1 |   |   | 3                   |   |   |   |                                      |   |   |   | 2                            |   |   |   |                     |   |   |   |
| Cr Lorna Clarke     | City of Bayswater  | 8             | 2 |   |   | 2                                  | 2 |   |   | 3                   |   |   |   | 1                                    |   |   |   |                              |   |   | 5 |                     |   |   |   |
| Cr Giorgia Johnson  | City of Bayswater  | 10            |   |   |   | 4                                  |   |   |   |                     |   |   |   |                                      |   |   |   | 2                            |   |   |   |                     |   |   |   |
| Cr Janet Powell     | City of Belmont    | 8             | 2 |   |   | 3                                  | 1 |   |   | 3                   |   |   |   | X                                    |   |   |   |                              |   |   |   |                     |   |   |   |
| Cr Steve Wolff      | City of Belmont    | 4             |   |   |   | -                                  |   |   |   | 1                   |   |   |   |                                      |   |   |   | 2                            |   |   |   |                     |   |   |   |
| Cr Phil Marks       | City of Belmont    | 4             |   |   |   | 2                                  |   |   |   |                     |   |   |   |                                      |   |   |   |                              |   |   |   |                     |   |   |   |
| Cr Dylan O'Connor   | City of Kalamunda  | 10            |   |   |   | 3                                  |   |   |   |                     |   |   |   | 1                                    |   |   |   | 1                            | 1 |   | 5 |                     |   |   |   |
| Cr Lesley Boyd      | City of Kalamunda  | 10            |   |   |   | 3                                  | 1 |   |   | 3                   |   |   |   |                                      |   |   |   | 1                            |   |   |   |                     |   |   |   |
| Cr John Daw         | Shire of Mundaring | 10            |   |   |   | 3                                  | 1 |   |   |                     |   |   |   | 1                                    |   |   |   |                              |   |   |   |                     |   |   |   |
| Cr Doug Jeans       | Shire of Mundaring | 8             | 2 |   |   | 4                                  |   |   |   | 3                   |   |   |   |                                      |   |   |   | 2                            |   |   | 5 |                     |   |   |   |
| Cr Mel Congerton    | City of Swan       | 9             | 1 |   |   | 4                                  |   |   |   | 3                   |   |   |   | 1                                    |   |   |   | 2                            |   |   | 5 |                     |   |   |   |
| Cr Charlie Zannino  | City of Swan       | 9             | 1 |   |   | 4                                  |   |   |   |                     |   |   |   |                                      |   |   |   |                              |   |   |   |                     |   |   |   |

✓ = Attended meeting    A = Apology    D = Did Not Attend    L = Leave of Absence

Note: The total number of meetings held during 2020/2021 are shown in brackets next to the meeting title.

\*Including Special Meetings of Council held on 21 January 2021 and 8 February 2021.

# Councillor Attendance

| COUNCILLORS            | MEMBER COUNCIL     | COUNCIL* (10) |   |   |   | COUNCIL AGENDA BRIEFING REVIEW (4) |   |   |   | AUDIT COMMITTEE (3) |   |   |   | CEO PERFORMANCE REVIEW COMMITTEE (1) |   |   |   | WASTE ADVISORY COMMITTEE (2) |   |   |   | LEGAL COMMITTEE (5) |   |   |   |
|------------------------|--------------------|---------------|---|---|---|------------------------------------|---|---|---|---------------------|---|---|---|--------------------------------------|---|---|---|------------------------------|---|---|---|---------------------|---|---|---|
|                        |                    | ✓             | A | D | L | ✓                                  | A | D | L | ✓                   | A | D | L | ✓                                    | A | D | L | ✓                            | A | D | L | ✓                   | A | D | L |
| Cr Hilary MacWilliam   | Town of Bassendean | 1             |   |   |   |                                    |   |   |   |                     |   |   |   |                                      |   |   |   |                              |   |   |   |                     |   |   |   |
| Cr Filomena Piffaretti | City of Bayswater  | 1             |   |   |   |                                    |   |   |   |                     |   |   |   |                                      |   |   |   |                              |   |   |   |                     |   |   |   |
| Cr Phil Marks          | City of Belmont    | 1             | 1 |   |   | 3                                  |   |   |   | 1                   |   |   |   |                                      |   |   |   |                              |   |   |   |                     |   |   |   |
| Cr Robert Rossi        | City of Belmont    | 1             |   |   |   | 1                                  |   |   |   |                     |   |   |   |                                      |   |   |   |                              |   |   |   |                     |   |   |   |
| Cr Cameron Blair       | City of Kalamunda  |               |   |   |   |                                    |   |   |   |                     |   |   |   |                                      |   |   |   |                              |   |   |   |                     |   |   |   |
| Cr Amy Collins         | Shire of Mundaring | 2             |   |   |   |                                    |   |   |   |                     |   |   |   |                                      |   |   |   |                              |   |   |   |                     |   |   |   |
| Cr Ian Johnson         | City of Swan       | 2             |   |   |   |                                    |   |   |   |                     |   |   |   |                                      |   |   |   |                              |   |   |   |                     |   |   |   |

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Note: The total number of meetings held during 2020/2021 are shown in brackets next to the meeting title.

\*Including Special Meetings of Council held on 21 January 2021 and 8 February 2021.





# Executive Leadership Team

Left to right: Chief Operating Officer Brad Lacey,  
Chief Financial Officer Hua Jer Liew,  
Chief Sustainability Officer Wendy Harris,  
Chief Project Officer Doug Bruce,  
Chief Executive Officer Marcus Geisler.



# EMRC Services

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



## Office of the CEO

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

## Business Support

Business Support provides administration, information services, financial management, communications, risk management and procurement support to the organisation. It is also tasked with ensuring that EMRC operations comply with relevant statutory obligations.

## Operations

Operations is responsible for the Red Hill Waste Management Facility and Hazelmere Resource Recovery Park, the Baywaste Community Recycling Centre on behalf of the City of Bayswater, and the Coppin Road and Mathieson Roads Community Recycling Centres on behalf of the Shire of Mundaring. Operations undertakes activities to aid diversion of waste from landfill including composting and mulch processing of greenwaste, timber and mattress recycling, supported by sales and marketing initiatives.

## Projects

The EMRC's Projects team aims to develop and implement resource recovery solutions that maximise the social, environmental and economic benefits to Perth's Eastern Region in order to minimise waste being directed to landfill and ensure maximum resource recovery.

## Sustainability

The core focus of the Sustainability team is to work with EMRC's member Councils and regional stakeholders to create sustainable economic growth to facilitate regional development, create employment opportunities, increase community participation in arts, culture and recreation and stimulate regional economic development. Sustainability also drives initiatives aimed at promoting the concept and implementation of the Circular Economy. Waste Education team provides practical support and advice on waste avoidance and resource recovery and the progressive rollout of the FOGO waste collection system.

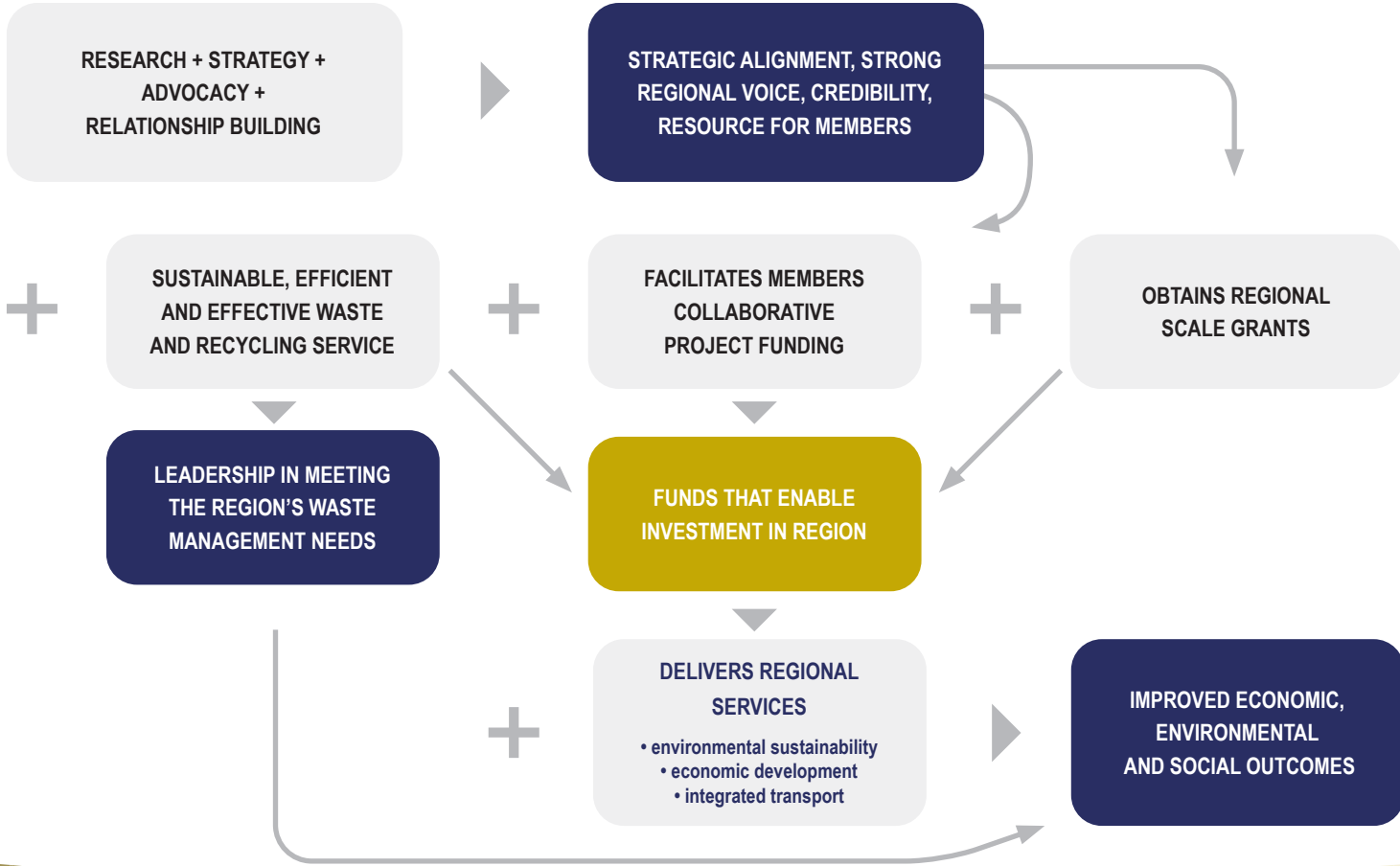




# EMRC Service Delivery Model

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

The EMRC initiates and leads projects for its member Councils that deliver real benefits to the region in the areas of waste management and resource recovery, environmental sustainability and regional economic development. These services enable member Councils to enhance outcomes for their communities and for Perth's Eastern Region as a whole. The EMRC's governance and service delivery model is sufficiently robust and flexible enough to enable the delivery of services to its member Councils on a regional scale. The EMRC also has a geographical advantage in that its members form a cluster. This grouping enables the EMRC to provide services at a scale which is beneficial to a region containing a huge variety of interests.



# Committees

Council has appointed the following committees to assist with planning and decision making.

## Audit Committee

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

## Legal Committee (LC)

The Legal Committee undertakes actions to address legal matters arising out of the EMRC Establishment Agreement.

## Chief Executive Officer Performance Review Committee (CEOPRC)

The Chief Executive Officer Performance Review Committee reviews the Chief Executive Officer's performance, determines performance objectives to be met by the Chief Executive Officer and reviews the Chief Executive Officer's remuneration and contract of employment. The Committee consists of one Councillor from each member Council.



# Grants

## The EMRC's Community Grants Program

The EMRC's Community Grants Program provides financial support for communities in the vicinity of the Red Hill Waste Management Facility. In 2020/2021 a total of \$15,000 was awarded to X Speed Australia Cycle Club, Gidgegannup Primary School P&C Association, Gidgegannup Scout Group, Silvertree Steiner School, Gidgegannup JFC and the Stoneville-Parkville Progress Association. A cheque presentation was held on 30 October 2020.





# Environmental Sustainability

KEY RESULT AREA

01





# To provide sustainable waste disposal operations

## Minimise the environmental impact of waste management operations.

Following an audit in April 2021, the EMRC's Environmental Management System for the Red Hill Waste Management Facility was recertified to the international ISO 14001:2015 standard for general and contaminated waste management, greenwaste composting and earth materials supply in relation to the Red Hill Waste Management Facility. The EMRC continued to implement the Environmental Management System at the Red Hill Waste Management Facility in line with this new certification. The Environmental Management System assures the EMRC's stakeholders and the wider community of the organisation's commitment to best practice and continual improvement in the area of waste management.

The EMRC publicly reports its environmental performance in annual monitoring and compliance reports to the Department of Water and Environmental Regulation.

Throughout 2020/2021 the EMRC undertook works to minimise the environmental impact of operations on site including a wide range of environmental monitoring, research and consulting to member Councils, ground water remediation, plume management, community engagement and site rehabilitation. A review of the landfill area at the Red Hill Waste Management Facility documented rehabilitation works undertaken since 1992 and identified areas for future rehabilitation.

“

The EMRC's core objective is to provide sustainable waste management. To implement this objective, the EMRC follows an accredited Environmental Management System designed to produce continuous site improvement whilst minimising environmental impact.”



# Provide a waste disposal service at Red Hill Waste Management Facility

The Red Hill Waste Management Facility is one of Western Australia's largest municipal waste landfills and is acknowledged as one of the best in Australia. The Red Hill Waste Management Facility has a total area of 352 hectares and receives approximately 236,000 tonnes of waste per annum.

The Red Hill Waste Management facility site includes:

An approved Class I to IV landfill;

A transfer station;

A Household Hazardous Waste Collection Facility;

A compost and mulch processing facility;

A landfill gas recovery system operated by a third party; and

An interim food organics and green organics processing facility.

The Red Hill Waste Management Facility contains one of Western Australia's local government composting operations which produces mulch and compost which meets Australian Standard AS4454. The facility's on-site power station run by Energy Developments Limited generates up to four megawatts of electricity from recovered landfill gas for export into the grid. Currently, all non-recycled waste collected by the EMRC's member Councils is landfilled at the Red Hill Waste Management Facility.

The Red Hill Waste Management Facility continued to operate in compliance with Department of Water and Environment Regulation Licence Conditions. The Department of Water and Environment Regulation carried out a Site Licence Compliance and Landfill Levy Inspection in August 2020 and the site passed this inspection without any major compliance issues raised.

The interim FOGO processing facility commenced operation in August 2020 to accept and process household FOGO collections from the Town of Bassendean and produce compost to the Australian Standard AS 4454. In March 2021, the City of Bayswater commenced their FOGO collections and this is also being processed at the interim facility.

The facility uses a forced mobile aeration floor system with a biofilter to capture odourous air during the early stages of composting. A tender process for a permanent FOGO processing facility at the Red Hill Waste Management Facility for all member Councils' FOGO waste is currently underway.

## Review and implement the Red Hill Waste Management Facility Development Plan.

The Red Hill Waste Management Facility Development Plan was fully updated by the Project team Engineering and Operations team in conjunction with engineering consultants as required and endorsed by Council.

## Operate member Council Community Recycling Centres where appropriate.

The year 2020/2021 marked the successful first year's operation of the Baywaste Community Recycling Centre on behalf of the City of Bayswater. In addition to the Community Recycling Centre at the Red Hill Waste Management Facility, the EMRC also operates the Coppin Road and Mathieson Road Community Recycling Centres on behalf of the Shire of Mundaring.

In October 2020 the EMRC's Container Deposit Scheme was launched at the Coppin Road Community Recycling Centre, which is operated by the EMRC on behalf of the Shire of Mundaring. The purpose-built facility has been warmly welcomed by the community and has registered a steady increase in the number of containers received for recycling. All materials collected are processed and onsold, providing an additional source of revenue.

Waste accepted at the Community Recycling Centres includes general waste, greenwaste, scrap metal, cardboard, motor oil (limit of 20 litres), white goods, mattresses, televisions, computers, batteries, tyres (fees payable), clothing and blankets, fluorescent lights, aluminium cans, glass and bottles; and paper and plastic. A Grab and Go facility at the Mathieson Road Community Recycling Centre has continued to encourage residents to reuse household items.

## Provide a Waste Management Advisory Service.

The EMRC undertakes a range of consulting works relating to waste management on behalf of its member Councils and other local government bodies. These works have included undertaking contaminated site investigations at decommissioned landfills, groundwater and surface water monitoring, landfill gas assessments and site remediation.





# To improve regional waste management

## Collect, manage and dispose of problematic waste in the Region in a sustainable manner.

The EMRC's Battery Collection program is promoted to schools and public places throughout Perth's Eastern Region to help meet growing concern about household batteries going to landfill. In 2020/2021 the EMRC's Battery Collection program collected approximately 1.7 tonnes of household batteries from 110 schools and 44 public places including libraries, shopping centres and Council offices.

Compact Fluorescent Lamps (CFLs) contain small amounts of mercury which may be absorbed into the environment if not correctly disposed of. In 2020/2021 the EMRC collected and recycled approximately 0.1 tonnes of Compact Fluorescent Lamps from 31 public places across the Region.

The implementation of local government waste plans, which align local government waste planning processes to the objectives and targets of the Waste Strategy 2030 is a Headline Strategy of the Waste Strategy 2030. Prior to the waste plan submission deadline (April, 2021), the EMRC created the role of Project Officer Waste Plans to complete the EMRC's plan and facilitate the generation of member Council waste plans.

The EMRC and member Council waste plans were successfully received and endorsed by DWER. The next phase is to track the progress of the actions outlined in the respective Implementation Plans in preparation for the first annual report to DWER in October 2022. The EMRC, in a consultancy basis, is also assisting regional Councils outside the Perth and Peel Region with the generation of their waste plans.

EMRC's Battery Collection program collected approximately

**1.7 tonnes**

of household batteries

EMRC collected and recycled approximately

**100 kilograms**

of Compact Fluorescent Lamps





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

The EMRC's Waste Education Program continues to offer support to school and community groups through training courses and talks, provision of a variety of loan boxes, information brochures and tours of the Red Hill Waste Management Facility. Additionally, Waste Education staff worked with member Councils to develop and distribute initiatives predominately focused on waste avoidance, reuse, recycling and circular economy principles. The 'R-Gang' waste education website continues to promote these concepts through the provision of online information and useful weblinks.

The Waste Education Program's scope of activities have expanded in conjunction with the introduction of Food Organics and Garden Organics trial processing operations at the Red Hill Waste Management Facility. Staff numbers have been bolstered to assist in the behaviour-change aspects of the FOGO rollout in the Town of Bassendean and the City of Bayswater, in line with the State Government's 'Waste Sorted' messaging materials for kerbside bin systems.

**24**

**attendees**

registered for the Earth Cares training course

The Earth Carers training course, normally run twice a year, was cancelled in 2020 due to COVID-19 restrictions. The course in May 2021 comprised five sessions over three weeks. A total of 24 attendees registered for the course, with 14 (58%) completing the four core sessions. Earth Carers alumni volunteered at several events including The Perth Garden Festival (four volunteers) and the EMRC Tree Planting Day (seven volunteers).

During 2020/2021, the Waste Education team attended 17 events at the request of member Councils, 13 school engagements and 22 community presentations or other events. The team also undertook 89 networking and partnership-building activities.

The Red Hill Environmental Education Centre continued operating throughout 2020/2021 and a 'Virtual Tour' of Red Hill was also created. A total of 31 school and community groups were provided a tour of the site with 1,120 people participating in tours and educational activities. These and other Waste Education programs saw significantly less participation during 2020/2021 as a result of the COVID-19 pandemic.

The 2020/2021 Waste and Recycling guides were developed in partnership with the five member Councils. These guides provide important information for residents within Perth's Eastern Region on how to reduce household waste and manage it correctly. A total of 150,500 guides were printed for distribution and an electronic version was provided to each member Council.



**31**

**schools and  
community groups**

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of the site

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**people**

participated in tours and  
educational activities

**150,500**

**Waste and Recycling  
guides**

were printed for  
distribution



**MATTRESS  
RECYCLING**



Waste Authority

Towards  
**ZERO WASTE**  
www.zerowaste.org.au

# To provide Resource Recovery and Recycling solutions in partnership with member Councils



## Develop the Hazelmere Resource Recovery Park.

2020/2021 saw significant progress in the next stages of the Hazelmere Resource Recovery Project with the construction of a new administration office and workshop to improve facilities for staff and plant maintenance.

The EMRC's current timber recycling activities involve processing untreated wood waste (such as pallets, packaging and crates, off-cuts and cable reels) into woodchip fines and woodchip. The woodchip fines are sold as an 'end product' to established markets in the broiler grower and livestock industries for animal bedding, whilst the woodchip remains as residual waste for which there are currently limited markets. In September 2020 the EMRC began accepting waste power poles from Western Power and processing them onsite on a new concrete pad to segregate the various categories of timber with class IV category timber being disposed of at Red Hill Waste Management Facility, class V category material being sent to a suitable facility offsite and the remainder of the pole timber being shredded on-site and recycled as woodchip.

Significant quantities of steel bolts and bracing from the power poles are recovered and recycled.

The Commercial and Industrial Waste Sorting Facility continued to accept dry commercial and industrial waste from commercial customers and local government bulk verge waste and recover resources from these waste streams, thus diverting waste from landfill whilst also providing an opportunity to re-use materials.

Used mattresses are accepted and aggregated at Hazelmere before being consigned to Soft Landing Mattress Recycling for recovery of recyclables.

The next major development at the site, the Wood Waste to Energy Plant, is currently nearing mechanical completion which will be followed by commissioning and performance testing before handover to the EMRC from the contractor.

The facility will convert woodchip to renewable electricity and biochar. The electricity generated will be partly used as a power source for the onsite facilities and the bulk of the electricity will be exported to Perth Airport Pty Ltd via a dedicated power cable. The biochar will be sold to the market following a tender process.

## Identify markets and develop Resource Recovery and markets in order to reduce waste going to landfill.

The design and approval for a connection to the WaterCorp sewer is well advanced and will be implemented in 2021/2022 to take on-site sewerage and waste water from the Wood Waste to Energy plant.

A range of high-quality products make use of materials recovered during the creation of landfill cells. These products include mulch, ferricrete, woodchip, coloured woodchip, woodchip fines, soil improver and clay. The EMRC maintained accreditation to Australian Standard AS4454 for mulch at the Red Hill Waste Management Facility and produces ferricrete similar to Main Roads specification.

Products recovered from the Commercial and Industrial Waste Sorting Facility include timber, scrap metals, cardboard and mixed plastics.



# To investigate leading edge waste management practice

## Undertake research into Integrated Waste Management.

The EMRC is jointly contributing to research for a PhD project at Edith Cowan University into use of vetiver grass to develop a vetiver biofiltration system for the treatment of landfill leachate. The project will run over five years.

## Provide leadership in the development of waste policy and practices.

The EMRC has a reputation as an innovative leader in responsible waste management and has demonstrated expertise in management and coordination of household waste, resource recovery and recycling services, managing and operating landfill sites, delivering education and awareness programs and providing and maintaining waste management infrastructure.

## Identify, investigate and develop new waste management practices and services.

The EMRC is continuing to investigate and develop business cases for several new initiatives at the Red Hill Waste Management Facility and Hazelmere Resource Recovery Park which will deliver new waste services for the region.





# To contribute towards improved regional air, water and land quality and regional biodiversity conservation



## Review and implement the Regional Environment Strategy 2016-2020.

In implementing the Regional Environment Strategy 2016–2020 the EMRC became one of the first organisations in Australia to progress regional environmental management under the Agenda 2030 Sustainable Development Goals framework. The Sustainable Development Goals, ratified by the Australian Government, provide a new and exciting strategic method for the EMRC to work effectively with member Councils and stakeholders towards achieving excellence in environmental protection and management.

The EMRC is taking an active and innovative leadership role in environmental management in Perth's Eastern Region by embracing the Sustainable Development Goals and continuing ongoing partnerships with external agencies.

## Implement the Eastern Region Catchment Management Program (ERCMP).

The Eastern Region Catchment Management Program (ERCMP) is a partnership between the Shire of Mundaring, City of Swan, Department of Biodiversity, Conservation and Attractions and the EMRC that has operated for over 20 years to support the Councils and their community groups in protecting and managing the biodiversity, waterways and catchments of the area.

The ERCMP provides opportunities for regional advocacy, grant applications and implementation, coordinated community engagement for natural area enhancement and strengthening of messaging for sustainability, biodiversity and conservation.

Highlights from 2020/2021 include the continuation of projects under the Swan and Alcoa Landcare Program, assisting the Shire of Mundaring to finalise the Black Cockatoo Reserves Management Plan, conducting photo-monitoring for various Landcare groups including Katharine Street River Gang,

Friends of Lion Mill Creek, and Friends of Wangalla Brook, and conducting photo-monitoring on behalf of City of Swan for Murdoch University studying *Eucalyptus rudis* decline along the Helena River,

The "Farm dams as refuges for freshwater plants and animals in a drying climate" project progressed to the next stage with the development of an Expression of Interest (EOI) for the State NRM Community Collaboration grant for "New methods for managing drought refuges for imperilled freshwater species".

The devastating effects of the 2021 Wooroloo Bushfires were felt throughout the Region. The ERCMP provided assistance with planning and coordination of meetings and site visits for the development of a State NRM Community Stewardship Grant, 'Post fire restoration of the Wooroloo Brook catchment'. The ERCMP also conducted site visits to property owners seeking landcare advice in fire-affected areas within Gidgegannup and Wooroloo.

The program also included the delivery of the award-winning Bush Skills 4 Youth (BS4Y) program. Bush Skills 4 Youth was added to the program in the 2019/2020 period and was developed in response to member Council priorities for community education and engagement to support environmental stewardship.



The program adapted to the temporary shift to online learning due to COVID-19. The ERCMP developed and provided seven online training modules while some schools transitioned back to face-to-face learning as the year progressed. In the remaining school terms, the ERCMP provided 50 BS4Y workshops across the Region.

The Greenpage Newsletter continued to be published bi-monthly providing information to landcarers including stories on community group projects, plant and weed identification, and articles to enrich the knowledge of the ERCMP's landcarers.

Bush Skills for the Hills workshops included technical landcare skills, native grasses walk and talk, native plant propagation, native bees, successful grant writing, dieback treatment training, and a fire and the ecology seminar.

The success of the program is largely due to the support of an active and diverse group of volunteer landcarers and landcare groups. The ERCMP hosted its traditional End of Year Volunteer function to recognise and celebrate the achievements of the Region's volunteers.

### **Review and implement the Water Quality and Conservation Program.**

The EMRC's Water Quality and Conservation program offers support and guidance to increase water efficiency and quality across Perth's Eastern Region. The program takes a structured approach, monitoring and reporting water consumption, enabling local government leadership in sustainable water management. The program provides opportunities to improve water efficiency and water quality to ensure a sustainable and water sensitive city future for local governments, the community and the environment. Through this program, the EMRC assists member Councils and the Town of Victoria Park to maintain Waterwise Council status, including Gold Waterwise Council accreditation.

### **Review and implement the Regional Climate Change Adaptation Action Program (RCCAAP).**

The EMRC continues to monitor regional climate action, and assists member Councils with climate change adaptation and risk management. The EMRC assisted member Councils to participate in WALGA's Energy Sustainability and Renewable Energy Project of which the first stage includes a sustainable energy power purchase agreement for local governments. On behalf of our member Councils, EMRC has been an active participant in the DWER Climate Science Initiative and participates in WALGA's Climate Change Collaborative group.

As a part of the research to assist member Councils to achieve their Net Zero goals, the EMRC has researched national and global climate actions, and compared to those actions made by our member councils; this will form part of the Regional Net Zero Tracker.







### **Review and implement the Achieving Carbon Emissions Reduction (ACeR) Program.**

The Achieving Carbon Emissions Reduction program (ACeR) provides a structured approach to monitor, mitigate, reduce and report on corporate carbon emissions and enables member Councils to achieve continual improvement in carbon emission management to work towards their Net Zero goals.

The EMRC provides technical information and a range of assistance to support participating Councils in reviewing and developing energy efficiency and emissions reduction strategies, plans and emissions targets, as well as supporting the implementation of actions such as solar PV system and LED lighting installations.

The EMRC also maintains Home Energy Audit Kits and Power-Mate devices at relevant member Council libraries and provides media articles to assist with community awareness.

As part of both ACeR and the Water Quality Conservation Plan (WQCP), participating Councils monitor emissions and energy and water consumption through the Azility platform with the assistance of the EMRC. The Azility software enables the EMRC and participating Councils to identify and address increase consumption at facilities and monitor the effectiveness of efficiency measures. EMRC's support includes coordinating quarterly performance and service level reviews to identify participating Councils' top consuming assets of water and energy, identifying any anomalies, analysing current performance and undertaking data analysis of energy and water consumption, including tracking towards their reduction targets.





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The Swan and Helena Rivers are iconic landscapes in Perth's Eastern Region, recognised for their natural, cultural and social values. They provide a regional resource in terms of ecosystem functions, access to the natural environment and recreation, social and historic links.

### **Review and implement the Swan and Helena Rivers Framework.**

The EMRC, four of its member Councils and the Department of Biodiversity, Conservation and Attractions (DBCA) have worked in partnership to enhance the Swan and Helena Rivers through a coordinated management framework. The Swan and Helena Rivers are iconic landscapes in Perth's Eastern Region, recognised for their natural, cultural and social values. They provide a regional resource in terms of ecosystem functions, access to the natural environment and recreation, social and historic links. The EMRC supports a collaborative approach under this framework including representing the Region on the River Protection Strategic Advisory Group.

The need for up-to-date flood risk information on the Swan and Helena Rivers was identified through a major review of the Swan and Helena Rivers Management Framework and the EMRC's Regional Climate Change Adaptation Action Plan.

The 'Understanding and Managing Flood Risk' final phase (Stage 4) was completed in late 2020. The project delivered updated floodplain mapping for a range of flood scenarios, Flood Risk and Vulnerability Assessments and an Adaptation Plan for each participating Council and a revised Floodplain Development Strategy.

### **Review and Implement the Benchmarking Building Efficiency Project.**

In recent years, member Councils have been proactive in undertaking energy and water efficiency retrofits and upgrades, supported by the EMRC's Sustainability Programs and external grants. For many Council facilities, the most easily identified actions have now been completed such as LED lighting retrofit, air conditioning upgrade and solar PV installation. The next step to achieve long term sustainability require a deeper understanding of facility performance.

Member Councils also identified that cost benefit analysis of retrofitting opportunities and the benefits to assess financial return on investment is a gap in existing programs and services.

The Regional Benchmarking Building Efficiency Project involved facilitating the completion of energy audit reports for 80 council facilities of various types across the Region; participating Councils were the Cities of Belmont, Bayswater and Swan, the Town of Bassendean and the Shire of Mundaring. The audit reports identified areas of success and highlighted areas for potential improvement by facility and facility type, enabled the development of a regional database and benchmarks for building performance, provided recommendations that quantified the benefits including emission reduction and financial savings potential. The information produced by this project provides a foundation for the next steps for councils to upgrade and retrofit their facilities for energy efficiency and enables grant funding opportunities.



# Economic Development

KEY RESULT AREA

02





# To facilitate and advocate for increased investment in regional infrastructure



The EMRC provides a range of services and projects designed to stimulate economic development and advocate for a safe and efficient regional transport network, all aimed at supporting social outcomes for the Region. Programs and projects are delivered within key strategies that provide a flexible response to emerging regional issues and the needs of member Councils.”

Three key strategies guiding the EMRC are the Regional Integrated Transport Strategy 2017-2021; the Economic Development Strategy 2017-2021 and the Environmental Strategy 2016-2020. These three strategies will soon be reviewed and evaluated to help guide the EMRC with the upcoming Sustainability Strategy.

## Review and implement the Regional Integrated Transport Strategy (RITS).

Perth's Eastern Region is WA's key air, rail and road transport hub. An efficient and safe regional transport network is of critical importance, particularly with predicted population and transport growth. The EMRC works closely with key stakeholders to identify opportunities to address the future transport needs of residents and visitors under the Regional Integrated Transport Strategy (RITS) 2017-2021.

The strategy promotes finding solutions for various issues including safety and congestion by planning to implement behaviour change, route optimisation and travel demand management. The strategy also focuses on sustainability by promoting use of active and public transport and intelligent transport solutions.

During 2019/2020 the EMRC also developed a Regional Congestion Action Management Plan and a Regional Road Safety Plan in consultation with Regional Integrated Transport Implementation Advisory Group. The members of the group are drawn from the EMRC and its member Councils, the Department of Transport, Main Roads WA, Public

Transport Authority, Department of Planning, Perth Airport Pty Ltd, Western Roads Federation, WA Road Safety Commission, RAC, Westcycle and the Western Australian Local Government Association (WALGA). The group met regularly in 2020/2021 to progress the actions in the transport strategy, plans and initiatives.

The high priority actions from these plans including advocacy, reporting and behaviour change campaigns have been advocated for 2020/2021. To report the crash details; the Regional Road Safety Report Card was produced in consultation with the RITS IAG. Share The Space, a travel behaviour campaign concentrating on the use of shared path and with a focus on the aged and disabled population, ran from September to November 2020. The campaign was endorsed by local governments outside the Perth's Eastern Region. The EMRC has also participated in the Net Zero Cities Collaboration and the light rail consortium to implement responsible transport for the Region. The topics discussed during the RITS IAG presentations included opportunities for the development of a hydrogen highway, Net Zero Cities Collaboration and update on freight industry in the Region.

# To facilitate and advocate for regional economic development activities

## Review and implement the Regional Economic Development Strategy.

Within the boundaries of Perth's Eastern Region are a multitude of economic centres supporting a vast range of businesses and industries. Each of these centres, the businesses within and the community surrounding them require different levels of support, intervention and regulation. The EMRC has supported member Councils and industry stakeholders to achieve economic development outcomes since 1998.

The EMRC works with member Councils and other key stakeholders to ensure the Region capitalises on its strategic advantages, attracts investment and develops a diverse industry base, as outlined in the Regional Economic Development Strategy 2017-2021 and the Investing in Perth's Eastern Region Prospectus 2020.

The EMRC continued to provide REPLAN and Profile.id subscriptions to enable member Councils and the EMRC to obtain relevant regional economic and social-demographic profiling data. The data sourced from REPLAN and Profile.id allowed EMRC to report on our member Councils economic situation through economic report cards for the Town of Bassendean, City of Belmont and the Shire of Mundaring. These report cards provide an overview to the Councils and community of existing industries, total businesses within each area as well as values and comparisons on exports, imports and expenditure in the Region.

In 2020/2021, the EMRC offered support to businesses through its Business Exemplar project, presenting award-winning regional businesses with free public relations packages and providing additional promotion for business associations and groups within Perth's Eastern Region. The EMRC celebrated successful local businesses with support for the Belmont Business Awards.

## Identify and investigate strategic regional development project and investment opportunities.

The EMRC's Investing in Perth's Eastern Region Prospectus 2020 provides insights into competitive advantages in the Region. With expansion and growth in major capital investments including intermodal freight terminal development, the Metronet project, extensive road improvements, major airport and city centre redevelopments, the Region is presenting further opportunities for development and business investment.

The Connect Perth's East proposal comprised two distinct themes, Productivity and Liveability, which recognised the complementary and integrated competitive advantages of an enhanced and integrated Region over the next 15 years. The proposal continues to deliver significant federal and state government funding to major road and rail infrastructure projects in the Region.

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The Connect Perth's East proposal lodged with the WA State Government in January 2018 continues to leverage existing and new markets via improved connectivity, clustering and innovation and aligns with local, state and federal government initiatives.



# To facilitate regional cultural and recreational activities

## Continue the coordination, marketing and promotion of regional events.

The EMRC's regional events program sets out to leverage local community events, designed to attract a relatively local market, and support these events through a wider audience and coordination of grant funding and regional marketing. Through its regional approach, the program provides a cost-effective mechanism for promoting events to a much wider audience.

The EMRC's participating member Councils, alongside non-member Councils the Shire of Toodyay and Shire of Northam, contributed to organising the regional Avon Descent Family Fun Days 2020 both financially and through collaboration and cross promotion of each other's activities. Due to the impact of COVID-19 the Avon Descent Family Fun Day events in 2020 were cancelled.

The EMRC facilitates regional youth advocacy through information sharing and collaboration across our Councils by coordinating, facilitating and supporting regional youth meetings, forums and briefings sessions. In October 2020 the EMRC provided a successful Youth Leadership Workshop to our member Councils youth advisory councils, coordinated by EMRC and run by Zero2Hero to enhance employability and leadership skills.

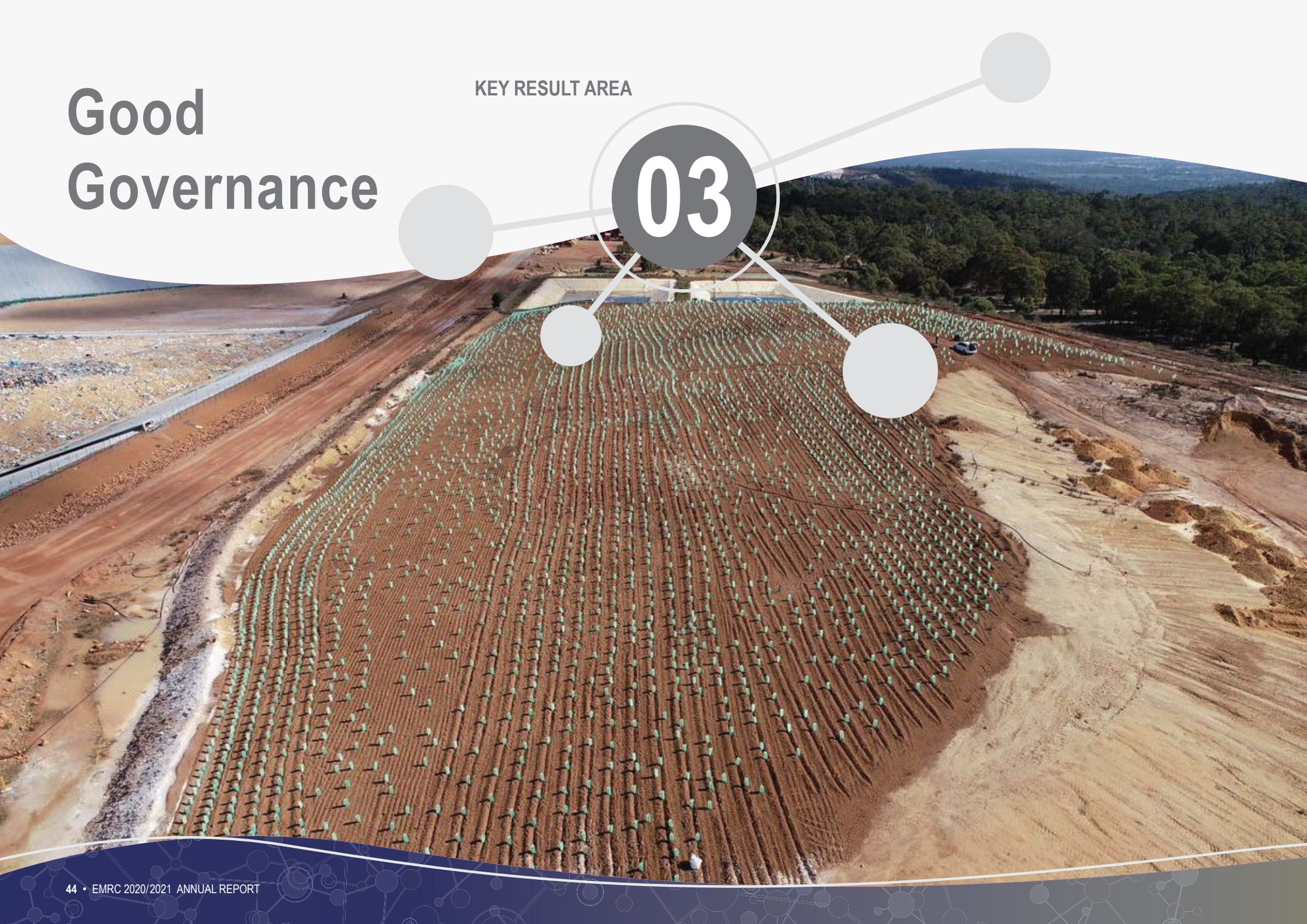




# Good Governance

KEY RESULT AREA

03



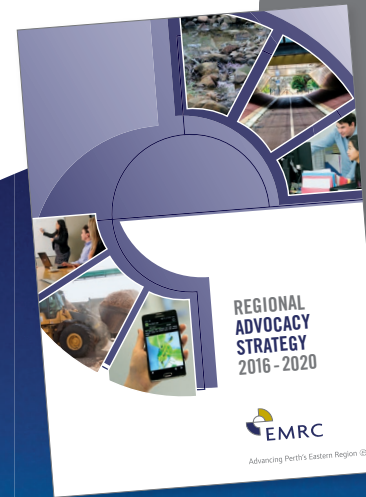


# To provide advice and advocacy on issues affecting Perth's Eastern Region

## Review and implement the Regional Advocacy Strategy 2016 – 2020.

The EMRC's Regional Advocacy Strategy 2016 – 2020 has provided a collective voice and opportunities for regional priorities to be progressed. The EMRC initiates and develops relationships with individuals, organisations, state and federal governments and other key agencies. This strategy is outward-focused with the capacity to deliver broad scale, big picture outcomes.

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The priorities, focus areas and intended actions identified in the *Regional Advocacy Strategy 2016 – 2020* respond to emerging issues and opportunities for Perth's Eastern Region.





# To manage partnerships and relationships with stakeholders



## **Continue to foster and advance relationships with member Councils and all key stakeholders.**

The EMRC manages its relationships with stakeholders in accordance with its Stakeholder Relationship Plan 2020.

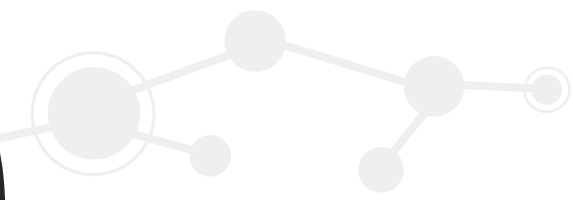
The EMRC actively engaged with its member Councils, relevant ministers, local members

of parliament, government agencies and key stakeholders on the delivery of services in waste management, resource recovery, regional integrated transport, economic development, natural resource management, sustainability and climate change.

The EMRC is regarded as a credible partner for regional projects and the EMRC model is held in high regard by other Councils and the state and federal government and their agencies.

The ongoing sustainability and development of the Region depends on the strength and ability of the region to pool its resources to compete for public and private investment, deal with community issues, capitalise on opportunities and influence outcomes. This can be achieved through education and awareness-raising or through directly influencing key decision-makers and key stakeholders for the purpose of achieving specific outcomes.

The EMRC works with member Councils to provide a collective voice for the Region and to be a conduit for collaboration and advocacy on issues of regional significance. In pursuing regional outcomes that benefit member Councils, the EMRC initiates and develops relationships with individuals, organisations and state and federal governments. The aim of this approach is to assist the Region to fulfil its potential by attracting and increasing investment and supporting activities that contribute to making Perth's Eastern Region a great place to live, work, play and do business.





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Advancing the interests of Perth’s Eastern Region through strategic and proactive representation and effective working relationships, across all three tiers of government, is a key enabler for investment attraction and development in the Region. The EMRC’s regional areas of priority are consistent with delivering on the core function of working on behalf of our member Councils and making the Region stronger. Influencing the outcomes for these areas is achieved through targeting a range of primary and secondary audiences including funding partners, policy makers and key community leaders.



# To improve organisational culture, health, welfare and safety

100%  
of team  
members

attended one or more  
training sessions

## Implement the EMRC's Workforce Plan.

The EMRC continued to implement its Workforce Plan in 2020/2021 to further enhance the EMRC's culture and provide an environment of innovation, creativity and customer service. The Plan complies with the Department Local Government, Sport and Cultural Industries Integrated Planning Framework standards.

A new Performance Review Process was introduced supported by a Competency Framework. The new process was designed to ensure that all team members have clear and achievable objectives and that behaviour is also measured as a key output.

An updated internal training program continued to provide team members with skills in internal process and procedures such as procurement, records management and safety. Training interventions in technology and project management were key focus areas for the EMRC during this period with over 40% of all team members attending these activities.

Team members also continued to enhance their skills and knowledge by attending relevant training courses, identified as a result of their annual performance reviews.

Several initiatives were undertaken to develop an inclusive culture, which were focused on working as a high performing team.

These included:

- 100% of team members attended one or more training sessions
- Team Talk sessions held with the CEO and all team members
- Group training sessions held at Ascot Place and Red Hill Waste Management Facility for all team members;
- Regular CEO and executive leadership attendance at Toolbox meetings at the Red Hill Waste Management Facility and Hazelmere Resource Recovery Park;
- The annual EMRC Team Tree Planting Day at Red Hill Waste Management Facility, which saw team members plant seedlings as part of rehabilitation of the site;
- Long serving team members continued to be recognised for completing five-year service interval milestones;
- The Rewards and Recognition Program was reviewed and continues to be successful culminating in the Employee of the Year being awarded in December 2020;
- Health and well-being initiatives continued to be offered to all employees; and
- An employee survey was undertaken and those results are currently being utilised to develop new employee benefits and strategies.







## Innovation and Continuous Improvement.

Management Guidelines continue to be developed and reviewed and a Misconduct Control Campaign was launched including the introduction of a confidential employee helpline.

The HR team have been instrumental in digitalizing its forms and processes. All HR forms are now entirely 100% paperless and the HR Induction has been fully automated with the facility for sound activated functionality for team members with language/literacy challenges.

The new Competency Framework has been aligned with a full bank of behavioural based questions which is also fully automated.

Several small restructures have been undertaken to ensure that the organisation is fit for purpose, agile and responsive to business needs.



## COVID-19 Response.

COVID-19 began to impact WA in early to mid-March 2020. The EMRC responded to the pandemic by mobilising its workforce for safety reasons. This included developing Working From Home Management Guidelines, procedures and risk assessments and updating the EMRC's Business Continuity Plan. Protocols were introduced to ensure that all team members could work effectively remotely and had defined objectives, prioritised activities and streamlined communication mechanisms.

## Diversity and Inclusion

The EMRC continues on its journey to Reconciliation and a number of educational sessions on understanding Indigenous culture and heritage were held for all employees. The EMRC ensures that Acknowledgement of Country are given at all significant events and meetings and that all dates of indigenous importance are celebrated and acknowledged.

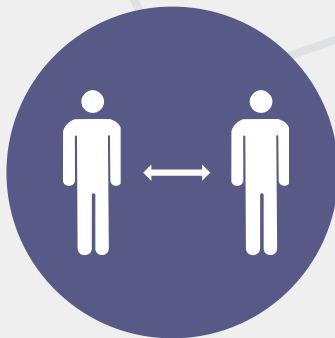
The EMRC continues to work with disability service providers to increase and provide opportunities for candidates/prospective employees with a disability.

Work experience opportunities were also offered to multiple students across the organisation to provide a pathway for young people to enter into the waste, recovery and recycling sector.

All employees were requested to complete an Equal Opportunity Survey to compile information for the EMRC's Equal Opportunity Management Plan which is then submitted to the Equal Opportunity Commission.

## Review and implement the Occupational Safety and Health Plan.

The Safety Advisory Committee continued to meet and provide input at a strategic level on improving safety systems. A key focus was on continuing to improve reporting, analysis and management of incident and injuries at all EMRC sites to ensure lessons are learned as to the root cause of each incident and effective controls put in place to reduce the likelihood of an event reoccurring, and to reduce overall risk across all EMRC operations.





Key achievements for 2020/21 were -

### Managing contractor safety

- Updated the Safety Management Guideline - Contractors Management
- Published Contractors Safety Handbook, essentially an operational site rule book to be reviewed and signed off by contractors before they attend site to ensure they are aware of EMRC safety expectations.
- Training provided to relevant stakeholders in regards to contractor management.
- Contractor Safety Inspections – Completed before contractors attempt any work to ensure they have the required safety documentation / safety equipment.

### Training Matrix now on Velpic software package

- EMRC focused on identifying training / skill gaps.
- Closing gaps through training programs.

### Chain of Responsibility.

- Procedure updated.
- Training provided to required employees.
- Focus on incident reporting and communication / notification to relevant transport organisations.

### Managers / supervisors OSH responsibilities

- Managers / supervisors were assigned safety related key performance indicators.
- Monthly monitoring of safety related key performance indicators to ensure they were achieved.

### Update of all Safety Management guidelines

- Safety Management guidelines reviewed.
- Emergency Management Plans updated.
- SWMS / Risk assessments (operational level) reviewed.

The EMRC as at the 30th June 2021 has recorded

# 676 days

without a lost time injury a significant achievement in creating a Safety First Culture.



# Statutory Reports





## Register of Complaints

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

There were no registered complaints against EMRC Council members during the 2020/2021 financial year.

## Statutory Compliance Return

The Statutory Compliance Return for the year ending 31 December 2020 was completed and referred to the Audit Committee meeting held on 4 March 2021. A certified copy of the completed Statutory Compliance Return was submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2021. Council was able to advise that it achieved a high level of compliance with all matters applicable to the EMRC's operations.

## National Competition Policy

The Competition Principles Agreement is a contractual agreement between the federal government and all state and territory governments. As a result, local government is committed to the Competition Principles Agreement, which aims to ensure all public enterprises operate in a transparent manner and in the best interests of the public.

Under the Competition Principles Agreement, public enterprises are required to review their operations to ensure that they have no competitive advantage, or disadvantage, in comparison to the private sector.

The EMRC supports the Competition Principles Agreement concept and, as such, a cost benefit analysis of operations was conducted. The analysis concluded that none of the core services – operation of the Red Hill Waste Management

Facility, Hazelmere Resource Recovery Park, and environmental services – should be subject to competitive neutrality principles.

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

## Public Interest Disclosure Act 2003

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information, and provides protection for those making such disclosures and those who are the subject of disclosures.

During 2020/2021 the EMRC received no public interest disclosures.

The EMRC received no Freedom of Information applications during the 2020/2021 financial year and no applications relating to the amendment of personal information were received.

## State Records Act 2000

During 2020/2021, the EMRC carried out its recordkeeping in accordance with the provisions of the State Records Act 2000 and the EMRC's Recordkeeping Plan (RKP).

A total of 27,483 documents and 560 new files were created in Content Manager, the EMRC's records management system.

A review of the EMRC's Recordkeeping Plan was completed during the year and submitted to the State Records Commission. The Recordkeeping Plan was approved on 2 December 2020.

A review of records management procedures continues in an ongoing basis and is updated in the Records Procedure Manual.

An online Records Management course was implemented during the period. This introduces recordkeeping obligations under the State Records Act 2000 and was offered to all staff as a refresher and to new employees as part of their Records Induction.

Training on recordkeeping responsibilities and the use of the Electronic Document Management System was provided to staff by request. Training was also provided tailored to particular business units.

The EMRC's training program was assessed by the Records Officer via a staff survey. The survey results indicated the training program was working well, however some gaps were identified. Information addressing the gaps was made available on the EMRC's Intranet and will be incorporated in future training.

The EMRC's records induction program is provided to all new staff within one week of commencement. This focusses on recordkeeping responsibilities as outlined in the EMRC's Recordkeeping Plan and is followed up with training targeted to the organisations Records Management System.

## Freedom of Information Act 1992

The EMRC received one Freedom of Information application during the 2020/2021 financial year. This was a third-party consultation referral, referred by the Office of The Information Commissioner. Act 1992.

The application was processed in accordance with the EMRC's Management Guideline on Freedom of Information and the provisions of the Freedom of information Act 1992.

## Plan for the future

Section 5.53(2)(e) of the *Local Government Act 1995* requires local governments to provide an overview of the 'plan for the future', including the major initiatives that are proposed to commence, or to continue, in the next financial year. Full details are contained within the EMRC's Corporate Business Plan 2021/2022 to 2025/2026.

## Payments to Employees

8 EMRC employees were entitled to an annual salary of \$130,000 or more.

| EMPLOYEES' REMUNERATION |          |
|-------------------------|----------|
| SALARY RANGE \$         | No.      |
| 130,000 – 139,999       | 1        |
| 140,000 – 149,999       | 1        |
| 170,000 – 179,999       | 5        |
| 270,000 – 279,999       | 1        |
| <b>TOTAL:</b>           | <b>8</b> |

The CEO remuneration package is \$301,000.

# Annual Financial Report

For the year ended  
30 June 2021





**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 for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Eastern Metropolitan Regional Council at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 11<sup>th</sup> day of November 2021.



Marcus J. Geisler  
Chief Executive Officer



STATEMENT OF COMPREHENSIVE INCOME  
For the year ended 30 June 2021

| BY PROGRAM  | NOTE | ACTUAL<br>2020/2021<br>\$ | BUDGET<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|---|------|---------------------------|---------------------------|---------------------------|
| <b>REVENUE</b>  |      |                           |                           |                           |
| Governance  |      | 228                       | 122,650                   | 6,594                     |
| General Purpose Funding   |      | 831,457                   | 1,099,974                 | 2,166,724                 |
| Community Amenities   |      | 43,505,127                | 43,306,285                | 41,315,591                |
| Other Property and Services   |      | 753,904                   | 1,018,955                 | 881,261                   |
| <b>TOTAL REVENUE</b>  |      | <b>45,090,716</b>         | <b>45,547,864</b>         | <b>44,370,170</b>         |
| <b>EXPENSES</b>   |      |                           |                           |                           |
| Governance  |      | 1,350,757                 | 912,930                   | 589,641                   |
| Community Amenities   |      | 28,667,104                | 34,473,775                | 48,271,827                |
| Other Property and Services   |      | 4,315,909                 | 4,530,907                 | 2,831,991                 |
| <b>TOTAL EXPENSES</b>   |      | <b>34,333,770</b>         | <b>39,917,612</b>         | <b>51,693,459</b>         |
| <b>INCREASE / (DECREASE)</b>  |      | <b>10,756,946</b>         | <b>5,630,252</b>          | <b>(7,323,289)</b>        |
| <b>DISPOSAL OF ASSETS</b>   |      |                           |                           |                           |
| Profit on Sale  |      | 0                         | 22,262                    | 71,728                    |
| Loss on Sale  |      | (460,575)                 | 0                         | 0                         |
| <b>PROFIT / (LOSS) ON DISPOSALS</b>                                       | 22   | <b>(460,575)</b>          | <b>22,262</b>             | <b>71,728</b>             |
| <b>NET RESULT</b>   |      | <b>10,296,371</b>         | <b>5,652,514</b>          | <b>(7,251,561)</b>        |
| <b>OTHER COMPREHENSIVE INCOME</b>   |      |                           |                           |                           |
| <i>Items that will not be reclassified subsequently to profit or loss</i> |      |                           |                           |                           |
| Changes in Revaluation of Non-Current Assets                              | 14   | (4,009,286)               | 0                         | 1,189,840                 |
| <b>TOTAL OTHER COMPREHENSIVE INCOME</b>                                   |      | <b>(4,009,286)</b>        | <b>0</b>                  | <b>1,189,840</b>          |
| <b>TOTAL COMPREHENSIVE INCOME/(DEFICIT)</b>                               |      | <b>6,287,085</b>          | <b>5,652,514</b>          | <b>(6,061,721)</b>        |

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

| BY NATURE AND TYPE  | NOTE | ACTUAL<br>2020/2021<br>\$ | BUDGET<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|---|------|---------------------------|---------------------------|---------------------------|
| <b>REVENUE</b>  |      |                           |                           |                           |
| Fees and Charges  | 4    | 39,656,921                | 41,059,484                | 38,848,340                |
| Grants, Subsidies and Contributions                                       | 5    | 2,736,473                 | 1,899,345                 | 1,575,633                 |
| Interest Earnings   | 2    | 824,582                   | 1,099,975                 | 2,157,757                 |
| Other Revenue   | 2    | 1,872,740                 | 1,489,061                 | 1,788,440                 |
| <b>TOTAL REVENUE</b>  |      | <b>45,090,716</b>         | <b>45,547,865</b>         | <b>44,370,170</b>         |
| <b>EXPENSES</b>   |      |                           |                           |                           |
| Employee Costs  |      | 9,871,582                 | 10,801,281                | 9,221,519                 |
| Materials and Contracts   |      | 7,406,870                 | 7,183,205                 | 5,461,014                 |
| Utility Expenses  |      | 293,908                   | 356,911                   | 374,806                   |
| Interest Expenses   | 16   | 227,467                   | 0                         | 164,883                   |
| Insurance Expenses  |      | 345,508                   | 318,484                   | 315,363                   |
| Other Expenditure   | 2    | 9,736,261                 | 15,720,035                | 32,331,532                |
| Depreciation Expenses on Non-Current Assets                               | 2    | 6,452,174                 | 5,537,697                 | 3,824,342                 |
| <b>TOTAL EXPENSES</b>   |      | <b>34,333,770</b>         | <b>39,917,613</b>         | <b>51,693,459</b>         |
| <b>INCREASE / (DECREASE)</b>  |      | <b>10,756,946</b>         | <b>5,630,252</b>          | <b>(7,323,289)</b>        |
| <b>DISPOSAL OF ASSETS</b>   |      |                           |                           |                           |
| Profit on Sale  |      | 0                         | 22,262                    | 71,728                    |
| Loss on Sale  |      | (460,575)                 | 0                         | 0                         |
| <b>PROFIT / (LOSS) ON DISPOSALS</b>                                       | 22   | <b>(460,575)</b>          | <b>22,262</b>             | <b>71,728</b>             |
| <b>NET RESULT</b>   |      | <b>10,296,371</b>         | <b>5,652,514</b>          | <b>(7,251,561)</b>        |
| <b>OTHER COMPREHENSIVE INCOME</b>   |      |                           |                           |                           |
| <i>Items that will not be reclassified subsequently to profit or loss</i> |      |                           |                           |                           |
| Changes in Revaluation of Non-Current Assets                              | 14   | (4,009,286)               | 0                         | 1,189,840                 |
| <b>TOTAL OTHER COMPREHENSIVE INCOME</b>                                   |      | <b>(4,009,286)</b>        | <b>0</b>                  | <b>1,189,840</b>          |
| <b>TOTAL COMPREHENSIVE INCOME/(DEFICIT)</b>                               |      | <b>6,287,085</b>          | <b>5,652,514</b>          | <b>(6,061,721)</b>        |

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



STATEMENT OF FINANCIAL POSITION  
As at 30 June 2021

|                                      | NOTE | ACTUAL<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|--------------------------------------|------|---------------------------|---------------------------|
| <b>CURRENT ASSETS</b>                |      |                           |                           |
| Cash and Cash Equivalents            | 10   | 55,361,145                | 21,602,124                |
| Other Financial Assets               | 11   | 32,500,000                | 64,500,000                |
| Trade and Other Receivables          | 6    | 3,554,790                 | 3,342,523                 |
| Inventories                          | 7    | 36,424                    | 39,034                    |
| Other Assets                         | 8    | 32,382                    | 67,382                    |
| <b>TOTAL CURRENT ASSETS</b>          | 21   | <b>91,484,741</b>         | <b>89,551,063</b>         |
| <b>NON CURRENT ASSETS</b>            |      |                           |                           |
| Property, Plant and Equipment        | 12   | 79,733,589                | 80,201,964                |
| Infrastructure                       | 13   | 35,681,153                | 30,157,275                |
| <b>TOTAL NON CURRENT ASSETS</b>      | 21   | <b>115,414,742</b>        | <b>110,359,239</b>        |
| <b>TOTAL ASSETS</b>                  | 21   | <b>206,899,483</b>        | <b>199,910,302</b>        |
| <b>CURRENT LIABILITIES</b>           |      |                           |                           |
| Trade and Other Payables             | 15   | 12,624,600                | 6,191,155                 |
| Provisions                           | 16   | 1,814,744                 | 1,835,255                 |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>14,439,344</b>         | <b>8,026,410</b>          |
| <b>NON CURRENT LIABILITIES</b>       |      |                           |                           |
| Provisions                           | 16   | 6,707,161                 | 7,432,011                 |
| <b>TOTAL NON CURRENT LIABILITIES</b> |      | <b>6,707,161</b>          | <b>7,432,011</b>          |
| <b>TOTAL LIABILITIES</b>             |      | <b>21,146,505</b>         | <b>15,458,421</b>         |
| <b>NET ASSETS</b>                    |      | <b>185,752,978</b>        | <b>184,451,881</b>        |
| <b>EQUITY</b>                        |      |                           |                           |
| Retained Surplus                     |      | 82,641,476                | 66,352,626                |
| Reserves                             | 17   | 65,953,610                | 75,968,090                |
| Revaluation Surplus                  | 14   | 37,157,892                | 42,131,165                |
| <b>TOTAL EQUITY</b>                  |      | <b>185,752,978</b>        | <b>184,451,881</b>        |

STATEMENT OF CHANGES IN EQUITY  
For the year ended 30 June 2021

|  | NOTE | RETAINED<br>SURPLUS<br>\$ | RESERVES<br>\$    | REVALUATION<br>SURPLUS<br>\$ | TOTAL<br>EQUITY<br>\$ |
|--|------|---------------------------|-------------------|------------------------------|-----------------------|
| <b>Balance as at 30 June 2019</b>        |      | <b>62,308,230</b>         | <b>91,958,292</b> | <b>41,247,080</b>            | <b>195,513,602</b>    |
| Net Result                               |      | (7,251,561)               | 0                 | 0                            | (7,251,561)           |
| Total Other Comprehensive Income         |      | 0                         | 0                 | 1,189,840                    | 1,189,840             |
| Revaluation Surplus Reversal             | 14   | 305,755                   | 0                 | (305,755)                    | 0                     |
| Transfer (from) / to Reserves            |      | 15,990,202                | (15,990,202)      | 0                            | 0                     |
| Dividend Distribution to Member Councils |      | (5,000,000)               | 0                 | 0                            | (5,000,000)           |
| <b>Balance as at 30 June 2020</b>        |      | <b>66,352,626</b>         | <b>75,968,090</b> | <b>42,131,165</b>            | <b>184,451,881</b>    |
| Net Result                               |      | 10,296,371                | 0                 | 0                            | 10,296,371            |
| Total Other Comprehensive Income         |      | 0                         | 0                 | (4,009,286)                  | (4,009,286)           |
| Revaluation Surplus Reversal             | 14   | 963,987                   | 0                 | (963,987)                    | 0                     |
| Transfer (from) / to Reserves            |      | 10,014,480                | (10,014,480)      | 0                            | 0                     |
| Dividend Distribution to Member Councils |      | (4,985,988)               | 0                 | 0                            | (4,985,988)           |
| <b>Balance as at 30 June 2021</b>        |      | <b>82,641,476</b>         | <b>65,953,610</b> | <b>37,157,892</b>            | <b>185,752,978</b>    |

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

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

## STATEMENT OF CASH FLOWS For the year ended 30 June 2021

|   | NOTE   | ACTUAL<br>2020/2021<br>\$ | BUDGET<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|---|--------|---------------------------|---------------------------|---------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>             |        |                           |                           |                           |
| <b>Receipts</b>   |        |                           |                           |                           |
| Fees and Charges  |        | 43,631,279                | 41,059,485                | 42,808,221                |
| Grants, Subsidies and Contributions                     |        | 2,736,473                 | 1,899,345                 | 1,575,633                 |
| Interest Earnings                                       |        | 1,025,687                 | 1,099,974                 | 2,732,151                 |
| Other Revenue   |        | 1,872,741                 | 2,440,311                 | 1,788,439                 |
| <b>Total Receipts</b>                                   |        | <b>49,266,180</b>         | <b>46,499,115</b>         | <b>48,904,444</b>         |
| <b>Payments</b>   |        |                           |                           |                           |
| Employee Costs  |        | (9,879,220)               | (10,771,368)              | (8,949,596)               |
| Materials and Contracts                                 |        | (3,347,561)               | (8,010,388)               | (6,951,131)               |
| Utility Expenses  |        | (293,908)                 | (356,911)                 | (374,806)                 |
| Insurance Expenses                                      |        | (345,508)                 | (318,484)                 | (315,363)                 |
| Other Expenditure                                       |        | (14,947,026)              | (14,943,443)              | (29,549,428)              |
| Goods and Services Tax paid                             |        | (2,002,015)               | 0                         | (2,205,285)               |
| <b>Total Payments</b>                                   |        | <b>(30,815,238)</b>       | <b>(34,400,594)</b>       | <b>(48,345,609)</b>       |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>        | 18(ii) | <b>18,450,942</b>         | <b>12,098,521</b>         | <b>558,835</b>            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>             |        |                           |                           |                           |
| Proceeds from sale of property, plant and equipment     |        | 276,636                   | 275,000                   | 326,137                   |
| Payments for purchase of property, plant and equipment  |        | (11,982,569)              | (19,616,115)              | (13,781,612)              |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>            |        | <b>(11,705,933)</b>       | <b>(19,341,115)</b>       | <b>(13,455,475)</b>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>             |        |                           |                           |                           |
| Net Movement to Other Financial Assets                  |        | 32,000,000                | 0                         | 3,500,000                 |
| Dividend distribution to Member Councils                |        | (4,985,988)               | 0                         | (5,000,000)               |
| <b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>        |        | <b>27,014,012</b>         | <b>0</b>                  | <b>(1,500,000)</b>        |
| <b>SUMMARY OF CASH FLOWS</b>                            |        |                           |                           |                           |
| Cash and cash equivalents at the beginning of the year  |        | 21,602,124                | 14,935,085                | 35,998,764                |
| Net Increase/(Decrease) in Cash Held                    |        | 33,759,021                | (7,242,594)               | (14,396,640)              |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b> | 18(i)  | <b>55,361,145</b>         | <b>7,692,491</b>          | <b>21,602,124</b>         |

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

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT For the year ended 30 June 2021

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

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

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

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Prior to 1 July 2019, Regulation (Reg) 16 arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the Council. This was not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

From 1 July 2019, the Council has applied AASB 16 Leases which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to specify that vested land is a right of use asset to be measured at cost. All right of use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the Statement of Financial Position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Council to measure any vested improvements at zero cost.

As the Council does not currently hold any leases this has not had any impact on the Council's financial statements.

#### The Local Government Reporting Entity

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

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

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

#### (a) Trust Funds

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

The EMRC currently does not hold any trust fund monies for the year ended 30 June 2021.



**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(b) Cash and Cash Equivalents**

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

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

The EMRC does not have any bank overdrafts for the year ended 30 June 2021.

**(c) Fixed Assets**

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

**Mandatory Requirements to Revalue Non-Current Assets**

In accordance with the amended *Local Government (Financial Management) Regulations 1996*, the Council is required to revalue land, buildings, infrastructure and investment properties of the local government whenever the Council is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount and, in any event, within a period of no more than 5 years after the day on which the asset was last valued or revalued. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the EMRC. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with the amended *Local Government (Financial Management) Regulations 1996* which requires the land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

The EMRC has elected to undertake asset revaluations on its land, buildings and infrastructure assets on a 4 year rotational cycle, or in the year when the Council is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount.

The revaluation of the land, buildings and infrastructure classes of assets was undertaken during the 2020/2021 financial year. It is proposed to undertake the next revaluation in the 2024/2025 financial year.

**Initial Recognition and Measurement between Mandatory Revaluation Dates**

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Fixed Assets (continued)**

**Initial Recognition and Measurement between Mandatory Revaluation Dates (continued)**

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

**Revaluation**

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

**Depreciation**

The depreciable amount of all fixed assets including buildings but excluding freehold land, artworks and work in progress which are not depreciated, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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

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

|                              |                                     |
|------------------------------|-------------------------------------|
| • Buildings                  | 1.00 - 13.33% (based on components) |
| • Structures                 |                                     |
| General                      | 0.95 - 6.67%                        |
| Class III and IV Waste Cells | % of actual usage                   |
| • Plant                      | 4.17 - 33.33%                       |
| • Furniture and fittings     | 4.00 - 33.33%                       |
| • Equipment                  | 4.00 - 33.33%                       |

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

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

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## For the year ended 30 June 2021

### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Fixed Assets (continued)

##### Capitalisation Threshold

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

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

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

Fair value is the price that Council would receive to sell the asset or would have to pay to transfer the liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

Where possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after considering transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

##### Fair Value Hierarchy

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

##### Level 1

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

##### Level 2

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

### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### Fair Value Hierarchy (continued)

##### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

##### Valuation Techniques

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

##### Market Approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

##### Income Approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

##### Cost Approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs which reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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



**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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 9. 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 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, are recognised as a current liability 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 are made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. *AASB 116 Property, Plant and Equipment*) whereby an impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

**(h) 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.

**(i) Goods and Services Tax**

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Statement of Financial Position are stated inclusive of applicable GST. The net amount of GST recoverable from, or payable to the ATO is included with receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Provisions**

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

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

**(k) Provision for Site Rehabilitation**

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

Increments/decrements in the provision are calculated annually based on the change in the net present value of the future cash outflows of costs for site rehabilitation. The unwinding of the discount is expensed as incurred and recognised in the statement of comprehensive income as an interest expense.

As per the independent engineers report from June 2020, the current value for the rehabilitation of the site has been calculated to be \$7,089,399 and has been deemed sufficient for post closure management purposes. This value will be reviewed on a five yearly cycle.

The costs are measured using the best estimate of the amounts required and is reassessed internally on an annual basis with an independent review being undertaken on a five yearly cycle.

**(l) Provision for Environmental Monitoring**

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

Increments/decrements in the provision are calculated annually based on the change in the net present value of the future cash outflows of costs for environmental monitoring. The unwinding of the discount is expensed as incurred and recognised in the statement of comprehensive income as an interest expense.

As per the independent engineers report from June 2020, the current value for the environmental monitoring of the site has been calculated to be \$3,403,950 and has been deemed sufficient for post closure management purposes. This value will be reviewed on a five yearly cycle.

The costs are measured using the best estimate of the amounts required and is reassessed internally on an annual basis with an independent review being undertaken on a five yearly cycle.

**(m) 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## For the year ended 30 June 2021

### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (n) Trade and Other Receivables

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectable amounts (i.e. impairments).

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

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off when identified. Expected credit losses is an allowance of receivables, measured at the lifetime expected credit losses at each reporting date. The Council has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to Note 6 - Reconciliation of changes in the allowance for impairment of Receivables.

Impairment and risk exposure information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25.

#### (o) Employee Entitlements

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

##### (i) Short-term Employee Benefits

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

##### (ii) Other long-term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (o) Employee Entitlements (Continued)

##### (iii) Superannuation Fund

The Council contributes to the WA Local Government Superannuation Plan (LGSP) and other choice funds for qualifying employees as per statutory requirements (9.50% for 2020/2021). It also contributes an additional amount to the LGSP and other choice funds for full scheme members (5% for 2020/2021). Contributions to defined contribution plans are recognised as an expense as they become payable.

#### (p) Rounding Off Amounts

All amounts shown in this annual financial report 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.

#### (q) Comparative Figures

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

#### (r) 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.

#### (s) Leases

At inception of a contract, the Council assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right of use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Council uses its incremental borrowing rate.

Right of use assets are subsequently measured under the cost model.

Right of use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right of use asset reflects that the Council anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right of use assets are secured over the asset being leased.

The EMRC does not currently have any leases.



**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(t) Other Financial Assets**

**(i) Other Financial Assets at Amortised Cost**

The Council classifies financial assets at amortised cost if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cashflows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

**(ii) Financial Assets at Fair Value through Profit and Loss**

The Council classifies the following financial assets at fair value through profit and loss:

- Debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- Equity investments which the Council has not elected to recognise fair value gains and losses through other comprehensive income.

**(iii) Impairment and Risk**

Information regarding impairment and exposure to risk can be found at Note 25.

**(u) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months.

Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Council's intentions to release for sale.

**(v) Landfill Cells**

There are three general components of cell construction:

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

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

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

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## For the year ended 30 June 2021

### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (w) Revenue and Expenses

##### Revenue Recognition Policy

Recognition of revenue is in line with *AASB15 - Revenue from Contracts with Customers* and *AASB 1058 - Income of Not-for-Profit Entities* and is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

| Revenue Category                    | Nature of goods and services  | When obligations typically satisfied  | Payment terms   | Returns/Refunds/Warranties                   | Determination of transaction price   | Allocating transaction price  | Measuring obligations for returns | Timing of revenue recognition   |
|-------------------------------------|---|---|---|--|--|---|-----------------------------------|---|
| Fees and Charges                    | Waste treatment, recycling and disposal services at the waste disposal facilities and consulting services | At time of waste disposal or at time of consultancies                                       | Cash or 14 days from invoice date or as negotiated  | Not applicable                               | Fees and charges set by Council  | At time of disposal or at time of consultancy   | Not applicable                    | Recognised upon disposal of waste at the waste disposal facilities or when consultancy obligations have been met.   |
| Grants, Subsidies and Contributions | Grants  | Over time based on grant conditions   | Based on grant conditions set by funding body   | Unexpended grants based on grant conditions. | As allocated by grant provider   | Based on grant requirements   | Not applicable                    | Recognised upon fulfilment of grant conditions  |
|                                     | Contributions   | Completion of project or project milestone  | Set by mutual agreement with the funding body   | Not applicable                               | Set by mutual agreement with the funding body  | Set by mutual agreement with the funding body and budget requirements   | Not applicable                    | Recognised upon fulfilment of contribution conditions   |
| Interest Earnings                   | Interest Earnings   | Based on accruals over time up to and including maturity                                    | Upon maturity of investment   | Not applicable                               | Interest rates set by bank   | Accruals based on principal and interest rate up to and including maturity  | Not applicable                    | Recognised on the monthly balance date of the financial report  |
| Other Revenue                       | Reimbursements  | Based on reconciliation of monthly income and expenditure or submission of insurance claims | 14 days from invoice date or settlement of insurance claims                                     | Not applicable                               | Based on reconciliation of monthly income and expenditure or on insurance claim value        | Based on progress of income received and outlay of expenditure  | Not applicable                    | Recognised when the monthly income and expenditure at the Transfer Stations managed by the EMRC has been reconciled or upon settlement of insurance claims. |
|                                     | Sales of Products   | At time of product sales  | Cash or 14 days from invoice date or as negotiated  | Upon faulty product only                     | Fees and charges set by Council  | At time of purchase   | Not applicable                    | Recognised upon the sale of products from EMRC facilities   |
|                                     | Royalty Income  | At time of electricity generation by third party  | Quarterly for royalty payments and as and when Renewable Energy Certificates are sold           | Not applicable                               | Royalty payments as per contract and Renewable Energy Certificates as per market             | As per contract and as per market   | Not applicable                    | Recognised upon receipt of funds based on the electricity generation from landfill gas by third party   |
|                                     | Rebate Income   | Annually for Insurance rebates and monthly for diesel fuel rebates                          | Reduction on monthly Business Activity Statement return and as distributed by insurance company | Not applicable                               | As set by legislation for diesel fuel rebates and as per annual reviews by insurance company | As per monthly reconciliation for diesel fuel rebate and as determined by the insurance company for insurance rebates | Not applicable                    | Recognised when the monthly diesel fuel rebate is calculated based on diesel usage during the month and upon receipt of funds for insurance rebates         |



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
For the year ended 30 June 2021

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The following new accounting standards will have application to local government in future years:

- *AASB 2020-1 Amendments to Australian Accounting Standards* - Classification of Liabilities as Current or Non-current
- *AASB 2020-3 Amendments to Australian Accounting Standards* - Annual Improvements 2018-2020 and Other Amendments
- *AASB 2021-2 Amendments to Australian Accounting Standards* - Disclosure of Accounting Policies or Definition of Accounting Estimates

It is not expected that these standards will have an impact on the financial report.

**(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 were compiled, became mandatory and which were applicable to its operations.

- *AASB 2018-7 Amendments to Australian Accounting Standards - Materiality*

Council adopted *AASB 2018-7 Amendments to Australian Accounting Standards - Materiality* for the year ended 30 June 2021 resulting in changes in accounting policies.

These amendments are largely a change to include additional explanations to expand the definition of what information may be considered material in nature and how presentation may also be an influence.

The adoption of AASB 2018-7 had no material impact on the financial statements of the Council.

- *AASB 1059 Service Concession Arrangements: Grantors*

Council adopted *AASB 1059 Service Concession Arrangements: Grantors* for the year ended 30 June 2021 resulting in changes in accounting policies.

This standard addresses the accounting for a service concession arrangement by a grantor that is a public sector entity.

It applies to arrangements that involve a third-party operator providing public services related to a service concession asset on behalf of a public grantor (in this case, local government) for the specific period of time and managing at least some of those services.

The adoption of AASB 1059 had no impact on the financial statements of the Council.

**2. REVENUE AND EXPENSES**

| Note   | ACTUAL<br>2020/2021<br>\$ | BUDGET<br>2020/2021 | ACTUAL<br>2019/2020<br>\$ |
|--|---------------------------|---------------------|---------------------------|
| <b>Net Result</b>  |                           |                     |                           |
| The Net Result includes:                                   |                           |                     |                           |
| (i) Crediting as Revenue:                                  |                           |                     |                           |
| <b>Interest Earnings</b>                                   |                           |                     |                           |
| Interest on funds held in Reserves                         | 686,498                   | 929,975             | 1,882,908                 |
| Interest on Municipal Cash and Investments                 | 47,345                    | 80,000              | 190,865                   |
| Interest from Other Sources                                | 90,739                    | 90,000              | 83,984                    |
|  | <b>824,582</b>            | <b>1,099,975</b>    | <b>2,157,757</b>          |
| <b>Other Revenue</b>                                       |                           |                     |                           |
| Sale of Products   | 1,482,180                 | 872,061             | 1,159,634                 |
| Gas Royalty Income   | 143,587                   | 400,000             | 385,626                   |
| Miscellaneous Income                                       | 246,973                   | 217,000             | 243,180                   |
|  | <b>1,872,740</b>          | <b>1,489,061</b>    | <b>1,788,440</b>          |
| (ii) Charging as an Expense:                               |                           |                     |                           |
| <b>Auditors Remuneration</b>                               |                           |                     |                           |
| Audit of the Financial Report                              | 31,000                    | 33,000              | 31,000                    |
| Audit and assurance of grant acquittals                    | 1,200                     | 1,000               | 1,400                     |
|  | <b>32,200</b>             | <b>34,000</b>       | <b>32,400</b>             |
| <b>Depreciation and Amortisation Expense</b>               |                           |                     |                           |
| Buildings  | 113,559                   | 165,949             | 112,736                   |
| Plant  | 1,778,294                 | 2,561,713           | 2,026,344                 |
| Equipment  | 149,720                   | 234,622             | 110,646                   |
| Furniture and Fittings                                     | 8,630                     | 4,575               | 8,950                     |
| Structures - Landfill Cells                                | 3,832,264                 | 1,665,305           | 1,002,617                 |
| - Other  | 569,707                   | 905,533             | 563,049                   |
|  | <b>6,452,174</b>          | <b>5,537,697</b>    | <b>3,824,342</b>          |
| <b>Interest Expenses</b>                                   |                           |                     |                           |
| Provisions - Unwinding of discount                         | 227,467                   | 0                   | 164,883                   |
|  | <b>227,467</b>            | <b>0</b>            | <b>164,883</b>            |
| <b>Other Expenditure</b>                                   |                           |                     |                           |
| State Landfill levy  | 13,749,750                | 14,504,393          | 14,326,231                |
| Other Expenses   | 1,197,273                 | 268,834             | 1,433,997                 |
| Increment/(decrement) - Site Rehabilitation Provision      | 16 (629,955)              | 613,227             | 2,019,337                 |
| Increment/(decrement) - Environmental Monitoring Provision | 16 (309,203)              | 333,581             | 762,767                   |
| FOGO Contribution to member Councils *                     | 0                         | 0                   | 13,789,200                |
| (Increment)/decrement on Revaluation of Infrastructure     |                           |                     |                           |
| - Landfill Cells and Post Closure Assets                   | 13,14 (4,271,604)         | 0                   | 0                         |
|  | <b>9,736,261</b>          | <b>15,720,035</b>   | <b>32,331,532</b>         |

\* A conditional contribution of \$13,789,200 was made to the EMRC's member Councils in 2019/2020 for the implementation of the FOGO (food organics and garden organics) collection process. In the event that a member Council does not implement a FOGO collection process the contribution paid to the member Council is to be refunded to the EMRC.

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### For the year ended 30 June 2021

#### 3. COMPONENT FUNCTIONS/ACTIVITIES

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

##### EASTERN METROPOLITAN REGIONAL COUNCIL (EMRC) MISSION STATEMENT

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

##### Governance

###### Objective:

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

###### Activities:

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

##### General Purpose Funding

###### Objective:

To provide responsible and accountable financial management practices.

###### Activities:

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

##### Community Amenities

###### Objective:

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

###### Activities:

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

##### Other Property and Services

###### Objective:

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

###### Activities:

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

#### 4. FEES AND CHARGES SUMMARY BY PROGRAM

|   | ACTUAL<br>2020/2021<br>\$ | BUDGET<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|---|---------------------------|---------------------------|---------------------------|
| Community Amenities                     | 39,656,921                | 41,059,484                | 38,848,040                |
| Other Property and Services             | 0                         | 0                         | 300                       |
| <b>Total Statutory Fees and Charges</b> | <b>39,656,921</b>         | <b>41,059,484</b>         | <b>38,848,340</b>         |

#### 5. GRANT, SUBSIDY AND CONTRIBUTION REVENUE BY PROGRAM

|  | ACTUAL<br>2020/2021<br>\$ | BUDGET<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|--|---------------------------|---------------------------|---------------------------|
| Governance   | 273                       | 150                       | 6,402                     |
| Community Amenities                                  | 1,557,712                 | 1,060,240                 | 889,597                   |
| Other Property and Services                          | 1,178,488                 | 838,955                   | 679,634                   |
| <b>Total Grant, Subsidy and Contribution Revenue</b> | <b>2,736,473</b>          | <b>1,899,345</b>          | <b>1,575,633</b>          |

#### 6. TRADE AND OTHER RECEIVABLES

|  | ACTUAL<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|--|---------------------------|---------------------------|
| <b>Current</b>                                       | <b>\$</b>                 | <b>\$</b>                 |
| Sundry Debtors                                       | 3,426,770                 | 2,995,046                 |
| Loan Receivable <sup>1</sup>                         | 1,180,687                 | 1,089,949                 |
| Other Debtors  | 19,850                    | 18,018                    |
| GST Receivable                                       | 0                         | 30,857                    |
| Accrued Interest Earnings                            | 123,503                   | 324,608                   |
| Allowance for Impairment of Receivables <sup>2</sup> | (1,196,020)               | (1,115,955)               |
|  | <b>3,554,790</b>          | <b>3,342,523</b>          |

<sup>1</sup> Loan Receivable is covered under a loan agreement on commercial terms with Anergy Australia Pty Ltd. The balance of this loan as at 30 June 2021 of \$1,180,687 (\$1,089,949 as at 30 June 2020) has been treated as a doubtful debt.

<sup>2</sup> Reconciliation of changes in the Allowance for Impairment of Receivables:

|   | ACTUAL<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|---|---------------------------|---------------------------|
| Balance at start of period                        | 1,115,955                 | 1,038,356                 |
| Expected credit losses expense                    | 90,739                    | 84,151                    |
| Amounts written off during the period             | 0                         | (78)                      |
| Expected credit losses reversed during the period | (10,674)                  | (6,474)                   |
| <b>Balance at end of period</b>                   | <b>1,196,020</b>          | <b>1,115,955</b>          |



| 7. INVENTORIES             | ACTUAL<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|----------------------------|---------------------------|---------------------------|
| <b>Current</b>             |                           |                           |
| <b><u>Distillate</u></b>   |                           |                           |
| Opening Balance            | 33,663                    | 48,691                    |
| Purchases                  | 557,850.51                | 643,677                   |
| Allocations                | <u>(562,060)</u>          | <u>(658,705)</u>          |
| <b>Closing Balance</b>     | <b>29,454</b>             | <b>33,663</b>             |
| <b><u>Oils</u></b>         |                           |                           |
| Opening Balance            | 5,371                     | 6,048                     |
| Purchases                  | 5,418                     | 4,582                     |
| Allocations                | <u>(3,819)</u>            | <u>(5,259)</u>            |
| <b>Closing Balance</b>     | <b>6,970</b>              | <b>5,371</b>              |
| <b>Total Inventories</b>   | <b><u>36,424</u></b>      | <b><u>39,034</u></b>      |
| <br>                       |                           |                           |
| <b>8. OTHER ASSETS</b>     | <b>ACTUAL</b>             | <b>ACTUAL</b>             |
|                            | <b>2019/2020</b>          | <b>2019/2020</b>          |
| <b>Current</b>             | <b>\$</b>                 | <b>\$</b>                 |
| Prepayment - General       | 18,951                    | 55,165                    |
| Prepayment - Miscellaneous | <u>13,431</u>             | <u>12,217</u>             |
|                            | <b><u>32,382</u></b>      | <b><u>67,382</u></b>      |

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## For the year ended 30 June 2021

### 9. CONTROL OVER GRANTS/CONTRIBUTIONS

| Conditions Over Grants/Contributions                           |                             | Opening<br>Balance <sup>(1)</sup><br>1 July 2019 | Received <sup>(2)</sup><br>2019/20 | Expended <sup>(3)</sup><br>2019/20 | Closing <sup>(4)</sup><br>Balance<br>30 June 2020 |
|--|-----------------------------|--|------------------------------------|------------------------------------|---|
| Grants   | Function/Activity           | \$   | \$                                 | \$                                 | \$  |
| Avon Descent   | Other Property and Services | 0  | 174,538                            | (174,538)                          | 0   |
| Keep Australia Beautiful Community Litter Program              | Other Property and Services | 1,740  | 0                                  | (1,740)                            | 0   |
| Coordination of Community Led Projects                         | Other Property and Services | 52,500   | 105,000                            | (105,000)                          | 52,500  |
| Community Capability Project                                   | Other Property and Services | 42,671   | 0                                  | (42,671)                           | 0   |
| Farm Dams Project  | Other Property and Services | 864  | 0                                  | (864)                              | 0   |
| Income Communities Environment Programme (CEO)                 | Other Property and Services | 0  | 12,116                             | (3,210)                            | 8,906   |
| Income Regional Integrated Transport Strategy                  | Other Property and Services | 0  | 20,000                             | 0                                  | 20,000  |
| <b>Contributions</b>   |                             |  |                                    |                                    |   |
| Avon Descent   | Other Property and Services | 0  | 27,882                             | (27,882)                           | 0   |
| Income Regional Integrated Transport Strategy                  | Other Property and Services | 0  | 73,156                             | (73,156)                           | 0   |
| Income Environmental Building Benchmarking Project             | Other Property and Services | 0  | 90,460                             | (18,722)                           | 71,738  |
| Income Flood Risk Project                                      | Other Property and Services | 0  | 14,545                             | 0                                  | 14,545  |
| Income Achieving Carbon Emissions Reduction (ACER)             | Other Property and Services | 0  | 12,430                             | (12,430)                           | 0   |
| Income Eastern Region Catchment Management Program (ERCMP)     | Other Property and Services | 0  | 132,260                            | (132,260)                          | 0   |
| Income Environmental Sustainability Programs                   | Other Property and Services | 0  | 112,898                            | (112,898)                          | 0   |
| Income Regional Development Business Unit                      | Other Property and Services | 0  | 65,595                             | (65,595)                           | 0   |
| Income Regional Spatial Mapping                                | Other Property and Services | 0  | 6,000                              | (6,000)                            | 0   |
| Income FOGO - Waste Education                                  | Other Property and Services | 0  | 525                                | (525)                              | 0   |
|  |                             | <b>97,775</b>                                    | <b>847,405</b>                     | <b>(777,491)</b>                   | <b>167,689</b>                                    |
| Conditions Over Grants/Contributions                           |                             | Opening<br>Balance <sup>(1)</sup><br>1 July 2020 | Received <sup>(2)</sup><br>2020/21 | Expended <sup>(3)</sup><br>2020/21 | Closing<br>Balance<br>30 June 2021                |
| Grants   | Function/Activity           | \$   | \$                                 | \$                                 | \$  |
| Income Eastern Region Catchment Management Program (ERCMP)     | Other Property and Services | 0  | 1,000                              | (1,000)                            | 0   |
| Coordination of Community Led Projects                         | Other Property and Services | 52,500   | 52,500                             | (105,000)                          | 0   |
| Income Restoring Wangalla Brook - Stage 1                      | Other Property and Services | 0  | 15,756                             | (15,756)                           | 0   |
| Income Tackling the Troublesome Two Project                    | Other Property and Services | 0  | 65,775                             | (65,775)                           | 0   |
| Income Communities Environment Programme (CEO)                 | Other Property and Services | 8,906  | 0                                  | (8,906)                            | 0   |
| Income Regional Integrated Transport Strategy                  | Other Property and Services | 20,000   | 0                                  | (20,000)                           | 0   |
| Income Circular Economy Training and Capacity Building Project | Other Property and Services | 0  | 50,000                             | (50,000)                           | 0   |
| <b>Contributions</b>   |                             |  |                                    |                                    |   |
| Income Regional Integrated Transport Strategy                  | Other Property and Services | 0  | 41,235                             | (41,235)                           | 0   |
| Income Environmental Building Benchmarking Project             | Other Property and Services | 71,738   | 35,476                             | (107,214)                          | 0   |
| Income Flood Risk Project                                      | Other Property and Services | 14,545   | 2,000                              | (16,545)                           | 0   |
| Income Eastern Region Catchment Management Program (ERCMP)     | Other Property and Services | 0  | 105,101                            | (105,101)                          | 0   |
| Income Environmental Sustainability Programs                   | Other Property and Services | 0  | 115,416                            | (115,416)                          | 0   |
| Income Regional Development Business Unit                      | Other Property and Services | 0  | 36,363                             | (36,363)                           | 0   |
| Income FOGO - Waste Education                                  | Other Property and Services | 0  | 31,848                             | (31,848)                           | 0   |
|  |                             | <b>167,689</b>                                   | <b>552,470</b>                     | <b>(720,159)</b>                   | <b>0</b>  |

#### Notes:

(1) Grants/contributions which were not expended at the close of the previous reporting period.

(2) New grants/contributions which were received during the reporting period.

(3) Grants/contributions which had expended in the current reporting period in the manner specified by the contributor.

(4) The closing balance has been disclosed as Contract Liabilities in Note 15 - Trade and Other Payables. Balance as at 30 June 2019 has not been adjusted against opening retained surplus due to immateriality.



**10. CASH AND CASH EQUIVALENTS**

|  | Note | ACTUAL<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|--|------|---------------------------|---------------------------|
| Cash and Cash Equivalents - Unrestricted           |      | 15,473,132                | 3,034,431                 |
| Cash and Cash Equivalents - Restricted             |      | 39,888,013                | 18,567,693                |
| Total Cash and Cash Equivalents                    | 25   | 55,361,145                | 21,602,124                |
| Financial assets at amortised cost - term deposits | 11   | 32,500,000                | 64,500,000                |
|  |      | <b>87,861,145</b>         | <b>86,102,124</b>         |

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

|   |    |                   |                   |
|---|----|-------------------|-------------------|
| Plant and Equipment                         |    | 749,821           | 141,856           |
| Site Rehabilitation Red Hill - Post Closure |    | 2,943,263         | 4,986,647         |
| Future Development                          |    | 11,460,995        | 18,263,389        |
| Environmental Monitoring Red Hill           |    | 1,349,161         | 2,350,987         |
| Environmental Insurance Red Hill            |    | 59,639            | 46,892            |
| Risk Management                             |    | 15,813            | 15,631            |
| Class IV Cells Red Hill                     |    | 600,945           | 649,866           |
| Regional Development                        |    | 0                 | 321,608           |
| Secondary Waste Processing                  |    | 41,177,833        | 45,240,494        |
| Class III Cells                             |    | 1,158,161         | 2,873,244         |
| Building Refurbishment (Ascot Place)        |    | 79,842            | 78,920            |
| EastLink Relocation - Red Hill              |    | 5,325,000         | 0                 |
| Long Service Leave                          |    | 1,033,136         | 998,556           |
|   | 17 | 65,953,610        | 75,968,090        |
| Add movement in accrued interest            |    | 123,503           | 324,607           |
| Add unspent grants                          | 9  | 0                 | 167,689           |
|   |    | <b>66,077,112</b> | <b>76,460,386</b> |

**11. OTHER FINANCIAL ASSETS**

**Current Assets**

|  |    |                   |                   |
|--|----|-------------------|-------------------|
| Financial assets at amortised cost - term deposits |    |                   |                   |
| - Unrestricted                                     |    | 6,310,901         | 6,607,306         |
| - Restricted                                       |    | 26,189,099        | 57,892,694        |
| Total Financial assets at amortised cost           | 25 | <b>32,500,000</b> | <b>64,500,000</b> |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
For the year ended 30 June 2021

12. PROPERTY, PLANT AND EQUIPMENT

Movements in Carrying Amounts

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

|  | Land              | Buildings        | Total<br>Land &<br>Buildings | Plant             | Equipment      | Furniture &<br>Fittings | Artworks      | Work<br>in Progress | Total              |
|--|-------------------|------------------|------------------------------|-------------------|----------------|-------------------------|---------------|---------------------|--------------------|
|  | \$                | \$               | \$                           | \$                | \$             | \$                      | \$            | \$                  | \$                 |
| <b>Balance at 1 July 2019</b>            | <b>50,570,000</b> | <b>7,282,047</b> | <b>57,852,047</b>            | <b>10,479,108</b> | <b>310,204</b> | <b>59,402</b>           | <b>83,800</b> | <b>5,947,195</b>    | <b>74,731,756</b>  |
| Additions                                | 0                 | 76,023           | <b>76,023</b>                | 3,591,962         | 224,265        | 25,037                  | 0             | 2,876,166           | <b>6,793,453</b>   |
| WIP - Transfers in/(out)                 | 0                 | 47,344           | <b>47,344</b>                |                   | 73,508         | 0                       | 0             | (120,852)           | <b>0</b>           |
| (Disposals)                              | 0                 | 0                | 0                            | (173,601)         | (1,406)        | 0                       | 0             | 0                   | <b>(175,007)</b>   |
| Revaluation                              | 0                 | 0                | 0                            | 1,103,826         | 110,224        | (24,210)                | 0             | 0                   | <b>1,189,840</b>   |
| Impairment                               | 0                 | 0                | 0                            | (79,402)          | 0              | 0                       | 0             | 0                   | <b>(79,402)</b>    |
| Depreciation expense                     | 0                 | (112,736)        | <b>(112,736)</b>             | (2,026,344)       | (110,646)      | (8,950)                 | 0             | 0                   | <b>(2,258,676)</b> |
| <b>Balance at 30 June 2020</b>           | <b>50,570,000</b> | <b>7,292,678</b> | <b>57,862,678</b>            | <b>12,895,549</b> | <b>606,149</b> | <b>51,279</b>           | <b>83,800</b> | <b>8,702,509</b>    | <b>80,201,964</b>  |
| <b>Comprises:</b>                        |                   |                  |                              |                   |                |                         |               |                     |                    |
| Gross Carrying Amount at 30 June 2020    | 50,570,000        | 7,624,820        | <b>58,194,820</b>            | 12,895,549        | 606,149        | 51,279                  | 83,800        | 8,702,509           | <b>80,534,106</b>  |
| Accumulated depreciation at 30 June 2020 | 0                 | (332,142)        | <b>(332,142)</b>             | 0                 | 0              | 0                       | 0             | 0                   | <b>(332,142)</b>   |
| <b>Carrying amount at 30 June 2020</b>   | <b>50,570,000</b> | <b>7,292,678</b> | <b>57,862,678</b>            | <b>12,895,549</b> | <b>606,149</b> | <b>51,279</b>           | <b>83,800</b> | <b>8,702,509</b>    | <b>80,201,964</b>  |
| Additions                                | 2,015,907         | 369              | <b>2,016,276</b>             | 2,083,357         | 181,718        | 0                       | 0             | 2,933,922           | <b>7,215,273</b>   |
| WIP - Transfers in/(out)                 | 0                 | 0                | <b>0</b>                     | 160,774           | 0              | 0                       | 0             | (160,774)           | <b>0</b>           |
| (Disposals)                              | 0                 | 0                | <b>0</b>                     | (224,924)         | 0              | 0                       | 0             | 0                   | <b>(224,924)</b>   |
| Reclassification                         | 0                 | (262,982)        | <b>(262,982)</b>             | 0                 | 0              | 0                       | 0             | 0                   | <b>(262,982)</b>   |
| Revaluation                              | (4,735,907)       | (409,632)        | <b>(5,145,539)</b>           | 0                 | 0              | 0                       | 0             | 0                   | <b>(5,145,539)</b> |
| Depreciation expense                     | 0                 | (113,559)        | <b>(113,559)</b>             | (1,778,294)       | (149,720)      | (8,630)                 | 0             | 0                   | <b>(2,050,203)</b> |
| <b>Carrying amount at 30 June 2021</b>   | <b>47,850,000</b> | <b>6,506,874</b> | <b>54,356,874</b>            | <b>13,136,462</b> | <b>638,147</b> | <b>42,649</b>           | <b>83,800</b> | <b>11,475,657</b>   | <b>79,733,589</b>  |
| <b>Comprises:</b>                        |                   |                  |                              |                   |                |                         |               |                     |                    |
| Gross Carrying Amount at 30 June 2021    | 47,850,000        | 6,506,874        | <b>54,356,874</b>            | 14,899,299        | 787,867        | 51,279                  | 83,800        | 11,475,657          | <b>81,654,776</b>  |
| Accumulated depreciation at 30 June 2021 | 0                 | 0                | <b>0</b>                     | (1,762,837)       | (149,720)      | (8,630)                 | 0             | 0                   | <b>(1,921,187)</b> |
| <b>Carrying amount at 30 June 2021</b>   | <b>47,850,000</b> | <b>6,506,874</b> | <b>54,356,874</b>            | <b>13,136,462</b> | <b>638,147</b> | <b>42,649</b>           | <b>83,800</b> | <b>11,475,657</b>   | <b>79,733,589</b>  |



**12. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Land and Buildings:**

Both land and buildings were revalued at 30 June 2021 by independent valuers as part of the mandatory requirements embodied in *Local Government (Financial Management) Regulations 1996, Reg.17A*.

The revaluation resulted in an overall decrease of \$5,145,539 in the net value of the EMRC's land and buildings. All of the decrease was debited to the revaluation surplus in the Council's equity and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

They will next be revalued during the year ended 30 June 2025 in accordance with the mandatory asset measurement framework detailed in Note 1(c).

**Furniture and Fittings, Plant and Equipment:**

Furniture and fittings and plant and equipment assets were revalued during the 2019/2020 financial year as part of the mandatory requirements embodied in the previous *Local Government (Financial Management) Regulations 1996, Reg.17A*.

In accordance with the *Local Government (Financial Management) Regulations 1996, Reg.17A* the Council has adopted and applied the cost model effective from 30 June 2020.

The latest fair value has been used as the deemed cost of the assets effective from 30 June 2020.

**Artworks:**

The EMRC's artworks were revalued at 30 June 2018 as part of the mandatory requirements embodied in the previous *Local Government (Financial Management) Regulations 1996, Reg.17A*.

In accordance with the current *Local Government (Financial Management) Regulations 1996, Reg.17A* the Council has adopted and applied the cost model effective from 30 June 2020.

The latest fair value has been used as the deemed cost of the assets effective from 30 June 2020.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
For the year ended 30 June 2021

13. INFRASTRUCTURE

Movements in Carrying Amounts

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

|  | Landfill Cells   | Other Structures  | Post Closure<br>Asset | Work<br>in Progress | Total              |
|--|------------------|-------------------|-----------------------|---------------------|--------------------|
|  | \$               | \$                |                       | \$                  | \$                 |
| <b>Balance at 1 July 2019</b>            | <b>5,080,391</b> | <b>10,416,997</b> | <b>1,773,260</b>      | <b>7,464,135</b>    | <b>24,734,783</b>  |
| Additions                                | 4,081,160        | 70,939            | 0                     | 2,836,059           | <b>6,988,158</b>   |
| WIP - Transfers in/(out)                 | 916,694          | 349,245           | 0                     | (1,265,939)         | <b>0</b>           |
| Depreciation expense                     | (1,002,617)      | (507,948)         | (55,101)              | 0                   | <b>(1,565,666)</b> |
| <b>Balance at 30 June 2020</b>           | <b>9,075,628</b> | <b>10,329,233</b> | <b>1,718,159</b>      | <b>9,034,255</b>    | <b>30,157,275</b>  |
| <b>Comprises:</b>                        |                  |                   |                       |                     |                    |
| Gross Carrying Amount at 30 June 2020    | 12,331,712       | 11,155,710        | 1,865,431             | 9,034,255           | 34,387,108         |
| Accumulated depreciation at 30 June 2020 | (3,256,084)      | (826,477)         | (147,272)             | 0                   | <b>(4,229,833)</b> |
| <b>Carrying amount at 30 June 2020</b>   | <b>9,075,628</b> | <b>10,329,233</b> | <b>1,718,159</b>      | <b>9,034,255</b>    | <b>30,157,275</b>  |
| Additions                                | 3,240            | 94,300            | 0                     | 4,669,756           | <b>4,767,296</b>   |
| (Disposals)                              | 0                | (512,287)         | 0                     | 0                   | <b>(512,287)</b>   |
| Reclassification                         | 0                | 262,982           | 0                     | 0                   | <b>262,982</b>     |
| Revaluation - increments/(decrements)    | 1,987,197        | (533,043)         | 3,953,704             | 0                   | <b>5,407,858</b>   |
| Depreciation expense                     | (3,832,264)      | (514,754)         | (54,953)              | 0                   | <b>(4,401,971)</b> |
| <b>Carrying amount at 30 June 2021</b>   | <b>7,233,801</b> | <b>9,126,431</b>  | <b>5,616,910</b>      | <b>13,704,011</b>   | <b>35,681,153</b>  |
| <b>Comprises:</b>                        |                  |                   |                       |                     |                    |
| Gross Carrying Amount at 30 June 2021    | 7,233,801        | 9,126,431         | 5,616,910             | 13,704,011          | 35,681,153         |
| Accumulated depreciation at 30 June 2021 | 0                | 0                 | 0                     | 0                   | <b>0</b>           |
| <b>Carrying amount at 30 June 2021</b>   | <b>7,233,801</b> | <b>9,126,431</b>  | <b>5,616,910</b>      | <b>13,704,011</b>   | <b>35,681,153</b>  |



**13. INFRASTRUCTURE (Continued)**

**Infrastructure:**

The EMRC's infrastructure assets were revalued during the 2020/2021 financial year as part of the mandatory requirements embodied in *Local Government (Financial Management) Regulations 1996, Reg.17A*.

The other structures were valued by an independent valuer whilst a Management valuation was undertaken for the EMRC's landfill cells and post closure asset.

The revaluation resulted in an overall increase of \$5,407,858 in the net value of the EMRC's infrastructure assets. The decrease of \$533,043 for other structures was debited to the revaluation surplus in the Council's equity and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income. The increase in the value of landfill cells of \$1,987,197 and post closure asset of \$3,953,704 was recognised in profit and loss to the extent of \$4,271,604 that it reverses fair value adjustments of the provision for site rehabilitation and environmental monitoring previously recognised in profit and loss. The balance of \$1,669,297 was credited to the revaluation surplus in the Council's equity and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

They will next be revalued during the year ended 30 June 2025 in accordance with the mandatory asset measurement framework detailed in Note 1(c).

**14. REVALUATION SURPLUS**

|  | ACTUAL<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|--|---------------------------|---------------------------|
| Revaluation surpluses have arisen as a result of the revaluation of the following classes of non-current assets: |                           |                           |
| <b>Plant and Equipment and Furniture and Fittings</b>  |                           |                           |
| Opening balance  | 5,123,295                 | 4,239,210                 |
| Revaluation Increment/(decrement)  | 0                         | 1,189,840                 |
| Revaluation writeback on disposals   | (137,553)                 | (305,755)                 |
| <b>Closing Balance</b>   | <b>4,985,742</b>          | <b>5,123,295</b>          |
| <b>Land</b>  |                           |                           |
| Opening balance  | 31,540,696                | 31,540,696                |
| Revaluation Increment/(decrement)  | (4,735,907)               | 0                         |
| Revaluation writeback on disposals   | 0                         | 0                         |
| <b>Closing Balance</b>   | <b>26,804,789</b>         | <b>31,540,696</b>         |
| <b>Buildings</b>   |                           |                           |
| Opening balance  | 1,699,769                 | 1,699,769                 |
| Revaluation Increment/(decrement)  | (409,632)                 | 0                         |
| Revaluation writeback on disposals   | 0                         | 0                         |
| <b>Closing Balance</b>   | <b>1,290,137</b>          | <b>1,699,769</b>          |
| <b>Artworks</b>  |                           |                           |
| Opening balance  | 14,164                    | 14,164                    |
| Revaluation Increment/(decrement)  | 0                         | 0                         |
| Revaluation writeback on disposals   | 0                         | 0                         |
| <b>Closing Balance</b>   | <b>14,164</b>             | <b>14,164</b>             |
| <b>Infrastructure - Other Structures</b>   |                           |                           |
| Opening balance  | 3,753,241                 | 3,753,241                 |
| Revaluation Increment/(decrement)  | (533,043)                 | 0                         |
| Revaluation writeback on disposals   | (826,434)                 | 0                         |
| <b>Closing Balance</b>   | <b>2,393,763</b>          | <b>3,753,241</b>          |
| <b>Infrastructure - Landfill Cells and Post Closure Asset</b>  |                           |                           |
| Opening balance  | 0                         | 0                         |
| Revaluation Increment/(decrement)  | 1,669,297                 | 0                         |
| <b>Closing Balance</b>   | <b>1,669,297</b>          | <b>0</b>                  |
| <b>Total Revaluation Surplus</b>   | <b>37,157,892</b>         | <b>42,131,165</b>         |
| <b>Revaluation Surplus Summary</b>   |                           |                           |
| Opening balance  | 42,131,165                | 41,247,080                |
| Revaluation Increment/(decrement)  | (4,009,286)               | 1,189,840                 |
| Revaluation writeback on disposals   | (963,987)                 | (305,755)                 |
| <b>Total Revaluation Surplus</b>   | <b>37,157,892</b>         | <b>42,131,165</b>         |

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## For the year ended 30 June 2021

| 15. TRADE AND OTHER PAYABLES                            | ACTUAL<br>2020/2021<br>\$          | ACTUAL<br>2019/2020<br>\$          |
|---|------------------------------------|------------------------------------|
| <b>Current</b>  |                                    |                                    |
| Payroll Accruals  | 184,265                            | 158,234                            |
| GST Liability   | 264,894                            | 0                                  |
| Sundry Creditors  | 12,175,441                         | 5,865,232                          |
| Contract Liabilities                                    | 0                                  | 167,689                            |
|   | <u>12,624,600</u>                  | <u>6,191,155</u>                   |
| <b>16. PROVISIONS</b>                                   | <b>ACTUAL<br/>2020/2021<br/>\$</b> | <b>ACTUAL<br/>2019/2020<br/>\$</b> |
| <b>Current Employee Benefits Related Provisions</b>     |                                    |                                    |
| Employees Annual Leave                                  | 838,772                            | 877,541                            |
| Employees Long Service Leave                            | 734,627                            | 730,965                            |
| Employment On-Costs                                     | 241,345                            | 226,749                            |
|   | <u>1,814,744</u>                   | <u>1,835,255</u>                   |
| <b>Non-current Employee Benefits Related Provisions</b> |                                    |                                    |
| Employees Long Service Leave                            | 70,279                             | 82,249                             |
| Employment On-Costs                                     | 10,940                             | 12,128                             |
|   | <u>81,219</u>                      | <u>94,377</u>                      |
| <b>Total Employee Benefits Provisions</b>               | <u>1,895,963</u>                   | <u>1,929,632</u>                   |
| <b>Non-current Other Provisions</b>                     |                                    |                                    |
| Red Hill Landfill Site Post Closure Rehabilitation      | 4,511,277                          | 4,986,647                          |
| Red Hill Landfill Environmental Monitoring              | 2,114,665                          | 2,350,987                          |
| <b>Total Other Provisions</b>                           | <u>6,625,942</u>                   | <u>7,337,634</u>                   |
| <b>Total Provisions</b>                                 | <u>8,521,905</u>                   | <u>9,267,266</u>                   |
| <b>Analysis of total provisions:</b>                    |                                    |                                    |
| Current   | 1,814,744                          | 1,835,255                          |
| Non-current   | 6,707,161                          | 7,432,011                          |
|   | <u>8,521,905</u>                   | <u>9,267,266</u>                   |

## 16. PROVISIONS (Continued)

### Annual Leave Liabilities

Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

|   | 2020/2021<br>\$ | 2019/2020<br>\$ |
|---|-----------------|-----------------|
| Within 12 months of the end of the reporting period       | 599,574         | 635,614         |
| More than 12 months after the end of the reporting period | 239,198         | 241,927         |
|   | <u>838,772</u>  | <u>877,541</u>  |

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

### Long Service Leave Liabilities

Unconditional long service leave provisions are classified as current liabilities as the EMRC does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the EMRC has an unconditional right to defer settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

|   | 2020/2021<br>\$ | 2019/2020<br>\$ |
|---|-----------------|-----------------|
| Within 12 months of the end of the reporting period       | 544,469         | 420,210         |
| More than 12 months after the end of the reporting period | 260,437         | 393,004         |
|   | <u>804,906</u>  | <u>813,214</u>  |

The provision for long service leave is calculated at the present value as the EMRC does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

|  | Provision<br>for Annual<br>Leave<br>\$ | Provision<br>for Long<br>Service<br>Leave<br>\$ | Provision<br>for<br>Employment<br>On-Costs<br>\$ | Provision<br>for<br>Site<br>Rehabilitation<br>\$ | Provision<br>for<br>Environmental<br>Monitoring<br>\$ | Total<br>\$      |
|--|--|---|--|--|---|------------------|
| <b>Opening Balance as at 1 July 2019</b> | <b>729,196</b>                         | <b>779,287</b>                                  | <b>223,611</b>                                   | <b>2,859,911</b>                                 | <b>1,530,736</b>                                      | <b>6,122,741</b> |
| Provisions movement                      | 559,631                                | 112,331   | 15,266   | 2,019,337  | 762,767   | 3,469,332        |
| Amounts used                             | (411,286)                              | (78,404)  | 0  | 0  | 0   | (489,690)        |
| Unwinding of discount                    | 0                                      | 0   | 0  | 107,399  | 57,484  | 164,883          |
| <b>Balance as at 1 July 2020</b>         | <b>877,541</b>                         | <b>813,214</b>                                  | <b>238,877</b>                                   | <b>4,986,647</b>                                 | <b>2,350,987</b>                                      | <b>9,267,266</b> |
| Provisions movement                      | 609,377                                | 90,878  | 13,408   | (629,956)  | (309,203)   | (225,496)        |
| Amounts used                             | (648,146)                              | (99,186)  | 0  | 0  | 0   | (747,332)        |
| Unwinding of discount                    | 0                                      | 0   | 0  | 154,586  | 72,881  | 227,467          |
| <b>Balance as 30 June 2021</b>           | <b>838,772</b>                         | <b>804,906</b>                                  | <b>252,285</b>                                   | <b>4,511,277</b>                                 | <b>2,114,665</b>                                      | <b>8,521,905</b> |



16. PROVISIONS (Continued)

**Employment On-Cost Provision**

The settlement of annual leave and long service leave liabilities give rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Employee Costs' in the Statement of Comprehensive Income. The related liability is included in 'Employment On-Costs' provision.

17. RESERVES

|   | ACTUAL<br>2020/2021<br>\$ | BUDGET<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|---|---------------------------|---------------------------|---------------------------|
| <b>(a) Plant and Equipment Reserve</b>                |                           |                           |                           |
| Opening balance                                       | 141,856                   | 280,702                   | 1,937,863                 |
| Transfer from retained surplus                        | 3,026,207                 | 3,612,668                 | 5,282,609                 |
| Transfer to retained surplus                          | (2,419,899)               | (3,639,000)               | (7,134,542)               |
| Interest  | 1,657                     | 12,750                    | 55,926                    |
| <b>Closing Balance</b>                                | <b>749,821</b>            | <b>267,120</b>            | <b>141,856</b>            |
| <b>(b) Site Rehabilitation Reserve - Post Closure</b> |                           |                           |                           |
| Opening balance                                       | 4,986,647                 | 2,912,029                 | 2,709,862                 |
| Transfer from retained surplus                        | 0                         | 580,627                   | 2,198,580                 |
| Transfer to retained surplus                          | (2,101,647)               | 0                         | 0                         |
| Interest  | 58,263                    | 32,600                    | 78,205                    |
| <b>Closing Balance</b>                                | <b>2,943,263</b>          | <b>3,525,256</b>          | <b>4,986,647</b>          |
| <b>(c) Future Development Reserve</b>                 |                           |                           |                           |
| Opening balance                                       | 18,263,389                | 16,851,075                | 20,180,980                |
| Transfer from retained surplus                        | 0                         | 0                         | 0                         |
| Transfer to retained surplus                          | (7,015,782)               | (1,994,000)               | (2,500,000)               |
| Interest  | 213,388                   | 215,500                   | 582,409                   |
| <b>Closing Balance</b>                                | <b>11,460,995</b>         | <b>15,072,575</b>         | <b>18,263,389</b>         |
| <b>(d) Environmental Monitoring Reserve</b>           |                           |                           |                           |
| Opening balance                                       | 2,350,987                 | 1,211,591                 | 1,098,527                 |
| Transfer from retained surplus                        | 0                         | 320,031                   | 1,220,757                 |
| Transfer to retained surplus                          | (1,029,295)               | 0                         | 0                         |
| Interest  | 27,469                    | 13,550                    | 31,703                    |
| <b>Closing Balance</b>                                | <b>1,349,161</b>          | <b>1,545,172</b>          | <b>2,350,987</b>          |
| <b>(e) Environmental Insurance Reserve</b>            |                           |                           |                           |
| Opening balance                                       | 46,892                    | 44,569                    | 37,510                    |
| Transfer from retained surplus                        | 50,000                    | 50,000                    | 45,000                    |
| Transfer to retained surplus                          | (37,801)                  | (37,801)                  | (36,700)                  |
| Interest  | 548                       | 500                       | 1,082                     |
| <b>Closing Balance</b>                                | <b>59,639</b>             | <b>57,268</b>             | <b>46,892</b>             |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
For the year ended 30 June 2021

| 17. RESERVES (Continued)                | ACTUAL<br>2020/2021<br>\$ | BUDGET<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|---|---------------------------|---------------------------|---------------------------|
| <b>(f) Risk Management Reserve</b>      |                           |                           |                           |
| Opening balance                         | 15,631                    | 15,499                    | 15,192                    |
| Transfer from retained surplus          | 0                         | 0                         | 0                         |
| Transfer to retained surplus            | 0                         | 0                         | 0                         |
| Interest                                | 182                       | 200                       | 439                       |
| <b>Closing Balance</b>                  | <b>15,813</b>             | <b>15,699</b>             | <b>15,631</b>             |
| <b>(g) Class IV Reserve</b>             |                           |                           |                           |
| Opening balance                         | 649,866                   | 644,666                   | 602,871                   |
| Transfer from retained surplus          | 93,486                    | 58,429                    | 59,597                    |
| Transfer to retained surplus            | (150,000)                 | 0                         | (30,000)                  |
| Interest                                | 7,593                     | 7,200                     | 17,398                    |
| <b>Closing Balance</b>                  | <b>600,945</b>            | <b>710,295</b>            | <b>649,866</b>            |
| <b>(h) Regional Development Reserve</b> |                           |                           |                           |
| Opening balance                         | 321,608                   | 318,911                   | 312,587                   |
| Transfer from retained surplus          | 0                         | 0                         | 0                         |
| Transfer to retained surplus            | (325,365)                 | 0                         | 0                         |
| Interest                                | 3,757                     | 3,600                     | 9,021                     |
| <b>Closing Balance</b>                  | <b>0</b>                  | <b>322,511</b>            | <b>321,608</b>            |
| <b>(i) Secondary Waste Reserve</b>      |                           |                           |                           |
| Opening balance                         | 45,240,494                | 43,506,609                | 57,994,036                |
| Transfer from retained surplus          | 4,985,988                 | 4,738,691                 | 4,989,166                 |
| Transfer to retained surplus            | (9,577,234)               | (4,022,965)               | (19,219,825)              |
| Interest                                | 528,585                   | 581,000                   | 1,477,117                 |
| <b>Closing Balance</b>                  | <b>41,177,833</b>         | <b>44,803,335</b>         | <b>45,240,494</b>         |
| <b>(j) Class III Reserve</b>            |                           |                           |                           |
| Opening balance                         | 2,873,244                 | 2,821,212                 | 6,031,536                 |
| Transfer from retained surplus          | 1,426,303                 | 1,606,876                 | 1,641,994                 |
| Transfer to retained surplus            | (3,174,957)               | (3,996,002)               | (4,974,352)               |
| Interest                                | 33,571                    | 50,600                    | 174,066                   |
| <b>Closing Balance</b>                  | <b>1,158,161</b>          | <b>482,686</b>            | <b>2,873,244</b>          |

| 17. RESERVES (Continued)                  | ACTUAL<br>2020/2021<br>\$ | BUDGET<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|---|---------------------------|---------------------------|---------------------------|
| <b>(k) Building Refurbishment Reserve</b> |                           |                           |                           |
| Opening balance                           | 78,920                    | 78,259                    | 76,706                    |
| Transfer from retained surplus            | 0                         | 0                         | 0                         |
| Transfer to retained surplus              | 0                         | 0                         | 0                         |
| Interest                                  | 922                       | 1,000                     | 2,214                     |
| <b>Closing Balance</b>                    | <b>79,842</b>             | <b>79,259</b>             | <b>78,920</b>             |
| <b>(l) EastLink Relocation Reserve</b>    |                           |                           |                           |
| Opening balance                           | 0                         | 0                         | 0                         |
| Transfer from retained surplus            | 5,325,000                 | 0                         | 0                         |
| Transfer to retained surplus              | 0                         | 0                         | 0                         |
| Interest                                  | 0                         | 0                         | 0                         |
| <b>Closing Balance</b>                    | <b>5,325,000</b>          | <b>0</b>                  | <b>0</b>                  |
| <b>(m) Long Service Leave Reserve</b>     |                           |                           |                           |
| Opening balance                           | 998,556                   | 990,270                   | 960,622                   |
| Transfer from retained surplus            | 22,913                    | 22,913                    | 10,211                    |
| Transfer to retained surplus              | 0                         | 0                         | 0                         |
| Interest                                  | 11,667                    | 11,500                    | 27,723                    |
| <b>Closing Balance</b>                    | <b>1,033,136</b>          | <b>1,024,683</b>          | <b>998,556</b>            |
| <b>TOTAL RESERVES</b>                     |                           |                           |                           |
| Opening balance                           | 75,968,090                | 69,675,392                | 91,958,292                |
| Transfer from retained surplus            | 14,929,897                | 10,990,235                | 15,447,914                |
| Transfer to retained surplus              | (25,831,980)              | (13,689,768)              | (33,895,419)              |
| Interest                                  | 887,603                   | 930,000                   | 2,457,303                 |
| <b>CLOSING BALANCE</b>                    | <b>65,953,610</b>         | <b>67,905,859</b>         | <b>75,968,090</b>         |

All of the reserve accounts are supported by money and investments held in financial institutions and match the amount shown as restricted cash in Note 10 to this financial report.



## 17. RESERVES (Continued)

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

### **Plant and Equipment Reserve (Ongoing Reserve)**

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

### **Site Rehabilitation Reserve - Post Closure (Ongoing Reserve)**

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

### **Future Development Reserve (Ongoing Reserve)**

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

### **Class IV Reserve (Ongoing Reserve)**

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

### **Class III Reserve (Ongoing Reserve)**

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

### **Environmental Monitoring Reserve (Ongoing Reserve)**

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

### **Environmental Insurance Reserve (Ongoing Reserve)**

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

### **Risk Management Reserve (Ongoing Reserve)**

This reserve was established to receive surpluses from the Risk Management Service and to fund future requirements of the service in subsequent financial years.

### **Secondary Waste Reserve (Anticipated date of Use - 2019/2020 to 2022/2023 financial years)**

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

### **Regional Development Reserve (Ongoing Reserve)**

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

### **Building Refurbishment Reserve (Ongoing Reserve)**

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

### **EastLink Relocation Reserve (Ongoing Reserve)**

This reserve was established to accumulate and provide funds for the relocation of EMRC's buildings and structures that will be impacted by the EastLink alignment route through the EMRC's Red Hill site.

### **Long Service Leave Reserve (Ongoing Reserve)**

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

## 18. NOTES TO THE STATEMENT OF CASH FLOWS

### (i) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, the EMRC considers cash and cash equivalents 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<br>2020/2021<br>\$ | BUDGET<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|--|---------------------------|---------------------------|---------------------------|
| Cash and Cash Equivalents - Unrestricted | 15,473,132                | 4,097,270                 | 3,034,431                 |
| Cash and Cash Equivalents - Restricted   | 39,888,013                | 3,595,221                 | 18,567,693                |
| <b>Total Cash and Cash Equivalents</b>   | <b>55,361,145</b>         | <b>7,692,491</b>          | <b>21,602,124</b>         |

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

|   |                   |                   |                |
|---|-------------------|-------------------|----------------|
| Net Result  | 10,296,371        | 5,652,514         | (7,251,561)    |
| <u>Non-Cash Flows in Net Result</u>                                       |                   |                   |                |
| Depreciation  | 6,452,173         | 5,537,697         | 3,824,342      |
| Expected credit losses  | 90,739            | 0                 | 84,151         |
| Expected credit losses reversed   | (10,674)          | 0                 | (6,474)        |
| Increase/(Decrease) in Interest Expense on unwinding of discount          | 227,467           | 0                 | 164,883        |
| (Increase)/Decrease in revaluations - Landfill Cells & Post Closure Asset | (4,271,604)       | 0                 | 0              |
| (Profit)/Loss on sale of assets   | 460,575           | (22,262)          | (71,728)       |
| <u>Changes in Assets and Liabilities</u>                                  |                   |                   |                |
| Increase/(Decrease) in provisions - Other                                 | (939,158)         | 900,659           | 2,782,104      |
| Increase/(Decrease) in provisions - Employee                              | (33,669)          | 29,913            | 197,538        |
| Increase/(Decrease) in Sundry Creditors                                   | 6,168,550         | 0                 | 644,592        |
| Increase/(Decrease) in GST  | 295,751           | 0                 | (26,018)       |
| (Increase)/Decrease in accrued interest earnings                          | 201,106           | 0                 | 574,393        |
| (Increase)/Decrease in Receivables  | (524,295)         | 0                 | (348,265)      |
| (Increase)/Decrease in Inventory  | 2,610             | 0                 | 15,705         |
| (Increase)/Decrease in Prepayments  | 35,000            | 0                 | (24,827)       |
| <b>Net cash from operating activities</b>                                 | <b>18,450,942</b> | <b>12,098,521</b> | <b>558,835</b> |

### (iii) Undrawn Borrowing Facilities

#### Credit Standby Arrangements

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

|  |               |               |
|--|---------------|---------------|
| Credit Card Limits                       | 58,000        | 59,000        |
| Credit Utilised at Balance Date          | (9,120)       | (14,488)      |
| <b>Total amount of credit unutilised</b> | <b>48,880</b> | <b>44,512</b> |

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
For the year ended 30 June 2021

19. EMPLOYEE ENTITLEMENTS

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

|  | ACTUAL<br>2020/2021<br>\$    | ACTUAL<br>2019/2020<br>\$    |
|--|------------------------------|------------------------------|
| <b>Provision for Employee Entitlements</b><br>(Refer to Note 16) |                              |                              |
| - Current  | 1,814,744                    | 1,835,255                    |
| - Non-current  | 81,219                       | 94,377                       |
| <b>Total Employee Entitlements</b>                               | <b>1,895,963</b>             | <b>1,929,632</b>             |
|  | ACTUAL<br>FTE's<br>2020/2021 | ACTUAL<br>FTE's<br>2019/2020 |
| <b>Total number of (FTE) employees at end of financial year</b>  | <b>91</b>                    | <b>94</b>                    |

20. COUNCILLORS FEES AND ALLOWANCES

|  | ACTUAL<br>2020/2021<br>\$ | BUDGET<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|--|---------------------------|---------------------------|---------------------------|
| <b>20. COUNCILLORS FEES AND ALLOWANCES</b> |                           |                           |                           |
| Councillors' meeting fees                  | 116,232                   | 116,160                   | 113,520                   |
| Chairman's meeting fees                    | 15,839                    | 15,839                    | 18,479                    |
| Deputy Councillors' meeting fees           | 2,429                     | 15,765                    | 3,359                     |
| Chairman's Local Government fee            | 20,063                    | 20,063                    | 20,063                    |
| Deputy Chairman's Local Government fee     | 5,016                     | 5,016                     | 5,016                     |
|  | <b>159,578</b>            | <b>172,843</b>            | <b>160,437</b>            |

The following fees, expenses and allowances were paid to council members and the Chairman:

20. COUNCILLORS FEES AND ALLOWANCES (Continued)

NAME

Current Councillors

Cr J Wilson <sup>1,2</sup>  
Cr D Jeans <sup>3,4</sup>  
Cr K Hamilton <sup>4,5</sup>  
Cr L Clarke <sup>5</sup>  
Cr G Johnson <sup>5</sup>  
Cr J Powell  
Cr P Marks <sup>6,7</sup>  
Cr D O'Connor <sup>8</sup>  
Cr L Boyd <sup>5</sup>  
Cr J Daw  
Cr C Zannino <sup>5</sup>  
Cr M Congerton <sup>5</sup>  
Cr H MacWilliam <sup>9</sup>  
Cr F Piffaretti <sup>9</sup>  
Cr R Rossi <sup>10</sup>  
Cr A Collins <sup>9</sup>  
Cr I Johnson <sup>9</sup>  
Cr C Blair <sup>9</sup>

Former Councillors

Cr S Wolff <sup>11</sup>  
Cr D McDonnell <sup>12</sup>  
Cr M Mykytiuk <sup>13</sup>  
Cr S Palmer <sup>13</sup>  
Cr B McKenna <sup>13</sup>  
Cr B Lavell <sup>13</sup>  
Cr G Stallard <sup>13</sup>  
Cr A Kovalevs <sup>13</sup>

|                              | MEETING<br>FEE<br>\$ | LOCAL<br>GOVT<br>FEE<br>\$ | TRAVEL<br>EXPENSES<br>\$ | TOTAL<br>2020/2021<br>\$ | TOTAL<br>2019/2020<br>\$ |
|------------------------------|----------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Cr J Wilson <sup>1,2</sup>   | 15,839               | 20,063                     |                          | 35,902                   | 29,567                   |
| Cr D Jeans <sup>3,4</sup>    | 10,560               | 5,016                      |                          | 15,576                   | 11,682                   |
| Cr K Hamilton <sup>4,5</sup> | 10,560               |                            |                          | 10,560                   | 8,158                    |
| Cr L Clarke <sup>5</sup>     | 10,560               |                            |                          | 10,560                   | 7,920                    |
| Cr G Johnson <sup>5</sup>    | 10,560               |                            |                          | 10,560                   | 7,920                    |
| Cr J Powell                  | 10,560               |                            |                          | 10,560                   | 10,560                   |
| Cr P Marks <sup>6,7</sup>    | 5,114                |                            |                          | 5,114                    | 476                      |
| Cr D O'Connor <sup>8</sup>   | 10,560               |                            |                          | 10,560                   | 11,814                   |
| Cr L Boyd <sup>5</sup>       | 10,560               |                            |                          | 10,560                   | 7,920                    |
| Cr J Daw                     | 10,560               |                            |                          | 10,560                   | 10,560                   |
| Cr C Zannino <sup>5</sup>    | 10,560               |                            | 530                      | 11,090                   | 7,920                    |
| Cr M Congerton <sup>5</sup>  | 10,560               |                            | 421                      | 10,981                   | 7,920                    |
| Cr H MacWilliam <sup>9</sup> | 238                  |                            |                          | 238                      | 238                      |
| Cr F Piffaretti <sup>9</sup> | 238                  |                            |                          | 238                      | 1,190                    |
| Cr R Rossi <sup>10</sup>     | 238                  |                            |                          | 238                      |                          |
| Cr A Collins <sup>9</sup>    | 476                  |                            |                          | 476                      |                          |
| Cr I Johnson <sup>9</sup>    | 476                  |                            | 49                       | 525                      | 741                      |
| Cr C Blair <sup>9</sup>      |                      |                            |                          |                          | 476                      |
| Cr S Wolff <sup>11</sup>     | 5,280                |                            |                          | 5,280                    | 10,560                   |
| Cr D McDonnell <sup>12</sup> |                      |                            |                          |                          | 8,976                    |
| Cr M Mykytiuk <sup>13</sup>  |                      |                            |                          |                          | 2,640                    |
| Cr S Palmer <sup>13</sup>    |                      |                            |                          |                          | 2,640                    |
| Cr B McKenna <sup>13</sup>   |                      |                            |                          |                          | 2,640                    |
| Cr B Lavell <sup>13</sup>    |                      |                            |                          |                          | 2,640                    |
| Cr G Stallard <sup>13</sup>  |                      |                            |                          |                          | 2,640                    |
| Cr A Kovalevs <sup>13</sup>  |                      |                            |                          |                          | 2,640                    |
|                              | <b>133,499</b>       | <b>25,079</b>              | <b>1,000</b>             | <b>159,578</b>           | <b>160,437</b>           |

<sup>1</sup> Councillor prior to October 2019.

<sup>2</sup> Chairman from October 2019.

<sup>3</sup> Deputy Chairman from October 2019.

<sup>4</sup> Deputy Councillor prior to October 2019.

<sup>5</sup> Councillor from October 2019.

<sup>6</sup> Councillor from January 2021

<sup>7</sup> Deputy Councillor prior to January 2021.

<sup>8</sup> Deputy Chairman to September 2019.

<sup>9</sup> Deputy Councillor

<sup>10</sup> Deputy Councillor from January 2021.

<sup>11</sup> Councillor to December 2020.

<sup>12</sup> Chairman to September 2019.



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
For the year ended 30 June 2021

| 21. ASSETS CLASSIFIED BY TYPE AND LOCAL GOVERNMENT PROGRAM | ACTUAL<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|--|---------------------------|---------------------------|
| <b>CURRENT ASSETS</b>                                      |                           |                           |
| General Purpose Funding                                    | 26,157,450                | 11,206,617                |
| Governance   | 1,252,293                 | 794,535                   |
| Community Amenities  | 64,074,998                | 77,228,304                |
| Economic Services  | 0                         | 321,607                   |
| <b>TOTAL CURRENT ASSETS</b>                                | <b>91,484,741</b>         | <b>89,551,063</b>         |
| <b>NON-CURRENT ASSETS</b>                                  |                           |                           |
| <b>Land</b>  |                           |                           |
| Governance   | 5,230,000                 | 5,450,000                 |
| Community Amenities  | 42,620,000                | 45,120,000                |
| <b>Buildings</b>   |                           |                           |
| Governance   | 3,439,716                 | 3,806,227                 |
| Community Amenities  | 3,067,158                 | 3,486,451                 |
| <b>Structures</b>  |                           |                           |
| Governance   | 0                         | 9,471                     |
| Community Amenities  | 21,977,142                | 21,113,549                |
| <b>Plant</b>   |                           |                           |
| Governance   | 156,212                   | 224,420                   |
| Community Amenities  | 12,980,251                | 12,671,129                |
| <b>Equipment</b>   |                           |                           |
| Governance   | 408,104                   | 330,565                   |
| Community Amenities  | 230,043                   | 275,584                   |
| <b>Furniture and Fittings</b>                              |                           |                           |
| Governance   | 126,449                   | 135,079                   |
| <b>Work in Progress</b>                                    |                           |                           |
| Unclassified   | 25,179,667                | 17,736,764                |
| <b>TOTAL NON CURRENT ASSETS</b>                            | <b>115,414,742</b>        | <b>110,359,239</b>        |
| <b>TOTAL ASSETS</b>  | <b>206,899,483</b>        | <b>199,910,302</b>        |

| 22. DISPOSAL OF ASSETS       | ACTUAL<br>2020/2021     |                     |                      | BUDGET<br>2020/2021     |                     |                      | ACTUAL<br>2019/2020     |                     |                      |
|------------------------------|-------------------------|---------------------|----------------------|-------------------------|---------------------|----------------------|-------------------------|---------------------|----------------------|
|                              | Net Book<br>Value<br>\$ | Sale<br>Price<br>\$ | Gain<br>(Loss)<br>\$ | Net Book<br>Value<br>\$ | Sale<br>Price<br>\$ | Gain<br>(Loss)<br>\$ | Net Book<br>Value<br>\$ | Sale<br>Price<br>\$ | Gain<br>(Loss)<br>\$ |
| Plant                        | 224,924                 | 276,636             | 51,712               | 252,738                 | 275,000             | 22,262               | 253,002                 | 326,136             | 73,134               |
| Structures                   | 512,287                 | 0                   | (512,287)            | 0                       | 0                   | 0                    | 0                       | 0                   | 0                    |
| Equipment                    | 0                       | 0                   | 0                    | 0                       | 0                   | 0                    | 1,406                   | 0                   | (1,406)              |
| <b>Total Assets Disposed</b> | <b>737,212</b>          | <b>276,636</b>      | <b>(460,575)</b>     | <b>252,738</b>          | <b>275,000</b>      | <b>22,262</b>        | <b>254,408</b>          | <b>326,136</b>      | <b>71,728</b>        |

**23. INFORMATION ON BORROWINGS**

(a) Borrowings

The EMRC does not have any loans or borrowings.

(b) New Borrowings

There were no new borrowings during the 2020/2021 financial year.

(c) Unspent Loans

There were no unspent loans during the 2020/2021 financial year.

**24. INTEREST IN THE EMRC**

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

| Member Council      | 2020/2021     |                    | 2019/2020     |                    |
|---------------------|---------------|--------------------|---------------|--------------------|
|                     | %             | \$                 | %             | \$                 |
| Town of Bassendean  | 4.22          | 7,835,333          | 4.26          | 7,852,617          |
| City of Bayswater   | 18.23         | 33,869,872         | 18.40         | 33,926,600         |
| City of Belmont     | 11.31         | 21,000,517         | 11.32         | 20,882,412         |
| City of Kalamunda   | 15.67         | 29,106,170         | 15.86         | 29,257,611         |
| Shire of Mundaring  | 10.33         | 19,187,760         | 10.52         | 19,404,495         |
| City of Swan        | 40.24         | 74,753,326         | 39.64         | 73,128,146         |
| <b>Total Equity</b> | <b>100.00</b> | <b>185,752,978</b> | <b>100.00</b> | <b>184,451,881</b> |

The EMRC participating Member Councils' interest distributions have been calculated in accordance with clause 9.4 of the Eastern Metropolitan Regional Council Establishment Agreement.

The City of Belmont issued its Notice of Withdrawal from the EMRC on 23 December 2020. The effective date of the withdrawal is after the 30 June 2021. Consequently, the withdrawal takes effect from 1 July 2021. The financial report is prepared on the basis that the City of Belmont is a Participant of the EMRC as at balance date, 30 June 2021 and its share of the equity is represented in the notes to the accounts. The value of the City of Belmont's equity is indicative only and not necessary equal to the value it is entitled to in withdrawal. The City of Belmont's equity entitlement is subject to a different valuation methodology and process prescribed in the Establishment Agreement for withdrawing participants. At present, a separate process is in progress and the value is not finalised.

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### For the year ended 30 June 2021

#### 25. FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council engages in transactions expressed in foreign currencies with respect to equipment purchases or for legal representation on a minor scale only and therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

|  | Carrying Value    |                   | Fair Value        |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2020/2021<br>\$   | 2019/2020<br>\$   | 2020/2021<br>\$   | 2019/2020<br>\$   |
| <b>Financial Assets</b>                  |                   |                   |                   |                   |
| Cash and cash equivalents                | 55,361,145        | 21,602,124        | 55,361,145        | 21,602,124        |
| Financial assets at amortised costs:     |                   |                   |                   |                   |
| - Term deposits                          | 32,500,000        | 64,500,000        | 32,500,000        | 64,500,000        |
| - Receivables *                          | 3,554,790         | 3,311,666         | 3,554,790         | 3,311,666         |
|  | <u>91,415,935</u> | <u>89,413,790</u> | <u>91,415,935</u> | <u>89,413,790</u> |
| <b>Financial Liabilities</b>             |                   |                   |                   |                   |
| Financial liabilities at amortised cost: |                   |                   |                   |                   |
| - Payables *                             | 12,359,706        | 6,023,467         | 12,359,706        | 6,023,467         |
|  | <u>12,359,706</u> | <u>6,023,467</u>  | <u>12,359,706</u> | <u>6,023,467</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 Amortised Cost - based on market interest rates.

\* The amount of receivables/payables excludes the GST recoverable from/payable to the ATO (statutory receivable/payable)

#### 25. FINANCIAL RISK MANAGEMENT (Continued)

##### (a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers. Council has an investment policy and the policy is subject to review by Council.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk - the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council seeks advice from an independent adviser before placing any cash and investments.

|   | 2020/2021<br>\$ | 2019/2020<br>\$ |
|---|-----------------|-----------------|
| Impact of a +10% movement in price of investments:                  |                 |                 |
| - Equity  | 0               | 0               |
| - Statement of Comprehensive Income                                 | 0               | 0               |
| Impact of a +1% movement in interest rates on cash and investments: |                 |                 |
| - Equity  | 58,571          | 10,982          |
| - Statement of Comprehensive Income                                 | 58,571          | 10,982          |

##### (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 allowance 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.



25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Ageing Analysis of Receivables

|                  | Gross Carrying Amount | Not Past due and not Impaired | Past due but not Impaired |              |                      |               |                   | Impaired Receivables |
|------------------|-----------------------|-------------------------------|---------------------------|--------------|----------------------|---------------|-------------------|----------------------|
|                  |                       |                               | Up to 1 month             | 1 - 3 Months | > 3 Months to 1 Year | > 1 - 5 Years | More than 5 Years |                      |
|                  | \$                    | \$                            | \$                        | \$           | \$                   | \$            | \$                | \$                   |
| <b>2020/2021</b> |                       |                               |                           |              |                      |               |                   |                      |
| Receivables *    | 3,570,123             | 3,294,521                     | 256,736                   | 3,533        | 0                    | 0             | 0                 | 15,333               |
| Loan receivable  | 1,180,687             | 0                             | 0                         | 0            | 0                    | 0             | 0                 | 1,180,687            |
|                  | <b>4,750,810</b>      | <b>3,294,521</b>              | <b>256,736</b>            | <b>3,533</b> | <b>0</b>             | <b>0</b>      | <b>0</b>          | <b>1,196,020</b>     |
| <b>2019/2020</b> |                       |                               |                           |              |                      |               |                   |                      |
| Receivables *    | 3,337,672             | 3,173,884                     | 135,182                   | 2,601        | 0                    | 0             | 0                 | 26,006               |
| Loan receivable  | 1,089,949             | 0                             | 0                         | 0            | 0                    | 0             | 0                 | 1,089,949            |
|                  | <b>4,427,621</b>      | <b>3,173,884</b>              | <b>135,182</b>            | <b>2,601</b> | <b>0</b>             | <b>0</b>      | <b>0</b>          | <b>1,115,955</b>     |

\* The amount of receivables excludes the GST recoverable from the ATO (statutory receivable)

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
For the year ended 30 June 2021

25. FINANCIAL RISK MANAGEMENT (Continued)

(d) Payables

Payables and borrowings are both subject to liquidity risk - that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Table below:

|                         | Due<br>within<br>1 year<br>\$ | Due<br>between<br>1 & 5 years<br>\$ | Due<br>after<br>5 years<br>\$ | Total<br>contractual<br>cash flows<br>\$ | Carrying<br>values<br>\$ |
|-------------------------|-------------------------------|-------------------------------------|-------------------------------|--|--------------------------|
| <b><u>2020/2021</u></b> |                               |                                     |                               |  |                          |
| Payables *              | 12,359,706                    | 0                                   | 0                             | 12,359,706                               | 12,359,706               |
|                         | <b>12,359,706</b>             | <b>0</b>                            | <b>0</b>                      | <b>12,359,706</b>                        | <b>12,359,706</b>        |
| <b><u>2019/2020</u></b> |                               |                                     |                               |  |                          |
| Payables *              | 6,023,467                     | 0                                   | 0                             | 6,023,467                                | 6,023,467                |
|                         | <b>6,023,467</b>              | <b>0</b>                            | <b>0</b>                      | <b>6,023,467</b>                         | <b>6,023,467</b>         |

\* The amount of payables excludes the GST payable to the ATO (statutory payable)

(e) 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 does not have any borrowings or loans.



25. FINANCIAL RISK MANAGEMENT (Continued)

(f) Liquidity Risk and Interest Rate Exposure

The following table details the EMRC's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The interest rate exposure section analyses the carrying amounts of each item.

Interest Rate Exposure and Maturity Analysis of Financial Assets and Financial Liabilities

|   | Interest Rate Exposure                     |                    |                        |                           |                         | Maturity Dates    |                   |                   |                       |                     |
|---|--|--------------------|------------------------|---------------------------|-------------------------|-------------------|-------------------|-------------------|-----------------------|---------------------|
|   | Weighted Average Effective Interest Rate % | Carrying Amount \$ | Fixed Interest Rate \$ | Variable Interest Rate \$ | Non-Interest Bearing \$ | Nominal Amount \$ | Up to 1 month \$  | 1 - 3 Months \$   | 3 Months to 1 Year \$ | More than 1 Year \$ |
| <b>2020/2021</b>                          |  |                    |                        |                           |                         |                   |                   |                   |                       |                     |
| <b>Financial Assets</b>                   |  |                    |                        |                           |                         |                   |                   |                   |                       |                     |
| Cash and cash equivalents                 | 0.59%                                      | 15,473,132         | 9,611,987              | 5,857,095                 | 4,050                   | 15,473,132        | 9,453,504         | 6,019,628         | 0                     | 0                   |
| Restricted cash and cash equivalents      | 0.92%                                      | 39,888,013         | 39,888,013             | 0                         | 0                       | 39,888,013        | 14,907,641        | 24,980,372        | 0                     | 0                   |
| <b>Financial Assets at amortised cost</b> |  |                    |                        |                           |                         |                   |                   |                   |                       |                     |
| Term Deposits - Unrestricted              | 0.92%                                      | 6,310,901          | 6,310,901              | 0                         | 0                       | 6,310,901         | 0                 | 0                 | 6,310,901             | 0                   |
| Term Deposits - Restricted                | 0.92%                                      | 26,189,099         | 26,189,099             | 0                         | 0                       | 26,189,099        | 0                 | 0                 | 26,189,099            | 0                   |
| Loans and Receivables *                   | 8.00%                                      | 3,554,790          | 1,180,687              | 0                         | 2,374,103               | 3,554,790         | 2,374,103         | 0                 | 1,180,687             | 0                   |
|   |  | <b>91,415,935</b>  | <b>83,180,687</b>      | <b>5,857,095</b>          | <b>2,378,153</b>        | <b>91,415,935</b> | <b>26,735,248</b> | <b>31,000,000</b> | <b>33,680,687</b>     | <b>0</b>            |
| <b>Financial Liabilities</b>              |  |                    |                        |                           |                         |                   |                   |                   |                       |                     |
| Payables *                                | -  | 12,359,706         | 0                      | 0                         | 12,359,706              | 12,359,706        | 12,359,706        | 0                 | 0                     | 0                   |
|   |  | <b>12,359,706</b>  | <b>0</b>               | <b>0</b>                  | <b>12,359,706</b>       | <b>12,359,706</b> | <b>12,359,706</b> | <b>0</b>          | <b>0</b>              | <b>0</b>            |
| <b>2019/2020</b>                          |  |                    |                        |                           |                         |                   |                   |                   |                       |                     |
| <b>Financial Assets</b>                   |  |                    |                        |                           |                         |                   |                   |                   |                       |                     |
| Cash and cash equivalents                 | 1.54%                                      | 3,034,431          | 2,099,997              | 930,484                   | 3,950                   | 3,034,431         | 1,753,946         | 1,280,485         | 0                     | 0                   |
| Restricted cash and cash equivalents      | 2.12%                                      | 18,567,693         | 18,400,004             | 167,689                   | 0                       | 18,567,693        | 7,348,178         | 11,219,515        | 0                     | 0                   |
| <b>Financial Assets at amortised cost</b> |  |                    |                        |                           |                         |                   |                   |                   |                       |                     |
| Term Deposits - Unrestricted              | 2.12%                                      | 6,607,306          | 6,607,306              | 0                         | 0                       | 6,607,306         | 0                 | 0                 | 6,607,306             | 0                   |
| Term Deposits - Restricted                | 2.12%                                      | 57,892,694         | 57,892,694             | 0                         | 0                       | 57,892,694        | 0                 | 0                 | 57,892,694            | 0                   |
| Loans and Receivables *                   | 8.00%                                      | 3,311,666          | 1,089,949              | 0                         | 2,221,717               | 3,311,666         | 2,221,717         | 0                 | 1,089,949             | 0                   |
|   |  | <b>89,413,790</b>  | <b>86,089,950</b>      | <b>1,098,173</b>          | <b>2,225,667</b>        | <b>89,413,790</b> | <b>11,323,841</b> | <b>12,500,000</b> | <b>65,589,949</b>     | <b>0</b>            |
| <b>Financial Liabilities</b>              |  |                    |                        |                           |                         |                   |                   |                   |                       |                     |
| Payables *                                | -  | 6,023,467          | 0                      | 0                         | 6,023,467               | 6,023,467         | 6,023,467         | 0                 | 0                     | 0                   |
|   |  | <b>6,023,467</b>   | <b>0</b>               | <b>0</b>                  | <b>6,023,467</b>        | <b>6,023,467</b>  | <b>6,023,467</b>  | <b>0</b>          | <b>0</b>              | <b>0</b>            |

\* The amount of receivables/payables excludes the GST recoverable/payable from/to the ATO (statutory receivable/payable)

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### For the year ended 30 June 2021

| 26. COMMITMENTS FOR CAPITAL EXPENDITURE   | ACTUAL<br>2020/2021<br>\$ | ACTUAL<br>2019/2020<br>\$ |
|---|---------------------------|---------------------------|
| Commitments for the acquisition of assets contracted for at the reporting date but not recognised as liabilities: |                           |                           |
| - Payable not longer than one year  | 1,818,673                 | 4,174,920                 |
| <b>Total Capital Commitments</b>  | <b>1,818,673</b>          | <b>4,174,920</b>          |

### 27. CONTINGENT LIABILITIES

Contingent liabilities at balance date, not otherwise provided for in the financial statements, relate to an action by Lehman Brothers in the United States Bankruptcy Court.

On 9 May 2007 EMRC invested \$450,000 into Federation notes.

On 30 Oct 2008, in common with hundreds of other investors in the Federation notes, this investment of \$450,000 was fully repaid to the EMRC.

Subsequently Lehman Brothers Special Financing Inc. commenced an action in the United States Bankruptcy Court, Southern District of New York, No. 10 - 803547 applying for an order for all investors to repay the amounts paid.

It is the opinion of the attorney representing the EMRC in this action that the claim will not be decided until post 2021.

### 28. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events after the reporting period required to be included in the 2020/2021 Annual Financial Report, other than as disclosed in Note 24 - Interest in EMRC.

| 29. FINANCIAL RATIOS   | ACTUAL<br>2020/2021 | ACTUAL<br>2019/2020 | ACTUAL<br>2018/2019 |
|--|---------------------|---------------------|---------------------|
| <i>Liquidity Ratio</i>   |                     |                     |                     |
| <b>Current Ratio</b> <sup>(1) *</sup>  | 1.85                | 1.82                | 2.40                |
| $\frac{\text{Current Assets less Restricted Current Assets}}{\text{Current Liabilities less Liabilities Associated with Restricted Assets}}$ |                     |                     |                     |
| <i>Debt Ratio</i>  |                     |                     |                     |
| <b>Debt Service Cover Ratio</b> <sup>(2)</sup>   | Not Applicable      | Not Applicable      | Not Applicable      |
| $\frac{\text{Operating Surplus before Interest and Depreciation Expenses}}{\text{Principal and Interest Repayments}}$                        |                     |                     |                     |
| <i>Coverage Ratio</i>  |                     |                     |                     |
| <b>Own Source Revenue Coverage Ratio</b> <sup>(3) *</sup>  | 1.22                | 0.83                | 1.20                |
| $\frac{\text{Own Source Operating Revenue}}{\text{Operating Expense}}$   |                     |                     |                     |
| <i>Financial Performance Ratio</i>   |                     |                     |                     |
| <b>Operating Surplus Ratio</b> <sup>(4) **</sup>   | 0.24                | (0.17)              | 0.20                |
| $\frac{\text{Operating Revenue less Operating Expense}}{\text{Own Source Operating Revenue}}$  |                     |                     |                     |
| <i>Asset Management Ratio</i>  |                     |                     |                     |
| <b>Asset Sustainability Ratio</b> <sup>(5)</sup>   | 0.51                | 1.20                | 1.02                |
| $\frac{\text{Capital Renewal and Replacement Expenditure}}{\text{Depreciation Expense}}$   |                     |                     |                     |
| <b>Asset Consumption Ratio</b> <sup>(6)</sup>  | 0.94                | 0.96                | 0.81                |
| $\frac{\text{Depreciated Replacement Cost of Depreciable Assets}}{\text{Current Replacement Cost of Depreciable Assets}}$                    |                     |                     |                     |
| <b>Asset Renewal Funding Ratio</b> <sup>(7)</sup>  | 1.00                | 1.00                | 1.00                |
| $\frac{\text{NPV of planned Capital renewals over 10 years}}{\text{NPV of required Capital expenditure over 10 years}}$                      |                     |                     |                     |

#### Notes

- <sup>(1)</sup> This is a modified commercial ratio designed to focus on the liquidity position of the Council that has arisen from past year's transactions.
- <sup>(2)</sup> This ratio is the measurement of Council's ability to repay its debt including lease payments.
- <sup>(3)</sup> This ratio is the measurement of Council's ability to cover its costs through its own revenue efforts.  
\* The lower ratio in 2019/2020 is as a result of the FOGO Contribution to Member Councils totalling \$13,789,200.
- <sup>(4)</sup> This ratio is a measure of Council's ability to cover its operational costs and have revenues available for capital funding or other purposes.  
\*\* The negative ratio in 2019/2020 is as a result of the FOGO Contribution to Member Councils totalling \$13,789,200.
- <sup>(5)</sup> This ratio indicates whether Council is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.
- <sup>(6)</sup> This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.
- <sup>(7)</sup> This ratio is a measure of the ability of Council to fund its projected asset renewal / replacements in the future.



### 30. FAIR VALUE MEASUREMENT

The EMRC measures the following assets at fair value on a recurring basis after initial recognition:

- Financial Assets at fair value through profit or loss
- Land and buildings
- Infrastructure

The following table provides the fair values of the EMRC's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy [refer to Note 1(d)]:

#### Recurring Fair Value Measurements

|   | Note | 30 June 2021 |                   |                   |                   |
|---|------|--------------|-------------------|-------------------|-------------------|
|   |      | Level 1      | Level 2           | Level 3           | Total             |
|   |      | \$           | \$                | \$                | \$                |
| <b>Financial Assets</b>   | 10   | 0            | 0                 | 0                 | 0                 |
| <b>Total financial assets recognised at fair value on a recurring basis</b>     |      | <b>0</b>     | <b>0</b>          | <b>0</b>          | <b>0</b>          |
| <b>Non-Financial Assets</b>   |      |              |                   |                   |                   |
| Land  | 12   | 0            | 30,200,000        | 17,650,000        | 47,850,000        |
| Buildings   | 12   | 0            | 3,439,716         | 3,067,158         | 6,506,874         |
| Infrastructure  | 13   | 0            | 0                 | 21,977,142        | 21,977,142        |
| <b>Total non-financial assets recognised at fair value on a recurring basis</b> |      | <b>0</b>     | <b>33,639,716</b> | <b>42,694,300</b> | <b>76,334,016</b> |

### 30. FAIR VALUE MEASUREMENT (Continued)

#### Recurring Fair Value Measurements

|   | Note | 30 June 2020 |                   |                   |                   |
|---|------|--------------|-------------------|-------------------|-------------------|
|   |      | Level 1      | Level 2           | Level 3           | Total             |
|   |      | \$           | \$                | \$                | \$                |
| <b>Financial Assets</b>   | 10   | 0            | 0                 | 0                 | 0                 |
| <b>Total financial assets recognised at fair value on a recurring basis</b>     |      | <b>0</b>     | <b>0</b>          | <b>0</b>          | <b>0</b>          |
| <b>Non-Financial Assets</b>   |      |              |                   |                   |                   |
| Land  | 12   | 0            | 50,570,000        | 0                 | 50,570,000        |
| Buildings   | 12   | 0            | 3,806,227         | 3,486,451         | 7,292,678         |
| Infrastructure  | 13   | 0            | 0                 | 21,123,020        | 21,123,020        |
| <b>Total non-financial assets recognised at fair value on a recurring basis</b> |      | <b>0</b>     | <b>54,376,227</b> | <b>24,609,471</b> | <b>78,985,698</b> |

#### (a) Transfers Policy

The policy of the EMRC is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period.

There was a transfer between level 2 and 3 for Land totaling \$17,650,000 during the current year.

#### (b) Highest and Best Use

There were no assets valued where it was assumed that the highest and best use was other than their current use.

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### For the year ended 30 June 2021

#### 30. FAIR VALUE MEASUREMENT (Continued)

##### (c) Valuation techniques and Inputs used to derive fair values

The following table summarises valuation inputs and techniques used to determine the Fair value for each asset class.

| Asset  | Level of Valuation Input | Fair Value at 30 June 2021<br>\$ | Valuation Technique(s)     | Inputs Used   |
|--|--------------------------|----------------------------------|----------------------------|---|
| <b>Non-Financial Assets subject to revaluation</b> |                          |                                  |                            |   |
| Land   | 2                        | 30,200,000                       | Market approach            | Price per square metre.   |
|  | 3                        | 17,650,000                       | Cost Approach              | Price per square metre.   |
| Buildings  | 3                        | 3,067,158                        | Cost Approach              | Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount. |
| Infrastructure                                     | 2                        | 3,439,716                        | Market and income approach | Rental yields and price per square metre.   |
|  | 3                        | 21,977,142                       | Cost approach              | Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount. |
| <b>TOTAL</b>                                       |                          | <b>76,334,016</b>                |                            |   |

#### 30. FAIR VALUE MEASUREMENT (Continued)

##### (c) Valuation techniques and Inputs used to derive fair values (Continued)

##### Recurring fair value measurements

##### Land

Where there is an active and liquid market as evidenced by sales transactions of similar property types, a Market Approach by way of Direct Comparison or Income Capitalisation methods can be utilised. These are accepted valuation methodologies under AASB13. If a Market Approach is adopted, the valuation is deemed to be based on Level 2 inputs.

The Direct Comparison method, which is generally considered a Level 2 input on the Fair Value Hierarchy, involves the analysis of sales evidence and comparisons with the subject land, taking into account matters such as whether an active market can be established and there are no unreasonable restrictions as to use and/or sale, area, location and other general site characteristics. The Direct Comparison approach has been utilised in the assessment for some assets, however the Fair Value measurement has been based on either Level 2 or 3 inputs, depending on additional assumptions as to:

- Whether the land is subject to restrictions as to use and/or sale;
- Whether there is an active market or not.

If these assumptions apply to any land or buildings, the Fair Value has been measured based on Level 3 inputs. Assets having a Parkland zoning, land that is utilised for footpath or access restriction purposes, land that is a volumetric title, or due to its general characteristics land that has no observable active market, have been assessed based on Level 3 inputs.

The valuation techniques used to measure Fair Value maximise the use of observable data where it is available and relies as little as possible on entity specifics. The disclosure of valuation estimates is designed to provide users with an insight into the judgements that have been made in the determination of Fair Values.

##### Buildings

##### Level 2 valuation inputs

These were used to determine the fair value of a range of properties. This included the bulk of residential and commercial properties. The residential properties fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Commercial buildings have been generally derived using a combination of sales direct comparison approach and capitalisation of income approach. Fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach are rental yields and price per square metre.

##### Level 3 valuation inputs

The level of evidence used to support the critical assumptions of some commercial buildings was considered to be highly variable due to high levels of variability in the market for rental yields and future demand. As such the level of valuation input for these properties was considered level 3.

**30. FAIR VALUE MEASUREMENT (Continued)**

**(c) Valuation techniques and Inputs used to derive fair values (Continued)**

**Recurring fair value measurements**

**Infrastructure**

Road and Civil Assets

All road and civil assets were valued using the cost approach.

The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Eastern Metropolitan Regional Council's own engineers, asset management and finance staff. The results of the valuation were further evaluated by confirmation against Eastern Metropolitan Regional Council's own understanding of the assets and the level of remaining service potential.

**(d) Valuation processes**

The EMRC engages external, independent and qualified valuers to determine the fair value of the Council's land, buildings and other infrastructure on a regular basis in line with Regulation 17A(4) of the *Local Government (Financial Management) Regulations 1996*.

Management carried out an assessment of the revaluation work performed by the external valuers, which included review of the valuer's methodology, limitations, algorithms, key assumptions and inputs used in applying the valuation methodology to ensure they were appropriate prior to their application. Changes in fair values were analysed at the end of the reporting period. Consequently, management is satisfied with the results of the valuations undertaken and confirm that the movement in the asset values are reasonable.

A Management valuation was undertaken for the EMRC's landfill cells and post closure asset.

**31. RELATED PARTY TRANSACTIONS**

**Key Management Personal (KMP) Compensation Disclosure**

The total remuneration for KMP of the Council during the year are as follows:

|                              | 2020/2021               | 2019/2020               |
|------------------------------|-------------------------|-------------------------|
|                              | \$                      | \$                      |
| Short-term employee benefits | 1,010,347               | 904,878                 |
| Post-employment benefits     | 133,200                 | 112,817                 |
| Other long term benefits     | 125,096                 | 102,370                 |
| Termination benefits         | 0                       | 0                       |
|                              | <b><u>1,268,643</u></b> | <b><u>1,120,065</u></b> |

**Short-term employee benefits**

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect of fees and benefits paid to elected members which may be found at Note 20.

**Post-employment benefits**

These amounts are the current-year's estimated cost of providing for the Council's superannuation contributions made during the year.

**Other long-term benefits**

These amounts represent annual leave and long service benefits accruing during the year.

**Termination benefits**

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

**Related Parties**

**The Council's main related parties are as follows:**

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

*ii. Other Related Parties*

The associate person of Key Management Personnel employed by the Council under normal employment terms and conditions, and all the close family members and the controlled or jointly controlled entities of the key management personnel.

*iii. Entities subject to significant influence by the Council or have significant influence on the Council*

Any entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.



## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT For the year ended 30 June 2021

### 31. RELATED PARTY TRANSACTIONS (Continued)

#### Related Parties (Continued)

##### Transactions with related parties

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

|  | 2020/2021  | 2019/2020  |
|--|------------|------------|
|  | \$         | \$         |
| <b>Member Councils:</b>                          |            |            |
| • Sale of goods and services                     | 30,872,716 | 28,520,361 |
| • FOGO contribution to member Councils           | 0          | 13,789,200 |
| • Dividend distribution to member Councils       | 4,985,988  | 5,000,000  |
| <b>Amounts outstanding from related parties:</b> |            |            |
| • Trade and other receivables                    | 2,491,745  | 2,113,528  |

### 32. 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 2020/2021 budget was \$5,195,835.

The actual net current asset position balance shown in the audited financial report as at 30 June 2020 and after adjustment for Restricted Assets was \$5,231,956.

## INDEPENDENT AUDITOR'S REPORT



### Auditor General

#### INDEPENDENT AUDITOR'S REPORT 2021 Eastern Metropolitan Regional Council

To the Councillors of the Eastern Metropolitan Regional Council

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

##### Opinion

I have audited the financial report of the Eastern Metropolitan Regional Council (Council) which comprises:

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Eastern Metropolitan Regional Council:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Council for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

##### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the Council in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Council is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Council.

The Council is responsible for overseeing the Council's financial reporting process.

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

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.aasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.aasb.gov.au/auditors_responsibilities/ar4.pdf).

#### Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) All required information and explanations were obtained by me.
- (ii) All audit procedures were satisfactorily completed.
- (iii) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

#### Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

#### Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Eastern Metropolitan Regional Council for the year ended 30 June 2021 included on the Council's website. The Council's management is responsible for the integrity of the Council's website. This audit does not provide assurance on the integrity of the Council's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Grant Robison  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
17 November 2021



[www.emrc.org.au](http://www.emrc.org.au)

**Eastern Metropolitan Regional Council**

226 Great Eastern Highway, Ascot WA 6104

PO Box 234, Belmont WA 6984

T: 08 9424 2222

