



Ordinary Meeting of Council

AGENDA

to be held on
Thursday, 17 September 2020
at **6:00pm**, at the
EMRC Administration Office
1st Floor, 226 Great Eastern Highway
BELMONT WA 6104

Meeting Room: Council Chambers

Due to COVID-19 pandemic, meetings of Council will be isolated within the Council Chambers and the public gallery will be situated in the adjoining function room and limited to numbers in accordance with Government COVID-19 stipulations.

The meeting will be audio recorded and available through the EMRC's website at www.emrc.org.au.

Public question time will continue as usual but questions may only be submitted electronically prior to the meeting, no later than 4.00pm on the 17 September 2020 to CouncilEnquiry@emrc.org.au

**EASTERN METROPOLITAN REGIONAL COUNCIL
ORDINARY MEETING OF COUNCIL**

NOTICE OF MEETING

Dear Councillors

I wish to advise that an Ordinary Meeting of Council will be held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 17 September 2020**, commencing at **6:00pm**.



MARCUS GEISLER
Chief Executive Officer

11 September 2020

Please Note

If any Councillor/officer has a **query regarding a report item** or requires additional information in relation to a report item, please **contact the responsible Officer** (SOURCE OF REPORT) prior to the meeting.

EMRC Council Members

Cr Jai Wilson (Chairman)	EMRC Member	Town of Bassendean
Cr Doug Jeans (Deputy Chairman)	EMRC Member	Shire of Mundaring
Cr Kathryn Hamilton	EMRC Member	Town of Bassendean
Cr Lorna Clarke	EMRC Member	City of Bayswater
Cr Giorgia Johnson	EMRC Member	City of Bayswater
Cr Janet Powell	EMRC Member	City of Belmont
Cr Steve Wolff	EMRC Member	City of Belmont
Cr Lesley Boyd	EMRC Member	City of Kalamunda
Cr Dylan O'Connor	EMRC Member	City of Kalamunda
Cr John Daw	EMRC Member	Shire of Mundaring
Cr Mel Congerton	EMRC Member	City of Swan
Cr Charlie Zannino	EMRC Member	City of Swan

EMRC Council Deputies

Cr Hilary MacWilliam	EMRC Deputy Member	Town of Bassendean
Cr Filomena Piffaretti	EMRC Deputy Member	City of Bayswater
Cr Phil Marks	EMRC Deputy Member	City of Belmont
Cr Cameron Blair	EMRC Deputy Member	City of Kalamunda
Cr Amy Collins	EMRC Deputy Member	Shire of Mundaring
Cr Ian Johnson	EMRC Deputy Member	City of Swan

ORDINARY MEETING OF COUNCIL

AGENDA

17 September 2020

(REF: D2020/16197)

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

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

3 DISCLOSURE OF INTERESTS

4 ANNOUNCEMENTS BY THE CHAIRMAN OR PRESIDING MEMBER WITHOUT DISCUSSION

5 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

5.1 RESPONSE TO QUESTIONS FROM MS JANE BREMMER

Following the receipt of the response to the initial 8 questions [see minutes from 23 July 2020 Ordinary meeting of Council], Ms Bremmer has sent through follow up questions which were taken on notice at the last meeting. The responses to the follow up questions are as follows:

Question 1: In response to Question 4.

Please provide the report detailing the substantial implementation of the project as required in Ministerial statement 1028 submitted in July 2017?

Response: The initial Compliance Assessment Report from July 2017 is attached.

Question 2: In response to Question 5.

Please provide the Compliance Assessment Plan submitted to the CEO in July 2016?

Response: The Compliance Assessment Plan from July 2016 is attached.

Question 3: Further does the EMRC consider that such reports should be publicly available on the EMRC website? If yes when will such information be provided?

Response: The EMRC is required to make Compliance Assessment Reports publicly available in accordance with the OEPA Post Assessment Guideline for Making Information Publicly Available. This Guideline states that all information and/or documentation required to be made publicly available must be made available to stakeholders, including members of the public, upon request and within 7 days of the proponent receiving the request.



Item 5.1 continued

Question 4: When and where will the EMRC provide the detailed information identified in the Community Partnership Agreement about the HRRP and particularly the WWTEP?

Response: *The Community Partnership Agreement relates to the East Rockingham Waste to Energy Plant, not the HRRP. The Community Partnership Agreement was included in the tender documents for the Resource Recovery Facility and tenderers were required to include statements in their submission about compliance with the CPA.*

Question 5: When will the EMRC provide the report detailing the project milestones, given the wood waste to energy incinerator's imminent operation?

Response: *A report was provided to Ms Bremmer.*

Question 6: Will the EMRC correct some of the false and misleading claims made on the Frequently Asked Question page? I refer to claims made that waste incineration does not adversely impact the recycling sector and also claims that Pyrolysis technologies are not incineration?

Response: *The statement regarding the impact of waste incineration on the recycling sector was independent advice provided by Dr Robin Davidov. This is the evidence from overseas. The East Rockingham Waste to Energy plant will use residual waste as feedstock.*

The statement in the Frequently Asked Questions section of our website which we believe you are referring to states as follows:

Question 7: **“Is the Wood Waste to Energy Plant the same thing as a biomass incinerator?”**

Response: *The proposed Hazelmeare Wood Waste to Energy Plant is not an incinerator. The Plant will use pyrolysis technology, which involves the indirect heating of the residual wood waste. In the absence of oxygen, the process will produce the valuable resources of syngas and biochar. Emissions modelling shows that the Plant will meet ambient air quality standards and health standards for the public.*

The Australian Government has determined that energy from biomass is renewable energy and is therefore carbon neutral. Pyrolysis of biomass to produce a fuel gas is not incineration, as evidenced by the emission standards in the EU Waste Incineration Directive, which states syngas is a fuel not a waste material.

We stand by this statement. pyrolysis technologies are not waste incineration, there is no waste combustion occurring.

In 2013, the EPA sought independent strategic advice on waste to energy technologies and their published report “Environmental and health performance of waste to energy technologies (Report 1468)” details the differences between the different types of waste to energy technologies (refer pages 7 and 8 of Report 1468).

6 PUBLIC QUESTION TIME

7 APPLICATIONS FOR LEAVE OF ABSENCE

8 PETITIONS, DEPUTATIONS AND PRESENTATIONS



9 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

9.1 MINUTES OF ORDINARY MEETING OF COUNCIL HELD ON 23 JULY 2020

That the minutes of the Ordinary Meeting of Council held on 23 July 2020 which have been distributed, be confirmed.

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR

10 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

11 QUESTIONS BY MEMBERS WITHOUT NOTICE

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

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

The following report items are covered in Section 19 of this agenda:

12.1 ITEM 14.1 OF THE WASTE ADVISORY COMMITTEE MINUTES

CLASS IV WASTE CELL (PRELIMINARY DESIGN & APPROVALS)

13 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



14 REPORTS OF EMPLOYEES

- 14.1 LIST OF ACCOUNTS PAID DURING THE MONTH OF JULY 2020*
- 14.2 FINANCIAL REPORT FOR PERIOD ENDED 30 JUNE 2020*
- 14.3 FINANCIAL REPORT FOR PERIOD ENDED 31 JULY 2020*
- 14.4 REVIEW OF COUNCIL POLICY 3.5 – PURCHASING POLICY*
- 14.5 REVIEW OF COUNCIL POLICY 7.3 – RECORDS MANAGEMENT*
- 14.6 REQUEST FOR TENDER RFT2020-006 EMRC STRATEGIC REVIEW*
- 14.7 EMRC'S DRAFT WASTE PLAN*
- 14.8 ITEMS CONTAINED IN THE INFORMATION BULLETIN*

QUESTIONS

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

RECOMMENDATION(S)

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

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR



14.1 LIST OF ACCOUNTS PAID DURING THE MONTH OF JULY 2020

REFERENCE: D2020/19887

PURPOSE OF REPORT

The purpose of this report is to present to Council a list of accounts paid under the Chief Executive Officer's delegated authority during the month of July 2020 for noting.

KEY POINTS AND RECOMMENDATION(S)

- As per the requirements of regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, the list of accounts paid during the month of July 2020 is provided for noting.

Recommendation(s)

That Council notes the CEO's list of accounts for July 2020 paid under delegated power in accordance with regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, forming the attachment to this report totalling \$8,160,155.51.

SOURCE OF REPORT

Chief Financial Officer

BACKGROUND

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



Item 14.1 continued

REPORT

The table below summarises the payments drawn on the funds during the month July 2020. A list detailing the payments made is appended as an attachment to this report.

Municipal Fund	EFT Payments	EFT44718 – EFT44818	
	Cheque Payments	220518– 220523	
	Payroll EFT	PAY 2021-1 & PAY 2021-2	
	Direct Debits		
	- Superannuation	DD20511.1 – DD20511.26, DD20512.1 – DD20512.26 & DD20513.1 – DD20513.27	
	- Bank Charges	1*JUL20	
	- Other	1749 – 1766	\$8,160,155.51
	Less Cancelled EFT's & Cheques:		Nil
Trust Fund	Not Applicable		Nil
Total			\$8,160,155.51

Summary of Expenditure for the Month of July 2020	
Payroll	\$592,733.82
Term Deposit Investments	\$2,500,000.00
Capital Expenditure	\$982,182.86
Operating Expenditure	
- Landfill Levy *	\$3,343,649.93
- Other	\$741,588.90
Total	\$8,160,155.51

* Note: The Landfill Levy is paid quarterly in July, October, January and April.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 3 – Good Governance

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



Item 14.1 continued

FINANCIAL IMPLICATIONS

As detailed within the report.

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

CEO's Delegated Payments List for the month of July 2020 (Ref: D2020/20093)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council notes the CEO's list of accounts for July 2020 paid under delegated power in accordance with regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, forming the attachment to this report totalling \$8,160,155.51.

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR



Eastern Metropolitan Regional Council

CEO's DELEGATED PAYMENTS LIST FOR THE MONTH OF JULY 2020

Cheque / EFT No	Date	Payee		Amount
EFT44718	03/07/2020	AUSTRALIA POST - ASCOT PLACE	POSTAL CHARGES	2.12
EFT44719	03/07/2020	CIVIL AUTO ELECTRICS PTY LTD	PLANT REPAIR	547.80
EFT44720	03/07/2020	IT VISION AUSTRALIA PTY LTD	CONSULTING - CRYSTAL REPORTING	11,935.00
EFT44721	03/07/2020	KLB SYSTEMS	COMPUTER HARDWARE PURCHASES	264.00
EFT44722	03/07/2020	MARSH PTY LTD	ASSET VALUATION - PLANT, FURNITURE & EQUIPMENT	15,199.80
EFT44723	03/07/2020	NATIONWIDE FABRICATIONS - TIGER PLAINS P/L ATFT	REPLACE DUCTING ON GRINDER	990.00
EFT44724	03/07/2020	ROGERS FAM TST TAS	DEGASSING OF FRIDGES & AIRCONDITIONERS - HAZELMERE	880.00
EFT44725	03/07/2020	NEVILLE REFRIGERATION & AIRCONDITIONING		
EFT44725	03/07/2020	PIRTEK MIDLAND (M & B HYDRAULICS PTY LTD)	HYDRAULIC HOSE SUPPLIES & REPAIRS	108.93
EFT44726	03/07/2020	SETON AUSTRALIA - BRADY AUSTRALIA PTY LTD T/AS	ANTI SLIP TAPE	158.90
EFT44727	03/07/2020	TELSTRA CORPORATION LTD	TELEPHONE CHARGES	354.56
EFT44728	07/07/2020	AUSCO MODULAR PTY LTD	PLANT HIRE - HAZELMERE	2,594.27
EFT44729	07/07/2020	CATALYSE PTY LTD	STAKEHOLDER SURVEY	4,950.00
EFT44730	07/07/2020	DILIGENT BOARD SERVICES AUSTRALIA PTY LTD	DILIGENT BOARDS	43,175.00
EFT44731	07/07/2020	EKTIMO PTY LTD	NOSE CALIBRATION	1,100.00
EFT44732	07/07/2020	HITACHI CONSTRUCTION MACHINERY (AUSTRALIA) PTY LTD	PLANT SERVICE & MAINTENANCE & REPAIR	3,412.20
EFT44733	07/07/2020	STRATA CORPORATION P/L T/A STRATAGREEN	HARDWOOD STAKES FOR TREE PLANTING	2,249.50
EFT44734	07/07/2020	TUTT BRYANT EQUIPMENT (BT EQUIPMENT PTY LTD)	PLANT PURCHASE	76,175.00
EFT44735	07/07/2020	WEST FORCE PLUMBING AND GAS	PLUMBING REPAIR AT RED HILL	1,380.50
EFT44736	10/07/2020	A & B CANVAS AUSTRALIA	WWIE PAYMENT RE EMRC / ANERGY AGREEMENT	3,839.00
EFT44737	10/07/2020	BLACKWOODS CANNINGVALE	WWIE PAYMENT RE EMRC / ANERGY AGREEMENT	566.36
EFT44738	10/07/2020	CORROCOAT ENGINEERING (AUSTRALIA) PTY LTD	WWIE PAYMENT RE EMRC / ANERGY AGREEMENT	2,750.00
EFT44739	10/07/2020	HAYS SPECIALIST RECRUITMENT	WWIE PAYMENT RE EMRC / ANERGY AGREEMENT	22,259.88
EFT44740	10/07/2020	MATT COOK TRANSPORT	WWIE PAYMENT RE EMRC / ANERGY AGREEMENT	1,863.57
EFT44741	10/07/2020	NATURAL POWER SOLUTIONS PTY LTD	WWIE PAYMENT RE EMRC / ANERGY AGREEMENT	5,270.10
EFT44742	10/07/2020	NV ENGINEERING PTY LTD	WWIE PAYMENT RE EMRC / ANERGY AGREEMENT	932.80
EFT44743	10/07/2020	PROCESS SYTEMS PTY LTD	WWIE PAYMENT RE EMRC / ANERGY AGREEMENT	5,649.42
EFT44744	10/07/2020	UNIQUE METALS LASER	WWIE PAYMENT RE EMRC / ANERGY AGREEMENT	3,561.04
EFT44745	10/07/2020	iSOL8 PTY LTD	WWIE PAYMENT RE EMRC / ANERGY AGREEMENT	643.50
EFT44746	10/07/2020	AMP BANK	BANK AUDIT FEE	25.00
EFT44747	10/07/2020	COLONIAL PRINT & PROMOTIONS	DOOR NAME SIGN INSERTS	92.40
EFT44748	10/07/2020	EASTERN HILLS SAND SUPPLIES P/L	REFUND OF OVERPAYMENT	157.27
EFT44749	10/07/2020	EDERLINE PTY LTD T/A CAVERSHAM PLANT HIRE	REFUND OF OVERPAYMENT	80.00
EFT44750	10/07/2020	KLB SYSTEMS	COMPUTER HARDWARE PURCHASES	13,860.00
EFT44751	10/07/2020	NEVILLE REFRIGERATION & AIRCONDITIONING	DEGASSING OF FRIDGES & AIRCONDITIONERS - RED HILL	1,012.00
EFT44752	10/07/2020	PROSPEC GROUP PTY LTD	REFUND OF OVERPAYMENT	32.00
EFT44753	10/07/2020	RURAL BANK	BANK AUDIT FEE	30.00
EFT44754	10/07/2020	SPARTEL PTY LTD	ODOUR EXTRACTION SYSTEM	35,200.00
EFT44755	10/07/2020	TELSTRA CORPORATION LTD	TELEPHONE CHARGES	497.92
EFT44756	14/07/2020	CHILD SUPPORT	EMPLOYEE DEDUCTION	352.70
EFT44757	14/07/2020	DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION (DWER)	RED HILL - LICENCE AMENDMENT	680.00
EFT44758	14/07/2020	MOTORCHARGE PTY LTD	FLEET FUEL PURCHASES	1,912.63
EFT44759	14/07/2020	NEVILLE COLLARD	PRESENTATION FEE FOR NAIDOC WEEK EVENT CEP GRANT WANGALLA BROOK	1,500.00
EFT44760	14/07/2020	PAYG PAYMENTS	PAYG TAXATION PAYMENT	80,698.00
EFT44761	14/07/2020	RAMAL TISSERA	STAFF REIMBURSEMENT	32.45
EFT44762	14/07/2020	TELSTRA CORPORATION LTD	TELEPHONE CHARGES	240.49

CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF JULY 2020

Cheque / EFT No	Date	Payee		Amount
EFT44763	14/07/2020	YOGA BY LAUREN CATALANO	STAFF HEALTH PROMOTION	330.00
EFT44764	17/07/2020	AMER SAABI	STAFF REIMBURSEMENT	35.68
EFT44765	17/07/2020	BP AUSTRALIA PTY LTD	FUEL PURCHASES	46,507.43
EFT44766	17/07/2020	BP AUSTRALIA PTY LTD	OIL PURCHASES	1,010.82
EFT44767	17/07/2020	DANAE WARDEN	STAFF REIMBURSEMENT	461.65
EFT44768	17/07/2020	DC COMPUTERS	COMPUTER HARDWARE PURCHASES	1,559.92
EFT44769	17/07/2020	DOWN TO EARTH TRAINING & ASSESSING	STAFF TRAINING	3,100.00
EFT44770	17/07/2020	KLB SYSTEMS	SOFTWARE LICENCE RENEWAL	4,598.00
EFT44771	17/07/2020	NGIS (AUSTRALIA) PTY LTD	STAFF TRAINING	2,536.05
EFT44772	17/07/2020	SERCUL - SOUTH EAST REGIONAL CENTRE FOR URBAN LANDCARE INC	STAFF TRAINING	220.00
EFT44773	17/07/2020	SETON AUSTRALIA - BRADY AUSTRALIA PTY LTD T/AS	PLANT PARTS	212.36
EFT44774	17/07/2020	SYNERGY	ELECTRICITY CHARGES - HAZELMERE	1,324.26
EFT44775	23/07/2020	MARKETFORCE	ADVERTISEMENT - FEES & CHARGES FOR VARIOUS SITES	4,881.56
EFT44776	23/07/2020	PERTH ENERGY PTY LTD	GAS SUPPLY - WWtE	99.96
EFT44777	23/07/2020	TELSTRA CORPORATION LTD	TELEPHONE CHARGES	6,129.63
EFT44778	23/07/2020	WEATHERWORKS AUSTRALIA	PURCHASE OF WINDSOCKS, POLE & BASE	3,553.00
EFT44779	24/07/2020	ADVANCED ELECTRICAL EQUIPMENT	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	4,862.07
EFT44780	24/07/2020	BLACKWOODS CANNINGVALE	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	1,017.56
EFT44781	24/07/2020	CORROCOAT ENGINEERING (AUSTRALIA) PTY LTD	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	4,128.30
EFT44782	24/07/2020	GLOBAL AUTO COAT PTY LTD	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	370.68
EFT44783	24/07/2020	HAYS SPECIALIST RECRUITMENT	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	17,669.23
EFT44784	24/07/2020	IBEX AUSTRALIA	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	5,835.36
EFT44785	24/07/2020	KLINGER LIMITED	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	429.10
EFT44786	24/07/2020	NV ENGINEERING PTY LTD	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	1,278.20
EFT44787	24/07/2020	ROOF SAFETY SOLUTIONS PTY LTD	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	14,886.85
EFT44788	24/07/2020	STAINLESS FASTENER SUPPLIES	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	624.30
EFT44789	24/07/2020	THE AIR CON DUDE	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	1,305.00
EFT44790	24/07/2020	TOOLMART AUSTRALIA PTY LTD	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	925.00
EFT44791	24/07/2020	UNITED CRANE SERVICES PTY LTD	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	544.50
EFT44792	24/07/2020	VULCAN STEEL PTY LTD (VULCAN STAINLESS)	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	1,661.53
EFT44793	24/07/2020	iSOL8 PTY LTD	WWtE PAYMENT RE EMRC / ANERGY AGREEMENT	1,881.00
EFT44794	27/07/2020	AIR-MET SCIENTIFIC PTY LTD	EQUIPMENT RENTAL	121.00
EFT44795	27/07/2020	CHILD SUPPORT	EMPLOYEE DEDUCTION	352.70
EFT44796	27/07/2020	CIVIL AUTO ELECTRICS PTY LTD	PLANT REPAIRS	1,539.45
EFT44797	27/07/2020	CSIRO-COMMONWEALTH SCIENTIFIC INDUSTRIAL RESEARCH ORGANISATION	ANALYSE AND REPORT ON FIRE RISK ON WOODCHIPS	440.00
EFT44798	27/07/2020	DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION (DWER)	JUNE 2020 QUARTER LANDFILL LEVY	3,343,649.93
EFT44799	27/07/2020	FOSTER PLUMBING AND GAS	PLUMBING WORKS AT HAZELMERE - WWtE	3,983.10
EFT44800	27/07/2020	HARVEY NORMAN MIDLAND	COMPUTER CONSUMABLES & MICROWAVE OVEN	514.05
EFT44801	27/07/2020	KLB SYSTEMS	COMPUTER HARDWARE PURCHASES	4,697.00
EFT44802	27/07/2020	LGIS	2020/2021 INSURANCE PREMIUMS	273,527.29
EFT44803	27/07/2020	LGIS INSURANCE BROKING	2020/2021 INSURANCE PREMIUMS	41,020.00
EFT44804	27/07/2020	NEVILLE REFRIGERATION & AIRCONDITIONING	DEGASSING OF FRIDGES & AIRCONDITIONERS - MATHIESON ROAD	616.00
EFT44805	27/07/2020	PAYG PAYMENTS	PAYG TAXATION PAYMENT	85,405.60
EFT44806	27/07/2020	WEST FORCE PLUMBING AND GAS	PLUMBING REPAIR AT RED HILL	385.00
EFT44807	31/07/2020	AUSCO MODULAR PTY LTD	PLANT HIRE - HAZELMERE	2,594.27

CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF JULY 2020

Cheque / EFT No	Date	Payee		Amount
EFT44808	31/07/2020	AUSTRALIA POST - ASCOT PLACE	POSTAL CHARGES	68.60
EFT44809	31/07/2020	DIAMOND LANDSCAPING AND DESIGNING	CONSULTING FEE - HRRP	1,641.20
EFT44810	31/07/2020	DNR CONTRACTING PTY LTD	CONSTRUCT CRC ENTRANCE UPGRADE & OTHER EARTHWORK ON C& I AT HAZELMERE	76,903.24
EFT44811	31/07/2020	FUJI XEROX AUSTRALIA PTY LTD	PHOTOCOPIER MAINTENANCE & SUPPLIES	883.34
EFT44812	31/07/2020	IT VISION AUSTRALIA PTY LTD	ANNUAL LICENCE FEE	44,642.40
EFT44813	31/07/2020	RAUBEX CONSTRUCTION	PROGRESS CLAIM - DEVELOPMENT OF LOTS 8,9 & 10 AT RED HILL	269,168.71
EFT44814	31/07/2020	SEEK LIMITED	ADVERTISEMENT - RECRUITMENT	2,530.00
EFT44815	31/07/2020	SOUTHERN CROSS PROTECTION	COURIER SERVICE	275.00
EFT44816	31/07/2020	SPUDS GARDENING SERVICES	TREE PLANTING	528.00
EFT44817	31/07/2020	WA HINO SALES AND SERVICE	PLANT PURCHASE	270,945.40
EFT44818	31/07/2020	WESTRAC EQUIPMENT PTY LTD	PLANT REFURBISHMENT	140,228.28
220518	01/07/2020	EMRC PETTY CASH - BELMONT	PETTY CASH RECOUP	200.00
220519	08/07/2020	EMRC PETTY CASH - BELMONT	PETTY CASH RECOUP	598.25
220520	08/07/2020	EMRC PETTY CASH - COPPIN ROAD	PETTY CASH RECOUP	44.05
220521	08/07/2020	EMRC PETTY CASH - HAZELMERE	PETTY CASH RECOUP	78.00
220522	08/07/2020	EMRC PETTY CASH - MATHIESON ROAD	PETTY CASH RECOUP	18.30
220523	08/07/2020	EMRC PETTY CASH - RED HILL	PETTY CASH RECOUP	120.05
PAY 2021 - 1	07/07/2020	PAYROLL FE 7/7/2020	PAYROLL	224,345.33
PAY 2021 - 2	21/07/2020	PAYROLL FE 21/7/2020	PAYROLL	231,619.18
1*JUL20	01/07/2020	BANK CHARGES 1885 - 1889	BANK FEES & CHARGES	1,792.04
DD20511.1	01/07/2020	WALGS PLAN	SUPERANNUATION	26,899.99
DD20511.2	01/07/2020	RETAIL EMPLOYEES SUPERANNUATION TRUST	SUPERANNUATION	1,117.74
DD20511.3	01/07/2020	AUSTRALIAN ETHICAL SUPER	SUPERANNUATION	261.32
DD20511.4	01/07/2020	ONEPATH MASTERFUND (ANZ)	SUPERANNUATION	181.52
DD20511.5	01/07/2020	PLUM SUPERANNUATION FUND (MLC)	SUPERANNUATION	1,229.82
DD20511.6	01/07/2020	MARANI SUPER FUND	SUPERANNUATION	997.11
DD20511.7	01/07/2020	AMP - SIGNATURESUPER	SUPERANNUATION	1,110.39
DD20511.8	01/07/2020	HUB24 SUPER FUND	SUPERANNUATION	197.39
DD20511.9	01/07/2020	NORTH PERSONAL SUPERANNUATION	SUPERANNUATION	1,092.26
DD20511.10	01/07/2020	MERCER SMART SUPER PLAN	SUPERANNUATION	312.77
DD20511.11	01/07/2020	ING LIVING SUPER	SUPERANNUATION	272.27
DD20511.12	01/07/2020	AMP FLEXIBLE LIFETIME SUPER	SUPERANNUATION	621.15
DD20511.13	01/07/2020	BT LIFETIME SUPER - EMPLOYER PLAN	SUPERANNUATION	277.22
DD20511.14	01/07/2020	CBUS INDUSTRY SUPER	SUPERANNUATION	1,112.98
DD20511.15	01/07/2020	TELSTRA SUPERANNUATION SCHEME	SUPERANNUATION	232.41
DD20511.16	01/07/2020	COMMONWEALTH ESSENTIAL SUPER	SUPERANNUATION	267.33
DD20511.17	01/07/2020	MY NORTH SUPER A/T WEALTH PERSONAL SUPERANNUATION & PENSION FUN	SUPERANNUATION	446.20
DD20511.18	01/07/2020	MTAA SUPERANNUATION FUND	SUPERANNUATION	220.92
DD20511.19	01/07/2020	BT SUPER FOR LIFE	SUPERANNUATION	217.36
DD20511.20	01/07/2020	A&S HUGHES-D'AETH PTY LTD ATF A&S HUGHES-D'AETH SUPERANNUATION FUND	SUPERANNUATION	533.67
DD20511.21	01/07/2020	HOSTPLUS SUPERANNUATION FUND	SUPERANNUATION	2,549.01
DD20511.22	01/07/2020	AUSTRALIAN SUPER	SUPERANNUATION	2,729.19
DD20511.23	01/07/2020	MLC SUPER FUND	SUPERANNUATION	923.29
DD20511.24	01/07/2020	LEGALSUPER	SUPERANNUATION	401.92
DD20511.25	01/07/2020	SUNSUPER	SUPERANNUATION	675.49

CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF JULY 2020

Cheque / EFT No	Date	Payee	Amount
DD20511.26	01/07/2020	ZURICH MASTER SUPERANNUATION FUND	296.53
DD20512.1	07/07/2020	WALGS PLAN	26,603.16
DD20512.2	07/07/2020	RETAIL EMPLOYEES SUPERANNUATION TRUST	1,117.74
DD20512.3	07/07/2020	AUSTRALIAN ETHICAL SUPER	256.73
DD20512.4	07/07/2020	ONEPATH MASTERFUND (ANZ)	193.21
DD20512.5	07/07/2020	PLUM SUPERANNUATION FUND (MLC)	1,229.82
DD20512.6	07/07/2020	MARANI SUPER FUND	997.11
DD20512.7	07/07/2020	AMP - SIGNATURESUPER	1,095.95
DD20512.8	07/07/2020	HUB24 SUPER FUND	215.31
DD20512.9	07/07/2020	NORTH PERSONAL SUPERANNUATION	1,137.37
DD20512.10	07/07/2020	MERCER SMART SUPER PLAN	312.77
DD20512.11	07/07/2020	ING LIVING SUPER	272.27
DD20512.12	07/07/2020	AMP FLEXIBLE LIFETIME SUPER	621.15
DD20512.13	07/07/2020	BT LIFETIME SUPER - EMPLOYER PLAN	277.00
DD20512.14	07/07/2020	CBUS INDUSTRY SUPER	1,125.50
DD20512.15	07/07/2020	TELSTRA SUPERANNUATION SCHEME	231.98
DD20512.16	07/07/2020	COMMONWEALTH ESSENTIAL SUPER	262.59
DD20512.17	07/07/2020	MY NORTH SUPER A/T WEALTH PERSONAL SUPERANNUATION & PENSION FUN	452.80
DD20512.18	07/07/2020	MTAA SUPERANNUATION FUND	250.66
DD20512.19	07/07/2020	BT SUPER FOR LIFE	217.25
DD20512.20	07/07/2020	A&S HUGHES-D'AETH PTY LTD ATF A&S HUGHES-D'AETH SUPERANNUATION FUND	533.67
DD20512.21	07/07/2020	HOSTPLUS SUPERANNUATION FUND	3,013.38
DD20512.22	07/07/2020	AUSTRALIAN SUPER	2,685.46
DD20512.23	07/07/2020	MLC SUPER FUND	924.29
DD20512.24	07/07/2020	LEGALSUPER	401.92
DD20512.25	07/07/2020	SUNSUPER	678.03
DD20512.26	07/07/2020	ZURICH MASTER SUPERANNUATION FUND	296.53
DD20513.1	21/07/2020	WALGS PLAN	26,466.18
DD20513.2	21/07/2020	RETAIL EMPLOYEES SUPERANNUATION TRUST	1,117.74
DD20513.3	21/07/2020	AUSTRALIAN ETHICAL SUPER	252.84
DD20513.4	21/07/2020	ONEPATH MASTERFUND (ANZ)	181.52
DD20513.5	21/07/2020	PLUM SUPERANNUATION FUND (MLC)	1,229.82
DD20513.6	21/07/2020	MARANI SUPER FUND	997.11
DD20513.7	21/07/2020	AMP - SIGNATURESUPER	1,081.52
DD20513.8	21/07/2020	UNISUPER	78.75
DD20513.9	21/07/2020	HUB24 SUPER FUND	223.86
DD20513.10	21/07/2020	NORTH PERSONAL SUPERANNUATION	1,104.42
DD20513.11	21/07/2020	MERCER SMART SUPER PLAN	312.77
DD20513.12	21/07/2020	AMP FLEXIBLE LIFETIME SUPER	621.15
DD20513.13	21/07/2020	ING LIVING SUPER	146.88
DD20513.14	21/07/2020	BT LIFETIME SUPER - EMPLOYER PLAN	277.33
DD20513.15	21/07/2020	CBUS INDUSTRY SUPER	1,151.87
DD20513.16	21/07/2020	TELSTRA SUPERANNUATION SCHEME	231.60
DD20513.17	21/07/2020	COMMONWEALTH ESSENTIAL SUPER	263.52
DD20513.18	21/07/2020	MY NORTH SUPER A/T WEALTH PERSONAL SUPERANNUATION & PENSION FUN	449.70

CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF JULY 2020

Cheque / EFT No	Date	Payee		Amount
DD20513.19	21/07/2020	MTAA SUPERANNUATION FUND	SUPERANNUATION	288.70
DD20513.20	21/07/2020	BT SUPER FOR LIFE	SUPERANNUATION	219.13
DD20513.21	21/07/2020	A&S HUGHES-D'AETH PTY LTD ATF A&S HUGHES-D'AETH SUPERANNUATION FUND	SUPERANNUATION	270.98
DD20513.22	21/07/2020	HOSTPLUS SUPERANNUATION FUND	SUPERANNUATION	3,094.48
DD20513.23	21/07/2020	AUSTRALIAN SUPER	SUPERANNUATION	2,763.39
DD20513.24	21/07/2020	MLC SUPER FUND	SUPERANNUATION	925.56
DD20513.25	21/07/2020	LEGALSUPER	SUPERANNUATION	401.92
DD20513.26	21/07/2020	SUNSUPER	SUPERANNUATION	680.49
DD20513.27	21/07/2020	ZURICH MASTER SUPERANNUATION FUND	SUPERANNUATION	296.53
1749	14/07/2020	WBC - CORPORATE MASTERCARD - BRADLEY LACEY	CREDIT CARD PURCHASES	1,144.20
1750	14/07/2020	WBC - CORPORATE MASTERCARD - D AMEDURI	CREDIT CARD PURCHASES	1,707.59
1751	14/07/2020	WBC - CORPORATE MASTERCARD - DAVE BERESFORD	CREDIT CARD PURCHASES	17.00
1752	14/07/2020	WBC - CORPORATE MASTERCARD - DAVID SCHMIDT	CREDIT CARD PURCHASES	5,404.94
1753	14/07/2020	WBC - CORPORATE MASTERCARD - DOUGLAS DARMAGO	CREDIT CARD PURCHASES	2,038.99
1754	14/07/2020	WBC - CORPORATE MASTERCARD - FRANK HUA HIM KUA	CREDIT CARD PURCHASES	17.00
1755	14/07/2020	WBC - CORPORATE MASTERCARD - H LIEW	CREDIT CARD PURCHASES	17.00
1756	14/07/2020	WBC - CORPORATE MASTERCARD - IZABELLA KRZYSKO	CREDIT CARD PURCHASES	422.00
1757	14/07/2020	WBC - CORPORATE MASTERCARD - MARCUS GEISLER	CREDIT CARD PURCHASES	32.00
1758	14/07/2020	WBC - CORPORATE MASTERCARD - S FITZPATRICK	CREDIT CARD PURCHASES	576.63
1759	14/07/2020	WBC - CORPORATE MASTERCARD - T BEINHAEUER	CREDIT CARD PURCHASES	1,350.91
1760	14/07/2020	WBC - CORPORATE MASTERCARD - T ECKSTEIN	CREDIT CARD PURCHASES	1,317.60
1761	14/07/2020	WBC - CORPORATE MASTERCARD - W HARRIS	CREDIT CARD PURCHASES	486.00
1762	14/07/2020	WBC - CORPORATE MASTERCARD - Z WILLIAMSON	CREDIT CARD PURCHASES	430.85
1764	21/07/2020	AUSTRACLEAR LIMITED (ASX)	FINANCIAL SERVICES FEE	16.50
1765	06/07/2020	BLUE ENGINEERING S.R.L	WWIE PAYMENT RE EMRC / ANERGY AGREEMENT	795.77
1766	29/07/2020	ANZ BANKING GROUP	TERM DEPOSIT INVESTMENT	2,500,000.00
SUB TOTAL				8,160,155.51
LESS CANCELLED EFTs & CHEQUES				Nil
TOTAL				8,160,155.51

All Employee Superannuation obligations for the period July 2020 has been paid by the EMRC.



14.2 FINANCIAL REPORT FOR PERIOD ENDED 30 JUNE 2020

REFERENCE: D2020/19584

PURPOSE OF REPORT

The purpose of this report is to provide Council with an overview of the EMRC's financial performance for the period ended 30 June 2020.

KEY POINTS AND RECOMMENDATION(S)

- Significant year to date budget variances greater than 10% or \$20,000, whichever is the greater, within each nature and type category on the Statement of Financial Activity as at 30 June 2020 have been identified and are reported on in the body of the report.

Recommendation(s)

That Council receives the Statement of Comprehensive Income, Capital Expenditure Statement, Statement of Financial Position, Statement of Cash and Investments and the Investment Report for the period ended 30 June 2020.

SOURCE OF REPORT

Chief Financial Officer

BACKGROUND

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

The 2019/2020 Budget was presented in a format that separated operating income and expenditure from other revenue and expenses to provide improved disclosure of Council's underlying operating result.

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

The half year budget review was undertaken during January/February 2020 and is reflected in this report.

REPORT

Outlined below are financial statements for the period ended 30 June 2020. The audit of the 2019/2020 Annual Financial Report is currently in progress and may require adjustments to be made to the financial statements attached. It is anticipated that the audited 2019/2020 Annual Financial Report will be presented to Council following the October 2020 Audit Committee meeting.

The EMRC ended the 2019/2020 financial year with an operating deficit of \$6,061,721. This is primarily as a result of the payment to member councils in June 2020 for the FOGO contribution totalling \$13,789,200. A dividend distribution of \$5,000,000 was also made to Member Councils however this is only reflected as a reduction in the total equity and not in the Statement of Comprehensive Income. Excluding these payments to member Councils the EMRC would have ended the 2019/2020 financial year with an operating surplus of \$7,727,479 and a total equity of \$203,241,080 compared to the actual total equity of \$184,451,880.



Item 14.2 continued

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

The operating result from normal activities as at 30 June 2020 is an unfavourable variance of \$2,821,718 (74.42%) against budget. The following information is provided on key aspects of Council's year to date financial performance:

<u>Operating Income</u>	<i>Actuals for the Year</i>	An unfavourable variance of \$1,345,075 (5.50%).
	<i>End of Year Forecast</i>	A favourable variance of \$84,720 (0.35%).

Operating Income variances previously reported to Council:

1. Operating Grants is below the annual budget by \$54,752 (19.21%). The variance is due to the carried forward of unspent grant funds totalling \$81,406 from the 2019/2020 financial year relating to various projects as required by changes in *AASB 15 (Revenue from Contracts with Customers)* and *AASB 1058 (Income of Not-for-Profit Entities)*. The full year Operating Grants was forecast to be above the annual budget by \$51,929 (18.22%).
2. The full year forecast for Reimbursements was forecast to be \$311,630 (39.43%) above the budget of \$790,259. This was primarily attributable to a forecast insurance reimbursement of \$300,000 relating to an insurance claim for plant damaged as a result of a fire at the Hazelmere Resource Recovery facility and is off-set by a corresponding expenditure in Insurance Expenses. However, as at 30 June 2020 the repairs are yet to be completed and as no payment has been made no reimbursement from the insurance company has been received.
3. Other Income is below the annual budget by \$895,052 (33.45%). The variance is mainly attributable to lower ferricrete sales (\$253,518 compared to a budget of \$780,000), a lower level of Greenwaste products sales (\$65,830 compared to a budget of \$280,904) and the timing of royalty payments and Large-Scale Generation Certificate (LGC) sales relating to the sale of electricity generated from landfill gas (\$385,626 compared to a budget of \$700,000).

This is offset by additional income from the sale of products from the Hazelmere timber recycling plant (\$660,884 compared to a budget of \$569,936), the sale of products from the Coppin & Mathieson Transfer Stations (\$98,408 compared to a budget of \$83,000) and additional diesel fuel rebate income (\$201,326 compared to a budget of \$165,000).

The full year for Other Income was forecast to be below the annual budget by \$721,791 (26.98%). The variance was mainly attributable to lower ferricrete sales (\$400,000 compared to a budget of \$780,000), a lower level of Greenwaste products sales (\$63,000 compared to a budget of \$280,904) and the timing of royalty payments and Large-Scale Generation Certificate (LGC) sales relating to the sale of electricity generated from landfill gas (\$225,000 compared to a budget of \$700,000).

Operating Income variances not previously reported to Council:

4. Contribution Income is below the annual budget by \$114,504 (20.32%). The variance is primarily due to the carried forward of unspent contribution funds totalling \$86,283 from the 2019/2020 financial year relating to various projects as required by changes in *AASB 15 (Revenue from Contracts with Customers)* and *AASB 1058 (Income of Not-for-Profit Entities)*. The full year Contribution Income was forecast to be below the annual budget by \$41,492 (7.36%).

There were no further significant Operating Income variances as at 30 June 2020.



Item 14.2 continued

<u>Operating Expenditure</u>	<i>Actuals for the Year</i>	An unfavourable variance of \$1,476,643 (7.15%).
	<i>End of Year Forecast</i>	An unfavourable variance of \$595,725 (2.88%).

Operating Expenditure variances previously reported to Council:

1. Contract Expenses of \$4,000,794 is \$665,588 (14.26%) below the budget of \$4,666,382 due to various projects from different business units that have either been completed below budget or not completed as at year end and provisions made in the 2020/2021 year for completion. It should also be noted that during the period of the COVID-19 lockdown certain activities were unable to be undertaken which has resulted in reduced expenditure.

Projects where the expenditures are lower than budget for various directorates/business units include: Waste Services projects (\$279,109), Corporate Services (\$227,797), Environmental Services (\$78,340) and the Regional Development (\$77,823).

2. Materials Expenses of \$1,175,547 is \$61,278 (5.50%) above the budget of \$1,114,269. The full year Material Expenses was forecast to be above the annual budget by \$197,231 (17.70%). This is primarily due to the purchase of binding material required as part of waste acceptance approval requirements which has resulted in an unfavourable variance of \$155,706 for Waste Services. This is offset by an increase in income for commercial tonnages at the Red Hill Waste Management Facility.
3. Fuel Expenses of \$697,750 is \$36,938 (5.03%) below the budget of \$734,688. The full year Fuel Expenses was forecast to be above the annual budget by \$86,500 (11.77%). The variance is attributable to the on-going use of leachate evaporators and generators on the new leachate evaporation ponds not previously provided for.
4. The full year forecast for Insurance Expenses was forecast to be \$307,130 (118.79%) above the budget of \$258,545. This is primarily attributable to a forecast expenditure of \$300,000 relating to an insurance claim for plant damaged as a result of a fire at the Hazelmere Resource Recovery facility. This is off-set by corresponding insurance income in Reimbursement Income. However, as at 30 June 2020 the repairs are yet to be completed and as no payment has been made no reimbursement from the insurance company been received.
5. Miscellaneous Expenses (excluding the Landfill Levy expenses) is \$148,301 (15.84%) below the budget of \$936,306. Projects where the expenditures are lower than budget for various directorates/business units include: Corporate Services (\$203,351), Regional Development (\$24,596) and Environmental Services (\$3,315). This is off-set by expenditure greater than budget in the Waste Services business unit (\$82,961).

The full year Miscellaneous Expenses (excluding the Landfill Levy expenses) was forecast to be \$98,650 (10.54%) above the budget of \$936,306. This variance is primarily attributable to the Hazelmere site being now classified as a commercial site for rating purposes (\$136,800 compared to a budget of \$3,590).
6. Cost Allocated Expenses of \$471,241 is \$1,721,564 (78.51%) below the budget of \$2,192,805. This variance relates to internal costs allocated between the Hazelmere C&I Plant and the Red Hill Landfill Facility Class III cell as a result of lower activity at the C&I Plant, as well as the low level of capital works undertaken to-date involving internal resources. The full year for Cost Allocated Expenses was forecast to be below the annual budget by \$832,549 (37.97%).

Operating Expenditure variances not previously reported to Council:

7. Salary Expenses of \$8,625,340 is below the annual budget by \$1,019,733 (10.57%). The variance is attributable to the filling of vacant positions and budgeted positions that were not filled by year end. The full year Salary Expenses was forecast to be 948,627 (9.84%) below the budget.



Item 14.2 continued

8. Depreciation Expenses is below the annual budget by \$1,176,658 (23.90%). This was attributable to the lower level of actual capital expenditure as at year end (actual as at 30 June 2020 of \$13,781,612 compared to a budget of \$26,940,712) together with the write back of minor equipment less than \$5,000 as at 30 June 2019 as required by regulation 17A(5) of the *Local Government (Financial Management) Regulations 1996*, and the lower amortisation value of the Class III cell due to the lower level of Class III tonnages received compared to budget (205,090 tonnes received compared to a budget of 225,428 tonnes) which have contributed to the lower level of depreciation expense.
9. Provision Expenses of \$2,946,987 is \$2,710,166 above the annual budget of \$236,821. The accounting standard AASB 137 requires the provision for Post Closure Site Rehabilitation and Post Closure Site Monitoring, which is measured at the estimated Present Value (PV) of future cash flows (NPV) as at the balance date, to be recognised in the Annual Financial Report.

This value is calculated annually and is subject to the current economic data as at 30 June. For the 2019/2020 financial year this value was based on the Australian Bureau of Statistics CPI of 2.2% over the 12 month period to 31 March 2020 together with the WA Treasury Corporation borrowing rates over a 55 year period in order to calculate the required discount rates. As these rates fluctuate in line with the market conditions it is not possible to accurately budget for these provisions, especially within recent global events.

There were no further significant Operating Expenditure variances as at 30 June 2020.

<u>*Other Revenues and Expenses (Net)</u>	<i>Actuals for the Year</i>	An unfavourable variance of \$13,188,176 (265.52%).
	<i>End of Year Forecast</i>	An unfavourable variance of \$14,180,068 (285.49%).

The unfavourable variance is primarily due to the \$13,789,200 FOGO contribution paid to member Councils. Following discussions with the Office of the Auditor General (OAG), this distribution is to be treated as an expense payment by the EMRC and a grant receipt by member Councils.

Other Revenues and Expenses variances previously reported to Council:

1. User Charges (Other Revenues) is below the annual budget by \$776,258 (95.19%). The variance is due to the lower level of tonnages received at the Hazelmere C&I facility. This is offset by a reduction in expenditure relating to this project. The full year User Charges (Other Revenues) was forecast to be below the annual budget by \$770,500 (94.48%).
2. Operating Grants (Other Revenues) is below the annual budget by \$240,000 (100.00%). The variance is due to unsuccessful grant applications applicable to the FOGO project. The full year Operating Grants (Other Revenues) was forecast to be below the annual budget by \$240,000 (100.00%).
3. Interest Restricted Cash Investments of \$1,882,908 is \$277,949 (17.32%) above the budget of \$1,604,959. This is attributable to the higher level of funds available for investment as at 30 June 2019, and a higher average interest rate received for the 2019/2020 financial year (2.122% compared to the budgeted rate of 1.78%). The full year for Interest Restricted Cash Investments has been forecast to be above the annual budget by \$255,610 (15.93%).
4. Reimbursements (Other Revenues) is \$27,362 above the budget of \$50. This is attributable to a reimbursement relating to an insurance claim for damage to the C&I building as a result of a fire at the Hazelmere Resource Recovery facility. This is off-set by a corresponding expenditure in Insurance Expenses (Other Expenses). The full year Reimbursements (Other Revenues) was forecast to be above the annual budget by \$35,000.



Item 14.2 continued

5. Proceeds from Sale of Assets of \$326,136 is \$121,136 (59.09%) above the budget of \$205,000. The variance relates specifically to the timing of various items of plant and vehicles previously budgeted for change over during the 2018/2019 financial that did not attain the specified change over criteria until the 2019/2020 financial year. The full year Proceeds from Sale of Assets (Other Revenues) was forecast to be \$96,795 (47.22%) above the budget of \$205,000.
6. Other Revenues is below the annual budget by \$948,368 (99.17%). This variance relates to the low sale of products (\$7,894 compared to a budget of \$204,434) from the Hazelmere C&I Project due to the lower level of tonnages received through the facility and resulting recoverable material available for sale, as well as \$0 electricity sales (compared to a budget of \$751,828) due to the delay in the commissioning of the Wood Waste to Energy (WWtE) facility. The full year Other Revenues was forecast to be \$948,262 (99.16%) below the budget of \$956,262.
7. Salary Expenses (Other Expenses) is below the annual budget by \$443,896 (42.68%). The variance is primarily attributable to the low level of activity in the Hazelmere C&I facility (\$55,148 compared to a budget of \$497,333) due to the lower level of tonnages forecast to be received through the facility. The full year Salary Expenses (Other Expenses) was forecast to be \$302,195 (29.06%) below the budget of \$1,040,075.
8. Contract Expenses (Other Expenses) is \$618,220 (69.43%) below the budget of \$890,463. The variance relates primarily to the delay in the completion of the WWtE Project (\$9,050 compared to a budget of \$556,000) which is now due to be commissioned in approximately February 2021, and the Hazelmere C&I project (\$6,821 compared to a budget of \$116,827) due to the lower level of tonnages received through the facility. The full year Contract Expenses (Other Expenses) was forecast to be \$231,058 (25.95%) below the budget.
9. Material Expenses (Other Expenses) is \$63,045 (83.53%) below the budget of \$75,475. The variance relates principally to the delay in the completion of the WWtE Project (\$1,552 compared to a budget of \$53,500) which is now due to be commissioned in approximately February 2021, together with the lower level of expenditure at the Hazelmere C&I facility (\$1,764 compared to a budget of \$13,225) due to the lower level of tonnages received through the facility. The full year Material Expenses (Other Expenses) was forecast to be \$36,823 (48.79%) below the budget.
10. Depreciation Expenses (Other Expenses) is \$425,921 (84.63%) below the budget of \$503,290. The variance is due to the delay in the completion of the WWtE Project (\$0 compared to a budget of \$163,670) which is now due to be commissioned in approximately February 2021 as well as the timing and/or carry forward of capital expenditure associated with the Hazelmere Resource Recovery Park projects. The full year Depreciation Expenses (Other Expenses) was forecast to be \$314,138 (62.42%) below the budget.
11. Carrying Amount of Assets Disposed Of (Other Expenses) of \$254,408 is \$100,409 (65.20%) above the budget of \$153,999. The variance relates specifically to the timing of various items of plant and vehicles not previously budgeted for change over during the 2019/2020 financial year that attained the specified change over criteria. The full year Carrying Amount of Assets Disposed Of (Other Expenses) was forecast to be \$37,836 (24.57%) below the budget.
12. Costs Allocated (Other Expenses) of \$301,988 is \$427,127 (58.58%) below the budget of \$729,115. This variance relates specifically to internal costs allocated between the Hazelmere C&I Plant and the Red Hill Landfill Facility Class III cell due to lower than budget levels of activity at the C&I Plant.

Other Revenues and Expenses variances not previously reported to Council:

13. Miscellaneous Expenses (Other Expenses) is \$13,773,345 above the budget of \$133,350. This variance relates specifically to the \$13,789,200 FOGO contribution paid to member Councils during June 2020.

There were no further significant Other Revenues and Expenses variances as at 30 June 2020.



Item 14.2 continued

<u>Other Comprehensive Income</u>	<i>Actuals for the Year</i>	A favourable variance of \$1,189,840.
	<i>End of Year Forecast</i>	n/a.

The Revaluation of Assets total of \$1,189,840 represents the increase in the valuation of the EMRC's Plant and Equipment class of assets that was undertaken during the 2019/2020 financial year.

Capital Expenditure Statement (refer Attachment 2)

<u>Capital Expenditure</u>	<i>Actuals for the Year</i>	A favourable variance of \$13,159,100.
	<i>End of Year Forecast</i>	A favourable variance of \$7,022,643.

Capital Expenditure variances:

A favourable variance of \$13,159,100 existed as at 30 June 2020 when compared to the budget of \$26,940,712.

Major capital expenditures to 30 June 2020 include:

- Construct Class III Cell - Stage 14 - Red Hill Landfill Facility - \$4,081,160;
- Purchase / Replace Plant - Red Hill Landfill Facility - \$2,591,225;
- Develop Lots 8, 9 and 10 for Future Waste Activities - Red Hill Landfill Facility - \$1,550,832;
- Construct and Commission Resource Recovery Park - WWtE Building - \$1,364,344;
- Purchase Resource Recovery Park - WWtE Plant and Equipment - \$1,094,435;
- Construct and Commission Resource Recovery Park - Site Infrastructure - \$1,019,998;
- Purchase Vehicles - Ascot Place and Red Hill Landfill Facility - \$378,733;
- Purchase / Replace Minor Plant and Equipment Plant - Red Hill Landfill Facility - \$275,560.
- Construct Class III Cell - Stage 16 - Red Hill Landfill Facility - \$263,583; and
- Refurbish Plant - Hazelmere - \$214,571.

The Capital Expenditure budgets as at year end were reviewed as part of the half year budget review undertaken during January/February 2020 in order to reflect the actual timing of various projects and match expenditure requirements in relation to tonnage forecasts. Full Year Capital Expenditure was forecast to be \$7,022,643 (26.07%) below the budget of \$26,940,712.

Significant reductions to capital budgets where savings have been achieved, or where project expenditure has been deferred due to delays and/or carried forward or not required include the following:

- Construct Resource Recovery Park - Site Infrastructure - \$1,550,000 (c/fwd);
- Liquid Waste Project - Red Hill Landfill Facility - \$1,550,000 (c/fwd);
- Construct Resource Recovery Park - Site/Administration Office - \$800,000;
- Construct Resource Recovery Park - Site Workshop - \$600,000;
- Construct Resource Recovery Park - Community Recycling Centre - \$529,182 (\$100,000 c/fwd);
- Construct Resource Recovery Park - Community Reuse Store - \$500,000;
- Purchase Resource Recovery Park - C&I Building, Plant and Equipment - \$500,000;
- Liquid Waste Project Plant - Red Hill Landfill Facility \$450,000 (c/fwd);
- Design and Construct Class IV Cell Stage 2 - Red Hill Landfill Facility - \$420,000 (\$30,000 c/fwd);



Item 14.2 continued

- Purchase Resource Recovery Park Transfer Station, Plant & Equipment - \$300,000;
- Construct Resource Recovery Park - Reuse Store Infrastructure - \$250,000 (c/fwd);
- Construct Drainage Diversion & Infrastructures - Red Hill Landfill Facility - \$250,000 (c/fwd);
- Construct Stormwater Infrastructure/Siltation Ponds - Red Hill Landfill Facility - \$200,000 (c/fwd);
- Capital Improvement - Ascot Place Administration Building - \$155,750 (c/fwd);
- Purchase Vehicles - Ascot Place - \$110,000;
- Construct Litter Fence - Red Hill Landfill Facility - \$100,000 (\$50,000 c/fwd); and
- Purchase / Replace Plant - Hazelmere - \$100,000 (c/fwd).

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

- Resource Recovery Park - WWtE, Building, Plant & Infrastructure - \$1,015,702;
This was subject to a confidential report submitted to Council and approved by Council at its meeting held on 19 September 2019 (Reference: D2019/13752).
- Purchase / Replace / Refurbish Plant - Red Hill Landfill Facility - \$531,475; and
This relates to committed capital expenditure for the purchase of a loader and a truck at the Red Hill Landfill Facility which were ordered and expected to be received in the 2018/2019 financial year. The plant items were however not received until early 2019/2020 and as the 2019/2020 Annual Budget had been finalised and adopted a carried forward provision for these purchases was not able to be undertaken.
- Purchase Vehicles - Red Hill Landfill Facility - \$86,000.
This relates specifically to the timing of the replacement of various items of plant and vehicles not previously budgeted for change over during the 2019/2020 financial year that have now been forecast to be changed over as they will have attained the specified change over criteria as per the EMRC Fleet Policy and 10 Year Plant Replacement Schedule.

Statement of Financial Position (refer Attachment 3)

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

Total Equity as at 30 June 2020 totals \$184,451,880. This is a decrease of \$11,061,722 from the 30 June 2019 equity of \$195,513,602. This decrease is as a result of the \$13,789,200 FOGO contribution paid to member Councils together with a Dividend payment of \$5,000,000 made to member Councils.

It was forecast that Total Equity as at 30 June 2020 will be below the original budget of \$204,640,131 by \$19,691,073.

Statement of Cash and Investments (refer Attachment 4)

The level of cash and investments in the Municipal Fund as at 30 June 2020 is \$10,134,035 and Restricted Cash amount to \$76,292,697.

The net movement for the month is a decrease of \$19,391,677. This is primarily as a result of a \$13,789,200 FOGO contribution and a \$5,000,000 Dividend distribution made to member Councils during June 2020.

It was forecast that Total Cash and Investments as at 30 June 2020 will be below the original budget of \$90,373,880 by \$13,127,666. This is primarily as a result of the proposed payments by 30 June 2020 to member councils for the FOGO contribution totalling \$13,789,200 and a dividend distribution of \$5,000,000 to Member Councils. This was off-set by the lower level of forecast capital expenditure compared to budget that was forecast for 2019/2020.



Item 14.2 continued

Investment Report (refer Attachment 5)

Term deposits valued at \$27,000,000 matured during June 2020 which was reinvested into further term deposits.

With the payment to Member Councils of the FOGO contribution totalling \$13,789,200 and the Dividend distribution of \$5,000,000, the overall investment portfolio has reduced which has subsequently resulted in 2 breaches of the EMRC's Investment Policy. The Investment Policy provides for a total investment in A2 rated ADI's of 15% of the total portfolio. As at 30 June 2020 a total of 15.88% was held in A2 rated ADI's.

The Investment Policy also provides for a total investment in individual A2 rated ADI's of 5% of the total portfolio. As at 30 June 2020 a total of 5.29% was held with ME Bank, an A2 rated ADI.

As term deposits mature during July and August 2020 in the A2 rated ADI's these will be redeemed in order to rectify the breaches to the Investment Policy

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 3 - Good Governance

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

3.4 To continue to improve financial and asset management practices

FINANCIAL IMPLICATIONS

As outlined within the report and attachments.

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} As outlined in the report.
City of Bayswater	
City of Belmont	
City of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

1. Statement of Comprehensive Income by Nature and Type (Ref: D2020/19585)
2. Capital Expenditure Statement (Ref: D2020/19587)
3. Statement of Financial Position (Ref: D2020/19588)
4. Statement of Cash and Investments (Ref: D2020/19589)
5. Investment Report (Ref: D2020/19590)



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VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council receives the Statement of Comprehensive Income, Capital Expenditure Statement, Statement of Financial Position, Statement of Cash and Investments and the Investment Report for the period ended 30 June 2020.

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR



STATEMENT OF COMPREHENSIVE INCOME

Nature and Type

JUNE 2020

Year to Date				JUNE 2020		Full Year			
Actual	Budget	Variance			Forecast	Budget	Variance		
Operating Income									
\$33,360,403	\$34,022,683	(\$662,280)	(U)	User Charges	\$34,659,733	\$34,022,683	\$637,050	(F)	
(\$14,326,231)	(\$14,607,723)	\$281,492	(F)	<u>Less</u> Landfill Levy Charges	(\$14,770,011)	(\$14,607,723)	(\$162,288)	(U)	
\$19,034,172	\$19,414,960	(\$380,788)	(U)	Net User Charges	\$19,889,722	\$19,414,960	\$474,762	(F)	
\$459,529	\$442,603	\$16,926	(F)	Special Charges	\$460,285	\$442,603	\$17,682	(F)	
\$448,943	\$563,447	(\$114,504)	(U)	Contributions	\$521,955	\$563,447	(\$41,492)	(U)	
\$230,248	\$285,000	(\$54,752)	(U)	Operating Grants	\$336,929	\$285,000	\$51,929	(F)	
\$274,849	\$270,000	\$4,849	(F)	Interest Municipal Cash Investments	\$262,000	\$270,000	(\$8,000)	(U)	
\$868,505	\$790,259	\$78,246	(F)	Reimbursements	\$1,101,889	\$790,259	\$311,630	(F)	
\$1,780,545	\$2,675,597	(\$895,052)	(U)	Other	\$1,953,806	\$2,675,597	(\$721,791)	(U)	
\$23,096,791	\$24,441,866	\$1,345,075	(U)	Total Operating Income	\$24,526,586	\$24,441,866	\$84,720	(F)	
Operating Expenditure									
\$8,625,340	\$9,645,073	\$1,019,733	(F)	Salary Expenses	\$8,696,446	\$9,645,073	\$948,627	(F)	
\$4,000,794	\$4,666,382	\$665,588	(F)	Contract Expenses	\$4,854,576	\$4,666,382	(\$188,194)	(U)	
\$1,175,547	\$1,114,269	(\$61,278)	(U)	Material Expenses	\$1,311,500	\$1,114,269	(\$197,231)	(U)	
\$349,843	\$327,525	(\$22,318)	(U)	Utility Expenses	\$332,144	\$327,525	(\$4,619)	(U)	
\$697,750	\$734,688	\$36,938	(F)	Fuel Expenses	\$821,188	\$734,688	(\$86,500)	(U)	
\$267,080	\$258,545	(\$8,535)	(U)	Insurance Expenses	\$565,675	\$258,545	(\$307,130)	(U)	
\$3,746,973	\$4,923,631	\$1,176,658	(F)	Depreciation Expenses	\$4,749,975	\$4,923,631	\$173,656	(F)	
\$788,005	\$936,306	\$148,301	(F)	Miscellaneous Expenses	\$1,034,956	\$936,306	(\$98,650)	(U)	
\$2,946,987	\$236,821	(\$2,710,166)	(U)	Provision Expenses	\$239,956	\$236,821	(\$3,135)	(U)	
(\$471,241)	(\$2,192,805)	(\$1,721,564)	(U)	Costs Allocated	(\$1,360,256)	(\$2,192,805)	(\$832,549)	(U)	
\$22,127,078	\$20,650,435	(\$1,476,643)	(U)	Total Operating Expenditure	\$21,246,160	\$20,650,435	(\$595,725)	(U)	
\$969,713	\$3,791,431	(\$2,821,718)	(U)	OPERATING RESULT FROM NORMAL ACTIVITIES		\$3,280,426	\$3,791,431	(\$511,005)	(U)
Surplus	Surplus				Surplus	Surplus			

Notes:

1. User Charges - include member Councils and casual users pertaining to waste, risk management and environmental services fees and charges;
2. Special Charges - Waste Education Levy;
3. Contributions - member Councils' contributions to projects and services;
4. Operating Grants - grant income predominantly from government agencies; and
5. Other Operating Income - includes income from the sale of products;

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

STATEMENT OF COMPREHENSIVE INCOME

Nature and Type

Year to Date			JUNE 2020		Full Year		
Actual	Budget	Variance			Forecast	Budget	Variance
Other Revenues							
\$39,242	\$815,500	(\$776,258)	(U)	User Charges	\$45,000	\$815,500	(\$770,500) (U)
\$4,989,166	\$4,756,004	\$233,162	(F)	Secondary Waste Charge	\$4,997,380	\$4,756,004	\$241,376 (F)
\$525	\$0	\$525	(F)	Contributions	\$0	\$0	\$0 (F)
\$0	\$240,000	(\$240,000)	(U)	Operating Grants	\$0	\$240,000	(\$240,000) (U)
\$1,882,908	\$1,604,959	\$277,949	(F)	Interest Restricted Cash Investments	\$1,860,569	\$1,604,959	\$255,610 (F)
\$27,412	\$50	\$27,362	(F)	Reimbursements	\$35,050	\$50	\$35,000 (F)
\$326,136	\$205,000	\$121,136	(F)	Proceeds from Sale of Assets	\$301,795	\$205,000	\$96,795 (F)
\$7,894	\$956,262	(\$948,368)	(U)	Other	\$8,000	\$956,262	(\$948,262) (U)
\$7,273,284	\$8,577,775	(\$1,304,491)	(U)	Total Other Revenues	\$7,247,794	\$8,577,775	(\$1,329,981) (U)
Other Expenses							
\$596,179	\$1,040,075	\$443,896	(F)	Salary Expenses	\$737,880	\$1,040,075	\$302,195 (F)
\$272,243	\$890,463	\$618,220	(F)	Contract Expenses	\$659,405	\$890,463	\$231,058 (F)
\$12,430	\$75,475	\$63,045	(F)	Material Expenses	\$38,652	\$75,475	\$36,823 (F)
\$24,963	\$28,700	\$3,737	(F)	Utility Expenses	\$17,670	\$28,700	\$11,030 (F)
\$0	\$1,000	\$1,000	(F)	Fuel Expenses	\$500	\$1,000	\$500 (F)
\$48,283	\$55,406	\$7,123	(F)	Insurance Expenses	\$56,745	\$55,406	(\$1,339) (U)
\$77,369	\$503,290	\$425,921	(F)	Depreciation Expenses	\$189,152	\$503,290	\$314,138 (F)
\$13,906,695	\$133,350	(\$13,773,345)	(U)	Miscellaneous Expenses *	\$13,877,255	\$133,350	(\$13,743,905) (U)
\$254,408	\$153,999	(\$100,409)	(U)	Carrying Amount of Assets Disposed Of	\$191,835	\$153,999	(\$37,836) (U)
\$301,988	\$729,115	\$427,127	(F)	Costs Allocated	\$691,866	\$729,115	\$37,249 (F)
\$15,494,558	\$3,610,873	(\$11,883,685)	(U)	Total Other Expenses	\$16,460,960	\$3,610,873	(\$12,850,087) (U)
\$8,221,274	\$4,966,902	(\$13,188,176)	(U)	OPERATING RESULT FROM OTHER ACTIVITIES	\$9,213,166	\$4,966,902	(\$14,180,068) (U)
Deficit	Surplus				Surplus	Surplus	
\$7,251,561	\$8,758,333	(\$16,009,894)	(U)	NET RESULT	\$5,932,740	\$8,758,333	(\$14,691,073) (U)
Deficit	Surplus				Surplus	Surplus	
Realised/Unrealised (Gain)/Loss From Change in Fair Value of Investments							
\$0	\$0	\$0	(F)	Unrealised (Gain)/Loss	\$0	\$0	\$0 (F)
\$0	\$0	\$0	(F)	Realised (Gain)/Loss	\$0	\$0	\$0 (F)
\$0	\$0	\$0	(F)	Total (Gain)/Loss from change in Fair Value of Investments	\$0	\$0	\$0 (F)
Other Comprehensive Income							
(\$1,189,840)	\$0	\$1,189,840	(F)	Revaluation of Assets/Accumulated Depreciation Reversal	\$0	\$0	\$0 (F)
(\$1,189,840)	\$0	\$1,189,840	(F)	Total Other Comprehensive Income	\$0	\$0	\$0 (F)
\$6,061,721	\$8,758,333	(\$14,820,054)	(U)	CHANGE IN NET ASSETS FROM OPERATIONS	\$5,932,740	\$8,758,333	(\$14,691,073) (U)
Deficit	Surplus				Deficit	Surplus	

* Note: Actual and Forecast "Other Expenses - Miscellaneous Expenses" is inclusive of a \$13,789,200 FOGO contribution to member Councils.



CAPITAL EXPENDITURE STATEMENT

JUNE 2020

Year to Date				On Order	(F) = Favourable variation (U) = Unfavourable variation	Full Year			
Actual	Budget	Variance	Forecast			Budget	Variance		
Governance and Corporate Services									
\$177,346	\$337,000	\$159,654	(F)	\$0	Purchase Vehicles - Ascot Place (24440/00)	\$227,000	\$337,000	\$110,000	(F)
\$25,037	\$25,000	(\$37)	(U)	\$0	Purchase Furniture Fittings & Equipment - Corporate Services (24510/01)	\$0	\$25,000	\$25,000	(F)
\$165,365	\$336,000	\$170,635	(F)	\$0	Purchase Information Technology & Communication Equipment (24550/00)	\$256,000	\$336,000	\$80,000	(F)
\$0	\$20,000	\$20,000	(F)	\$0	Purchase Art Works (24620/00)	\$20,000	\$20,000	\$0	(F)
\$6,299	\$160,000	\$153,701	(F)	\$0	Capital Improvement Administration Building - Ascot Place (25240/01)	\$4,250	\$160,000	\$155,750	(F)
\$0	\$4,500	\$4,500	(F)	\$0	Upgrade Security Equipment - Ascot Place (25530/01)	\$0	\$4,500	\$4,500	(F)
\$374,046	\$882,500	\$508,454	(F)	\$0		\$507,250	\$882,500	\$375,250	(F)

CAPITAL EXPENDITURE STATEMENT

JUNE 2020

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

Resource Recovery

\$1,364,344	\$0	(\$1,364,344)	(U)	\$0	Construct Wood Waste to Energy Building - HRRP (24259/05)	\$1,495,000	\$0	(\$1,495,000)	(U)
\$57,394	\$550,000	\$492,606	(F)	\$98,779	Construct Community Recycling Centre (CRC) - HRRP (24259/06)	\$20,818	\$550,000	\$529,182	(F)
\$0	\$800,000	\$800,000	(F)	\$0	Construct Site/Administration Office - HRRP (24259/07)	\$0	\$800,000	\$800,000	(F)
\$0	\$500,000	\$500,000	(F)	\$0	Construct Community Reuse Store - HRRP (24259/08)	\$0	\$500,000	\$500,000	(F)
\$0	\$10,000	\$10,000	(F)	\$0	Construct MRF Building - HRRP (24259/09)	\$0	\$10,000	\$10,000	(F)
\$83,325	\$210,000	\$126,675	(F)	\$0	Construct Commercial Transfer Station - HRRP (24259/10)	\$210,000	\$210,000	\$0	(F)
\$69,725	\$78,055	\$8,330	(F)	\$0	Construct Weighbridge Office - HRRP (24259/12)	\$78,055	\$78,055	\$0	(F)
\$0	\$600,000	\$600,000	(F)	\$0	Construct Site Workshop - HRRP (24259/13)	\$0	\$600,000	\$600,000	(F)
\$52,625	\$115,337	\$62,712	(F)	\$0	Construct Weighbridges (x2) - HRRP (24392/02)	\$115,337	\$115,337	\$0	(F)
\$37,693	\$100,000	\$62,307	(F)	\$493,607	Construct FOGO Processing Area - Red Hill Landfill Facility (24395/05)	\$100,000	\$100,000	\$0	(F)
\$1,019,998	\$2,550,000	\$1,530,002	(F)	\$242,619	Construct Site Infrastructure - HRRP (24399/01)	\$1,000,000	\$2,550,000	\$1,550,000	(F)
\$0	\$250,000	\$250,000	(F)	\$0	Construct Reuse Store Infrastructure (Car Park) - HRRP (24399/07)	\$0	\$250,000	\$250,000	(F)
\$14,350	\$123,685	\$109,335	(F)	\$5,493	Wood Waste to Energy Utilities/Infrastructure - HRRP (24399/11)	\$50,000	\$123,685	\$73,685	(F)
\$1,094,435	\$1,240,613	\$146,178	(F)	\$143,838	Purchase Wood Waste to Energy Plant & Equipment - HRRP (24410/03)	\$835,000	\$1,240,613	\$405,613	(F)

CAPITAL EXPENDITURE STATEMENT

JUNE 2020

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

Resource Recovery

\$0	\$500,000	\$500,000	(F)	\$0	Purchase C & I Building - Plant & Equipment - HRRP (24410/04)	\$0	\$500,000	\$500,000	(F)
\$0	\$300,000	\$300,000	(F)	\$0	Purchase Transfer Station - Plant & Equipment - HRRP (24410/05)	\$0	\$300,000	\$300,000	(F)
\$85,090	\$600,000	\$514,910	(F)	\$400,890	Purchase FOGO Processing Plant - Red Hill Landfill Facility (24410/10)	\$600,000	\$600,000	\$0	(F)
\$3,878,979	\$8,527,690	\$4,648,711	(F)	\$1,385,225		\$4,504,210	\$8,527,690	\$4,023,480	(F)

Waste Management

\$0	\$110,000	\$110,000	(F)	\$0	Construct Waste Management Facility Buildings - Red Hill Landfill Facility (24250/01)	\$110,000	\$110,000	\$0	(F)
\$0	\$63,000	\$63,000	(F)	\$0	Construct Storage Shed - Hazelmere (24250/05)	\$63,000	\$63,000	\$0	(F)
\$6,018	\$80,000	\$73,982	(F)	\$0	Upgrade Power Supply to Transfer Station - Red Hill Landfill Facility (24259/14)	\$80,000	\$80,000	\$0	(F)
\$0	\$80,000	\$80,000	(F)	\$0	Upgrade Power Supply to Workshop No 2 - Red Hill Landfill Facility (24259/15)	\$80,000	\$80,000	\$0	(F)
\$4,081,160	\$4,974,352	\$893,192	(F)	\$6,244	Construct Class III Cell Stage 14 - Red Hill Landfill Facility (24310/12)	\$4,974,352	\$4,974,352	\$0	(F)
\$263,583	\$0	(\$263,583)	(U)	\$3,765	Construct Class III Cell Stage 16 - Red Hill Landfill Facility (24310/19)	\$0	\$0	\$0	(F)
\$10,370	\$83,000	\$72,630	(F)	\$0	Leachate Project - Red Hill Landfill Facility (24320/02)	\$83,000	\$83,000	\$0	(F)
\$0	\$450,000	\$450,000	(F)	\$0	Design and Construct Class IV Cell Stage 2 - Red Hill Landfill Facility (24330/04)	\$30,000	\$450,000	\$420,000	(F)

CAPITAL EXPENDITURE STATEMENT

JUNE 2020

Year to Date						Full Year		
Actual	Budget	Variance		On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
Waste Management								
\$0	\$200,000	\$200,000	(F)	\$0	Construct Leachate and Stormwaste Infrastructure and Siltation Ponds - Red Hill Landfill Facility (24350/01)	\$0	\$200,000	\$200,000 (F)
\$7,945	\$123,690	\$115,745	(F)	\$0	Construct Roads / Carparks - Red Hill Landfill Facility (24370/00)	\$123,690	\$123,690	\$0 (F)
\$3,420	\$500,000	\$496,580	(F)	\$58,121	Construct Access Road to Lots 8 9 10 - Red Hill Landfill Facility (24370/02)	\$450,000	\$500,000	\$50,000 (F)
\$0	\$250,000	\$250,000	(F)	\$0	Construct Drainage Diversion and Earthworks Infrastructures - Red Hill Landfill Facility (24380/00)	\$0	\$250,000	\$250,000 (F)
\$0	\$100,000	\$100,000	(F)	\$0	Construct Litter Fence - Redhill Landfill Facility (24394/05)	\$0	\$100,000	\$100,000 (F)
\$0	\$55,000	\$55,000	(F)	\$0	Construct Hardstand and Road - Hazelmere (24395/01)	\$0	\$55,000	\$55,000 (F)
\$0	\$40,000	\$40,000	(F)	\$0	Construct Monitoring Bores - Red Hill Landfill Facility (24396/00)	\$40,000	\$40,000	\$0 (F)
\$2,968	\$75,000	\$72,032	(F)	\$0	Air Supply lines - Waste Management Structures - Red Hill Landfill Facility (24399/10)	\$0	\$75,000	\$75,000 (F)
\$0	\$1,550,000	\$1,550,000	(F)	\$0	Liquid Waste Project - Red Hill Landfill Facility (24399/16)	\$0	\$1,550,000	\$1,550,000 (F)
\$1,550,832	\$1,500,000	(\$50,832)	(U)	\$1,077,119	Develop Lots 8 9 & 10 For Future Waste Activities - Red Hill Landfill Facility (24399/19)	\$1,500,000	\$1,500,000	\$0 (F)
\$2,591,225	\$3,595,000	\$1,003,775	(F)	\$0	Purchase / Replace Plant - Red Hill Landfill Facility (24410/00)	\$3,996,475	\$3,595,000	(\$401,475) (U)
\$118,435	\$2,075,000	\$1,956,565	(F)	\$323,271	Purchase / Replace Plant - Hazelmere (24410/01)	\$1,975,000	\$2,075,000	\$100,000 (F)
\$0	\$450,000	\$450,000	(F)	\$0	Liquid Waste Project Plant - Red Hill Landfill Facility (24410/11)	\$0	\$450,000	\$450,000 (F)

CAPITAL EXPENDITURE STATEMENT

JUNE 2020

Year to Date				On Order	(F) = Favourable variation (U) = Unfavourable variation	Full Year			
Actual	Budget	Variance	Forecast			Budget	Variance		
Waste Management									
\$5,652	\$0	(\$5,652)	(U)	\$0	Repairs to Materials Handler (Asset 3254) - Fire Insurance Claim (24410/12)	\$0	\$0	\$0	(F)
\$275,560	\$880,000	\$604,440	(F)	\$0	Purchase / Replace Minor Plant and Equipment-Red Hill Landfill Facility (24420/00)	\$880,000	\$880,000	\$0	(F)
\$9,080	\$14,000	\$4,920	(F)	\$0	Purchase / Replace Minor Plant and Equipment - Hazelmere (24420/02)	\$27,502	\$14,000	(\$13,502)	(U)
\$201,387	\$86,000	(\$115,387)	(U)	\$0	Purchase / Replace Vehicles - Red Hill Landfill Facility (24430/00)	\$172,000	\$86,000	(\$86,000)	(U)
\$0	\$100,000	\$100,000	(F)	\$0	Purchase / Replace Security System - Red Hill Waste Management Facility (24530/08)	\$100,000	\$100,000	\$0	(F)
\$22,250	\$36,480	\$14,230	(F)	\$0	Purchase / Replace Security System - Hazelmere (24530/10)	\$36,480	\$36,480	\$0	(F)
\$25,194	\$20,000	(\$5,194)	(U)	\$9,300	Purchase / Replace Other Equipment - Red Hill Landfill Facility (24590/00)	\$20,000	\$20,000	\$0	(F)
\$11,457	\$0	(\$11,457)	(U)	\$0	Purchase / Replace Miscellaneous Equipment - Hazelmere (24590/02)	\$8,572	\$0	(\$8,572)	(U)
\$0	\$20,000	\$20,000	(F)	\$0	Purchase Office Furniture and Fittings-Hazelmere (24610/10)	\$6,538	\$20,000	\$13,462	(F)
\$127,480	\$20,000	(\$107,480)	(U)	\$0	Refurbish Plant - Red Hill Landfill Facility (25410/00)	\$150,000	\$20,000	(\$130,000)	(U)
\$214,571	\$0	(\$214,571)	(U)	\$0	Refurbish Plant - Hazelmere (25410/01)	\$0	\$0	\$0	(F)
\$9,528,587	\$17,530,522	\$8,001,935	(F)	\$1,477,820		\$14,906,609	\$17,530,522	\$2,623,913	(F)
\$13,781,612	\$26,940,712	\$13,159,100	(F)	\$2,863,045	TOTAL CAPITAL EXPENDITURE	\$19,918,069	\$26,940,712	\$7,022,643	(F)



STATEMENT OF FINANCIAL POSITION

JUNE 2020

Actual June 2019	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
			Forecast	Budget	Variance
Current Assets					
\$1,498,764	\$1,102,124	Cash and Cash Equivalents	\$4,719,638	\$4,277,914	\$441,724 (F)
\$103,399,001	\$85,324,608	Investments	\$72,526,576	\$86,095,966	(\$13,569,390) (U)
\$2,716,470	\$2,987,058	Trade and Other Receivables	\$2,426,402	\$2,426,402	\$0 (F)
\$54,739	\$39,035	Inventories	\$29,845	\$29,845	\$0 (F)
\$42,555	\$67,382	Other Assets	\$21,377	\$21,377	\$0 (F)
\$107,711,529	\$89,520,206	Total Current Assets	\$79,723,838	\$92,851,504	(\$13,127,666) (U)
Current Liabilities					
\$5,541,725	\$6,160,299	Trade and Other Payables	\$3,604,991	\$3,604,991	\$0 (F)
\$1,629,324	\$1,835,255	Provisions	\$1,587,746	\$1,600,159	\$12,413 (F)
\$7,171,049	\$7,995,554	Total Current Liabilities	\$5,192,737	\$5,205,150	\$12,413 (F)
\$100,540,480	\$81,524,652	Net Current Assets	\$74,531,101	\$87,646,354	(\$13,115,253) (U)
Non Current Assets					
\$50,570,000	\$50,570,000	Land	\$50,570,000	\$50,570,000	\$0 (F)
\$7,282,047	\$7,292,678	Buildings	\$9,633,644	\$10,683,789	(\$1,050,145) (U)
\$17,270,648	\$21,123,020	Structures	\$23,037,557	\$27,371,536	(\$4,333,979) (U)
\$10,479,107	\$12,895,549	Plant	\$18,245,638	\$19,411,090	(\$1,165,452) (U)
\$310,204	\$606,150	Equipment	\$910,564	\$918,978	(\$8,414) (U)
\$143,201	\$135,079	Furniture and Fittings	\$109,746	\$124,441	(\$14,695) (U)
\$13,411,331	\$17,736,763	Work in Progress	\$11,954,052	\$11,954,052	\$0 (F)
\$99,466,539	\$110,359,239	Total Non Current Assets	\$114,461,201	\$121,033,886	(\$6,572,685) (U)
Non Current Liabilities					
\$4,493,417	\$7,432,011	Provisions	\$4,043,244	\$4,040,109	(\$3,135) (U)
\$4,493,417	\$7,432,011	Total Non Current Liabilities	\$4,043,244	\$4,040,109	(\$3,135) (U)
\$195,513,602	\$184,451,880	Net Assets	\$184,949,058	\$204,640,131	(\$19,691,073) (U)
Equity					
\$54,062,507	\$72,414,347	Accumulated Surplus/Deficit *	\$64,541,479	\$69,541,479	(\$5,000,000) (U)
\$91,958,292	\$75,968,089	Cash Backed Reserves	\$85,093,239	\$85,093,239	\$0 (F)
\$41,247,080	\$42,131,165	Asset Revaluation Reserve	\$41,247,080	\$41,247,080	\$0 (F)
\$8,245,723	(\$6,061,721)	Net change in assets from operations	(\$5,932,740)	\$8,758,333	(\$14,691,073) (U)
\$195,513,602	\$184,451,880	Total Equity	\$184,949,058	\$204,640,131	(\$19,691,073) (U)

* Note: Accumulated Surplus/Deficit is reduced by \$5,000,000 as at 30 June 2020 as a result of a Dividend distribution to member Councils.



CASH AND INVESTMENTS JUNE 2020

Actual June 2019	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year			
			Forecast	Budget	Variance	
Municipal Cash and Investments						
1,495,314	1,098,174	Cash at Bank - Municipal Fund 01001/00	2,031,837	1,590,113	441,724	(F)
3,450	3,950	Cash on Hand 01019/00 - 02	3,450	3,450	0	(F)
11,251,348	9,031,911	Investments - Municipal Fund 02021/00	4,363,732	2,684,351	1,679,381	(F)
12,750,112	10,134,035	Total Municipal Cash	6,399,019	4,277,914	2,121,105	(F)
Restricted Cash and Investments						
1,937,863	141,856	Restricted Investments - Plant and Equipment 02022/01	925,660	564,514	361,146	(F)
2,709,862	4,986,647	Restricted Investments - Post Closure Site Rehabilitation Red Hill 02022/02	2,906,123	2,900,531	5,592	(F)
20,180,980	18,263,389	Restricted Investments - Future Development 02022/03	16,884,694	21,861,282	(4,976,588)	(U)
1,098,527	2,350,987	Restricted Investments - Environmental Monitoring Red Hill 02022/04	1,205,674	1,203,445	2,229	(F)
37,510	46,892	Restricted Investments - Environmental Insurance Red Hill 02022/05	44,553	62,696	(18,143)	(U)
15,192	15,631	Restricted Investments - Risk Management 02022/06	15,494	15,461	33	(F)
602,871	649,866	Restricted Investments - Class IV Cells Red Hill 02022/07	645,477	220,591	424,886	(F)
312,586	321,607	Restricted Investments - Regional Development 02022/08	318,789	476,800	(158,011)	(U)
57,994,036	45,240,494	Restricted Investments - Secondary Waste Processing 02022/09	43,737,791	54,682,074	(10,944,283)	(U)
6,031,536	2,873,244	Restricted Investments - Class III Cells 02022/10	2,818,288	2,753,548	64,740	(F)
76,706	78,920	Restricted Investments - Building Refurbishment (Ascot Place) 02022/11	78,463	78,297	166	(F)
189,362	324,608	Restricted Investments - Accrued Interest 02022/19	274,000	274,000	0	(F)
0	0	Restricted Investments - Unrealised Loss/Gain on Investments 02022/20	0	0	0	(F)
960,622	998,556	Restricted Investments - Long Service Leave 02022/90	992,189	1,002,727	(10,538)	(U)
92,147,653	76,292,697	Total Restricted Cash	70,847,195	86,095,966	(15,248,771)	(U)
104,897,765	86,426,732	TOTAL CASH AND INVESTMENTS	77,246,214	90,373,880	(13,127,666)	(U)

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

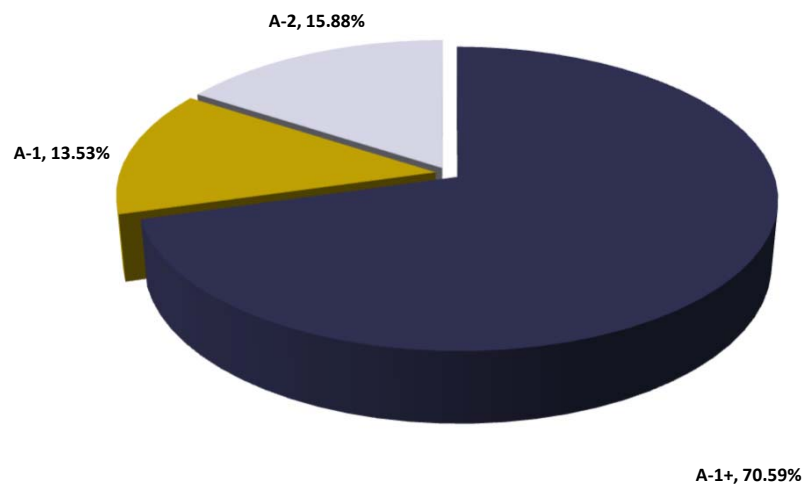
EMRC Investment Report

June 2020

I. Overall Portfolio Limits

S&P Long Term Rating	S&P Short Term Rating	% Portfolio	Investment Maximum %
AAA	A-1+	70.59%	100.00%
AA	A-1	13.53%	100.00%
BBB	A-2	15.88%	15.00%
		<u>100.00%</u>	

Investment by S&P Rating



II. Single Entity Exposure

	S&P Long Term Rating	S&P Short Term Rating	% Portfolio	
AMP	BBB	A-2	4.12%	
ANZ Banking Group	AAA	A-1+	8.82%	
ME Bank	BBB	A-2	5.29%	*
NAB	AAA	A-1+	35.89%	
Rural Bank	BBB	A-2	2.94%	*
Westpac / St. George Bank	AAA	A-1+	25.88%	
Suncorp	AA	A-1	3.53%	*
Bank of Queensland	BBB	A-2	3.53%	
Macquarie Bank	AA	A-1	10.00%	
			<u>100.00%</u>	

* Non-Fossil Fuel ADI (Authorised Deposit Taking Institution)

III. Term to Maturity Framework

Maturity Profile	Investment Policy Guidelines		
	% Portfolio	% Min	% Max
Less Than 1 Year	100.00%	40%	100%
Greater than 1 year & less than or equal to 3 years	0.00%	0%	60%
	<u>100.00%</u>		

IV. Fossil Fuel Divestment

	% Portfolio
Non-Fossil Fuel ADI's	11.77%
Fossil Fuel ADI's	88.23%
	<u>100.00%</u>

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



14.3 FINANCIAL REPORT FOR PERIOD ENDED 31 JULY 2020

REFERENCE: D2020/20056

PURPOSE OF REPORT

The purpose of this report is to provide Council with an overview of the EMRC's financial performance for the period ended 31 July 2020.

KEY POINTS AND RECOMMENDATION(S)

- Significant year to date budget variances greater than 10% or \$20,000, whichever is the greater, within each nature and type category on the Statement of Financial Activity as at 31 July 2020 have been identified and are reported on in the body of the report.

Recommendation(s)

That Council receives the Statement of Comprehensive Income, Capital Expenditure Statement, Statement of Financial Position, Statement of Cash and Investments and the Investment Report for the period ended 31 July 2020.

SOURCE OF REPORT

Chief Financial Officer

BACKGROUND

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

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

REPORT

Outlined below are financial statements for the period ended 31 July 2020. Where possible the year to date monthly budget allocations will be reviewed in order to match the appropriate timing for the various projects budgeted to be undertaken. This will provide a better comparison between the year to date actual and year to date budget figures.

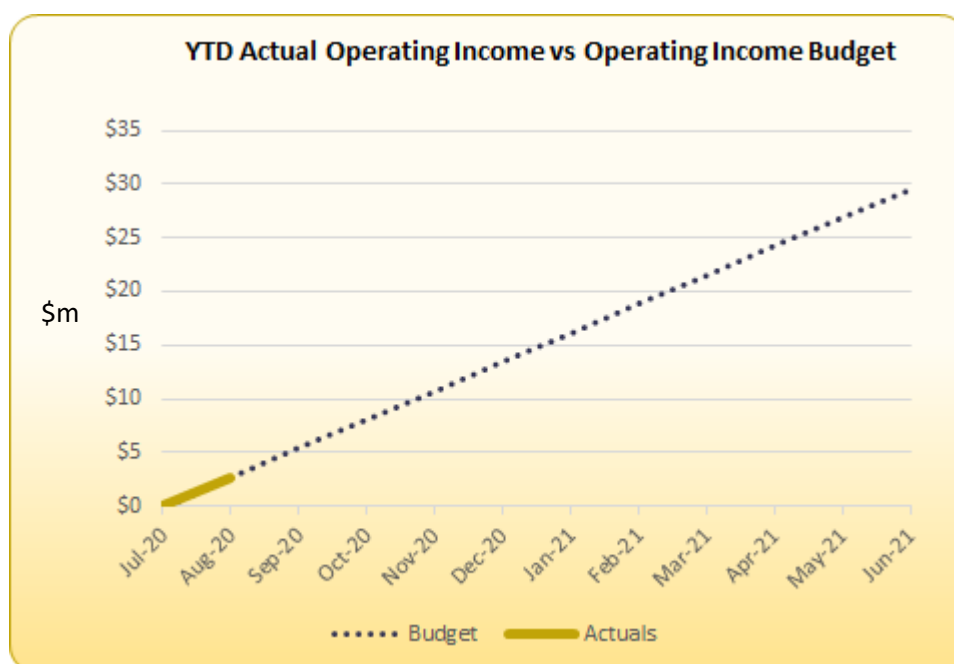


Item 14.3 continued

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

The net operating result as at 31 July 2020 is a favourable variance of \$164,827 (17.60%) against budget. The following information is provided on key aspects of Council's year to date financial performance:

<u>Operating Income</u>	<i>Actuals for the Year</i>	An unfavourable variance of \$63,333 (2.37%).
	<i>End of Year Forecast</i>	As per budget - not yet due to be reviewed.



Operating Income variances not previously reported to Council:

1. Year to date Contributions is \$32,068 (26.60%) above the budget of \$120,557. This is attributable to contributions totalling \$86,283 received in advance during the 2019/2020 financial year relating to the Flood Risk project and the Environmental Building Benchmarking project that have been carried forward into the 2020/2021 financial year.
2. Year to date Operating Grants is \$24,662 (34.02%) above the budget of \$72,500. The variance is due to the carried forward of unspent grant funds totalling \$81,406 from the 2019/2020 financial year relating to various projects.

There were no further significant Operating Income variances as at 31 July 2020.



Item 14.3 continued

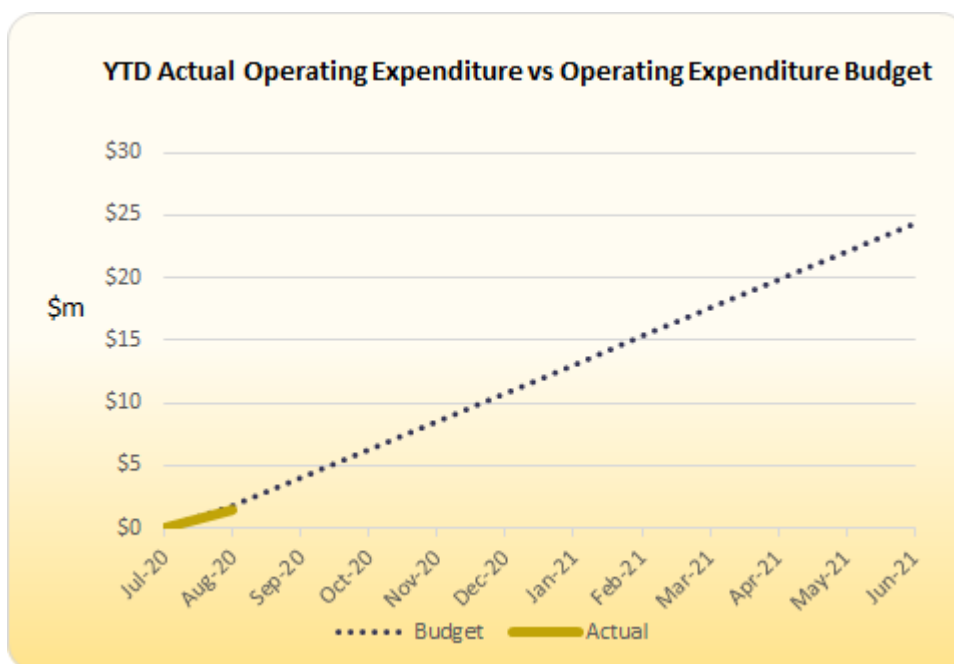
Operating Expenditure

Actuals for the Year

A favourable variance of \$228,160 (13.18%).

End of Year Forecast

As per budget - not yet due to be reviewed.



Operating Expenditure variances not previously reported to Council:

1. Year to date Salary Expenses of \$612,311 is below the budget by \$86,458 (12.37%). The variance is attributable to the vacant positions and newly budgeted positions for 2020/2021 yet to be filled.
2. Year to date Contract Expenses of \$292,508 is \$49,407 (14.45%) below the budget of \$341,915 due to the timing of various projects from different business units. Areas where the expenditures are lower than budget for various directorates/business units include: Business Support (\$40,853), Projects (17,297), and Sustainability (\$7,785).

This is offset by Contract Expenses in the Operations directorate which is \$16,527 higher than budget.

3. Year to date Material Expenses of \$50,616 is \$30,903 (37.91%) below the budget of \$81,519 due to the timing of various projects from different business units. Areas where the expenditures are lower than budget for various directorates/business units include: Operations (\$31,906), Business Support (\$8,613) and Sustainability (\$740).

This is offset by Material Expenses in the Projects directorate which is \$10,286 higher than budget and Environmental Services which is \$69 higher than budget.

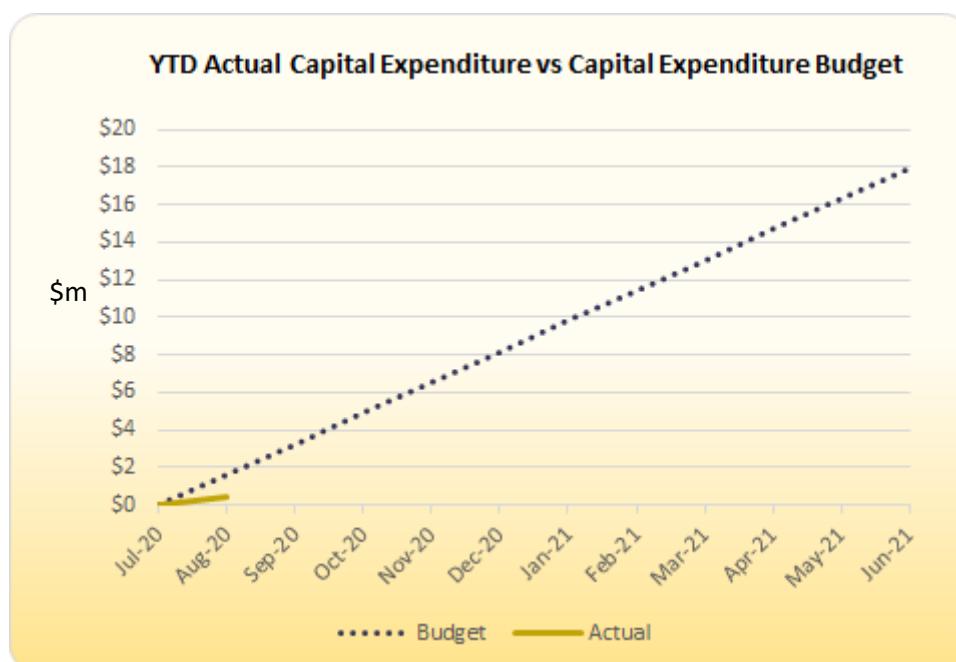
There were no further significant Operating Expenditure variances as at 31 July 2020.



Item 14.3 continued

Capital Expenditure Statement (refer Attachment 2)

<u>Capital Expenditure</u>	<i>Actuals for the Year</i>	A favourable variance of \$1,147,877.
	<i>End of Year Forecast</i>	As per budget - not yet due to be reviewed.



Capital Expenditure variances:

A favourable variance of \$1,147,877 existed as at 31 July 2020 when compared to the budget of \$1,622,808.

Major capital expenditures to 31 July 2020 include:

- Purchase / Replace Plant - Red Hill Landfill Facility - \$246,777;
- Construct FOGO Processing Area - Red Hill Landfill Facility - \$72,300;
- Construct Access Road to Lots 8, 9 and 10 - Red Hill Landfill Facility - \$58,121;
- Construct and Commission Resource Recovery Park - WWtE Building - \$52,995;

The capital expenditure budget spread for 2020/2021 is currently being reviewed to provide a more accurate indication of when capital expenditure projects and purchases have been programmed to be undertaken.

Statement of Financial Position (refer Attachment 3)

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

Total Equity as at 31 July 2020 totals \$185,553,193. This is an increase of \$1,101,313 from the 30 June 2020 equity of \$184,451,880 and represents the net change in assets from operations.

As end of year forecasts are yet to be reviewed, the forecast balances as at 31 July 2020 are as per the budget estimates.



Item 14.3 continued

Statement of Cash and Investments (refer Attachment 4)

The level of cash and investments in the Municipal Fund as at 31 July 2020 is \$8,123,969 and Restricted Cash amount to \$76,371,432.

The net movement for the month is a decrease of \$1,931,331. This is predominantly due to the payment of the landfill levy for the June 2020 quarter (\$3,343,650).

As end of year forecasts are yet to be reviewed, the forecast balances as at 31 July 2020 are as per the budget estimates.

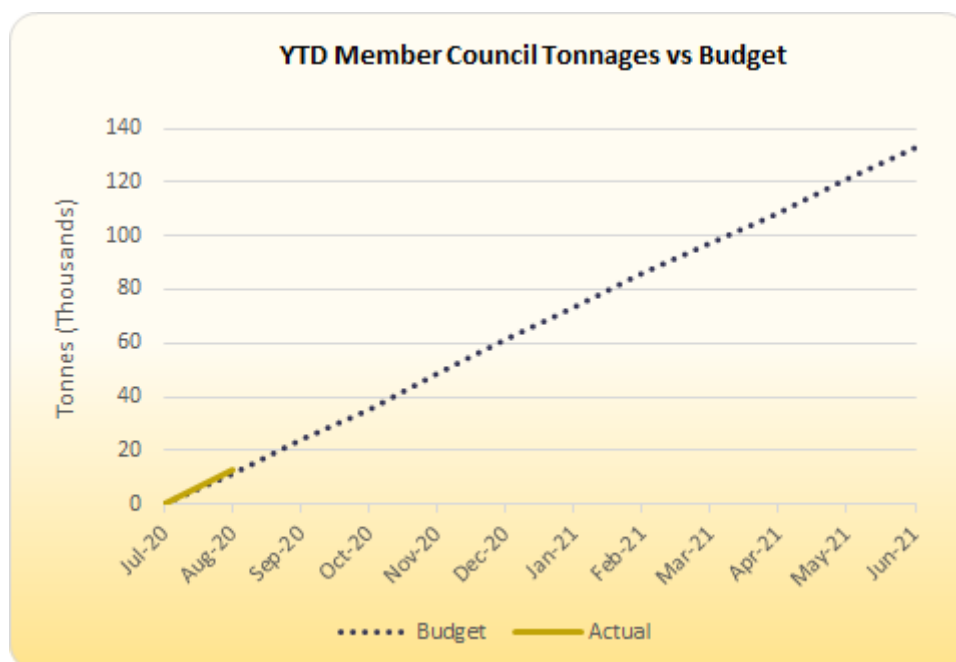
Investment Report (refer Attachment 5)

Term deposits valued at \$8,000,000 matured during July 2020 of which \$3,500,000 was reinvested into further term deposits.

With the payment in June 2020 to Member Councils of the FOGO contribution totalling \$13,789,200 and the Dividend distribution of \$5,000,000, the overall investment portfolio was reduced resulting in 2 breaches of the EMRC's Investment Policy. One of the breaches was rectified during July 2020, however, currently 1 breach of the EMRC's Investment Policy still exists. The Investment Policy provides for a total investment in individual A2 rated ADI's of 5% of the total portfolio. As at 31 July 2020 a total of 5.59% was held with ME Bank, an A2 rated ADI.

As term deposits held with ME Bank mature during August 2020 these will be redeemed in order to rectify the breach to the Investment Policy

Tonnages - Member Councils

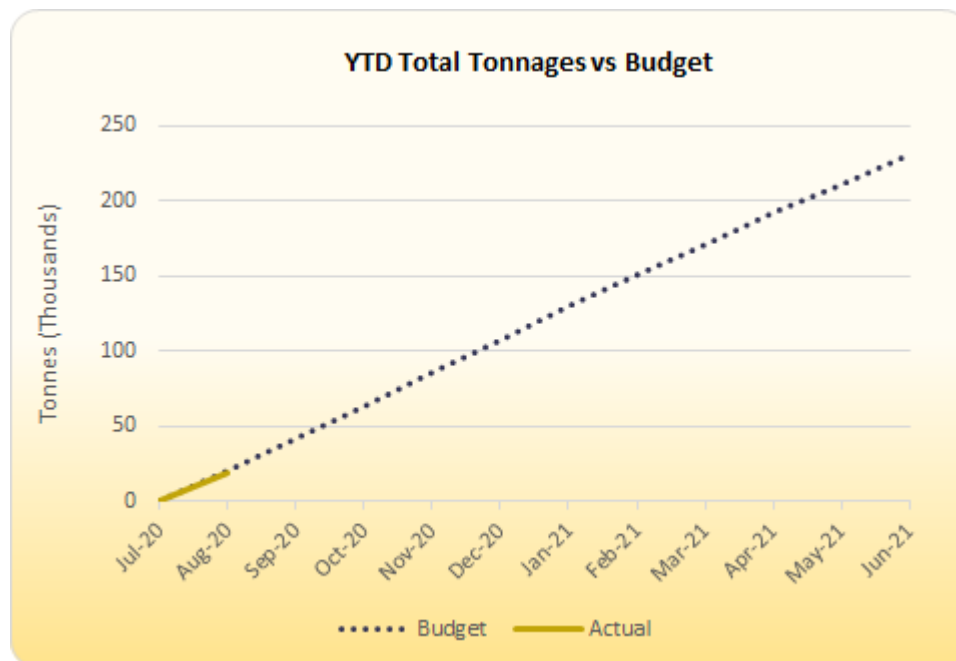


YTD tonnages received from member Councils total 12,774 compared to the budget of 11,624. As at the same period in 2019/2020 tonnages from member Councils totalled 11,657.



Item 14.3 continued

Tonnages - Total Tonnages



YTD total tonnages received from all source total 18,571 compared to the budget of 19,573. As at the same period in 2019/2020 tonnages received from all sources totalled 19,928.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 3 - Good Governance

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

FINANCIAL IMPLICATIONS

As outlined within the report and attachments.

SUSTAINABILITY IMPLICATIONS

Nil



Item 14.3 continued

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} As outlined in the report.
City of Bayswater	
City of Belmont	
City of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

1. Statement of Comprehensive Income by Nature and Type (Ref: D2020/20057)
2. Capital Expenditure Statement (Ref: D2020/20081)
3. Statement of Financial Position (Ref: D2020/20059)
4. Statement of Cash and Investments (Ref: D2020/20060)
5. Investment Report (Ref: D2020/20061)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council receives the Statement of Comprehensive Income, Capital Expenditure Statement, Statement of Financial Position, Statement of Cash and Investments and the Investment Report for the period ended 31 July 2020.

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR



STATEMENT OF COMPREHENSIVE INCOME

Nature and Type

Year to Date

JULY 2020

Full Year

Year to Date				Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance	
Operating Income							
\$2,680,389	\$2,900,333	(\$219,944)	(U)	User Charges	\$35,838,110	\$35,838,110	\$0 (F)
(\$1,113,856)	(\$1,208,698)	\$94,842	(F)	<u>Less</u> Landfill Levy Charges	(\$14,504,393)	(\$14,504,393)	\$0 (F)
\$1,566,533	\$1,691,635	(\$125,102)	(U)	Net User Charges	\$21,333,717	\$21,333,717	\$0 (F)
\$41,571	\$38,209	\$3,362	(F)	Special Charges	\$482,683	\$482,683	\$0 (F)
\$451,341	\$443,028	\$8,313	(F)	Secondary Waste Charge	\$4,738,691	\$4,738,691	\$0 (F)
\$152,625	\$120,557	\$32,068	(F)	Contributions	\$423,955	\$423,955	\$0 (F)
\$97,162	\$72,500	\$24,662	(F)	Operating Grants	\$415,000	\$415,000	\$0 (F)
\$14,725	\$14,166	\$559	(F)	Interest Municipal Cash Investments	\$170,000	\$170,000	\$0 (F)
\$78,735	\$77,493	\$1,242	(F)	Interest Restricted Cash Investments	\$929,974	\$929,974	\$0 (F)
\$62,562	\$62,361	\$201	(F)	Reimbursements	\$1,060,390	\$1,060,390	\$0 (F)
\$138,703	\$147,341	(\$8,638)	(U)	Other	\$2,440,311	\$2,440,311	\$0 (F)
\$0	\$0	\$0	(F)	Proceeds from Sale of Assets	\$275,000	\$275,000	\$0 (F)
\$2,603,957	\$2,667,290	\$63,333	(U)	Total Operating Income	\$32,269,721	\$32,269,721	\$0 (F)
Operating Expenditure							
\$612,311	\$698,769	\$86,458	(F)	Salary Expenses	\$10,801,281	\$10,801,281	\$0 (F)
\$292,508	\$341,915	\$49,407	(F)	Contract Expenses	\$5,627,716	\$5,627,716	\$0 (F)
\$50,616	\$81,519	\$30,903	(F)	Material Expenses	\$1,555,489	\$1,555,489	\$0 (F)
\$21,322	\$29,402	\$8,080	(F)	Utility Expenses	\$356,911	\$356,911	\$0 (F)
\$40,737	\$53,922	\$13,185	(F)	Fuel Expenses	\$827,183	\$827,183	\$0 (F)
\$31,270	\$25,540	(\$5,730)	(U)	Insurance Expenses	\$318,484	\$318,484	\$0 (F)
\$342,819	\$368,208	\$25,389	(F)	Depreciation Expenses	\$5,537,697	\$5,537,697	\$0 (F)
\$44,464	\$56,476	\$12,012	(F)	Miscellaneous Expenses	\$1,293,451	\$1,293,451	\$0 (F)
\$66,597	\$75,053	\$8,456	(F)	Provision Expenses	\$900,658	\$900,658	\$0 (F)
\$0	\$0	\$0	(F)	Costs Allocated	(\$854,401)	(\$854,401)	\$0 (F)
\$0	\$0	\$0	(F)	Carrying Amount of Assets Disposed Of	\$252,738	\$252,738	\$0 (F)
\$1,502,644	\$1,730,804	\$228,160	(F)	Total Operating Expenditure	\$26,617,207	\$26,617,207	\$0 (F)
\$1,101,313	\$936,486	\$164,827	(F)	NET RESULT BEFORE OTHER COMPREHENSIVE INCOME	\$5,652,514	\$5,652,514	\$0 (F)
Surplus	Surplus				Surplus	Surplus	
Realised/Unrealised (Gain)/Loss From Change in Fair Value of Investments							
\$0	\$0	\$0	(F)	Unrealised (Gain)/Loss	\$0	\$0	\$0 (F)
\$0	\$0	\$0	(F)	Realised (Gain)/Loss	\$0	\$0	\$0 (F)
\$0	\$0	\$0	(F)	Total (Gain)/Loss from change in Fair Value of Investments	\$0	\$0	\$0 (F)
Other Comprehensive Income							
\$0	\$0	\$0	(F)	Revaluation of Assets/Accumulated Depreciation Reversal	\$0	\$0	\$0 (F)
\$0	\$0	\$0	(F)	Other Comprehensive Income	\$0	\$0	\$0 (F)
\$0	\$0	\$0	(F)	Total Other Comprehensive Income	\$0	\$0	\$0 (F)
\$1,101,313	\$936,486	\$164,827	(F)	CHANGE IN NET ASSETS FROM OPERATIONS	\$5,652,514	\$5,652,514	\$0 (F)
Surplus	Surplus				Surplus	Surplus	

Notes:

1. User Charges - include member Councils and casual users pertaining to waste, risk management and environmental services fees and charges;
2. Special Charges - Waste Education Levy;
3. Contributions - member Councils' contributions to projects and services;
4. Operating Grants - grant income predominantly from government agencies; and
5. Other Operating Income - includes income from the sale of products;

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



CAPITAL EXPENDITURE STATEMENT

JULY 2020

Year to Date					Full Year		
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
Governance and Corporate Services							
\$0	\$16,666	\$16,666 (F)	\$81,385	Purchase Vehicles - Ascot Place (24440/00)	\$200,000	\$200,000	\$0 (F)
\$0	\$5,166	\$5,166 (F)	\$0	Purchase Furniture Fittings & Equipment - Corporate Services (24510/01)	\$62,000	\$62,000	\$0 (F)
\$0	\$33,750	\$33,750 (F)	\$0	Purchase Information Technology & Communication Equipment (24550/00)	\$405,000	\$405,000	\$0 (F)
\$368	\$25,666	\$25,298 (F)	\$0	Capital Improvement Administration Building - Ascot Place (25240/01)	\$308,000	\$308,000	\$0 (F)
\$0	\$416	\$416 (F)	\$0	Upgrade Security Equipment - Ascot Place (25530/01)	\$5,000	\$5,000	\$0 (F)
\$368	\$81,664	\$81,296 (F)	\$81,385		\$980,000	\$980,000	\$0 (F)

CAPITAL EXPENDITURE STATEMENT

JULY 2020

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

Resource Recovery

\$52,995	\$15,144	(\$37,851)	(U)	\$0	Construct Wood Waste to Energy Building - HRRP (24259/05)	\$181,750	\$181,750	\$0 (F)
\$0	\$8,333	\$8,333	(F)	\$0	Construct Community Recycling Centre (CRC) - HRRP (24259/06)	\$100,000	\$100,000	\$0 (F)
\$3,358	\$8,333	\$4,976	(F)	\$0	Construct Commercial Transfer Station - HRRP (24259/10)	\$100,000	\$100,000	\$0 (F)
\$0	\$12,500	\$12,500	(F)	\$0	Resource Recovery Park - Noise Control Fencing (24394/06)	\$150,000	\$150,000	\$0 (F)
\$72,300	\$0	(\$72,300)	(U)	\$0	Construct FOGO Processing Area - Red Hill Landfill Facility (24395/05)	\$0	\$0	\$0 (F)
\$0	\$5,208	\$5,208	(F)	\$0	Undertake FOGO Reference Site Tours (24395/06)	\$62,500	\$62,500	\$0 (F)
\$22,806	\$25,000	\$2,194	(F)	\$18,744	Construct Site Infrastructure - HRRP (24399/01)	\$300,000	\$300,000	\$0 (F)
\$0	\$20,833	\$20,833	(F)	\$0	Construct Reuse Store Infrastructure (Car Park) - HRRP (24399/07)	\$250,000	\$250,000	\$0 (F)
\$1,976	\$42,916	\$40,941	(F)	\$0	Wood Waste to Energy Utilities/Infrastructure - HRRP (24399/11)	\$515,000	\$515,000	\$0 (F)
\$32,650	\$71,249	\$38,599	(F)	\$167,303	Purchase Wood Waste to Energy Plant & Equipment - HRRP (24410/03)	\$855,000	\$855,000	\$0 (F)
\$38,942	\$12,500	(\$26,442)	(U)	\$5,992	Purchase FOGO Processing Plant - Red Hill Landfill Facility (24410/10)	\$150,000	\$150,000	\$0 (F)
\$225,025	\$222,016	(\$3,009)	(U)	\$192,038		\$2,664,250	\$2,664,250	\$0 (F)

Waste Management

\$0	\$186,250	\$186,250	(F)	\$2,670	Purchase Waste Management Land (24150/02)	\$2,235,000	\$2,235,000	\$0 (F)
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CAPITAL EXPENDITURE STATEMENT

JULY 2020

Year to Date				On (F) = Favourable variation Order (U) = Unfavourable variation		Full Year		
Actual	Budget	Variance				Forecast	Budget	Variance
Waste Management								
\$0	\$16,666	\$16,666 (F)	\$0	Construct Waste Management Facility Buildings - Red Hill Landfill Facility (24250/01)	\$200,000	\$200,000	\$0	(F)
\$0	\$66,708	\$66,708 (F)	\$86,810	Construct Workshop No 3 - Red Hill Landfill Facility (24250/08)	\$800,500	\$800,500	\$0	(F)
\$0	\$20,833	\$20,833 (F)	\$0	Upgrade Power Supply to Workshop No 2 - Red Hill Landfill Facility (24259/15)	\$250,000	\$250,000	\$0	(F)
\$1,755	\$310,189	\$308,434 (F)	\$0	Construct Class III Cell Stage 16 - Red Hill Landfill Facility (24310/19)	\$3,746,002	\$3,746,002	\$0	(F)
\$0	\$20,833	\$20,833 (F)	\$0	Construct Class III Cell Stage 17 - Red Hill Landfill Facility (24310/21)	\$250,000	\$250,000	\$0	(F)
\$0	\$33,333	\$33,333 (F)	\$284,074	Construct Leachate and Stormwater Infrastructure and Siltation Ponds - Red Hill Landfill Facility (24350/01)	\$400,000	\$400,000	\$0	(F)
\$0	\$10,366	\$10,366 (F)	\$0	Construct Roads / Carparks - Red Hill Landfill Facility (24370/00)	\$124,401	\$124,401	\$0	(F)
\$58,121	\$4,166	(\$53,955) (U)	\$0	Construct Access Road to Lots 8 9 10 - Red Hill Landfill Facility (24370/02)	\$50,000	\$50,000	\$0	(F)
\$0	\$20,833	\$20,833 (F)	\$0	Construct Drainage Diversion and Earthworks Infrastructures - Red Hill Landfill Facility (24380/00)	\$250,000	\$250,000	\$0	(F)
\$0	\$4,166	\$4,166 (F)	\$0	Construct Litter Fence - Redhill Landfill Facility (24394/05)	\$50,000	\$50,000	\$0	(F)
\$0	\$4,582	\$4,582 (F)	\$0	Construct Hardstand and Road - Hazelmere (24395/01)	\$55,000	\$55,000	\$0	(F)
\$0	\$1,666	\$1,666 (F)	\$0	Construct Monitoring Bores - Red Hill Landfill Facility (24396/00)	\$20,000	\$20,000	\$0	(F)
\$0	\$6,250	\$6,250 (F)	\$0	Air Supply lines - Waste Management Structures - Red Hill Landfill Facility (24399/10)	\$75,000	\$75,000	\$0	(F)

CAPITAL EXPENDITURE STATEMENT

JULY 2020

Year to Date				On (F) = Favourable variation Order (U) = Unfavourable variation		Full Year		
Actual	Budget	Variance				Forecast	Budget	Variance
Waste Management								
\$0	\$137,500	\$137,500 (F)	\$0	Liquid Waste Project - Red Hill Landfill Facility (24399/16)	\$1,650,000	\$1,650,000	\$0	(F)
\$510	\$139,123	\$138,613 (F)	\$0	Develop Lots 8 9 & 10 For Future Waste Activities - Red Hill Landfill Facility (24399/19)	\$1,787,961	\$1,787,961	\$0	(F)
\$246,777	\$161,250	(\$85,527) (U)	\$0	Purchase / Replace Plant - Red Hill Landfill Facility (24410/00)	\$1,935,000	\$1,935,000	\$0	(F)
(\$30,958)	\$49,583	\$80,541 (F)	\$0	Purchase / Replace Plant - Hazelmere (24410/01)	\$595,000	\$595,000	\$0	(F)
\$0	\$45,833	\$45,833 (F)	\$0	Liquid Waste Project Plant - Red Hill Landfill Facility (24410/11)	\$550,000	\$550,000	\$0	(F)
\$0	\$43,750	\$43,750 (F)	\$14,370	Purchase / Replace Minor Plant and Equipment-Red Hill Landfill Facility (24420/00)	\$525,000	\$525,000	\$0	(F)
\$0	\$2,833	\$2,833 (F)	\$0	Purchase / Replace Minor Plant and Equipment - Hazelmere (24420/02)	\$34,000	\$34,000	\$0	(F)
\$0	\$10,750	\$10,750 (F)	\$118,832	Purchase / Replace Vehicles - Red Hill Landfill Facility (24430/00)	\$129,000	\$129,000	\$0	(F)
\$0	\$833	\$833 (F)	\$0	Purchase Fire Fighting System/Equipment - Hazelmere (24520/07)	\$10,000	\$10,000	\$0	(F)
\$0	\$14,166	\$14,166 (F)	\$0	Purchase / Replace Security System - Red Hill Waste Management Facility (24530/08)	\$170,000	\$170,000	\$0	(F)
\$0	\$6,666	\$6,666 (F)	\$11,356	Purchase / Replace Other Equipment - Red Hill Landfill Facility (24590/00)	\$80,000	\$80,000	\$0	(F)
(\$26,668)	\$0	\$26,668 (F)	\$0	Refurbish Plant - Hazelmere (25410/01)	\$0	\$0	\$0	(F)
\$249,538	\$1,319,128	\$1,069,590 (F)	\$518,112		\$15,971,864	\$15,971,864	\$0 (F)	
\$474,931	\$1,622,808	\$1,147,877 (F)	\$791,535	TOTAL CAPITAL EXPENDITURE	\$19,616,114	\$19,616,114	\$0 (F)	



STATEMENT OF FINANCIAL POSITION

JULY 2020

Actual June 2020	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
			Forecast	Budget	Variance
Current Assets					
\$1,102,124	\$3,714,763	Cash and Cash Equivalents	\$1,109,530	\$1,109,530	\$0 (F)
\$85,324,608	\$80,780,638	Investments	\$71,082,961	\$71,082,961	\$0 (F)
\$2,987,058	\$3,169,603	Trade and Other Receivables	\$2,716,470	\$2,716,470	\$0 (F)
\$39,035	\$20,581	Inventories	\$54,739	\$54,739	\$0 (F)
\$67,382	\$313,859	Other Assets	\$42,555	\$42,555	\$0 (F)
\$89,520,206	\$87,999,443	Total Current Assets	\$75,006,255	\$75,006,255	\$0 (F)
Current Liabilities					
\$6,160,299	\$3,603,739	Trade and Other Payables	\$5,541,725	\$5,541,725	\$0 (F)
\$1,835,255	\$1,835,255	Provisions	\$1,676,448	\$1,676,448	\$0 (F)
\$7,995,554	\$5,438,994	Total Current Liabilities	\$7,218,173	\$7,218,173	\$0 (F)
\$81,524,652	\$82,560,449	Net Current Assets	\$67,788,082	\$67,788,082	\$0 (F)
Non Current Assets					
\$50,570,000	\$50,570,000	Land	\$52,805,000	\$52,805,000	\$0 (F)
\$7,292,678	\$7,283,325	Buildings	\$11,071,240	\$11,071,240	\$0 (F)
\$21,123,020	\$20,928,588	Structures	\$30,764,213	\$30,764,213	\$0 (F)
\$12,895,549	\$12,799,832	Plant	\$18,788,644	\$18,788,644	\$0 (F)
\$606,150	\$594,893	Equipment	\$1,080,598	\$1,080,598	\$0 (F)
\$135,079	\$134,346	Furniture and Fittings	\$158,299	\$158,299	\$0 (F)
\$17,736,763	\$18,180,369	Work in Progress	\$13,411,330	\$13,411,330	\$0 (F)
\$110,359,239	\$110,491,353	Total Non Current Assets	\$128,079,324	\$128,079,324	\$0 (F)
Non Current Liabilities					
\$7,432,011	\$7,498,608	Provisions	\$5,634,031	\$5,634,031	\$0 (F)
\$7,432,011	\$7,498,608	Total Non Current Liabilities	\$5,634,031	\$5,634,031	\$0 (F)
\$184,451,880	\$185,553,193	Net Assets	\$190,233,375	\$190,233,375	\$0 (F)
Equity					
\$58,106,903	\$66,352,626	Accumulated Surplus/Deficit	\$75,379,157	\$75,379,157	\$0 (F)
\$75,968,089	\$75,968,089	Cash Backed Reserves	\$67,070,539	\$67,070,539	\$0 (F)
\$42,131,165	\$42,131,165	Asset Revaluation Reserve	\$42,131,165	\$42,131,165	\$0 (F)
\$8,245,723	\$1,101,313	Net change in assets from operations	\$5,652,514	\$5,652,514	\$0 (F)
\$184,451,880	\$185,553,193	Total Equity	\$190,233,375	\$190,233,375	\$0 (F)

CASH AND INVESTMENTS JULY 2020

Actual June 2020	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
			Forecast	Budget	Variance
Municipal Cash and Investments					
1,098,174	3,710,813	Cash at Bank - Municipal Fund 01001/00	1,105,580	1,105,580	0 (F)
3,950	3,950	Cash on Hand 01019/00 - 02	3,450	3,450	0 (F)
9,031,911	4,409,206	Investments - Municipal Fund 02021/00	2,988,240	2,988,240	0 (F)
10,134,035	8,123,969	Total Municipal Cash	4,097,270	4,097,270	0 (F)
Restricted Cash and Investments					
141,856	142,085	Restricted Investments - Plant and Equipment 02022/01	267,120	267,120	0 (F)
4,986,647	4,994,701	Restricted Investments - Post Closure Site Rehabilitation Red Hill 02022/02	3,525,256	3,525,256	0 (F)
18,263,389	18,292,888	Restricted Investments - Future Development 02022/03	15,072,575	15,072,575	0 (F)
2,350,987	2,354,785	Restricted Investments - Environmental Monitoring Red Hill 02022/04	1,545,172	1,545,172	0 (F)
46,892	46,968	Restricted Investments - Environmental Insurance Red Hill 02022/05	57,268	57,268	0 (F)
15,631	15,656	Restricted Investments - Risk Management 02022/06	15,699	15,699	0 (F)
649,866	650,916	Restricted Investments - Class IV Cells Red Hill 02022/07	710,295	710,295	0 (F)
321,607	322,127	Restricted Investments - Regional Development 02022/08	322,511	322,511	0 (F)
45,240,494	45,313,567	Restricted Investments - Secondary Waste Processing 02022/09	44,803,335	44,803,335	0 (F)
2,873,244	2,877,885	Restricted Investments - Class III Cells 02022/10	482,686	482,686	0 (F)
78,920	79,047	Restricted Investments - Building Refurbishment (Ascot Place) 02022/11	79,259	79,259	0 (F)
324,608	280,638	Restricted Investments - Accrued Interest 02022/19	189,362	189,362	0 (F)
0	0	Restricted Investments - Unrealised Loss/Gain on Investments 02022/20	0	0	0 (F)
998,556	1,000,169	Restricted Investments - Long Service Leave 02022/90	1,024,683	1,024,683	0 (F)
76,292,697	76,371,432	Total Restricted Cash	68,095,221	68,095,221	0 (F)
86,426,732	84,495,401	TOTAL CASH AND INVESTMENTS	72,192,491	72,192,491	0 (F)

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

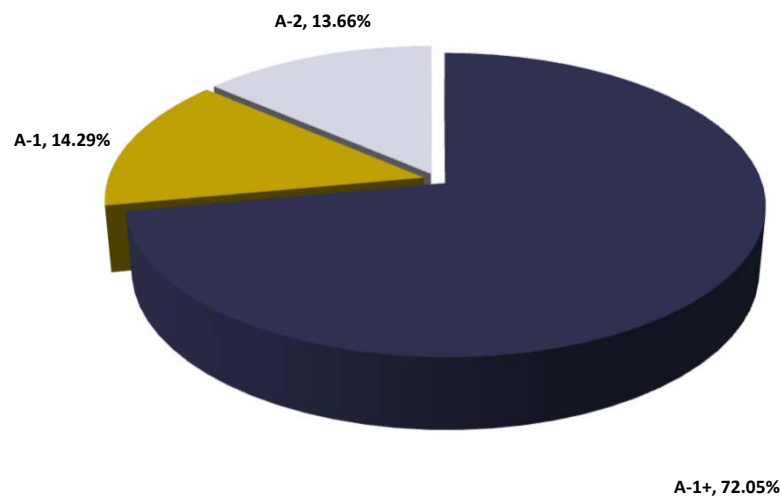
EMRC Investment Report

July 2020

I. Overall Portfolio Limits

S&P Long Term Rating	S&P Short Term Rating	% Portfolio	Investment Maximum %
AAA	A-1+	72.05%	100.00%
AA	A-1	14.29%	100.00%
BBB	A-2	13.66%	15.00%
		<u>100.00%</u>	

Investment by S&P Rating



II. Single Entity Exposure

	S&P Long Term Rating	S&P Short Term Rating	% Portfolio	
AMP	BBB	A-2	4.35%	
ANZ Banking Group	AAA	A-1+	12.42%	
ME Bank	BBB	A-2	5.59%	*
NAB	AAA	A-1+	37.88%	
Rural Bank	BBB	A-2	0.00%	*
Westpac / St. George Bank	AAA	A-1+	21.74%	
Suncorp	AA	A-1	3.73%	*
Bank of Queensland	BBB	A-2	3.73%	
Macquarie Bank	AA	A-1	10.56%	
			<u>100.00%</u>	

* Non-Fossil Fuel ADI (Authorised Deposit Taking Institution)

III. Term to Maturity Framework

Maturity Profile	Investment Policy Guidelines		
	% Portfolio	% Min	% Max
Less Than 1 Year	100.00%	40%	100%
Greater than 1 year & less than or equal to 3 years	0.00%	0%	60%
	<u>100.00%</u>		

IV. Fossil Fuel Divestment

	% Portfolio
Non-Fossil Fuel ADI's	9.33%
Fossil Fuel ADI's	90.67%
	<u>100.00%</u>

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



14.4 REVIEW OF COUNCIL POLICY 3.5 - PURCHASING POLICY

REFERENCE: D2020/19979

PURPOSE OF REPORT

The purpose of this report is for Council to review Council Policy 3.5 Purchasing Policy with a view to harmonising it with the *Local Government (Functions and General) Regulations 1996* as amended on 9 April 2020.

KEY POINTS AND RECOMMENDATION(S)

- The *Local Government (Functions and General) Regulations 1996* were amended on 9 April 2020.
- The amendments include:
 - Increasing the public tender threshold from \$150,000 to \$250,000 to align with State Government tender thresholds;
 - Two further exemptions have been introduced when tenders do not have to be publicly invited.
 - The first new exemption ensures the formal tender process does not need to be undertaken when sourcing and securing essential goods and services to respond to a state of emergency [r.11(2)].
 - The other exemption gives a local government the discretion to renew or extend a contract that expires when a state of emergency declaration is in force, even though this option is not included in the original contract [r.11(2)(aa)].
 - A further exemption is being updated to encourage local governments to purchase goods or services supplied by Aboriginal businesses [r.11(2) (h)].

Recommendation(s)

That the revised EMRC Policy - 3.5 Purchasing Policy forming attachment 2 of this report be adopted by Council.

SOURCE OF REPORT

Chief Financial Officer

BACKGROUND

The policies of the EMRC, determined by Council as required by section 2.7(2)(b) of the *Local Government Act 1995* (the Act), guide and inform management and the public about key Council principles.

The purpose of Council Policy 3.5 is to maintain compliance with section 3.57 of the Act and the *Local Government (Functions and General) Regulations 1996* (the Regulations) in relation to inviting tenders. In accordance with regulation 11A of the Regulations, a local government is to "...prepare or adopt, and is to implement, a purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$250,000 or less or worth \$250,000 or less."

The policy seeks to ensure consistency and value for money outcomes for all purchasing activities for the supply of goods or services.

This policy was last reviewed by Council on 6 December 2018.



Item 14.4 continued

REPORT

The objective of the EMRC's purchasing policy is to ensure compliance with the Act and its associated regulations and to provide policy and guidance to all of the EMRC's employees to allow consistency and robust control over the EMRC's procurement activities. The policy is designed to provide guidance on ethical behaviour and to ensure probity, transparency, effective competition and the avoidance of conflicts of interest in the EMRC's procurement and contracting activities.

In the past the EMRC has adopted and continues to adopt a best value for money approach for the procurement of goods and services. Value for money is an overarching principle governing purchasing that allows for the most advantageous outcome to the EMRC and price is not the sole factor when assessing value for money.

Amendments to the Regulations were published in the Government Gazette on 9 April 2020. The amendments are predominantly in response to the COVID-19 pandemic. The primary purpose of these amendments was to increase the flexibility of the local government sector to contract with local suppliers during, and in the aftermath of, the State of Emergency Declaration under the *Emergency Management Act 2005*.

Tender Threshold

Regulation 11(1) was amended to increase the tender threshold to \$250,000 to align with the State Government tendering thresholds. The change was made to allow local governments to extend the use of their own purchasing policy to acquire goods and services acquired via written quotes.

New Tender Exemptions

Regulation 11(2) of the Regulations contains two further exemptions when tenders do not have to be publicly invited:

- The first exemption, in new regulation 11(2)(aa), ensures that the formal tender process does not need to be undertaken when sourcing and securing essential goods and services to respond to a state of emergency.
- The other exemption in regulation 11(2)(ja) gives a local government the discretion to renew or extend a contract that expires when a state of emergency declaration is in force, even though this option is not included in the original contract.

As outlined in regulation 11(3), there must be a state of emergency declaration in force for the local government district or part of the district and the goods or services must be required to address needs arising from, or impacts or consequences of, the hazard to which the emergency relates.

The second exemption will overcome the practical difficulty of businesses responding to a formal tender process while they are shut down or in the transition period when normal business resumes. Limits on this apply: the original contract must have less than three months left to run, the renewal or extension cannot be for more than twelve months, and there must be a state of emergency declaration applying to the district or part of the district when the renewal or extension is entered into.

Updated Tender Exemptions

A further exemption in regulation 11(2)(h) has been updated to encourage local governments to purchase goods or services supplied by Aboriginal businesses. The exemption will now reflect the fact that the Chamber of Commerce and Industry administers the Aboriginal Business Directory. A new exemption has been added recognising that goods or services may also be supplied by Supply Nation.



Item 14.4 continued

As part of the review of this policy, the amendments to the Regulations have been reflected in the attached revised policy 3.5 Purchasing Policy, forming attachment 2 of this report.

A summary of the key changes included in the revised and updated 3.5 Purchasing Policy are as follows:

- A new “Ethics and Integrity” statement has been added under heading “Policy Statement”;
- The procurement thresholds table has been updated to include the new \$250,000 tender threshold limit and that at least two (2) written quotes must be sought for purchases of \$5,000 to \$10,000, instead of the previous three (3) verbal quotes. It also includes clarification that a specific number of quotations must be obtained and if that specific number of quotations could not be obtained then best endeavours must be used to obtain that number of quotes;
- Under heading “Tender Exemptions” a tender exemption has been updated in accordance with r.11(2)(h) of the Regulations to encourage the purchase of goods or services supplied by Aboriginal and Torres Strait Islander owned businesses;
- A new heading “Value for Money” has been added to highlight that value for money is an overarching principle governing procurement that allows for the most advantageous purchasing outcomes to be achieved for the EMRC;
- Under heading “Anti-Avoidance” the paragraph in relation to the EMRC setting up its own panels of pre-qualified suppliers has been removed. The EMRC does not have its own panel of suppliers and instead has relied on the WALGA panel of pre-qualified suppliers. Further, provisions dealing with the set-up of a panel of pre-qualified suppliers is dealt with in Division 3 – Panels of pre-qualified suppliers in the Regulations, should this avenue be pursued by the EMRC in the future;
- A statement has been added under heading “Sustainable Procurement” whereby the EMRC is encouraged to adopt a “WA buy local” policy in procuring best value for money supplies from WA local and Aboriginal and Torres Strait Islander owned businesses;
- A few key points have been added under heading “Record Keeping” regarding record keeping best practices;
- A new heading “Contract Management” has been added to specify that the EMRC’s contract management system is managed by the EMRC’s procurement team; and
- All other minor amendments as required.

The changes included in the revised policy will provide compliance with the Act and the Regulations and will deliver a best practice approach to ensure procurement procedures for the EMRC are aligned to the EMRC’s strategic objectives for all operational areas.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 3 – Good Governance

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

FINANCIAL IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Nil



Item 14.4 continued

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

- 1 Original Council Policy 3.5 Purchasing Policy with tracked changes (Ref: D2020/20095)
- 2 Proposed revised Council Policy 3.5 Purchasing Policy (Ref: D2020/20096)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the revised EMRC Policy - 3.5 Purchasing Policy forming attachment 2 of this report be adopted by Council.

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR



3.5 Purchasing Policy

1 STRATEGIC PLAN OBJECTIVE

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

2 PURPOSE

- a) To ensure consistency and value for money outcomes for all purchasing activities for the supply of goods or services.
- b) To maintain compliance with the Local Government Act 1995 and the Local Government (Functions and General) Regulations 1996.

3 LEGISLATION

- a) Local Government Act 1995 ~~s.3-57~~
- b) Local Government (Functions and General) Regulations 1996

4 POLICY STATEMENT

4.1 Ethics and Integrity

All EMRC officers shall observe the highest standards of ethics and integrity in undertaking purchasing activities and act in an honest and professional manner that supports the standing of the EMRC.

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- a) All purchasing practices shall comply with relevant legislation, regulations and requirements consistent with the EMRC's policies, procedures and Code of Conduct;
- b) Full accountability shall be taken for all purchasing decisions;
- c) All processes, evaluations and decisions shall be transparent, free from bias and fully documented to provide a clear audit trail; and
- d) Any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed.

4.2 Procurement Thresholds

The purchasing thresholds below makes provision for the process to be followed by the EMRC where the total value of goods and/or services (excluding GST) ~~subject of~~ the contract or purchase order (inclusive of purchasing orders), over the full contract period (including options to extend) is, or is expected to be:-

Amount of Purchase <u>(ex GST)</u>	Form of Quotation (Policy) (minimum requirements)
Up to \$5,000	Multiple quotations are not required when purchasing. <u>A single written or verbal quotation must be obtained.</u>
\$5,001 - \$10,000	Obtain <u>Seek at least two</u> three (3) written <u>verbal</u> quotes
\$10,000 - \$49,999	Obtain <u>Seek at least</u> three (3) written quotes
\$50,000 - \$24 49,999	Obtain <u>Seek</u> at least three (3) <u>formal</u> written quotes containing price and specification of goods or services
\$24 50,000 and above	Conduct public tender process.

Where this policy requires a certain number of quotations to be obtained, but it is not possible to obtain that number of quotations, then best endeavours must be used to obtain as many quotes as possible.

4.3 Tender Exemptions

In the following instances public tenders are not required (regardless of the value of expenditure):

- a) When the purchase or supply is obtained through the Council Purchasing Service of WALGA (Preferred Supplier Arrangements), or supplied by or obtained through the government of the State or the Commonwealth or any of its agencies, or by a local government or a regional local government.
- b) Where it can be demonstrated that there is good reason to believe that, because of the unique nature of the goods or services required or for any other reason, it is unlikely that there is more than one potential supplier.
- ~~e) a)~~ Where the goods or services are to be supplied by a person registered on the Aboriginal Business Directory WA published by the Chamber of Commerce and Industry of Western Australia Limited or a person registered with the Australian Indigenous Minority Supplier Office Limited (trading as Supply Nation) Small Business Development Corporation established under the Small Business Development Corporation Act 1983; and
 - (i) the consideration under the contract is \$250,000 or less, or worth \$250,000 or less; and
 - (ii) the local government is satisfied that the contract represents value for money.
- ~~Where the goods or services are to be supplied by an Australian Disability enterprise as registered on www.ade.org.au. This is contingent on the demonstration of value for money.~~
- e) If the purchase is from a pre-qualified supplier under a PP Panel established by the EMRC Council.

- ~~c) f)~~ If any other exclusions under Regulation 11 of the [Local Government \(Functions and General\) 1996 Regulations](#) apply.

4.4 Value for Money

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the EMRC. Compliance with the specification is more important than obtaining the lowest price. An assessment of the best value for money outcome for any purchasing should consider the following: Price is not the sole factor when assessing value for money. When conducting a procurement, an official the Officer must consider the relevant financial and non-financial costs and benefits of each submission including, but not limited to:

- a) the quality of the goods and services;
- b) fitness for purpose of the proposal;
- c) the potential supplier's relevant experience and performance history;
- d) flexibility of the proposal (including innovation and adaptability over the lifecycle of the procurement);
- e) environmental sustainability of the proposed goods and services (such as energy efficiency, environmental impact and use of recycled products); and
- f) whole-of-life costs.

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced conforming offer.

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4.5 Waiver of Quotation:

The Chief Executive Officer may at their discretion, waive the requirements to obtain quotes providing that written, justifiable reasons for such waiver are provided by the responsible officer, and file noted accordingly.

4.6 Anti-Avoidance

The EMRC shall not enter into two or more contracts or create multiple purchase order transactions of a similar nature for the purpose of "splitting" the value of the purchase or contract to take the value of the purchase below a particular purchasing threshold, particularly in relation to Tenders and to avoid the need to call a public Tender.

Panels of Pre-Qualified Suppliers

~~In accordance with Regulation 24AC of the Local Government (Functions and General) Regulations 1996, a Panel of Pre-qualified Suppliers ("Panel") may be created where most of the following factors apply:~~

- ~~• The EMRC determines that a range of similar goods and services are required to be purchased on a continuing and regular basis;~~
- ~~• There are numerous potential suppliers in the local and regional procurement related market sector(s) that satisfy the test of 'value for money';~~
- ~~• The purchasing activity under the intended Panel is assessed as being of a low to medium risk;~~
- ~~• The Panel will streamline and will improve procurement processes; and~~
- ~~• The EMRC has the capability to establish, manage the risks and achieve the benefits expected of the proposed Panel.~~

~~The EMRC will endeavour to ensure that Panels will not be created unless most of the above factors are firmly and quantifiably established.~~

4.7 Sustainable Procurement:

The EMRC will consider the environmental and social impact in the procurement process when undertaking the purchase of goods and services and disposal of goods. The governing principle for goods and services procurement is the achievement of value for money. In determining value for money, whole of life costs will be considered inclusive of the environmental impact of the goods being purchased and their ultimate disposal.

~~The EMRC shall identify adopt the WA “buy local” policy and procure best value for money supplies from WA local, and Aboriginal and Torres Strait Islander owned businesses where appropriate.~~

4.8 Record Keeping:

Documentation is essential in achieving accountability and transparency. It provides a record of procurement activities and how they've been conducted.

A record related to decision to award must be maintained on file.

Written notes supporting quotation details are to be noted in the purchase order.

All records associated with direct purchases or tender processes must be recorded and retained as follows:

- a) Direct purchasing records include:
 - Quotation documentation both verbal and written;
 - Internal documentation; and
 - Requisitions and purchase orders.
- b) Tender records include:
 - Tender documentation;
 - Internal documentation;
 - Evaluation documentation;
 - Enquiry and response documentation; and
 - Notification and award documentation.

Record retention shall be in accordance with the requirements of the State Records Act, and the EMRC Record Keeping Plan. All requisitions and purchase orders are recorded in the EMRC on-line financial system.

5 CONTRACT MANAGEMENT

The EMRC procurement department will manage all procurement contracts during their life cycle. The EMRC procurement teamdepartment is responsible for the administration and maintenance of the EMRC's contract management system.



6 FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 29 March 2007
2. 18 September 2008
3. 23 September 2010
4. 18 September 2014
5. 03 December 2015
6. 06 December 2018
- 6-7. 17 September 2020

Next Review

Following the Ordinary Elections in 2021

Responsible Directorate

Corporate Services
Business Support



Council Policy 3.5

Purchasing Policy

Strategic Plan Objective

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

Purpose

- To ensure consistency and value for money outcomes for all purchasing activities for the supply of goods or services.
- To maintain compliance with the Local Government Act 1995 and the Local Government (Functions and General) Regulations 1996.

Legislation

Local Government Act 1995

Local Government (Functions and General) Regulations 1996

Policy Statement

Ethics and Integrity

All EMRC officers shall observe the highest standards of ethics and integrity in undertaking purchasing activities and act in an honest and professional manner that supports the standing of the EMRC.

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- All purchasing practices shall comply with relevant legislation, regulations and requirements consistent with the EMRC's policies, procedures and Code of Conduct;
- Full accountability shall be taken for all purchasing decisions;
- All processes, evaluations and decisions shall be transparent, free from bias and fully documented to provide a clear audit trail; and
- Any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed.

Procurement Thresholds

The purchasing thresholds below make provision for the process to be followed by the EMRC where the total value of goods and/or services (excluding GST) for the contract or purchase order (, over the full contract period (including options to extend) is, or is expected to be:

Amount of Purchase Ex. GST	Policy Minimum Requirement
Up to \$5,000	Multiple quotations are not required when purchasing. A single written or verbal quotation must be obtained
\$5,000 - \$10,000	Seek at least two (2) written quotes
\$10,000 - \$49,999	Seek at least three (3) written quotes
\$50,000 - \$249,999	Seek at least three (3) formal written quotes containing price and specification of goods or services
\$250,000 and above	Conduct public tender process

Where this policy requires a certain number of quotations to be obtained, but it is not possible to obtain that number of quotations, then best endeavours must be used to obtain as many quotes as possible.

Tender Exemptions

In the following instances public tenders are not required (regardless of the value of expenditure):

- When the purchase or supply is obtained through the Council Purchasing Service of WALGA (Preferred Supplier Arrangements), or supplied by or obtained through the government of the State or the Commonwealth or any of its agencies, or by a local government or a regional local government.
- Where it can be demonstrated that there is good reason to believe that, because of the unique nature of the goods or services required or for any other reason, it is unlikely that there is more than one potential supplier.
- Where the goods or services are to be supplied by a person registered on the Aboriginal Business Directory WA published by the Chamber of Commerce and Industry of Western Australia Limited or a person registered with the Australian Indigenous Minority Supplier Office Limited (trading as Supply Nation) and
 - ⇒ the consideration under the contract is \$250,000 or less, or worth \$250,000 or less; and
 - ⇒ the local government is satisfied that the contract represents value for money.
- Where the goods or services are to be supplied by an Australian Disability enterprise as registered on www.ade.org.au. This is contingent on the demonstration of value for money.
- If the purchase is from a pre-qualified supplier under a panel established by the EMRC.
- If any other exclusions under Regulation 11 of the Local Government (Functions and General) Regulations 1996 apply.

Value for Money

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the EMRC. Compliance with the specification is more important than obtaining the lowest price. An assessment of the best value for money outcome for any purchasing should consider the following:

- the quality of the goods and services;
- fitness for purpose of the proposal;
- the potential supplier's relevant experience and performance history;
- flexibility of the proposal (including innovation and adaptability over the lifecycle of the procurement);

- environmental sustainability of the proposed goods and services (such as energy efficiency, environmental impact and use of recycled products); and
- whole-of-life costs.

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced conforming offer.

Waiver of Quotation

The Chief Executive Officer may at their discretion, waive the requirements to obtain quotes providing that written, justifiable reasons for such waiver are provided by the responsible officer, and file noted accordingly.

Anti-Avoidance

The EMRC shall not enter into two or more contracts or create multiple purchase order transactions of a similar nature for the purpose of "splitting" the value of the purchase or contract to take the value of the purchase below a particular purchasing threshold, particularly in relation to Tenders and to avoid the need to call a public Tender.

Sustainable Procurement

The EMRC will consider the environmental and social impact in the procurement process when undertaking the purchase of goods and services and disposal of goods. The governing principle for goods and services procurement is the achievement of value for money. In determining value for money, whole of life costs will be considered inclusive of the environmental impact of the goods being purchased and their ultimate disposal.

The EMRC shall adopt the WA "buy local" policy and procure best value for money supplies from WA local and Aboriginal and Torres Strait Islander owned businesses where appropriate.

Record Keeping

Documentation is essential in achieving accountability and transparency. It provides a record of procurement activities and how they've been conducted.

A record related to decision to award must be maintained on file.

Written notes supporting quotation details are to be noted in the purchase order.

All records associated with direct purchases or tender processes must be recorded and retained as follows:

- Direct purchasing records include:
 - ⇒ Quotation documentation both verbal and written;
 - ⇒ Internal documentation; and
 - ⇒ Requisitions and purchase orders.
- Tender records include:
 - ⇒ • Tender documentation;
 - ⇒ • Internal documentation;
 - ⇒ • Evaluation documentation;
 - ⇒ • Enquiry and response documentation; and
 - ⇒ • Notification and award documentation.

Record retention shall be in accordance with the requirements of the State Records Act, and the EMRC Record Keeping Plan. All requisitions and purchase orders are recorded in the EMRC on-line financial system.

Contract Management

The EMRC procurement department will manage all procurement contracts during their life cycle. The EMRC procurement team is responsible for the administration and maintenance of the EMRC’s contract management system.

Financial Considerations

Nil

Adopted/Reviewed by Council	29 March 2007 18 September 2008 23 September 2010 18 September 2014 03 December 2015 06 December 2018 17 September 2020
Next Review	Following the Ordinary Elections 2021
Responsible Unit	Business Support



14.5 REVIEW OF COUNCIL POLICY 7.3 – RECORDS MANAGEMENT

REFERENCE: D2020/20018

PURPOSE OF REPORT

The purpose of this report is to seek Council's endorsement of a Records Management Policy.

KEY POINTS AND RECOMMENDATION(S)

- The EMRC Records Management Policy has been developed under the requirements of the *State Records Act 2000*.
- The policy provides a framework for the EMRC's recordkeeping and defines the responsibility of employees, contractors and Councillors relating to recordkeeping.

Recommendation(s)

That Council adopts EMRC Policy 7.3 – Records Management forming the attachment to this report.

SOURCE OF REPORT

Chief Financial Officer

BACKGROUND

The policies of the EMRC, as determined by Council as required by s.2.7(2)(b) of the *Local Government Act 1995*, guide and inform management and the public about key Council principles.

REPORT

The EMRC is a government organisation that is subject to the *State Records Act 2000*. Part 3 of the act specifies record keeping plans (RKPs) for government organisations. Section 16.2 of Part 3 specifies that:

16. Content of plans
 - (2) A government organization's record keeping plan must —
 - (a) comply with principles and standards established by the Commission under section 61

These principles and standards are expanded in the State Records Commission (SRC) Standard 2 – RKPs – Principle 2 – Policies and Procedures which details that:

Government organisations (sic) ensure that recordkeeping programs are supported by policy and procedures.

Rationale

A government organization's (sic) recordkeeping program is to be compliant with legislative requirements. It should be reliable, systematic and well managed within a framework for consistent and accountable implementation. To achieve this, policies and procedures governing recordkeeping matters in the organization should be in place.



Item 14.5 continued

The EMRC Records Management Policy has been developed to comply with the requirements of the SRC Standard 2, Principle 2. The policy provides a framework for the EMRC's recordkeeping and defines the responsibility of employees, contractors and Councillors relating to recordkeeping.

The policy will deliver a best practice approach to ensure records management procedures for the EMRC are aligned to the EMRC's legislated obligations.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 3 – Good Governance

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

FINANCIAL IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	No direct implications
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

Council Policy 7.3 Records Management (Ref: D2020/20098)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council adopts EMRC Policy 7.3 – Records Management forming the attachment to this report.

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR



Council Policy 7.3

Records Management

Strategic Plan Objective

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

Purpose

The purpose of this policy is to provide a framework for the EMRC's recordkeeping to accurately record the business transactions and decisions directed at protecting EMRC staff and property, and other people who may interface with EMRC and ensure compliance with legislative obligations.

Legislation and Standards

- *State Records Act 2000*
- *Freedom of Information Act 1992*
- *Local Government Act 1995*
- *Criminal Code 1913*
- *Evidence Act 1906*
- *Public Sector Management Act 1994*
- *Financial Management Act 2006*
- *National Trade Measurement Regulations 2009*
- *State Records Commission Standards 2002*
- *AS ISO 15489.1:2017 Information and Documentation – Records Management Concepts and Principles*

Policy Statement

The EMRC, in order to be compliant with the aforementioned legislation and standards, has a responsibility to produce accurate and complete records, in the course of conducting its business operations and administration.

The EMRC is defined in *sch. 1.12* of the *State Records Act 2000 (SRA)* as a government organisation, and the *SRA* requires each government organisation to have an approved Recordkeeping Plan. This plan requires reviewing every five years or sooner if the need arises or directed by the State Records Commission. The Recordkeeping Plan details the records created and held by an organisation in undertaking its lawful business, the policies and procedures applied in the management of records and how they are maintained and destroyed.

All EMRC officers including councillors and contractors employed under a contract of service or otherwise are individually and personally liable and responsible for adhering to the approved EMRC Recordkeeping Plan, and its associated policies and procedures.

All EMRC records are to be recorded in the Electronic Document and Records Management System (EDRMS), other than the financial transaction records that are to be held in the EMRC Finance System.

- Where possible, all paper correspondence is to be scanned and stored in the organisation's EDRMS. This is the responsibility of all EMRC staff and includes the scanning and registration of hardcopy records produced by contractors and consultants under EMRC staff's supervision and management.
- All contracts and agreements containing a wet signature must be scanned into the EDRMS, with the original hardcopy document being held in a secure repository by the Information Team.
- Electronic records will be identified as the primary record of the EMRC's business decisions, transactions, operations and administration. This will enable the organisation to develop greater efficiencies in the access to corporate records, the assigning of access to corporate records, the backing up of and the recovery of records during incidents of disaster and the identification of vital records necessary for business continuity, also in the event of a disaster. Further, this will assist the organisation in creating mechanisms to cope, manage and succeed with the challenges faced with technological obsolescence of business systems.
- All records created by Council Members, acting on behalf of the EMRC, must be recorded in the EMRC's EDRMS, through the Chief Executive Officer.
- The Information Team will perform the delegated responsibility of the internal administration and application of the approved Recordkeeping Plan, and its associated policies and procedures.

Financial Considerations

Nil

Adopted/Reviewed	September 2020
Next Review	Following the Ordinary Elections in 2021
Responsible Team	Business Support Team



14.6 REQUEST FOR TENDER RFT2020-006 EMRC STRATEGIC REVIEW

REFERENCE: D2020/20033

PURPOSE OF REPORT

The purpose of this report is to advise Council of the results of Tender RFT2020-006 for the EMRC Strategic Review and recommend acceptance of the Tender from [REDACTED].

KEY POINTS AND RECOMMENDATION(S)

- Council at its 5 December 2019 ordinary meeting endorsed the tender document for the EMRC Strategic Review. It is proposed that the EMRC hire an external consultant through an RFT process to jointly explore strategic options, timing and scenario modelling for both Waste and Regional Services.
- Tender RFT2019-005 was advertised in December 2019 and submissions closed on 31 January 2020. However, following the evaluation of all tenders a decision was made to not accept any tender and to issue a re-tender for the EMRC Strategic Review.
- The request for re-tender (RFT2020-006) was advertised on 1 July 2020 and the submissions closing date was 23 July 2020.
- A total of seven (7) conforming submissions were received and the evaluation process has been concluded and the preferred tenderer has been selected subject to Council approval.

Recommendation(s)

That:

1. Council award Tender RFT2020-006 EMRC Strategic Review to [REDACTED] for [REDACTED] (ex GST) based on a fixed price schedule.
2. The CEO be authorised on behalf of the EMRC to enter into a contract with [REDACTED] in accordance with their submitted tender, subject to any minor variations that may be agreed between the EMRC and [REDACTED].
3. Council authorise a 10% contingency based on the tendered price schedule for any contract variations that may arise in relation to Tender RFT2020-006.
4. The identity of the successful tenderer and the awarded amount be redacted for legal reasons and remain confidential until such time that the resultant contract has been formed.

SOURCE OF REPORT

Chief Executive Officer

BACKGROUND

On 18 August 2016, Council adopted the 10 Year Strategic Plan – 2017 to 2027 which took effect from 1 July 2017 (Ref: D2016/10193). The 10 Year Strategic Plan is an element of an Integrated Planning Framework which has been developed to ensure that strategic priorities drive operational activities. The framework is based on the guidelines developed by the Department of Local Government and Communities (DLC) and is used to implement regional projects that will benefit the community that lives, works, plays and does business within Perth's Eastern Region.

Since the adoption of the 10 Year Strategic Plan in 2016, there has been significant progress on various projects and changes in the waste industry.



Item 14.6 continued

With the upcoming structural changes due to the Resource Recovery Facility (RRF) Project as well as new opportunities such as FOGO as a result of the Western Australian Waste Avoidance and Resource Recovery Strategy 2030 and Action Plan, it is imperative that the EMRC take this opportunity to seek and review its position.

The purpose of this review is to make an informed assessment regarding the way forward for the EMRC, including evaluating all strategic options and consider scenarios to ensure it continues to deliver on the objectives for the benefit of our member Councils.

At the 22 August 2019 meeting, Council resolved (Ref: D2019/11134):

1. *COUNCIL ENDORSES A STRATEGIC REVIEW OF THE EMRC.*
2. *THE TERMS OF REFERENCE FOR THE STRATEGIC REVIEW IS TO INCLUDE, BUT NOT NECESSARILY BE LIMITED TO, SERVICE PROVISION, FACILITIES, INFRASTRUCTURE, PROJECTS, ACTIVITIES, FUNDING AND CONTRACTS.*
3. *THE TERMS OF REFERENCE AND THE REVIEW BE DEVELOPED IN CONSULTATION WITH THE CEOAC, MEMBER COUNCIL STAFF AND COUNCILLORS.*
4. *COUNCIL BY ABSOLUTE MAJORITY, IN ACCORDANCE WITH SECTION 6.8(1)(B) OF THE LOCAL GOVERNMENT ACT 1995, AUTHORISES EXPENDITURE UP TO THE AMOUNT SPECIFIED IN THE REPORT FOR A STRATEGIC REVIEW.*
5. *THE REPORT REMAINS CONFIDENTIAL AND TO BE CERTIFIED BY THE CHAIRMAN AND CEO.*

Tender RFT2019-005 was advertised on 11 December 2019 with a closing date for submissions on 31 January 2020. Four (4) submissions were received and an evaluation panel was established. Following the completion of the evaluation it was decided to not accept any tender and to issue a re-tender for the EMRC Strategic Review after consultation with the CEO Advisory Committee.

REPORT

The new request for tender RFT2020-006 was advertised on 1 July 2020 and the closing date for submissions was 23 July 2020. The evaluation panel comprised of the EMRC Executive Leadership Team, two (2) member Council CEOs and three (3) members of the EMRC's procurement team. The evaluation was completed on 27 August 2020 and a recommendation report was prepared.

A total of seven (7) conforming tender submissions were received from:

Tenderer A	██████████;
Tenderer B	██████████;
Tenderer C	██████████;
Tenderer D	██████████;
Tenderer E	██████████;
Tenderer F	██████████; and
Tenderer G	██████████.

A detailed fixed price schedule was submitted by each tenderer under the following tasks:

- Regional market assessment;
- Circular economy horizon scan and opportunities analysis;
- Scenario modelling and options analysis;
- Vision setting, strategy and implementation plan;



Item 14.6 continued

- Stakeholder engagement;
- Establishment agreement governance and risk model;
- Service provision; and
- Key deliverables.

The evaluation panel assessed the submissions on the following criteria:

Assessment Criteria	Weighting
(a) Previous experience in providing similar services within the waste industry	20%
(b) Proposed Methodology and Implementation Plan	25%
(c) Scenario modelling and forecasting	25%
(d) Relevant experience and qualification of personnel	10%
(e) Pricing	20%

After combining the weighted scores for both the qualitative criteria and price, [REDACTED] represented the highest rated overall assessment due mainly to a combined score comprising of the qualitative and quantitative (pricing) scores.

Based on the panel's evaluation, the submission from [REDACTED] demonstrated the most advantageous submission and is considered to offer the best value for money. The total fixed price schedule submitted by [REDACTED] amounted to a fixed price total value of [REDACTED] (ex GST).

The total duration of the project is expected to be approximately 6-8 months excluding actual delivery of the stakeholder engagement plan.

A contingency allowance of 10% of the contract sum is recommended to allow for any unforeseen circumstances that may arise during the contract.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.1 To provide sustainable waste disposal operations
- 1.2 To improve regional waste management

FINANCIAL IMPLICATIONS

The total fixed price of the submission is within the amount authorised by Council at its 22 August 2019 meeting.

SUSTAINABILITY IMPLICATIONS

Nil



Item 14.6 continued

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean City of Bayswater City of Belmont City of Kalamunda Shire of Mundaring City of Swan	The outcome of the EMRC Strategic Review may impact on the future services that the EMRC provides to its member Councils.

ATTACHMENT(S)

Nil

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That:

1. Council award Tender RFT2020-006 EMRC Strategic Review to [REDACTED] for [REDACTED] (ex GST) based on a fixed price schedule.
2. The CEO be authorised on behalf of the EMRC to enter into a contract with [REDACTED] in accordance with their submitted tender, subject to any minor variations that may be agreed between the EMRC and [REDACTED]
3. Council authorise a 10% contingency based on the tendered price schedule for any contract variations that may arise in relation to Tender RFT2020-006.
4. The identity of the successful tenderer and the awarded amount be redacted for legal reasons and remain confidential until such time that the resultant contract has been formed.

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR



14.7 EMRC'S DRAFT WASTE PLAN 2020/2021

REFERENCE: D2020/20172

PURPOSE OF REPORT

The purpose of this report is to provide Council with the draft waste plan, prepared in response to the notice received from the Department of Water and Environmental Regulation (DWER) in December 2019, for endorsement.

KEY POINTS AND RECOMMENDATION(S)

- All local governments and regional local governments located in the Perth metropolitan region and Peel region (Perth and Peel regions), are required to develop waste plans and perform their functions in respect of waste management in accordance with their waste plans.
- DWER has given notice to the EMRC to prepare and submit a waste plan under section 40(4) of the Waste Avoidance and Resource Recovery (WARR) Act 2007;
- Within the notice DWER gave an option to submit a draft for review and feedback prior to final submission.
- Due to COVID-19 the closing periods were extended by six months: for draft submissions 30 September 2020 and final submissions by 31 March 2021.
- EMRC staff have prepared a draft waste plan.
- The draft submission is now presented to Council for endorsement.

Recommendation(s)

That:

1. Council endorses the draft waste plan forming Attachment 1 of this report.
2. The EMRC draft waste plan to be submitted DWER for comment.

SOURCE OF REPORT

Chief Sustainability Officer

BACKGROUND

Western Australia's Waste Avoidance and Resource Recovery Strategy 2030 is the second strategy to be developed under the WARR Act. It was released in 2019 after extensive community consultation and has three objectives: avoid the generation of waste; recover more value and resources from waste; and protect the environment by managing waste responsibly. The Strategy includes a headline strategy to *"Implement local government waste plans, which align local government waste planning processes with the Waste and Resource Recovery Strategy 2030"*.

Under section 3(1) of the WARR Act the definition of local government includes *"a regional local government established for the purpose of providing waste services"*, and so regional councils are required to prepare waste plans. Developing waste plans gives local and regional governments the opportunity to map their current waste management performance in relation to the new Waste Strategy targets, and identify and implement the strategies needed to achieve these targets.



Item 14.7 continued

REPORT

The waste plan consists of three parts:

Part 1 – Services and Performance

The aim of Part 1 is to identify how the EMRC is performing in relation to the three objectives of the Waste Strategy; to identify the major waste management challenges; to identify strategic waste and resource recovery infrastructure needs; to provide a baseline to compare progress when annually reviewing and updating the waste plan; and to establish an evidence base to inform decision-making and target setting when developing the implementation plan (Part 2)

Part 2 – Implementation Plan

The aim of the Implementation plan is to include both existing/ongoing waste policies and programs, and new actions. The EMRC has determined the actions that best suit the circumstances and needs and which contribute to the achievement of Waste Strategy targets and objectives. The actions contained in the Implementation Plan are SMART: specific, measurable, attainable, realistic and time-bound, and are largely derived from the Key Actions outlined in the Corporate Business Plan 2020/2021 to 2024/2025.

Part 3 – Self-assessment Checklist

The self-assessment checklist is completed to ensure that all the key information is included in the Waste Plan. Parts 1, 2 and 3 are then submitted to the CEO for review and sign-off.

The EMRC instigated the role of Project Officer Waste Plans to “*Develop Waste Plans for the EMRC and Member Councils*” as a Key Action under Objective 1.2 of the Corporate Business Plan. The Project Officer Waste Plans has facilitated the generation of the Waste Plan using contributions from all relevant departments and stakeholders. The Waste Plan will fit within the regional & local governments Integrated Planning and Reporting framework.

Progressing the actions within the waste plan is required to be reported under section 44 of the WARR Act to the CEO of the Department of Water and Environmental Regulation (DWER). Reports will be provided annually with reporting due by the 1 October each year, beginning with the 1 October 2022 for the 2021/2022 financial year.

It is envisaged that waste plan reporting will be completed online as an add-on to the upcoming online system for annual mandatory waste and recycling data reporting under Part 3A of the *Waste Avoidance and Resource Recovery Regulations 2008*.

The format of the waste plans template is provided by DWER with the aim to ensure consistency and to allow flexibility.

The draft waste plan is now presented to Council for review and approval.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

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



Item 14.7 continued

Key Result Area 3 – Good Governance

- 3.1 To provide advice and advocacy on issues affecting Perth's Eastern Region
- 3.2 To manage partnerships and relationships with stakeholders

FINANCIAL IMPLICATIONS

As reflected in the attachment and Corporate Business Plan 2020/2021 to 2024/2025

SUSTAINABILITY IMPLICATIONS

Sustainability implications include provision of best waste practices by the EMRC and its member Councils.

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} As reflected in the attachment
City of Bayswater	
City of Belmont	
City of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

Draft EMRC Waste Plan (Ref: D2020/20554) (to be provided)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That:

- 1. Council endorses the draft waste plan forming Attachment 1 of this report.
- 2. The EMRC draft waste plan to be submitted DWER for comment.

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR



14.7 EMRC'S DRAFT WASTE PLAN 2020/2021

REFERENCE: D2020/20172

ATTACHMENT(S)

Draft EMRC Waste Plan (Ref: D2020/20554) (to be provided)



14.8 ITEMS CONTAINED IN THE INFORMATION BULLETIN

REFERENCE: D2020/19785

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

- 1.1 REGISTER OF COUNCIL RESOLUTIONS 2020 (Ref: D2020/19847)
- 1.2 CEO EXERCISE OF DELEGATED POWERS AND DUTIES (Ref: D2020/19820)
- 1.3 COUNCIL TONNAGE COMPARISONS AS AT 30 JUNE 2020 (Ref: D2020/19788)
- 1.4 COUNCIL TONNAGE COMPARISONS AS AT 31 JULY 2020 (Ref: D2020/19813)

RECOMMENDATION(S)

That Council notes the items contained in the Information Bulletin accompanying the 17 September 2020 Ordinary Meeting of Council Agenda.

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR



15 REPORTS OF COMMITTEES

15.1 CHIEF EXECUTIVE OFFICERS ADVISORY COMMITTEE MEETING HELD 4 AUGUST 2020 (REFER TO MINUTES OF COMMITTEE)

REFERENCE: D2020/12846 (CEOAC) - D2020/20100

The minutes of the Chief Executive Officers Advisory Committee meeting held on **4 August 2020** accompany and form part of this agenda – (refer to section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invites general questions from members on the minutes of the Chief Executive Officers Advisory Committee.

RECOMMENDATION(S)

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

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR



15.2 WASTE ADVISORY COMMITTEE MEETING HELD 3 SEPTEMBER 2020
(REFER TO MINUTES OF COMMITTEE)
REFERENCE: D2020/13852 (WAC) - D2020/19920

The minutes of the Waste Advisory Committee meeting held on **3 September 2020** accompany and form part of this agenda – (refer to section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invites general questions from members on the minutes of the Waste Advisory Committee. Any questions relating to the confidential report will be dealt with under section 19.1 of the agenda "Confidential Items."

RECOMMENDATION(S)

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

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR



16 REPORTS OF DELEGATES

17 MEMBERS' MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

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

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

RECOMMENDATION (Closing meeting to the public)

That with the exception of, the meeting be closed to members of the public in accordance with Section 5.23 (2) of the *Local Government Act 1995* for the purpose of dealing with matters of a confidential nature.

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR

19.1 ITEM 14.1 OF THE WASTE ADVISORY COMMITTEE MINUTES – CLASS IV WASTE CELL (PRELIMINARY DESIGN & APPROVALS)

REFERENCE: D2020/20103

This item is recommended to be confidential because it contains matters of a commercial-in-confidence nature.

See Confidential Item circulated with the Agenda under Separate Cover.

RECOMMENDATION [Meeting re-opened to the public]

That the meeting be re-opened, the members of the public be invited to return to the meeting and the recommendations passed behind closed doors be recorded.

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR



Item 19 continued

Recording of the resolutions passed behind closed doors, namely:

19.1 ITEM 14.1 OF THE WASTE ADVISORY COMMITTEE MINUTES – CLASS IV WASTE CELL (PRELIMINARY DESIGN & APPROVALS)

REFERENCE: D2020/20103

COUNCIL RESOLUTION(S)

MOVED CR

SECONDED CR

20 FUTURE MEETINGS OF COUNCIL

The next meeting of Council will be held on **Thursday 22 October (If required)** at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, Belmont WA 6104 commencing at 6:00pm.

Future Meetings 2020

Thursday	22 October (if required)	at	EMRC Administration Office
Thursday	3 December	at	EMRC Administration Office
January 2021 (recess)			

21 DECLARATION OF CLOSURE OF MEETING