



MINUTES

CERTIFICATION OF CONFIRMATION OF COUNCIL MEETING MINUTES

18 SEPTEMBER 2014

I, Cr Alan Pilgrim, hereby certify that the minutes from the Council Meeting held on 18 September 2014 pages (1) to (398) were confirmed at a meeting of Council held on 23 October 2014.



Signature

**Cr Alan Pilgrim
Person presiding at Meeting**



MINUTES

Ordinary Meeting of Council

18 September 2014

ORDINARY MEETING OF COUNCIL

MINUTES

18 September 2014

(REF: D2014/10146)

An Ordinary Meeting of Council was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 18 September 2014**. The meeting commenced at **6:00pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Deputy Chairman opened the meeting at 6:00pm.

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

Councillor Attendance

Cr Janet Powell (Deputy Chairman)	EMRC Member	City of Belmont
Cr Jennie Carter	EMRC Member	Town of Bassendean
Cr Gerry Pule	EMRC Member	Town of Bassendean
Cr Chris Cornish	EMRC Member	City of Bayswater
Cr Steve Wolff	EMRC Member	City of Belmont
Cr Dylan O'Connor	EMRC Member	Shire of Kalamunda
Cr Frank Lindsey	EMRC Member	Shire of Kalamunda
Cr Tony Cuccaro	EMRC Member	Shire of Mundaring
Cr Bob Perks (from 6:08pm) (Deputising for Cr Pilgrim)	EMRC Deputy Member	Shire of Mundaring
Cr David Färdig	EMRC Member	City of Swan
Cr Charlie Zannino	EMRC Member	City of Swan

Leave of Absence Previously Approved

Cr Pilgrim (from 01/09/2014 to 30/09/2014 inclusive)

Cr Anderton (from 05/09/2014 to 25/09/2014 inclusive)

EMRC Officers

Mr Peter Schneider	Chief Executive Officer
Mr Hua Jer Liew	Director Corporate Services
Mr Steve Fitzpatrick	Director Waste Services
Mrs Marilyn Horgan	Director Regional Services
Ms Theresa Eckstein	Executive Assistant to Chief Executive Officer
Mrs Annie Hughes-d'Aeth	Personal Assistant to Director Corporate Services (Minutes)

EMRC Observers

Mr David Ameduri	Manager Financial Services
Ms Kelly Bickers	Marketing Communications and Events Officer

Observers

Mr Bob Jarvis	Chief Executive Officer	Town of Bassendean
Mr Doug Pearson	Director Technical Services	City of Bayswater
Mr Sam Assaad	Manager Infrastructure Services	Shire of Kalamunda

3 DISCLOSURE OF INTERESTS

Nil



4 ANNOUNCEMENTS BY THE CHAIRMAN OR PRESIDING MEMBER WITHOUT DISCUSSION

4.1 RED HILL OPEN DAY

This year's Red Hill Open Day will be held on Saturday, 8 November from 10:00am to 1:00pm and will give people the opportunity to go behind the scenes and view the Red Hill Waste Management Facility's operations. The day's activities will begin with two bus tours of the facility departing the Red Hill administration building at 10:20am and 11:00am followed by an awards ceremony for the recipients of the EMRC Community Grants Program. EMRC and all member Council Councillors, officers and residents are welcome to attend.

4.2 MR BRIAN JONES

The Deputy Chairman acknowledged the sad passing of Mr Brian Jones on 1 September 2014 and on behalf of the Council expressed sincere condolences to his wife Lynne, daughter, sons and grandchildren.

Mr Jones first joined the EMRC in 2001 before leaving for semi-retirement in 2007. He rejoined the EMRC in 2010 before finally retiring in 2013.

4.3 REGIONAL SERVICES - UPCOMING EVENTS

- Curtin University Research Final Forum on Rapid Transit Corridors will be held on 30 September 2014 at the EMRC Council Chambers. The forum is for State and Local Governments and relevant agencies.
- The Digital Projects launch will be held on 10 October 2014 in the EMRC Council Chambers. This event will formally launch the Digital Exemplar videos which promote local businesses incorporating digital technology into their businesses.
- The next 'Advancing Perth's Eastern Region' Showcase Tour will be held in the City of Swan on 6 November 2014. The tour will include the new Midland Hospital, GP Super Clinic, Midland Railway workshops, Hazelmere, Guildford and the Swan Valley.

Invitations for the above events will be sent out shortly.

5 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

6 PUBLIC QUESTION TIME

Nil

7 APPLICATIONS FOR LEAVE OF ABSENCE

7.1 CRS CORNISH AND ZANNINO - LEAVE OF ABSENCE

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR CARTER

THAT COUNCIL APPROVE APPLICATIONS FOR LEAVE OF ABSENCE FOR CR CORNISH FOR 25 SEPTEMBER 2014, 23 OCTOBER 2014 AND 20 NOVEMBER 2014 AND CR ZANNINO FROM 12 OCTOBER 2014 TO 20 OCTOBER 2014 INCLUSIVE AND 26 OCTOBER 2014 TO 1 NOVEMBER 2014 INCLUSIVE.

CARRIED UNANIMOUSLY



8 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil

9 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

9.1 MINUTES OF ORDINARY MEETING OF COUNCIL HELD ON 21 AUGUST 2014

That the minutes of the Ordinary Meeting of Council held on 21 August 2014 which have been distributed, be confirmed.

COUNCIL RESOLUTION

MOVED CR PULE

SECONDED CR CUCCARO

THAT THE MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD ON 21 AUGUST 2014 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

10 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

11 QUESTIONS BY MEMBERS WITHOUT NOTICE

Nil

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

Nil

13 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



14 REPORTS OF EMPLOYEES

QUESTIONS

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

RECOMMENDATION(S)

That with the exception of 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 ZANNINO

SECONDED CR CUCCARO

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

CARRIED UNANIMOUSLY

Cr Perks entered the meeting at 6:08pm.



14.1 LIST OF ACCOUNTS PAID DURING THE MONTH OF AUGUST 2014

REFERENCE: D2014/11030

PURPOSE OF REPORT

The purpose of this report is to present to Council a list of accounts paid under the Chief Executive Officer's delegated authority during the month of August 2014 for noting.

KEY ISSUES AND RECOMMENDATION(S)

- As per the requirements of the Local Government (Financial Management) Regulations 1996 (Regulation 13(1)), the list of accounts paid during the month of August 2014 is provided for noting.

Recommendation(s)

That Council notes the CEO's list of accounts for August 2014 paid under delegated power in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, as attached to this report totalling \$8,267,827.21

SOURCE OF REPORT

Director Corporate Services
 Manager Financial Services

BACKGROUND

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

REPORT

The table below summarises the payments drawn on the funds during the month of August 2014. A list detailing the payments made is appended as an attachment to this report.

Municipal Fund	EFT Payments:	30678 – 30940	
	Cheque Payments:	219953 – 219958	
	Payroll EFT:	PAY 2015-4 & PAY 2015-5	
	DIRECT DEBITS		
	- Superannuation:	13635.1 – 13635.17 & 13636.1 – 13636.18	
	- Bank Charges:	1*AUG14	
	- Other:	834 - 859	\$8,268,265.81
	LESS		
	Cancelled EFTs and Cheques	219954 & 219955	(438.60)
Trust Fund	Not Applicable		Nil
Total			\$8,267,827.21



Item 14.1 continued

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

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


FINANCIAL IMPLICATIONS

As contained within the report.

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

CEO's Delegated Payments List for the month of August 2014 (Ref: D2014/09554)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council notes the CEO's list of accounts for August 2014 paid under delegated power in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, as attached to this report totalling \$8,267,827.21.

COUNCIL RESOLUTION(S)

MOVED CR ZANNINO

SECONDED CR CUCCARO

THAT COUNCIL NOTES THE CEO'S LIST OF ACCOUNTS FOR AUGUST 2014 PAID UNDER DELEGATED POWER IN ACCORDANCE WITH REGULATION 13(1) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996, AS ATTACHED TO THIS REPORT TOTALLING \$8,267,827.21.

CARRIED UNANIMOUSLY

Eastern Metropolitan Regional Council



CEO's DELEGATED PAYMENTS LIST FOR THE MONTH OF AUGUST 2014

Cheque /EFT No	Date	Payee	Amount
EFT30678	01/08/2014	AIRWELL GROUP PTY LTD	33,814.78
EFT30679	01/08/2014	ALLIANCE RECRUITMENT	204.01
EFT30680	01/08/2014	AUSTRACLEAR LIMITED (ASX)	28.94
EFT30681	01/08/2014	AUSTRALIA POST - ASCOT PLACE	1,950.49
EFT30682	01/08/2014	AUSTRALIA POST - RED HILL	289.31
EFT30683	01/08/2014	AUSTRALIAN INSTITUTE OF MANAGEMENT - AIM	3,465.00
EFT30684	01/08/2014	BG&E PTY LTD	16,896.00
EFT30685	01/08/2014	BLUE FORCE PTY LTD	115.50
EFT30686	01/08/2014	CITY OF BAYSWATER	104,641.14
EFT30687	01/08/2014	CRISALIS INTERNATIONAL PTY LTD	16,546.20
EFT30688	01/08/2014	CURTIN UNIVERSITY OF TECHNOLOGY	13,200.00
EFT30689	01/08/2014	IT VISION AUSTRALIA PTY LTD	37,207.50
EFT30690	01/08/2014	KIRKGATE CONSULTING	6,818.60
EFT30691	01/08/2014	PPR AUSTRALIA	34,763.43
EFT30692	01/08/2014	PROTECTOR FIRE SERVICES	7,155.89
EFT30693	01/08/2014	SDF GLOBAL	20,988.00
EFT30694	01/08/2014	STEVENSON CONSULTING	2,040.50
EFT30695	01/08/2014	IT VISION USER GROUP (INC)	660.00
EFT30696	01/08/2014	WESTERN TREE RECYCLERS	68,020.98
EFT30697	05/08/2014	ACCESS INDUSTRIAL TYRES PTY LTD	313.50
EFT30698	05/08/2014	ADCORP	3,431.78
EFT30699	05/08/2014	AIRLITE CLEANING	3,604.36
EFT30700	05/08/2014	AMAZING CLEAN BLINDS MIDLAND	120.00
EFT30701	05/08/2014	APV VALUERS & ASSET MANAGEMENT	6,915.15
EFT30702	05/08/2014	ASTAR HARDWARE DISTRIBUTION	418.44
EFT30703	05/08/2014	AUSTRALIAN HVAC SERVICES	550.00
EFT30704	05/08/2014	AUSTRALIAN LABORATORY SERVICES PTY LTD (ALS)	35.20
EFT30705	05/08/2014	BATTERY WORLD	127.00
EFT30706	05/08/2014	BLACKADDER WOODBRIDGE CATCHMENT GROUP	200.00
EFT30707	05/08/2014	BLUE FORCE PTY LTD	115.50
EFT30708	05/08/2014	BRING COURIERS	382.60
EFT30709	05/08/2014	BUNNINGS BUILDING SUPPLIES PTY LTD	16.08
EFT30710	05/08/2014	CARPENTRY, HOUSE AND YARD MAINTENANCE	890.00
EFT30711	05/08/2014	CARRINGTONS TRAFFIC SERVICES	6,583.50
EFT30712	05/08/2014	CHICA CATERING (VALLEY ROAD PTY LTD)	315.75
EFT30713	05/08/2014	CITY OF SWAN	97.50
EFT30714	05/08/2014	CJD EQUIPMENT PTY LTD	21,612.93
EFT30715	05/08/2014	CROMMELINS AUSTRALIA	3,054.84
EFT30716	05/08/2014	CROSS COUNTRY 4WD &UTE ACCESSORIES	440.00
EFT30717	05/08/2014	CROSSLAND & HARDY PTY LTD	1,222.40
EFT30718	05/08/2014	CSE-COMSOURCE PTY LTD	275.00
EFT30719	05/08/2014	DELRON CLEANING PTY LTD	3,497.85
EFT30720	05/08/2014	DUN & BRADSTREET PTY LTD	89.10
EFT30721	05/08/2014	ECO ENVIRONMENTAL (BENFOSTER PTY LTD)	547.25
EFT30722	05/08/2014	FLEXI STAFF PTY LTD	8,118.00
EFT30723	05/08/2014	FLICK ANTICIMEX PTY LTD	64.53
EFT30724	05/08/2014	FRESH BOOST PTY LTD ATF BANDITS TRUST	814.80
EFT30725	05/08/2014	FUJI XEROX AUSTRALIA PTY LTD	682.14
EFT30726	05/08/2014	GOODCHILD ENTERPRISES	151.80
EFT30727	05/08/2014	HILLS FRESH	81.28
EFT30728	05/08/2014	HOSECO (WA) PTY LTD	308.16
EFT30729	05/08/2014	J & K HOPKINS	309.00
EFT30730	05/08/2014	JAYCOURT NOMINEES P/L T/A BARFIELD EARTHMOVING	1,724.16

Eastern Metropolitan Regional Council



**CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2014**

Cheque /EFT No	Date	Payee	Amount
EFT30731	05/08/2014	KEY WEALTH CREATIONS PTY T/A MICRO MOVES	192.50
EFT30732	05/08/2014	LEN FRENCH FENCING CONTRACTOR	150.00
EFT30733	05/08/2014	LIEBHERR AUSTRALIA PTY LTD	608.50
EFT30734	05/08/2014	MCINTOSH & SON	409.55
EFT30735	05/08/2014	NEVERFAIL SPRINGWATER	151.40
EFT30736	05/08/2014	ONSITE RENTALS PTY LTD	443.44
EFT30737	05/08/2014	PAYG PAYMENTS	58,216.00
EFT30738	05/08/2014	PERTH SECURITY SERVICES - MCW CORPORATION PTY LTD	2,620.84
EFT30739	05/08/2014	PINELLI WINES PTY LTD	360.00
EFT30740	05/08/2014	PIRTEK MIDLAND (M & B HYDRAULICS PTY LTD)	1,454.60
EFT30741	05/08/2014	PRESTIGE PUMP RENTALS	12,853.50
EFT30742	05/08/2014	RICHGRO	1,373.90
EFT30743	05/08/2014	RUDD INDUSTRIAL AND FARM SUPPLIES	249.65
EFT30744	05/08/2014	SAFETY SIGNS SERVICE	66.88
EFT30745	05/08/2014	SIGNS & LINES	404.26
EFT30746	05/08/2014	SNAP BELMONT (BELSNAP PTY LTD)	1,547.55
EFT30747	05/08/2014	SWAN MEDICAL GROUP	45.00
EFT30748	05/08/2014	TELSTRA	177.28
EFT30749	05/08/2014	TELSTRA	451.33
EFT30750	05/08/2014	TENDERLINK.COM. PTY LTD	165.00
EFT30751	05/08/2014	TIM DAVIES LANDSCAPING PTY LTD	909.70
EFT30752	05/08/2014	TOTALLY WORKWEAR MIDLAND	295.83
EFT30753	05/08/2014	TUTT BRYANT EQUIPMENT (BT EQUIPMENT PTY LTD)	3,623.97
EFT30754	05/08/2014	UNIQUE WASTE MANAGEMENT SERVICES	1,100.00
EFT30755	05/08/2014	VISY RECYCLING	26.59
EFT30756	05/08/2014	VOLICH WASTE CONTRACTORS PTY LTD	44.00
EFT30757	05/08/2014	WESTRAC EQUIPMENT PTY LTD	201.70
EFT30758	05/08/2014	WINDOW WIPERS	797.50
EFT30759	05/08/2014	WORK CLOBBER	376.20
EFT30760	05/08/2014	WORKFORCE INTERNATIONAL	7,954.92
EFT30761	05/08/2014	WURTH AUSTRALIA PTY LTD	8.06
EFT30762	05/08/2014	YEOMAN PTY LTD ATF THE RJ ROHRLACH FAMILY TRUST	137.50
EFT30763	08/08/2014	ADT SECURITY	77.00
EFT30764	08/08/2014	AUSTRALIAN LABORATORY SERVICES PTY LTD (ALS)	656.70
EFT30765	08/08/2014	BLACKWOODS ATKINS	89.61
EFT30766	08/08/2014	BOYA EQUIPMENT	269.47
EFT30767	08/08/2014	CHICA CATERING (VALLEY ROAD PTY LTD)	746.00
EFT30768	08/08/2014	CLARKES MECHANICAL UNIT TRUST & FABRICATION SERVICES	3,299.75
EFT30769	08/08/2014	COMSYNC CONSULTING PTY LTD	2,180.75
EFT30770	08/08/2014	DELRON CLEANING PTY LTD	340.73
EFT30771	08/08/2014	FLEXI STAFF PTY LTD	8,125.92
EFT30772	08/08/2014	GREENSENSE	4,162.18
EFT30773	08/08/2014	ICLEI	132.00
EFT30774	08/08/2014	INTEGRATED CONCEPT	21.08
EFT30775	08/08/2014	J & K HOPKINS	309.00
EFT30776	08/08/2014	JAYCOURT NOMINEES P/L T/A BARFIELD EARTHMOVING	23,500.58
EFT30777	08/08/2014	JAYCOURT NOMINEES PTY LTD T/A BARFIELD MECHANICAL SERVICES	12,183.67
EFT30778	08/08/2014	LEN FRENCH FENCING CONTRACTOR	1,594.00
EFT30779	08/08/2014	OPUS INTERNATIONAL CONSULTANTS (PCA) PTY LTD	2,376.00
EFT30780	08/08/2014	PACTRANZ PACIFIC INTERNATIONAL TRANSLATIONS T/A THE INTERNATIONAL LANGUAGE COMPANY	247.50
EFT30781	08/08/2014	SETON AUSTRALIA	108.93

Eastern Metropolitan Regional Council



**CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2014**

Cheque /EFT No	Date	Payee	Amount
EFT30782	08/08/2014	SHUGS ELECTRICAL	200.20
EFT30783	08/08/2014	SIGN SUPERMARKET	90.00
EFT30784	08/08/2014	ST JOHN OF GOD PATHOLOGY	88.94
EFT30785	08/08/2014	STAPLES AUSTRALIA LTD	395.91
EFT30786	08/08/2014	STRATEGEN ENVIRONMENTAL CONSULTANTS PTY LTD	32,502.28
EFT30787	08/08/2014	TELSTRA	640.14
EFT30788	08/08/2014	THE LOT PROPERTY SERVICES PTY LTD	829.40
EFT30789	08/08/2014	TOTALLY WORKWEAR MIDLAND	96.41
EFT30790	08/08/2014	WALGA - WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION	525.27
EFT30791	08/08/2014	WATERLOGIC AUSTRALIA PTY LTD	290.40
EFT30792	08/08/2014	WORKFORCE INTERNATIONAL	333.40
EFT30793	08/08/2014	WORLEY PARSONS SERVICES PTY LTD	4,482.50
EFT30794	12/08/2014	AIRLITE CLEANING	1,933.62
EFT30795	12/08/2014	AUSTRALIAN LABORATORY SERVICES PTY LTD (ALS)	602.25
EFT30796	12/08/2014	BIN BATH AUSTRALIA PTY LTD	158.95
EFT30797	12/08/2014	BOBCAT ATTACH	88.00
EFT30798	12/08/2014	BOYA EQUIPMENT	238.74
EFT30799	12/08/2014	CHANDLER MACLEOD GROUP	302.28
EFT30800	12/08/2014	CHEMCENTRE	1,397.00
EFT30801	12/08/2014	CHICA CATERING (VALLEY ROAD PTY LTD)	899.20
EFT30802	12/08/2014	CITY OF BAYSWATER	27,276.70
EFT30803	12/08/2014	CPR ELECTRICAL SERVICES	1,593.24
EFT30804	12/08/2014	ELEMENT HYDROGRAPHIC SOLUTIONS	1,695.10
EFT30805	12/08/2014	HILLS FRESH	93.60
EFT30806	12/08/2014	IPING PTY LTD	1,128.80
EFT30807	12/08/2014	J & K HOPKINS	249.00
EFT30808	12/08/2014	LANDFILL GAS & POWER PTY LTD	11,319.08
EFT30809	12/08/2014	LINFOX ARMAGUARD PTY LTD	389.16
EFT30810	12/08/2014	MAJOR MOTORS PTY LTD	2,178.47
EFT30811	12/08/2014	MOTORCHARGE PTY LTD	4,337.24
EFT30812	12/08/2014	PERTH SECURITY SERVICES - MCW CORPORATION PTY LTD	1,978.19
EFT30813	12/08/2014	PRESTIGE ALARMS	1,474.00
EFT30814	12/08/2014	SETON AUSTRALIA	238.67
EFT30815	12/08/2014	SHUGS ELECTRICAL	154.00
EFT30816	12/08/2014	SPUDS GARDENING SERVICES	2,066.00
EFT30817	12/08/2014	TOTALLY WORKWEAR MIDLAND	53.95
EFT30818	12/08/2014	TURNKEY INSTRUMENTS PTY LTD	1,974.50
EFT30819	12/08/2014	WESTRAC EQUIPMENT PTY LTD	734.43
EFT30820	12/08/2014	WORKFORCE INTERNATIONAL	4,541.45
EFT30821	15/08/2014	ADT SECURITY	77.00
EFT30822	15/08/2014	ANIMAL PEST MANAGEMENT SERVICES	10,217.00
EFT30823	15/08/2014	APV VALUERS & ASSET MANAGEMENT	768.35
EFT30824	15/08/2014	AUSTRALIA POST - ASCOT PLACE	6.55
EFT30825	15/08/2014	BP GIDGEGANNUP	33.00
EFT30826	15/08/2014	BUNNINGS BUILDING SUPPLIES PTY LTD	151.30
EFT30827	15/08/2014	CABCHARGE	6.00
EFT30828	15/08/2014	CAPITAL TRANSPORT SERVICES (WA) PTY LTD	344.13
EFT30829	15/08/2014	CIRRENA PTY LTD T/A UNISON INTERACTIVE PTY LTD	1,540.00
EFT30830	15/08/2014	COMPLETE PLASTIX SERVICES	126.50
EFT30831	15/08/2014	COMPU-STOR	813.89
EFT30832	15/08/2014	ECL GROUP AUSTRALIA PTY LTD TRADING AS FUELQUIP (AUSTRALIA) PTY LTD	5,799.20
EFT30833	15/08/2014	ECO ENVIRONMENTAL (BENFOSTER PTY LTD)	401.50

Eastern Metropolitan Regional Council



CEO's DELEGATED PAYMENTS LIST FOR THE MONTH OF AUGUST 2014

Cheque /EFT No	Date	Payee	Amount
EFT30834	15/08/2014	FLEXI STAFF PTY LTD	8,127.90
EFT30835	15/08/2014	HIGHWAY MOTOR TRIMMERS	547.80
EFT30836	15/08/2014	INTEWORK INC	758.91
EFT30837	15/08/2014	MAIL PLUS PERTH	323.40
EFT30838	15/08/2014	MIDLAND TOYOTA (DVG)	1,653.66
EFT30839	15/08/2014	NAMAMI YOGA (RAMI LEHMANN)	360.00
EFT30840	15/08/2014	OPTUM HEALTH & TECHNOLOGY (AUSTRALIA) PTY LTD	511.50
EFT30841	15/08/2014	PORTNER PRESS PTY LTD	97.00
EFT30842	15/08/2014	PRESTIGE ALARMS	313.50
EFT30843	15/08/2014	PRUDENTIAL INVESTMENT SERVICES CORP P/L	2,475.00
EFT30844	15/08/2014	STAPLES AUSTRALIA LTD	645.29
EFT30845	15/08/2014	STOTT HOARE	5,278.90
EFT30846	15/08/2014	TELSTRA	215.30
EFT30847	15/08/2014	TOLL FAST	59.62
EFT30848	19/08/2014	ADCORP	238.08
EFT30849	19/08/2014	BP AUSTRALIA LIMITED	62,091.11
EFT30850	19/08/2014	BP AUSTRALIA LIMITED	5,714.15
EFT30851	19/08/2014	CHANDLER MACLEOD GROUP	2,754.96
EFT30852	19/08/2014	DIFFERENT BY DESIGN	280.00
EFT30853	19/08/2014	HILLS FRESH	74.02
EFT30854	19/08/2014	KLB SYSTEMS	4,556.20
EFT30855	19/08/2014	KOTT GUNNING LAWYERS	640.53
EFT30856	19/08/2014	LEN FRENCH FENCING CONTRACTOR	210.00
EFT30857	19/08/2014	PAYG PAYMENTS	58,951.00
EFT30858	19/08/2014	PERTH SECURITY SERVICES - MCW CORPORATION PTY LTD	1,978.19
EFT30859	19/08/2014	SHIRE OF SERPENTINE-JARRAHDAL	8,258.53
EFT30860	19/08/2014	STAPLES AUSTRALIA LTD	145.07
EFT30861	19/08/2014	STOTT HOARE	15,108.45
EFT30862	19/08/2014	TRANSLATION HOUSE	462.00
EFT30863	19/08/2014	WORKFORCE INTERNATIONAL	4,704.61
EFT30864	20/08/2014	DEPUTY COMMISSIONER OF TAXATION	170,617.00
EFT30865	22/08/2014	AIR FILTER DRY CLEAN SYSTEMS WA PTY LTD ATF AFDCS TRADING TRUST	488.46
EFT30866	22/08/2014	ARTEIL (WA) PTY LTD	302.50
EFT30867	22/08/2014	BAYSWATER WAVES CAFE	280.00
EFT30868	22/08/2014	BUNNINGS BUILDING SUPPLIES PTY LTD	28.87
EFT30869	22/08/2014	CHANDLER MACLEOD GROUP	1,679.76
EFT30870	22/08/2014	CHICA CATERING (VALLEY ROAD PTY LTD)	352.00
EFT30871	22/08/2014	CITY OF SWAN	6,930.00
EFT30872	22/08/2014	COMSYNC CONSULTING PTY LTD	2,502.50
EFT30873	22/08/2014	ECO ENVIRONMENTAL (BENFOSTER PTY LTD)	45.65
EFT30874	22/08/2014	EQUIPMENT GROUP AUSTRALIA P/L T/A EARTHWEST CONSTRUCTION & MINING (HYUNDAI FORKLIFTS)	47.65
EFT30875	22/08/2014	EXPERIENCE PERTH	200.00
EFT30876	22/08/2014	FAIRFAX RADIO NETWORK PTY LTD	13,022.90
EFT30877	22/08/2014	FLEXI STAFF PTY LTD	8,127.90
EFT30878	22/08/2014	JAYCOURT NOMINEES PTY LTD T/A BARFIELD MECHANICAL SERVICES	1,650.00
EFT30879	22/08/2014	KONICA MINOLTA BUSINESS SOLUTIONS AUSTRALIA P/L	491.83
EFT30880	22/08/2014	LANDFILL GAS & POWER PTY LTD	11,226.34
EFT30881	22/08/2014	METRO MOTORS (2010) PTY LTD	298.40
EFT30882	22/08/2014	NEVERFAIL SPRINGWATER	209.00
EFT30883	22/08/2014	NEVERFAIL SPRINGWATER LTD - HAZELMERE	77.05
EFT30884	22/08/2014	ODOUR CONTROL SYSTEMS INTERNATIONAL LTD	1,630.64

Eastern Metropolitan Regional Council



**CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2014**

Cheque /EFT No	Date	Payee	Amount
EFT30885	22/08/2014	OTIS ELEVATOR COMPANY PTY LTD	14.89
EFT30886	22/08/2014	PENNANT HOUSE	1,078.00
EFT30887	22/08/2014	PERTH SECURITY SERVICES - MCW CORPORATION PTY LTD	1,656.72
EFT30888	22/08/2014	PITNEY BOWES CREDIT AUSTRALIA LTD	333.63
EFT30889	22/08/2014	PLANNING INSTITUTE OF AUSTRALIA (PIA WA DIVISION)	100.00
EFT30890	22/08/2014	SIGN SUPERMARKET	295.00
EFT30891	22/08/2014	STAPLES AUSTRALIA LTD	832.85
EFT30892	22/08/2014	STOTT HOARE	5,396.60
EFT30893	22/08/2014	TELSTRA	5,553.18
EFT30894	22/08/2014	THE LOT PROPERTY SERVICES PTY LTD	132.00
EFT30895	22/08/2014	TOTALLY WORKWEAR MIDLAND	288.67
EFT30896	22/08/2014	UNIQUE WASTE MANAGEMENT SERVICES	2,871.00
EFT30897	22/08/2014	WESTRAC EQUIPMENT PTY LTD	787.38
EFT30898	26/08/2014	ANALYTICAL REFERENCE LABORATORY (ARL)	1,346.12
EFT30899	26/08/2014	AUSTRALIAN INSTITUTE OF MANAGEMENT - AIM	323.00
EFT30900	26/08/2014	BUNNINGS BUILDING SUPPLIES PTY LTD	40.00
EFT30901	26/08/2014	C4 CONCEPTS PTY LTD	770.00
EFT30902	26/08/2014	GOURMET INDULGENCE	367.40
EFT30903	26/08/2014	HOSECO (WA) PTY LTD	757.90
EFT30904	26/08/2014	IT VISION AUSTRALIA PTY LTD	660.00
EFT30905	26/08/2014	MARKETFORCE PRODUCTIONS	641.06
EFT30906	26/08/2014	MCINERNEY FORD	566.65
EFT30907	26/08/2014	METROWEST ELECTRICAL & COMMUNICATIONS PTY LTD	814.00
EFT30908	26/08/2014	MUNDARING SMASH REPAIRS	4,000.00
EFT30909	26/08/2014	PERTH SECURITY SERVICES - MCW CORPORATION PTY LTD	1,564.03
EFT30910	26/08/2014	RUDD INDUSTRIAL AND FARM SUPPLIES	759.96
EFT30911	26/08/2014	STAPLES AUSTRALIA LTD	44.11
EFT30912	26/08/2014	TELSTRA	201.16
EFT30913	26/08/2014	TELSTRA	17.81
EFT30914	26/08/2014	THE FOREVER PROJECT AND LANDCARE SOLUTIONS	831.60
EFT30915	26/08/2014	WORKFORCE INTERNATIONAL	5,730.19
EFT30916	29/08/2014	ADCORP	265.38
EFT30917	29/08/2014	AIR FILTER DRY CLEAN SYSTEMS WA PTY LTD ATF AFDCS TRADING TRUST	209.55
EFT30918	29/08/2014	ASTAR HARDWARE DISTRIBUTION	46.50
EFT30919	29/08/2014	BOYA EQUIPMENT	566.67
EFT30920	29/08/2014	BRING COURIERS	701.14
EFT30921	29/08/2014	CAPITAL TRANSPORT SERVICES (WA) PTY LTD	1,594.55
EFT30922	29/08/2014	CHAMBERLAIN AUTO ELECTRICS	987.55
EFT30923	29/08/2014	CHICA CATERING (VALLEY ROAD PTY LTD)	166.00
EFT30924	29/08/2014	CITY OF SWAN	16,183.74
EFT30925	29/08/2014	FLEXI STAFF PTY LTD	1,625.58
EFT30926	29/08/2014	FUJI XEROX AUSTRALIA PTY LTD	66.00
EFT30927	29/08/2014	HALLMARK EDITIONS PTY LTD (COMMSTRAT)	275.00
EFT30928	29/08/2014	HARVEY NORMAN ELECTRICS MIDLAND	139.00
EFT30929	29/08/2014	HEALTHFUEL	440.00
EFT30930	29/08/2014	HERBERT SMITH FREEHILLS	2,530.00
EFT30931	29/08/2014	KLB SYSTEMS	8,690.00
EFT30932	29/08/2014	MIDLAND TOYOTA (DVG)	926.31
EFT30933	29/08/2014	MUNDARING TYRE CENTRE	1,084.00
EFT30934	29/08/2014	NEVERFAIL SPRINGWATER	22.75
EFT30935	29/08/2014	SNAP BELMONT (BELSNAP PTY LTD)	1,418.65
EFT30936	29/08/2014	STAPLES AUSTRALIA LTD	154.31
EFT30937	29/08/2014	TOTALLY WORKWEAR MIDLAND	382.89

Eastern Metropolitan Regional Council



**CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2014**

Cheque /EFT No	Date	Payee	Amount
EFT30938	29/08/2014	TUTT BRYANT EQUIPMENT (BT EQUIPMENT PTY LTD)	3,831.26
EFT30939	29/08/2014	WALGA - WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION	1,595.00
EFT30940	29/08/2014	WORK CLOBBER	546.00
DD13635.1	12/08/2014	WALGS PLAN	33,437.39
DD13635.2	12/08/2014	RETAIL EMPLOYEES SUPERANNUATION TRUST	378.53
DD13635.3	12/08/2014	UNISUPER	96.12
DD13635.4	12/08/2014	KINETIC SUPERANNUATION	146.15
DD13635.5	12/08/2014	NORTH PERSONAL SUPERANNUATION	685.45
DD13635.6	12/08/2014	BT LIFETIME SUPER - EMPLOYER PLAN	240.65
DD13635.7	12/08/2014	NORWICH UNION SUPERANNUATION TRUST	282.06
DD13635.8	12/08/2014	CBUS INDUSTRY SUPER	265.94
DD13635.9	12/08/2014	MTAA SUPERANNUATION FUND	204.34
DD13635.10	12/08/2014	BT BUSINESS SUPER	476.87
DD13635.11	12/08/2014	ZURICH MASTER SUPERANNUATION FUND	263.89
DD13635.12	12/08/2014	AUSTRALIAN SUPER	1,133.88
DD13635.13	12/08/2014	AMP FLEXIBLE LIFETIME SUPER	884.38
DD13635.14	12/08/2014	AMP SUPER LEADER	280.53
DD13635.15	12/08/2014	TELSTRA SUPERANNUATION SCHEME	168.88
DD13635.16	12/08/2014	COLONIAL FIRST STATE FIRSTCHOICE	243.68
DD13635.17	12/08/2014	ONEPATH MASTERFUND	173.01
DD13636.1	26/08/2014	WALGS PLAN	34,633.85
DD13636.2	26/08/2014	ONEPATH MASTERFUND	173.01
DD13636.3	26/08/2014	RETAIL EMPLOYEES SUPERANNUATION TRUST	478.02
DD13636.4	26/08/2014	UNISUPER	96.12
DD13636.5	26/08/2014	KINETIC SUPERANNUATION	146.15
DD13636.6	26/08/2014	NORTH PERSONAL SUPERANNUATION	686.15
DD13636.7	26/08/2014	BT LIFETIME SUPER - EMPLOYER PLAN	239.68
DD13636.8	26/08/2014	NORWICH UNION SUPERANNUATION TRUST	288.46
DD13636.9	26/08/2014	CBUS INDUSTRY SUPER	219.29
DD13636.10	26/08/2014	MTAA SUPERANNUATION FUND	200.87
DD13636.11	26/08/2014	BT BUSINESS SUPER	464.91
DD13636.12	26/08/2014	ZURICH MASTER SUPERANNUATION FUND	266.69
DD13636.13	26/08/2014	AUSTRALIAN SUPER	1,501.64
DD13636.14	26/08/2014	AMP FLEXIBLE LIFETIME SUPER	884.38
DD13636.15	26/08/2014	AMP SUPER LEADER	285.97
DD13636.16	26/08/2014	TELSTRA SUPERANNUATION SCHEME	168.88
DD13636.17	26/08/2014	VIRGIN SUPERANNUATION	77.79
DD13636.18	26/08/2014	COLONIAL FIRST STATE FIRSTCHOICE	243.68
219953	08/08/2014	EMRC PETTY CASH - MATHIESON ROAD	21.00
219954	22/08/2014	EMRC PETTY CASH - HAZELMERE	167.20
219955	22/08/2014	EMRC PETTY CASH - RED HILL	271.40
219956	22/08/2014	WATER CORPORATION	435.38
219957	22/08/2014	EMRC PETTY CASH - HAZELMERE	167.20
219958	22/08/2014	EMRC PETTY CASH - REDHILL	271.40
834	15/08/2014	AMP FLEXIBLE LIFETIME SUPER	1,829.05
835	15/08/2014	AMP SUPER LEADER	561.06
836	15/08/2014	AUSTRALIAN SUPER	2,333.95
837	15/08/2014	BT BUSINESS SUPER	962.94
838	15/08/2014	BT LIFETIME SUPER - EMPLOYER PLAN	482.41
839	15/08/2014	CBUS INDUSTRY SUPER	532.71
840	15/08/2014	COLONIAL FIRST STATE FIRSTCHOICE	487.36
841	15/08/2014	KINETIC SUPERANNUATION	292.30
842	15/08/2014	MTAA SUPERANNUATION FUND	402.59

Eastern Metropolitan Regional Council



**CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF AUGUST 2014**

Cheque /EFT			
No	Date	Payee	Amount
843	15/08/2014	NORTH PERSONAL SUPERANNUATION	1,323.39
844	15/08/2014	NORWICH UNION SUPERANNUATION TRUST	576.63
845	15/08/2014	ONEPATH MASTERFUND	346.02
846	15/08/2014	RETAIL EMPLOYEES SUPERANNUATION TRUST	753.98
847	15/08/2014	TELSTRA SUPERANNUATION SCHEME	337.76
848	15/08/2014	UNISUPER	288.38
849	15/08/2014	WALGS PLAN	67,122.68
850	15/08/2014	ZURICH MASTER SUPERANNUATION FUND	782.92
851	13/08/2014	ANZ BANKING GROUP	5,000,000.00
852	20/08/2014	ANZ BANKING GROUP	1,500,000.00
853	29/08/2014	WBC - CORPORATE MASTER CARD - D AMEDURI	1,092.66
854	29/08/2014	WBC - CORPORATE MASTER CARD - D CANHAM	1,110.77
855	29/08/2014	WBC - CORPORATE MASTER CARD - MARILYNN HORGAN	1,176.12
856	29/08/2014	WBC - CORPORATE MASTER CARD - S FITZPATRICK	821.80
857	29/08/2014	WBC - CORPORATE MASTER CARD - T ECKSTEIN	330.00
858	29/08/2014	WBC - CORPORATE MASTERCARD - H LIEW	258.90
859	29/08/2014	WBC - CORPORATE MASTERCARD - P SCHNEIDER	41.20
PAY 2015-4	12/08/2014	PAYROLL FE 12/8/14	188,587.23
PAY 2015-5	26/08/2014	PAYROLL FE 26/8/14	197,376.23
1*AUG14	01/08/2014	BANK CHARGES 1575 - 1579	1,729.25
SUB TOTAL			8,268,265.81
LESS CANCELLED CHEQUES & EFTs			
219954	22/08/2014	EMRC PETTY CASH - HAZELMERE	-167.20
219955	22/08/2014	EMRC PETTY CASH - RED HILL	-271.40
SUB TOTAL			-438.60
TOTAL			8,267,827.21

REPORT TOTALS

			TOTAL
Bank Code	Bank Name		
1	EMRC - Municipal Fund		8,267,827.21
TOTAL			8,267,827.21



14.2 FINANCIAL REPORT FOR PERIOD ENDED 31 JULY 2014

REFERENCE: D2014/11027

PURPOSE OF REPORT

The purpose of this report is to provide Council with an overview of the Eastern Metropolitan Regional Council's (EMRC's) financial performance for the period ended 31 July 2014.

KEY ISSUES AND RECOMMENDATION(S)

- Significant year to date budget variances greater than 10% or \$10,000, whichever is the greater, within each nature and type category on the Statement of Financial Activity as at 31 July 2014 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 2014.

SOURCE OF REPORT

Director Corporate Services
 Manager Financial Services

BACKGROUND

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

The 2014/2015 Budget was presented in a format that separated operating income and expenditure from other revenue and expenses to provide improved disclosure of Council's underlying operating result.

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

The initial forecast review for 2014/2015 will be undertaken during November 2014 and will be based on the financial performance to the period ended 31 October 2014.

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

REPORT

Outlined below are financial statements for the period ended 31 July 2014. Where possible the year to date monthly budget allocations have been reviewed in order to match the appropriate timing for the various projects budgeted to be undertaken. This will provide a better comparison between the year to date actual and year to date budget figures.



Item 14.2 continued

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

The year to date operating result from normal activities as at 31 July 2014 is a favourable variance of \$128,916 (65.03%) against budget. The following information is provided on key aspects of Council's end of year financial performance:

<u>Operating Income</u>	<i>Year to Date</i>	An unfavourable variance of \$370,836 (13.29%).
	<i>End of Year Forecast</i>	As per budget - not yet due to be reviewed.

Operating Income variances not previously reported to Council:

1. User Charges of \$2,103,491 is \$366,041 (14.82%) below the year to date budget of \$2,469,532. This is due to the lower than budget tonnages received from Commercial operators as at 31 July 2014 (8,974 tonnes received compared to a budget of 10,960 tonnes).

There were no further significant Operating Income variances as at 31 July 2014.

<u>Operating Expenditure</u>	<i>Year to Date</i>	A favourable variance of \$499,752 (16.72%).
	<i>End of Year Forecast</i>	As per budget - not yet due to be reviewed.

Operating Expenditure variances previously reported to Council:

1. Salary Expenses of \$644,188 is \$109,822 (14.57%) lower than the year to date budget of \$754,010. The variance is attributable to unfilled positions and budgeted new positions yet to be filled.
2. Contract Expenses of \$285,849 is \$224,953 (44.04%) below the year to date budget of \$510,802 due to the timing of various projects from the business units. Major variances from the Waste Services directorate include:
 - Remove and crush laterite caprock - \$41,666
 - Manage Greenwaste mulching - \$35,772
 - Rehabilitate Class III Cells - Red Hill Landfill Facility - \$29,623;
 - Monitor Environmental Impacts - Red Hill and Hazelmere Sites - \$24,438;
 - Support Forum of Regional Councils - \$10,000;
 - Manage Woodwaste project - Hazelmere - \$9,119;
 - Rehabilitate Class IV Cells - Red Hill Landfill Facility - \$8,333; and
 - Undertake Geotechnical Investigations - Red Hill Landfill Facility - \$8,333.

Other projects where the year to date expenditures are lower than budget for various directorates/business units include: Environmental Services (\$26,731) and Regional Development projects (\$32,427).



Item 14.2 continued

3. Material Expenses of \$26,910 is \$65,913 (71.01%) below the year to date budget of \$92,823. The variances relate to various Corporate Services activities (\$17,912), Regional Development projects (\$3,123) and Environmental Services projects (\$3,359). Other projects from Waste Services activities contribute a further \$41,316 to the variance.

There were no further significant Operating Expenditure variances as at 31 July 2014.

<u>*Other Revenues and Expenses (Net)</u>	<i>Year to Date</i>	A favourable variance of \$204,005 (54.02%).
	<i>End of Year Forecast</i>	As per budget - not yet due to be reviewed.

Other Revenues and Expenses variances not previously reported to Council:

1. Interest on Restricted Cash Investments is \$78,915 (65.29%) above the year to date budget of \$120,860. This is attributable to the higher level of funds available as at 30 June 2014 compared to budget together with a higher average interest rate received (3.78%) compared to the budgeted rate (3.28%).
2. Salary Expenses is \$17,645 (57.70%) below the year to date budget of \$30,579. The variance is attributable to positions yet to be filled.
3. Contract Expenses is \$66,380 (79.49%) below the year to date budget of \$83,510. The variance is due to the timing of the Resource Recovery Project and the associated consultancy expenditure.

There were no further significant Other Revenues and Expenses variances as at 31 July 2014.

Capital Expenditure Statement (refer Attachment 2)

<u>Capital Expenditure</u>	<i>Year to Date</i>	A favourable variance of \$29,088.
	<i>End of Year Forecast</i>	As per budget - not yet due to be reviewed.

Capital Expenditure variances:

A favourable variance of \$29,088 exists as at 31 July 2014 when compared to the year to date budget of \$41,668. The year to date budget provisions are used as a guide only as expenditure of a capital nature is undertaken as and when required.

Major capital expenditures to 31 July 2014 include:

- Purchase Information Technology & Communication Equipment - \$8,855; and
- Purchase / Replace Minor Plant and Equipment - Red Hill Facility - \$2,158.

Statement of Financial Position (refer Attachment 3)

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

As end of year forecasts are yet to be reviewed, the forecast balance as at 31 July 2014 is as per the budget estimates.



Item 14.2 continued

Statement of Cash and Investments (refer Attachment 4)

The level of cash and investments in the Municipal Fund as at 31 July 2014 is \$16,439,702 and Restricted Assets amount to \$51,107,911. This figure is net of cumulative unrealised losses of \$601,485 which has been provided for in this amount.

The net movement for the month is a decrease of \$1,741,365.

Investment Report (refer Attachment 5)

Of the term deposits valued at \$18,500,000 which matured in the month of July 2014, \$17,000,000 was reinvested into further term deposits.

During February 2014 the EMRC received advice that Standard & Poor's (S&P) has recently downgraded the short term credit rating of ING Bank (Australia) Ltd, from A1 to A2.

As at 31 July 2014 the EMRC held \$2,500,000 in term deposits with ING (3.84% of the total investment portfolio) with maturity dates during August 2014. At the time of the investments, the short term rating of the bank was A1. The EMRC Investment Policy does not provide for investments to be placed with an Authorised Deposit-taking Institution (ADI) with a credit rating below A1. Upon maturity of each term deposit, funds will be reallocated from ING Bank (Australia) Ltd to other approved institutions in order to ensure compliance with the EMRC's Investment Policy.

At the time of drafting this report, all of the ING term deposits have matured and the funds have been reinvested with other ADI's consistent with the EMRC's Investment Policy.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 - Good Governance

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

FINANCIAL IMPLICATIONS

As outlined within the report and attachments.

SUSTAINABILITY IMPLICATIONS

Nil

ATTACHMENT(S)

1. Statement of Comprehensive Income by Nature and Type (Ref: D2014/11032)
2. Capital Expenditure Statement (Ref: D2014/11033)
3. Statement of Financial Position (Ref: D2014/11109)
4. Statement of Cash and Investments (Ref: D2014/11110)
5. Investment Report (Ref: D2014/11111)

VOTING REQUIREMENT

Simple Majority



Item 14.2 continued

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 2014.

COUNCIL RESOLUTION(S)

MOVED CR ZANNINO

SECONDED CR CUCCARO

THAT COUNCIL RECEIVES THE STATEMENT OF COMPREHENSIVE INCOME, CAPITAL EXPENDITURE STATEMENT, STATEMENT OF FINANCIAL POSITION, STATEMENT OF CASH AND INVESTMENTS AND THE INVESTMENT REPORT FOR THE PERIOD ENDED 31 JULY 2014.

CARRIED UNANIMOUSLY

STATEMENT OF COMPREHENSIVE INCOME

Nature and Type

Year to Date				JULY 2014		Full Year		
Actual	Budget	Variance				Forecast	Budget	Variance
Operating Income								
\$2,103,491	\$2,469,532	(\$366,041)	(U)	User Charges		\$36,459,392	\$36,459,392	\$0 (F)
\$40,620	\$34,450	\$6,170	(F)	Special Charges		\$441,134	\$441,134	\$0 (F)
\$62,745	\$54,473	\$8,272	(F)	Contributions		\$660,878	\$660,878	\$0 (F)
\$0	\$0	\$0	(F)	Operating Grants		\$1,031,920	\$1,031,920	\$0 (F)
\$16,280	\$14,274	\$2,006	(F)	Interest Municipal Cash Investments		\$171,300	\$171,300	\$0 (F)
\$56,322	\$65,793	(\$9,471)	(U)	Reimbursements		\$789,589	\$789,589	\$0 (F)
\$140,849	\$152,621	(\$11,772)	(U)	Other		\$1,951,500	\$1,951,500	\$0 (F)
\$2,420,307	\$2,791,143	(\$370,836)	(U)	Total Operating Income		\$41,505,713	\$41,505,713	\$0 (F)
Operating Expenditure								
\$644,188	\$754,010	\$109,822	(F)	Salary Expenses		\$9,471,357	\$9,471,357	\$0 (F)
\$285,849	\$510,802	\$224,953	(F)	Contract Expenses		\$6,217,698	\$6,217,698	\$0 (F)
\$26,910	\$92,823	\$65,913	(F)	Material Expenses		\$1,115,211	\$1,115,211	\$0 (F)
\$3,284	\$4,155	\$871	(F)	Utility Expenses		\$313,801	\$313,801	\$0 (F)
\$69,849	\$73,644	\$3,795	(F)	Fuel Expenses		\$883,840	\$883,840	\$0 (F)
\$1,847	\$1,775	(\$72)	(U)	Finance Fees and Interest Expenses		\$21,317	\$21,317	\$0 (F)
\$39,933	\$43,229	\$3,296	(F)	Insurance Expenses		\$340,079	\$340,079	\$0 (F)
\$339,648	\$366,151	\$26,503	(F)	Depreciation Expenses		\$6,974,147	\$6,974,147	\$0 (F)
\$1,102,865	\$1,158,345	\$55,480	(F)	Miscellaneous Expenses		\$14,052,170	\$14,052,170	\$0 (F)
\$0	\$7,233	\$7,233	(F)	Provision Expenses		\$86,804	\$86,804	\$0 (F)
(\$24,751)	(\$22,793)	\$1,958	(F)	Costs Allocated		(\$271,844)	(\$271,844)	\$0 (F)
\$2,489,622	\$2,989,374	\$499,752	(F)	Total Operating Expenditure		\$39,204,580	\$39,204,580	\$0 (F)
\$69,315	\$198,231	\$128,916	(F)	OPERATING RESULT FROM NORMAL ACTIVITIES		\$2,301,133	\$2,301,133	\$0 (F)
Deficit	Deficit					Surplus	Surplus	

Notes:

1. User Charges - include member Councils and casual users pertaining to waste, risk management and environmental services fees and charges;
2. Special Charges - Waste Education Levy;
3. Contributions - member Councils' contributions to projects and services;
4. Operating Grants - grant income predominantly from government agencies; and
5. Miscellaneous Expenses - includes the Landfill Levy expense of \$790,344 as at 31 July 2014.

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

Other Revenues and Expenses relates to the Resource Recovery Project, interest from cash reserves and disposal of assets.

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

STATEMENT OF COMPREHENSIVE INCOME

Nature and Type

Year to Date

JULY 2014

Full Year

Actual

Budget

Variance

Forecast

Budget

Variance

Other Revenues

\$440,523	\$409,162	\$31,361	(F)	Secondary Waste Charge	\$5,147,437	\$5,147,437	\$0	(F)
\$0	\$0	\$0	(F)	Operating Grants	\$0	\$0	\$0	(F)
\$199,775	\$120,860	\$78,915	(F)	Interest Restricted Cash Investments	\$1,450,386	\$1,450,386	\$0	(F)
\$0	\$180	(\$180)	(U)	Reimbursements	\$2,169	\$2,169	\$0	(F)
\$0	\$0	\$0	(F)	Proceeds from Sale of Assets	\$344,450	\$344,450	\$0	(F)
\$640,298	\$530,202	\$110,096	(F)	Total Other Revenues	\$6,944,442	\$6,944,442	\$0	(F)

Other Expenses

\$12,934	\$30,579	\$17,645	(F)	Salary Expenses	\$461,501	\$461,501	\$0	(F)
\$17,130	\$83,510	\$66,380	(F)	Contract Expenses	\$1,022,311	\$1,022,311	\$0	(F)
\$219	\$1,089	\$870	(F)	Material Expenses	\$13,150	\$13,150	\$0	(F)
\$191	\$624	\$433	(F)	Utility Expenses	\$7,500	\$7,500	\$0	(F)
\$627	\$629	\$2	(F)	Insurance Expenses	\$7,559	\$7,559	\$0	(F)
\$162	\$3,328	\$3,166	(F)	Depreciation Expenses	\$39,954	\$39,954	\$0	(F)
\$3,087	\$10,101	\$7,014	(F)	Miscellaneous Expenses	\$121,374	\$121,374	\$0	(F)
\$0	\$0	\$0	(F)	Carrying Amount of Assets Disposed Of	\$306,908	\$306,908	\$0	(F)
\$24,316	\$22,715	(\$1,601)	(U)	Costs Allocated	\$271,844	\$271,844	\$0	(F)
\$58,666	\$152,575	\$93,909	(F)	Total Other Expenses	\$2,252,101	\$2,252,101	\$0	(F)

Realised/Unrealised (Gain)/Loss From Change in Fair Value of Investments

\$0	\$0	\$0	(F)	Unrealised (Gain)/Loss	\$0	\$0	\$0	(F)
\$0	\$0	\$0	(F)	Realised (Gain)/Loss	\$0	\$0	\$0	(F)
\$0	\$0	\$0	(F)	Total (Gain)/Loss from change in Fair Value of Investments	\$0	\$0	\$0	(F)

Revaluation of Assets

\$0	\$0	\$0	(F)	Revaluation of Assets	\$0	\$0	\$0	(F)
\$0	\$0	\$0	(F)	Total Revaluation of Assets	\$0	\$0	\$0	(F)

\$581,632	\$377,627	\$204,005	(F)	OPERATING RESULT FROM OTHER ACTIVITIES	\$4,692,341	\$4,692,341	\$0	(F)
Surplus	Surplus				Surplus	Surplus		

\$512,317	\$179,396	\$332,921	(F)	CHANGE IN NET ASSETS FROM OPERATIONS	\$6,993,474	\$6,993,474	\$0	(F)
Surplus	Surplus				Surplus	Surplus		



CAPITAL EXPENDITURE STATEMENT

JULY 2014

Year to Date					Full Year		
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
Governance and Corporate Services							
\$0	\$0	\$0 (F)	\$28,249	Purchase Vehicles - Ascot Place (24440/00)	\$233,978	\$233,978	\$0 (F)
\$0	\$2,812	\$2,812 (F)	\$0	Purchase Furniture Fittings & Equipment - Corporate Services (24510/01)	\$33,750	\$33,750	\$0 (F)
\$8,855	\$8,855	\$0 (F)	\$635	Purchase Information Technology & Communication Equipment (24550/00)	\$719,650	\$719,650	\$0 (F)
\$0	\$3,333	\$3,333 (F)	\$0	Purchase Art Works (24620/00)	\$40,000	\$40,000	\$0 (F)
\$0	\$21,666	\$21,666 (F)	\$0	Capital Improvement Administration Building - Ascot Place (25240/01)	\$260,000	\$260,000	\$0 (F)
\$0	\$304	\$304 (F)	\$0	Upgrade Security Equipment - Ascot Place (25530/01)	\$3,650	\$3,650	\$0 (F)
\$8,855	\$36,970	\$28,115 (F)	\$28,885		\$1,291,028	\$1,291,028	\$0 (F)

CAPITAL EXPENDITURE STATEMENT

JULY 2014

Year to Date				Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance	

On (F) = Favourable variation
Order (U) = Unfavourable variation

Environmental Services

\$0	\$100	\$100	(F)	\$0	Purchase Office Equipment - Environmental Services (24510/05)	\$1,200	\$1,200	\$0	(F)
\$0	\$125	\$125	(F)	\$0	Purchase Office Furniture and Fittings - Environmental Services (24610/05)	\$1,500	\$1,500	\$0	(F)
\$0	\$225	\$225	(F)	\$0		\$2,700	\$2,700	\$0	(F)

Regional Development

\$0	\$83	\$83	(F)	\$0	Purchase Office Equipment - Regional Development (24510/04)	\$1,000	\$1,000	\$0	(F)
\$0	\$83	\$83	(F)	\$0	Purchase Office Furniture and Fittings - Regional Development (24610/04)	\$1,000	\$1,000	\$0	(F)
\$0	\$166	\$166	(F)	\$0		\$2,000	\$2,000	\$0	(F)

Risk Management

\$0	\$41	\$41	(F)	\$0	Purchase Office Equipment - Risk Management (24510/06)	\$500	\$500	\$0	(F)
\$0	\$41	\$41	(F)	\$0	Purchase Office Furniture and Fittings - Risk Management (24610/06)	\$500	\$500	\$0	(F)
\$0	\$82	\$82	(F)	\$0		\$1,000	\$1,000	\$0	(F)

Resource Recovery

\$0	\$0	\$0	(F)	\$0	Resource Recovery Park - Land (24150/05)	\$1,000,000	\$1,000,000	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Construct and Commission Resource Recovery Park - C & I Building (24259/04)	\$1,550,000	\$1,550,000	\$0	(F)

CAPITAL EXPENDITURE STATEMENT

JULY 2014

Year to Date				Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance	
Resource Recovery							
\$0	\$0	\$0 (F)	\$0	Construct and Commission Resource Recovery Park - Wood Waste to Energy Building (24259/05)	\$625,000	\$625,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Construct and Commission Resource Recovery Park - Community Transfer Station (24259/06)	\$10,000	\$10,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Construct and Commission Resource Recovery Park - MRF Building - Hazelmere (24259/09)	\$50,000	\$50,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Construct and Commission Resource Recovery Park - Weighbridges (x2) (24392/02)	\$150,000	\$150,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Construct and Commission Resource Recovery Park - Site Infrastructure (24399/01)	\$1,190,000	\$1,190,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase Resource Recovery Park - Wood Waste to Energy Plant & Equipment (24410/03)	\$6,135,000	\$6,135,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase Resource Recovery Park C & I Building - Plant & Equipment (24410/04)	\$1,700,000	\$1,700,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase Office Equipment - Resource Recovery (24510/07)	\$1,000	\$1,000	\$0 (F)
\$0	\$500	\$500 (F)	\$0	Purchase Other Equipment - Resource Recovery (24590/07)	\$1,000	\$1,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase Office Furniture and Fittings - Resource Recovery (24610/07)	\$1,000	\$1,000	\$0 (F)
\$0	\$500	\$500 (F)	\$0		\$12,413,000	\$12,413,000	\$0 (F)

CAPITAL EXPENDITURE STATEMENT

JULY 2014

Year to Date					Full Year		
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
Waste Management							
\$0	\$0	\$0 (F)	\$0	Construct Storage Shed for Mattresses - Hazelmere (24250/05)	\$63,000	\$63,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Construct Class III Cell Stage 14 - Red Hill Landfill Facility (24310/12)	\$960,000	\$960,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Construct Class III Landfill Cell Farm Stage 3 - Red Hill Landfill Facility (24310/13)	\$1,100,000	\$1,100,000	\$0 (F)
\$1,567	\$1,567	\$0 (U)	\$3,164	Construct Class III Cell Stage 15 - Red Hill Landfill Facility (24310/16)	\$5,010,000	\$5,010,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Leachate Project - Red Hill Landfill Facility (24320/02)	\$1,000,000	\$1,000,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Design and Construct Class IV Cell Stage 2 - Red Hill Landfill Facility (24330/04)	\$400,000	\$400,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Construct Siltation Ponds - Red Hill Landfill Facility (24350/00)	\$200,000	\$200,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Construct Stormwater Control Pond - Red Hill Farm Stage I (24350/01)	\$100,000	\$100,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Construct Nutrient Stripping Pond - Red Hill Landfill Facility (24360/00)	\$286,000	\$286,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Construct Roads / Carparks - Red Hill Landfill Facility (24370/00)	\$500,000	\$500,000	\$0 (F)
\$0	\$0	\$0 (F)	\$2,175	Construct Perimeter Fencing - Red Hill Landfill Facility (24394/00)	\$100,000	\$100,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Construct Hardstand and Road - Hazelmere (24395/01)	\$224,000	\$224,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Relocate Greenwaste Processing area - Red Hill Landfill Facility (24395/04)	\$820,000	\$820,000	\$0 (F)

CAPITAL EXPENDITURE STATEMENT

JULY 2014

Year to Date				On Order	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
Actual	Budget	Variance	Forecast			Budget	Variance	
Waste Management								
\$0	\$0	\$0 (F)	\$0	Construct Monitoring Bores - Red Hill Landfill Facility (24396/00)	\$32,782	\$32,782	\$0 (F)	
\$0	\$0	\$0 (F)	\$0	Washdown bay Upgrade - Red Hill Landfill Facility (24399/04)	\$70,000	\$70,000	\$0 (F)	
\$0	\$0	\$0 (F)	\$0	Truck Washdown Bay for Member Councils - Red Hill Landfill Facility (24399/05)	\$30,000	\$30,000	\$0 (F)	
\$0	\$0	\$0 (F)	\$0	Plant Washdown Bay - Hazelmere (24399/08)	\$80,000	\$80,000	\$0 (F)	
\$0	\$0	\$0 (F)	\$0	Purchase / Replace Plant - Red Hill Landfill Facility (24410/00)	\$2,103,000	\$2,103,000	\$0 (F)	
\$0	\$0	\$0 (F)	\$0	Purchase / Replace Plant - Hazelmere (24410/01)	\$2,850,000	\$2,850,000	\$0 (F)	
\$2,158	\$2,158	\$0 (F)	\$0	Purchase / Replace Minor Plant and Equipment-Red Hill Landfill Facility (24420/00)	\$165,000	\$165,000	\$0 (F)	
\$0	\$0	\$0 (F)	\$0	Purchase / Replace Minor Plant and Equipment - Hazelmere (24420/02)	\$12,000	\$12,000	\$0 (F)	
\$0	\$0	\$0 (F)	\$0	Purchase / Replace Vehicles - Red Hill Landfill Facility (24430/00)	\$117,869	\$117,869	\$0 (F)	
\$0	\$0	\$0 (F)	\$0	Purchase / Replace Office Equipment - Engineering / Waste Management (24510/02)	\$550	\$550	\$0 (F)	
\$0	\$0	\$0 (F)	\$0	Purchase / Replace Office Equipment - Red Hill Landfill Facility (24510/08)	\$24,000	\$24,000	\$0 (F)	
\$0	\$0	\$0 (F)	\$0	Purchase Fire Fighting System/Equipment - Hazelmere (24520/07)	\$10,000	\$10,000	\$0 (F)	
\$0	\$0	\$0 (F)	\$0	Purchase / Replace Fire Fighting Equipment - Red Hill Landfill Facility (24520/08)	\$1,000	\$1,000	\$0 (F)	

CAPITAL EXPENDITURE STATEMENT

JULY 2014

Year to Date					Full Year		
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
Waste Management							
\$0	\$0	\$0 (F)	\$3,940	Purchase / Replace Security System - Red Hill Waste Management Facility (24530/08)	\$54,000	\$54,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase / Replace Security System - Hazelmere (24530/10)	\$6,000	\$6,000	\$0 (F)
\$0	\$0	\$0 (F)	\$1,491	Purchase / Replace Other Equipment - Red Hill Landfill Facility (24590/00)	\$266,000	\$266,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase / Replace Miscellaneous Equipment - Hazelmere (24590/02)	\$2,500	\$2,500	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase/Replace Other Equipment - Engineering and Waste Management (24590/03)	\$3,000	\$3,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase Office Furniture and Fittings-Engineering and Waste Management (24610/03)	\$1,000	\$1,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase / Replace Office Furniture and Fittings - Red Hill Landfill Facility (24610/08)	\$3,000	\$3,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase Office Furniture and Fittings-Hazelmere (24610/10)	\$1,500	\$1,500	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Purchase Miscellaneous Furniture and Fittings - Red Hill Education Programme (24690/01)	\$1,000	\$1,000	\$0 (F)
\$0	\$0	\$0 (F)	\$3,900	Refurbish Environmental Education Centre - Redhill Landfill Facility (25253/00)	\$4,000	\$4,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Refurbish Waste Transfer Station Building - Red Hill Landfill Facility (25259/01)	\$80,000	\$80,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Refurbish Plant - Red Hill Landfill Facility (25410/00)	\$20,000	\$20,000	\$0 (F)
\$3,725	\$3,725	\$0 (U)	\$14,670		\$16,701,201	\$16,701,201	\$0 (F)



CAPITAL EXPENDITURE STATEMENT

JULY 2014

Year to Date					Full Year		
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
\$12,580	\$41,668	\$29,088 (F)	\$43,554		\$30,410,929	\$30,410,929	\$0 (F)
			TOTAL CAPITAL EXPENDITURE				

STATEMENT OF FINANCIAL POSITION

JULY 2014

Actual June 2014	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
			Forecast	Budget	Variance
Current Assets					
\$2,022,468	\$2,122,178	Cash and Cash Equivalents	\$1,578,569	\$1,578,569	\$0 (F)
\$67,266,510	\$65,425,435	Investments	\$51,727,546	\$51,727,546	\$0 (F)
\$2,974,194	\$3,237,593	Trade and Other Receivables	\$2,974,194	\$2,974,194	\$0 (F)
\$78,895	\$47,820	Inventories	\$78,895	\$78,895	\$0 (F)
\$60,664	\$301,467	Other Assets	\$60,664	\$60,664	\$0 (F)
\$72,402,731	\$71,134,493	Total Current Assets	\$56,419,868	\$56,419,868	\$0 (F)
Current Liabilities					
\$4,067,102	\$1,801,906	Trade and Other Payables	\$4,067,102	\$4,067,102	\$0 (F)
\$1,305,240	\$1,305,240	Provisions	\$1,332,019	\$1,332,019	\$0 (F)
\$5,372,342	\$3,107,146	Total Current Liabilities	\$5,399,121	\$5,399,121	\$0 (F)
\$67,030,389	\$68,027,347	Net Current Assets	\$51,020,747	\$51,020,747	\$0 (F)
Non Current Assets					
\$47,327,000	\$47,327,000	Land	\$48,327,000	\$48,327,000	\$0 (F)
\$5,751,122	\$5,751,007	Buildings	\$8,112,335	\$8,112,335	\$0 (F)
\$11,708,471	\$11,549,669	Structures	\$21,786,396	\$21,786,396	\$0 (F)
\$6,471,181	\$6,317,261	Plant	\$15,292,591	\$15,292,591	\$0 (F)
\$643,141	\$632,806	Equipment	\$1,428,967	\$1,428,967	\$0 (F)
\$147,818	\$146,844	Furniture and Fittings	\$191,364	\$191,364	\$0 (F)
\$783,353	\$784,920	Work in Progress	\$783,353	\$783,353	\$0 (F)
\$72,832,086	\$72,509,507	Total Non Current Assets	\$95,922,006	\$95,922,006	\$0 (F)
Non Current Liabilities					
\$6,799,725	\$6,961,787	Provisions	\$6,886,529	\$6,886,529	\$0 (F)
\$6,799,725	\$6,961,787	Total Non Current Liabilities	\$6,886,529	\$6,886,529	\$0 (F)
\$133,062,750	\$133,575,067	Net Assets	\$140,056,224	\$140,056,224	\$0 (F)
Equity					
\$48,612,233	\$48,612,233	Accumulated Surplus/Deficit	\$48,612,233	\$48,612,233	\$0 (F)
\$51,139,296	\$51,139,296	Cash Backed Reserves	\$51,139,296	\$51,139,296	\$0 (F)
\$33,311,221	\$33,311,221	Asset Revaluation Reserve	\$33,311,221	\$33,311,221	\$0 (F)
\$0	\$512,317	Net change in assets from operations	\$6,993,474	\$6,993,474	\$0 (F)
\$133,062,750	\$133,575,067	Total Equity	\$140,056,224	\$140,056,224	\$0 (F)



CASH AND INVESTMENTS

JULY 2014

Actual June 2014	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
			Forecast	Budget	Variance
Municipal Cash and Investments					
2,019,118	2,118,728	Cash at Bank - Municipal Fund 01001/00	1,575,219	1,575,219	0 (F)
1,250	1,250	Cash on Hand - Ascot Place 01019/00	1,250	1,250	0 (F)
300	400	Cash on Hand - Walliston/Mathieson & Coppin Road Transfer Stations 01019/01	300	300	0 (F)
1,800	1,800	Cash on Hand - Red Hill / Hazelmere 01019/02	1,800	1,800	0 (F)
16,496,934	14,317,524	Investments - Municipal Fund 02021/00	9,756,578	9,756,578	0 (F)
18,519,402	16,439,702	Total Municipal Cash	11,335,147	11,335,147	0 (F)
Restricted Cash and Investments					
3,061,316	3,087,397	Restricted Investments - Plant and Equipment 02022/01	248,590	248,590	0 (F)
1,717,656	1,732,289	Restricted Investments - Post Closure Site Rehabilitation Red Hill 02022/02	1,778,670	1,778,670	0 (F)
242,215	244,279	Restricted Investments - Future Development 02022/03	3,706,098	3,706,098	0 (F)
568,262	573,103	Restricted Investments - Environmental Monitoring Red Hill 02022/04	588,351	588,351	0 (F)
133,486	134,624	Restricted Investments - Environmental Insurance Red Hill 02022/05	88,089	88,089	0 (F)
13,023	13,134	Restricted Investments - Risk Management 02022/06	13,460	13,460	0 (F)
111,812	112,765	Restricted Investments - Class IV Cells Red Hill 02022/07	(241,925)	(241,925)	0 (F)
14,747	14,873	Restricted Investments - Regional Development 02022/08	(239,658)	(239,658)	0 (F)
43,581,696	43,952,980	Restricted Investments - Secondary Waste Processing 02022/09	35,568,402	35,568,402	0 (F)
914,509	922,300	Restricted Investments - Class III Cells 02022/10	3,776	3,776	0 (F)
65,756	66,316	Restricted Investments - Building Refurbishment (Ascot Place) 02022/11	67,961	67,961	0 (F)
231,764	134,430	Restricted Investments - Accrued Interest 02022/19	231,764	231,764	0 (F)
(601,485)	(601,485)	Restricted Investments - Unrealised Loss/Gain on Investments 02022/20	(601,485)	(601,485)	0 (F)
714,817	720,907	Restricted Investments - Long Service Leave 02022/90	758,873	758,873	0 (F)
50,769,576	51,107,911	Total Restricted Cash	41,970,968	41,970,968	0 (F)
69,288,978	67,547,613	TOTAL CASH AND INVESTMENTS	53,306,115	53,306,115	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 2014

Investment Report Including CDOs

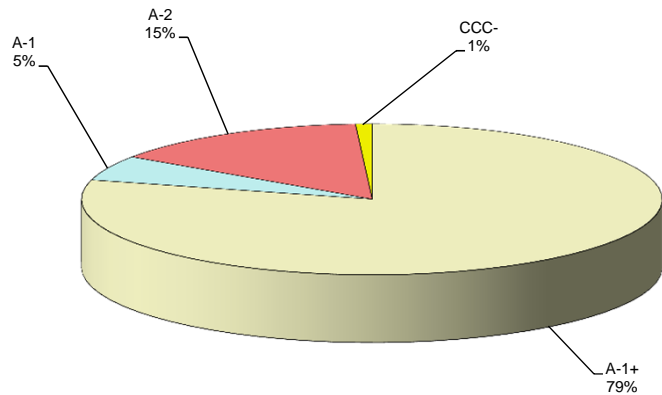
I. Overall Portfolio Limits

S&P Long Term Rating	S&P Short Term Rating	% Portfolio	Investment Maximum %	Comments
AAA	A-1+	92.93%	100%	
AA	A-1	2.31%	100%	
A-	A-2	3.84%	100%	Policy Breached ¹
CCC and less		0.92%	0%	Policy Breached ²
		<u>100.00%</u>		

Notes

1. Policy breach above relates to the downgrade of short term credit rating
 2. Policy breach above relates to the Lehman Brothers CDO investment

Investment by S&P Rating

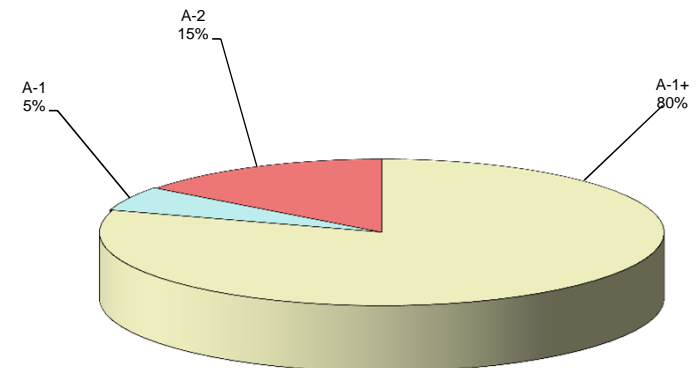


Investment Report Excluding CDOs

I. Overall Portfolio Limits

S&P Long Term Rating	S&P Short Term Rating	% Portfolio	Investment Maximum %	Comments
AAA	A-1+	93.79%	100%	
AA	A-1	2.33%	100%	
A-	A-2	3.88%	100%	Policy Breached ¹
CCC and less		0.00%	0%	
		<u>100.00%</u>		

Investment by S&P Rating (excluding CDOs)



EMRC Investment Report

July 2014

Investment Report Including CDOs

II. Single Entity Exposure

	% Portfolio	Comments
ANZ Banking Group	29.19%	Policy breached ³
ING Bank	3.84%	
Macquarie Bank	2.31%	
NAB	40.70%	Policy breached ⁴
Westpac / St. George Bank	23.04%	
Lehman Brothers	0.92%	
	100.00%	

Notes

3. Policy breach above relates to the downgrade of short term credit rating

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

III. Term to Maturity Framework

Maturity Profile	Investment Policy Guidelines			Comments
	% Portfolio	% Min	% Max	
Less Than 1 Year	100.00%	40.00%	100.00%	
	100.00%			

Investment Report Excluding CDOs

II. Single Entity Exposure

	% Portfolio	Comments
ANZ Banking Group	29.46%	Policy breached ³
ING Bank	3.88%	
Macquarie Bank	2.33%	
NAB	41.07%	
Westpac / St. George Bank	23.26%	
	100.00%	

III. Term to Maturity Framework

Maturity Profile	Investment Policy Guidelines			Comments
	% Portfolio	% Min	% Max	
Less Than 1 Year	100.00%	40.00%	100.00%	
	100.00%			

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



14.3 EMRC ANNUAL REPORT 2013-2014

REFERENCE: D2014/09844

PURPOSE OF REPORT

To table the draft EMRC Annual Report 2013-2014 to Council for acceptance.

KEY ISSUES AND RECOMMENDATION(S)

- It is a requirement of section 5.53 of the Local Government Act 1995 (The Act) that an Annual Report is prepared for each financial year.
- Section 5.54 of the Local Government Act 1995 requires the Annual Report to be accepted by the Council, by an absolute majority, no later than 31 December after that financial year.
- Section 5.55 of the Local Government Act 1995 states that, "*The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government*".

Recommendation(s)

That:

1. Council, by absolute majority, in accordance with section 5.54 of the Local Government Act 1995, accepts the draft EMRC Annual Report 2013-2014 and the statements therein.
2. Local public notice be given, in accordance with section 5.55 of the Local Government Act 1995, of the availability of the EMRC Annual Report 2013-2014.

SOURCE OF REPORT

Director Corporate Services
Marketing, Communications & Events Coordinator

BACKGROUND

It is a requirement of section 5.53 of the Local Government Act 1995 (The Act) that an Annual Report is prepared for each financial year.

Under the Act, the Annual Report is to contain:

- (a) A report from the Mayor or President (or Chairman of a regional local government);
- (b) A report from the Chief Executive Officer;
- (c) An overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year;
- (d) The financial report for the financial year;
- (e) Such information as may be prescribed in relation to the payments made to employees;
- (f) The auditor's report for the financial year;
- (g) A matter on which a report must be made under section 29(2) of the *Disability Services Act 1993*;



Item 14.3 continued

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

Section 5.54 of the Local Government Act 1995 requires the Annual Report to be accepted by the Council no later than 31 December 2014 after that financial year by absolute majority.

Section 5.55 of the Local Government Act 1995 states that, "*The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government*".

REPORT

The EMRC Annual Report 2013-2014 is presented in accordance with the provision of the Local Government Act 1995 and addresses all the required contents.

Similar to previous years, it is proposed that the Annual Report be distributed in predominantly e-book format with both hard copy and e-book formats distributed to key stakeholders. A database of the key stakeholders has been compiled in order that a mail-out can be conducted following approval and production of the Annual Report. All member councils and member Council libraries are included on the database. The Annual Report e-book will also be available online at the EMRC's corporate website (www.emrc.org.au).

Availability of the Annual Report will be advertised through a Local Government Notice in The West Australian newspaper and public notices sent to all member Council libraries for public display.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

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

FINANCIAL IMPLICATIONS

The cost for the design and production of the Annual Report has been included in the 2014-2015 EMRC Budget.

SUSTAINABILITY IMPLICATIONS

Nil



Item 14.3 continued

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

Draft EMRC Annual Report 2013-2014 (Ref: D2014/11244)

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That:

1. Council, by absolute majority, in accordance with section 5.54 of the Local Government Act 1995, accepts the draft EMRC Annual Report 2013-2014 and the statements therein.
2. Local public notice be given, in accordance with section 5.55 of the Local Government Act 1995, of the availability of the EMRC Annual Report 2013-2014.

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR ZANNINO

THAT:

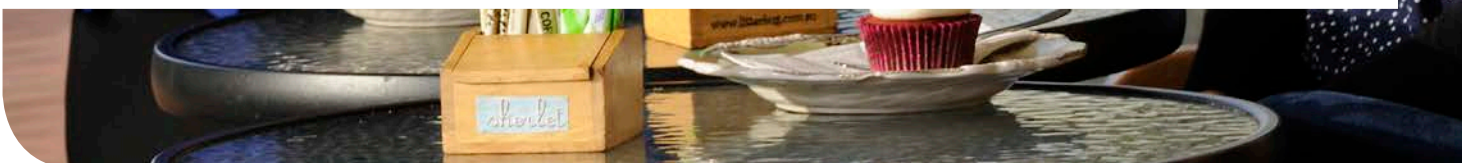
1. COUNCIL, BY ABSOLUTE MAJORITY, IN ACCORDANCE WITH SECTION 5.54 OF THE LOCAL GOVERNMENT ACT 1995, ACCEPTS THE DRAFT EMRC ANNUAL REPORT 2013-2014 AND THE STATEMENTS THEREIN.
2. LOCAL PUBLIC NOTICE BE GIVEN, IN ACCORDANCE WITH SECTION 5.55 OF THE LOCAL GOVERNMENT ACT 1995, OF THE AVAILABILITY OF THE EMRC ANNUAL REPORT 2013-2014.

CARRIED BY AN ABSOLUTE MAJORITY 11/0



Our Vision

To be a responsive and innovative leader in assisting Perth's Eastern Region to be a great place to live, work, play and do business.





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About EMRC



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

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

Our Vision

To be a responsive and innovative leader in assisting Perth's Eastern Region to be a great place to live, work, play and do business.

Our Mission

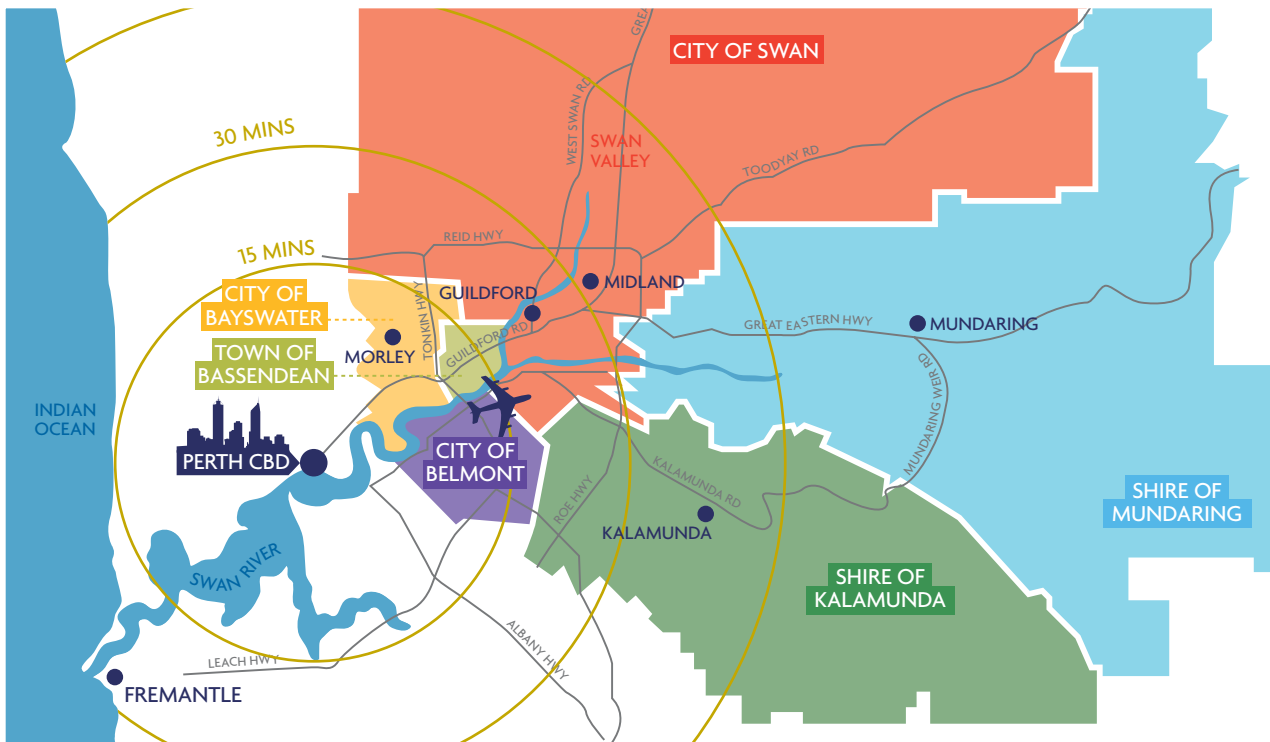
The Eastern Metropolitan Regional Council, by partnering with member councils (and other stakeholders), facilitates strategies and actions for the benefit and sustainability of Perth's Eastern Region.

Our Values

The following qualities represent the values that govern the EMRC:

- **Excellence**
Striving for excellence through the development of quality and continuous improvement.
- **Recognition**
Valuing staff in a supportive environment that focuses on their wellbeing.
- **Innovation**
Focus on innovative approaches in projects and service delivery.
- **Responsiveness**
Dynamic and flexible service delivery.
- **Integrity**
Accountability and consistency in all that we do.

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



Facts About Perth's Eastern Region

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

Home to approximately 349,000 people from diverse cultural backgrounds and constituting around one third of the metropolitan area, Perth's Eastern Region is a growing vibrant region. It encompasses about 2,100 square kilometres, including substantial parklands, river foreshore areas, national parks, state forests and water catchments.

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

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

EMRC Services

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

The Resource Recovery Project, which is also driven by the Waste Services Directorate, aims to develop and implement resource recovery solutions which maximise the social, environmental and economic benefits to Perth's Eastern Region and minimise the

amount of waste being directed to landfill. This is complemented by the development and implementation of waste education schemes and initiatives.

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

The **Environmental Services Team** provides a range of services and delivers on projects that focus on best practice land management and improving air and water quality across Perth's Eastern Region, as well as enhancing and protecting local biodiversity. Another key element is the provision of sustainability education that seeks to reduce the amount of energy and water that is consumed across the region. These objectives are achieved by developing strong partnerships and building effective working relationships with member councils and other stakeholders; in particular, community groups.

The core focus of the **Regional Development Team** is to work with EMRC's six member councils and regional stakeholders to stimulate economic development in Perth's Eastern Region. Key strategies and actions seek to create economic growth and employment opportunities; increase investment for infrastructure; plan and advocate for alternative modes of transport such as cycling, walking and public transport; facilitate regional tourism; and cultural and recreational activities.

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

The **CEO's Office** is comprised of council support and governance, organisational development and strategic planning services.

Chairman's Report



The EMRC is not unfamiliar with having successful years filled with great achievements and collaborative workings on behalf of Perth's Eastern Region and the past year has been no exception.

I am truly honoured to have once again been elected to represent the Council as Chairman of the EMRC and I look forward to working with the CEO, Mr Peter Schneider, the EMRC Council and the talented staff of this great organisation to continue delivering real outcomes for this region.

The EMRC plays a pivotal role within Perth's Eastern Region, working on behalf of its member councils to deliver very real social, environmental and economic outcomes on an unprecedented regional scale.

While the EMRC has continued to diversify the services it provides in response to member demand and emerging issues, waste management still remains the core function of the organisation. Throughout our 30-plus-year history, the EMRC has invested significantly in researching and adopting new techniques and solutions for diverting valuable resources from landfill and finding alternative, sustainable ways to manage the region's growing quantity of waste. With a rapidly expanding population we have a responsibility to manage and reduce the amount of waste that we generate and that ultimately ends up in landfill, so that we can help preserve our environment for future generations.

One way in which the EMRC is working towards achieving this goal is through our Resource Recovery Project. This project is an initiative that proposes a long-term and sustainable solution to managing waste. Resource recovery seeks to complement existing waste management solutions by recovering as many valuable resources as possible from what is currently considered the waste stream.

There are two components to the EMRC's Resource Recovery Project, one being the Hazelmere Resource Recovery Park and the other being the Red Hill Resource Recovery Facility – both of which form part of the EMRC's integrated plan for sustainable waste management in Perth's Eastern Region.

The plans to expand the Hazelmere Resource Recovery Park, which will be the first of its kind in the state, took steps forward throughout 2013-2014. Once completed, the park will be a model of sustainability, significantly reducing the amount of waste going to landfill and providing a hub for resource recovery activities including: a commercial and industrial waste sorting facility, a re-use store, a materials recovery facility for household recyclables, an education centre, a transfer station, as well as a wood waste to energy plant. The development of this park will enable us to divert a significant amount of waste from landfill and convert it into reusable products.

The proposed Hazelmere Wood Waste to Energy Plant will use pyrolysis technology and has attracted \$5 million in Federal Government funding under the Clean Energy Innovation Fund to our project partner, Ansac. The plant will form an important component of the park and will be used to process residual untreated wood waste into valuable resources, including electricity and biochar.

The proposed Resource Recovery Facility at the Red Hill Waste Management Facility, which will use either anaerobic digestion

“The EMRC plays a pivotal role within Perth’s Eastern Region, working on behalf of its member councils to deliver very real social, environmental and economic outcomes...”

or gasification technology to turn waste into compost and/or electricity, has been through a public environmental review and was subsequently granted ministerial approval to implement the proposal in July 2014.

The EMRC has been working in collaboration with member councils to continue work on the \$1.3 million ‘Re-energising Perth’s Eastern Region’ project. We received more than \$647,000 in matched funding from the Australian Government’s Community Energy Efficiency Program. This funding has been dedicated to conducting energy efficiency upgrades and retrofits to various community facilities. Once completed, these upgrades are expected to reduce energy usage by about 1.22 million kilowatt hours, which equates to a reduction in 767 tonnes of CO₂ emissions.

The development of the Marri App, made possible through a \$55,000 grant from the State Government’s Natural Resource Management Office, has now been completed. The mobile phone application was developed in partnership with Murdoch University and is now being used by members of the public, industry professionals and researchers to record and track the severity of native tree decline in the south-west of Western Australia, as a result of marri canker disease. All data logged through the application will continue to help researchers design treatment trials and monitoring activities to protect this and other iconic species.

The launch of the *Regional Digital Strategy* is a prime example of the EMRC assisting the stakeholders of Perth’s Eastern Region to adapt to changing conditions. EMRC has closely engaged with key agencies, local business owners and community members to develop the strategy, which focuses on the concept of ‘digital preparedness’. The strategy provides a framework to enable residents and businesses to capitalise on the opportunities presented by digital technology and revolutionise the way businesses and local governments operate. The *Regional Digital*

Strategy will help to achieve our vision for the people and businesses of Perth’s Eastern Region to confidently make use of digital technology to enable better living, prosperity, learning and social participation.

These are just a few of the innovative projects that the EMRC has progressed with over the past year. I encourage you to take the time to read the following report to learn more of the EMRC’s successes and many other pioneering projects and activities.

I would like to take this opportunity to acknowledge the EMRC Council; our CEO, Mr Peter Schneider; his staff; and member council staff whose commitment and dedication to this organisation has assisted in its success to date and who will help shape the success of the future of the EMRC.



Cr Dr Alan Pilgrim
Chairman

Chief Executive Officer's Overview



The 2013-2014 year has been one of tremendous progress and continuity on our path towards cementing a sustainable and prosperous future for Perth's Eastern Region. I am proud to present an annual report that reflects on another year of working collaboratively and strategically with our member councils, for the benefit of this great region.

Of course the successes of the EMRC would not be possible without the collective efforts from a dedicated Council. In November 2013, following the local government elections in October, a new council was appointed to the EMRC. I am pleased to announce that Cr Dr Alan Pilgrim from the Shire of Mundaring was again elected as Chairman, and Cr Janet Powell from the City of Belmont was re-elected as Deputy Chairman. I look forward to continuing our collaborative leadership together to progress this great organisation.

Throughout the past year, the EMRC has successfully obtained \$757,500 (ex GST) in funding to assist with the implementation of a variety of projects.

Lotterywest provided \$20,000 to help stage the 2014 Perth's Autumn Festival, now in its 14th year. The festival is an annual seven-week program that promotes nominated tourism, community and cycling events held in Perth's Eastern Region. The festival has gained recognition as one of Perth's key community events and draws residents and visitors alike to appreciate the arts, culture, culinary delights and natural beauty of the Perth Hills, Swan River and Swan Valley.

The EMRC also received \$250,500 from Lotterywest to go towards staging the 2013 Avon Descent Family Fun Days, which were held in August. The Avon Descent Family Fun Days are a series of annual community-based events staged by participating councils along the foreshore of the Avon and Swan Rivers. These events engage communities and attract spectators in the 124km Avon Descent white water race.

At the end of 2013, the EMRC was awarded \$387,000 from the Waste Authority Regional Funding Program to support commercial and industrial waste management at the Hazelmere Resource Recovery Park. The funding will be used to purchase waste processing plant and equipment, as well as the construction of a covered area to undertake the waste sorting. This grant will enable the EMRC and our six member councils, together with the City of Stirling, to fully evaluate commercial and industrial waste processing before expanding the operation and diverting more resources from landfill.

In addition to the funding mentioned above, the EMRC has also been granted \$100,000 from the Waste Authority's Strategic Waste Initiative Scheme for its Mattress Recycling Project. The funding will go towards purchasing plant to process spring steel into a saleable form for recycling.

“

...the past year has been one of significant progress and achievement and I take a great deal of pride in what has been accomplished.

”

As can be seen, the past year has been one of significant progress and achievement and I take a great deal of pride in what has been accomplished. I look forward to the year ahead; continuing our important work towards being a responsive and innovative leader, and assisting Perth's Eastern Region to be a great place to live, work, play and do business.

I am humbled to have such a dedicated and devoted group of people supporting me in my role as CEO, as it is with their ongoing commitment that the EMRC has progressed to what it is today and will continue to innovate well into the future. I take this opportunity to personally thank the committed EMRC staff that drive the many projects that we have in progress; our Executive Management Team; our dedicated committee and council members; the member councils and our many other valued stakeholders.

I trust you will enjoy reading about the EMRC's projects and activities in the following report. While it is always fantastic to reflect on our great progress from the past, we are now focused on the year ahead and I look forward to working with the EMRC Council, Executive Management Team and the EMRC and member council staff to help ensure a sustainable future for Perth's Eastern Region.



Peter B. Schneider
Chief Executive Officer



Elected Representatives



EMRC's Establishment Agreement specifies that two councillors from each member council be appointed to EMRC's Council, while a third councillor is appointed to deputise in their absence. The appointed council members as at 30 June 2014 were:

Councillors

Cr Dr Alan Pilgrim – Shire of Mundaring – EMRC Chairman
 Cr Janet Powell – City of Belmont – EMRC Deputy Chairman
 Cr Jennie Carter – Town of Bassendean
 Cr Gerry Pule – Town of Bassendean
 Cr Mike Anderton – City of Bayswater
 Cr Chris Cornish – City of Bayswater
 Cr Steve Wolff – City of Belmont
 Cr Frank Lindsey – Shire of Kalamunda
 Cr Dylan O'Connor – Shire of Kalamunda
 Cr Tony Cuccaro – Shire of Mundaring
 Cr David Färdig – City of Swan
 Cr Charlie Zannino – City of Swan

Deputy Councillors

Cr John Gangell – Town of Bassendean
 Cr Alan Radford – City of Bayswater
 Cr Phil Marks – City of Belmont
 Cr Andrew Waddell – Shire of Kalamunda
 Cr Bob Perks – Shire of Mundaring
 Cr Darryl Trease – City of Swan

Councillor Attendance

Note: The total number of meetings held during 2013-2014 are shown in brackets next to the meeting name.

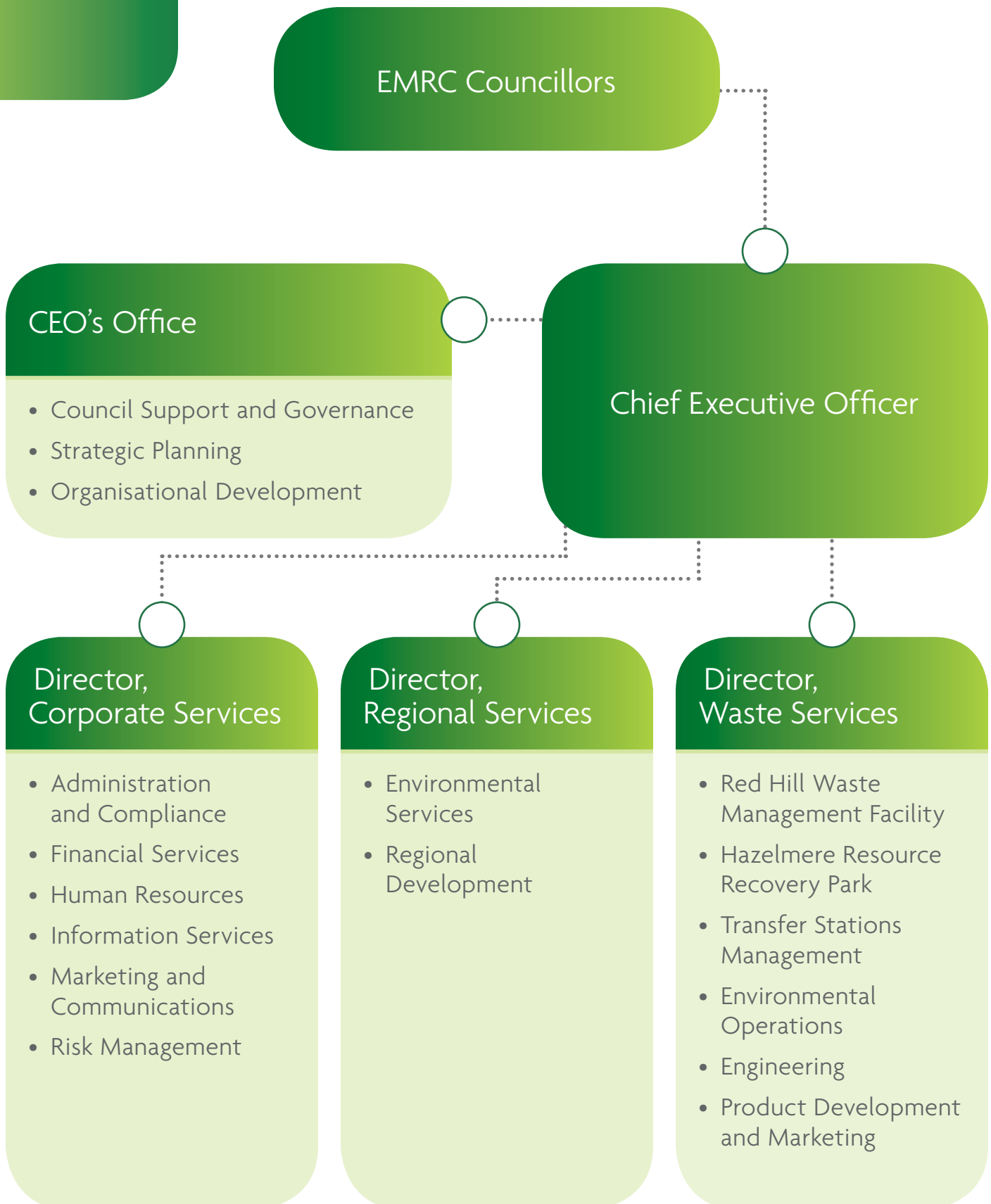
Councillors	Council	Ordinary Council (10)				Audit Committee (3)				Chief Executive Officer Performance Review Committee (3)				Investment Committee (2)				Resource Recovery Committee (3)			
		✓	A	D	L	✓	A	D	L	✓	A	D	L	✓	A	D	L	✓	A	D	L
Cr Jennie Carter	Town of Bassendean	7	1		2													3			
Cr Gerry Pule	Town of Bassendean	8	1		1	3				3				2							
Cr Mike Anderton	City of Bayswater	5	1		1					1	1							2			
Cr Chris Cornish	City of Bayswater	6	1			2								1							
Cr Graham Pittaway <small>OAM</small>	City of Bayswater	1	2				1			1											
Cr Janet Powell	City of Belmont	10					1			3				1					1		
Cr Steve Wolff	City of Belmont	7				2															
Cr Bob Emery	Shire of Kalamunda	2			1					1											
Cr Frank Lindsey	Shire of Kalamunda	9	1			1		1		1	1			1				3			
Cr Dylan O'Connor	Shire of Kalamunda	5	1		1	1	1							0							
Cr Tony Cuccaro	Shire of Mundaring	8	1		1			2										3			
Cr Dr Alan Pilgrim	Shire of Mundaring	10					3			3				2							
Cr David Färdig	City of Swan	7	3			2			1	3				0							
Cr Charlie Zannino	City of Swan	9	1					1										2			
Deputy Councillors																					
Cr John Gangell	Town of Bassendean			5																	
Cr Barry McKenna	City of Bayswater			1																	
Cr Alan Radford	City of Bayswater	3		3										1							1
Cr Phil Marks	City of Belmont	3																1			
Cr Margaret Thomas	Shire of Kalamunda																				
Cr Andrew Waddell	Shire of Kalamunda			3																	
Cr Bob Perks	Shire of Mundaring			2																	
Cr Stephen Fox	Shire of Mundaring																				
Cr Kevin Bailey	City of Swan																				
Cr Darryl Trease	City of Swan		1	2																	

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

Notes:

- Cr Chris Cornish, Cr Mike Anderton, Cr Steve Wolff and Cr Dylan O'Connor were appointed as members to EMRC Council on 7 November 2013.
- Cr Andrew Waddell, Cr Bob Perks and Cr Darryl Trease were appointed as deputy members to EMRC Council on 7 November 2013.
- Cr Alan Radford and Cr Phil Marks moved position from councillor to deputy on 7 November 2013.
- Cr Barry McKenna, Cr Kevin Bailey, Cr Stephen Fox and Cr Margaret Thomas were replaced as deputies on EMRC Council on 7 November 2013.
- Cr Steve Wolff and Cr Dylan O'Connor were appointed as members on the Audit Committee on 7 November 2013.
- Cr Janet Powell moved position from member to deputy on the Audit Committee to replace Cr Phil Marks on 7 November 2013.
- Cr Frank Lindsey moved position from member to deputy on the Audit Committee to replace Cr Bob Emery on 7 November 2013.
- Cr Chris Cornish was appointed as a member on the Audit Committee to replace Cr Graham Pittaway OAM on 7 November 2013.
- Cr Mike Anderton was appointed as a deputy member on the Audit Committee to replace Cr Alan Radford on 7 November 2013.
- Cr Mike Anderton was appointed as a member on the Chief Executive Officer Performance Review Committee to replace Cr Graham Pittaway OAM on 7 November 2013.
- Cr Frank Lindsey was appointed as a member on the Chief Executive Officer Performance Review Committee to replace Cr Bob Emery on 7 November 2013.
- Cr Chris Cornish was appointed as a member on the Investment Committee to replace Cr Alan Radford on 7 November 2013.
- Cr Dylan O'Connor was appointed as a member on the Investment Committee to replace Cr Frank Lindsey on 7 November 2013.
- Cr Janet Powell and Cr David Färdig were appointed as members on the Investment Committee on 7 November 2013.
- Cr Mike Anderton was appointed as member on the Resource Recovery Committee to replace Cr Alan Radford on 7 November 2013.
- Cr Janet Powell moved position from deputy to member on the Resource Recovery Committee to replace Cr Phil Marks on 7 November 2013.
- Cr Charlie Zannino moved position from deputy to member on the Resource Recovery Committee on 7 November 2013.
- Cr Steve Wolff was appointed as a deputy member on the Resource Recovery Committee on 7 November 2013.
- Cr David Färdig moved position from member to deputy on the Resource Recovery Committee on 7 November 2013.
- Cr Dylan O'Connor was appointed as deputy member on the Resource Recovery Committee to replace Cr Bob Emery on 7 November 2013.
- Cr Chris Cornish was appointed as deputy member on the Resource Recovery Committee to replace Cr Graham Pittaway OAM on 7 November 2013.

Organisational Structure



Executive Management Team



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

Committees

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

Audit Committee (AC)

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

Chief Executive Officers Advisory Committee (CEOAC)

The Chief Executive Officers Advisory Committee was formed to consider matters that have an impact on the member councils and/or EMRC's business activities. Consisting of the member councils' Chief Executive Officers and the EMRC's Chief Executive Officer, the committee provides recommendations to EMRC's Council.

Chief Executive Officer Performance Review Committee (CEOPRC)

The Chief Executive Officer Performance Review Committee consists of a councillor from each member council and meets to review the Chief Executive Officer's performance; determine performance objectives to be met by the Chief Executive Officer; and review the Chief Executive Officer's remuneration and contract of employment.

Investment Committee (IC)

The Investment Committee is comprised of six EMRC Councillors. The purpose of the committee is to deal with matters related to EMRC's Management of Investments Policy.

Resource Recovery Committee (RRC)

The Resource Recovery Committee comprises the members of the Technical Advisory Committee and a councillor from each member council. The committee meets to review and progress resource recovery activities for the region.

Technical Advisory Committee (TAC)

The Technical Advisory Committee consists of an officer from each member council and the EMRC's Chief Executive Officer. The committee reviews and provides reports on technical matters and recommendations for council meetings.

Grants



EMRC chairman, Cr Dr Alan Pilgrim **(left)** accepting the Lotterywest cheque from Mrs Glenys Godfrey MLA **(right)** for the 2013 Avon Descent Family Fun Days.

In 2013-2014, the EMRC successfully applied for funding to implement projects on behalf of, or in collaboration with, its member councils.

A total of \$757,500 (ex GST) was secured for projects that provide a significant range of benefits to Perth's Eastern Region and the EMRC acknowledges and thanks these funding bodies for their assistance.

Funding allocated or received during the year was:

- \$387,000 – Purchase of commercial and industrial waste management plant and facilities at the Hazelmere Resource Recovery Park (grant from the Waste Authority);
- \$250,500 – Promotion and staging of the 2013 Avon Descent Family Fun Days (grant from Lotterywest);
- \$100,000 – Purchase of a steel shredding plant for EMRC's Mattress Recycling Project (grant from the Waste Authority); and
- \$20,000 – Promotion and staging of the 2014 Perth's Autumn Festival (grant from Lotterywest).

EMRC's Community Grants Program



2013-2014 EMRC Community Grants Program recipients with EMRC Chairman, Cr Dr Alan Pilgrim (far left) and EMRC CEO, Mr Peter Schneider (far right).

EMRC's Community Grants Program was conducted again during 2013-2014, to support community groups in the vicinity of the Red Hill Waste Management Facility.

A total of \$9,000 (ex GST) was awarded to the following community groups:

- East Giddegannup Volunteer Bush Fire Brigade
- Giddegannup Basketball Club
- Giddegannup Football Club
- Giddegannup Junior Football Club
- Jane Brook Catchment Group Inc.
- Parkerville Junior Cricket Club

This year's successful grant recipients were recognised with a cheque presentation ceremony held at the Red Hill Waste Management Facility.

Key Result Area: 1

Environmental Sustainability



“The ongoing development of the Red Hill Environmental Management System (EMS) saw significant milestones reached this year.”

To Provide Sustainable Waste Disposal Operations

The EMRC submitted its national greenhouse and energy reporting (NGER) information for its 2012-2013 operations to the Clean Energy Regulator in August 2013. The data showed greenhouse gas emissions were up by 7.7 per cent due to higher waste tonnages received at the Red Hill Waste Management Facility; energy consumption was up by 41 per cent due to additional operational requirements; and energy production was up by 5 per cent from 2011-2012 levels due to landfill gas generation increasing.

Given the high technical requirements and financial elements involved, the EMRC has adopted a comprehensive quality assurance procedure with its National Greenhouse and Energy Reporting (NGER) process. This procedure has assisted in validating data for accuracy and reliability prior to submission to the Clean Energy Regulator.

Work continues on the estimation of EMRC's potential future carbon liabilities. However, beyond 2013-2014 this ceases due to the repeal of the carbon tax. The Emissions Reduction Fund (ERF) is being reviewed for future liability.

A carbon accounting procedure has been developed to define clear roles, responsibilities and timelines for the effective management of EMRC's carbon tax liabilities and acquittals.

The EMRC has a team of qualified environmental officers who carry out contaminated site investigations on behalf of member councils. Projects completed during the 2013-2014 financial year have included preliminary site investigations, hydrogeological assessments, a subsurface landfill gas vapour investigation and routine water monitoring.

Red Hill Waste Management Facility

A Red Hill Waste Management Facility Development Plan has been prepared, which updates previous plans and future actions proposed for the next five years, and beyond. The document reflects current landfill construction planning, leachate management and ancillary operations. The Red Hill Waste Management Facility Development Plan is intended to be used as a working waste management document and will also incorporate an operations plan.

In 2012-2013, the EMRC had 2,221 tonnes of CO₂e liable greenhouse gas emissions under the carbon tax, due to its composting

operations. This was reported to the Clean Energy Regulator in August 2013 and the required carbon units were purchased and relinquished in January 2014.

The EMRC reports annually on the Red Hill Waste Management Facility's pollutant emissions, as part of the Federal Government's National Pollutants Inventory (NPI) program. The annual report for the 2012-2013 financial year was submitted to the Department of Environment Regulation (DER) for review in September 2013. The report is publically available and can be viewed on the NPI website <www.npi.gov.au>

A works approval for the development of the proposed Stage 15 Class III landfill cell was prepared and submitted to the DER in May 2014, with a decision expected early in the new financial year.

The ongoing development of the Red Hill Environmental Management System (EMS) saw significant milestones reached this year. A comprehensive EMS manual and environmental registers were developed for improved environmental documentation and administration. In May this year, a certification auditor was engaged to conduct a gap audit of the EMS against the AS/NZS ISO 14001:2004 standard, in readiness for full accreditation towards the end of 2014. This audit was highly useful for identifying areas requiring addressing before a more comprehensive certification audit can begin. Outcomes of the gap audit will include review and refinement of the site environmental policy and engagement of formalised technical meetings regarding management of site environmental issues.

The EMRC engaged odour consultants to carry out ambient odour assessments to determine the nature, frequency and intensity of offsite odours originating from the Red Hill Waste Management Facility. Based on these results, the consultants developed an odour management plan so impacts on the surrounding community could be minimised. As part of the plan, four EMRC staff were trained as odour assessors and have commenced regular odour monitoring at offsite receptors.

The fauna management standard operating procedure forms part of the Red Hill Waste Management Facility's EMS. This procedure was updated during the second half of 2013 to reflect the latest fauna management strategies used on site. These strategies include

weekly monitoring of Australian White Ibises, quarterly monitoring of Western Grey Kangaroos and twice-yearly pest control programs for foxes, cats and rabbits.

Australian White Ibises can be an operational issue at the Red Hill Waste Management Facility as large numbers of ibis feeding at the tip face can interrupt the machinery operator's vision if the birds are disturbed. In addition, ibises have the potential to cause serious damage to aircraft, which is a concern as a flight path to the Perth Airport is located within the vicinity of the landfill. Meetings were held between the EMRC, Perth Airport and operators of other metropolitan landfills to try to address the issue on a regional basis.

The EMRC must comply with Ministerial Statement 274, condition 3, requiring the management of introduced pest species at the Red Hill Waste Management Facility. Cameras and sand plots were used to determine the activity and numbers of foxes and feral cats on site, allowing for the appropriate management of these introduced pest species throughout the year.

Collection of local provenance seed from areas of native remnant vegetation at the Red Hill Waste Management Facility began this year, and is being used to develop a local seed bank for future landfill revegetation programs. Use of the seed will provide beneficial environmental outcomes for local flora and fauna by helping to increase natural habitat areas after operations have ceased.

The annual macro-invertebrate study was carried out in September 2013, to test for the abundance and distribution of aquatic invertebrates living in streams throughout the national park bordering the Red Hill Waste Management Facility. The study aims to examine whether landfill operations are affecting the environment through the use of macro-invertebrate communities in Christmas Tree Creek, Jane Brook and Strelley Brook. The sampling was conducted over three days, on a total of 23 different surface water sites throughout John Forest National Park.

Water monitoring at the Red Hill Waste Management Facility is a site licence requirement. Monitoring was conducted quarterly in the months of January, April, July and October over the 2013-2014 financial year. Water monitoring reports were compiled on completion of all water sampling rounds, summarising water sample results and providing interpretations and recommendations on the condition of the monitored water bodies.

A preliminary site investigation (PSI) focusing on groundwater contamination originating from the original Class III landfill cell on Lot 11 at the Red Hill Waste Management Facility was completed in 2013. Groundwater investigations continued, with further drilling works carried out in Lot 11 to establish a landfill extraction bore at the source of the contamination. This has enhanced recovery of contaminated groundwater and the remediation program.

The Red Hill Waste Management Facility's rehabilitation program is monitored annually to ensure the requirements of landfill cell rehabilitation are met. These requirements are effective erosion control, self-sustaining vegetation and no disturbance to the landfill cap. Annual revegetation monitoring facilitates the identification of corrective actions and the progress of the rehabilitation program over time. The EMRC commissioned consultants to conduct revegetation monitoring at the Red Hill Waste Management Facility in December 2013. The findings of this monitoring report were reviewed and implemented in 2014.

To improve leachate management and reduce overall leachate volumes across the site, floating pond covers were installed on the existing Class III leachate ponds servicing lots 1, 2 and 12. Leachate from these ponds will be managed through recirculation back into landfill cells and evaporation via other non-covered leachate ponds.

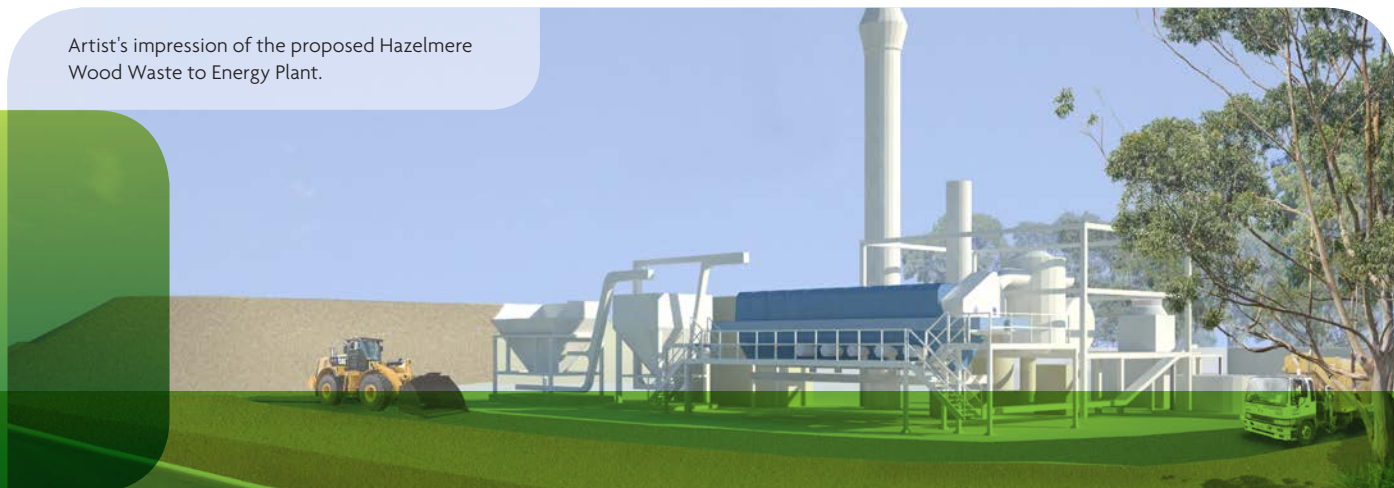
As a result of changes in the landfill cell construction planning for the Red Hill Waste Management Facility, the current greenwaste area may be required for landfilling earlier than anticipated. A draft report has been prepared to address issues related to the greenwaste processing facility's current location, the leachate generated from the operation and the feasibility of relocating the greenwaste processing operation.

The need to construct new siltation ponds, nutrient-stripping ponds or other control ponds this year has been averted by:

- Maintenance of the existing surface water holding ponds;
- Increasing the capacity of one of the ponds in preparation for winter rain; and
- Installing drainage systems, including channels and culverts, across the site to direct the flow of surface water.

More than 750m of litter fence was constructed around the east, north and west of Farm Stages 1 and 2 landfill cells. This newly constructed litter fence will help to contain the litter within the parameters of the two new landfill cells.

Artist's impression of the proposed Hazelmere Wood Waste to Energy Plant.





The wood waste grinder at the Hazelmere Resource Recovery Park

The design of the Stage 14 landfill cell was not required due to airspace that has been created in Farm Stages 1 and 2. Stage 15 has been identified as the next Class III cell after the completion of Farm Stages 1 and 2.

Hazelmere Resource Recovery Park

A new replacement production bore was installed at the Hazelmere Resource Recovery Park in January 2014 to supply the fire main, reticulation and other uses on site.

The permanent real-time dust sampling unit at the Hazelmere Resource Recovery Park continued monitoring total suspended particulates, PM10 (dust particles 10 microns in diameter and less), and PM2.5 (dust particles with diameter 2.5 microns and less) fractions. Dust concentrations are recorded every 10 minutes and used to compare dust concentrations to the NEPM Ambient Air Quality Standards.

Groundwater monitoring at the Hazelmere Resource Recovery Park began in November 2012, to collect baseline data to monitor contaminant concentrations as site operations progressed. Monitoring continued throughout the 2013-2014 financial year on a quarterly basis, in the months of July and October in 2013 and January and April in 2014. Water monitoring reports were compiled on completion of all water sampling rounds to summarise water sample results and provide interpretations and recommendations on the condition of the monitored water bodies.

The EMRC was successful in receiving a grant of \$387,000 (ex GST) under the Waste Authority's Regional Funding Program to go towards the costs of establishing a small-scale commercial and industrial (C&I) waste sorting and recovery facility. A tender for the supply of equipment and construction of the building is being developed. Following a tender process, construction and commissioning of the facility will be completed in 2014/2015 after all relevant approvals have been secured.

The feasibility of establishing a Materials Recovery Facility (MRF) at the Hazelmere Resource Recovery Park has been investigated in conjunction with the City of Swan and will progress further in 2014-2015.

The EMRC assisted Ansac with a funding application to the Federal Government under the Clean Technology Innovation Fund, which

was successful in receiving a \$5 million grant for the Hazelmere Wood Waste to Energy Plant.

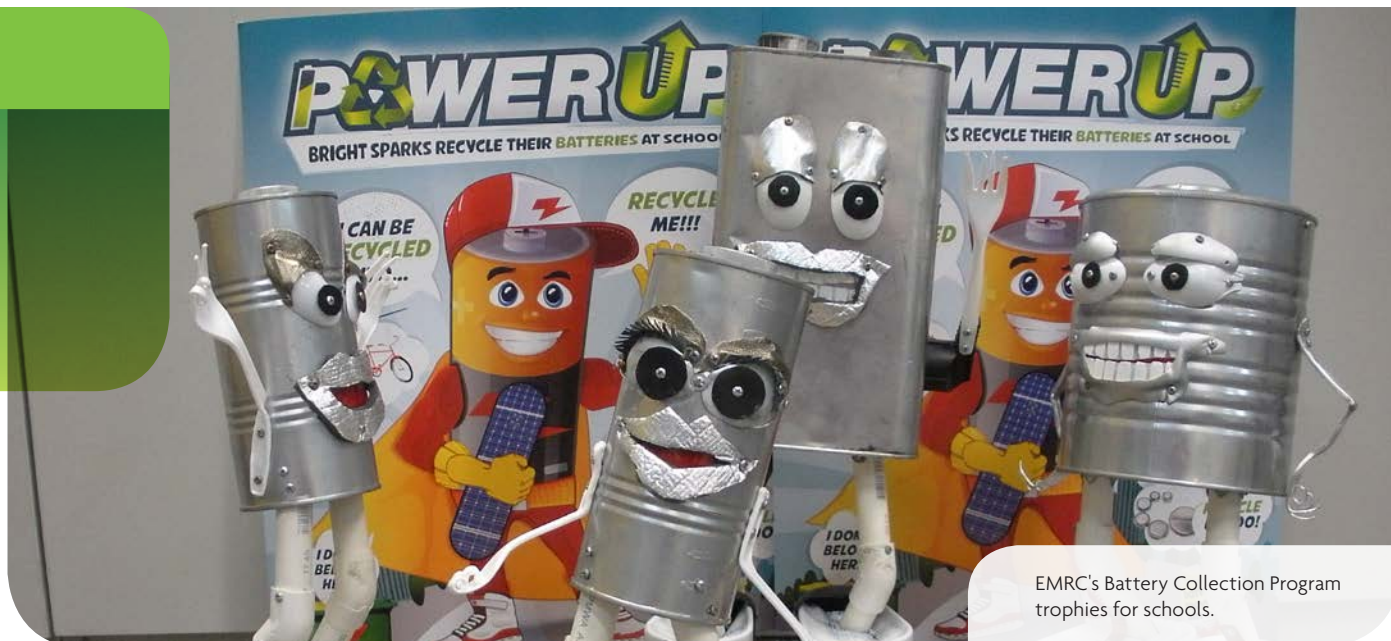
In June 2013, the EMRC Council resolved to conditionally proceed with the Hazelmere Wood Waste to Energy Plant. The design and construct contract with Ansac was completed in September 2013 and the Director Waste Services attended a design review of the Ansac process in November 2013.

Negotiations with Western Power and retail electricity suppliers have been proceeding for a grid connection and a power purchase agreement. The environmental approval process was initiated in January 2014 and, as a result, the Environmental Protection Authority requested a Public Environmental Review (PER) be developed with a four-week public comment period. This was completed in June 2014. Community engagement before and during the PER process involved the Hazelmere community and other groups such as the Community Action Network.

A contract was awarded on 1 October 2013 for the engineering infrastructure and landscape design of the Hazelmere Resource Recovery Park. A review of the Hazelmere Resource Recovery Park concept plan has been carried out and a conceptual design, including a traffic design study for an internal road network, has been completed to identify areas for further consideration. These include the relocation of the weighbridge, relocation of the water storage tank, realignment of entrances, alteration of the internal road network and the public interface area.

From the conceptual design, a geotechnical investigation plan has been formulated to focus on areas of high interest, including potential nominated building areas, location of weighbridge structures and high volume traffic areas. This will provide an understanding of the underlying soil structure necessary for the detailed design process.

A scheme water connection to the site is required for potable water and process water for the Hazelmere Wood Waste to Energy Plant and for fire protection of buildings and infrastructure in the future. Currently the water supply to the Hazelmere site is from an abstraction bore that serves a dual storage tank and fire suppression ring main system, and also the minor supply to the site house and reticulation system. A conceptual design was submitted to the Water Corporation throughout 2013-2014 for their consideration and approval.



EMRC's Battery Collection Program trophies for schools.

To improve regional waste management

EMRC's Battery Collection Program

The EMRC's Battery Collection Program for both schools and public places continued throughout the year, with promotion through mail-outs and emails to primary schools in the region, events and the R-Gang website.

The following improvements were made to the program for 2014:

- Efficiencies in collection from the 32 public places and 70 schools. All public places are now visited once a month and all schools at least once per semester.
- Promotion of the program.
- All member councils are now provided with monthly collection data for their public place locations, and individual location participants are provided with their collection data on a six-monthly basis.

This year the program has recorded:

- The inclusion of six new schools;
- 5,656kg of batteries collected from schools;
- 9,187kg of batteries collected from public places; and
- A new public place collection location established at the Mundaring Shopping Centre.

Compact Fluorescent Lamp Program

Management of the Compact Fluorescent Lamp (CFL) Program continued with 751.7kg of CFL tubes and globes being collected and recycled.

Household Hazardous Waste

The EMRC continued its support to member council activities relating to the safe disposal of Household Hazardous Waste, including promotion of collection days, drop-off days, waste education displays and local activities.

Waste and Recycling Guides

EMRC's Waste Education Team worked collaboratively with member

council staff to design and distribute the 2013-2014 *Waste and Recycling Guides*, which were delivered to approximately 155,000 households in Perth's Eastern Region.

Waste Education for EMRC Staff

National Recycling Week had a significant focus on EMRC staff activities, including an e-waste collection, waste reduction competition and swap party. A total of 863kg of e-waste was collected and the small amounts of leftover products from the swap party were donated to charity.

Information and displays about recycling are provided throughout the EMRC administration building in Belmont and staff have been given information about specific activities, such as Plastic Free July and recycling opportunities.

The EMRC promoted the member council recyclable drop-off days by advertising the dates and locations on the R-Gang website, with the aim of increasing recycling efforts across Perth's Eastern Region.

Members from the Regional Waste Education Steering Group undertook consultation with new centres throughout 2013-2014 to establish recycling processes.

The Australian Packaging Covenant, in collaboration with CFS Retail Property Trust Group, launched the Western Australian component of its national program to establish away-from-home recycling at major shopping complexes in June 2014. EMRC's Waste Education Team will promote and support this program in Perth's Eastern Region.

Earth Carer members volunteered at the Perth Royal Show, the end-of-year Earth Carer celebration and workshop, and the Perth Garden Festival.

A review of Education Centre programs and displays at the Red Hill Waste Management Facility was carried out throughout 2013-2014. The education program is being updated to cater for students from years one through to seven. Processes are in place to increase secondary school participation and to provide for more regular

community tours of the facility. Improved physical attributes of the building and new displays are to be developed and implemented in the near future.

Maintenance and review of the R-Gang website continued throughout 2013-2014, with timely and relevant information about reducing, reusing, recycling and recovering waste made available to the public.

The Waste Authority developed a draft Communication Strategy during 2013-2014, which included participation from Waste Education Officers at the EMRC. This strategy, on its final approval, will be used as the basis for the development of a waste communication plan for use within Perth's Eastern Region.

Electronic waste recycling was introduced at the Coppin Road and Mathieson Road Transfer Stations. The greenwaste receival area at the Mathieson Road Transfer Station was upgraded in November 2013. The general recycling areas at both sites have been upgraded to improve customer access and safety.

To provide resource recovery and recycling solutions in partnership with member councils

Resource Recovery Facility

In September 2013, the EMRC Council resolved to cancel the expression of interest/tender process for the Resource Recovery Facility and advise acceptable tenderers accordingly. The EMRC Council also resolved to continue with the implementation of the project.

The Minister for Environment determined appeals against the report and recommendations of the Environmental Protection Authority for the Resource Recovery Facility at Red Hill and dismissed the appeals in April 2014. The setting of all final approval conditions is now complete.

Water Monitoring

EMRC's Waste Services Environmental Operations Team provides a number of consulting services to its member councils. One of the services provided is water monitoring of contaminated sites.

In 2013-2014, water monitoring was requested by member councils and was conducted in July 2013 and February 2014, and reports were compiled on completion of all water-sampling rounds. These reports summarised water sample results, compared data to relevant guideline values, and provided interpretations and recommendations on the condition of the monitored water bodies.

EMRC's Recycled Products and By-Products

An audit for the mulch at the Red Hill Waste Management Facility was completed successfully in late 2013 by SAI Global and did not reveal any significant issues that would undermine ongoing accreditation.

An agreement has been reached with Gateway WA to supply 27,700m³ of mulch to the project over 2014/2015.

The operating hours of the Hazelmere timber grinder have been extended to meet demand for fines products.

Red Hill Waste Management Facility Rehabilitation Program

Annually, EMRC's Waste Management Environmental Operations Team coordinate a rehabilitation program for decommissioned landfill cells at the Red Hill Waste Management Facility, with an area being selected in January 2014. The design of the preparatory earthworks and drainage was conducted by the Waste Management Services Engineering Team, with advice provided by members of the Waste Management Environmental Operations Team. Site earthworks and drainage was completed by independent contractors in March 2014. The program includes direct seeding of the selected area of the decommissioned landfill cell and tubestock planting along the northern boundary of the Red Hill Waste Management Facility was completed in June.

In addition, the annual tree planting exercise at the Red Hill Waste Management Facility was conducted on 20 June 2014 with staff from Ascot Place joining with Red Hill staff to plant about 1,000 native tube stock plants in an area on Lot 12. This coincided with fundraising for Breast Cancer Care WA as part of Purple Bra Day.

To investigate leading edge waste management practices

EMRC staff and councillors attended the 2013 Landfill Conference in Brisbane and the Fremantle Waste and Recycle Conference to keep abreast of current and future waste management practices.

Consultants were engaged to conduct a review of leachate management options for the Red Hill Waste Management Facility. A preferred outcome has been recommended involving



beneficiation of the leachate and this has been budgeted for in the 2014-2015 budget.

A waste audit was completed in August 2013 on 600 general waste bins (240L) from various households throughout EMRC's six member councils. Conducted by independent waste consultants over a six-day period, it incorporated an aggregated, weight-based audit, including moisture content testing. The WA Department of Environment and Conservation's *Kerbside Waste and Recycling Audit Manual 2008* was used to guide the collection methodology.

Findings from the audit will be used by the EMRC to reinforce future waste education initiatives. The information gathered will also provide valuable insight for the Resource Recovery Facility tender process and ensure future resource recovery activities will adequately address waste being received.

The Regional Waste Education Steering Group (RWESG) meets every six weeks to review, advise and collaborate on waste education matters for the region, in particular implementation of actions to meet the objectives of the Regional Waste Education Strategy.

During 2013-2014 the RWESG has:

- Been updated on and commenced development of strategies to support the:
 - State Government (Waste Authority) initiatives such as the Waste Strategy, the Waste Communication Strategy and Be Waste Smart events planning;
 - Keep Australia Beautiful strategies for the region; and
 - Western Australian Local Government Association strategies, such as Better Bins and Recycle Right programs, the Garage Sale Trail and development of the draft Better Practice Vergeside Collection Guidelines.

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

Regional Environment Strategy 2011-2016

The *Regional Environment Strategy 2011-2016* provides an overarching framework for the delivery of EMRC's environmental services, as agreed by member councils, to ensure the environment of Perth's Eastern Region is protected and maintained.

A desktop review of the strategy was completed and a workshop was held with the Regional Advisory Group in April 2014 to undertake a minor review.

Local Environment Strategy for the City of Bayswater

The City of Bayswater Local Environment Strategy was completed and presented to the City of Bayswater for comment.

Energy auditing service

Energy audits were carried out on two member council facilities, with the assistance of Carbon Neutral. In the Shire of Mundaring, the Bilgoman Aquatic Centre was audited at Level 2 to provide baseline information for the Community Energy Efficiency Program. The City of Bayswater, Civic and Administration Centre was audited to Level 1 to provide an understanding of energy use trends; major energy-using equipment; recommendations to achieve energy efficiency; and cost benefit analysis to assist with business case preparation.

Water auditing service

The EMRC has two accredited Water Corporation Waterwise Auditors. Water audits are a great tool to improve water management and achieve significant long-term water savings. Water audits identifying a number of water and cost savings were completed for:

- Jubilee Reserve in the Town of Bassendean;
- Ascot Kayak Club in the City of Belmont;
- Operations Centre in the City of South Perth; and
- Civic Centre and Administration Building in the City of Bayswater.

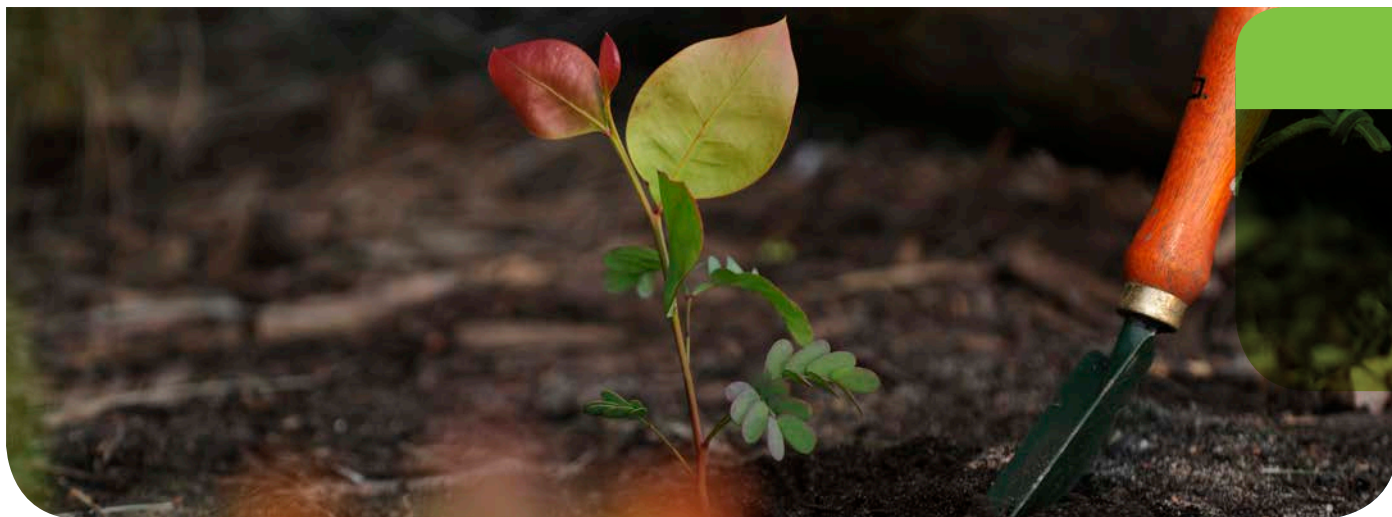
Eastern Hills Catchment Management Program

The Eastern Hills Catchment Management Program is a highly successful partnership between the Shires of Kalamunda and Mundaring, City of Swan, Swan River Trust and the EMRC. The program aims to achieve a coordinated strategic approach to the restoration of land, bushland and tributaries through a range of natural resource management activities and practices within the member councils and broader community.

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

River foreshore stabilisation work in the City of Bayswater





Private landholders and the community are assisted by the Eastern Hills Catchment Management Program with environmental activities including:

- Project planning;
- Property management advice;
- Advice and assistance with grant applications;
- Obtaining quotes and liaising with contractors;
- Flora identification and species selection;
- Erosion control;
- Weed identification and management;
- Bushland management;
- Weeding and planting activities;
- Seed collection principles, methods and ethics;
- Weed species education letters and private landholder packages;
- Dieback and marri canker inspections and advice;
- Demonstrating the use of the Marri App;
- Photo monitoring activities; and
- Revegetation plans and species selection.

Greenpage

The Greenpage Newsletter provides environmental information for Perth's Eastern Region and is distributed bi-monthly to more than 1,500 subscribers. A survey was distributed to all newsletter readers to obtain feedback on audience satisfaction and improvements required. Feedback received was extremely positive.

Helping the Helena Research Project

In an effort to determine the causes for crayfish, fish and mussel decline within the lower and middle reaches of the Helena River; the Helping the Helena Project was developed with funding from the State NRM Office. The project was supported by the Department of Water and the Swan River Trust, which provided training, guidance and assistance with sampling.

To determine whether pollutants were contributing to the scarcity of species in the lower and middle reaches of the river, the EMRC began undertaking water quality and sediment monitoring in April 2013. Sediment and water was sampled at eight sites over a period of 12 months to monitor traces of pollutants.

Key findings of the study showed that high metal contaminants, such as iron, mercury, aluminium, nickel, lead, chromium, copper and arsenic, were present in the water. In addition, surfactants were present in the water, as well as hydrocarbon and herbicide

contaminants in both sediment and water.

The results of this study will form a baseline for non-nutrient contaminants in the Helena River catchment and provide strong evidence for further investigation. The Helping the Helena Project marks the beginning of significant development in understanding how agricultural and industrial processes, past and present, are influencing the health of freshwater systems, food and drinking water.

Catchment Group Support

Two combined catchment group meetings gave community members an opportunity to network, share ideas and prioritise actions for the Eastern Hills Catchment Management Program.

Catchment group bi-monthly meetings were held for Jane Brook, Helena River, Blackadder Woodbridge, Lower Helena Association and Friends of Piesse Brook and provided assistance and advice, including the preparation of newsletters and brochures.

Draft individual Catchment Action Plans and maps were prepared and presented to each catchment group. These plans outlined management actions for the respective catchment groups and included project planning, planting schedules and other natural bushland actions.

Planting Days

Community groups were assisted to organise, coordinate and conduct planting days. A total of 15,000 seedlings were planted from July to September 2013. Assistance to community groups with their planting days included:

- Coordinating weed contractors;
- Administrative assistance;
- Order, pick-up and delivery of equipment and plants;
- Monitoring previous restoration for Lower Helena Association and Helena River sites; and
- Assisting groups with their Swan Alcoa Landcare Program projects.

Sixty students from Woodbridge Primary School were assisted and supervised to plant 800 plants at Holmesdale Wetland, with the Lower Helena Association. The Lower Helena Association also coordinated 18 community members to plant 1,500 sedges on the banks of the Helena River in Woodbridge. This was followed by a guided tour of sites in the lower Helena River.



LED street lights on Old Perth Road in the Town of Bassendean, installed as part of the Re-energising Perth's Eastern Region Project.

Promotion and Engagement

Promotional articles were published in Chidlow Chatters, EMRC's website, Eco News, Greenpage Newsletter and Perth Region NRM website relating to the Combined Catchment Group meeting, Helping the Helena Project, Marri App, Ribbons of Blue family activity day, National Tree Day activities and Plants to Residents day events at member councils.

Natural resource management projects in Perth's Eastern Region were showcased at the Zig Zag Walk in Kalamunda with more than 500 people attending.

The Eastern Hills Catchment Management Program End of Year Volunteer celebration was attended by more than 100 community members in November 2013. The Hon. Tony Simpson, Minister for Local Government, Community Services, Seniors and Volunteering, and Youth joined community members at a breakfast at the Darlington Estate Winery. Gifts were presented to catchment group representatives and all community volunteers who attended received a small gift of appreciation.

Two tours of Eastern Hills Catchment Management Program project sites were carried out in November 2013. The first tour was for the EMRC Chairman and Chief Executive Officer, followed by a tour for members from the Swan River Trust, sub-regional coordinators and a representative from Perth Region NRM. The Chairman and Chief Executive Officer visited Holmesdale Wetlands, Amherst Riverlands and Helena River site in Midland. The Swan River Trust tour extended to Throssell Road Reserve in Mundaring, Helena Valley Road, Helena Valley and Military Road Midland.

A Ribbons of Blue family activity day was held at Blackadder Wetland, where children participated in a hands-on activity with the catchment concept model, a macroinvertebrate sampling, and planted 150 trees.

A *Phytophthora cinnamomi* (dieback) treatment workshop was implemented at Talbot Road Conservation Reserve in Stratton, in the City of Swan. Volunteers included members of the public, students from Edith Cowan University, Polytechnic West Midland and land care community groups. Attendees were introduced to

the dieback disease and the target area by professionals from Department of Parks and Wildlife and Dieback Working Group.

The Bush Skills for the Hills are a series of free workshops for the community which provide a mix of information and practical hands-on sessions designed to give participants the skills to manage land, bush and creeks in Perth's Eastern Region.

Workshops included:

- Bird Identification;
- Photo Monitoring Essentials;
- Maximising Biodiversity in Our Reserves;
- Atlas of Living Australia Training;
- Remote Camera Trapping for Wildlife;
- Botanical Drawing;
- Aboriginal Cultural Heritage;
- Water Quality Sampling;
- Native Grasses - Introduction to Native Grasses Workshop; and
- Native Grasses Advanced.

Marri Canker Research project

The State NRM provided funding to undertake a research project addressing the threat of native tree decline specific to marri canker. Marri canker, or *Quambalaria spp.*, are a group of fungal pathogens causing death to marri trees, or *Corymbia calophylla*, in the south-west of WA.

There are uncertainties surrounding the distribution, severity and dispersal of the canker, so the EMRC has partnered with Murdoch University to trial treatments for marri canker and to develop a mobile phone application (app) that enables the community to act as citizen scientists to identify and report incidences of marri canker disease. This data can be monitored by researchers to help understand the disease and will aid in the development of further treatment trials to preserve marri trees across Western Australia.

The Marri App was launched in December 2013 by the Western Australian Government Chief Scientist, Professor Lyn Beazley, and was promoted in China and New Zealand through Murdoch University.

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

Water Campaign™

Water Campaign™ provides local governments with a framework and structured approach to actively assess their consumption of water and understand how their activities affect water quality within their area. The initiative, which was developed by the International Council for Local Environmental Initiatives (ICLEI) and the Australian Government, involves five milestones.

ICLEI advised that the funding to the Water Campaign™ was to be reduced as of July 2013. The EMRC liaised with ICLEI and negotiated a new agreement to enable the continued provision of services with minimal disruptions and additional costs, including training and continued delivery of service to member councils.

The table below illustrates the 2013-2014 achievements for the six councils that the EMRC has assisted to progress through the Water Campaign™ program:

Council	Achieved in 2013-2014
Town of Bassendean	Recognised for Water Campaign Milestone 5 achievement at the 2013 ICLEI Oceania Water Campaign and Waterwise Council Awards. Completed a Post Milestone 5 Re-inventory, including a review of the Water Action Plan, re-setting of the water conservation, water quality goals and target year, and identification of new water management actions.
City of Bayswater	Recognised for Water Campaign Milestone 2 and 3 achievements at the 2013 ICLEI Oceania Water Campaign and Waterwise Council Awards. Completed Milestone 4, and working towards achieving Waterwise Council status endorsement.
City of Belmont	Recognised for being re-endorsed as a Waterwise Council at the 2013 ICLEI Oceania Water Campaign and Waterwise Council Awards. Completed another Water Conservation Re-inventory including a water audit of one of the top 10 water-consuming facilities.
Shire of Mundaring	Recognised for Water Campaign Milestone 5 achievement at the 2013 ICLEI Oceania Water Campaign and Waterwise Council Awards and re-endorsed as a Waterwise Council. Completed a Post Milestone 5 Re-inventory, including a review of the Water Action Plan, re-setting of the water conservation, water quality goals and target year, and identification of new water management actions.
Shire of Swan	Council endorsed the City's Milestone 2 and 3 Water Action Plan, and ICLEI Oceania recognised the completion of Milestones 2 and 3. Undertook Water Action Plan actions implementation to progress through Milestone 4.
Town of Victoria Park	Recognised for Water Campaign Milestone 2 and 3 achievements at the 2013 ICLEI Oceania Water Campaign and Waterwise Council Awards. Undertook Water Action Plan actions implementation to progress through Milestone 4, and working towards achieving Waterwise Council Status endorsement.

Cooperative Research Centre for Water Sensitive Cities

The Cooperative Research Centre for Water Sensitive Cities (CRCWSC) is an Australian Government \$120 million interdisciplinary research centre with research hubs in Brisbane,

Melbourne, Perth and Singapore. Instigated through Monash University, the program assists government and industry in WA to:

- Support the WA Research Node at UWA;
- Support and extend activities of the existing national CRCWSC research program to ensure applicability to WA conditions; and
- Fund a local capacity building program (New Water Ways) to ensure extension and adoption of the CRCWSC program outcomes.

The EMRC is involved in the CRCWSC on a number of levels, including:

- An active financial participant since the program's inception in 2011;
- A member on the Western Region - Regional Advisory Panel, which promotes inclusive involvement of all partners, facilitates longer-term collaboration and benefits across all disciplines and levels; and
- Attending and presenting at seminars and workshops.

The Board of the CRCWSC provided a presentation to the EMRC Council in May 2014, outlining research and opportunities for partnerships with local government to implement water-sensitive cities principles, such as water-sensitive urban design.

Community Energy Efficiency Program

The EMRC leads the way with work on energy efficiency and climate change adaptation programs with its member councils. In 2012, the EMRC in partnership with the Town of Bassendean, City of Bayswater and Shire of Mundaring, received more than \$647,000 in funding from the Australian Government's Community Energy Efficiency Program. The \$1.3 million project *Re-energising Perth's Eastern Region* is carrying out energy efficiency upgrades of Bayswater Waves, Bassendean street lighting, Bayswater Library lighting and air conditioning, and a solar pool heating system at Mundaring's Bilgoman Aquatic Centre.

Major activities completed over the past 12 months included:

- Installation of LED street lights on Old Perth Road in the Town of Bassendean;
- LED lighting retrofit and installation of variable speed drive systems (VSDs) on the pool pumps at Bayswater Waves Aquatic Centre;
- Installation of a new air conditioning system and retrofit of LED lights at the Bayswater Library;
- Completion of an energy audit and installation of the solar pool water heating system at Bilgoman Aquatic Centre in the Shire of Mundaring; and
- Installation of VSDs and major plant works at Bilgoman Aquatic Centre are underway.

Promotional materials, including banners, magnets and stickers were produced throughout the year, as well as community pledges and information flyers for the Old Perth Road LED street lighting upgrade. The Old Perth Road LED street lighting upgrade launch was held in December 2013. Signage was installed and a stall was held at the Old Perth Road Twilight Markets in December 2013 as part of the community engagement for the project.

The launch of the Bayswater Library LED lighting and air conditioning upgrade was held in January 2014. The community event included a speech by City of Bayswater Mayor, Sylvan Albert; a presentation

by sustainability expert, Chris Ferreira from the Forever Project; and tour of the energy efficiency upgrades.

Sustainability and Environmental Educational Program

The Sustainability and Environmental Education Program delivers a tailored educational program, which looks at assessing behaviour change and addressing the barriers as to why people do not alter their behaviour in relation to sustainability and the environment. This program is being carried out by the Shire of Mundaring and City of Bayswater.

Development of the vision and outcomes for these projects is underway, with the Shire of Mundaring choosing a focus on staff education and the City of Bayswater focusing on community education and schools engagement. These projects have been designed with reporting and accountability in mind and will involve baseline assessments prior to education and information delivery.

A Staff Sustainability Benchmarking Survey was developed for the Shire of Mundaring to assess the level of knowledge and engagement of staff in relation to sustainability and the environment. A companion Schools Sustainability Benchmarking Survey is being finalised. Research has indicated that sustainability and environmental education is available through existing resources, however schools and individual teachers may not be aware of, or supported to deliver, the education or development of a sustainability culture.

A program of community sustainability education has been developed for the City of Bayswater to review prior to implementation.

To address climate change issues within the region

ACER Program

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

Some of the key achievements for 2013-2014 included:

Council	Achieved in 2013-2014
Town of Bassendean	Continued implementation of the Town's Emissions Reporting Platform occurred, including completion of baseline data. The Carbon Reduction Strategy was finalised and accepted. Data Management Guidelines were completed. A workshop was held with the Town's Energy Team to set targets and develop actions. The Carbon Action Plan was developed and technical advice to assist with action implementation was provided. The Emissions Report Card template for the annual reporting of emissions and achievements to the Town's council was developed and a reporting timeframe agreed. Home Energy Audit Kits were updated and use of the kits was demonstrated to library staff.
City of Bayswater	Continued implementation of the City's Emissions Reporting Platform occurred. The Carbon Reduction Strategy was finalised and presented to the City for comment. A guide for determining if the installation of a photovoltaic system (solar panels) is viable for community facilities was developed. Home Energy Audit Kits were updated and the use of the kits was demonstrated to library staff.
City of Belmont	Continued implementation of the City's Emissions Reporting Platform occurred. Data Management Guidelines were completed. The Emissions Report Card template for the annual reporting of emissions and achievements to the City's council was developed. Technical assistance was provided to assist with the implementation of current and development of future carbon reduction actions in the City's Environment Plan. Home Energy Audit Kits were updated and the use of the kits was demonstrated to library staff.
Shire of Mundaring	Continued implementation of the Shire's Emissions Reporting Platform occurred. The draft Carbon Reduction Strategy was presented to the Shire for review by the Sustainability Working Group. Data Management Guidelines were drafted. The Carbon Action Plan was drafted.
EMRC	Continued implementation of EMRC's Emissions Reporting Platform occurred. The Ascot Place Fleet vehicle emissions and staff and councillor air travel emissions were offset through Carbon Neutral. A submission was provided in response to the Australian Government's Emissions Reduction Fund Green Paper.





Future Proofing - Regional Climate Change Adaptation Program

The *Regional Climate Change Adaptation Action Plan 2013-2016* is EMRC's key strategic document to assist with future-proofing Perth's Eastern Region. The plan comprises 10 priority risk areas that contain actions for implementing climate change adaptation across Perth's Eastern Region. They include:

- Infrastructure failure;
- Impacts on essential services;
- Watercourse damage and loss;
- Increasing bushfires;
- Water decline and reduced water quality;
- Greenhouse gas emissions and related air pollution;
- Loss of ecosystems and provision of public open space;
- Decline in population health and wellbeing;
- Economic challenges and opportunities; and
- Changing leadership and development requirements.

The EMRC was recognised by the Australian Government as a leader in adaptation in November 2013. A meeting with representatives from the Department of Environment's Adaptation and Science Division sought information and feedback on EMRC's experiences from developing and implementing the Regional and Local Climate Change Adaptation Action Plans.

A review of the Local Climate Change Adaptation Action Plans continued to align them with the EMRC and member council's Strategic Community and Corporate Business Plans. Priority areas identified included health, flooding and fire, with the need to pursue additional review and research in the future.

The Climate Change Risk Awareness Seminar Series was launched in November 2013. The launch brought together important decision makers and stakeholders to discuss the impacts of climate change and look at the strategic direction that the EMRC and participating member councils were taking in relation to climate change adaptation. Five seminars will be held over 18 months, targeted at local government officers and stakeholders focusing on climate change impacts. Topics will include science, health, water, natural environment and infrastructure.

The first seminar in the Climate Change Risk Awareness Seminar Series entitled 'Know the Risks: How will climate change impact you in your workplace?' was held in March 2014 at the Bassendean Memorial Library.

A presentation was given to the CRC for Water Sensitive Cities in relation to the Future Proofing Program and the associated Regional and Local Climate Change Adaptation Action Plans.

A briefing paper in relation to the impacts of the Australian Government's Direct Action Plan was presented to Council and provided to participating member councils.

Some of the key achievements for 2013-2014 included:

Council	Achieved in 2013-2014
Town of Bassendean	<p>The Town hosted the first Climate Change Risk Awareness Seminar, 'Know the Risks: How will climate change impact you in your workplace?' in March 2014.</p> <p>An acid sulfate soils workshop was developed for the Town in collaboration with the Department of Environmental Regulation.</p>
City of Bayswater	<p>The City's Local Climate Change Adaptation Action Plan was endorsed in July 2013.</p> <p>The key focus area for the City of Bayswater is urban heat island and how the City can minimise its impacts.</p>
City of Belmont	<p>A review of the City's Local Climate Change Adaptation Action Plan was completed, including staff consultation, reviewing actions and updating the City's status.</p>
Shire of Mundaring	<p>Each action within the Shire's Local Climate Change Adaptation Action Plan was reviewed, progress updated and linkages made to other strategic documentation.</p> <p>Bushfire Management Plans were researched to identify opportunities in relation to community workshops.</p>
Shire of Kalamunda	<p>The Shire's Health Officers were engaged to integrate the impacts of climate change in the Shire's new Community Health and Wellbeing Plan.</p>

Key Result Area: 2

Social Opportunities





The Family Fun Days engage the local community with the race, through live commentary, free and low-cost activities and free entertainment.



To facilitate regional cultural and recreational activities

Regional tourism website - perthtourism.com.au

The perthtourism.com.au website is an online portal maintained by the EMRC that provides information to residents and visitors on events, trails and experiences in the region. It is also the central source of information for the region's two main events – Perth's Autumn Festival and the Avon Descent Family Fun Days – and provides free promotion of community events and EMRC's *Cycle Perth's Eastern Region* brochure.

The site has been available in Japanese since 2010 and is now also available in Chinese. The milestone of 100,000 unique visitors was reached for the first time this year, which demonstrates a growing awareness and interest in Perth's Eastern Region and a greater desire to access information electronically.

Avon Descent Family Fun Days

The Avon Descent Family Fun Days comprise five free community events held alongside the Avon Descent white water race. The Family Fun Days engage the local community with the race, through live commentary, free and low-cost activities and free entertainment. The EMRC secured \$250,500 (ex GST) from Lotterywest to support staging costs of the 2013 events presented by the local governments of Northam, Toodyay, Swan, Belmont and Bayswater, as well as a regional marketing campaign facilitated by the EMRC. The marketing campaign promotes the Family Fun Day events to the local community, Perth metropolitan community and wider intrastate area. More than 25,000 people attended the Family Fun Days in 2013.

Perth's Autumn Festival

Perth's Autumn Festival has been a highlight of EMRC's regional event program since 2000. The festival program has evolved from the promotion of several events held over one weekend to a suite of weekend events held within each of EMRC's six member councils over a seven-week period in autumn. The events promoted included art, food and wine experiences, leisurely bike rides and community festivals. Two new events to the Festival this year were the Town of Bassendean's Open, whereby highly acclaimed local artists invited the community into their studios, and Velofest, an elite cycling event in the Shire of Kalamunda.

The EMRC secured a grant from Lotterywest for \$20,000 (ex GST) to support the staging costs of the Autumn River Festivals in

Belmont and Bayswater, and Bike in the Valley held by the City of Swan. The EMRC also facilitated the regional marketing campaign and assisted councils in cross-promotion of the events and in the production of 'Clean and Green' action plans. The regional marketing campaign was supported by Perth Airport, Department of Transport's Cycle Instead Bikeweek and 6PR. Perth's Autumn Festival reflects the diversity of the community, organisations and the region itself, providing immediate and long-term economic impact and benefits.

Swan and Helena Rivers Framework

A major review of the Swan and Helena Rivers Management Framework was carried out by an external consultant. The review included consultation with key stakeholders and a workshop to identify future priorities for the framework.

The *Regional Aboriginal Consultation Guidelines* document was presented to the Your Way Our Way workshops, organised by Perth Region Natural Resource Management (NRM).

The EMRC represented Town of Bassendean, City of Bayswater and City of Belmont on the Swan River Trust Swan Canning River Master Trails Plan Advisory Group. The plan is in draft form and has incorporated the *Swan and Helena Rivers Regional Recreational Path Development Plan* information for Perth's Eastern Region.



Key Result Area: 3

Economic Development



“EMRC’s workplace cluster travel plans have generated interest from the Department of Transport’s TravelSmart Workplace Team...”

To facilitate increased investment in regional infrastructure

Continue the implementation of the *Regional Integrated Transport Strategy*

Perth’s Eastern Region requires a transport network that is efficient, safe and integrates all modes of transport to enable access to services, employment and facilities. This is vital for Perth’s Eastern Region, where the coverage and frequency of existing services is constrained, especially between major activity centres, industrial areas and residential areas.

The *Regional Integrated Transport Strategy* was redeveloped through a consultant review and workshopping of key focus actions and priority projects for Perth’s Eastern Region with the Regional Integrated Transport Strategy Implementation Advisory Group. The Regional Integrated Transport Strategy 2014-2016 will guide advocacy priorities and outline projects to be carried out in the 2014-2016 timeframe.

Curtin University Research - Integrating Future Land Use to Proposed Public Transport Infrastructure

Curtin University’s Department of Urban and Regional Planning team has partnered with the EMRC to investigate and audit identified public transport routes to establish the development potential of land situated one kilometre either side of the routes.

The State Government’s *Public Transport Plan for Perth 2031* outlined expansion of the public transport network in Perth and identified several routes similar to those identified by the community in the EMRC forums, including the Airport Forresterfield link, Ellenbrook and Mundaring to Midland.

The second component of the Integrating Future Land Use to Proposed Public Transport Infrastructure study will involve a series of stakeholder engagement events. With an emphasis on land use and transport integration, these events will encourage the community to envision the future development of land along these routes and where stations could be. This component of the study includes consultation forums/workshops with developers, the community, state and local government and will conclude later in 2014.

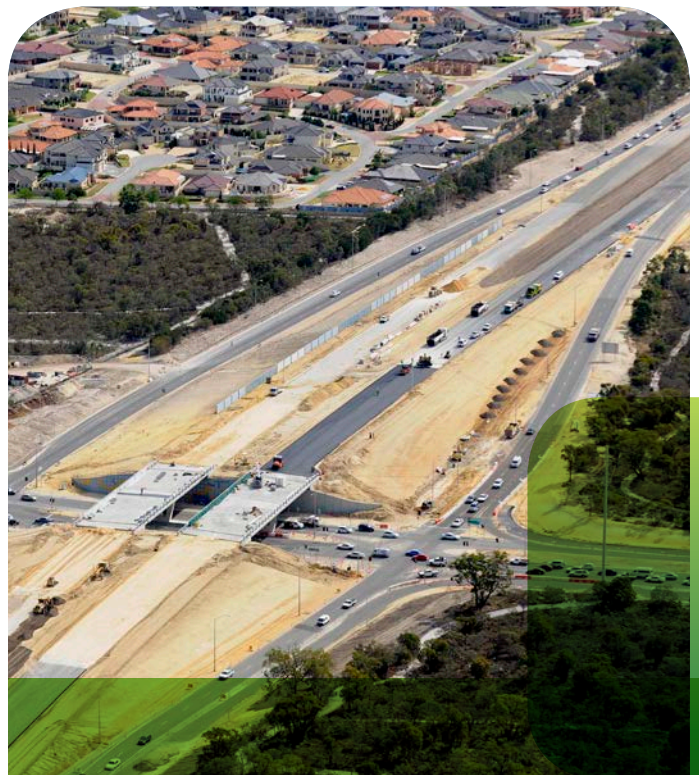
Outcomes of the research will be used to support future funding applications and underpin regional transport advocacy by the EMRC at state and federal levels, on behalf of the member councils.

TravelSmart

2013-2014 was the second year of EMRC’s involvement in the promotion of TravelSmart initiatives across Perth’s Eastern Region, exploring ways to promote and engage local communities in initiatives such as TravelSmart to School, Walking School Bus, Living Smart and TravelSmart Workplace Programs. The EMRC also focused its efforts on assisting workplaces to be more competitive in future grant funding rounds.

The workplace cluster travel planning process has been initiated at the Maylands Activity Centre to encourage businesses and employees to consider alternative forms of transport to work, with an aim to improve access, promote a sense of community, boost healthy activity and reduce traffic and pollution. Workplace travel planning has been carried out for staff at the EMRC, Shire of Kalamunda and the Town of Bassendean.

EMRC’s workplace cluster travel plans have generated interest from the Department of Transport’s TravelSmart Workplace Team and will be evaluated to improve engagement of local business to the program.



To facilitate regional economic development activities

Regional Profile Tools

The EMRC continued subscriptions to REMPLAN, profile.id and atlas.id. These tools capture economic and socio-demographic profiling data for Perth's Eastern Region and individual councils, and provide member councils and stakeholders with online access to the profiling data.

The EMRC reviewed economic profiling tools available in 2013-2014 and, in consultation with the Economic Development Officers Group, determined REMPLAN remained best suited to the needs of the councils and the EMRC. The EMRC brokered a solution for 'on-site' access to the software. Member councils were afforded an opportunity to purchase direct access to REMPLAN at a significantly reduced fee, negating the need to access it via the EMRC administration office and resulting in financial and time-saving benefits.

Annual training for member councils and key stakeholders has been provided for the regional profiling tools during 2013-2014. The economic profile for the region is available to the public from EMRC's website, in English and Chinese, to promote the region internationally and attract investment opportunities.

Showcase Tour Series

The Showcase Tour Series, now known as the Advancing Perth's Eastern Region Tour Series focuses on strategic areas of the region's growth and development that are aligned with the state's *Directions 2031 and Beyond* framework or specific member council development priorities.

In February 2014, the Advancing Perth's Eastern Region Tour Series focused on the City of Bayswater and the Town of Bassendean and was attended by a variety of State Government and local government officials, business owners and the EMRC. The tour provided opportunities for key stakeholders to experience Perth Eastern Region's rapid growth and to hear from the Department of Planning, Public Transport Authority and representatives from the Town of Bassendean and City of Bayswater about their opportunities and challenges. This tour highlighted significant developments,

issues and opportunities in the strategic metropolitan centre of Morley, Ashfield Precinct, Bayswater Train Station re-development and the thriving Maylands town centre.

Industry Engagement Framework

The Industry Engagement Framework and Business Insights Program continued in 2013-2014.

The Business Insights Program presents a channel for member councils to promote their profile through an online two-way information exchange, networking with local businesses. This supports a number of *Regional Economic Development Strategy* actions relating to advocacy, education, business improvement and regional promotion activities.

The Industry Engagement Framework Toolkit comprises three tools specifically chosen to capture feedback from business and industry in Perth's Eastern Region, and facilitates engagement to develop future tailored support strategies.

These include:

- A survey to capture a snapshot of key issues facing businesses;
- A workshop to explore key issues and collaboratively brainstorm solutions;
- A website to provide an online forum for extended engagement to discuss issues and solutions.

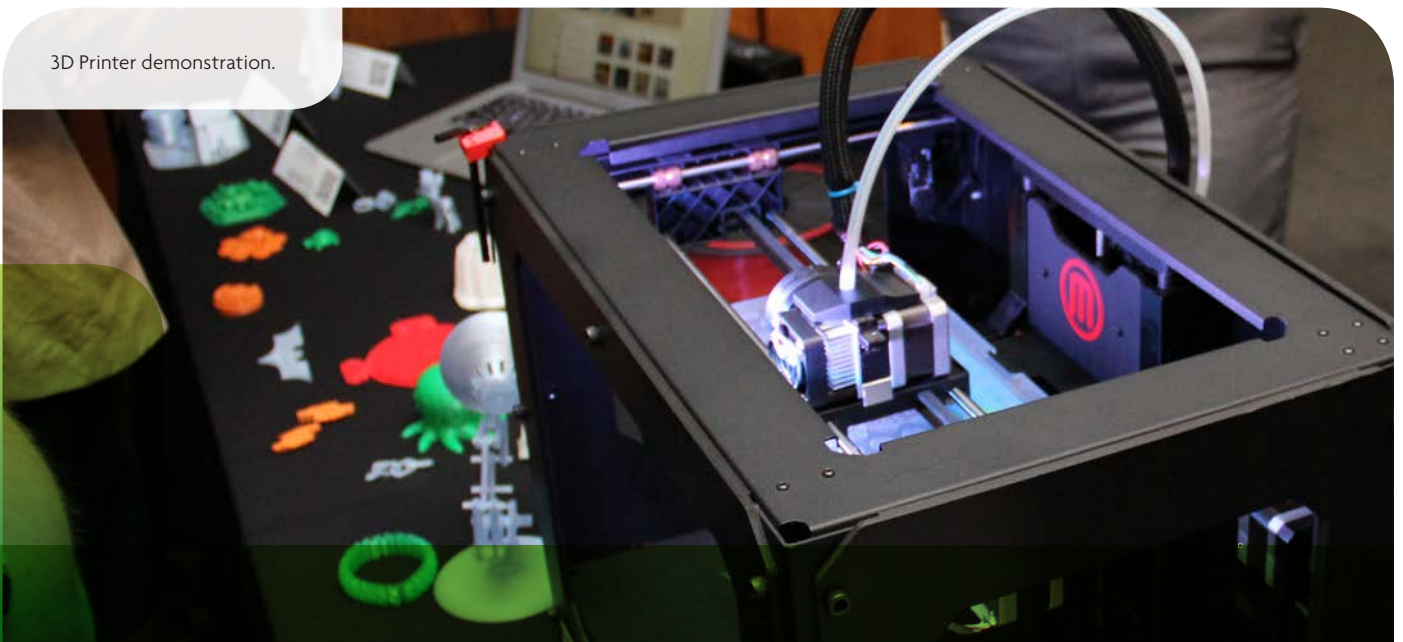
More than 400 members of the business community participated in one or more of the project tools during 2013-2014. The key findings from the participation identified:

- Issue of skills development for small-to-medium enterprises;
- Underutilisation of technology in skills development; and
- Ability to attract skilled staff.

Regional Digital Strategy

The *Regional Digital Strategy* was developed through extensive consultation with partnering member councils via the Economic Development Officers Group, business, industry and the community, and was endorsed by EMRC Council in August 2013.

3D Printer demonstration.





The *Regional Digital Strategy* acts as a guide for the delivery of regional digital technology activities to complement member council strategies and priorities, as well as the Federal and State Governments' digital strategy direction.

A local digital strategy toolkit forms part of the overall implementation of the *Regional Digital Strategy* and provides a staged approach for individual councils to develop and implement local digital strategies that support economic, social and environmental outcomes.

Actions carried out during 2013-2014 include:

- Development of digital exemplar videos, providing short testimonial videos from local businesses leading the way with the use of digital technologies, to advocate opportunities arising from digital technologies to the broader business community;
- Preparation of a co-working spaces business case for participating member councils to assist them when considering the viability and establishment of the various co-working spaces model options; and
- Hosting a series of workshops to support the delivery of the Digital Enterprise Program in Perth's Eastern Region. The workshops focused on developing the digital preparedness of businesses and industries to assist them with capitalising on digital technologies to maintain their viability and competitiveness.

The *Regional Digital Strategy* continues to assist with strengthening and diversifying the economy, contributing to business viability and providing access to services and sustainable employment for the Eastern Metropolitan Region residents, businesses and local governments.

Regional Youth Summit

Young people from across Perth's Eastern Region were given an opportunity to engage at the 'All 4 Youth Summit' in August 2013. The Summit was a showcasing event for the North East Metropolitan Region to increase awareness of best-practice approaches among the youth sector. The summit, attended by 124 people, was coordinated by Rise Community Support Network and sponsored by the EMRC.

Interstate Presentation

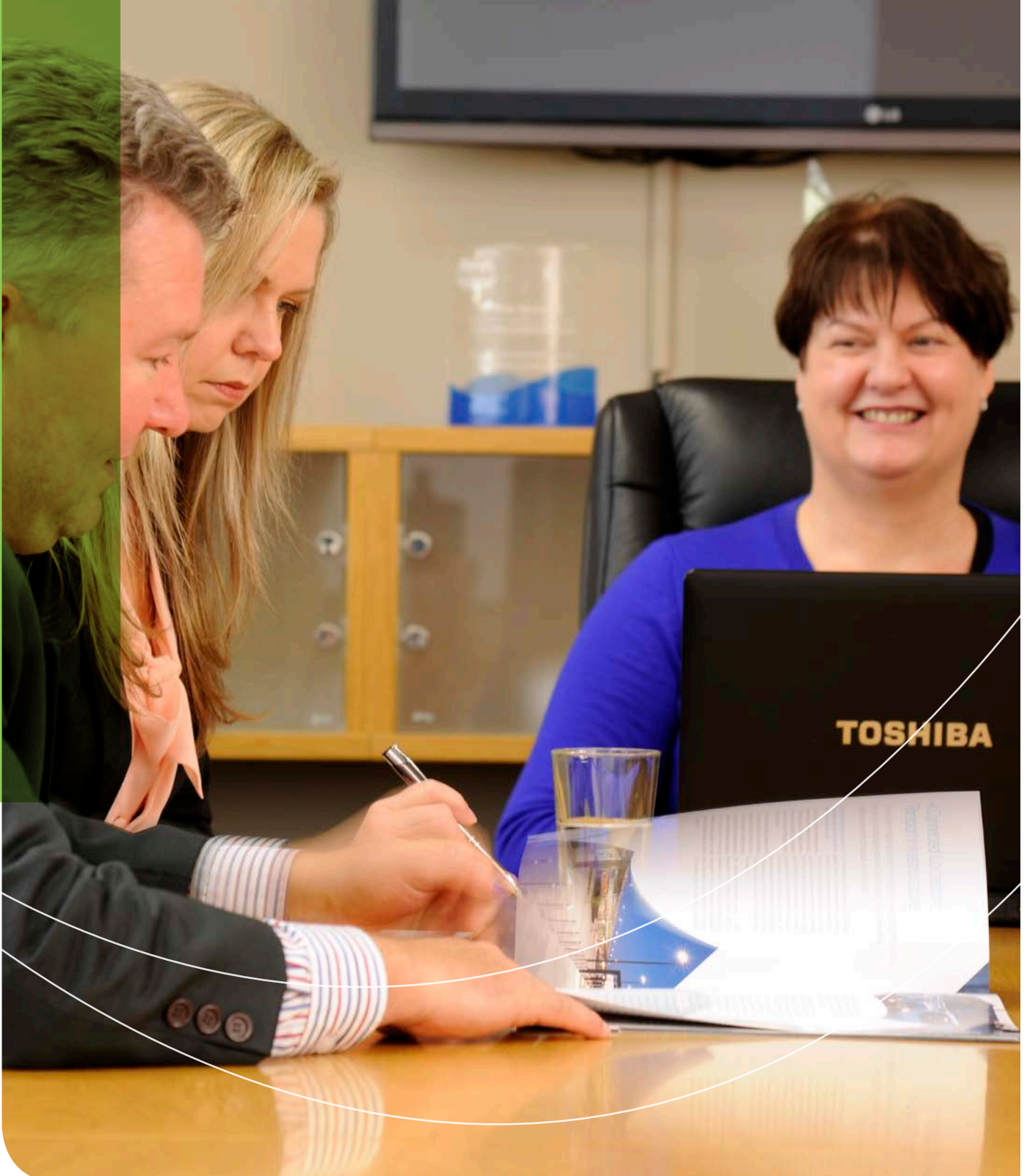
The EMRC, South West Group and Metropolitan Redevelopment Authority co-hosted a presentation from representatives of the Tonsley Redevelopment Project. Tonsley represents a \$253 million investment by the South Australian Government to integrate industry, education, research, residential accommodation and community amenities on the 61ha former Mitsubishi Motors manufacturing site in Southern Adelaide. The site also has a commitment to sustainability in building design and construction, infrastructure, lighting, energy, water and waste systems.

The presentation took place at the Midland Railway Institute Building and brought together professionals from economic development, urban planning and environment to share knowledge on a new model for high-value manufacturing. It also presented a new framework for investment in infrastructure delivery and in partnering with the private sector.

Key considerations in the planning of the site included business and industry clustering opportunities, sharing of talent pools and technological advancements. The site will host research and development institutions, including TAFE South Australia's Sustainable Industries Education Centre and Flinders University School of Computer Science, Engineering and Mathematics.

Key Result Area: 4

Good Governance



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

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

Implementation of the Regional Advocacy Strategy 2013-2016

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

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

The focus of regional advocacy actions for 2013-2014 was on a range of issues raised by member councils and outlined in EMRC's *Regional Economic Development Strategy*, *Regional Integrated Transport Strategy*, *Regional Environment Strategy* and the *Regional Climate Change Adaptation Action Plan*.

Topics raised at meetings with politicians have included issues facing the Swan and Helena River systems; local government reform in relation to waste management and regional councils; strategic transport and road infrastructure, including Great Eastern Highway Mundaring safety issues; the need for the Perth Airport rail link; and the need for a university presence in the region.

The *Perth's Eastern Region Investment and Opportunity* document aims to attract investment and increase awareness of Perth's Eastern Region. This document is applicable to the achievement of outcomes in the *Regional Economic Development Strategy 2010-2015* and the *Regional Advocacy Strategy 2013-2016*, and is available in hard copy and on EMRC's website.

Links to *Perth's Eastern Region Investment and Opportunity* were provided to Property Council WA, Mirvac Fini, CB Richard Ellis, City of Perth, Department of State Development, regional economic development officers, member council CEOs and at a Strategic Briefing Session to EMRC Councillors.

The State Government held a community cabinet meeting at the EMRC on 24 March 2014, attended by the Premier, cabinet ministers and local members, giving the EMRC an opportunity to increase awareness of the strengths and opportunities of Perth's Eastern Region.

Following the meeting, a tour to discuss issues facing the Swan River foreshore took place, whereby the ministers saw first-hand the completed and proposed foreshore restoration works at Garvey Park. Land management issues facing the Ashfield Flats reserve were discussed on-site with representatives from the Town of Bassendean.

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

- Swan Valley Land Use and Management Discussion Paper;
- Draft State Planning Strategy;
- Securing Western Australia's Water Future – a position paper;
- Australian Government – Emissions Reduction Fund – Terms of Reference, Green Paper, White Paper;
- Australian Government – Repealing the Carbon Tax consultation;
- City of Belmont Bike Plan 2013-2018;
- Town of Bassendean Local Bike Plan;
- Draft Western Australian State Aviation Strategy;
- Review of the Swan Region Strategy for Natural Resource Management;
- Statement of Requirements for Green Army;
- Emissions Reduction Fund Green Paper;
- Australian Government Climate Adaptation Outlook;
- City of Belmont Draft Foreshore Precinct Plan; and
- City of Swan Transport Strategy.

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

- Gateway Project Coordination Group;
- Perth Region NRM - Swan NRM Committee;
- Regional Development Australia Perth Committee Inc.;
- Swan Canning Riverpark Iconic Trails Steering Group;
- Swan River Trust Committees; including Technical Advisory Group, Catchment Management;
- WALGA Greensense Emissions Reporting Platform and Climate Change Senior Officers Group;
- Sustainability Officers Networking Group;
- CRC for Water Sensitive Cities;
- Forum of Regional Councils;
- Municipal Waste Advisory Council and committees - Officers Advisory Group, Household Hazardous Waste Committee, Contaminated Sites Committee;



Left to right: EMRC Chairman, Cr Dr Alan Pilgrim; Member for Belmont, Mrs Glenys Godfrey MLA; Premier, Hon Colin Barnett MEC MLA; and EMRC CEO, Mr Peter Schneider after the community cabinet meeting at the EMRC.

- Australian Landfill Owners Association;
- Waste Management Association of Australia; and
- Strategic Waste Infrastructure Planning Working Group (Waste Authority).

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

The future sustainability of Perth's Eastern Region will be largely dependent on the strength and ability of the region to pool its resources to compete for, and attract, government and private sector funding.

To manage partnerships and relationships with stakeholders

The EMRC conducted the 2014 Biennial Stakeholder Perception Survey from May to June 2014. This research enables the EMRC to track its performance against a number of strategic objectives and perception-based key result areas, as defined in *EMRC's Strategic Plan for the Future*, by measuring stakeholder awareness and satisfaction with EMRC's services and projects. Findings are used to improve service delivery and help develop strategic, business and communications planning.

The annual EMRC Community Grants Program supports community groups in the vicinity of the Red Hill Waste Management Facility. The program has assisted numerous groups to develop a wide range of projects since its inception in 1997. This year's successful grant recipients were recognised with a special cheque presentation ceremony, held at the Red Hill Waste Management Facility.

Meetings of the Red Hill Community Liaison Group continued throughout the year to provide a forum for neighbours to be briefed on site development issues and have any concerns addressed. Four meetings were held during the year.

The Waste Management Community Reference Group met four times during the year for briefings on the Resource Recovery Project and waste education initiatives.

Further community engagement specific to the Resource Recovery Facility included timely website updates and update briefings with the Shire of Mundaring, City of Swan and the City of Bayswater.

Community activities were organised for National Recycling Week and included:

- Tours to Marvel Glass in Midland; an innovative facility which fuses broken glass into sheets that can be used for benchtops, wall and floor tiles, and other high-quality building products;
- A tour of the Cleanaway Materials Recovery Facility in Maddington; and
- A worm farming workshop.

The Environmental Operations Team continued to provide environmental consultancy services to member councils. Projects completed included contaminated site assessments, compliance monitoring and reporting, preparation of environmental management plans and remediation of contaminated sites.

To provide responsible and accountable governance and management of the EMRC

EMRC's Integrated Planning Framework

EMRC 2022 - 10 Year Strategic Plan (Strategic Plan) is the organisation's key strategic document used to develop activities focused on achieving EMRC's vision: 'To be a responsive and innovative leader in assisting Perth's Eastern Region to be a great place to live, work, play and do business'.

Business planning sessions were held with each directorate and individual business units, where business plans were developed and used as inputs into the development of project plans and formulation of the 2014-2015 Annual Budget.

Staff development and performance within an integrated planning framework were linked back to the Strategic Plan. Individual staff member's objectives were recorded into a formal Personal Commitment Plan and staff reported progress on a quarterly basis.

A report against EMRC's five-year Corporate Business Plan 2013/2014 to 2017/2018 (Corporate Business Plan) was presented to Council on 20 February 2014. The report provided Council with information in relation to the achievements of projects and programs.

The Corporate Business Plan was reviewed as part of the 2014-2015 annual budget development process. It sets out the actions staff will undertake over the next five years to deliver on the Strategic Plan.

To continue to improve financial and asset management practices

Following an upgrade in the SynergySoft software during the 2013-2014 financial year, EMRC's financial reports, which were previously designed to provide five-year financial forecasts, were re-designed to accommodate 10-year forecast reporting.

The EMRC is in the process of migrating its asset management system into SynergySoft to ensure integration with its financial reporting. Additional features within the module will improve the management of assets, including long-term planning.

During 2013-2014, the EMRC reviewed a Direct Debit system to improve customer experience through an efficient payment process of invoices, as well as improving the credit management processes. The system will be introduced in 2014/2015 and is expected to improve payment time and reduce administration time.

The Annual Condition Report of all plant and equipment at the Red Hill Waste Management Facility was completed in January 2014. This report was used to update the Plant Replacement Program and to develop the 2014-2015 Plant Replacement Capital Budget.

An internal asset audit and reconciliation of all pumps on-site was completed in July 2013. An internal asset audit of the disposal bins on-site was completed in February 2014. A full Red Hill asset audit was also conducted throughout June 2014 in conjunction with an independent auditor.

Document and Records Management

The Electronic Document and Records Management System (EDRMS) is instrumental in assisting the EMRC in executing its obligations under the *State Records Act 2000*. Following the cessation of support by the software vendor, the EMRC procured a new replacement records management system.

The HP TRIM Records Management System was implemented on 1 October 2013 and will allow the EMRC to achieve productivity gains by modernising the supporting IT infrastructure. Since implementation, there have been 9,876 new documents registered and 739 new folders created.

IBM SAN

In preparation for the implementation of TRIM, a new IBM SAN (Storage Attached Network) with a capacity of 15 TB (15,000 GB) was implemented in August 2013.

Ongoing Asset Replacement

The EMRC Asset Replacement Plan details the replacement of IT infrastructure. The following items of equipment were replaced:

- Backup Tape Library.
- FortiGate Internet Firewall/Router.
- Red Hill server.
- Primary Domain Controller. This replacement was made in conjunction with an upgrade of EMRC's domain management software, Active Directory, to the current version (Windows Server 2012 R2).

To improve organisational culture, health, welfare and safety

The Safety Advisory Committee, the Risk Management Steering Group and the Management Group provide the main forums to discuss and address key risk issues within the operations.

The organisation had four workers compensation claims during the year, which was one less than for last financial year. Three of the four claims were also lost-time injuries.

There was greater use made of the Annual Risk Workshop process during the year, with eight separate operational teams participating. The objective of this process is to ensure that all major risks to the EMRC operations are identified and risk treatment plans are developed as dictated by the measured level of risk. The principle outcomes are:

- Greater preparedness for future business-related threats;
- Providing adequate allowance within the annual budget process to ensure risk management effort is properly resourced; and
- A more comprehensive corporate risk register with detailed risk treatment plans.



With respect to injury prevention, the main elements of the safety management system continued to be:

- Comprehensive new staff OH&S Induction processes;
- Accident/incident reporting;
- Hazard identification and reporting processes; and
- Emergency response with up-to-date documentation and quarterly drills.

The Health Promotion Program was again well supported by staff, who participated in health education sessions, influenza vaccinations, subsidised swimming (pool vouchers) and yoga classes. The Health Promotion Planning Group continued to explore ways to improve the level of staff physical activity.

The EMRC continued to work toward the proposed work health and safety laws. The main focus for the EMRC has been in the area of contractor management, where there has been a general tightening-up of OH&S requirements.

Other Highlights and Achievements

Significant risk-related achievements for the year included:

- Individual staff training to facilitate the use of the Risk Management information software, which will greatly enhance the organisation's ability to deal with and monitor threats to staff, and the organisation as a whole.
- The majority of the high-level OH&S-related management guidelines were approved by management during the year, improving the currency and effectiveness of the safety management system.

Senior management continued to play a close and active role towards injury and loss prevention.

Develop and Implement a Workforce Plan

An internal training calendar was developed and implemented to provide staff skills in internal procedures such as procurement, records management and safety. Staff also continued to enhance their skills and knowledge by attending relevant training courses, identified as a result of their annual performance reviews. Managers and supervisors also received training in Equal Employment

Opportunity, which was delivered by the Equal Opportunity Commission.

Efforts to develop an inclusive culture, focused on working as a high-performing team at the EMRC continued, including:

- Group training at Ascot Place and Red Hill, with staff across the organisation attending.
- The CEO regularly attended toolbox meetings at Red Hill and Hazelmere.
- Executive Management Team meetings were held at Red Hill so operational staff could meet the executive team.
- The annual Staff Tree Planting Day was organised, whereby indoor and outdoor staff work together at Red Hill to plant trees on the slopes of landfill cells.
- A combined staff Christmas party was organised.
- HR days were organised at the Operations sites so staff could discuss any queries.
- The Rewards and Recognition Program continued with the 2013 Employee of the Year, Adrian Carr, being recognised at the annual staff Christmas party.

Review of the Safety Training Programs

The Safety Training Program is developed annually for the Red Hill Waste Management Facility, Hazelmere Resource Recovery Park and the Shire of Mundaring Transfer Stations, with the assistance of the Manager Risk Services.

This financial year the following safety training was conducted between the sites:

- Apply First Aid.
- Dealing with Stressful Situations and Behaviours.
- Defibrillator Familiarisation.
- EMRC Injury Management.
- Managing Household Hazardous Waste.
- New Supervisor Training.
- OH&S Safety Inductions – Outdoor Environments.
- OH&S Safety Inductions – Indoor Environments.
- Red Hill Mock Emergency Evacuation.
- Safe Operation of Articulated Dump Trucks.
- Safety Perceptions.
- Snake Bite First Aid.



Statutory Reports

Statutory Compliance Return

The Statutory Compliance Return for the period 1 January 2013 to 31 December 2013 was completed and referred to the Audit Committee meeting held on 6 March 2014 and the ordinary meeting of the Council held on 20 March 2014. A certified copy of the completed Statutory Compliance Return, along with the relevant section of the minutes was submitted to the Department of Local Government on 21 March 2014.

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

National Competition Policy

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

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

The EMRC supports the CPA concept. As such, a cost benefit analysis of operations was conducted. The analysis concluded that none of the core services – operation of the Red Hill Waste Management Facility, occupational health and safety services, and environmental services – should be subject to competitive neutrality principles.

Furthermore, the EMRC has not received notification that the Australian Bureau of Statistics has classified any of its operations as either public trading or public financial enterprises.

No allegations of non-compliance with the principles have been made against the EMRC.

Register of Complaints

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

There have been no registered complaints against the EMRC Council Members during the 2013-2014 financial year.

Payments to Employees

a) The number of EMRC employees entitled to an annual salary of \$100,000 or more	Seven staff members			
	\$100,000 to \$109,999	\$120,000 to \$129,999	\$140,000 to \$149,999	\$200,000 to \$209,999
b) The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000	Three staff members	One staff member	Two staff members	One staff member

Plan for the Future

Section 5.53(2)(e) of the *Local Government Act 1995* requires local governments to provide an overview of the 'plan for the future', including the major initiatives that are proposed to commence, or to continue, in the next financial year. Full details are contained within EMRC's *Corporate Business Plan 2014/2015 to 2018/2019*.

Key Result Area 1 - Environmental Sustainability	Key Result Area 2 - Social Opportunities
<p>Red Hill Waste Management Facility</p> <ul style="list-style-type: none"> Construct leachate, siltation, stormwater and nutrient stripping ponds Construct Class III cells – Stage 14 and 15 Design and construct Class IV cell Stage 2 Relocate greenwaste processing area <p>Hazelmere Resource Recovery Park</p> <ul style="list-style-type: none"> Continue wood waste recycling Continue mattress recycling Construct Hazelmere Wood Waste to Energy Plant Construct commercial and industrial waste building <p>Waste Education</p> <ul style="list-style-type: none"> Implement the Waste Education Strategy <p>Environmental Projects</p> <ul style="list-style-type: none"> Continue the Eastern Hills Catchment Management Program Continue the Water Campaign Implement the Community Energy Efficiency Program (CEEP) Continue the ACER program Continue the Regional Climate Change Adaptation Action Plan 	<ul style="list-style-type: none"> Coordinate the Avon Descent Family Fun Days Coordinate Perth's Autumn Festival Review the Swan and Helena Rivers Management Framework
	Key Result Area 3 - Economic Development
	<ul style="list-style-type: none"> Continue the implementation of the Regional Integrated Transport Strategy Continue the implementation of the Regional Economic Development Strategy Implement the Regional Digital Strategy
	Key Result Area 4 - Good Governance
	<ul style="list-style-type: none"> Continue to implement the Regional Advocacy Strategy

Public Interest Disclosure Act 1998

During 2013-2014, the EMRC received no public interest disclosure applications.

State Records Act 2000

The Administration and Compliance Team provided record keeping in accordance with its record keeping plan throughout 2013-2014.

In October 2013 the EMRC implemented the use of TRIM, a new electronic document records management system. As a result, the EMRC wrote to the State Records Commission detailing the anticipated length of time for changes in practices to be standardised and documented, hence looking to review and resubmit a new record keeping plan by December 2014. The State Records Commission tabled the EMRC's letter on 21 March 2014. EMRC's amended plan will take into account the issues identified in the report and address outstanding compliance requirements by December 2014.

EMRC's primary electronic document records management system, TRIM, has had 9,876 documents saved by staff since its implementation in October 2013.

Records management training was conducted when the new system was implemented, along with many other staff information sessions relating to corporate record keeping. Records inductions are also provided to all new staff members. A help-desk service is provided to all staff, along with ongoing training sessions for TRIM users.

Freedom of Information

During the 2013-2014 period, the EMRC received no freedom of information enquiries.

Disability Services Act 1993

EMRC's Disability Access and Inclusion Plan 2013/2014 to 2017/2018 was reviewed and adopted by Council in August 2013 following a 42-day public consultation period. The objectives of the plan are to ensure that the EMRC delivers facilities, services and events that are open, available and accessible to the whole community, regardless of ability, ethnicity, gender, age or any other perceived difference.

Statement by Chief Executive Officer

EASTERN METROPOLITAN REGIONAL COUNCIL

CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT)
REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

As the Chief Executive Officer of the Eastern Metropolitan Regional Council, I declare that the accompanying concise financial report for the financial year ended 30 June 2014:

- complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- is an extract from the full financial report for the year ended 30 June 2014 and has been derived from and is consistent with the full financial report of the Eastern Metropolitan Regional Council.

Signed on the 28th day of August 2014



PETER B. SCHNEIDER
Chief Executive Officer

Independent Auditor's Report



PARTNERS
 Anthony Macri FCPA
 Domenic Macri CPA
 Connie De Felice CA

INDEPENDENT AUDITOR'S REPORT

TO: MEMBERS OF EASTERN METROPOLITAN REGIONAL COUNCIL

Report on the Concise Financial Report

The accompanying concise financial report of Eastern Metropolitan Regional Council comprises the Statement of Financial Position as at 30 June 2014, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and related notes derived from the audited financial report of Eastern Metropolitan Regional Council for the year ended 30 June 2014 and the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards.

Management's Responsibility for the Concise Financial Report

Management is responsible for the preparation and fair presentation of the concise financial report in accordance with Accounting Standard AASB 1039: *Concise Financial Reports*, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the full financial report of Eastern Metropolitan Regional Council for the year ended 30 June 2014. Our auditor's report on the financial report for the year was signed on 5 September 2014 and was not subject to any modification. Australian Auditing Standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion, and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039: *Concise Financial Reports*.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independent Auditor's Report (Cont.)

INDEPENDENT AUDITOR'S REPORT

TO: MEMBERS OF EASTERN METROPOLITAN REGIONAL COUNCIL (Cont'd)

Independence


In conducting our audit, we followed applicable independence requirements of Australian professional accounting bodies.


Auditor's Opinion

In our opinion, the concise financial report (including the discussion and analysis) of the Eastern Metropolitan Regional Council for the year ended 30 June 2014 complies with Accounting Standard AASB 1039: *Concise Financial Reports*.

Matters Relating to the Electronic Publication of the Concise Financial Report

This auditor's report relates to the concise financial report of Eastern Metropolitan Regional Council for the year ended 30 June 2014 included on Eastern Metropolitan Regional Council's website. The Council is responsible for the integrity of Eastern Metropolitan Regional Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited concise financial report to confirm the information contained in this website version of the concise financial report.


 MACRI PARTNERS
 CERTIFIED PRACTISING ACCOUNTANTS
 SUITE 2, 137 BURSWOOD ROAD
 BURSWOOD WA 6100


 A MACRI
 PARTNER

PERTH
 DATED THIS 5TH DAY OF SEPTEMBER 2014.



Statement of Comprehensive Income

(By Program) For the year ended 30 June 2014

	Actual 2013/2014 \$	Budget 2013/2014 \$	Actual 2012/2013 \$
REVENUE			
Governance	85,018	288,929	94,324
General Purpose Funding	2,389,270	1,826,117	2,422,128
Community Amenities	35,869,089	47,461,992	42,825,808
Other Property and Services	1,584,147	1,565,055	1,625,128
TOTAL REVENUE	39,927,524	51,142,093	46,967,388
EXPENSES			
Governance	761,713	1,290,444	789,860
Community Amenities	25,750,196	32,610,956	28,419,164
Other Property and Services	5,120,225	5,570,337	4,404,456
TOTAL EXPENSES	31,632,134	39,471,737	33,613,480
INCREASE/(DECREASE)	8,295,390	11,670,356	13,353,908
DISPOSAL OF ASSETS			
Profit on Sale	29,143	273,755	48,158
Loss on Sale	(28,876)	0	(8,560)
PROFIT/(LOSS) ON DISPOSALS	267	273,755	39,598
REALISED/UNREALISED GAIN/(LOSS) FROM CHANGE IN FAIR VALUE OF INVESTMENTS			
General Purpose Funding	0	0	919,052
GAIN/(LOSS)	0	0	919,052
NET RESULT	8,295,657	11,944,111	14,312,558
OTHER COMPREHENSIVE INCOME			
Changes in Revaluation of Non-Current Assets	32,170,872	0	1,140,349
TOTAL OTHER COMPREHENSIVE INCOME	32,170,872	0	1,140,349
TOTAL COMPREHENSIVE INCOME	40,466,529	11,944,111	15,452,907

THE ACCOMPANYING NOTES FORM PART OF THE CONCISE FINANCIAL REPORT

Statement of Comprehensive Income

(By Nature and Type) For the year ended 30 June 2014

	Actual 2013/2014 \$	Budget 2013/2014 \$	Actual 2012/2013 \$
REVENUE			
Fees and Charges	33,855,734	44,927,390	41,053,206
Grants, Subsidies and Contributions	2,379,049	2,629,182	2,364,866
Interest Earnings	2,389,269	1,826,117	2,422,128
Other Revenue	1,303,472	1,759,404	1,127,188
TOTAL REVENUE	39,927,524	51,142,093	46,967,388
EXPENSES			
Employee Costs	7,827,857	10,118,762	8,088,700
Materials and Contracts	6,248,393	8,524,267	6,765,807
Utility Expenses	297,634	268,036	254,715
Insurance Expenses	331,053	282,405	273,199
Interest Expenses	21,115	20,683	18,921
Other Expenditure	10,521,938	13,825,430	14,122,584
Depreciation Expenses on Non-Current Assets	6,384,144	6,432,154	4,089,554
TOTAL EXPENSES	31,632,134	39,471,737	33,613,480
INCREASE/(DECREASE)	8,295,390	11,670,356	13,353,908
DISPOSAL OF ASSETS			
Profit on Sale	29,143	273,755	48,158
Loss on Sale	(28,876)	0	(8,560)
PROFIT/(LOSS) ON DISPOSALS	267	273,755	39,598
REALISED/UNREALISED GAIN/(LOSS) FROM CHANGE IN FAIR VALUE OF INVESTMENTS			
Realised Gain/(Loss)	0	0	940,914
Unrealised Gain/(Loss)	0	0	(21,862)
GAIN/(LOSS)	0	0	919,052
NET RESULT	8,295,657	11,944,111	14,312,558
Other Comprehensive Income			
Changes in Revaluation of Non-Current Assets	32,170,872	0	1,140,349
TOTAL OTHER COMPREHENSIVE INCOME	32,170,872	0	1,140,349
TOTAL COMPREHENSIVE INCOME	40,466,529	11,944,111	15,452,907

THE ACCOMPANYING NOTES FORM PART OF THE CONCISE FINANCIAL REPORT

Statement of Financial Position

As at 30 June 2014

	Actual 2013/2014 \$	Actual 2012/2013 \$
CURRENT ASSETS		
Cash and Cash Equivalents	68,023,698	54,022,470
Investments	0	0
Trade and Other Receivables	4,239,474	4,312,629
Inventories	78,895	86,077
Other Assets	60,664	65,007
TOTAL CURRENT ASSETS	72,402,731	58,486,183
NON CURRENT ASSETS		
Property, Plant and Equipment	60,520,313	31,864,855
Infrastructure	12,311,773	13,725,125
TOTAL NON CURRENT ASSETS	72,832,086	45,589,980
TOTAL ASSETS	145,234,817	104,076,163
CURRENT LIABILITIES		
Trade and Other Payables	4,067,102	5,409,053
Provisions	1,305,240	1,229,726
TOTAL CURRENT LIABILITIES	5,372,342	6,638,779
NON CURRENT LIABILITIES		
Provisions	6,799,725	4,841,163
TOTAL NON CURRENT LIABILITIES	6,799,725	4,841,163
TOTAL LIABILITIES	12,172,067	11,479,942
NET ASSETS	133,062,750	92,596,221
EQUITY		
Retained Surplus	48,612,233	49,136,149
Reserves	51,139,296	42,319,723
Revaluation Surplus	33,311,221	1,140,349
TOTAL EQUITY	133,062,750	92,596,221

THE ACCOMPANYING NOTES FORM PART OF THE CONCISE FINANCIAL REPORT

Statement of Changes in Equity

For the year ended 30 June 2014

	Retained Surplus \$	Reserves \$	Revaluation Surplus \$	Total Equity \$
Balance as at 30 June 2012	32,442,815	44,700,498	0	77,143,313
Net Result	14,312,559	0	0	14,312,559
Total Other Comprehensive Income	0	0	1,140,349	1,140,349
Transfer (from) / to Reserves	2,380,775	(2,380,775)	0	0
BALANCE AS AT 30 JUNE 2013	49,136,149	42,319,723	1,140,349	92,596,221
Net Result	8,295,657	0	0	8,295,657
Total Other Comprehensive Income	0	0	32,170,872	32,170,872
Transfer (from) / to Reserves	(8,819,573)	8,819,573	0	0
BALANCE AS AT 30 JUNE 2014	48,612,233	51,139,296	33,311,221	133,062,750

THE ACCOMPANYING NOTES FORM PART OF THE CONCISE FINANCIAL REPORT

Statement of Cashflows

For the year ended 30 June 2014

	Actual 2013/2014 \$	Budget 2013/2014 \$	Actual 2012/2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Fees and Charges	38,218,156	44,927,390	44,892,851
Grants, Subsidies and Contributions	2,379,049	2,629,182	2,364,866
Interest Earnings	1,884,132	1,826,117	2,266,085
Other Revenue	1,303,471	1,759,404	1,127,188
TOTAL RECEIPTS	43,784,808	51,142,093	50,650,990
PAYMENTS			
Employee Costs	(7,752,515)	(10,117,558)	(8,088,393)
Materials and Contracts	(8,978,177)	(9,369,031)	(7,829,115)
Utility Expenses	(297,634)	(268,036)	(254,715)
Insurance Expenses	(327,739)	(282,405)	(284,418)
Interest Expenses	(21,115)	(20,683)	(18,921)
Other Expenditure	(8,529,584)	(12,868,772)	(10,877,800)
Goods and Services Tax paid	(2,557,032)	0	(2,215,544)
TOTAL PAYMENTS	(28,463,796)	(32,926,485)	(29,568,906)
NET CASH PROVIDED BY OPERATING ACTIVITIES	15,321,012	18,215,608	21,082,084
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash receipts from sale of assets	219,116	724,614	346,682
Cash payments for acquisition of assets	(1,538,900)	(15,471,081)	(15,480,303)
NET CASH USED IN INVESTING ACTIVITIES	(1,319,784)	(14,746,467)	(15,133,621)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash receipts from sale of investments	0	0	948,400
NET CASH PROVIDED BY FINANCING ACTIVITIES	0	0	948,400
SUMMARY OF CASH FLOWS			
Cash and cash equivalents at the beginning of the year	54,022,470	45,561,474	47,125,607
Net Increase/(Decrease) in Cash Held	14,001,228	3,469,141	6,896,863
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	68,023,698	49,030,615	54,022,470

THE ACCOMPANYING NOTES FORM PART OF THE CONCISE FINANCIAL REPORT

Discussion and analysis of the financial report

For the year ended 30 June 2014

Information on Eastern Metropolitan Regional Council Concise Financial Report

The concise financial report is an extract of the full financial report for the year ended 30 June 2014. The financial statements and disclosures in the concise financial report have been derived from the 2013/2014 financial report of Eastern Metropolitan Regional Council (EMRC). A copy of the full financial report and auditor's report is available upon request.

This discussion and analysis is provided to members in understanding the concise financial report. The discussion and analysis is based on EMRC's financial statements and the information contained in the concise financial report has been derived from the full 2013/2014 financial report of the EMRC.

Statement of Comprehensive Income

Total Comprehensive Income of \$40,466,529 for the year ended 30 June 2014 is \$25,013,622 above the level of 2012/2013 and \$28,522,418 above the 2013/2014 budget. Major factors contributing to the variance from the previous financial year have been outlined in the paragraphs below.

Total revenue from ordinary activities of \$39,927,524 for the year ended 30 June 2014 is \$7,039,864 below the 2012/2013 revenue from ordinary activities and \$11,214,569 below the 2013/2014 budget. The variance from the previous financial year is primarily due to the City of Stirling ceasing to dispose of its waste at Red Hill after August 2013. This resulted in approximately 10,000 tonnes being received compared to a budget of 100,000 tonnes.

Total expenses from ordinary activities of \$31,632,134 is \$1,981,346 below the 2012/2013 actual expenses from ordinary activities and \$7,839,603 below budget for 2013/2014. The variance is primarily due to lower expenditure on the following items during the 2013/2014 financial year compared to the budget:

- Employee Costs;
- Materials and Contract Expenses; and
- Other Expenditure

An actual profit of \$267 has resulted from the disposal of assets for the year ended 30 June 2014 and is \$39,331 below the 2012/2013 actual profit from the disposal of assets and \$273,488 below the budget for 2013/2014.

There were no changes in Fair Value of Investments for the period ending 30 June 2014 compared to \$919,052 for the previous

corresponding period made up of a realised gain of \$940,914 and an unrealised loss of \$21,862. Unrealised gains or losses represent a fair value measurement of the financial instruments during the period in which they are held, i.e. marked to market. It should be noted that actual gains or losses on financial instruments will not be realised until such time as the individual investments are sold.

The changes in revaluation of non-current assets has resulted in an increase of \$32,170,872 for 2013/2014, which relates to the revaluation undertaken on the Land and Buildings classes of assets.

Statement of Financial Position

Overall equity has increased during the 2013/2014 financial year by \$40,466,529 to \$133,062,750.

Current assets as at 30 June 2014 have increased by \$13,916,548 to the previous year.

The overall impact on cash and investments at the close of the financial year is an increase of \$14,001,228 to \$68,023,698.

Current liabilities as at 30 June 2014 have decreased by \$1,266,437 to \$5,372,342 compared to the level stated as at 30 June 2013.

The net movement in the retained surplus is a decrease of \$523,916 comprising the net result for the year of \$8,295,657 less a net transfer to reserves of \$8,819,573 compared to the value in the previous year.

The value of reserves has increased by \$8,819,573 in comparison to the level stated as at 30 June 2013. The increase in reserves is primarily attributable to the net transfer from retained surpluses to the Secondary Waste Reserve.

Statement of Cash Flows

The overall impact on the cash position at the close of the financial year is an increase of \$14,001,228 to \$68,023,698 as a result of an increase in cash flow from operating activities.

Net cash provided by operating activities of \$15,321,012 reflects a decrease of \$5,761,072 over the \$21,082,084 generated in the 2012/2013 financial year.

The cash flows used in investing activities for the 2013/2014 financial year reflects capital expenditure totalling \$1,538,900. This compares with capital expenditure totalling \$15,480,303 during the previous year.

Notes to the Concise Financial Report

For the year ended 30 June 2014

Note 1: Basis of Preparation of the Concise Financial Report

The concise financial report is an extract of the full financial report for the year ended 30 June 2014. The concise financial report has been prepared in accordance with Australian Accounting Standard AASB 1039, Concise Financial Reports, and statutory requirements.

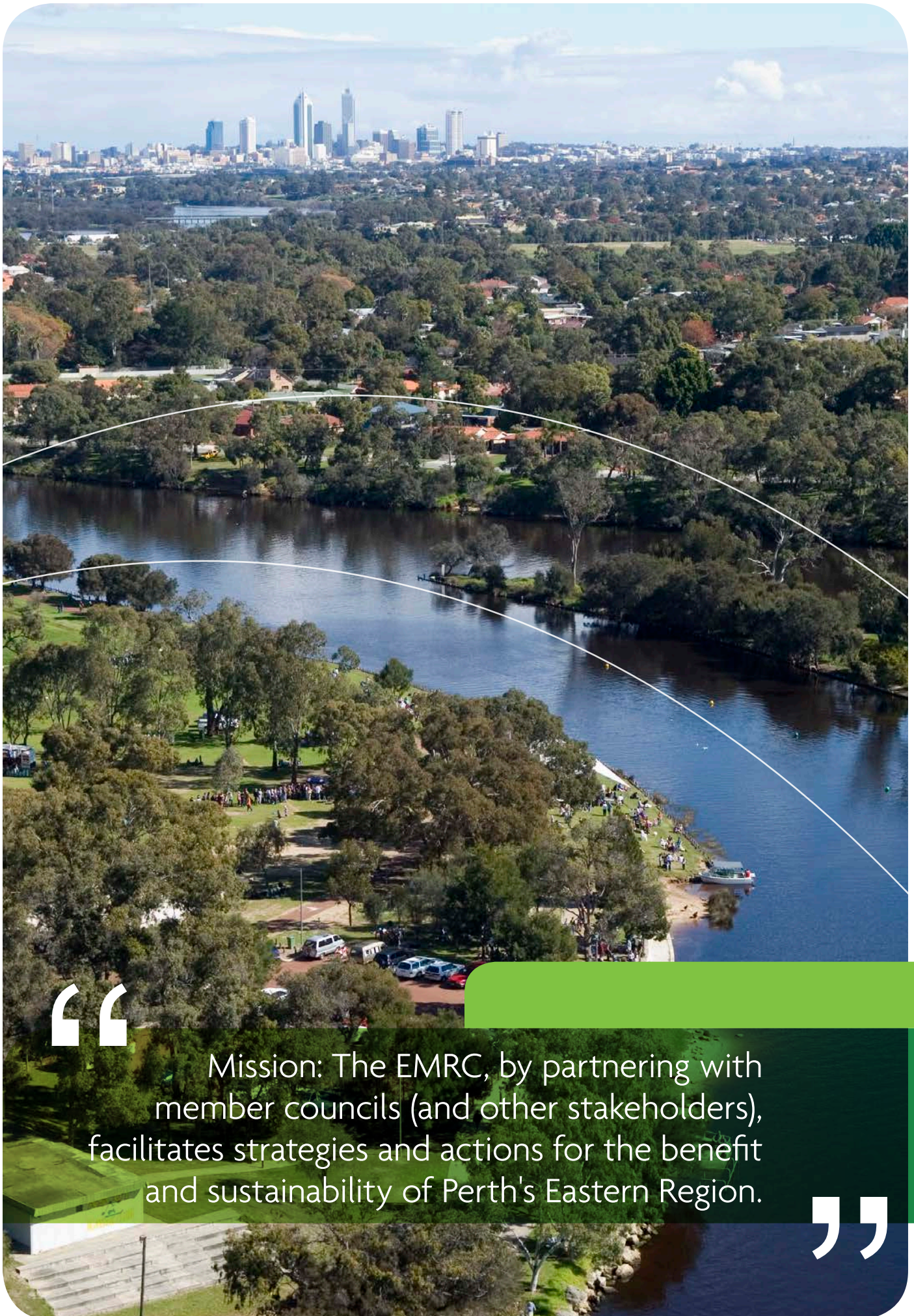
The financial statements, specific disclosures and other information included in the concise financial report are derived from, and are consistent with, the full financial report of the EMRC. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the EMRC as the full financial report. A copy of the full financial report and auditor's report is available upon request.

The presentation currency used in this concise financial report is Australian dollars.

Note 2: Events after the Reporting Period

Following the end of the 2013/2014 financial year, the Australian Parliament passed retrospective legislation to repeal the carbon price on 17 July 2014. This repeal has received Royal assent and been gazetted.

The consequences of the repeal of the carbon pricing mechanism for the EMRC is that no new carbon tax liability applies from 1 July 2014.



“

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

”



Eastern Metropolitan Regional Council

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Advancing Perth's Eastern Region 



14.4 REVIEW OF COUNCIL POLICIES

REFERENCE: D2014/10191

PURPOSE OF REPORT

To review the EMRC policies in accordance with Council's decision of 23 September 2010, that all of the policies be reviewed within the twelve months following the ordinary elections in 2013.

KEY ISSUES AND RECOMMENDATION(S)

- Council Policies were last reviewed at the meeting of Council held on 23 September 2010.
- It is proposed that:
 - Three existing policies be deleted; and
 - The remainder of the existing policies, as revised, be adopted.

Recommendation(s)

That:

1. Policy '1.2 Meetings Policy' be deleted.
2. Policy '1.6 Council Meeting Minutes – Records Reason for a Decision Being Different from a Recommendation Policy' be deleted.
3. Policy '5.2 Environmental Purchasing Policy' be deleted.
4. All policies, as reviewed and amended forming the attachment to this report, be adopted.
5. All EMRC policies be reviewed in the twelve months following the ordinary election day in 2017.

SOURCE OF REPORT

Director Corporate Services
 Manager Administration & Compliance

BACKGROUND

Council policies were last reviewed at the meeting of Council held on 23 September 2010 (Ref: DMDOC/138329). These policies have now been reviewed following the ordinary elections day held in October 2013.

REPORT

The policies of the EMRC, determined by Council as required by Section 2.7(2)(b) of the Local Government Act (the Act), guide and inform management and the public about key Council principles. It is important that policies are reviewed regularly and amended where necessary.

EMRC's CEO and Directors, together with relevant Officers, have undertaken a comprehensive review of existing policies. The following objectives were used as a basis for undertaking the review:

- To ensure policies met the definition of a policy;
- To incorporate in the policies appropriate amendments to account for changes in details such as dates, times and values since the last review;
- To realign all Council policies with the recently adopted EMRC 2022 – 10 Year Strategic Plan under the heading 'Strategic Plan Objective'; and
- To ensure the policies are contemporary and appropriate for the Council.



Item 14.4 continued

Attachment 1 contains all policies that have current approval of Council and are the subject of this review. The three main types of considerations for this review are as follows:

- Maintain the current policy without amendment;
- Maintain the policy with amendments; and
- Delete the policy as it is no longer required (Policies 1.2 Meetings and 1.6 Council Meeting Minutes Recording for a Decision being different from a Recommendation are both no longer required as these are covered under the Local Government Act 1995 and Regulations. Policy 5.2 Environmental Purchasing Policy has been incorporated into policy 3.5 Purchasing Policy).

The policies are grouped in the attachment as follows:

1. Management;
2. Committees;
3. Finance;
4. Staff;
5. Waste;
6. Conferences; and
7. Risk Management.

No new policies are being recommended. New policies are developed and referred to Council on a progressive basis, as the need for them is identified.

Attachment 2 contains all the existing policies with the proposed changes tracked on the document.

Attachment 3 contains the final policies with all proposed changes incorporated i.e. clean copy of the final document.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

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

FINANCIAL IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

The policies under review contribute to sustainability by informing management and the public about key Council principles.



Item 14.4 continued

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

1. Summary of EMRC policies and recommended changes (Ref: D2014/11138)
2. All policies with tracked changes to the documents (Ref: D2014/11445)
3. All policies incorporating changes made i.e. final policy documents (Ref: D2014/11447)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That:

1. Policy '1.2 Meetings Policy' be deleted.
2. Policy '1.6 Council Meeting Minutes – Records Reason for a Decision Being Different from a Recommendation Policy' be deleted.
3. Policy '5.2 Environmental Purchasing Policy' be deleted.
4. All policies, as reviewed and amended forming the attachment to this report, be adopted.
5. All EMRC policies be reviewed in the twelve months following the ordinary election day in 2017.

COUNCIL RESOLUTION(S)

MOVED CR ZANNINO

SECONDED CR CUCCARO

THAT:

1. POLICY '1.2 MEETINGS POLICY' BE DELETED.
2. POLICY '1.6 COUNCIL MEETING MINUTES – RECORDS REASON FOR A DECISION BEING DIFFERENT FROM A RECOMMENDATION POLICY' BE DELETED.
3. POLICY '5.2 ENVIRONMENTAL PURCHASING POLICY' BE DELETED.
4. ALL POLICIES, AS REVIEWED AND AMENDED FORMING THE ATTACHMENT TO THIS REPORT, BE ADOPTED.
5. ALL EMRC POLICIES BE REVIEWED IN THE TWELVE MONTHS FOLLOWING THE ORDINARY ELECTION DAY IN 2017.

CARRIED UNANIMOUSLY

Summary of EMRC policies and recommended changes

1.0 MANAGEMENT

No:	Policy Title	Summary of Changes
1.1	Election of MWAC Representatives	Keep with minor Amendments
1.2	Meetings	Delete this Policy It is recommended this policy be deleted as the Local Government Act 1995 and EMRC Standing Orders Local Law 2013 cover the proceedings for meetings.
1.3	Members, Chairman's and Deputy Chairman's Fees and Allowances Policy	Keep with minor amendments Incorporates decision of Council, 18 July 2013, to pay the maximum amounts to Councillors as determined by the SAT.
1.4	Travelling expenses for Council Members	Keep with minor Amendments
1.5	Meeting Agenda / Minutes – Confidential Items Policy	Keep with minor Amendments Incorporates protocol adopted by Council at its meeting of 2 December 2010.
1.6	Council Meeting Minutes – Recording Reason for a Decision Being Different from a Recommendation	Delete this Policy It is recommended this policy be deleted as the Local Government Act 1995 and EMRC Standing Orders Local Law 2013 cover this issue.
1.7	Legal representation costs indemnification	Keep with minor Amendments

Summary of EMRC policies and recommended changes

1.8	Lobbying and Advocacy Policy	Keep with minor Amendments
1.9	Recognition of Members of Council	Keep with minor Amendments
1.10	Disability Access and Inclusion Policy	Keep no Amendments

2.0 COMMITTEES

No:	Policy Title	Summary of Changes
2.1	Chief Executive Officers Advisory Committee (CEOAC), Technical Advisory Committee (TAC), Resource Recovery Committee (RRC), Chief Executive Officer Performance Review Committee (CEOPRC), and Audit Committee (AC) and Council Meeting Attendance Policy	Keep with minor Amendments

Summary of EMRC policies and recommended changes

3.0 FINANCE

No:	Policy Title	Summary of Changes
3.1	Annual Financial Reporting	Keep with minor Amendments
3.2	Grants for Community Groups in the Vicinity of Red Hill Waste disposal Facility	Keep with minor Amendments
3.3	Management of Investments Policy	Keep with minor Amendments
3.4	Occasional Grants / Sponsorship Policy	Keep with minor Amendments
3.5	Purchasing Policy	Keep with Amendments Sustainable procurement has been added to the policy.
3.6	Asset Management Policy	Keep with minor Amendments

Summary of EMRC policies and recommended changes

4.0 STAFF

No:	Policy Title	Summary of Changes
4.1	Chief Executive Officer – Appointment, and Performance Review	Keep with minor Amendments
4.2	Superannuation	Keep with minor Amendments
4.3	Gratuity Payments to Terminating Staff	Keep with Amendments Title change and definition on 'gratuity payment'.
4.4	Service Recognition	Keep with minor Amendments
4.5	Staff Farewells, Special Circumstances and Associated Benefits	Keep with minor Amendments Indexation of values for staff terminating after ten plus years.

Summary of EMRC policies and recommended changes

5.0 WASTE

No:	Policy Title	Summary of Changes
5.1	Red Hill Environmental Policy	Keep with Amendments Minor changes as a result of the independent review undertaken in May 2014, of the Environmental Management System for Red Hill Waste Management Facility.
5.2	Environmental Purchasing Policy	Delete this Policy Environmental purchasing to be included in 3.5 Purchasing Policy.

6.0 CONFERENCES

No:	Policy Title	Summary of Changes
6.1	Member Conference and Seminar Attendance	Keep with no Amendments
6.2	Reimbursement of Expenses for Conferences, Seminars and Other Events	Keep with minor Amendments Indexation of cash advance.

Summary of EMRC policies and recommended changes

7.0 RISK MANAGEMENT

No:	Policy Title	Summary of Changes
7.1	Risk Management Policy	Keep with Amendments Extensive changes to keep the policy more high level recognising more detail will be provided in risk management plans.
7.2	Occupational Health and Safety Policy	Keep with Amendments Extensive changes to keep the policy more high level and in line with updates in the Occupational Health and Safety Act 1984.



1.1 Election of MWAC Representatives Policy

STRATEGIC PLAN OBJECTIVE

~~4.64.3~~ To provide responsible and accountable governance and management of the EMRC

PURPOSE

To provide for representation on the Municipal Waste Advisory Council (MWAC).
The Municipal Waste Advisory Council is a standing committee of the Western Australian Local Government Association (WALGA) with delegated authority on municipal waste issues.

LEGISLATION

Nil

POLICY STATEMENT

1. The Council will elect a member delegate, ~~and~~ member deputy delegate, ~~an officer delegate and an officer deputy delegate~~ to represent the EMRC on the MWAC.
2. That if the member delegate is not present at a MWAC meeting the member deputy delegate will be eligible to vote on behalf of the EMRC

FINANCIAL CONSIDERATIONS

Nil



Adopted/Reviewed by Council

1. 24 June 1993
2. 22 July 1999
3. 02 May 2002
4. 20 May 2004
5. 23 February 2006
6. 18 September 2008
7. 23 September 2010
- ~~7-8.~~ 18 September 2014

Next Review

Following the Ordinary Elections in 2017~~3~~

Responsible Unit

Governance and Corporate Services



THIS POLICY IS TO BE DELETED

1.2 Meetings Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

To appoint the date, time and place at which ordinary meetings of the Council will be convened.

LEGISLATION

Local Government Act 1995 s5.3, 5.4.
Standing Orders Local Law 1998

POLICY STATEMENT

1. The EMRC is to hold ordinary meetings (and may hold special meetings).
2. A twelve-month schedule of ordinary meetings of Council will be adopted by Council and meeting dates shown in that schedule will only be changed by resolution of the Council at a previous meeting.
3. Meetings of the EMRC are to be held in the EMRC Administration Offices unless otherwise decided.

FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 13 August 1998
 2. 28 October 1998
 3. 22 July 1999
 4. 02 May 2002
 5. 20 May 2004
 6. 23 February 2006
 7. 18 September 2008
 8. 23 September 2010
- Following the Ordinary Elections in 2013

Next Review

Responsible Unit

Governance and Corporate Services



1.3 Members, ~~Chairman's~~ and Deputy Chairman's Fees and Allowances Policy

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STRATEGIC PLAN OBJECTIVE

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

PURPOSE

~~To establish Payment of the~~ fees and allowances ~~that will be~~ paid to the Chairman, Deputy Chairman, council members and deputy council members.

LEGISLATION

Local Government Act (1995) s5.98 - 5.99A
Local Government (Administration) Regulations 1996, Reg. 30, 33 ~~– 34 AB, 33A and 34.~~

POLICY STATEMENT

1. That payments be made as follows:

- To members, other than the Chairman, an annual fee for attending meetings (s5.99);
- To the Chairman, an annual fee for attending meetings (s5.99);
- To the Chairman, an annual local government allowance (s5.98(5));
- To the Deputy Chairman, an annual local government allowance of 25% of the amount payable to the Chairman (s5.98A);
- To deputies of members when the deputy is deputising for a member at a ~~meeting~~ Council or Committee meeting the prescribed maximum fee payable to a member for attending a meeting (s5.98(1)).

~~2. That the policy of quarterly payments in arrears be applied so that the above payments are made to the Chairman, Deputy Chairman and members at intervals of approximately 3 months during his or her term of office with the last payment becoming payable on the day prior to the next ordinary local government elections. That the fees and allowances payable to the Chairman, Deputy Chairman, and members be the maximum payable in accordance with Section 5.98, 5.98A and 5.99 of the Local Government Act 1995, as determined by the Salaries and Allowances Tribunal.~~

2.

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~~3. That the fees and allowances payable to the Chairman, Deputy Chairman and members be reviewed, reviewed, each second year when the terms of office of members expire, in conjunction with the adoption of the annual budget.~~

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FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 03 July 1997
 2. 22 July 1999
 3. 28 June 2001
 4. 02 May 2002
 5. 26 June 2003
 6. 20 May 2004
 7. 23 February 2006
 8. 18 September 2008
 9. 23 September 2010
 - 9-10. 18 September 2014
- Following the Ordinary Elections in ~~2013~~2017

Next Review

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Responsible Unit

Governance and Corporate Services



1.4 Travelling Costs Incurred by Council Members Policy

STRATEGIC PLAN OBJECTIVE

| ~~4.64.3~~ To provide responsible and accountable governance and management of the EMRC

PURPOSE

To establish payment guidelines for members of Council for travelling on Council business.

LEGISLATION

| Local Government Act (1995) s5.98 (2) – (4).
Local Government (Administration) Regulations 1996, Reg. 31, 32.

POLICY STATEMENT

1. Claims by members of Council for travelling costs:
 - a) because of the members attendance at a Council or committee meeting of which he or she is also a member of; or Acting in the capacity as a Councillor of the EMRC;
 - b) associated with performing a function under the express authority of Council or in accordance with the Establishment Agreement of the Eastern Metropolitan Regional Council;
 be reimbursed on the basis detailed in clause 2 of this policy.
2.
 - a) Where the member is using a private vehicle, the rate of reimbursement shall be in accordance with the rates laid down for making motor vehicle claims under the “cents per kilometre method” permissible under the Income Tax Assessment Act.
 - b) Where the member is using a taxi or public transport, the actual amount of the fare paid by the member. A member may alternatively request to be issued with a Cabcharge voucher by the Chief Executive Officer. In the case of the Chairman, he or she may request to be issued with a Cabcharge card.
3. Claims for travelling costs must be in writing, detailing the date and purposes of the travel, be signed by the Councillor and in the case of claims for use of a private vehicle, include the opening and closing reading of the vehicles odometer in relation to each trip being reimbursed and the vehicle engine size.



FINANCIAL CONSIDERATIONS

A statutory provision which requires a budget allocation

Adopted/Reviewed by Council

1. 24 April 1997
2. 22 July 1999
3. 02 May 2002
4. 26 June 2003
5. 20 May 2004
6. 23 February 2006
7. 18 September 2008
8. 23 September 2010
- 8-9. 18 September 2014

Next Review

Following the Ordinary Elections in 2017³

Responsible Unit

Governance and Corporate Services



1.5 Meeting Agenda / Minutes – Confidential Items Policy

STRATEGIC PLAN OBJECTIVE

- | 4.35 To provide responsible and accountable governance and management of the EMRC

PURPOSE

To ensure that confidential items, appearing on the Council and or Committee agendas are easily recognised so that they can be dealt with in accordance with their special nature.

LEGISLATION

Local Government Act 1995 s5.25(1)(j), 5.94 and 5.95

Local Government (Administration) Regulations 1996 r14, 29 and 29A

~~EMRC Standing Orders Local Law 1998~~ EMRC Standing Order Local Law 2013 clauses ~~3.13, 3.20, 4.2 and 12.7, 4.20 and 5.13~~

POLICY STATEMENT

- | 1. That items which at the discretion of the ~~Chief Executive Officer~~ CEO are felt to require confidentiality be distributed separate from but accompanying the Council and or Committee agendas on paper of a colour not used elsewhere in the agenda.
2. That the agenda indicate that an item is to be treated as confidential while it is being considered by council/committee.
3. That the Council and or Committee decision relating to a confidential item be included in the minutes of the meeting.
- | 4. That copies of confidential agenda items be sent to members (and deputy members (only when acting for a member) of the Council and ~~members others of the committee~~ (in accordance with the protocol) –dealing with a confidential item prior to the meeting, and be collected at the end of the meeting. ~~following member's deliberation on the matter.~~ Where a Council ~~or Committee~~ member or other has been supplied with a confidential item and does not attend the relevant meeting, they will return the confidential item as soon as practicable to the office of the EMRC attention the ~~Chief Executive Officer~~ CEO.
- | 5. Confidential items are not to be distributed by electronic media except at the discretion of the ~~Chief Executive Officer~~ CEO in consultation with the Chairman.
- | 6. That the power of the CEO, under section 5.25(1)(j) of the Act be exercised so that the reports and other documents, relating to the confidential item and presentation at the meeting, not be available for inspection by the public.



The protocol for dealing with confidential information is:

1. Confidential information will be categorised by the CEO of the EMRC into information that will be disclosed only to the Council, and information which may be disclosed to committees and member Council CEO's and officers.
2. Confidential information which will only be disclosed to the Council will include information which is the subject of legal professional privilege, information relating to employees and information which, if disclosed will or may cause economic harm to the EMRC.
3. Where confidential information is to be disclosed only to the Council, it will be considered behind closed doors with the result the recipients of the information will be limited to officers and employees of the EMRC and Council members. This confidential information will not be disclosed to any third party, inclusive of member Council CEO's and officers.
4. Confidential information which may be disclosed to committees and member Council CEO's and officers will be marked as being expressly subject to confidentiality and will also be considered behind closed doors.
5. Confidential information which is categorised by the CEO to be not disclosed to committees and member Council CEO's and officers may be referred to Council for review about whether it should be disclosed to committees and member Council CEO's and officers.
6. Application of the protocol will be made in a manner which will facilitate decision making by the EMRC and its Council and committees, prevent confidential information being accidentally disseminated, minimise the conflict of interest member Council CEO's and officers may have consequent upon the duty they owe to a participant and the legal and equitable duty of confidence they owe to the EMRC and avoid the need for litigation by the EMRC.

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FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 18 September 1997
2. 22 July 1999
3. 02 May 2002
4. 20 May 2004
5. 23 February 2006
6. 18 September 2008
7. 23 September 2010
- ~~7-8.~~ 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



THIS POLICY IS TO BE DELETED

1.6 Council Meeting Minutes – Recording Reason for a Decision Being Different from a Recommendation Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

To establish a method for recording the reason Council made a decision that was significantly different from the recommendation that had been made to Council by a committee or an officer.

LEGISLATION

Local Government Act 1995 s5.25(1)(f)
Local Government (Administration) Regulations 1996 r11(da)

POLICY STATEMENT

It will be Council policy to conform with Local Government (Administration) Regulations 1996 r11(da) by recording a notation which will follow the motion in which the Council has made a decision which is significantly different from the recommendation made to it by a committee or an officer (but not a decision to only note the matter or to return the recommendation for further consideration).

FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 23 April 1999
 2. 02 June 1999
 3. 02 May 2002
 4. 20 May 2004
 5. 23 February 2006
 6. 18 September 2008
 7. 23 September 2010
- Following the Ordinary Elections in 2013

Next Review

Responsible Unit

Governance and Corporate Services



1.7 Legal Representation Costs Indemnification Policy

STRATEGIC PLAN OBJECTIVE

- | 4.35 To provide responsible and accountable governance and management of the EMRC

PURPOSE

To protect the interests of Council members and employees (including past members and former employees) where they become involved in civil legal proceedings because of their official functions. In most situations the EMRC may assist the individual in meeting reasonable expenses and any liabilities incurred in relation to those proceedings.

In each case it will be necessary to determine whether assistance with legal costs and other liabilities is justified for the good government of the region.

LEGISLATION

Local Government Act 1995 s9.56 – 9.57

Local Government (Functions and General) Regulations 1996 r35

POLICY STATEMENT

1. General Principles

- a) The EMRC may provide financial assistance to members and employees in connection with the performance of their duties provided that the member or employee has acted reasonably and has not acted illegally, dishonestly, against the interests of the EMRC or otherwise in bad faith.
- b) The EMRC may provide such assistance in the following types of legal proceedings:
 - i) Proceedings brought by members and employees to enable them to carry out their EMRC functions (eg where a member or employee seeks a restraining order against a person using threatening behaviour);
 - ii) Proceedings brought against members or employees [this could be in relation to a decision of Council or an employee which aggrieves another person or where the conduct of a member or employee in carrying out his or her functions is considered detrimental to the person (eg defending defamation actions)]; and

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REVIEW - Policy - 1.7 Legal Representation Costs Indemnification Policy.DOCX



- iii) Statutory or other inquiries where representation of members or employees is justified.
- c) The EMRC will not support any defamation actions seeking the payment of damages for individual members or employees in regard to comments or criticisms levelled at their conduct in their respective roles. Members or employees are not precluded, however, from taking their own private action. Further, the EMRC may seek its own advice on any aspect relating to such comments and criticisms of relevance to it.
- d) The legal services the subject of assistance under this policy will usually be provided by the EMRC's solicitors. Where this is not appropriate for practical reasons or because of a conflict of interest then the service may be provided by other solicitors approved by the EMRC.

2. Applications for Financial Assistance

- a) Subject to item (f), decisions as to financial assistance under this policy are to be made by the Council.
- b) A member or employee requesting financial support for legal services under this policy is to make an application in writing, where possible in advance, to the Council providing full details of the circumstances of the matter and the legal services required. Such a request is to contain a declaration that the applicant has acted in good faith, and has not acted unlawfully or in anyway that constitutes improper conduct in relation to the matter to which the application relates.
- c) The application is to be accompanied by a written statement by the applicant that he or she:
 - i) has read, and understands, the terms of this policy;
 - ii) acknowledges that any approval of legal representation costs is conditional on the repayment provisions of clause 3 and any other conditions to which the approval is subject; and
 - iii) undertakes to repay to the EMRC any legal representation costs in accordance with the provisions of clause 3.
- d) An application to the Council is to be ~~accomplished~~ accompanied by an assessment of the request and with a recommendation, which has been prepared by, or on behalf of, the Chief Executive Officer (CEO) or where the CEO is the applicant by the Director Corporate Services-
- e) A member or employee requesting financial support for legal services, or any other person who might have a financial interest in the matter, should take care to ensure compliance with the financial interest provisions of the *Local Government Act 1995*.
- f) Where there is a need for the provision of urgent legal services before an application can be considered by Council, the CEO may give an authorisation to the value of \$5,000 provided that the power to make such an authorisation has been delegated to the CEO in writing under section 5.42 of the *Local Government Act 1995*.
- g) Where it is the CEO who is seeking urgent financial support for legal services the ~~Council~~ Director Corporate Services in consultation with the Chairman shall deal with the application.



3. Repayment of Assistance

- a) Any amount recovered by a member or employee in proceedings, whether for costs or damages, will be off set against any ~~moneys~~ monies paid or payable by the EMRC.
- b) Assistance will be withdrawn where the Council determines, upon legal advice, that a person has acted unreasonably, illegally, dishonestly, against the interests of the EMRC or otherwise in bad faith; or where information from the person is shown to have been false or misleading.
- c) Where assistance is so withdrawn, the person who obtained financial support is to repay any moneys already provided. The EMRC may take action to recover any such moneys in a court of competent jurisdiction.

FINANCIAL CONSIDERATIONS

A contingent item that could materialise at any time and therefore requires a budget allocation.

Adopted/Reviewed by Council

1. 20 October 2000
2. 14 December 2000
3. 02 May 2002
4. 20 May 2004
5. 23 February 2006
6. 18 September 2008
7. 23 September 2010
- ~~7-8~~ 18 September 2014

Next Review

Following the Ordinary Elections in 2017~~3~~

Responsible Unit

Governance and Corporate Services

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1.8 Government Relations and Advocacy Policy

STRATEGIC PLAN OBJECTIVES

- ~~4.2.4.1~~ To provide advice and advocacy on issues affecting Perth's Eastern Region.
- ~~4.4.4.2~~ To manage partnerships and relationships with stakeholders.
- ~~4.6.4.~~ To provide responsible and accountable governance and management of the EMRC

PURPOSE

To provide policy support for the implementation of the Regional Advocacy Strategy and Council-approved recommendations on advocacy campaigns.

LEGISLATION

Nil

POLICY STATEMENT

Definitions:

For the purposes of this policy:

Government relations is the transparent, legally valid and ethically sound engagement with government employees and ministers to secure, for residents and Councils of Perth's Eastern Region, the highest quality of government services that they are entitled to expect.

Advocacy is the activity aimed at correcting and influencing the political, social, economic and environmental perceptions and opinions of government, non-government organisations and community leaders to align them with the EMRC and member Councils' views.

REGIONAL ADVOCACY STRATEGY

The Regional Advocacy Strategy is the guiding document for government relations and advocacy activities of the EMRC. The Strategy seeks to attract an increased share of investment in Perth's Eastern Region by implementation of a framework that facilitates consistent, professional and effective advocacy.

GOVERNMENT RELATIONS AND ADVOCACY OUTCOMES



Regional advocacy is undertaken for the benefit of the Region as a whole and requires activity across a range of ~~priorities and issues~~ and priorities that are of regional significance and will be designed to create positive benefits and long term sustainability for Perth's Eastern Region.

An annual review of the regional advocacy issues will be undertaken and the results of this, together with revised actions for each year, will be presented to Council.

~~The outcomes to be sought by the government relations and advocacy activity of the EMRC and their relative priority are identified, refined, recommended and endorsed as and when required by the EMRC Council.~~

IMPLEMENTATION OF COUNCIL-ENDORSED GOVERNMENT RELATIONS AND ADVOCACY MEASURES

1. The Chief Executive Officer of the EMRC, in consultation with the Chairman of the EMRC when required, will sanction the implementation and related activities being pursued.
2. At the appropriate time, the Chief Executive Officer will propose, and the EMRC Council may endorse additions to this policy to guide the implementation of the government relations and advocacy measures in specific areas such as ~~media~~, protocol, ~~and ceremonial~~ and, correspondence matters etc.

Notwithstanding Council Policies 6.1 and ~~6.3 6.2~~; where urgent interstate or other travel related expenses are required to pursue urgent government relations and advocacy issues, authority for approval is delegated to the Chief Executive Officer in consultation with the Chairman.

FINANCIAL CONSIDERATIONS

An amount will be provided in each annual budget to meet costs associated with pursuing government relations and advocacy initiatives.

Adopted/Reviewed by Council

1. 20 July 2006
2. 18 September 2008
3. 23 September 2010
- ~~3.4.~~ 18 September 2014

Next Review

Following the Ordinary Elections in ~~2013~~ 2017

Responsible Unit

Regional ~~Services~~



1.9 Recognition of Members of Council Policy

STRATEGIC PLAN OBJECTIVE

4.44.2 To manage partnerships and relationships with stakeholders.

PURPOSE

To establish a policy and provide guidelines for recognising the service that is given to the District-region by members of the Council.

LEGISLATION

Local Government Act 1995 s5.98(6)

POLICY STATEMENT

Council shall recognise the service of members of the Council who no longer hold office of the EMRC in accordance with clause 7.2(1) (b) and (c) of the Establishment Agreement of the Eastern Metropolitan Regional Council.

Recognition will be subject to the member not becoming disqualified from holding office of the EMRC or participant Council as a result of an offence under the Local Government Act 1995 or any other law.

The following awards shall be made to recognise such service:-

▪ During and on completing one 2-year term	A framed certificate of appreciation
▪ On completing two 2-year terms	A framed certificate of appreciation and a gift to the value of \$100
▪ On completing three 2-year terms	A framed certificate of appreciation and a gift to the value of \$200
▪ On completing four 2-year terms or more	A framed certificate of appreciation and a gift to the value of \$500

The certificate will specifically acknowledge any term spent as Chairman or Deputy Chairman in addition to the role of Councillor.

No gift will be given by way of a cash pay out and the gift purchased, should be appropriate and may be suitable for keeping as a memento.

Such certificate of appreciation and gift will be presented at the next EMRC Annual-Biennial Dinner_or cocktail function.



FINANCIAL CONSIDERATIONS

Appropriate provision is to be included for consideration in Council's annual budget deliberations.

Adopted by Council:

1. 22 February 2007
2. 18 September 2008
3. 23 September 2010
- ~~3-4.~~ 18 September 2014

Next review

Following the Ordinary Elections in 2017~~3~~

Responsible Unit

Governance and Corporate Services



1.10 Disability Access & Inclusion Policy

STRATEGIC PLAN OBJECTIVE

- | 4.63 To provide responsible and accountable governance and management of the EMRC

PURPOSE

To ensure that all members of the community have equal access to all EMRC services, information and facilities.

LEGISLATION

Disability Services Act 1993
Equal Opportunity Act 1984.

POLICY STATEMENT

The EMRC is committed to the following outcomes:

1. EMRC Council ensures that a Disability Access & Inclusion Policy and Implementation Plan are developed, implemented and reviewed regularly
2. People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the EMRC.
3. People with disabilities have the same opportunities as other people to access the buildings and other facilities of the EMRC.
4. People with disabilities receive information from the EMRC in a format that will enable them to readily access the information other people are able to access.
5. People with disabilities receive the same level and quality of service from the staff and contractors of the EMRC.
6. People with disabilities have the same opportunities as other people to make complaints to the EMRC.
7. People with disabilities have the same opportunities as other people to participate in any public consultation by the EMRC.



FINANCIAL CONSIDERATIONS

Funding for projects will be provided for in the annual budget.

Adopted/Reviewed by Council

19 August 2010

Next Review

Following the Ordinary Elections in 2013

Responsible Unit

Governance and Corporate Services



2.1 Committees of Council

STRATEGIC PLAN OBJECTIVE

| 4.64.3 To provide responsible and accountable governance and management of the EMRC

PURPOSE

To maintain a Chief Executive Officers Advisory Committee (CEOAC), Technical Advisory Committee (TAC), Resource Recovery Committee (RRC), Chief Executive Officer Performance Review Committee (CEOPRC), Audit Committee (AC), Investment Committee (IC), and determine attendance of officers at council meetings of the EMRC.

LEGISLATION

Local Government Act 1995 s5.8-5.25, 7.1A, B, C
Local Government (Administration) Regulations 1996 r4 - 14B

POLICY STATEMENT

1. Council will maintain a Chief Executive Officers Advisory Committee (CEOAC), a Technical Advisory Committee (TAC), a Resource Recovery Committee (RRC), a Chief Executive Officer Performance Review Committee (CEOPRC); an Audit Committee (AC) and an Investment Committee (IC) (occasional / temporary committee) and determine Terms of Reference for each of these.
2. Membership of the CEOAC will be the CEO of the EMRC and the CEO of each participant local government; and the committee will have the terms of reference as detailed in Attachment 1.
3. Membership of the TAC will be the CEO of the EMRC, or nominee, and a principal officer of each of the participant local governments nominated by the member council CEO; and the committee will have the terms of reference as detailed in Attachment 2.
4. Membership of the RRC will be the members of the TAC and one councillor from each of the participant Local Governments; and the committee will have the terms of reference as detailed in Attachment 3.
5. Membership of the CEOPRC will be Council members only and the committee will have the terms of reference as detailed in Attachment 4.
6. Membership of the AC will be one council member from each of the participant Local Governments and the committee will have the terms of reference as detailed in Attachment 5.
7. Membership of the IC will be Council members only and the Committee will have the terms of reference as detailed in Attachment 6.



8. Through the following process a deputy member will be appointed by council for each committee member.
 - A deputy member for CEOAC and TAC may be nominated by the CEO of each participant local government.
 - The deputy members appointed for TAC will have the same role on the RRC.
 - Council will appoint deputy members to members of the Council on the RRC and the AC.
 - No deputy members are appointed to the CEOPRC as the continuity of members during the annual performance review is important in ensuring a fair and objective process is achieved.
 - No deputy members are appointed to the IC
9. That a flexible approach be taken to those matters generally classified as commercial enterprises or investment and these matters be treated on a project basis with the CEO of the EMRC deciding whether to liaise with either of the committees where necessary. Working parties with specific terms of reference may be used in the future for these matters.
10. That meetings be generally face-to-face meetings. However, teleconferencing, videoconferencing and e-mail/other electronic means will be used when appropriate.
11. ~~An officer from each participant~~ The Chairman of the CEOAC & TAC may attend EMRC Council meetings as an advisor but that officer may not sit at the council table.
12. ~~The EMRC CEO may invite the attendance of any particular additional officer through the participant CEO if the advice of that officer can contribute to the meeting.~~
- 13.12. Where officers from Participants attend EMRC Council meetings, they are to have the status of observer.

FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 8 December 1994
2. 22 July 1999
3. 24 February 2000
4. 02 May 2002
5. 19 February 2004
6. 20 May 2004
7. 23 February 2006
8. 18 September 2008
9. 23 September 2010
- 9.10. 18 September 2014

Next Review

Following the Ordinary Elections in 2017~~3~~

Responsible Unit

Governance and Corporate Services

TERMS OF REFERENCE

CHIEF EXECUTIVE OFFICERS ADVISORY COMMITTEE

1. OBJECTIVES OF COMMITTEE:

- a. The Chief Executive Officers Advisory Committee (CEOAC)) is a formally appointed committee of Council and is responsible to that body. It has been established to consider matters that have an impact on the member Councils and/or EMRC's business activities.

2. RESPONSIBILITIES:

The Committee's responsibility is to:

- (a) Ensure that the EMRC conducts its operations in accordance with its Establishment Agreement; and
- (b) Give consideration, advice and make recommendations to Council in relation to:
 - Regional strategic and policy development; and
 - Matters of regional relevance.

3. MEMBERSHIP:

- 3.1 The Chief Officers Advisory Committee comprises of each of EMRC's participant member Council's Chief Executive Officer and the Chief Executive Officer of the Eastern Metropolitan Regional Council or his nominee.
- 3.2 In the event of a vacancy due to the resignation of a Committee member, the person replacing the Chief Executive Officer will automatically fill their position on the Committee.
- 3.3 A deputy member may be appointed to the Committee by each member Council Chief Executive Officer

4. MEETINGS

- 4.1 The Committee shall hold regular meetings at such times and on such days as the Council may determine by resolution.
- 4.2 Additional meetings will be convened at the discretion of the Chairperson.
- 4.3 The Committee shall also hold regular informal meetings for the purpose of sharing information and discussing matters on any topic whether related to EMRC matters or not in a friendly cooperative and confidential environment.

5. OPERATING PROCEDURES

- 5.1 All meetings of the CEOAC are to be conducted in accordance with the Local Government Act 1995, associated Regulations and the *EMRC Standing Orders Local Law 1998*.
- 5.2 A quorum for a meeting of the Committee shall be at least 50% of the number of offices (whether vacant or not) of members of the Committee.
- 5.3 Voting
 - (a) All decisions of the Committee shall be made on the basis of a simple majority decision of the members present or, if another kind of majority has been prescribed by regulations for the particular kind of decision, by that kind of majority.
 - (b) If the decision results in a tied vote, the person presiding is to cast a second vote.
 - (c) Persons other than Committee members are not entitled to cast a vote.
 - (d) All other aspects related to voting procedure shall be consistent with relevant sections of the EMRC Standing Orders Local Law 1998
- 5.4 Other EMRC staff or member Council staff may attend meetings, at the discretion of the Chief Executive Officer and/or the Committee Chairperson, to provide advice and information when required.
- 5.5 Where officers from member Councils attend the meeting, they are to have the status of 'observer'.

6. REPORTING

- 6.1 The Committee shall after every meeting forward the minutes of that meeting to the next Ordinary Meeting of Council, including a report explaining any specific recommendations and key outcomes.

7. DELEGATED POWER

- 7.1 The Chief Executive Officers Advisory Committee has no delegated powers and no authority to implement its recommendations.

TERMS OF REFERENCE

TECHNICAL ADVISORY COMMITTEE

1. OBJECTIVES OF COMMITTEE:

The Technical Advisory Committee (TAC) is a formally appointed committee of Council and is responsible to that body. It has been established to review and provide reports on technical matters and recommendations to Council.

2. RESPONSIBILITIES:

Give consideration and prepare recommendations to Council in relation to:

- (a) Waste management;
- (b) Environment;
- (c) Risk management; and
- (d) Other technical matters referred to it from time to time.

3. MEMBERSHIP:

3.1. The Technical Advisory Committee will comprise of:

- (a) A Principal Officer of each of EMRC's participant member Councils nominated by the member Council Chief Executive Officer; and
- (b) The Chief Executive Officer of the Eastern Metropolitan Regional Council or nominee.

3.2. A deputy member may be appointed by each member Council Chief Executive Officer and will have the same role on the Resource Recovery Committee.

3.3. Members and Deputies will be appointed for a period of two years following each ordinary Council election.

4. MEETINGS

4.1. The Committee shall hold regular meetings at such times and on such days as the Council may determine by resolution.

4.2. Additional meetings will be convened at the discretion of the Chairperson.

5. OPERATING PROCEDURES

5.1. All meetings of the TAC are to be conducted in accordance with the Local Government Act 1995, associated Regulations and the *EMRC Standing Orders Local Law 1998*.

5.2. A quorum for a meeting of the Committee shall be at least 50% of the number of offices (whether vacant or not) of members of the Committee.

5.3. Voting

- (a) All decisions of the Committee shall be made on the basis of a simple majority decision of the members present or, if another kind of majority has been prescribed by regulations for the particular kind of decision, by that kind of majority.
- (b) If the decision results in a tied vote, the person presiding is to cast a second vote.
- (c) Persons other than Committee members are not entitled to cast a vote.
- (d) All other aspects related to voting procedure shall be consistent with relevant sections of the EMRC Standing Orders Local Law 1998

5.4. Other EMRC staff or member Council staff may attend meetings, at the discretion of the Chief Executive Officer and/or the Committee Chairperson, to provide advice and information when required.

6. REPORTING

6.1. The Committee shall after every meeting forward the minutes of that meeting to the next Ordinary Meeting of Council, including a report explaining any specific recommendations and key outcomes.

7. DELEGATED POWER

7.1. The Technical Advisory Committee has no delegated powers and no authority to implement its recommendations.

Related Documentation:

Policy 2.1 Committees of Council

EMRC Standing Orders Local Law 2013

EMRC Code of Conduct

Administration:

Adopted / Reviewed by Council: 23 September 2010
18 September 2014

Next Review: Following the Ordinary Elections in 2017

Responsible: Director Waste Services

TERMS OF REFERENCE

RESOURCE RECOVERY COMMITTEE

1. OBJECTIVES OF COMMITTEE:

The Resource Recovery Committee (RRC) is a formally appointed committee of Council and is responsible to that body. It has been established to advise on Resource Recovery for the Eastern Metropolitan Regional Council.

2. RESPONSIBILITIES

To give consideration and prepare recommendations to Council in relation to:

- (a) Appropriate actions related to establishment of a Resource Recovery Facility;
- (b) Appropriate Community Waste Education/Engagement Initiatives;
- (c) Matters related to the activities of the Waste Management Community Reference Group; and
- (d) Other relevant matters referred to it from time to time.

3. MEMBERSHIP:

3.1. The Resource Recovery Committee will comprise of:

- (a) One Councillor from each of the member Councils
- (b) Members of the Technical Advisory Committee
- (c) Chief Executive Officer of the Eastern Metropolitan Regional Council

3.2. The deputy members of the Technical Advisory Committee, as appointed by each member Council Chief Executive Officer, will be deputy members of the RRC.

3.3. Council will appoint deputy members to members of the Council on the RRC.

3.4. Members and Deputies will be appointed for a period of two years following each ordinary Council election.

4. MEETINGS

- 4.1. The RRC shall hold regular meetings at such times and on such days as the Council may determine by resolution.
- 4.2. Additional meetings will be convened at the discretion of the Chairperson.

5. OPERATING PROCEDURES

- 5.1. All meetings of the RRC are to be conducted in accordance with the Local Government Act 1995, associated Regulations and the *EMRC Standing Orders Local Law 1998*.
- 5.2. A quorum for a meeting of the Committee shall be at least 50% of the number of offices (whether vacant or not) of members of the Committee.
- 5.3. Voting
 - (a) All decisions of the Committee shall be made on the basis of a simple majority decision of the members present or, if another kind of majority has been prescribed by regulations for the particular kind of decision, by that kind of majority.
 - (b) If the decision results in a tied vote, the person presiding is to cast a second vote.
 - (c) Persons other than Committee members are not entitled to cast a vote.
 - (d) All other aspects related to voting procedure shall be consistent with relevant sections of the EMRC Standing Orders Local Law 1998.
- 5.4. Other EMRC staff or member Council staff may attend meetings, at the discretion of the Chief Executive Officer and/or the Committee Chairperson, to provide advice and information when required.
- 5.5. The EMRC Chief Executive Officer may invite the attendance of any particular additional officer through the participant Chief Executive Officer.
- 5.6. The EMRC Chief Executive Officer may invite other additional persons, including consultants, to provide advice and information when required.

6. REPORTING:

- 6.1 The Committee shall after every meeting forward the minutes of that meeting to the next Ordinary Meeting of Council, including a report explaining any specific recommendations and key outcomes.

7. DELEGATED POWER

- 7.1 The Resource Recovery Committee has no delegated powers and no authority to implement its recommendations.

TERMS OF REFERENCE

CHIEF EXECUTIVE OFFICERS PERFORMANCE REVIEW COMMITTEE

1. OBJECTIVES OF COMMITTEE:

The Chief Executive Officers Performance Review Committee (CEORC) is a formally appointed committee of Council and is responsible to that body. It has been established to conduct an annual review of the Chief Executive Officer's (CEO) performance, remuneration, contract terms and conditions, with the assistance of an external facilitator;

2. RESPONSIBILITIES

To ensure that the review of performance of the Chief Executive Officer (CEO) for the EMRC is undertaken in accordance with the provisions of the Local Government Act (1995) and Local Government (Administration) Regulations 1996 and EMRC's policies.

3. DUTIES

The duties of the Committee will include the following:

- (a) Review the Chief Executive Officer's (CEO) performance with the appropriate provisions contained within the CEO's Contract of Employment and agreed performance objectives;
- (b) Prepare and table the concluded Performance Review Report to the Council for consideration and actioning;
- (c) Review the CEO's performance on an on-going basis if the Council or the CEO perceives that there is a need to do so;
- (d) Determine the Performance Objectives to be met by the CEO for the following year and refer them to Council for consideration and actioning;
- (e) Review the CEO's remuneration package, in accordance with the appropriate provisions of the CEO's Contract of Employment and refer the recommendations to Council for consideration and actioning
- (f) Review the CEO's Contract of Employment and make recommendations to council in relation to varying the contract as and when necessary
- (g) Appoint a consultant to assist it in its functions.

4. MEMBERSHIP:

4.1. The Committee will comprise of six Councillors.

4.2. The Committee will have no deputy members.

4.3. Members will be appointed for a period of two years following each ordinary Council election.

5. MEETINGS

- 5.1. The Committee shall hold regular meetings at such times and on such days as the Council may determine by resolution.
- 5.2. Additional meetings will be convened at the discretion of the Chairperson.

6. OPERATING PROCEDURES

- 6.1. All meetings of the Committee are to be conducted in accordance with the Local Government Act 1995, associated Regulations and the *EMRC Standing Orders Local Law 1998*.
- 6.2. A quorum for a meeting of the Committee shall be at least 50% of the number of offices (whether vacant or not) of member of the Committee.
- 6.3. Voting
 - (a) All decisions of the Committee shall be made on the basis of a simple majority decision of the members present or, if another kind of majority has been prescribed by regulations for the particular kind of decision, by that kind of majority.
 - (b) If the decision results in a tied vote, the person presiding is to cast a second vote.
 - (c) Persons other than Committee members are not entitled to cast a vote.
 - (d) All other aspects related to voting procedure shall be consistent with relevant sections of the EMRC Standing Orders Local Law 1998
- 6.4 Other EMRC staff may attend meetings, at the discretion of the Chief Executive Officer, to provide advice and information when required.

7. REPORTING

- 7.1. The Committee shall after every meeting forward the minutes of that meeting to the next Ordinary Meeting of Council, including a report explaining any specific recommendations and key outcomes.
- 7.2. The item of Council business referred to in relation to this is to be treated as confidential in accordance with s5.23(2) of the Local Government Act 1995, r14(2) of the Local Government (Administration) Regulations 1996, Standing Orders Bylaw 4.2 and Council's Policy for dealing with confidential items.

8. DELEGATED POWER

- 8.1. The Committee has no delegated powers and no authority to implement its recommendations.

Related Documentation:

Policy 2.1 Committees of Council

Policy 4.1 Chief Executive Officer - Appointment, Performance Assessment and Review Policy

Policy 1.5 Council Meeting Agenda/Minutes Confidential/Late Items

EMRC Standing Orders Local Law 2013

EMRC Code of Conduct

Administration:

Adopted / Reviewed by Council: 23 September 2010
18 September 2014

Next Review: Following the Ordinary Elections in 2017

Responsible: Chief Executive Officer

TERMS OF REFERENCE

AUDIT COMMITTEE

1 OBJECTIVES OF COMMITTEE:

1.1 The Audit Committee (AC) is a formally appointed committee of Council and is responsible to that body. It has been established to assist Council with:

- (a) The effective conduct of its responsibilities for financial reporting, management of risk and maintaining a reliable system of controls.
- (b) The co-ordination of relevant activities of management, compliance, internal audit, external audit and to facilitate achieving overall organisational objectives in an efficient and effective manner.
- (c) The facilitation of:
 - the enhancement of the credibility and objectivity of internal and external financial reporting;
 - effective management of financial and other risks and the protection of Council assets;
 - compliance with laws and regulations as well as use of best practice guidelines;
 - the provision of an effective means of communication between the external auditor, internal audit, management and the Council;
 - the allocation of the EMRC's finances and resources.

2 RESPONSIBILITIES

The duties of the Audit Committee include the following:

- 2.1 To review the scope of the internal audit plan and programme and the effectiveness of the function. This review should consider whether, over a period of years the internal audit plan systematically addresses:
 - (a) internal controls over revenue, expenditure, assets and liability processes
 - (b) the efficiency, effectiveness and economy of significant EMRC programmes; and
 - (c) compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements.
- 2.2 Critically analyse and follow up any internal or external audit report that raises significant issues relating to risk management, internal control, financial reporting and other accountability or governance issues, and any other matters relevant under the Committee's terms of reference. Review management's response to, and actions taken as a result of the issues raised.
- 2.3 Monitor the risk exposure of Council by determining if management has appropriate risk management processes and adequate management information systems.

- 2.4 Monitor ethical standards and related party transactions by determining whether the systems of control are adequate.
- 2.5 Review Council's draft annual financial report, focusing on:
 - (a) accounting policies and practices;
 - (b) changes to accounting policies and practices;
 - (c) the process used in making significant accounting estimates;
 - (d) significant adjustments to the financial report (if any) arising from the audit process;
 - (e) compliance with accounting standards and other reporting requirements;
 - (f) significant variances from prior years.
- 2.6 Recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the financial report is signed.
- 2.7 Discuss with the external auditor the scope of the audit and the planning of the audit.
- 2.8 Discuss with the external auditor issues arising from the audit, including any management letter issued by the auditor and the resolution of such matters. Identify and refer specific projects or investigations deemed necessary through the Chief Executive Officer, the internal auditor and the Council if appropriate.
- 2.9 Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference.

3 MEMBERSHIP:

- 3.1 The Audit Committee will comprise of:
 - a. Six Councillors, one from each member Council.
 - b. A deputy member of the Committee will be appointed
- 3.2 Members and Deputies will be appointed for a period of two years following each ordinary Council election.
- 3.3 The Chief Executive Officer and the Director Corporate Services will attend all meetings except when the Committee chooses to meet in camera.
- 3.4 An Internal Auditor (whether a member of staff or contractor) will attend meetings where internal audit reports are being considered by the committee

4 MEETINGS

- 4.1 The Audit Committee will meet as required at the discretion of the chairperson of the committee and at least three times per year to coincide with:
 - a. approval of strategic and annual plans
 - b. approval of the annual budget; and

- c. the auditor's report on the annual financial report.

4.2 Additional meetings will be convened at the discretion of the Chairperson.

5 OPERATING PROCEDURES

5.1 All meetings of the AC are to be conducted in accordance with the Local Government Act 1995, associated Regulations and the *EMRC Standing Orders Local Law 1998*.

5.2 A quorum for a meeting of the Committee shall be at least four of the number of offices (whether vacant or not) of members of the Committee.

5.3 Voting

- a. All decisions of the Committee shall be made on the basis of a simple majority decision of the members present or, if another kind of majority has been prescribed by regulations for the particular kind of decision, by that kind of majority.
- b. If the decision results in a tied vote, the person presiding is to cast a second vote.
- c. Persons other than Committee members are not entitled to cast a vote.
- d. All other aspects related to voting procedure shall be consistent with relevant sections of the *EMRC Standing Orders Local Law 1998*

5.4 Other EMRC staff or member Council staff may attend meetings, at the discretion of the Chief Executive Officer and/or the Committee Chairperson, to provide advice and information when required.

5.5 Representatives of the External Auditor will be invited to attend meetings at the discretion of the Committee but MUST attend meetings considering the draft annual financial report and results of the external audit.

6 REPORTING

- 6.1 The Committee shall after every meeting forward the minutes of that meeting to the next Ordinary Meeting of Council, including a report explaining any specific recommendations and key outcomes

7 DELEGATED POWER

- 7.1 The Committee does not have authority to implement actions in areas over which management has responsibility and does not have any delegated financial responsibility.

Related Documentation:

- Policy 1.2 Meetings
 Policy 2.1 Committees of Council
 Policy 3.1 Annual Financial Reporting
 Policy 7.1 Risk Management Policy

EMRC Standing Orders Local Law 2013

EMRC Code of Conduct

Administration:

- Adopted / Reviewed by Council: 23 September 2010
 18 September 2014
- Next Review: Following the Ordinary Elections in 2017
- Responsible: Director Corporate Services

TERMS OF REFERENCE

INVESTMENT COMMITTEE

1. OBJECTIVES OF COMMITTEE:

- 1.1. The Investment Committee (IC) is a formally appointed committee of Council and is responsible to that body. It has been established to deal with matters related to EMRC's Management of Investment Policy.
- 1.2. The Committee's role is to:
 - (a) Report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate decision-making by Council in relation to the discharge of its responsibilities.
 - (b) Carry out its functions and fulfil its responsibilities as required by the Local Government Act 1995 and associated regulations, guidelines and protocols of the Council which are relevant to the Committee
 - (c) The Committee will only have those executive powers as specifically delegated to it.

2. RESPONSIBILITIES

- 3.1 The Investment Committee shall have the following functions:
 - (a) To consider amendment and revision of Policy 3.5 Management of Investment Policy
 - (b) To deal with matters referred to the committee, by the Chief Executive Officer (CEO), under Policy 3.5 Management of Investment Policy.
 - (c) To deal with legal and other matters associated with the Grange Securities Ltd / Lehman Investment Mandate Agreement (3 March 2005) as referred to the Committee by the CEO or Council.

3. MEMBERSHIP:

- 3.1 The Investment Committee will comprise of Council members only.
- 3.2 Deputy members of the Committee will not be appointed.
- 3.3 Members will be appointed for a period of two years following each ordinary Council election.

4. MEETINGS

- 4.1 The Committee shall meet as required, convened at the discretion of the Chairperson.

5. OPERATING PROCEDURES

- 5.1 All meetings of the IC are to be conducted in accordance with the Local Government Act 1995, associated Regulations and the *EMRC Standing Orders Local Law 1998*.
- 5.2 A quorum for a meeting of the Committee shall be at least 50% of the number of offices (whether vacant or not) of member of the Committee.
- 5.2 Voting
 - (a) All decisions of the Committee shall be made on the basis of a simple majority decision of the members present or, if another kind of majority has been prescribed by regulations for the particular kind of decision, by that kind of majority.
 - (b) If the decision results in a tied vote, the person presiding is to cast a second vote.
 - (c) Persons other than Committee members are not entitled to cast a vote.
 - (d) All other aspects related to voting procedure shall be consistent with relevant sections of the EMRC Standing Orders Local Law 1998.
- 5.4 Other EMRC staff may attend meetings, at the discretion of the Chief Executive Officer to provide advice and information when required.

6. REPORTING

- 6.1 The Committee shall after every meeting forward the minutes of that meeting to the next Ordinary Meeting of Council, including a report explaining any specific recommendations and key outcomes.

7. DELEGATED POWER

- 7.1 The Investment Committee has only those delegated powers and duties of Council associated with the EMRC Investment Portfolio, that have not been delegated to the CEO inclusive of, but not limited to:
 - (a) the acceptance of tenders for the provision of advice and services; and
 - (b) to deal with any legal proceedings that may need to be initiated.



3.1 Annual Financial Reporting Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

To endorse accounting policies as part of the preparation of the Council's annual financial statements.

LEGISLATION

- Division 3 of the Local Government Act 1995
- Part 4 - Financial Reports of Local Government (Financial Management) Regulations 1996
- Australian Accounting Standards

POLICY STATEMENT

1. Reporting Entity

The reporting entity is the Eastern Metropolitan Regional Council.

2. Basis of Accounting

The financial statements shall be drawn up in accordance with the accounting standards and disclosure requirements of the Australian accounting bodies, the Local Government Act 1995, and the Local Government (Financial Management) Regulations 1996.

3. Asset Classification

The following classifications are to be utilised for recording assets:

Land, buildings, structures, plant, equipment, furniture and fittings.



4. Depreciation

Fixed Assets excluding freehold land, are to be depreciated over their estimated useful lives on a straight line basis as follows:

- Buildings 2-10%
- Structures
 - General 2-10%
 - Class III & IV Waste Cells % of actual usage
- Plant 15-40%
- Furniture and fittings 10-40%
- Equipment 10-40%

Assets are to be depreciated when completed and held ready for use.

5. Capitalisation Thresholds

Capitalisation thresholds shall be:

- Land No limit
- Buildings No limit
- Structures No limit
- Plant \$1,000
- Furniture and fittings \$1,000
- Equipment \$1,000

6. Rates

The Eastern Metropolitan Regional Council does not levy rates. Accordingly ~~Rating-rating~~ information as required under the Local Government (Financial Management) Regulations 1996 (~~S39r39~~) ~~are-is~~ not required to be presented in the financial statements.

7. Revaluation Thresholds

Revaluation thresholds shall be:

- Land No limit
- Buildings \$5,000
- Road Infrastructure No limit
- Other Infrastructures \$1,000
- Minor Plant and Equipment \$1,000
- Major Plant and Equipment \$5,000
- Furniture and fittings \$1,000
- Art Works No limit



FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 27 October 1994
2. 22 July 1999
3. 02 May 2002
4. 20 May 2004
5. 23 February 2006
6. 18 September 2008
7. 23 September 2010
8. 19 June 2014
- ~~8-9.~~ 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



3.2 Grants for Community Groups in the Vicinity of Red Hill Waste Management Facility Policy

STRATEGIC PLAN OBJECTIVE

- | 4.44.2 To manage partnerships and relationships with stakeholders.

PURPOSE

To provide a community grants program to benefit the community, in the location/s of Gidgegannup, Hovea, Parkerville and/or Stoneville.

LEGISLATION

Local Government Act 1995 S5.16, S5.17

POLICY STATEMENT

1. The Council's involvement as an active member of the community in Gidgegannup, Hovea, Parkerville and Stoneville be demonstrated by providing financial support to not for profit organisations that are undertaking activities that will potentially benefit the community.
2. That community groups, in the locations of Gidgegannup, Hovea, Parkerville and Stoneville, which can demonstrate that their activities benefit these communities, be eligible for Council's financial support under this policy.
- ~~3. The annual limit on financial support for eligible organisations be resolved each year in conjunction with the adoption of the annual budget, with that limit being reducible at the discretion of the Council or the Chief Executive Officer (CEO) exercising delegated authority, according to the size and significance of the organisation.~~
- | ~~4.3.~~ Provision be made in the Council's annual budget for grants to community groups in Gidgegannup, Hovea, Parkerville and Stoneville in accordance with this policy.
- | ~~5.4.~~ That community groups are made aware of the availability of financial support through annual advertising, following adoption of the annual budget.
- | ~~6.5.~~ The duty of deciding the outcome of an application be delegated to the CEO after consultation with the Chairman and Deputy Chairman.

TEL (08) 9424 2222 FAX (08) 9277 7598 EMAIL mail@emrc.org.au WEB www.emrc.org.au

REVIEW - Policy - 3.2 Grants for Community Groups in the Vicinity of Red Hill Waste Management Facility Policy.DOCX



NOTE: Applicant guidelines apply. These are reviewed annually and made available on EMRC's website.

FINANCIAL CONSIDERATIONS

An amount will be provided in the annual budget to meet the anticipated cost of making a contribution to the community in the vicinity of Red Hill.

Adopted/Reviewed by Council	<ol style="list-style-type: none"> 1. December 1997 2. 22 July 1999 3. 02 May 2002 4. 28 August 2003 5. 20 May 2004 6. 26 February 2006 7. 18 September 2008 8. 23 September 2010 <u>9. 18 September 2014</u>
Next Review	Following the Ordinary Elections in 201 <u>3</u> 7
Responsible Unit	Governance and Corporate Services

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3.3 Management of Investments Policy

STRATEGIC PLAN OBJECTIVE

~~3.4.4 To improve member Council and Eastern Metropolitan Regional Council (EMRC) financial viability. To continue to improve financial and asset management practices.~~

PURPOSE

To ~~establish a policy~~ provide for the investment of EMRC's surplus funds at the most favourable rate of return whilst ensuring prudent consideration of risk and security for the investment type and that liquidity requirements are being met.

To ensure that investments are managed with care, diligence and skill and that the management of the portfolio is carried out to safeguard the portfolio and not for speculative purposes.

Establish guidelines to ensure investments:

- Meet legislative requirements;
- Optimise investment income and returns within acceptable risk parameters;
- Ensure that investments match the liquidity needs of the EMRC; and
- Are invested at the most favourable rate of interest available to it at the time whilst having due consideration of risk and security for that investment type.

LEGISLATION

~~Local Government Act 1995 s 6.14
Local Government (Financial Management) Regulations 1996 – r. 19-19C, 28 & 49
Trustees Act 1962 - Part III Investments
Local Government Act 1995
Local Government (Financial Management) Regulations 1996
Trustees Act 1962 – Part III Investments
Australian Accounting Standards~~

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POLICY STATEMENT

1. Ethics and Conflicts of Interest

Officers shall refrain from personal activities that would conflict with the proper execution and management of EMRC's investment portfolio. This policy requires officers to disclose any conflict of interest to the CEO.

2. Delegation of Authority

TEL (08) 9424 2222 FAX (08) 9277 7598 EMAIL mail@emrc.org.au WEB www.emrc.org.au

REVIEW - Policy - 3.3 Management of Investments Policy.DOCX



Authority for implementation of the [Management of Investments](#) Policy is delegated by Council to the CEO in accordance with the Local Government Act 1995. The CEO may in turn delegate the day-to-day management of Council's [investment portfolio](#) to the Director, Corporate Services.

3. Investment Ratings

Investments rating in this policy are based on those issued by Standard ~~and~~ Poor's.

In the event a proposed investment is not rated by Standard & Poor's but is rated by either Fitch Ratings or Moody's by a rating which is analogous to the ratings of Standard & Poor's, then the EMRC may make the investment relying on the Fitch Ratings or Moody's ratings.

In the event that the rating of an investment held by the EMRC falls below the ratings allowed under this policy for new investments, the affected investment is to be assessed and a recommendation made to the Investment Committee to decide as to whether:

- It is to be liquidated, where allowed under the terms of the investment; or
- It is to be held to maturity.

The recommendation to the Investment Committee may be made by electronic mail (email) to expedite the approval process by circular resolution.

4. Approved Investments

Approved investments are those investments permitted by s6.14(1) of the Local Government Act 1995 as specified in the Trustees Act 1926 Part III subject to the limitations expressed in Regulation 19C of the Local Government (Financial Management) Regulations.

5. Prohibited Investments

This investment policy prohibits any investment which is not an Approved Investment.

6. Risk Management Guidelines

Investments obtained are to be considered in light of the following key criteria:

- Preservation of Capital – the requirement for preventing losses in an investment portfolio's total value;
- Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market;
- Market Risk - the risk that the fair value or future cash flows of an investment will fluctuate due to changes in market prices;
- Liquidity Risk - the risk an investor is unable to redeem the investment at a fair price within a timely period;
- Maturity Risk - the risk relating to the length of term to maturity of the investment. The larger the term, the greater the length of exposure and risk to market volatilities; and
- Investments must be rated at not less than the Standard & Poor's ratings specified below.

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Furthermore investments are to comply with three key criteria relating to:

a. Overall Portfolio Limits

To control the credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1 +	100%	100%
AA	A-1	100%	100%

b. Single Entity Exposure

Exposure to an individual institution will be restricted by its credit rating so that single entity exposure is limited, as detailed in the table below:

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1+	45%	50%
AA	A-1	35%	45%

c. Term to Maturity Framework

Of the total amount invested from time to time, a minimum of 40% must be invested for a term not exceeding 12 months.

Standard ~~and~~ Poor's ~~Long-long~~ term rating definitions:

AAA	An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.
AA	An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

Standard ~~and~~ Poor's ~~s~~ Short term rating definitions:

A-1	A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.
-----	--

Source: <http://www.standardandpoors.com>

Field Code Changed



7. Measurement

The investment return for the portfolio is to be regularly reviewed. The market value and investment maturities are to be assessed at least once a month to coincide with management reporting.

8. Procedures

Investments placed by Council's authorised advisor/s and managers must be appropriately documented at the time of placement.

Appropriate procedures and controls in regards to record keeping, reconciliation, authorisation forms and accounting for investments shall be prepared and maintained to give effect to this policy.

All investments must be authorised in writing by the Chief Executive Officer prior to the investments being made.

9. Reporting

An investment report is to be prepared each month detailing compliance with the criteria outlined in this policy.

The investment report is to be presented to Council at the next ordinary meeting of the Council following the end of the month to which the report relates. If the statement is not prepared in time to present it to that meeting it is to be presented at the next Ordinary Meeting of the Council following that meeting.

10. Investment Advisor

The CEO has delegated authority to appoint an investment adviser when considered appropriate.

The local government's investment advisor must be licensed by the Australian Securities and Investment Commission. The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended; and is free to choose the most appropriate product within the terms and conditions of the investment policy.

11. Investment Strategy

EMRC's investment strategy is to optimise investment income within its acceptable levels of risk whilst ensuring the security of these funds enabling the EMRC to meet its business objectives.

Key considerations in this regard include funding requirements identified in the Five Year Plan.

To implement the requirement for diversification, no more than 45% of the total investments will be invested in any one bank in short term investments rated A-1+ and no more than 30% of the total investments will be invested in any one bank in short term investments rated A-1.

The EMRC may invest all of the total investments in Commonwealth/State/Territory bonds.

—A list of complying authorised deposit-taking institutions (ADI's) are reflected in the Appendix and may vary from time to time.

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FINANCIAL CONSIDERATIONS

Nil/As indicated in this policy.



Appendix: Indicative Sample List of Compliant Authorised Deposit-Taking Institution ADIs (ADI's)

As at ~~August 2012~~ June 2014:

<u>ADI Name</u>	Standard and Poor's Credit Rating (Long / Short)	EMRC Policy Limit per ADI based on short-term credit rating limits
First tier:		
ANZ Banking Group Ltd.	AA- / A-1+	45%
Bank of Western Australia Ltd.	AA- / A-1+	45%
Commonwealth Bank of Australia	AA- / A-1+	45%
Rabobank Australia Ltd. <u>HSBC Bank Australia Ltd.</u>	AA- / A-1+ <u>AA- / A-1+</u>	45% <u>45%</u>
National Australia Bank Ltd. <u>Rabobank Australia Ltd.</u>	AA- / A-1+ <u>AA- / A-1+</u>	45% <u>45%</u>
Westpac Banking Corp. <u>National Australia Bank Ltd.</u>	AA- / A-1+ <u>AA- / A-1+</u>	45% <u>45%</u>
<u>AMP Bank Ltd</u>	<u>A+ / A-1</u>	<u>35%</u>
<u>HSBC Bank Australia Ltd</u>	<u>A+ / A-1</u>	<u>35%</u>
<u>Macquarie Bank Ltd</u>	<u>A / A-1</u>	<u>35%</u>
<u>Suncorp Metway Ltd</u>	<u>A+ / A-1</u>	<u>35%</u>
Westpac Banking Corp.	AA- / A-1+	45%

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Adopted/Reviewed by Council

1. 29 June 2000
2. 27 July 2000
3. 02 May 2002
4. 17 June 2004
5. 23 February 2006
6. 18 September 2008 (reported to Council and referred to Investment Committee)
7. 19 August 2010
8. 23 September 2010
9. 25 November 2010
10. 10 May 2012
11. 6 December 2012
- ~~11-12.~~ 18 September 2014

Next Review

Following the Ordinary Elections in 2017³

Responsible Unit

Governance and Corporate Services



3.4 Occasional Grants / Sponsorship Policy

STRATEGIC PLAN OBJECTIVE

SOCIAL OPPORTUNITIES

~~2.1~~ ~~To facilitate regional cultural and recreational activities~~ ~~s~~

~~2.4~~

~~To facilitate regional tourism development~~

~~2.2~~ ~~To facilitate cultural and recreational activities~~

ECONOMIC- ~~DEVELOPMENT OPPORTUNITIES~~

~~3.2~~ ~~To support the development of regional educational and training opportunities~~

~~3.3.2~~ To facilitate regional economic development activities

GOOD GOVERNANCE

~~4.4.4.2~~ To manage partnerships and relationships with stakeholders.

LEGISLATION

Nil

PURPOSE

To provide once off non recurrent grant funding or sponsorship to support significant initiatives conducted in Perth's Eastern Region.

POLICY STATEMENT

1. The EMRC facilitates the development and implementation of regional strategies and the provision of services and initiatives for the benefit of Perth's Eastern Region.
2. The aim of EMRC's Occasional Grants and Sponsorship Policy is to support, through ~~'once-only'~~ non recurrent grants and sponsorships, ~~significant initiatives that contribute to the achievement of regional development~~ ~~objectives strategies~~ as defined in the EMRC's Strategic Plan:
3. This does not preclude consideration of funding initiatives other than regional development which may be provided for in the whole range of EMRC objectives and strategies.

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REVIEW - Policy - 3.4 Occasional Grants Sponsorship Policy.DOCX



4. Funding may be available ~~from the EMRC~~ to member Councils and regionally based not for profit organisations to support community-based proposals that aim to achieve the EMRC's strategic objectives, or, assist the EMRC to achieve its aims through increased profile and awareness in the community of its role, programmes and services.

4.5. All applications must be submitted on the EMRC Occasional Grants and Sponsorship Application Form (DMDOC 179030)

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5. All proposals will be assessed against the following assessment criteria which has been endorsed by Council and will be subject to review from time to time.
6. Proposals that meet the accepted benchmark will be referred to Council for consideration.

	High level	Moderate level	Medium level	Minimum level	Low level	Does not address
The proposal has has the potential to benefit most of the region. or at least two thirds of the three member Councils.	5	4	3	2	1	0
The proposal will have a high positive impact or make a significant contribution to economic development and/or community development in the region.	5	4	3	2	1	0
The proposal has clearly defined sustainable and measurable outcomes.	5	4	3	2	1	0
The proposal is accessible by all sections of the community that it is targeting.	5	4	3	2	1	0
The proposal represents a new initiative and does not duplicate or adversely impact on existing services/facilities in the region.	5	4	3	2	1	0
The degree of support/contributions the proposal has received from groups/stakeholders in the region.	5	4	3	2	1	0
The proposal represents good 'value for money'.	5	4	3	2	1	0
The proposal has the potential to seed a new initiative initiative into the region.	5	4	3	2	1	0
The proposal will build and strengthen relationships amongst stakeholders in the region.	5	4	3	2	1	0

7. A proposal must receive a minimum benchmark level of 27 points in order to be referred to Council for consideration. Council will be advised of all proposals received that do not achieve the minimum benchmark through officer reports and/or information bulletins.

FINANCIAL CONSIDERATIONS

An amount will be provided on the annual budget to meet the anticipated cost of making a contribution.

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REVIEW - Policy - 3.4 Occasional Grants Sponsorship Policy.DOCX



Adopted/Reviewed by Council

1. 25 October 2001
2. 02 May 2002
3. 20 May 2004
4. 22 February 2007
5. 18 September 2008
6. 23 September 2010
- ~~6-7.~~ 18 September 2014

Next Review

Following the Ordinary Elections in 20137

Responsible Unit

Governance and Corporate Services



3.5 Purchasing Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

~~To maintain compliance with the Local Government Act, 1995 and the Local Government (Functions and General) Regulations 1996 (as amended in March 2007).~~

To ensure consistency and value for money outcomes for all purchasing activities for the supply of goods or services where the consideration under the contract is, or is expected to be, \$100,000 or less or worth \$100,000 or less.

To maintain compliance with the Local Government Act, 1995 and the Local Government (Functions and General) Regulations 1996

LEGISLATION

Local Government Act 1995 s.3.57

Local Government (Functions and General) Regulations 1996 – r.11A

POLICY STATEMENT

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

Amount of Purchase	Form of Quotation (minimum requirements)
Up to \$5000	Multiple quotations are not required when purchasing
\$5001 - \$10000	Obtain three (3) verbal quotes
\$10,000 - \$49,999	Obtain three (3) written quotes



\$50,000 - \$99,999	Obtain at least three (3) written quotes containing price and specification of goods or services
\$100,000 and above	Conduct public tender process.



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.

Waiver of Quotation:

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— 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.

Sustainable Procurement:

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The EMRC will consider the environmental 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.

Record Keeping:

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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;
 - Requisitions and purchase orders.
- b) Tender records include:
 - Tender documentation;
 - Internal documentation;
 - Evaluation documentation;
 - Enquiry and response documentation;
 - Notification and award documentation.

Record retention shall be in accordance with the minimum 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.

FINANCIAL CONSIDERATIONS

Nil



Adopted/Reviewed by Council

1. 29 March 2007
2. 18 September 2008
3. 23 September 2010

Next Review

Following the Ordinary Elections in 2013

Responsible Unit

Governance and Corporate Services



3.6 Asset Management Policy

STRATEGIC PLAN OBJECTIVE

GOOD GOVERNANCE

4.4 To continue to improve financial and asset management practices

PURPOSE

To ~~establish provide a policy~~ for the responsible management of EMRC controlled assets.

This policy covers all assets controlled by the EMRC and applies to all areas of EMRC that have responsibility to manage, maintain, operate or provide a service utilising EMRC's assets.

LEGISLATION

Local Government Act 1995 s 5.56
Local Government (Administration) Regulations 1996 r19C and 19 DA

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POLICY STATEMENT

EMRC recognises the role that efficient, sustainable and cost effective asset management has in underpinning the delivery of quality services, both in the present and in the future, to its member Councils.

EMRC is committed to an integrated and strategic approach to asset management that is underpinned by the following key principles:

- ensuring service delivery needs form the basis of asset management;
- informed decision-making, incorporating a life-cycle approach to asset management and risk management; and
- sustainability, providing for present needs while sustaining resources for future generations.

SCOPE

~~This policy covers all assets controlled by EMRC and applies to all areas of EMRC that have responsibility to manage, maintain, operate or provide a service utilising EMRC's assets.~~



DEFINITION

An **asset** is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity – *Australian Accounting Standards Board*.

POLICY OBJECTIVES

The objectives of this policy are to:

- Ensure that assets and service levels are maintained in an efficient, sustainable and cost effective manner through long term planning;
- Integrate asset management with other corporate planning to ensure that the impacts of changes in demands and service levels are taken into consideration;
- Assign accountability and responsibility for asset management; and
- Maintain accurate and reliable asset data to effectively inform decision-making.

It is intended that the ~~above~~ policy objectives will be achieved through the following:

- The development of a 10 Year Strategic Asset Management Plan (SAMP) to support EMRC's corporate strategic and business planning;
- The development of a 5 Year Operational Asset Management Plan (OAMP) which provides detailed action plans on key initiatives to be delivered in the next 5 financial years to support the SAMP;
- Identification of existing and new asset requirements based on changes in demands and service levels as part of asset management planning;
- Establishment of clear roles and responsibilities for asset management; and
- Utilisation of an integrated asset management and financial management information system to maintain asset data.

ROLES AND RESPONSIBILITIES

Position	Roles and Responsibilities
Council	<ul style="list-style-type: none"> • Act as stewards for all assets owned by EMRC • Provides strategic direction for asset management • Endorses asset management policy and strategy • Endorses SAMP (as part of strategic planning) and OAMP (as part of budget process)
Chief Executive Officer	<ul style="list-style-type: none"> • Develops asset management policy and strategy for submission to Council • Develops SAMP for submission to Council • Develops OAMP • Develops business cases



Position	Roles and Responsibilities
	<ul style="list-style-type: none"> Monitors and reports progress of SAMP and OAMP to Council as required

Position	Roles and Responsibilities
Directors	<ul style="list-style-type: none"> Contribute towards preparation of SAMP and OAMP Authorise asset additions and disposals in accordance with the approved OAMP Maintain oversight over assets under their control (including usage, safeguards, risk management and insurance)
Asset Officer	<ul style="list-style-type: none"> Maintains Asset Register and asset related records Updates General Ledger for asset related transactions (including depreciation, write off, acquisition and disposal) Provides assistance to business unit as required
Staff	<ul style="list-style-type: none"> Initiate acquisition or disposal requests Utilise assets in a responsible manner

FINANCIAL CONSIDERATIONS

The EMRC prepares its financial reports in accordance with Australian Accounting Standards as they apply to local governments, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

The EMRC reports on the classes of assets including:

- Land;
- Buildings;
- Structures;
- Plant;
- Equipment;
- Furniture; and
- Fittings.

Provisions will be included in financial plans and annual budgets.

Adopted/Reviewed by Council

1. 21 March 2013
4-2. **18 September 2014**

Next Review

Following the Ordinary Elections in 2017~~5~~

Responsible Unit

Governance and Corporate Services



4.1 Chief Executive Officer - Appointment, and Performance ~~Assessment and~~ Review Policy

STRATEGIC PLAN OBJECTIVE

~~4.94.3~~ To provide responsible and accountable governance and management of the EMRC

~~4.5~~ To improve organisational culture, health, welfare and safety

PURPOSE

To ensure that the appointment and review of performance of the Chief Executive Officer (CEO) ~~for of~~ the EMRC is undertaken in accordance with the provisions of the Local Government Act (1995), ~~and~~ Local Government (Administration) Regulations 1996 ~~and EMRC Standing Orders Local Law 2013~~.

LEGISLATION

s5.36, 5.38 ~~-, 5.39, 5.40~~ 5.44 of the Local Government Act (1995)
Regulations 18A - 18G of the Local Government (Administration) Regulations 1996

POLICY STATEMENT

1. The Chief Executive Officer shall be appointed under s5.36, 5.39, and 5.44 of the Local Government Act (1995) and r18A, 18B, 18C, 18E, 18F and 18G of the Local Government (Administration) Regulations 1996.

~~2.~~ An annual review of the CEO's performance, contract terms and conditions shall be conducted by ~~a the committee~~ Chief Executive Officer's Performance Review Committee (CEOPRC).

~~3.~~ The CEOPRC will comprise of an EMRC Councillor from each member Council inclusive of the Chairman ~~and Deputy Chairman~~ of the Council, ~~with the assistance of~~

~~2.4.~~ An external facilitator agreed to by both the Council and the CEO will be appointed to assist with the performance review process.

~~3.5.~~ The performance review is to be based on agreed performance objectives and measures to be set at the time of review for the following year with the objectives being reported to the next EMRC Council meeting.

~~4.6.~~ The item of Council business referred to in this policy is to be treated as confidential in accordance with s5.23(2) of the Local Government Act 1995, r14(2) of the Local Government (Administration) Regulations 1996, EMRC's Standing Orders Local Law ~~1998-2013 Clause 4.2~~ Clause 5.2 and Council's Policy 1.5 related to dealing with confidential items.-

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REVIEW - Policy - 4.1 Chief Executive Officer - Appointment Performance Assessment and Review Policy.DOCX

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FINANCIAL CONSIDERATIONS

~~An amount will be provided in the annual budget to meet estimated costs.~~
~~Remuneration of all employees is provided for in the annual budget.~~

Adopted/Reviewed by Council

1. 20 October 1992
2. 09 December 1993
3. 22 July 1999
4. 02 May 2002
5. 20 May 2004
6. 23 February 2006
7. 31 May 2007
8. 18 September 2008
- ~~9.~~ 23 September 2010
- ~~9-10.~~ xxx18 September 2014

Next Review

Following the Ordinary Elections in ~~2013-xx~~2017

Responsible Unit

Governance and Corporate Services



4.2 Superannuation Contribution Policy

STRATEGIC PLAN OBJECTIVE

~~4.9 To improve organisational culture, health, welfare and safety~~
~~4.5 To improve organisational culture, health, welfare & safety.~~

PURPOSE

To detail the superannuation contribution entitlements for eligible staff members of the EMRC.

LEGISLATION

Local Government Act 1995 s 5.47
Superannuation Guarantee (Administration) Act 1992

POLICY STATEMENT

1. The contribution rate required by the *Superannuation Guarantee (Administration) Act 1992*, as amended from time to time, will be paid by Council for all eligible staff into a complying superannuation fund.
2. Each staff member who contributes a minimum of 5% of their 'ordinary time earnings', as defined by the Act, to a complying superannuation fund will be entitled to an additional 5% contribution from Council above the *Superannuation Guarantee (Administration) Act 1992* contribution, such that the total contribution from Council (including the Superannuation Guarantee amount) is up to a maximum of 17% of the staff member's 'ordinary time earnings'.
3. All voluntary contributions made by staff are to be made by way of a fortnightly payroll deduction, 'before' or 'after' tax.

FINANCIAL CONSIDERATIONS

An amount is provided in the annual budget for the cost of providing superannuation contributions.



Adopted/Reviewed by Council

1. 29 April 1993
2. 22 July 1999
3. 22 February 2001
4. 02 May 2002
5. 20 May 2004
6. 23 February 2006
7. 18 September 2008
8. 23 September 2010
9. 23 May 2013
- ~~9-10.~~ 18 September 2014~~xxxxx~~

Next Review

Following the Ordinary Elections in
2013~~2017~~~~xxxxx~~

Responsible Unit

Governance and Corporate Services



4.3 Gratuity Payments to Terminating Staff ~~In Addition to Contract or Award Policy~~

STRATEGIC PLAN OBJECTIVE

~~4.94.5~~ To improve organisational culture, health, welfare and safety.

PURPOSE

To establish a policy in relation to the approval of a gratuity payment to members of staff who retire or resign from employment with the EMRC. ~~This policy aims to recognise the contributions of staff who have provided exemplary service during their tenure with EMRC or an extensive term of service.~~

~~A 'gratuity payment' means any payment of monies in excess of any contractual or award entitlement.~~

DEFINITION

~~A 'gratuity payment' means any payment of monies in excess addition to any contractual or award entitlement, which is paid to a staff on termination of employment with the EMRC.~~

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LEGISLATION

~~Local Government Act (1995) s 5.50~~
Local Government (Administration) Regulations 1996 r.19A

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POLICY STATEMENT

- ~~1. Gratuity payment may be made to a staff member in recognition of their exemplary service or extensive term of service with the EMRC.~~
- ~~2. Gratuity payment may be made only when the staff member retires or resigns from employment with the EMRC.~~
- ~~3. Independent consideration will be given to every instance where it is the opinion of the~~The Chief Executive Officer (CEO)~~will give consideration to whether that a gratuity payment should be made to a member of staff who is ceasing employment with the EMRC, and the matter will be referred to the Council for consideration.~~
- ~~4.4. In the instance where the intended recipient of the gratuity is the CEO, the matter shall be considered by the Council.~~
- ~~2. In the instance where the intended recipient of the gratuity payment is the CEO, the matter shall be considered by Council.~~



- ~~3-5.~~ The value of the payment made to the ~~individual~~ staff member will not to exceed any amount as is prescribed or provided for by r.19A ~~of the regulations~~ the Regulations.
- ~~4-6.~~ Any taxation implications associated with the ~~payment of a gratuity~~ gratuity payment will be borne by the staff member.
- ~~5-7.~~ In the event that a ~~payment in addition to the contractual or Award entitlement of the employee~~ gratuity payment is made, the Council will give local public notice of its decision to make that payment in accordance with the provisions of s 5.50 of the ~~Act~~ Local Government Act 1995.

FINANCIAL CONSIDERATIONS

~~A potential liability to Unbudgetted and to be referred to Council for funding be funded from operating surplus or reserves.~~

Adopted/Reviewed by Council

1. 29 May 1997
2. 22 July 1999
3. 02 May 2002
4. 20 May 2004
5. 23 February 2006
6. 18 September 2008
- ~~7.~~ 23 September 2010
- ~~7-8.~~ 18 September 2014

Next Review

Following the Ordinary Elections in 2017~~2013~~

Responsible Unit

Governance and Corporate Services



4.4 Staff Service Recognition Policy

STRATEGIC PLAN OBJECTIVE

~~4.9 To improve organisational culture, health, welfare and safety.~~ 4.5 To improve organisational culture, health, welfare and safety

PURPOSE

To establish policy and guidelines for recognising the tenure of long serving staff within the EMRC.

LEGISLATION

Nil

SCOPE

This policy applies to all EMRC staff, including part time and casual employees, who achieve aggregate hours of continuous employment equivalent to a minimum of five years service.

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POLICY STATEMENT

The aim of ~~this policy~~ the Staff Service Recognition policy is to ~~promote the formal~~ ly recognition ~~recognise~~ of staff for their service and contribution to the EMRC.

- ~~• This policy will apply to all EMRC staff, including part time and casual employees, who achieve aggregate hours of continuous employment equivalent to a minimum of five years service.~~
- Recognition will be given after the completion of five years continuous service from the date of ~~their~~ a staff member's most recent hire into a continuous employment position at the EMRC, and at five year intervals thereafter.
- Eligible staff must be in active service on their anniversary date in order to receive ~~an~~ a Service Recognition Award.~~award.~~
- Staff on leave of absence will receive their Service Recognition Award ~~awards~~ upon return to active employment.

Service Awards

- After completing the relevant number of years' of continuous service with EMRC, the staff member ~~shall~~ will be presented with a Certificate of Appreciation signed by the Chairman and Chief Executive Officer and a gift to the value specified in the Schedule below, at a Service Recognition Ceremony. ~~This gift, where possible, will be of the staff member's choice.~~



- ~~Recognition will be given at~~ The Service Recognition Ceremony will be a Council funded event (e.g morning tea or sundowner) as determined by the Chief Executive Officer.
- ~~The Service Recognition~~ presentations will be made by the Chief Executive Officer, or ~~his~~ nominee, and the Chairman, ~~or nominee, whenever if~~ practicable.
- ~~Presentation Service Recognition ceremonies Ceremonies~~ will take place as near as possible to the staff member's anniversary date, having regard for such factors as the number of staff qualifying in any one year and the significance of the anniversary being celebrated.

Administration

- Human Resources will be responsible for providing to the Chief Executive Officer, relevant Director, and relevant Manager, a list of staff eligible for ~~Service Recognition~~ at least two (2) months prior to the event and will assist with the preparation and planning of the ~~appropriate presentation~~ Service Recognition Ceremony.
- The Chief Executive Officer's office will be responsible for liaising with the CEO and Chairman in identifying a suitable date to hold the Service Recognition Ceremony.

SCHEDULE - Recognition of Years of Service

Number of Years of Continuous Service	Service Recognition Award*
5 Years of Service	Framed Certificate of Appreciation Gift to the value of \$100
10 Years of Service	Framed Certificate of Appreciation Gift to the value of \$150
15 Years of Service	Framed Certificate of Appreciation Gift to the value of \$200
20 Years of Service	Framed Certificate of Appreciation Gift to the value of \$400
After each period of 5 years thereafter	Framed Certificate of Appreciation Gift to the value of \$450

* Where possible the gift will be of the staff member's choice.

FINANCIAL CONSIDERATIONS

An amount will be provided in the annual budget to meet estimated costs.

Adopted/Reviewed by Council

1. 06 September 2001
2. 02 May 2002
3. 20 May 2004
4. 23 February 2006
5. 18 September 2008
6. 23 September 2010
- 6-7. Xxx 2014

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REVIEW - Policy - 4.4 Staff Service Recognition Policy.DOCX

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| Next Review

| Responsible Unit

Following the Ordinary Elections in ~~2013~~xxx

~~Governance and Corporate Services~~Governance
and Corporate Services



4.5 Gifts to Staff for Farewells and Special Circumstances Policy

STRATEGIC PLAN OBJECTIVE

~~4.94.5~~ To improve organisational culture, health, welfare and safety.

PURPOSE

To establish policy and guidelines relating to farewell and/or special circumstance gifts and farewell functions that may be conferred on a staff member for the following reasons:

1. Retirement, ~~or~~ resignation or redundancy from their employment with EMRC through personal volition (non-disciplinary); and
2. Special circumstances such as the birth/adoption of a staff member's child, marriage of a staff member, bereavement in the affected staff member's immediate family, or long-term or serious illness of staff member.

LEGISLATION

Nil

SCOPE

This policy applies to all EMRC staff, including part time and casual employees. Eligibility is based primarily upon years of continuous service.

POLICY STATEMENT

Scope

The aim of this policy is to establish the circumstances for providing:

- ~~an~~ This policy recognises that depending on tenure of employment, EMRC may wish to provide an additional benefit ~~in the way of refreshments and a gift~~ to staff leaving the Council's employment voluntarily (and not under any disciplinary procedures)

- ~~Eligibility is based primarily upon years of continuous service.~~

~~The policy also recognises that on occasion EMRC may wish to provide for flowers or a gift to be~~

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| ~~made available to affected~~ staff under special circumstances.
|



Retirement ~~or~~ Resignation ~~or~~ Redundancy -Benefit

Individual staff members may receive a notional benefit ~~and/or a letter of appreciation from the Chairman and/or Chief Executive Officer~~ in accordance with the following table:

Length of Service	Notional Benefit
< 5 years	<ul style="list-style-type: none"> No contribution towards a staff collection An exception may be made at the discretion of the Chief Executive Officer in the event that it is deemed appropriate. For example, if a departing staff member is terminated due to the loss of grant funding for a contracted position that was for a fixed term of two years or more. Morning or afternoon tea or appropriate after hours staff function as determined by the Chief Executive Officer.
5 years to < 10 years	<ul style="list-style-type: none"> \$100 contribution towards a staff collection; and Letter of appreciation from the CEO; and Morning or afternoon tea or appropriate after hours staff function as determined by the Chief Executive Officer.
10 to < 15 years	<ul style="list-style-type: none"> \$150-200 contribution towards a staff collection; and Letter of appreciation from the CEO or Chairman; and Appropriate Morning or afternoon tea or appropriate after hours staff function as determined by the Chief Executive Officer in consultation with the Chairman.
15 to < 20 years	<ul style="list-style-type: none"> \$200-250 contribution towards a staff collection; and Letter of appreciation from the CEO or Chairman; and Morning or afternoon tea or appropriate after hours staff function as determined by the Chief Executive Officer in consultation with the Chairman.

Comment [P1]: The example does not add value to the Policy. It should be up to the relevant Director to put forward a case and reasons for the gift

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20 years and over

- ~~\$250-300~~ contribution for a gift on behalf of Council; ~~and~~
- ~~Letter of appreciation from the CEO or Chairman;~~
- ~~Morning or afternoon tea or appropriate~~ ~~Appropriate~~ function as determined by the Chief Executive Officer in consultation with the Chairman; and/or
- Luncheon with CEO and key personnel.

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Farewell Function

~~The departing staff member's Director or his/her nominee is responsible for planning the appropriate presentation.~~

Special Circumstances Benefit

Where special circumstances exist, the Chief Executive Officer has the discretionary authority to provide the affected staff member with an appropriate token benefit (flowers or equivalent gift) on behalf of EMRC.

Responsibilities:

- ~~The staff member's Director or nominee is responsible for planning the appropriate presentation, in consultation with the Chief Executive Officer.~~
- ~~Human Resources is responsible for providing the Director or nominee the staff member's details relevant to this policy such as personal address, years of service etc.~~

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FINANCIAL CONSIDERATIONS

An amount will be provided in the annual budget to meet estimated costs.

Adopted/Reviewed by Council

1. 06 September 2001
2. 02 May 2002
3. 20 May 2004
4. 23 February 2006
5. 18 September 2008
6. 23 September 2010
- ~~6-7.~~ 18 September 2014

Next Review

Following the Ordinary Elections in ~~2013~~2017

Responsible Unit

Governance and Corporate Services



5.1 Red Hill Environmental Policy

STRATEGIC PLAN OBJECTIVE

1.2 To improve regional waste management ~~practices~~

PURPOSE

To ~~establish the~~provide guiding principles of environmental management for the ~~EMRC's~~ Red Hill Waste Management Facility ~~located on Toodyay Road, Red Hill.~~

LEGISLATION

~~Minister for the Environment Employment and Training Statement 462~~Environmental Protection Act 1986: Statement 462 That A Proposal May Be Implemented - Class IV Waste Disposal Cells, Red Hill Waste Disposal Facility (21 ~~June~~November 1997) Conditions 4-1 & 4-2.

POLICY STATEMENT

Commitment

The EMRC manages the Red Hill Waste Management Facility on behalf of its six member councils in the eastern region of the Perth metropolitan area. The EMRC is committed to minimising the environmental and social impacts of ~~our~~ operations by working towards best practice management.

Objectives

To fulfil these commitments the EMRC will:

- Comply as a minimum with all applicable environmental legal obligations and internal EMRC standards;
- Openly and transparently report our environmental performance;
- Strive to meet community expectations through addressing concerns and providing avenues for them to liaise with EMRC staff and management;
- Strive for continuous improvement by implementing and maintaining an ~~EMS~~Environmental Management System that is communicated and supported from management to operational staff and contractors (at all levels) to achieve best practice management;
- Continue to be innovative by supporting research into the understanding of the environment which will enable ~~us to the~~ use of sound data as the basis for all environmental and operational decisions;
- Encourage and support better waste management practices through education and waste diversion strategies;
- Prevent pollution and environmental degradation by assessing the environmental implications of planning decisions associated with the design, construction and operation of the Red Hill Waste Management Facility;



- Raise environmental awareness for staff and contractors to be aware of and accountable for their individual contributions to environmental performance and encourage every employee and contractor to demonstrate respect for the environment.
- ~~Be committed to reducing greenhouse emissions through appropriate mitigation and adaption strategies and evaluate the climate change implications of operational and strategic decisions.~~
- ~~Maintain regular water quality monitoring to ensure sustainable use of groundwater and identify sources of contamination. Implement various water conservation measures to conserve water resources on site.~~
- ~~Focus on meeting the needs of current and future generations by integrating environmental sustainability, social opportunities and economic development into the Red Hill Waste Management Facility operations.~~

~~Our~~ Responsibilities

Each employee and contractor has a personal obligation to comply with the ~~EMRC~~ Red Hill Environmental Policy.

Management is responsible for taking this policy into consideration when making any planning or operational decisions. Management is also responsible for ensuring the policy is communicated to and implemented by all staff, contractors, suppliers, local community and visitors.

~~Our~~ The environmental program will be audited on a regular basis to confirm and improve ~~our~~ performance against the requirements of this policy.

The EMRC publicly reports its environmental performance in its annual monitoring and compliance report.

FINANCIAL CONSIDERATIONS

Funding for environmental management activities are included in the annual budgets related to the Red Hill Waste Management Facility.

Adopted/Reviewed by Council

1. 23 April 1998
2. 22 July 1999
3. 02 May 2002
4. 20 May 2004
5. 23 February 2006
6. 18 September 2008
7. 24 September 2009
8. 23 September 2010
- 8-9. 18 September 2014

Next Review

Following the Ordinary Elections in ~~2013~~ 2017

Responsible Unit

Waste Management Services



THIS POLICY IS TO BE DELETED

5.2 Environmental Purchasing Policy

STRATEGIC PLAN OBJECTIVE

4.4 To manage partnerships and relationships with stakeholders

PURPOSE

To ensure that environmental impacts are taken into consideration in purchasing decisions.

LEGISLATION

Nil

POLICY STATEMENT

The EMRC will consider the environmental 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. Environmental impact issues to be considered may include:

- Use of recycled or recovered materials;
- Product reusability;
- Product recyclability;
- Durability;
- Energy efficiency and consumption;
- Waste prevention;
- End of life disposal method; and
- Environmental health issues.

The implementation of the Policy will be through the use of criteria and assessment tools in the purchasing process.

TEL (08) 9424 2222 FAX (08) 9277 7598 EMAIL mail@emrc.org.au WEB www.emrc.org.au



FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 21 July 2005
2. 23 February 2006
3. 18 September 2008
4. 23 September 2010

Next Review

Following the Ordinary Elections in 2013

Responsible Unit
Environmental Services

Governance and Corporate Services



6.1 Member Conference, Seminar and Study Tour Attendance Policy

STRATEGIC PLAN OBJECTIVE

| ~~4.34.6~~ To provide responsible and accountable governance and management of the EMRC.

PURPOSE

To establish a policy and guidelines for the attendance by appointed members at intrastate, interstate, or international conferences, seminars, and study tours in an official capacity.

LEGISLATION

Nil

POLICY STATEMENT

1. Council recognises that attendance at conferences, seminars, and study tours contributes to the personal and professional development of Councillors and is consistent with Council's objectives.
2. Attendance by an appointed member at a conference, seminar or study tour should be consistent with the current or future direction of the EMRC and must be related to a subject matter directly referred to in Council's approved and adopted publications (ie. Strategic Plan for the Future or annual budget) and identified as an organisational objective.
3. Attendance by appointed members at intrastate, interstate or international conferences, seminars and study tours will be authorised in advance by Council.
4. The amount available to individual appointed members for conference/seminar/study tour attendance shall be in accordance with the amount allocated specifically for this purpose in Council's annual budget. Expenditure in excess of the allocated sum for each appointed member will require Council approval prior to the expenditure occurring.
5. Any appointed member who is offered sponsorship in the form of conference or seminar registration or other costs in an official capacity, wholly or partly by any government agency, external organisation or person, shall immediately make this known to the Chairman and Chief Executive Officer.
6. A written report shall be prepared for the information of Council by every appointed member who has travelled intrastate, interstate or overseas in an official capacity. The report shall provide comment on the value of the conference/seminar/study tour and related benefits to the EMRC, and provide recommendations for further action (if applicable). In the event that two or more appointed members attend the same conference, for the purposes of this policy, only one written report is required which may be a joint report.



FINANCIAL CONSIDERATIONS

An amount will be provided in the annual budget to meet estimated costs.

Adopted/Reviewed by Council

1. 24 February 1994
2. 22 July 1999
3. 02 May 2002
4. 20 May 2004
5. 23 February 2006
6. 18 September 2008
7. 23 September 2010
- ~~7-8.~~ 18 September 2014

Next Review

Following the Ordinary Elections in ~~2013~~2017

Responsible Unit

Governance and Corporate Services



6.2 Reimbursement of Expenses – Appointed Members and Staff - Conferences, Seminars, and Other Events Policy

STRATEGIC PLAN OBJECTIVE

~~4.64.3~~ To provide responsible and accountable governance and management of the EMRC

PURPOSE

To establish a policy governing the reimbursement of reasonable out of pocket expenses actually and necessarily incurred by appointed members of Council, EMRC staff, or a participant staff member, whilst attending approved conferences, seminars and other events that are considered to be in the course of their authorised EMRC duties.

POLICY STATEMENT

Where an appointed member, staff member, or a ~~participant-staffcommittee~~ member is authorised to attend a conference, seminar or other event on behalf of the EMRC, expenses incurred will be reimbursed as follows:

Registration Costs

Actual cost of registration for the conference, seminar and/or other event being attended.

Travel and Accommodation Costs

Air Travel - Intrastate and Interstate

- Return economy class airfare to the airport nearest the venue.
- Individuals travelling have the option of upgrading to business class travel at their own expense with the difference between the applicable economy rate and business class rate being payable to EMRC in advance. Personal frequent flyer credits may be used to upgrade travel class however no reimbursement will be made by EMRC in this case. ~~Where applicable, frequent flyer points associated with EMRC funded travel, will accrue to the benefit of EMRC.~~

Where an appointed member and/or a staff member is required to spend the night away from their normal residence, the actual cost of reasonable hotel or motel accommodation including the night immediately prior to the event and the evening of the last day of the event will be reimbursed.

Air Travel - International Destinations

- Return economy class airfare to the airport nearest the venue.
- Individuals travelling have the option of upgrading to business class travel at their own expense with the difference between the applicable economy rate and business class rate being payable to EMRC in advance. Personal frequent flyer credits may be used to upgrade travel class however no reimbursement will be made by EMRC in this case. ~~Where applicable, frequent flyer points associated with EMRC funded travel, will accrue to the benefit of EMRC.~~



Where an appointed member and/or a staff member is required to spend the night away from their normal residence, the actual cost of reasonable hotel or motel accommodation including up to two (2) nights immediately prior to the event and the evening of the last day of the event will be reimbursed, subject to the availability of flights.

Other Travel

- Travel to and from airports and other terminals at both ends of the journey.
- Train, bus and taxi fares to and from the venue.
- Car rental and associated petrol costs.
- Personal mileage for use of own vehicle. Where a staff member is authorised to use their own vehicle for business related travel, an allowance shall be paid for the relevant kilometres travelled using the "cents per kilometre method" permissible under the Income Tax Assessment Act.

Accommodation Costs

Accommodation bookings should be made at a hotel, motel, and/or serviced apartment located in close proximity to the conference seminar or event. As a guide, accommodation standards will generally be of a ~~3-4~~4.5 star rating with the most competitive rate available at the time of booking being selected.

Meals (including reasonable liquid refreshments served with meals)

The actual cost of the meal consumed with the production of a receipt, or the following rates if receipts are not retained:

- Breakfast \$30
- Lunch \$40
- Dinner \$70

Incidental Expenses - including dry cleaning, telephone calls (necessitated by attendance at the conference), parking, and internet access

Actual reasonable expenses incurred as included on the accommodation account or supported by receipts or credit card accounts.

Accompanying Person(s)

Appointed members and/or members of staff may travel with an accompanying person(s) provided:

- (i) the accompanying person(s) does not incur any costs at Council expense; and/or
- (ii) the presence of the accompanying person(s) does not interfere with the business requirements of the travel.

The only exception to point (i) is the nominated cost for conference related social functions ie: dinner or cocktail function for the appointed member's and/or staff member's partner, which will be reimbursed.

Cash Advance

A cash advance of ~~\$50-70~~ per day for the duration of the event will be made to an appointed member, staff member and/or participant staff member attending the event on behalf of the EMRC. An additional cash advance may be made, at the discretion of the CEO, when it is apparent that payments by cash will exceed ~~\$50-70~~ per day.

Persons receiving cash advances are liable to reimburse EMRC for the difference where the advance exceeds the actual expenditure authorised in accordance with this policy.



Supporting Documentation

All claims for travel related expenses, including cash advance payments, must be supported by provision of the appropriate documentation including receipts, itemised accounts, and/or credit card records. A Statutory Declaration detailing the exact costs making up the claim is acceptable where a receipt is not able to be provided.

All supporting documentation should be provided and settled, including outstanding cash advances, within four (4) working weeks following return from the conference, seminar and other event.

Chief Executive Officer Approval

Any expenses incurred which are not related to official travel should be paid personally by the person attending the approved conference, seminar and other event.

The Chief Executive Officer has the discretion to approve other non-personal out-of-pocket expenses associated with attendance at approved conferences, seminars and other events that are considered to be in the course of authorised duties.

Certification

The officer for whom the expense was incurred, is where possible, to certify the account. Discretion is to be exercised to ensure that reasonable costs only are incurred.

FINANCIAL CONSIDERATIONS

An amount will be provided in the annual budget to meet estimated costs.

Adopted/Reviewed by Council

1. 22 July 1999
2. 02 May 2002
3. 20 May 2004
4. 08 December 2005
5. 23 February 2006
6. 18 September 2008
7. 23 September 2010
- ~~7-8.~~ 18 September 2014

Next Review

Following the Ordinary Elections in 2013~~2017~~

Responsible Unit

Governance and Corporate Services



7.1 Risk Management Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

The EMRC's "Risk Management Policy 7.1" This Policy sets out the attitude to, and objectives for and corporate approach for, managing business and workplace related risk in a systematic and formal manner. It is the benchmark by which all decisions in the handling of risk will be tested

LEGISLATION / STANDARDS

Australian/ New Zealand standard "Risk Management – Principles and Guidelines" AS/NZS ISO 31000:2009.

POLICY STATEMENT

The EMRC is committed to the management of risk to continue to protect its:

- ~~Employees, contractors and volunteers~~ Customers, clients and stakeholders
- ~~Customers, clients and stakeholders~~ Employees, volunteers and their skills
- ~~Natural and built~~ Environment
- Quality of service
- Assets and intellectual property
- Contractual and statutory obligations
- Image and reputation

Risk management is a continuous process demanding awareness and proactive action from all ~~the EMRC's~~ employees and outsourced service providers to reduce the ~~likelihood~~ possibility and impact of accidents and losses, whether caused by the EMRC or ~~a business partner~~ externally.

Senior management seeks to improve the integration of formal risk management practices into ~~The challenge for the future is to infuse risk management into our culture, our~~ the EMRC's everyday business operations and those of ~~its~~ our contractors and business partners. ~~In this way the risk implications of decisions and actions will be better planned for and dealt with.~~ The involvement of all staff is both encouraged and expected in order to meet the goals of this policy. ~~Everyone's involvement and support is critical to an effective result~~

Risk management is ~~viewed as a critical element of good governance and together a~~ partner with innovative and committed staff will continue to make the EMRC a leader in its field ~~on and they are both~~ core key concepts for improving our business and services to be a leading organisation.



~~The risk management system, as supported by suitable To achieve this aim, risk management standards and guidelines, will be created, maintained and continually improved. This~~ will involve risk identification and risk evaluation linked to practical and cost-effective risk control measures commensurate with our business. ~~The standards will also be flexible enough to consider the severity and consequences of new initiativesinnovation~~ in a manner that does not stifle innovation.

The ~~EMRC's will develop a~~ Risk Management Plan ~~that~~ provides an operating framework that outlines:

- Goals of Risk Management at ~~the~~ EMRC
- Key ~~s~~Strategies
- Overview of the EMRC 's risk management process
- Risk ~~m~~Management ~~s~~Structure and ~~r~~Responsibilities
- Risk ~~a~~Assessment ~~m~~Methodology
- Implementation, ~~m~~Timeframes, ~~M~~onitoring and ~~r~~Review ~~processes~~
- Risk ~~c~~Criteria ~~to ensure the right focus~~
- Summary of the EMRC 's ~~key r~~Risks
- Detailed assessment of the EMRC's risks, ~~together with risk treatment plans.~~

Responsibilities

~~Council has determined that t~~he Audit Committee, in conjunction with the CEO, will have responsibility for monitoring the effectiveness of the EMRC's risk management function to ensure that the necessary resources and risk management processes are in place.

The primary responsibility for cascading risk standards and procedures and approval of the treatment of major risk exposures, as identified by all staff, ultimately rests with the Chief Executive Officer.

This risk management activities ~~of the EMRC~~ will have a strong emphasis toward the prevention of situations or incidents that may damage the EMRC as an entity or injure staff and relevant others. ~~The~~ Chief Executive Officer in executing his duty will establish a Risk Management Steering Group (RMSG) comprising the Executive team and ~~for~~ key managers who will be responsible for:

- ~~Initiating activities that are consistent with the Risk Management Policy and Plan.~~
- ~~Ensuring that key risk management documentation is up to date.~~
- ~~Ensuring the Corporate Risk Register is up to date and that Risk Treatment Plans are being implemented. Co-ordinating the regular updating of Business Unit and corporate Risk Registers and approving Risk Treatment Action Plans and compiling a master set;~~
- ~~Ensuring appropriate linkages to the EMRC's business and corporate planning processes, and where necessary, to budget processes. Maintaining corporate risk and risk control information (i.e. Risk Management Policy and Plans);~~
- ~~Ensuring that all relevant risk areas are considered including those emanating from the services of external providers and contractors;~~
- ~~Analysis and reporting to the Council as required;~~
- ~~Ensuring appropriate linkages to the EMRC's business and corporate planning processes, and where necessary, to budget processes. Analysing risk information and reporting to Council as required;~~

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REVIEW - Policy - 7.1 Risk Management Policy.DOCX



The systematic management of business and workplace risk ~~Risk Management~~ is a core responsibility of ~~for~~ all managers. Suitable risk management activities will be incorporated into business planning, operations and the management of ~~our~~ contractors and service providers.

— The scope of these activities will encompass

- Education and training in risk management for staff;
- Identifying and supporting the development of risk management standards and procedures where applicable, that assist staff to understand and deal with risk;
- Building a staff culture that ~~constantly~~ identifies and eliminates risks in a consistent manner
 - Helping to prioritise and schedule ~~planned~~ risk control improvements (risk treatment) in each of the EMRC's business units
- Reporting to the EMRC Executive and Council on risk improvement outcomes.

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FINANCIAL *CONSIDERATIONS*

Funding will be provided to properly resource risk management activities as identified that have been ~~prioritised~~ through the annual risk management planning and budgeting process ~~of the EMRC~~.

Adopted/Reviewed by Council

1. 31 October 2002
2. 20 May 2004
3. 23 February 2006
4. 18 September 2008
5. 23 September 2010
- 6-6. 18 September 2014

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Next Review

Following the Ordinary Elections in 20132017

Responsible Unit

Risk Management Service



7.2 Occupational Health and Safety Policy

STRATEGIC PLAN OBJECTIVE

4.56 To improve organisation culture, health, welfare and safety, provide responsible and accountable governance and management of the EMRC

PURPOSE

The purpose of this policy is to provide a framework for future action directed at protecting EMRC staff and property, and other people who may interface with EMRC operations. This policy states the commitment of the Eastern Metropolitan Regional Council to the safety and health of its employees, contractors and the general public who visit our workplaces or have the potential to be affected by our activities.

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LEGISLATION

The Western Australian Occupational Safety and Health Act 1984

POLICY STATEMENT

The implementation of this policy is based on effective occupational safety and health systems that are supported by a high level of management involvement and the co-operative participation of the workforce. The primary document for guiding the implementation of the Occupational Health and Safety Program is the Safety Management Plan. The Eastern Metropolitan Regional Council recognises that health and safety is a key component in the management of all its business activities. The EMRC is wholly committed to safe working practices and providing safe places of work by placing the highest value on Occupational Health and Safety in its operations. Our goal is to be recognised as leaders in occupational health and safety practices through compliance, education, communication and innovation.

To achieve our goals EMRC is committed to:

- Complying with all relevant OSH Legislation and other requirements placed upon the organisation.
- Developing sustainable Safety Management Systems and Safety Management Plans for all workplaces.
- Promoting a culture of continuous improvement in workplace health, safety and wellbeing.
- Risk Management processes and ensuring consistency with the nature of our workplace activities and assessment of risk.
- Establishing measureable objectives and targets for occupational safety and health to ensure continuous improvement aimed at eliminating work-related injury and illness.

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- Establishing and maintaining communication and consultation processes that ensure employees are included in decision –making processes that impact on health and safety in the workplace.
- Ensuring employees are trained and competent to carry out their roles in a safe manner and to provide training where required to develop employees where required.
- Implementing the provisions of this policy in all areas of our business activity and on all sites where our activities are undertaken.

~~This latter document is designed to reduce the risk of injuries to staff and relevant others and, of property damage and to meet the EMRC's obligations under the Occupational Safety and Health Act 1984, and in particular Section 19.~~

The Chief Executive Officer, supported by the management team, ~~is responsible for ensuring that workplace hazards are identified and effectively managed via a range of Program activities~~ has ultimate responsibility for providing a safe and healthy work environment which ~~include~~ includes:

- Ensuring that there is close cooperation and consultation between management and staff regarding safety related matters. (A consultative process such as the Safety Advisory Committee and the involvement of Safety and Health Representatives is seen as an essential feature of the Program.)
- ~~Ensuring that full time, part time, casual and labour hire employees are fully prepared for the risks they may encounter in their work by way of a comprehensive induction process. This training includes coverage of key aspects of the Occupational Health and Safety Program and relevant safe work procedures.~~
- The ongoing recognition and control of ~~physical and procedural~~ all hazards ~~(inclusive of people with Special Needs)~~, through a hazard identification and control process.
- ~~Ensuring an ergonomic approach to the interface of people and plant / equipment~~
- ~~Conducting~~ Ensuring formal training is conducted, ~~(includes a Safety Induction processes)~~, to improve the health safety and safety related knowledge and skills of employees and contractors as relevant.
- Ensuring plant and equipment is safe and suitable for the job, via effective purchasing, ~~and inspection~~ and maintenance systems.
- Providing an effective system ~~of for~~ accident / incident reporting, investigation and recording.
- Ensuring systems are in place that minimise ~~Minimising~~ risk as low as reasonably practicable in the general work environment and for any relevant residual risk through elimination or the use of effective controls and where personal protective equipment and clothing is the last consideration for control., ~~providing employees with the most appropriate type of personal protective equipment and/or applying other measures, as may be required.~~
- Ensuring that Emergency Response Procedures are ~~in place~~ developed and implemented to protect anyone on council premises in the event of an emergency.
- Providing health related information and encouraging activities that promote the health and well being of staff, including the provision of an Employee Assistance Program and a Health Promotion Program.
- ~~Having a known~~ Ensuring EMRC, develops and implements an effective and consistent injury management process in the event that staff may suffer a work related injury.
- ~~Ensuring the EMRC Safety Management System meets the requirements of~~ complies with anti-discrimination and anti-bullying ~~all relevant legislation.~~

•
•

• EMRC Employees and Contractors are responsible for:

- Complying with EMRC policies and procedures
- Following all lawful instructions given by EMRC management.
- Committing to their own safety and the safety of others in the workplace or effected by work carried out in EMRC activities.

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- [Contributing to EMRC health and safety activities to ensure EMRC complies with its legislated requirements.](#)
- [Reporting all injuries, incidents and hazards that may occur at the workplace](#)



FINANCIAL CONSIDERATIONS

| The annual budget has adequate amounts allocated in it for the Risk Management function ~~Service~~ to provide safety related support services (consulting and training) to all EMRC managed operations.

Adopted/Reviewed by Council

1. 22 September 2005
2. 23 February 2006
3. 18 September 2008
4. 23 September 2010
5. 18 September 2014

| Next Review

Following the Ordinary Elections in 2013~~2017~~

| Responsible Unit

Risk Management Service~~Human Resources~~



1.1 Election of MWAC Representatives Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

To provide for representation on the Municipal Waste Advisory Council (MWAC).
The Municipal Waste Advisory Council is a standing committee of the Western Australian Local Government Association (WALGA) with delegated authority on municipal waste issues.

LEGISLATION

Nil

POLICY STATEMENT

1. The Council will elect a member delegate and member deputy delegate to represent the EMRC on the MWAC.
2. That if the member delegate is not present at a MWAC meeting the member deputy delegate will be eligible to vote on behalf of the EMRC

FINANCIAL CONSIDERATIONS

Nil



Adopted/Reviewed by Council

1. 24 June 1993
2. 22 July 1999
3. 02 May 2002
4. 20 May 2004
5. 23 February 2006
6. 18 September 2008
7. 23 September 2010
8. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



THIS POLICY IS TO BE DELETED

1.2 Meetings Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

To appoint the date, time and place at which ordinary meetings of the Council will be convened.

LEGISLATION

Local Government Act 1995 s5.3, 5.4.
Standing Orders Local Law 1998

POLICY STATEMENT

1. The EMRC is to hold ordinary meetings (and may hold special meetings).
2. A twelve-month schedule of ordinary meetings of Council will be adopted by Council and meeting dates shown in that schedule will only be changed by resolution of the Council at a previous meeting.
3. Meetings of the EMRC are to be held in the EMRC Administration Offices unless otherwise decided.

FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 13 August 1998
 2. 28 October 1998
 3. 22 July 1999
 4. 02 May 2002
 5. 20 May 2004
 6. 23 February 2006
 7. 18 September 2008
 8. 23 September 2010
- Following the Ordinary Elections in 2013

Next Review

Responsible Unit

Governance and Corporate Services



1.3 Members, Chairman's and Deputy Chairman's Fees and Allowances Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

Payment of fees and allowances paid to the Chairman, Deputy Chairman, council members and deputy council members.

LEGISLATION

Local Government Act (1995) s5.98 - 5.99A

Local Government (Administration) Regulations 1996, Reg. 30, 33 – 34 AB.

POLICY STATEMENT

1. That payments be made as follows:
 - To members, other than the Chairman, an annual fee for attending meetings (s5.99);
 - To the Chairman, an annual fee for attending meetings (s5.99);
 - To the Chairman, an annual local government allowance (s5.98(5));
 - To the Deputy Chairman, an annual local government allowance of 25% of the amount payable to the Chairman (s5.98A);
 - To deputies of members when the deputy is deputising for a member at a Council or Committee meeting the prescribed maximum fee payable to a member for attending a meeting (s5.98(1)).
2. That the fees and allowances payable to the Chairman, Deputy Chairman, and members be the maximum payable in accordance with Section 5.98, 5.98A and 5.99 of the Local Government Act 1995, as determined by the Salaries and Allowances Tribunal.

FINANCIAL CONSIDERATIONS

Nil



Adopted/Reviewed by Council

1. 03 July 1997
 2. 22 July 1999
 3. 28 June 2001
 4. 02 May 2002
 5. 26 June 2003
 6. 20 May 2004
 7. 23 February 2006
 8. 18 September 2008
 9. 23 September 2010
 10. 18 September 2014
- Following the Ordinary Elections in 2017

Next Review

Responsible Unit

Governance and Corporate Services



1.4 Travelling Costs Incurred by Council Members Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

To establish payment guidelines for members of Council for travelling on Council business.

LEGISLATION

Local Government Act (1995) s5.98 (2) – (4).

Local Government (Administration) Regulations 1996, Reg. 31, 32.

POLICY STATEMENT

1. Claims by members of Council for travelling costs:
 - a) because of the members attendance at a Council or committee meeting of which he or she is also a member of; or Acting in the capacity as a Councillor of the EMRC;
 - b) associated with performing a function under the express authority of Council or in accordance with the Establishment Agreement of the Eastern Metropolitan Regional Council;
 be reimbursed on the basis detailed in clause 2 of this policy.
2.
 - a) Where the member is using a private vehicle, the rate of reimbursement shall be in accordance with the rates laid down for making motor vehicle claims under the “cents per kilometre method” permissible under the Income Tax Assessment Act.
 - b) Where the member is using a taxi or public transport, the actual amount of the fare paid by the member. A member may alternatively request to be issued with a Cabcharge voucher by the Chief Executive Officer. In the case of the Chairman, he or she may request to be issued with a Cabcharge card.
3. Claims for travelling costs must be in writing, detailing the date and purposes of the travel, be signed by the Councillor and in the case of claims for use of a private vehicle, include the opening and closing reading of the vehicles odometer in relation to each trip being reimbursed and the vehicle engine size.



FINANCIAL CONSIDERATIONS

A statutory provision which requires a budget allocation

Adopted/Reviewed by Council

1. 24 April 1997
2. 22 July 1999
3. 02 May 2002
4. 26 June 2003
5. 20 May 2004
6. 23 February 2006
7. 18 September 2008
8. 23 September 2010
9. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



1.5 Meeting Agenda / Minutes – Confidential Items Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

To ensure that confidential items, appearing on the Council and or Committee agendas are easily recognised so that they can be dealt with in accordance with their special nature.

LEGISLATION

Local Government Act 1995 s5.25(1)(j), 5.94 and 5.95
 Local Government (Administration) Regulations 1996 r14, 29 and 29A
 EMRC Standing Order Local Law 2013 clauses , 4.20 and 5.13

POLICY STATEMENT

1. That items which at the discretion of the CEO are felt to require confidentiality be distributed separate from but accompanying the Council and or Committee agendas on paper of a colour not used elsewhere in the agenda.
2. That the agenda indicate that an item is to be treated as confidential while it is being considered by council/committee.
3. That the Council and or Committee decision relating to a confidential item be included in the minutes of the meeting.
4. That copies of confidential agenda items be sent to members (and deputy members only when acting for a member) of the Council and others (in accordance with the protocol) dealing with a confidential item prior to the meeting, and be collected at the end of the meeting. Where a Council member or other has been supplied with a confidential item and does not attend the relevant meeting, they will return the confidential item as soon as practicable to the office of the EMRC attention the CEO.
5. Confidential items are not to be distributed by electronic media except at the discretion of the CEO in consultation with the Chairman.
6. That the power of the CEO, under section 5.25(1)(j) of the Act be exercised so that the reports and other documents, relating to the confidential item and presentation at the meeting, not be available for inspection by the public.



The protocol for dealing with confidential information is:

1. Confidential information will be categorised by the CEO of the EMRC into information that will be disclosed only to the Council, and information which may be disclosed to committees and member Council CEO's and officers.
2. Confidential information which will only be disclosed to the Council will include information which is the subject of legal professional privilege, information relating to employees and information which, if disclosed will or may cause economic harm to the EMRC.
3. Where confidential information is to be disclosed only to the Council, it will be considered behind closed doors with the result the recipients of the information will be limited to officers and employees of the EMRC and Council members. This confidential information will not be disclosed to any third party, inclusive of member Council CEO's and officers.
4. Confidential information which may be disclosed to committees and member Council CEO's and officers will be marked as being expressly subject to confidentiality and will also be considered behind closed doors.
5. Confidential information which is categorised by the CEO to be not disclosed to committees and member Council CEO's and officers may be referred to Council for review about whether it should be disclosed to committees and member Council CEO's and officers.
6. Application of the protocol will be made in a manner which will facilitate decision making by the EMRC and its Council and committees, prevent confidential information being accidentally disseminated, minimise the conflict of interest member Council CEO's and officers may have consequent upon the duty they owe to a participant and the legal and equitable duty of confidence they owe to the EMRC and avoid the need for litigation by the EMRC.

FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 18 September 1997
2. 22 July 1999
3. 02 May 2002
4. 20 May 2004
5. 23 February 2006
6. 18 September 2008
7. 23 September 2010
8. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



THIS POLICY IS TO BE DELETED

1.6 Council Meeting Minutes – Recording Reason for a Decision Being Different from a Recommendation Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

To establish a method for recording the reason Council made a decision that was significantly different from the recommendation that had been made to Council by a committee or an officer.

LEGISLATION

Local Government Act 1995 s5.25(1)(f)

Local Government (Administration) Regulations 1996 r11(da)

POLICY STATEMENT

It will be Council policy to conform with Local Government (Administration) Regulations 1996 r11(da) by recording a notation which will follow the motion in which the Council has made a decision which is significantly different from the recommendation made to it by a committee or an officer (but not a decision to only note the matter or to return the recommendation for further consideration).

FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 23 April 1999
 2. 02 June 1999
 3. 02 May 2002
 4. 20 May 2004
 5. 23 February 2006
 6. 18 September 2008
 7. 23 September 2010
- Following the Ordinary Elections in 2013

Next Review

Responsible Unit

Governance and Corporate Services



1.7 Legal Representation Costs Indemnification Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

To protect the interests of Council members and employees (including past members and former employees) where they become involved in civil legal proceedings because of their official functions. In most situations the EMRC may assist the individual in meeting reasonable expenses and any liabilities incurred in relation to those proceedings.

In each case it will be necessary to determine whether assistance with legal costs and other liabilities is justified for the good government of the region.

LEGISLATION

Local Government Act 1995 s9.56 – 9.57

Local Government (Functions and General) Regulations 1996 r35

POLICY STATEMENT

1. General Principles

- a) The EMRC may provide financial assistance to members and employees in connection with the performance of their duties provided that the member or employee has acted reasonably and has not acted illegally, dishonestly, against the interests of the EMRC or otherwise in bad faith.
- b) The EMRC may provide such assistance in the following types of legal proceedings:
 - i) Proceedings brought by members and employees to enable them to carry out their EMRC functions (eg where a member or employee seeks a restraining order against a person using threatening behaviour);
 - ii) Proceedings brought against members or employees [this could be in relation to a decision of Council or an employee which aggrieves another person or where the conduct of a member or employee in carrying out his or her functions is considered detrimental to the person (eg defending defamation actions)]; and



- iii) Statutory or other inquiries where representation of members or employees is justified.
- c) The EMRC will not support any defamation actions seeking the payment of damages for individual members or employees in regard to comments or criticisms levelled at their conduct in their respective roles. Members or employees are not precluded, however, from taking their own private action. Further, the EMRC may seek its own advice on any aspect relating to such comments and criticisms of relevance to it.
- d) The legal services the subject of assistance under this policy will usually be provided by the EMRC's solicitors. Where this is not appropriate for practical reasons or because of a conflict of interest then the service may be provided by other solicitors approved by the EMRC.

2. Applications for Financial Assistance

- a) Subject to item (f), decisions as to financial assistance under this policy are to be made by the Council.
- b) A member or employee requesting financial support for legal services under this policy is to make an application in writing, where possible in advance, to the Council providing full details of the circumstances of the matter and the legal services required. Such a request is to contain a declaration that the applicant has acted in good faith, and has not acted unlawfully or in anyway that constitutes improper conduct in relation to the matter to which the application relates.
- c) The application is to be accompanied by a written statement by the applicant that he or she:
 - i) has read, and understands, the terms of this policy;
 - ii) acknowledges that any approval of legal representation costs is conditional on the repayment provisions of clause 3 and any other conditions to which the approval is subject; and
 - iii) undertakes to repay to the EMRC any legal representation costs in accordance with the provisions of clause 3.
- d) An application to the Council is to be accompanied by an assessment of the request and with a recommendation, which has been prepared by, or on behalf of, the Chief Executive Officer (CEO) or where the CEO is the applicant by the Director Corporate Services
- e) A member or employee requesting financial support for legal services, or any other person who might have a financial interest in the matter, should take care to ensure compliance with the financial interest provisions of the *Local Government Act 1995*.
- f) Where there is a need for the provision of urgent legal services before an application can be considered by Council, the CEO may give an authorisation to the value of \$5,000 provided that the power to make such an authorisation has been delegated to the CEO in writing under section 5.42 of the *Local Government Act 1995*.
- g) Where it is the CEO who is seeking urgent financial support for legal services the Director Corporate Services in consultation with the Chairman shall deal with the application.



3. Repayment of Assistance

- a) Any amount recovered by a member or employee in proceedings, whether for costs or damages, will be off set against any monies paid or payable by the EMRC.
- b) Assistance will be withdrawn where the Council determines, upon legal advice, that a person has acted unreasonably, illegally, dishonestly, against the interests of the EMRC or otherwise in bad faith; or where information from the person is shown to have been false or misleading.
- c) Where assistance is so withdrawn, the person who obtained financial support is to repay any moneys already provided. The EMRC may take action to recover any such moneys in a court of competent jurisdiction.

FINANCIAL CONSIDERATIONS

A contingent item that could materialise at any time and therefore requires a budget allocation.

Adopted/Reviewed by Council

1. 20 October 2000
2. 14 December 2000
3. 02 May 2002
4. 20 May 2004
5. 23 February 2006
6. 18 September 2008
7. 23 September 2010
8. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



1.8 Government Relations and Advocacy Policy

STRATEGIC PLAN OBJECTIVES

- 4.1 To provide advice and advocacy on issues affecting Perth's Eastern Region.
- 4.2 To manage partnerships and relationships with stakeholders.
- 4.

PURPOSE

To provide policy support for the implementation of the Regional Advocacy Strategy and Council-approved recommendations on advocacy campaigns.

LEGISLATION

Nil

POLICY STATEMENT

Definitions:

For the purposes of this policy:

Government relations is the transparent, legally valid and ethically sound engagement with government employees and ministers to secure, for residents and Councils of Perth's Eastern Region, the highest quality of government services that they are entitled to expect.

Advocacy is the activity aimed at correcting and influencing the political, social, economic and environmental perceptions and opinions of government, non-government organisations and community leaders to align them with the EMRC and member Councils' views.

REGIONAL ADVOCACY STRATEGY

The Regional Advocacy Strategy is the guiding document for government relations and advocacy activities of the EMRC. The Strategy seeks to attract an increased share of investment in Perth's Eastern Region by implementation of a framework that facilitates consistent, professional and effective advocacy.

GOVERNMENT RELATIONS AND ADVOCACY OUTCOMES



Regional advocacy is undertaken for the benefit of the Region as a whole and requires activity across a range of issues and priorities of regional significance designed to create positive benefits and long term sustainability for Perth's Eastern Region.

An annual review of the regional advocacy issues will be undertaken and the results of this, together with revised actions for each year, will be presented to Council.

IMPLEMENTATION OF COUNCIL-ENDORSED GOVERNMENT RELATIONS AND ADVOCACY MEASURES

1. The Chief Executive Officer of the EMRC, in consultation with the Chairman of the EMRC when required, will sanction the implementation and related activities being pursued.
2. At the appropriate time, the Chief Executive Officer will propose, and the EMRC Council may endorse additions to this policy to guide the implementation of the government relations and advocacy measures in specific areas such as, protocol, ceremonial and correspondence matters etc.

Notwithstanding Council Policies 6.1 and 6.2 where urgent interstate or other travel related expenses are required to pursue urgent government relations and advocacy issues, authority for approval is delegated to the Chief Executive Officer in consultation with the Chairman.

FINANCIAL CONSIDERATIONS

An amount will be provided in each annual budget to meet costs associated with pursuing government relations and advocacy initiatives.

Adopted/Reviewed by Council

1. 20 July 2006
2. 18 September 2008
3. 23 September 2010
4. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Regional Services



1.9 Recognition of Members of Council Policy

STRATEGIC PLAN OBJECTIVE

4.2 To manage partnerships and relationships with stakeholders.

PURPOSE

To establish a policy and provide guidelines for recognising the service that is given to the region by members of the Council.

LEGISLATION

Local Government Act 1995 s5.98(6)

POLICY STATEMENT

Council shall recognise the service of members of the Council who no longer hold office of the EMRC in accordance with clause 7.2(1) (b) and (c) of the Establishment Agreement of the Eastern Metropolitan Regional Council.

Recognition will be subject to the member not becoming disqualified from holding office of the EMRC or participant Council as a result of an offence under the Local Government Act 1995 or any other law.

The following awards shall be made to recognise such service:-

▪ During and on completing one 2-year term	A framed certificate of appreciation
▪ On completing two 2-year terms	A framed certificate of appreciation and a gift to the value of \$100
▪ On completing three 2-year terms	A framed certificate of appreciation and a gift to the value of \$200
▪ On completing four 2-year terms or more	A framed certificate of appreciation and a gift to the value of \$500

The certificate will specifically acknowledge any term spent as Chairman or Deputy Chairman in addition to the role of Councillor.

No gift will be given by way of a cash pay out and the gift purchased, should be appropriate and may be suitable for keeping as a memento.

Such certificate of appreciation and gift will be presented at the next EMRC Biennial Dinner or cocktail function.



FINANCIAL CONSIDERATIONS

Appropriate provision is to be included for consideration in Council's annual budget deliberations.

Adopted by Council:

1. 22 February 2007
2. 18 September 2008
3. 23 September 2010
4. 18 September 2014

Next review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



1.10 Disability Access & Inclusion Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

To ensure that all members of the community have equal access to all EMRC services, information and facilities.

LEGISLATION

Disability Services Act 1993
Equal Opportunity Act 1984.

POLICY STATEMENT

The EMRC is committed to the following outcomes:

1. EMRC Council ensures that a Disability Access & Inclusion Policy and Implementation Plan are developed, implemented and reviewed regularly
2. People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the EMRC.
3. People with disabilities have the same opportunities as other people to access the buildings and other facilities of the EMRC.
4. People with disabilities receive information from the EMRC in a format that will enable them to readily access the information other people are able to access.
5. People with disabilities receive the same level and quality of service from the staff and contractors of the EMRC.
6. People with disabilities have the same opportunities as other people to make complaints to the EMRC.
7. People with disabilities have the same opportunities as other people to participate in any public consultation by the EMRC.



FINANCIAL CONSIDERATIONS

Funding for projects will be provided for in the annual budget.

Adopted/Reviewed by Council

19 August 2010

Next Review

Following the Ordinary Elections in 2013

Responsible Unit

Governance and Corporate Services



2.1 Committees of Council

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

To maintain a Chief Executive Officers Advisory Committee (CEOAC), Technical Advisory Committee (TAC), Resource Recovery Committee (RRC), Chief Executive Officer Performance Review Committee (CEOPRC), Audit Committee (AC), Investment Committee (IC), and determine attendance of officers at council meetings of the EMRC.

LEGISLATION

Local Government Act 1995 s5.8-5.25, 7.1A, B, C
Local Government (Administration) Regulations 1996 r4 - 14B

POLICY STATEMENT

1. Council will maintain a Chief Executive Officers Advisory Committee (CEOAC), a Technical Advisory Committee (TAC), a Resource Recovery Committee (RRC), a Chief Executive Officer Performance Review Committee (CEOPRC); an Audit Committee (AC) and an Investment Committee (IC) (occasional / temporary committee) and determine Terms of Reference for each of these.
2. Membership of the CEOAC will be the CEO of the EMRC and the CEO of each participant local government; and the committee will have the terms of reference as detailed in Attachment 1.
3. Membership of the TAC will be the CEO of the EMRC, or nominee, and a principal officer of each of the participant local governments nominated by the member council CEO; and the committee will have the terms of reference as detailed in Attachment 2.
4. Membership of the RRC will be the members of the TAC and one councillor from each of the participant Local Governments; and the committee will have the terms of reference as detailed in Attachment 3.
5. Membership of the CEOPRC will be Council members only and the committee will have the terms of reference as detailed in Attachment 4.
6. Membership of the AC will be one council member from each of the participant Local Governments and the committee will have the terms of reference as detailed in Attachment 5.
7. Membership of the IC will be Council members only and the Committee will have the terms of reference as detailed in Attachment 6.



8. Through the following process a deputy member will be appointed by council for each committee member.
 - A deputy member for CEOAC and TAC may be nominated by the CEO of each participant local government.
 - The deputy members appointed for TAC will have the same role on the RRC.
 - Council will appoint deputy members to members of the Council on the RRC and the AC.
 - No deputy members are appointed to the CEOPRC as the continuity of members during the annual performance review is important in ensuring a fair and objective process is achieved.
 - No deputy members are appointed to the IC
9. That a flexible approach be taken to those matters generally classified as commercial enterprises or investment and these matters be treated on a project basis with the CEO of the EMRC deciding whether to liaise with either of the committees where necessary. Working parties with specific terms of reference may be used in the future for these matters.
10. That meetings be generally face-to-face meetings. However, teleconferencing, videoconferencing and other electronic means will be used when appropriate.
11. The Chairman of the CEOAC & TAC may attend EMRC Council meetings as an advisor but that officer may not sit at the council table.
12. Where officers from Participants attend EMRC Council meetings, they are to have the status of observer.

FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 8 December 1994
2. 22 July 1999
3. 24 February 2000
4. 02 May 2002
5. 19 February 2004
6. 20 May 2004
7. 23 February 2006
8. 18 September 2008
9. 23 September 2010
10. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services

TERMS OF REFERENCE

CHIEF EXECUTIVE OFFICERS ADVISORY COMMITTEE

1. OBJECTIVES OF COMMITTEE:

- a. The Chief Executive Officers Advisory Committee (CEOAC)) is a formally appointed committee of Council and is responsible to that body. It has been established to consider matters that have an impact on the member Councils and/or EMRC's business activities.

2. RESPONSIBILITIES:

The Committee's responsibility is to:

- (a) Ensure that the EMRC conducts its operations in accordance with its Establishment Agreement; and
- (b) Give consideration, advice and make recommendations to Council in relation to:
 - Regional strategic and policy development; and
 - Matters of regional relevance.

3. MEMBERSHIP:

- 3.1 The Chief Officers Advisory Committee comprises of each of EMRC's participant member Council's Chief Executive Officer and the Chief Executive Officer of the Eastern Metropolitan Regional Council or his nominee.
- 3.2 In the event of a vacancy due to the resignation of a Committee member, the person replacing the Chief Executive Officer will automatically fill their position on the Committee.
- 3.3 A deputy member may be appointed to the Committee by each member Council Chief Executive Officer

4. MEETINGS

- 4.1 The Committee shall hold regular meetings at such times and on such days as the Council may determine by resolution.
- 4.2 Additional meetings will be convened at the discretion of the Chairperson.
- 4.3 The Committee shall also hold regular informal meetings for the purpose of sharing information and discussing matters on any topic whether related to EMRC matters or not in a friendly cooperative and confidential environment.

5. OPERATING PROCEDURES

- 5.1 All meetings of the CEOAC are to be conducted in accordance with the Local Government Act 1995, associated Regulations and the *EMRC Standing Orders Local Law 1998*.
- 5.2 A quorum for a meeting of the Committee shall be at least 50% of the number of offices (whether vacant or not) of members of the Committee.
- 5.3 Voting
 - (a) All decisions of the Committee shall be made on the basis of a simple majority decision of the members present or, if another kind of majority has been prescribed by regulations for the particular kind of decision, by that kind of majority.
 - (b) If the decision results in a tied vote, the person presiding is to cast a second vote.
 - (c) Persons other than Committee members are not entitled to cast a vote.
 - (d) All other aspects related to voting procedure shall be consistent with relevant sections of the EMRC Standing Orders Local Law 1998
- 5.4 Other EMRC staff or member Council staff may attend meetings, at the discretion of the Chief Executive Officer and/or the Committee Chairperson, to provide advice and information when required.
- 5.5 Where officers from member Councils attend the meeting, they are to have the status of 'observer'.

6. REPORTING

- 6.1 The Committee shall after every meeting forward the minutes of that meeting to the next Ordinary Meeting of Council, including a report explaining any specific recommendations and key outcomes.

7. DELEGATED POWER

- 7.1 The Chief Executive Officers Advisory Committee has no delegated powers and no authority to implement its recommendations.

TERMS OF REFERENCE

TECHNICAL ADVISORY COMMITTEE

1. OBJECTIVES OF COMMITTEE:

The Technical Advisory Committee (TAC) is a formally appointed committee of Council and is responsible to that body. It has been established to review and provide reports on technical matters and recommendations to Council.

2. RESPONSIBILITIES:

Give consideration and prepare recommendations to Council in relation to:

- (a) Waste management;
- (b) Environment;
- (c) Risk management; and
- (d) Other technical matters referred to it from time to time.

3. MEMBERSHIP:

3.1. The Technical Advisory Committee will comprise of:

- (a) A Principal Officer of each of EMRC's participant member Councils nominated by the member Council Chief Executive Officer; and
- (b) The Chief Executive Officer of the Eastern Metropolitan Regional Council or nominee.

3.2. A deputy member may be appointed by each member Council Chief Executive Officer and will have the same role on the Resource Recovery Committee.

3.3. Members and Deputies will be appointed for a period of two years following each ordinary Council election.

4. MEETINGS

4.1. The Committee shall hold regular meetings at such times and on such days as the Council may determine by resolution.

4.2. Additional meetings will be convened at the discretion of the Chairperson.

5. OPERATING PROCEDURES

5.1. All meetings of the TAC are to be conducted in accordance with the Local Government Act 1995, associated Regulations and the *EMRC Standing Orders Local Law 1998*.

5.2. A quorum for a meeting of the Committee shall be at least 50% of the number of offices (whether vacant or not) of members of the Committee.

5.3. Voting

- (a) All decisions of the Committee shall be made on the basis of a simple majority decision of the members present or, if another kind of majority has been prescribed by regulations for the particular kind of decision, by that kind of majority.
- (b) If the decision results in a tied vote, the person presiding is to cast a second vote.
- (c) Persons other than Committee members are not entitled to cast a vote.
- (d) All other aspects related to voting procedure shall be consistent with relevant sections of the EMRC Standing Orders Local Law 1998

5.4. Other EMRC staff or member Council staff may attend meetings, at the discretion of the Chief Executive Officer and/or the Committee Chairperson, to provide advice and information when required.

6. REPORTING

6.1. The Committee shall after every meeting forward the minutes of that meeting to the next Ordinary Meeting of Council, including a report explaining any specific recommendations and key outcomes.

7. DELEGATED POWER

7.1. The Technical Advisory Committee has no delegated powers and no authority to implement its recommendations.

Related Documentation:

Policy 2.1 Committees of Council

EMRC Standing Orders Local Law 2013

EMRC Code of Conduct

Administration:

Adopted / Reviewed by Council: 23 September 2010
18 September 2014

Next Review: Following the Ordinary Elections in 2017

Responsible: Director Waste Services

TERMS OF REFERENCE

RESOURCE RECOVERY COMMITTEE

1. OBJECTIVES OF COMMITTEE:

The Resource Recovery Committee (RRC) is a formally appointed committee of Council and is responsible to that body. It has been established to advise on Resource Recovery for the Eastern Metropolitan Regional Council.

2. RESPONSIBILITIES

To give consideration and prepare recommendations to Council in relation to:

- (a) Appropriate actions related to establishment of a Resource Recovery Facility;
- (b) Appropriate Community Waste Education/Engagement Initiatives;
- (c) Matters related to the activities of the Waste Management Community Reference Group; and
- (d) Other relevant matters referred to it from time to time.

3. MEMBERSHIP:

3.1. The Resource Recovery Committee will comprise of:

- (a) One Councillor from each of the member Councils
- (b) Members of the Technical Advisory Committee
- (c) Chief Executive Officer of the Eastern Metropolitan Regional Council

3.2. The deputy members of the Technical Advisory Committee, as appointed by each member Council Chief Executive Officer, will be deputy members of the RRC.

3.3. Council will appoint deputy members to members of the Council on the RRC.

3.4. Members and Deputies will be appointed for a period of two years following each ordinary Council election.

4. MEETINGS

- 4.1. The RRC shall hold regular meetings at such times and on such days as the Council may determine by resolution.
- 4.2. Additional meetings will be convened at the discretion of the Chairperson.

5. OPERATING PROCEDURES

- 5.1. All meetings of the RRC are to be conducted in accordance with the Local Government Act 1995, associated Regulations and the *EMRC Standing Orders Local Law 1998*.
- 5.2. A quorum for a meeting of the Committee shall be at least 50% of the number of offices (whether vacant or not) of members of the Committee.
- 5.3. Voting
 - (a) All decisions of the Committee shall be made on the basis of a simple majority decision of the members present or, if another kind of majority has been prescribed by regulations for the particular kind of decision, by that kind of majority.
 - (b) If the decision results in a tied vote, the person presiding is to cast a second vote.
 - (c) Persons other than Committee members are not entitled to cast a vote.
 - (d) All other aspects related to voting procedure shall be consistent with relevant sections of the EMRC Standing Orders Local Law 1998.
- 5.4. Other EMRC staff or member Council staff may attend meetings, at the discretion of the Chief Executive Officer and/or the Committee Chairperson, to provide advice and information when required.
- 5.5. The EMRC Chief Executive Officer may invite the attendance of any particular additional officer through the participant Chief Executive Officer.
- 5.6. The EMRC Chief Executive Officer may invite other additional persons, including consultants, to provide advice and information when required.

6. REPORTING:

- 6.1 The Committee shall after every meeting forward the minutes of that meeting to the next Ordinary Meeting of Council, including a report explaining any specific recommendations and key outcomes.

7. DELEGATED POWER

- 7.1 The Resource Recovery Committee has no delegated powers and no authority to implement its recommendations.

TERMS OF REFERENCE

CHIEF EXECUTIVE OFFICERS PERFORMANCE REVIEW COMMITTEE

1. OBJECTIVES OF COMMITTEE:

The Chief Executive Officers Performance Review Committee (CEORC) is a formally appointed committee of Council and is responsible to that body. It has been established to conduct an annual review of the Chief Executive Officer's (CEO) performance, remuneration, contract terms and conditions, with the assistance of an external facilitator;

2. RESPONSIBILITIES

To ensure that the review of performance of the Chief Executive Officer (CEO) for the EMRC is undertaken in accordance with the provisions of the Local Government Act (1995) and Local Government (Administration) Regulations 1996 and EMRC's policies.

3. DUTIES

The duties of the Committee will include the following:

- (a) Review the Chief Executive Officer's (CEO) performance with the appropriate provisions contained within the CEO's Contract of Employment and agreed performance objectives;
- (b) Prepare and table the concluded Performance Review Report to the Council for consideration and actioning;
- (c) Review the CEO's performance on an on-going basis if the Council or the CEO perceives that there is a need to do so;
- (d) Determine the Performance Objectives to be met by the CEO for the following year and refer them to Council for consideration and actioning;
- (e) Review the CEO's remuneration package, in accordance with the appropriate provisions of the CEO's Contract of Employment and refer the recommendations to Council for consideration and actioning
- (f) Review the CEO's Contract of Employment and make recommendations to council in relation to varying the contract as and when necessary
- (g) Appoint a consultant to assist it in its functions.

4. MEMBERSHIP:

4.1. The Committee will comprise of six Councillors.

4.2. The Committee will have no deputy members.

4.3. Members will be appointed for a period of two years following each ordinary Council election.

5. MEETINGS

- 5.1. The Committee shall hold regular meetings at such times and on such days as the Council may determine by resolution.
- 5.2. Additional meetings will be convened at the discretion of the Chairperson.

6. OPERATING PROCEDURES

- 6.1. All meetings of the Committee are to be conducted in accordance with the Local Government Act 1995, associated Regulations and the *EMRC Standing Orders Local Law 1998*.
- 6.2. A quorum for a meeting of the Committee shall be at least 50% of the number of offices (whether vacant or not) of member of the Committee.
- 6.3. Voting
 - (a) All decisions of the Committee shall be made on the basis of a simple majority decision of the members present or, if another kind of majority has been prescribed by regulations for the particular kind of decision, by that kind of majority.
 - (b) If the decision results in a tied vote, the person presiding is to cast a second vote.
 - (c) Persons other than Committee members are not entitled to cast a vote.
 - (d) All other aspects related to voting procedure shall be consistent with relevant sections of the EMRC Standing Orders Local Law 1998
- 6.4. Other EMRC staff may attend meetings, at the discretion of the Chief Executive Officer, to provide advice and information when required.

7. REPORTING

- 7.1. The Committee shall after every meeting forward the minutes of that meeting to the next Ordinary Meeting of Council, including a report explaining any specific recommendations and key outcomes.
- 7.2. The item of Council business referred to in relation to this is to be treated as confidential in accordance with s5.23(2) of the Local Government Act 1995, r14(2) of the Local Government (Administration) Regulations 1996, Standing Orders Bylaw 4.2 and Council's Policy for dealing with confidential items.

8. DELEGATED POWER

- 8.1. The Committee has no delegated powers and no authority to implement its recommendations.

TERMS OF REFERENCE

AUDIT COMMITTEE

1 OBJECTIVES OF COMMITTEE:

1.1 The Audit Committee (AC) is a formally appointed committee of Council and is responsible to that body. It has been established to assist Council with:

- (a) The effective conduct of its responsibilities for financial reporting, management of risk and maintaining a reliable system of controls.
- (b) The co-ordination of relevant activities of management, compliance, internal audit, external audit and to facilitate achieving overall organisational objectives in an efficient and effective manner.
- (c) The facilitation of:
 - the enhancement of the credibility and objectivity of internal and external financial reporting;
 - effective management of financial and other risks and the protection of Council assets;
 - compliance with laws and regulations as well as use of best practice guidelines;
 - the provision of an effective means of communication between the external auditor, internal audit, management and the Council;
 - the allocation of the EMRC's finances and resources.

2 RESPONSIBILITIES

The duties of the Audit Committee include the following:

- 2.1 To review the scope of the internal audit plan and programme and the effectiveness of the function. This review should consider whether, over a period of years the internal audit plan systematically addresses:
 - (a) internal controls over revenue, expenditure, assets and liability processes
 - (b) the efficiency, effectiveness and economy of significant EMRC programmes; and
 - (c) compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements.
- 2.2 Critically analyse and follow up any internal or external audit report that raises significant issues relating to risk management, internal control, financial reporting and other accountability or governance issues, and any other matters relevant under the Committee's terms of reference. Review management's response to, and actions taken as a result of the issues raised.
- 2.3 Monitor the risk exposure of Council by determining if management has appropriate risk management processes and adequate management information systems.

- 2.4 Monitor ethical standards and related party transactions by determining whether the systems of control are adequate.
- 2.5 Review Council's draft annual financial report, focusing on:
 - (a) accounting policies and practices;
 - (b) changes to accounting policies and practices;
 - (c) the process used in making significant accounting estimates;
 - (d) significant adjustments to the financial report (if any) arising from the audit process;
 - (e) compliance with accounting standards and other reporting requirements;
 - (f) significant variances from prior years.
- 2.6 Recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the financial report is signed.
- 2.7 Discuss with the external auditor the scope of the audit and the planning of the audit.
- 2.8 Discuss with the external auditor issues arising from the audit, including any management letter issued by the auditor and the resolution of such matters. Identify and refer specific projects or investigations deemed necessary through the Chief Executive Officer, the internal auditor and the Council if appropriate.
- 2.9 Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference.

3 MEMBERSHIP:

- 3.1 The Audit Committee will comprise of:
 - a. Six Councillors, one from each member Council.
 - b. A deputy member of the Committee will be appointed
- 3.2 Members and Deputies will be appointed for a period of two years following each ordinary Council election.
- 3.3 The Chief Executive Officer and the Director Corporate Services will attend all meetings except when the Committee chooses to meet in camera.
- 3.4 An Internal Auditor (whether a member of staff or contractor) will attend meetings where internal audit reports are being considered by the committee

4 MEETINGS

- 4.1 The Audit Committee will meet as required at the discretion of the chairperson of the committee and at least three times per year to coincide with:
 - a. approval of strategic and annual plans
 - b. approval of the annual budget; and

- c. the auditor's report on the annual financial report.

4.2 Additional meetings will be convened at the discretion of the Chairperson.

5 OPERATING PROCEDURES

5.1 All meetings of the AC are to be conducted in accordance with the Local Government Act 1995, associated Regulations and the *EMRC Standing Orders Local Law 1998*.

5.2 A quorum for a meeting of the Committee shall be at least four of the number of offices (whether vacant or not) of members of the Committee.

5.3 Voting

- a. All decisions of the Committee shall be made on the basis of a simple majority decision of the members present or, if another kind of majority has been prescribed by regulations for the particular kind of decision, by that kind of majority.
- b. If the decision results in a tied vote, the person presiding is to cast a second vote.
- c. Persons other than Committee members are not entitled to cast a vote.
- d. All other aspects related to voting procedure shall be consistent with relevant sections of the EMRC Standing Orders Local Law 1998

5.4 Other EMRC staff or member Council staff may attend meetings, at the discretion of the Chief Executive Officer and/or the Committee Chairperson, to provide advice and information when required.

5.5 Representatives of the External Auditor will be invited to attend meetings at the discretion of the Committee but MUST attend meetings considering the draft annual financial report and results of the external audit.

6 REPORTING

- 6.1 The Committee shall after every meeting forward the minutes of that meeting to the next Ordinary Meeting of Council, including a report explaining any specific recommendations and key outcomes

7 DELEGATED POWER

- 7.1 The Committee does not have authority to implement actions in areas over which management has responsibility and does not have any delegated financial responsibility.

Related Documentation:

- Policy 1.2 Meetings
 Policy 2.1 Committees of Council
 Policy 3.1 Annual Financial Reporting
 Policy 7.1 Risk Management Policy

EMRC Standing Orders Local Law 2013

EMRC Code of Conduct

Administration:

- Adopted / Reviewed by Council: 23 September 2010
 18 September 2014
- Next Review: Following the Ordinary Elections in 2017
- Responsible: Director Corporate Services

TERMS OF REFERENCE

INVESTMENT COMMITTEE

1. OBJECTIVES OF COMMITTEE:

- 1.1. The Investment Committee (IC) is a formally appointed committee of Council and is responsible to that body. It has been established to deal with matters related to EMRC's Management of Investment Policy.
- 1.2. The Committee's role is to:
 - (a) Report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate decision-making by Council in relation to the discharge of its responsibilities.
 - (b) Carry out its functions and fulfil its responsibilities as required by the Local Government Act 1995 and associated regulations, guidelines and protocols of the Council which are relevant to the Committee
 - (c) The Committee will only have those executive powers as specifically delegated to it.

2. RESPONSIBILITIES

- 3.1 The Investment Committee shall have the following functions:
 - (a) To consider amendment and revision of Policy 3.5 Management of Investment Policy
 - (b) To deal with matters referred to the committee, by the Chief Executive Officer (CEO), under Policy 3.5 Management of Investment Policy.
 - (c) To deal with legal and other matters associated with the Grange Securities Ltd / Lehman Investment Mandate Agreement (3 March 2005) as referred to the Committee by the CEO or Council.

3. MEMBERSHIP:

- 3.1 The Investment Committee will comprise of Council members only.
- 3.2 Deputy members of the Committee will not be appointed.
- 3.3 Members will be appointed for a period of two years following each ordinary Council election.

4. MEETINGS

- 4.1 The Committee shall meet as required, convened at the discretion of the Chairperson.

5. OPERATING PROCEDURES

- 5.1 All meetings of the IC are to be conducted in accordance with the Local Government Act 1995, associated Regulations and the *EMRC Standing Orders Local Law 1998*.
- 5.2 A quorum for a meeting of the Committee shall be at least 50% of the number of offices (whether vacant or not) of member of the Committee.
- 5.2 Voting
- (a) All decisions of the Committee shall be made on the basis of a simple majority decision of the members present or, if another kind of majority has been prescribed by regulations for the particular kind of decision, by that kind of majority.
 - (b) If the decision results in a tied vote, the person presiding is to cast a second vote.
 - (c) Persons other than Committee members are not entitled to cast a vote.
 - (d) All other aspects related to voting procedure shall be consistent with relevant sections of the EMRC Standing Orders Local Law 1998.
- 5.4 Other EMRC staff may attend meetings, at the discretion of the Chief Executive Officer to provide advice and information when required.

6. REPORTING

- 6.1 The Committee shall after every meeting forward the minutes of that meeting to the next Ordinary Meeting of Council, including a report explaining any specific recommendations and key outcomes.

7. DELEGATED POWER

- 7.1 The Investment Committee has only those delegated powers and duties of Council associated with the EMRC Investment Portfolio, that have not been delegated to the CEO inclusive of, but not limited to:
- (a) the acceptance of tenders for the provision of advice and services; and
 - (b) to deal with any legal proceedings that may need to be initiated.



3.1 Annual Financial Reporting Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

To endorse accounting policies as part of the preparation of the Council's annual financial statements.

LEGISLATION

- Division 3 of the Local Government Act 1995
- Part 4 - Financial Reports of Local Government (Financial Management) Regulations 1996
- Australian Accounting Standards

POLICY STATEMENT

1. Reporting Entity

The reporting entity is the Eastern Metropolitan Regional Council.

2. Basis of Accounting

The financial statements shall be drawn up in accordance with the accounting standards and disclosure requirements of the Australian accounting bodies, the Local Government Act 1995, and the Local Government (Financial Management) Regulations 1996.

3. Asset Classification

The following classifications are to be utilised for recording assets:

Land, buildings, structures, plant, equipment, furniture and fittings.



4. Depreciation

Fixed Assets excluding freehold land, are to be depreciated over their estimated useful lives on a straight line basis as follows:

- Buildings 2-10%
- Structures
 - General 2-10%
 - Class III & IV Waste Cells % of actual usage
- Plant 15-40%
- Furniture and fittings 10-40%
- Equipment 10-40%

Assets are to be depreciated when completed and held ready for use.

5. Capitalisation Thresholds

Capitalisation thresholds shall be:

- Land No limit
- Buildings No limit
- Structures No limit
- Plant \$1,000
- Furniture and fittings \$1,000
- Equipment \$1,000

6. Rates

The Eastern Metropolitan Regional Council does not levy rates. Accordingly rating information as required under the Local Government (Financial Management) Regulations 1996 (r39) is not required to be presented in the financial statements.

7. Revaluation Thresholds

Revaluation thresholds shall be:

- Land No limit
- Buildings \$5,000
- Road Infrastructure No limit
- Other Infrastructures \$1,000
- Minor Plant and Equipment \$1,000
- Major Plant and Equipment \$5,000
- Furniture and fittings \$1,000
- Art Works No limit



FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 27 October 1994
2. 22 July 1999
3. 02 May 2002
4. 20 May 2004
5. 23 February 2006
6. 18 September 2008
7. 23 September 2010
8. 19 June 2014
9. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



3.2 Grants for Community Groups in the Vicinity of Red Hill Waste Management Facility Policy

STRATEGIC PLAN OBJECTIVE

4.2 To manage partnerships and relationships with stakeholders.

PURPOSE

To provide a community grants program to benefit the community, in the location/s of Gidgegannup, Hovea, Parkerville and/or Stoneville.

LEGISLATION

Local Government Act 1995 S5.16, S5.17

POLICY STATEMENT

1. The Council's involvement as an active member of the community in Gidgegannup, Hovea, Parkerville and Stoneville be demonstrated by providing financial support to not for profit organisations that are undertaking activities that will potentially benefit the community.
2. That community groups, in the locations of Gidgegannup, Hovea, Parkerville and Stoneville, which can demonstrate that their activities benefit these communities, be eligible for Council's financial support under this policy.
3. Provision be made in the Council's annual budget for grants to community groups in Gidgegannup, Hovea, Parkerville and Stoneville in accordance with this policy.
4. That community groups are made aware of the availability of financial support through annual advertising, following adoption of the annual budget.
5. The duty of deciding the outcome of an application be delegated to the CEO after consultation with the Chairman and Deputy Chairman.

NOTE: Applicant guidelines apply. These are reviewed annually and made available on EMRC's website.



FINANCIAL CONSIDERATIONS

An amount will be provided in the annual budget to meet the anticipated cost of making a contribution to the community in the vicinity of Red Hill.

Adopted/Reviewed by Council

1. December 1997
2. 22 July 1999
3. 02 May 2002
4. 28 August 2003
5. 20 May 2004
6. 26 February 2006
7. 18 September 2008
8. 23 September 2010
9. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



3.3 Management of Investments Policy

STRATEGIC PLAN OBJECTIVE

4.4 To continue to improve financial and asset management practices.

PURPOSE

To provide for the investment of EMRC's surplus funds at the most favourable rate of return whilst ensuring prudent consideration of risk and security for the investment type and that liquidity requirements are being met.

To ensure that investments are managed with care, diligence and skill and that the management of the portfolio is carried out to safeguard the portfolio and not for speculative purposes.

Establish guidelines to ensure investments:

- Meet legislative requirements;
- Optimise investment income and returns within acceptable risk parameters;
- Ensure that investments match the liquidity needs of the EMRC; and
- Are invested at the most favourable rate of interest available to it at the time whilst having due consideration of risk and security for that investment type.

LEGISLATION

Local Government Act 1995 s 6.14

Local Government (Financial Management) Regulations 1996 – r. 19-19C, 28 & 49

Trustees Act 1962 - Part III Investments

POLICY STATEMENT

1. Ethics and Conflicts of Interest

Officers shall refrain from personal activities that would conflict with the proper execution and management of EMRC's investment portfolio. This policy requires officers to disclose any conflict of interest to the CEO.

2. Delegation of Authority

Authority for implementation of the Management of Investments Policy is delegated by Council to the CEO in accordance with the Local Government Act 1995. The CEO may in turn delegate the day-to-day management of Council's investment portfolio to the Director, Corporate Services.



3. Investment Ratings

Investments rating in this policy are based on those issued by Standard & Poor's.

In the event a proposed investment is not rated by Standard & Poor's but is rated by either Fitch Ratings or Moody's by a rating which is analogous to the ratings of Standard & Poor's, then the EMRC may make the investment relying on the Fitch Ratings or Moody's ratings.

In the event that the rating of an investment held by the EMRC falls below the ratings allowed under this policy for new investments, the affected investment is to be assessed and a recommendation made to the Investment Committee to decide as to whether:

- It is to be liquidated, where allowed under the terms of the investment; or
- It is to be held to maturity.

The recommendation to the Investment Committee may be made by electronic mail (email) to expedite the approval process by circular resolution.

4. Approved Investments

Approved investments are those investments permitted by s6.14(1) of the Local Government Act 1995 as specified in the Trustees Act 1926 Part III subject to the limitations expressed in Regulation 19C of the Local Government (Financial Management) Regulations.

5. Prohibited Investments

This investment policy prohibits any investment which is not an Approved Investment.

6. Risk Management Guidelines

Investments obtained are to be considered in light of the following key criteria:

- Preservation of Capital – the requirement for preventing losses in an investment portfolio's total value;
- Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market;
- Market Risk - the risk that the fair value or future cash flows of an investment will fluctuate due to changes in market prices;
- Liquidity Risk - the risk an investor is unable to redeem the investment at a fair price within a timely period;
- Maturity Risk - the risk relating to the length of term to maturity of the investment. The larger the term, the greater the length of exposure and risk to market volatilities; and
- Investments must be rated at not less than the Standard & Poor's ratings specified below.



Furthermore investments are to comply with three key criteria relating to:

a. Overall Portfolio Limits

To control the credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1 +	100%	100%
AA	A-1	100%	100%

b. Single Entity Exposure

Exposure to an individual institution will be restricted by its credit rating so that single entity exposure is limited, as detailed in the table below:

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1+	45%	50%
AA	A-1	35%	45%

c. Term to Maturity Framework

Of the total amount invested from time to time, a minimum of 40% must be invested for a term not exceeding 12 months.

Standard & Poor's long term rating definitions:

AAA	An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.
AA	An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

Standard & Poor's short term rating definitions:

A-1	A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.
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Source: <http://www.standardandpoors.com>



7. Measurement

The investment return for the portfolio is to be regularly reviewed. The market value and investment maturities are to be assessed at least once a month to coincide with management reporting.

8. Procedures

Investments placed by Council's authorised advisor/s and managers must be appropriately documented at the time of placement.

Appropriate procedures and controls in regards to record keeping, reconciliation, authorisation forms and accounting for investments shall be prepared and maintained to give effect to this policy.

All investments must be authorised in writing by the Chief Executive Officer prior to the investments being made.

9. Reporting

An investment report is to be prepared each month detailing compliance with the criteria outlined in this policy.

The investment report is to be presented to Council at the next ordinary meeting of the Council following the end of the month to which the report relates. If the statement is not prepared in time to present it to that meeting it is to be presented at the next Ordinary Meeting of the Council following that meeting.

10. Investment Advisor

The CEO has delegated authority to appoint an investment adviser when considered appropriate.

The local government's investment advisor must be licensed by the Australian Securities and Investment Commission. The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended; and is free to choose the most appropriate product within the terms and conditions of the investment policy.

11. Investment Strategy

EMRC's investment strategy is to optimise investment income within its acceptable levels of risk whilst ensuring the security of these funds enabling the EMRC to meet its business objectives.

Key considerations in this regard include funding requirements identified in the Five Year Plan.

To implement the requirement for diversification, no more than 45% of the total investments will be invested in any one bank in short term investments rated A-1+ and no more than 30% of the total investments will be invested in any one bank in short term investments rated A-1.

The EMRC may invest all of the total investments in Commonwealth/State/Territory bonds.

A list of complying authorised deposit-taking institutions (ADI's) are reflected in the Appendix and may vary from time to time

FINANCIAL CONSIDERATIONS

As indicated in this policy.



Appendix: Indicative Sample List of Compliant Authorised Deposit-Taking Institutions (ADI's)

As at June 2014:

ADI Name	Standard & Poor's Credit Rating (Long / Short)	EMRC Policy Limit per ADI based on short-term credit rating limits
<u>First tier:</u>		
ANZ Banking Group Ltd.	AA- / A-1+	45%
Bank of Western Australia Ltd.	AA- / A-1+	45%
Commonwealth Bank of Australia	AA- / A-1+	45%
Rabobank Australia Ltd.	AA- / A-1+	45%
National Australia Bank Ltd.	AA- / A-1+	45%
Westpac Banking Corp.	AA- / A-1+	45%
AMP Bank Ltd	A+ / A-1	35%
HSBC Bank Australia Ltd	A+ / A-1	35%
Macquarie Bank Ltd	A / A-1	35%
Suncorp Metway Ltd	A+ / A-1	35%



Adopted/Reviewed by Council

1. 29 June 2000
2. 27 July 2000
3. 02 May 2002
4. 17 June 2004
5. 23 February 2006
6. 18 September 2008 (reported to Council and referred to Investment Committee)
7. 19 August 2010
8. 23 September 2010
9. 25 November 2010
10. 10 May 2012
11. 6 December 2012
12. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



3.4 Occasional Grants / Sponsorship Policy

STRATEGIC PLAN OBJECTIVE

SOCIAL OPPORTUNITIES

2.1 To facilitate regional cultural and recreational activities

ECONOMIC DEVELOPMENT

3.2 To facilitate regional economic development activities

GOOD GOVERNANCE

4.2 To manage partnerships and relationships with stakeholders.

LEGISLATION

Nil

PURPOSE

To provide once off non recurrent grant funding or sponsorship to support significant initiatives conducted in Perth's Eastern Region.

POLICY STATEMENT

1. The EMRC facilitates the development and implementation of regional strategies and the provision of services and initiatives for the benefit of Perth's Eastern Region.
2. The aim of EMRC's Occasional Grants and Sponsorship Policy is to support, through 'once only' non recurrent grants and sponsorships, significant initiatives that contribute to the achievement of regional development objectives as defined in the EMRC's Strategic Plan:
3. This does not preclude consideration of funding initiatives other than regional development which may be provided for in the whole range of EMRC objectives and strategies.
4. Funding may be available to member Councils and regionally based not for profit organisations to support community-based proposals that aim to achieve the EMRC's strategic objectives, or assist the EMRC to achieve its aims through increased profile and awareness in the community of its role, programmes and services.



5. All applications must be submitted on the EMRC Occasional Grants and Sponsorship Application Form (DMDOC 179030)
5. All proposals will be assessed against the following assessment criteria which has been endorsed by Council and will be subject to review from time to time.
6. Proposals that meet the accepted benchmark will be referred to Council for consideration.

	High level	Moderate level	Medium level	Minimum level	Low level	Does not address
The proposal has the potential to benefit most of the region.	5	4	3	2	1	0
The proposal will have a high positive impact or make a significant contribution to economic development and/or community development in the region.	5	4	3	2	1	0
The proposal has clearly defined sustainable and measurable outcomes.	5	4	3	2	1	0
The proposal is accessible by all sections of the community that it is targeting.	5	4	3	2	1	0
The proposal represents a new initiative and does not duplicate or adversely impact on existing services/facilities in the region.	5	4	3	2	1	0
The degree of support/contributions the proposal has received from groups/stakeholders in the region.	5	4	3	2	1	0
The proposal represents good 'value for money'.	5	4	3	2	1	0
The proposal has the potential to seed a new initiative into the region.	5	4	3	2	1	0
The proposal will build and strengthen relationships amongst stakeholders in the region.	5	4	3	2	1	0

7. A proposal must receive a minimum benchmark level of 27 points in order to be referred to Council for consideration. Council will be advised of all proposals received that do not achieve the minimum benchmark through officer reports and/or information bulletins.

FINANCIAL CONSIDERATIONS

An amount will be provided on the annual budget to meet the anticipated cost of making a contribution.

Adopted/Reviewed by Council

1. 25 October 2001
2. 02 May 2002
3. 20 May 2004



4. 22 February 2007
5. 18 September 2008
6. 23 September 2010
7. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



3.5 Purchasing Policy

STRATEGIC PLAN OBJECTIVE

4.3 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 where the consideration under the contract is, or is expected to be, \$100,000 or less or worth \$100,000 or less.

To maintain compliance with the Local Government Act, 1995 and the Local Government (Functions and General) Regulations 1996

LEGISLATION

Local Government Act 1995 s.3.57

Local Government (Functions and General) Regulations 1996 – r.11A

POLICY STATEMENT

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

Amount of Purchase	Form of Quotation (minimum requirements)
Up to \$5000	Multiple quotations are not required when purchasing
\$5001 - \$10000	Obtain three (3) verbal quotes
\$10,000 - \$49,999	Obtain three (3) written quotes
\$50,000 - \$99,999	Obtain at least three (3) written quotes containing price and specification of goods or services
\$100,000 and above	Conduct public tender process.



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.

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.

Sustainable Procurement:

The EMRC will consider the environmental 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.

Record Keeping:

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;
 - Requisitions and purchase orders.
- b) Tender records include:
 - Tender documentation;
 - Internal documentation;
 - Evaluation documentation;
 - Enquiry and response documentation;
 - Notification and award documentation.

Record retention shall be in accordance with the minimum 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.

FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 29 March 2007
2. 18 September 2008
3. 23 September 2010



Next Review

Responsible Unit

Following the Ordinary Elections in 2013

Governance and Corporate Services



3.6 Asset Management Policy

STRATEGIC PLAN OBJECTIVE

4.4 To continue to improve financial and asset management practices

PURPOSE

To provide for the responsible management of EMRC controlled assets.

This policy covers all assets controlled by the EMRC and applies to all areas of EMRC that have responsibility to manage, maintain, operate or provide a service utilising EMRC's assets.

LEGISLATION

Local Government Act 1995 s 5.56

Local Government (Administration) Regulations 1996 r19C and 19 DA

POLICY STATEMENT

EMRC recognises the role that efficient, sustainable and cost effective asset management has in underpinning the delivery of quality services, both in the present and in the future, to its member Councils.

EMRC is committed to an integrated and strategic approach to asset management that is underpinned by the following key principles:

- ensuring service delivery needs form the basis of asset management;
- informed decision-making, incorporating a life-cycle approach to asset management and risk management; and
- sustainability, providing for present needs while sustaining resources for future generations.

DEFINITION

An **asset** is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity – *Australian Accounting Standards Board*.

POLICY OBJECTIVES

The objectives of this policy are to:



- Ensure that assets and service levels are maintained in an efficient, sustainable and cost effective manner through long term planning;
- Integrate asset management with other corporate planning to ensure that the impacts of changes in demands and service levels are taken into consideration;
- Assign accountability and responsibility for asset management; and
- Maintain accurate and reliable asset data to effectively inform decision-making.

It is intended that the policy objectives will be achieved through the following:

- The development of a 10 Year Strategic Asset Management Plan (SAMP) to support EMRC's corporate strategic and business planning;
- The development of a 5 Year Operational Asset Management Plan (OAMP) which provides detailed action plans on key initiatives to be delivered in the next 5 financial years to support the SAMP;
- Identification of existing and new asset requirements based on changes in demands and service levels as part of asset management planning;
- Establishment of clear roles and responsibilities for asset management; and
- Utilisation of an integrated asset management and financial management information system to maintain asset data.

ROLES AND RESPONSIBILITIES

Position	Roles and Responsibilities
Council	<ul style="list-style-type: none"> • Act as stewards for all assets owned by EMRC • Provides strategic direction for asset management • Endorses asset management policy and strategy • Endorses SAMP (as part of strategic planning) and OAMP (as part of budget process)
Chief Executive Officer	<ul style="list-style-type: none"> • Develops asset management policy and strategy for submission to Council • Develops SAMP for submission to Council • Develops OAMP • Develops business cases • Monitors and reports progress of SAMP and OAMP to Council as required

Position	Roles and Responsibilities
Directors	<ul style="list-style-type: none"> • Contribute towards preparation of SAMP and OAMP • Authorise asset additions and disposals in accordance with the approved OAMP • Maintain oversight over assets under their control (including usage, safeguards, risk management and insurance)
Asset Officer	<ul style="list-style-type: none"> • Maintains Asset Register and asset related records • Updates General Ledger for asset related transactions (including depreciation, write off, acquisition and disposal)



	<ul style="list-style-type: none"> • Provides assistance to business unit as required
Staff	<ul style="list-style-type: none"> • Initiate acquisition or disposal requests • Utilise assets in a responsible manner

FINANCIAL CONSIDERATIONS

The EMRC prepares its financial reports in accordance with Australian Accounting Standards as they apply to local governments, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

The EMRC reports on the classes of assets including:

- Land;
- Buildings;
- Structures;
- Plant;
- Equipment;
- Furniture; and
- Fittings.

Provisions will be included in financial plans and annual budgets.

Adopted/Reviewed by Council

1. 21 March 2013
2. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



4.1 Chief Executive Officer - Appointment and Performance Review Policy

STRATEGIC PLAN OBJECTIVE

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

4.5 To improve organisational culture, health, welfare and safety

PURPOSE

To ensure that the appointment and review of performance of the Chief Executive Officer (CEO) of the EMRC is undertaken in accordance with the provisions of the Local Government Act (1995), Local Government (Administration) Regulations 1996.

LEGISLATION

s5.36, 5.38 - 5.44 of the Local Government Act (1995)

Regulations 18A - 18G of the Local Government (Administration) Regulations 1996

POLICY STATEMENT

1. The Chief Executive Officer shall be appointed under s5.36, 5.39, and 5.44 of the Local Government Act (1995) and r18A, 18B, 18C, 18E, 18F and 18G of the Local Government (Administration) Regulations 1996.
2. An annual review of the CEO's performance, contract terms and conditions shall be conducted by the Chief Executive Officer's Performance Review Committee (CEOPRC).
3. The CEOPRC will comprise of an EMRC Councillor from each member Council inclusive of the Chairman of the Council.
4. An external facilitator agreed to by both the Council and the CEO will be appointed to assist with the performance review process.
5. The performance review is to be based on agreed performance objectives and measures to be set at the time of review for the following year with the objectives being reported to the next EMRC Council meeting.
6. The item of Council business referred to in this policy is to be treated as confidential in accordance with s5.23(2) of the Local Government Act 1995, r14(2) of the Local Government (Administration) Regulations 1996, EMRC's Standing Orders Local Law 2013 Clause 5.2 and Council's Policy 1.5 related to dealing with confidential items.



FINANCIAL CONSIDERATIONS

An amount will be provided in the annual budget to meet estimated costs.

Adopted/Reviewed by Council

1. 20 October 1992
2. 09 December 1993
3. 22 July 1999
4. 02 May 2002
5. 20 May 2004
6. 23 February 2006
7. 31 May 2007
8. 18 September 2008
9. 23 September 2010
10. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



4.2 Superannuation Contribution Policy

STRATEGIC PLAN OBJECTIVE

4.5 To improve organisational culture, health, welfare & safety.

PURPOSE

To detail the superannuation contribution entitlements for eligible staff members of the EMRC.

LEGISLATION

Local Government Act 1995 s 5.47
Superannuation Guarantee (Administration) Act 1992

POLICY STATEMENT

1. The contribution rate required by the *Superannuation Guarantee (Administration) Act 1992*, as amended from time to time, will be paid by Council for all eligible staff into a complying superannuation fund.
2. Each staff member who contributes a minimum of 5% of their 'ordinary time earnings', as defined by the Act, to a complying superannuation fund will be entitled to an additional 5% contribution from Council above the *Superannuation Guarantee (Administration) Act 1992* contribution, such that the total contribution from Council (including the Superannuation Guarantee amount) is up to a maximum of 17% of the staff member's 'ordinary time earnings'.
3. All voluntary contributions made by staff are to be made by way of a fortnightly payroll deduction, 'before' or 'after' tax.

FINANCIAL CONSIDERATIONS

An amount is provided in the annual budget for the cost of providing superannuation contributions.



Adopted/Reviewed by Council

1. 29 April 1993
2. 22 July 1999
3. 22 February 2001
4. 02 May 2002
5. 20 May 2004
6. 23 February 2006
7. 18 September 2008
8. 23 September 2010
9. 23 May 2013
10. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



4.3 Gratuity Payments to Terminating Staff

STRATEGIC PLAN OBJECTIVE

4.5 To improve organisational culture, health, welfare and safety.

PURPOSE

To establish a policy in relation to the approval of a gratuity payment to members of staff who retire or resign from employment with the EMRC.

DEFINITION

A 'gratuity payment' means any payment of monies in addition to any contractual or award entitlement, which is paid to a staff on termination of employment with the EMRC.

LEGISLATION

Local Government Act 1995 s 5.50

Local Government (Administration) Regulations 1996 r.19A

POLICY STATEMENT

1. Gratuity payment may be made to a staff member in recognition of their exemplary service or extensive term of service with the EMRC.
2. Gratuity payment may be made only when the staff member retires or resigns from employment with the EMRC.
3. The Chief Executive Officer will give consideration to whether a gratuity payment should be made to a member of staff, and the matter will be referred to the Council for consideration.
4. In the instance where the intended recipient of the gratuity is the CEO, the matter shall be considered by the Council.
5. The value of the payment made to the staff member will not to exceed any amount as is prescribed or provided for by r.19A of the Regulations.
6. Any taxation implications associated with the gratuity payment will be borne by the staff member.
7. In the event that a gratuity payment is made, the Council will give local public notice of its decision to make that payment in accordance with the provisions of s 5.50 of the Local Government Act 1995.



FINANCIAL CONSIDERATIONS

Unbudgetted and to be referred to Council for funding

Adopted/Reviewed by Council

1. 29 May 1997
2. 22 July 1999
3. 02 May 2002
4. 20 May 2004
5. 23 February 2006
6. 18 September 2008
7. 23 September 2010
8. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



4.4 Staff Service Recognition Policy

STRATEGIC PLAN OBJECTIVE

4.5 To improve organisational culture, health, welfare and safety

PURPOSE

To establish policy and guidelines for recognising the tenure of long serving staff within the EMRC.

LEGISLATION

Nil

SCOPE

This policy applies to all EMRC staff, including part time and casual employees, who achieve aggregate hours of continuous employment equivalent to a minimum of five years service.

POLICY STATEMENT

The aim of the Staff Service Recognition policy is to formally recognise staff for their service and contribution to the EMRC.

- Recognition will be given after the completion of five years continuous service from the date of a staff member's most recent hire into a continuous employment position at the EMRC, and at five year intervals thereafter.
- Eligible staff must be in active service on their anniversary date in order to receive a Service Recognition Award.
- Staff on leave of absence will receive their Service Recognition Award upon return to active employment.

Service Awards

- After completing the relevant number of years' of continuous service with EMRC, the staff member will be presented with a Certificate of Appreciation signed by the Chairman and Chief Executive Officer and a gift to the value specified in the Schedule below, at a Service Recognition Ceremony.
- The Service Recognition Ceremony will be a Council funded event (e.g morning tea or sundowner) as determined by the Chief Executive Officer.
- Service Recognition presentations will be made by the Chief Executive Officer, or nominee, and the Chairman, or nominee, if practicable.



- Service Recognition Ceremonies will take place as near as possible to the staff member's anniversary date, having regard for such factors as the number of staff qualifying in any one year and the significance of the anniversary being celebrated.

Administration

- Human Resources will be responsible for providing to the Chief Executive Officer, relevant Director, and relevant Manager, a list of staff eligible for Service Recognition at least two (2) months prior to the event and will assist with the preparation and planning of the Service Recognition Ceremony.
- The Chief Executive Officer's office will be responsible for liaising with the CEO and Chairman in identifying a suitable date to hold the Service Recognition Ceremony.

SCHEDULE - Recognition of Years of Service

Number of Years of Continuous Service	Service Recognition Award*
5 Years of Service	Framed Certificate of Appreciation Gift to the value of \$100
10 Years of Service	Framed Certificate of Appreciation Gift to the value of \$150
15 Years of Service	Framed Certificate of Appreciation Gift to the value of \$200
20 Years of Service	Framed Certificate of Appreciation Gift to the value of \$400
After each period of 5 years thereafter	Framed Certificate of Appreciation Gift to the value of \$450

* Where possible the gift will be of the staff member's choice

FINANCIAL CONSIDERATIONS

An amount will be provided in the annual budget to meet estimated costs.

Adopted/Reviewed by Council

1. 06 September 2001
2. 02 May 2002
3. 20 May 2004
4. 23 February 2006
5. 18 September 2008
6. 23 September 2010
7. Xxx 2014

Next Review

Following the Ordinary Elections in xxx

Responsible Unit

Governance and Corporate Services



4.5 Gifts to Staff for Farewells and Special Circumstances Policy

STRATEGIC PLAN OBJECTIVE

4.5 To improve organisational culture, health, welfare and safety.

PURPOSE

To establish policy and guidelines relating to farewell and/or special circumstance gifts and farewell functions that may be conferred on a staff member for the following reasons:

1. Retirement, resignation or redundancy from their employment with EMRC through personal volition (non-disciplinary); and
2. Special circumstances such as the birth/adoption of a staff member's child, marriage of a staff member, bereavement in the affected staff member's immediate family, or long-term or serious illness of staff member.

LEGISLATION

Nil

SCOPE

This policy applies to all EMRC staff, including part time and casual employees. Eligibility is based primarily upon years of continuous service.

POLICY STATEMENT

The aim of this policy is to establish the circumstances for providing:

- an additional benefit to staff leaving the Council's employment voluntarily (and not under any disciplinary procedures)
- a gift to staff under special circumstances.



Retirement, Resignation or Redundancy Benefit

Individual staff members may receive a notional benefit in accordance with the following table:

Length of Service	Notional Benefit
< 5 years	<ul style="list-style-type: none"> No contribution towards a staff collection An exception may be made at the discretion of the Chief Executive Officer in the event that it is deemed appropriate. Morning or afternoon tea or appropriate after hours staff function as determined by the Chief Executive Officer.
5 years to < 10 years	<ul style="list-style-type: none"> \$100 contribution towards a staff collection; Letter of appreciation from the CEO; and Morning or afternoon tea or appropriate after hours staff function as determined by the Chief Executive Officer.
10 to < 15 years	<ul style="list-style-type: none"> \$200 contribution towards a staff collection; Letter of appreciation from the CEO or Chairman; and Morning or afternoon tea or appropriate after hours staff function as determined by the Chief Executive Officer in consultation with the Chairman.
15 to < 20 years	<ul style="list-style-type: none"> \$250 contribution towards a staff collection; Letter of appreciation from the CEO or Chairman; and Morning or afternoon tea or appropriate after hours staff function as determined by the Chief Executive Officer in consultation with the Chairman.
20 years and over	<ul style="list-style-type: none"> \$300 contribution for a gift on behalf of Council; Letter of appreciation from the CEO or Chairman; Morning or afternoon tea or appropriate function as determined by the Chief Executive Officer in consultation with the Chairman; and/or Luncheon with CEO and key personnel.

Special Circumstances Benefit

Where special circumstances exist, the Chief Executive Officer has the discretionary authority to provide the affected staff member with an appropriate token benefit (flowers or equivalent gift) on behalf of EMRC.

Responsibilities:

- The staff member's Director or nominee is responsible for planning the appropriate presentation, in consultation with the Chief Executive Officer.
- Human Resources is responsible for providing the Director or nominee the staff member's details relevant to this policy such as personal address, years of service etc.



5.1 Red Hill Environmental Policy

STRATEGIC PLAN OBJECTIVE

1.2 To improve regional waste management

PURPOSE

To provide guiding principles of environmental management for the Red Hill Waste Management Facility.

LEGISLATION

Environmental Protection Act 1986: Statement 462 That A Proposal May Be Implemented - Class IV Waste Disposal Cells, Red Hill Waste Disposal Facility (21 November 1997) Conditions 4-1 & 4-2.

POLICY STATEMENT

Commitment

The EMRC manages the Red Hill Waste Management Facility on behalf of its six member councils in the eastern region of the Perth metropolitan area. The EMRC is committed to minimising the environmental and social impacts of operations by working towards best practice management.

To fulfil these commitments the EMRC will:

- Comply as a minimum with all applicable environmental legal obligations and internal EMRC standards;
- Openly and transparently report our environmental performance;
- Strive to meet community expectations through addressing concerns and providing avenues for them to liaise with EMRC staff and management;
- Strive for continuous improvement by implementing and maintaining an Environmental Management System that is communicated and supported from management to operational staff and contractors (at all levels) to achieve best practice management;
- Continue to be innovative by supporting research into the understanding of the environment which will enable the use of sound data as the basis for all environmental and operational decisions;
- Encourage and support better waste management practices through education and waste diversion strategies;
- Prevent pollution and environmental degradation by assessing the environmental implications of planning decisions associated with the design, construction and operation of the Red Hill Waste Management Facility;



- Raise environmental awareness for staff and contractors to be aware of and accountable for their individual contributions to environmental performance and encourage every employee and contractor to demonstrate respect for the environment.

Responsibilities

Each employee and contractor has a personal obligation to comply with the Red Hill Environmental Policy.

Management is responsible for taking this policy into consideration when making any planning or operational decisions. Management is also responsible for ensuring the policy is communicated to and implemented by all staff, contractors, suppliers, local community and visitors.

The environmental program will be audited on a regular basis to confirm and improve performance against the requirements of this policy.

The EMRC publicly reports its environmental performance in its annual monitoring and compliance report.

FINANCIAL CONSIDERATIONS

Funding for environmental management activities are included in the annual budgets related to the Red Hill Waste Management Facility.

Adopted/Reviewed by Council

1. 23 April 1998
2. 22 July 1999
3. 02 May 2002
4. 20 May 2004
5. 23 February 2006
6. 18 September 2008
7. 24 September 2009
8. 23 September 2010
9. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Waste Management Services



FINANCIAL CONSIDERATIONS

An amount will be provided in the annual budget to meet estimated costs.

Adopted/Reviewed by Council

1. 06 September 2001
2. 02 May 2002
3. 20 May 2004
4. 23 February 2006
5. 18 September 2008
6. 23 September 2010
7. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



THIS POLICY IS TO BE DELETED

5.2 Environmental Purchasing Policy

STRATEGIC PLAN OBJECTIVE

4.4 To manage partnerships and relationships with stakeholders

PURPOSE

To ensure that environmental impacts are taken into consideration in purchasing decisions.

LEGISLATION

Nil

POLICY STATEMENT

The EMRC will consider the environmental 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. Environmental impact issues to be considered may include:

- Use of recycled or recovered materials;
- Product reusability;
- Product recyclability;
- Durability;
- Energy efficiency and consumption;
- Waste prevention;
- End of life disposal method; and
- Environmental health issues.

The implementation of the Policy will be through the use of criteria and assessment tools in the purchasing process.

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FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 21 July 2005
2. 23 February 2006
3. 18 September 2008
4. 23 September 2010

Next Review

Following the Ordinary Elections in 2013

Responsible Unit
Environmental Services

Governance and Corporate Services



6.1 Member Conference, Seminar and Study Tour Attendance Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

To establish a policy and guidelines for the attendance by appointed members at intrastate, interstate, or international conferences, seminars, and study tours in an official capacity.

LEGISLATION

Nil

POLICY STATEMENT

1. Council recognises that attendance at conferences, seminars, and study tours contributes to the personal and professional development of Councillors and is consistent with Council's objectives.
2. Attendance by an appointed member at a conference, seminar or study tour should be consistent with the current or future direction of the EMRC and must be related to a subject matter directly referred to in Council's approved and adopted publications (ie. Strategic Plan for the Future or annual budget) and identified as an organisational objective.
3. Attendance by appointed members at intrastate, interstate or international conferences, seminars and study tours will be authorised in advance by Council.
4. The amount available to individual appointed members for conference/seminar/study tour attendance shall be in accordance with the amount allocated specifically for this purpose in Council's annual budget. Expenditure in excess of the allocated sum for each appointed member will require Council approval prior to the expenditure occurring.
5. Any appointed member who is offered sponsorship in the form of conference or seminar registration or other costs in an official capacity, wholly or partly by any government agency, external organisation or person, shall immediately make this known to the Chairman and Chief Executive Officer.
6. A written report shall be prepared for the information of Council by every appointed member who has travelled intrastate, interstate or overseas in an official capacity. The report shall provide comment on the value of the conference/seminar/study tour and related benefits to the EMRC, and provide recommendations for further action (if applicable). In the event that two or more appointed members attend the same conference, for the purposes of this policy, only one written report is required which may be a joint report.



FINANCIAL CONSIDERATIONS

An amount will be provided in the annual budget to meet estimated costs.

Adopted/Reviewed by Council

1. 24 February 1994
2. 22 July 1999
3. 02 May 2002
4. 20 May 2004
5. 23 February 2006
6. 18 September 2008
7. 23 September 2010
8. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



6.2 Reimbursement of Expenses – Appointed Members and Staff - Conferences, Seminars, and Other Events Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

To establish a policy governing the reimbursement of reasonable out of pocket expenses actually and necessarily incurred by appointed members of Council, EMRC staff, or a participant staff member, whilst attending approved conferences, seminars and other events that are considered to be in the course of their authorised EMRC duties.

POLICY STATEMENT

Where an appointed member, staff member, or a committee member is authorised to attend a conference, seminar or other event on behalf of the EMRC, expenses incurred will be reimbursed as follows:

Registration Costs

Actual cost of registration for the conference, seminar and/or other event being attended.

Travel and Accommodation Costs

Air Travel - Intrastate and Interstate

- Return economy class airfare to the airport nearest the venue.
- Individuals travelling have the option of upgrading to business class travel at their own expense with the difference between the applicable economy rate and business class rate being payable to EMRC in advance. Personal frequent flyer credits may be used to upgrade travel class however no reimbursement will be made by EMRC in this case.

Where an appointed member and/or a staff member is required to spend the night away from their normal residence, the actual cost of reasonable hotel or motel accommodation including the night immediately prior to the event and the evening of the last day of the event will be reimbursed.

Air Travel - International Destinations

- Return economy class airfare to the airport nearest the venue.
- Individuals travelling have the option of upgrading to business class travel at their own expense with the difference between the applicable economy rate and business class rate being payable to EMRC in advance. Personal frequent flyer credits may be used to upgrade travel class however no reimbursement will be made by EMRC in this case.



Where an appointed member and/or a staff member is required to spend the night away from their normal residence, the actual cost of reasonable hotel or motel accommodation including up to two (2) nights immediately prior to the event and the evening of the last day of the event will be reimbursed, subject to the availability of flights.

Other Travel

- Travel to and from airports and other terminals at both ends of the journey.
- Train, bus and taxi fares to and from the venue.
- Car rental and associated petrol costs.
- Personal mileage for use of own vehicle. Where a staff member is authorised to use their own vehicle for business related travel, an allowance shall be paid for the relevant kilometres travelled using the "cents per kilometre method" permissible under the Income Tax Assessment Act.

Accommodation Costs

Accommodation bookings should be made at a hotel, motel, and/or serviced apartment located in close proximity to the conference seminar or event. As a guide, accommodation standards will generally be of a 4.5 star rating with the most competitive rate available at the time of booking being selected.

Meals (including reasonable liquid refreshments served with meals)

The actual cost of the meal consumed with the production of a receipt, or the following rates if receipts are not retained:

- Breakfast \$30
- Lunch \$40
- Dinner \$70

Incidental Expenses - including dry cleaning, telephone calls (necessitated by attendance at the conference), parking, and internet access

Actual reasonable expenses incurred as included on the accommodation account or supported by receipts or credit card accounts.

Accompanying Person(s)

Appointed members and/or members of staff may travel with an accompanying person(s) provided:

- (i) the accompanying person(s) does not incur any costs at Council expense; and/or
- (ii) the presence of the accompanying person(s) does not interfere with the business requirements of the travel.

The only exception to point (i) is the nominated cost for conference related social functions ie: dinner or cocktail function for the appointed member's and/or staff member's partner, which will be reimbursed.

Cash Advance

A cash advance of \$70 per day for the duration of the event will be made to an appointed member, staff member and/or participant staff member attending the event on behalf of the EMRC. An additional cash advance may be made, at the discretion of the CEO, when it is apparent that payments by cash will exceed \$70 per day.

Persons receiving cash advances are liable to reimburse EMRC for the difference where the advance exceeds the actual expenditure authorised in accordance with this policy.



Supporting Documentation

All claims for travel related expenses, including cash advance payments, must be supported by provision of the appropriate documentation including receipts, itemised accounts, and/or credit card records. A Statutory Declaration detailing the exact costs making up the claim is acceptable where a receipt is not able to be provided.

All supporting documentation should be provided and settled, including outstanding cash advances, within four (4) working weeks following return from the conference, seminar and other event.

Chief Executive Officer Approval

Any expenses incurred which are not related to official travel should be paid personally by the person attending the approved conference, seminar and other event.

The Chief Executive Officer has the discretion to approve other non-personal out-of-pocket expenses associated with attendance at approved conferences, seminars and other events that are considered to be in the course of authorised duties.

Certification

The officer for whom the expense was incurred, is where possible, to certify the account. Discretion is to be exercised to ensure that reasonable costs only are incurred.

FINANCIAL CONSIDERATIONS

An amount will be provided in the annual budget to meet estimated costs.

Adopted/Reviewed by Council

1. 22 July 1999
2. 02 May 2002
3. 20 May 2004
4. 08 December 2005
5. 23 February 2006
6. 18 September 2008
7. 23 September 2010
8. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Governance and Corporate Services



7.1 Risk Management Policy

STRATEGIC PLAN OBJECTIVE

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

PURPOSE

This Policy sets out the objectives and corporate approach for managing business and workplace related risk in a systematic and formal manner.

LEGISLATION / STANDARDS

Australian/ New Zealand standard "Risk Management – Principles and Guidelines" AS/NZS ISO 31000:2009.

POLICY STATEMENT

The EMRC is committed to the management of risk to continue to protect its:

- Employees, contractors and volunteers
- Customers, clients and stakeholders
- Natural and built environment
- Quality of service
- Assets and intellectual property
- Contractual and statutory obligations
- Image and reputation

Risk management is a continuous process demanding awareness and proactive action from all employees and outsourced service providers to reduce the likelihood and impact of accidents and losses, whether caused by the EMRC or a business partner.

Senior management seeks to improve the integration of formal risk management practices into the EMRC's everyday business operations and those of its contractors and business partners. In this way the risk implications of decisions and actions will be better planned for and dealt with. The involvement of all staff is both encouraged and expected in order to meet the goals of this policy.

Risk management is viewed as a critical element of good governance and together with innovative and committed staff will continue to make the EMRC a leader in its field.

The risk management system, as supported by suitable standards and guidelines, will involve risk identification and risk evaluation linked to practical and cost-effective risk control measures commensurate with our business. The standards will also be flexible enough to consider the severity and consequences of new initiatives in a manner that does not stifle innovation.



The Risk Management Plan provides an operating framework that outlines:

- Goals of Risk Management at the EMRC
- Key strategies
- Overview of the EMRC 's risk management process
- Risk management structure and responsibilities
- Risk assessment methodology
- Implementation, monitoring and review processes
- Risk criteria to ensure the right focus
- Summary of the EMRC 's key risks
- Detailed assessment of the EMRC's risks, together with risk treatment plans.

Responsibilities

The Audit Committee, in conjunction with the CEO, will have responsibility for monitoring the effectiveness of the EMRC's risk management function to ensure that the necessary resources and risk management processes are in place.

The primary responsibility for cascading risk standards and procedures and approval of the treatment of major risk exposures, as identified by all staff, ultimately rests with the Chief Executive Officer.

This risk management activities will have a strong emphasis toward the prevention of situations or incidents that may damage the EMRC as an entity or injure staff and relevant others. The Chief Executive Officer in executing his duty will establish a Risk Management Steering Group (RMSG) comprising the Executive team and key managers who will be responsible for:

- Initiating activities that are consistent with the Risk Management Policy and Plan.
- Ensuring that key risk management documentation is up to date.
- Ensuring the Corporate Risk Register is up to date and that Risk Treatment Plans are being implemented.
- Ensuring appropriate linkages to business and corporate planning processes, and where necessary, to budget processes
- Analysing risk information and reporting to Council as required;

The systematic management of business and workplace risk is a core responsibility of all managers. Suitable risk management activities will be incorporated into business planning, operations and the management of contractors and service providers.

The scope of these activities will encompass

- Education and training in risk management for staff;
- Identifying and supporting the development of risk management standards and procedures where applicable, that assist staff to understand and deal with risk;
- Building a staff culture that identifies and eliminates risks in a consistent manner
 - Helping to prioritise and schedule risk control improvements (risk treatment) in each of the EMRC's business units
 - Reporting to the EMRC Executive and Council on risk improvement outcomes.



FINANCIAL CONSIDERATIONS

Funding will be provided to properly resource risk management activities as identified through the annual risk management planning and budgeting process.

.

Adopted/Reviewed by Council

1. 31 October 2002
2. 20 May 2004
3. 23 February 2006
4. 18 September 2008
5. 23 September 2010
6. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Risk Management Service



7.2 Occupational Health and Safety Policy

STRATEGIC PLAN OBJECTIVE

4.5 To improve organisation culture, health, welfare and safety.

PURPOSE

This policy states the commitment of the Eastern Metropolitan Regional Council to the safety and health of its employees, contractors and the general public who visit our workplaces or have the potential to be affected by our activities.

LEGISLATION

Occupational Safety and Health Act 1984

POLICY STATEMENT

The Eastern Metropolitan Regional Council recognises that health and safety is a key component in the management of all its business activities. The EMRC is wholly committed to safe working practices and providing safe places of work by placing the highest value on Occupational Health and Safety in its operations. Our goal is to be recognised as leaders in occupational health and safety practices through compliance, education, communication and innovation.

To achieve our goals EMRC is committed to:

- Complying with all relevant OSH Legislation and other requirements placed upon the organisation.
- Developing sustainable Safety Management Systems and Safety Management Plans for all workplaces.
- Promoting a culture of continuous improvement in workplace health, safety and wellbeing.
- Risk Management processes and ensuring consistency with the nature of our workplace activities and assessment of risk.
- Establishing measureable objectives and targets for occupational safety and health to ensure continuous improvement aimed at eliminating work-related injury and illness.
- Establishing and maintaining communication and consultation processes that ensure employees are included in decision –making processes that impact on health and safety in the workplace.
- Ensuring employees are trained and competent to carry out their roles in a safe manner and to provide training where required to develop employees where required.



- Implementing the provisions of this policy in all areas of our business activity and on all sites where our activities are undertaken.

The Chief Executive Officer, supported by the management team, has ultimate responsibility for providing a safe and healthy work environment which includes:

- Ensuring that there is close cooperation and consultation between management and staff regarding safety related matters. (A consultative process such as the Safety Advisory Committee and the involvement of Safety and Health Representatives is seen as an essential feature of the Program.)
- The ongoing recognition and control of all hazards through a hazard identification and control process.
- Ensuring formal training is conducted, (includes Safety Induction processes), to improve the health and safety related knowledge and skills of employees and contractors as relevant.
- Ensuring plant and equipment is safe and suitable for the job, via effective purchasing, inspection and maintenance systems.
- Providing an effective system for accident / incident reporting, investigation and recording.
- Ensuring systems are in place that minimise risk as low as reasonably practicable in the general work environment through elimination or the use of effective controls and where personal protective equipment and clothing is the last consideration for control.,
- Ensuring that Emergency Response Procedures are developed and implemented to protect anyone on council premises in the event of an emergency.
- Providing health related information and encouraging activities that promote the health and well being of staff, including the provision of an Employee Assistance Program and a Health Promotion Program.
- Ensuring EMRC develops and implements an effective and consistent injury management process in the event that staff may suffer a work related injury.
- Ensuring the EMRC Safety Management System complies with all relevant legislation.

EMRC Employees and Contractors are responsible for:

- Complying with EMRC policies and procedures
- Following all lawful instructions given by EMRC management.
- Committing to their own safety and the safety of others in the workplace or effected by work carried out in EMRC activities.
- Contributing to EMRC health and safety activities to ensure EMRC complies with its legislated requirements.
- Reporting all injuries, incidents and hazards that may occur at the workplace



FINANCIAL CONSIDERATIONS

The annual budget has adequate amounts allocated to provide safety related support services (consulting and training) to all EMRC managed operations.

Adopted/Reviewed by Council

1. 22 September 2005
2. 23 February 2006
3. 18 September 2008
4. 23 September 2010
5. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Human Resources



14.5 REQUEST FOR QUOTATION STAGE 15 EXCAVATION WORKS RED HILL SITE

REFERENCE: D2014/11354

PURPOSE OF REPORT

The purpose of this report is to advise Council of the result of quotations for the Stage 15 - Excavation Works Red Hill Site and recommend a preferred contractor.

KEY ISSUES AND RECOMMENDATION(S)

- A Request for Quotation for Stage 15 Excavation Works Red Hill Site was advertised online via WALGA's e-quote system on 22 August 2014 from suppliers on the WALGA preferred supplier panel.
- The Request for Quotation called for the extraction of gravelly clay to within 1.0m of Stage 15 landfill design level.

Recommendation(s)

That:

1. Council accept the quote for Stage 15 Excavation Works Red Hill Site from Coalcliff Plant Hire & Civil Contracting, as per the attached schedule of rates.
2. The CEO be authorised on behalf of the EMRC to enter into a contract with Coalcliff Plant Hire & Civil Contracting in accordance with their submission, subject to any minor variations that may be agreed on between the CEO and Coalcliff Plant Hire & Civil Contracting.

SOURCE OF REPORT

Director Waste Services
 Manager Engineering and Waste Services

BACKGROUND

As part of the development of the Red Hill Waste Management Facility, new landfill cells are constructed in time to facilitate the ongoing acceptance of waste. The current cells for Class III waste (Farm Stages 1 & 2) are projected to be filled by July 2015. A new landfill cell for Class III waste is required to be built in the summer of 2014/2015. The area south of the existing green waste processing facility has been identified and is referred to as "Stage 15".

Lateritic cap rock has been removed within the proposed footprint of the Stage 15 landfill cell and it is now intended to remove the gravelly clay materials to within 1.0m of the landfill design level. The contract includes all labour, plant, materials, supervision, and survey required for:

- a) Excavation of gravelly clay where specified by the EMRC;
- b) Excavation of some minor lateritic cap rock (if encountered); and
- c) Protecting the existing works.



Item 14.5 continued

REPORT

Quotations were invited from suppliers on the WALGA preferred supplier panel via the e-quote system on 22 August 2014 for stage 15 excavation works at Red Hill. Submissions were received from:

- Coalcliff Plant Hire & Civil Contracting; and
- Curnow Group Pty Ltd.

An evaluation panel of EMRC officers assessed the submissions on the following criteria:

Criterion	Weighting
Contractor's resources	10%
Demonstrate understanding of the required tasks	15%
Previous experience of earthworks	15%
Price	60%

Based on the panel's evaluation, the submission from Coalcliff Plant Hire & Civil Contracting represented the highest rated assessment and demonstrated the most advantageous submission. The quotation is considered to offer the best value for money. The schedule of rates submitted by Coalcliff Plant Hire & Civil Contracting amounted to an estimated total value of \$322,546.00 (ex. GST). The contract period is estimated to be 8 weeks.

Coalcliff Plant Hire & Civil Contracting constructed contour banks on site at the Red Hill Waste management Facility in early 2014, the winter drainage works and the Class IV cell remedial works, and are familiar with the Red Hill site.

EMRC staff and equipment will be used to relocate the gravelly clay material in conjunction with the contractor thus reducing the cost of this phase of the work.

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 2014/2015 Budget adopted by Council includes \$5,010,000 for the construction of Stage 15 Class III cell.

SUSTAINABILITY IMPLICATIONS

In order to provide sustainable waste management the provision of airspace, in advance of it being required, is essential.



Item 14.5 continued

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

Coalcliff Plant Hire & Civil Contracting Schedule of Rates (D2014/11468)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That:

1. Council accept the quote for Stage 15 Excavation Works Red Hill Site from Coalcliff Plant Hire & Civil Contracting, as per the attached schedule of rates.
2. The CEO be authorised on behalf of the EMRC to enter into a contract with Coalcliff Plant Hire & Civil Contracting in accordance with their submission, subject to any minor variations that may be agreed on between the CEO and Coalcliff Plant Hire & Civil Contracting.

COUNCIL RESOLUTION(S)


MOVED CR ZANNINO

SECONDED CR CUCCARO

THAT:

1. COUNCIL ACCEPT THE QUOTE FOR STAGE 15 EXCAVATION WORKS RED HILL SITE FROM COALCLIFF PLANT HIRE & CIVIL CONTRACTING, AS PER THE ATTACHED SCHEDULE OF RATES.
2. THE CEO BE AUTHORISED ON BEHALF OF THE EMRC TO ENTER INTO A CONTRACT WITH COALCLIFF PLANT HIRE & CIVIL CONTRACTING IN ACCORDANCE WITH THEIR SUBMISSION, SUBJECT TO ANY MINOR VARIATIONS THAT MAY BE AGREED ON BETWEEN THE CEO AND COALCLIFF PLANT HIRE & CIVIL CONTRACTING.

CARRIED UNANIMOUSLY

<div>STAGE 15 EXCAVATION BILL OF QUANTITIES</div>								
Line No.	Description (Duration: Approximately 8 weeks)	Tender Unit	Unit Quantity	Total Quantity	Unit Price (ex GST)	Price Tendered (ex GST)	GST Component	Price Tendered (inc GST)
1	Allow for all costs relating to the provision, establishment and maintenance of the Contractor's amenities on the Site (including toilet facilities)	Lot	1	1	\$ 4,050.00	\$4,050.00	\$405.00	\$4,455.00
2	Mobilisation and demobilisation of all plant and equipment for the Works Each Machine Priced @ \$1280.00 each way (1 Excavator and 3 Dump Trucks)	Lot	1	1	\$ 12,100.00	\$12,880.00	\$1,288.00	\$14,168.00
3	30 Tonne Excavator - Wet Hire	Day	1	1	\$ 1,597.00	\$76,656.00	\$7,665.60	\$84,321.60
4	40 Tonne Dump Truck - Wet Hire	Day	1	3	\$ 1,470.00	\$211,680.00	\$21,168.00	\$232,848.00
5	Rock Breaker Attachment - Wet Hire (if required)	Day	1	1	\$ 360.00	\$17,280.00	\$1,728.00	\$19,008.00
						\$322,546.00	\$32,254.60	\$354,800.60



15 REPORTS OF COMMITTEES

15.1 AUDIT COMMITTEE MEETING HELD 4 SEPTEMBER 2014 (REFER TO MINUTES OF COMMITTEE – PINK PAGES) REFERENCE: D2014/08102 (AC) – D2014/11143

The minutes of the Audit Committee meeting held on **4 September 2014** accompany and form part of this agenda – (refer to pink section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invited general questions from members on the minutes of the Audit Committee.

RECOMMENDATION(S)

That with the exception of item, which are to be withdrawn and dealt with separately, Council adopts the recommendations in the Audit Committee report (Section 15.1).

COUNCIL RESOLUTION(S)

MOVED CR WOLFF

SECONDED CR FÄRDIG

THAT COUNCIL ADOPTS THE RECOMMENDATIONS IN THE AUDIT COMMITTEE REPORTS (SECTION 15.1).

CARRIED UNANIMOUSLY

AUDIT COMMITTEE

MINUTES

4 September 2014

REF: D2014/08102 (AC) – D2014/11143

A meeting of the Audit Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 4 September 2014**. The meeting commenced at **6:30pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 6:30pm.

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

Councillor Attendance

Cr David Färdig (Chairman)	EMRC Member	City of Swan
Cr Steve Wolff (Deputy Chairman)	EMRC Member	City of Belmont
Cr Gerry Pule	EMRC Member	Town of Bassendean
Cr Chris Cornish	EMRC Member	City of Bayswater
Cr Andrew Waddell	EMRC Deputy Member	Shire of Kalamunda
(Deputising for Cr O'Connor)		
Cr Bob Perks	EMRC Deputy Member	Shire of Mundaring
(Deputising for Cr Pilgrim)		

Leave of Absence Previously Approved

Cr Pilgrim, (from 01/09/2014 to 30/09/2014 inclusive)

Apologies

Cr Dylan O'Connor	EMRC Member	Shire of Kalamunda
Cr Frank Lindsey	EMRC Member	Shire of Kalamunda
Cr Tony Cuccaro	EMRC Member	Shire of Mundaring

EMRC Officers

Mr Peter Schneider	Chief Executive Officer
Mr Hua Jer Liew	Director Corporate Services
Mr David Ameduri	Manager Financial Services
Mrs Annie Hughes-d'Aeth	Personal Assistant to Director Corporate Services
	(Minutes)

Visitors

Mr Tony Macri	Macri Partners
Mr Mit Gudka	Macri Partners
Mr James Cottrill	Stantons International
Mr Levy Mpofu	Stantons International

3 DISCLOSURE OF INTERESTS

Nil

4 ANNOUNCEMENTS BY THE CHAIRMAN OR PRESIDING MEMBER WITHOUT DISCUSSION

Nil

5 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil



6 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

6.1 MINUTES OF AUDIT COMMITTEE MEETING HELD ON 5 JUNE 2014

That the Minutes of the Audit Committee meeting held 5 June 2014, which have been distributed, be confirmed.

AC RESOLUTION(S)

MOVED CR WOLFF

SECONDED CR PULE

THAT THE MINUTES OF THE AUDIT COMMITTEE HELD ON 5 JUNE 2014, WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

7 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

8 QUESTIONS BY MEMBERS WITHOUT NOTICE

The following question by Cr Pule was taken on notice at the Audit Committee meeting held on 5 June 2014.

Question: How does Macri Partners (EMRC's external auditors) view the level of risk on term deposit investments awaiting maturity, specifically those that have been rerated and their ratings are outside of the EMRC investment policy?

Response: *In July 2014, the EMRC's external auditor, Macri Partners reviewed and ascertained the EMRC's investment of surplus funds.*

Summary of their findings are as follows:

- *At the time of placement with the ING Bank these deposits complied with Council's investment policy.*
- *During February 2014, the short term credit rating was downgraded from A1 to A2 by Standard & Poor's rating services.*
- *The auditor contacted EMRC investment advisors to discuss a range of issues including risk factors associated with the investment.*
- *It is noted that ING Bank does not allow for an early redemption of term deposits unless there are extenuating circumstances.*
- *The EMRC advisors considered the downgrading of ING Bank as low risk.*
- *Macri Partners advised that the EMRC's internal control and procedures with respect to its investment of surplus funds is satisfactory.*
- *The auditors also noted that the maturity dates of the remaining investments will mature in July and August 2014.*

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

Nil

10 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



11 REPORTS OF EMPLOYEES

11.1 INTERNAL AUDIT REPORT PROGRAMME 2013/2014

REFERENCE: D2014/08104 (AC) – D2014/11217

PURPOSE OF REPORT

The purpose of this report is to present the Audit Committee (AC) with the internal audit report of the 2013/2014 internal audit programme.

KEY ISSUES AND RECOMMENDATION(S)

- At the September 2011 round of meetings, Council endorsed a four year internal audit programme consisting of 16 auditable areas.
- This year represents the third year of the internal audit programme which commenced in May 2014 for the Accounts Receivable, Human Resource Management, Records Management and Waste Management audit areas.
- The internal audit report covering each of the above areas is attached and has been assessed with overall ratings of satisfactory to very good and no major issues identified.

Recommendation(s)

That Council notes the 2013/2014 internal audit report forming the attachment of this report.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

At the Audit Committee (AC) meeting held on 22 September 2011 (Ref: D2014/154361), the Committee endorsed a four year audit programme, which was subsequently adopted by Council at its meeting of 22 September 2011.

The four year programme consists of:

Auditable Area	Year			
	2011/2012	2012/2013	2013/2014	2014/2015
Contract Management	✓			
IT General Controls	✓			
Payroll	✓			
Procurement	✓			
Accounts Payable		✓		
Corporate Governance		✓		
Grants Management		✓		
Risk Management		✓		
Human Resource Management			✓	



Item 11.1 continued

Auditable Area	Year			
	2011/2012	2012/2013	2013/2014	2014/2015
Waste Management			✓	
Accounts Receivable			✓	
Records Management			✓	
Investment Policies				✓
Taxation				✓
Project Planning				✓
IT Vulnerability Assessment				✓

REPORT

The internal audit programme for this year commenced in May 2014 for the following audit areas, specifically:

- Accounts Receivable;
- Human Resource Management;
- Records Management; and
- Waste Management

The overall assessments of the quality of management controls for the Accounts Receivable, Human Resource Management, Records Management and Waste Management audit areas were satisfactory to very good with no major issues identified.

The report for the 2013/2014 internal audit programme is attached.

Arrangements have been made for a representative of the EMRC's internal auditors, Stantons International, to be in attendance at the meeting to give an overview of their findings and address any queries the Audit Committee may have.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

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

FINANCIAL IMPLICATIONS

The annual budget provides for the internal audit function.



Item 11.1 continued

SUSTAINABILITY IMPLICATIONS

The internal audit function assists in ensuring the EMRC remains economically sustainable.

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

Internal Audit Report July 2014 (Ref: D2014/111216)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council notes the 2013/2014 internal audit report forming the attachment of this report.

AC RECOMMENDATION(S)

MOVED CR PULE

SECONDED CR WOLFF

That Council notes the 2013/2014 internal audit report forming the attachment of this report.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR WOLFF

SECONDED CR FÄRDIG

THAT COUNCIL NOTES THE 2013/2014 INTERNAL AUDIT REPORT FORMING THE ATTACHMENT OF THIS REPORT.

CARRIED UNANIMOUSLY

Stantons International

Chartered Accountants and Consultants

EASTERN METROPOLITAN REGIONAL COUNCIL

Internal Audit Report

July 2014

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1.0 SUMMARY OF FINDINGS

Auditable Area	Summary of Findings
Accounts Receivable	There were no issues identified. Controls around Accounts Receivable processes are adequate and operating effectively as intended.
Human Resource Management	There were no issues identified. Human Resource Management processes are sound.
Records Management	We identified that records at the Red Hill Waste Facility are not adequately secured from physical risks such as fire or excessive humidity. We have been advised that work is currently underway to review the records as part of the record appraisal process.
Waste Management	There were no findings identified with regards Waste Management.

2.0 AUDITABLE AREAS

The 2013-14 Internal Audit was in relation to the following auditable areas:

- Accounts Receivable
- Human Resource Management
- Records Management
- Waste Management.

Refer to section 4.0 for the detailed scope and objectives related to each auditable area.

3.0 RISK RATINGS AND INTERPRETATION

Risks Rating	Rating Interpretation	Suggested timing of implementing recommendations
CRITICAL	<i>The finding poses a severe risk to the organisation if not appropriately and timely addressed.</i>	<i>Commence remedial action immediately</i>
MAJOR	<i>The finding poses significant risk to the organisation if not appropriately and timely addressed.</i>	<i>Commence remedial action within 3 months</i>
MODERATE	<i>The finding poses less significant risk to the organisation if not appropriately and timely addressed.</i>	<i>Commence remedial action within 6 months</i>
MINOR	<i>The finding poses minimal risk to the organisation If not appropriately and timely addressed, the risk may develop more or cause other risks to develop.</i>	<i>Commence remedial action within 12 months</i>

Inherent Limitations

Because of the inherent limitations of any internal control structure it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An Audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Liability limited by a scheme approved under Professional Standards Legislation.

4.0 SUMMARY OF OBSERVATIONS

The sections below provide a summary of the areas assessed in our audit fieldwork.

4.1 ACCOUNTS RECEIVABLE

4.1.1 Quality of Management Control

<u>Quality of Management Control:</u>	<input type="checkbox"/>	Excellent	<u>Overall Risk Exposure</u> (considering controls in place)	Low	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	Very Good		Medium	<input type="checkbox"/>
	<input checked="" type="checkbox"/>	Satisfactory		High	<input type="checkbox"/>
	<input type="checkbox"/>	Needs Improvement			
	<input type="checkbox"/>	Unsatisfactory			

4.1.2 Scope and Objectives

<u>Audit Objectives:</u>	The objective of this audit was to provide comment on the design and effectiveness of financial controls to ensure the accounts receivable balance is accurate and that monies due to the EMRC are properly collected.
---------------------------------	--

<u>Audit Scope</u>	<p>The scope of this audit consisted of evaluation, analytical reviews, interviews and tests of controls based on samples where appropriate, including:</p> <ul style="list-style-type: none"> • Cash receipting process • Process for approving credit notes • Reconciliation process • Process for follow up of aged debtors • Segregation of duties • Amounts captured into the receivables account is accurate and timely • Bad debts and write-offs in relation to accounts receivables • Controls to restrict user access to billing module • Creation of new debtor accounts • Credit checks prior to provision of goods and services.
---------------------------	---

4.1.3 Detailed Audit Assessment

Accounts receivable is an organisational asset; an amount owed to an organisation for goods or services provided. In the event that business processes and systems around the management of accounts receivable are not adequately and properly managed a number of risks may occur. Below are some common risks:

- Invoices may be raised based on incorrect prices resulting in loss of revenue
- Falsified and incorrect credit adjustments may occur resulting in loss of revenue
- Invoiced amounts may not be issued, receipted in an accurate and timely manner into the financial system impacting on cash flow
- Cash and/or credit card receipts may not be remitted to the bank in a secure and timely manner
- Inadequate records supporting the raising and/or receipt of revenue for services provided may arise leading to possible concealment of fraudulent activities.

We assessed the accounts receivable (revenue cycle) environment to determine the effectiveness of processes in place to ensure the above risks were well mitigated. We assessed the existing policies and procedures that provide guidance and management direction in relation to accounts receivable for adequacy, completeness and currency. We also performed detailed examination through audit tests including direct interviews with operational staff in the Finance Area and found the following:

- Cash receipting process are adequate and do not allow for inaccurate and incomplete cash receipting
- Credit notes or adjustments for entries made into the system are made only by authorised staff and the adjustments are subject to effective review by delegated staff members
- Both cash and accounts receivable processes are in place and are performed in accordance with policies and procedures
- Aged debtors are effectively monitored and any overdue amounts are diligently followed-up with bad debts and write-offs being managed as per policy
- Effective segregation of duties in relation to all roles and functions that support accounts receivable processes is maintained
- Effective credit checks are performed to ensure only creditworthy customers are provided the appropriate level of credit
- Access controls to customer information such as credit limits and accounts including the creation of new debtor accounts in the financial system is adequate.

After examining the above, we further examined the receipting processes at the Red Hill waste facility to determine the adequacy and effectiveness of controls. We can confirm that controls around receipting at Red Hill Facility are adequate and operating effectively as intended.

4.2 HUMAN RESOURCE MANAGEMENT

4.2.1 Quality of Management Control

<u>Quality of Management Control:</u>	<input type="checkbox"/>	Excellent	<u>Overall Risk Exposure</u> (considering controls in place)	Low	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	Very Good		Medium	<input type="checkbox"/>
	<input type="checkbox"/>	Satisfactory		High	<input type="checkbox"/>
	<input type="checkbox"/>	Needs Improvement			
	<input type="checkbox"/>	Unsatisfactory			

4.2.2 Scope and Objectives

<u>Audit Objectives:</u>	The objective of this audit was to assess the effectiveness of Human Resources Management process and practices at EMRC.
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<u>Audit Scope</u>	<p>The scope of this audit included the following:</p> <ul style="list-style-type: none"> • Compliance with legislation and policies and procedures • HR strategies and directives implementation • Training and performance management • Dispute and Grievance Resolution.
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4.2.3 Detailed Audit Assessment

Human Resources provide the support functionality in all processes aimed at achieving organisational objectives. Human Resources facilitate the delivery of the daily operational requirements that ensures effectiveness of service delivery to all EMRC stakeholders. We assessed the effectiveness of processes, procedures and practices in place at EMRC that ensures best value are obtained from the use of such resources.

4.2.3.1 Compliance with legislation and policies and procedures

Legislative provisions in relation to human resources underpin the ethical and behavioural requirements that ensure coordinated efforts are directed at achieving organisational goals in an effective and efficient manner. We reviewed the Human Resources (HR) management environment within EMRC to determine the existence of identified legislative requirements that relate to HR and secondly the existence and assessment of policies and procedures that support compliance with legislative requirements. Lastly we assessed for compliance with these legislation and policy and procedures.

We identified that EMRC has Management Guidelines (Guidelines) which alignment with relevant legislative requirements. Each of these Guidelines articulates the relevant legislation whose provisions are supported by each of them. Below is a list of the Guidelines reviewed:

- Management Guideline – Grievance Resolution Procedures
- Management Guideline – Managing Poor Performance and Unacceptable Behaviour
- Management Guideline – Recruitment and Selection of Staff
- Management Guideline – Workplace Behavior
- Management Guideline – Training and Development.

We assessed the above guidelines for currency and relevance. The guidelines are current and also scheduled to undergo a regular review commencing in the 2014-15 financial year.

4.2.3.2 HR strategies and directives implementation

We assessed the HR function to determine the existence and adequacy of HR strategies and directives implementation. We identified that EMRC has in place a workforce plan being the EMRC Workforce Plan – 2013 to 2017 (Workforce Plan). The Workforce Plan contains HR strategies that mitigate against the business challenges identified. These are identified under the following focus areas:

- Focus Area One – People Leadership and Development
- Focus Area Two – Attraction and Retention
- Focus Area Three – Knowledge Management
- Focus Area Four – Performance Management
- Focus Area Five – Planning and Sustainability.

Each of these areas has detailed objectives and deliverable strategies covering the period of 2013/14 up to 2017/18. We then assessed the strategies to identify if these were included as part of the annual plans for implementation. We identified that a number of the focus area strategies were included in the staff training calendar and monitored. We identified this as strength.

4.2.3.3 Training and performance management

Training and performance management forms part of the implementation of the Workforce plan strategies. As indicated in section 4.2.3.2 above, we assessed the existence of continued training in our assessment of the HR strategies and directives implemented above. In relation to performance management, our audit identified that EMRC has a clear Annual Performance Management Process which focuses on assessing employee behaviour and competencies against EMRC values. On a sample basis we assessed to determine if annual performance reviews were conducted on employees on a regular basis. Our audit noted that all employees sampled completed their annual performance reviews. The performance reviews also captured some training requirements aimed at enhancing performance, including those already completed. It is important to mention that the capturing of the benefits and costs associated with completed training by EMRC is a significant strength. There were no issues identified.

4.2.3.4 Dispute and Grievance Resolution

Dispute and grievance resolution plays a very important part in restoring employee confidence thereby allowing continued sustainability of EMRC workforce after an issue. We assessed the dispute and grievance resolution process within the EMRC to determine its effectiveness and to identify any areas of improvements to the whole process. This assessment was made through a walkthrough and discussion with the HR Manager who provided details of the dispute and grievance resolution process. This was consistent with the resolution process responsibilities and policy. We did not identify any shortfalls in this process.

4.3 RECORDS MANAGEMENT

4.3.1 Quality of Management Control

<u>Quality of Management Control:</u>	<input type="checkbox"/> Excellent	<u>Overall Risk Exposure</u> (considering controls in place)	Low	<input checked="" type="checkbox"/>
	<input type="checkbox"/> Very Good		Medium	<input type="checkbox"/>
	<input checked="" type="checkbox"/> Satisfactory		High	<input type="checkbox"/>
	<input type="checkbox"/> Needs Improvement			
	<input type="checkbox"/> Unsatisfactory			

4.3.2 Scope and Objectives

<u>Audit Objectives</u>	The objective of this audit was on compliance with the State Records Act 2000 including sample testing of effectiveness of key controls of and in addition controls around security of sensitive, vital and significant records.
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<u>Audit Scope:</u>	<p>The scope of this audit consisted of evaluation, analytical reviews, interviews and tests of controls based on samples of records including:</p> <ul style="list-style-type: none"> • creation of records; • capture and control of records; • security and protection of records; • access to records; • appraisal, retention and disposal of records; and • training.
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4.3.3 Detailed Audit Assessment

Information and data should be captured and maintained in an approved record management framework to ensure continued support of business operations and decisions. Such information should be capable of being retrieved as and when required on a timely basis. The management of records in Western Australia is legislated under the *State Records Act 2000* (the Act). Local Government entities are bound by this Act.

4.3.3.1 Policies and Procedures

To ensure effective compliance with the Act and subsequent effective maintenance of records that continues to support business decisions there must be effective policies and procedures in the operating environment. The Act provides for such requirements under section 19. This section requires that every government organisation must have a Recordkeeping Plan (RKP) that has been approved by the State Records Commission. We identified that EMRC has an existing RKP but this has not been approved by the SRC as also required within the timeframe specified under section 14 (2) of the Act. Section 14 (2) (Review of Plans) requires that *“Not more than 5 years is to elapse between the approval of a parliamentary department’s record keeping plan and a review of it or between one review and another.”*

Our assessment of documentation identified that the current status of the RKP, while on face value may not be compliant with the Act, is being managed by both EMRC and SRC. Due to the migration of the records management system from the old 80/20 system to the new TRIM Records Management system in 2013, an extension to have the RKP approved was authorised by SRC and the deadline set at December 2014. As such there are no further issues that may impact on compliance with the Act in relation to both sections 19 and 14.

4.3.3.2 Creation of records

There is no explicit authority to create records that support key business activities in Local Government. The requirement for creation of records is encapsulated in various legislation for specific matters across the business such as those under the Division 4 (General financial provisions) of the Local Government Act 1995.

We examined the creation of records by way of a review of processes and assessing, where according to our judgement, records should have been created to support a business transaction under review. Our examination included areas in HR, Finance and Operations (Red Hill). We did not identify any shortfalls. All business transactions examined indicated that adequate records were created.

4.3.3.3 Capture and control of records

ISO 15489 Australian Standard on Records Management section 8.2.6 requires that “Records should be created, maintained and managed systematically. Records creation and maintenance practices should be systematised through the design and operation of both the records systems and business practices”. Further, the State Records Commission Standard 2 principle 3 requires that “An appropriate tool is in place whereby records are identified and named in a systematic and consistent way”.

We assessed the processes around the capture and control of records within EMRC for adequacy and effectiveness. In assessing adequacy and effectiveness we sought to ascertain if all records are uniformly captured and controlled under a single and centralised system.

EMRC has recently adopted the use of HP TRIM (Hewlett Packard, Total Records and Information Management) system to capture and manage its records. We assessed the effectiveness with which records are captured and controlled and if there was an effective use of TRIM as a central repository of all records. We identified that TRIM is being effectively used to capture records. It is important to also indicate that other records are also maintained in hard copy files. We did not identify any shortfalls in relation to capture and control of records at EMRC.

4.3.3.4 Security and protection of records

Security and protection of records ensures that records containing information are not vulnerable to any risks that may destroy or deform information contained in the records.

Section 9.6 of ISO15489 the Australian Standard on Records Management pertaining to Storage and Handling states that "Records require storage conditions and handling processes that take into account their specific physical and chemical properties. Records of continuing value, irrespective of format, require higher quality storage and handling to preserve them for as long as that value exists. Storage conditions and handling processes should be designed to protect records from unauthorised access, loss or destruction and from theft and disaster".

We assessed the physical environment for electronic records within EMRC to determine the adequacy of the security and protection. We focused on the Red Hill Waste Management Facility which we identified as more vulnerable to risks that may impact records given its location. We identified that humidity and fire related incidents are more likely to impact on physical records at Red Hill. We performed physical inspection for the existence and effectiveness of mitigation strategies in place to ensure the above identified risks are well cushioned against, should they occur. We identified the following shortfalls listed in the findings table below. We also assessed electronic records for adequacy of security and protection. TRIM and electronic folders are managed by the IT section who oversees the adequacy of security over records. In relation to electronic records, we reviewed to identify the existence of any business continuity and disaster recovery strategies for IT resources which embodies TRIM. We noted that EMRC has an up to date Business Continuity Management Plan which under paragraph 4.2 provides mitigation strategies on IT related risks such as loss to critical data including hardware. Currently back up of information is performed daily and stored off-site.

We suggest areas of business improvement in relation to the development of a Records Management specific business continuity plan that addresses key records management risks (both electronic and hardcopy records).

It is important to mention that general physical security to the building and various offices is very well monitored and is adequate for ensuring other threats to records are minimised.

Findings

We identified that there are records maintained at the Red Hill site which are not adequately secured from the risk of fire or excessive humidity. The records are stored in an area that has no measures such as fire suppressants or humidity detection controls. Discussion with staff indicated that this is currently a work in progress to remove all records stored in this location as they are old records and may need to be destroyed by applying the appropriate General Disposal Authority.

Risks***Risk Rating: Moderate***

In the absence of fire suppressant for records at Red Hill, there is a risk that such records may be destroyed due to fire and information contained may be unrecoverable. Excessive humidity may degrade records making them difficult to read.

Recommendations

We recommend that the proposed actions to remove the records from the current storage as planned be expedited as quickly as possible.

Management Comments

The records that are stored at Red Hill in the old office are old and are required to be sorted. This is to ensure records can be given retention & disposal schedule. Once this has been completed, a destruction plan can be developed for the old records and those that are to be kept can be moved to the onsite records storage at Red Hill.

Responsible Officer: *Manager, Administration & Compliance*

Target completion date: *This is expected to be completed by end of November 2014 based on the planning below:*

<i>Retention & Disposal Schedule</i>	<i>27 October 2014</i>
<i>Destruction Plan</i>	<i>7 November 2014</i>
<i>Records to be relocated to new site storage</i>	<i>14 November 2014</i>
<i>Records to be destroyed</i>	<i>24 November 2014</i>

4.3.3.4 Access to records

We also assessed the adequacy and appropriateness with which records are accessed. We based our assessment on two rules:

- Those only authorised persons have access to both electronic and or physical records
- That records are easily accessible and retrievable as and when required.

The premise of authorised access is built upon confidentiality of information and data. We understand that information and data belonging to some business areas may require high levels of control in relation to confidentiality. We assessed the nature of access in both the electronic and physical environment. We identified that TRIM has been set-up with several levels of security caveats that support different levels of security required for various types of information and data. All other users are segregated by user groups and some senior officers within each unit have the capability to further restrict which users within that user group has access to certain authorised files.

We performed a physical inspection on files and noted that access is restricted by physical means such as “lock and key”.

Retrievability of records is often a challenge in many business environments. Effective retrievability is dependent on how systematic records are stored in the electronic system of or physical files. At EMRC controls are assessed as being adequate.

4.3.3.5 Appraisal, retention and disposal of records

We assessed if EMRC has performed actions for the appraisal, retention and disposal of records. EMRC utilises the General Disposal Authority for Local Government Records which requires that:

“Any categories of records described in the GDALG created before 1920 should be referred to the SRO for further appraisal before any disposal action. State records should be appraised for their ongoing value in accordance with SRC Standard 3 – Appraisal of records”.

SRC Standard 3 - Appraisal of Records provides that *“State organisations must take into account legislative and any other legal requirements that prescribe the minimum retention period for a record or records series, and/or identify which records, created or received by the organisation in the performance of its functions, are to be retained permanently”.*

We identified that appraisal of records has been performed in the past (last performed in 2013) and a number of records identified which required destruction. We propose a business improvement to have the appraisal of records performed annually. We did not identify any issues that could impact on EMRC with regards to appraisal, retention and disposal of records.

4.3.3.6 Training

State Records Commission Standard 2, Principle 6 – Compliance states that, *“the recordkeeping plan is to provide evidence to adduce that (in relation to training):*

- *The organisation conducts a recordkeeping training program.*
- *The efficiency and effectiveness of the recordkeeping training program is reviewed from time to time.*
- *The organisation’s induction program addresses employee roles and responsibilities in regard to their compliance with the organization’s recordkeeping plan”.*

We inquired with members of staff to determine if they had received adequate training with regards to records management. All staff interviewed indicated that they had received some records training related to the TRIM roll out and are aware of their obligations with regards to records management requirements.

As already mentioned elsewhere in this report, at the time of the audit, EMRC was implementing and rolling out the new TRIM system. We further assessed the operational environment within the EMRC to identify and confirm if training had taken place. We noted the following:

- An initial TRIM training was done for all its employees in October 2013
- There are monthly optional seminars which are organised by the IT Department.
- All employees during induction are also provided training in relation to TRIM.

It is important for us to highlight that TRIM is by design, compliant with the State Records Act. As such, all TRIM technical training provides guidance in complying with State Records Act 2000.

4.4 WASTE MANAGEMENT

4.4.1 Quality of Management Control

<u>Quality of Management Control:</u>	<input type="checkbox"/>	Excellent	<u>Overall Risk Exposure</u> (considering controls in place)	Low	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	Very Good		Medium	<input type="checkbox"/>
	<input type="checkbox"/>	Satisfactory		High	<input type="checkbox"/>
	<input type="checkbox"/>	Needs Improvement			
	<input type="checkbox"/>	Unsatisfactory			

4.4.2 Scope and Objectives

<u>Audit Objectives:</u>	The objective of this audit was to assess the effectiveness with which Waste Management practices are implemented and monitored.
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<u>Audit Scope</u>	<p>The scope of this audit covered the following:</p> <ul style="list-style-type: none"> • Existence and effectiveness of Waste Management guidelines, policies and procedures • Compliance with Waste Management guidelines, policies, procedures and legislative requirements • Efficiency and effectiveness of Waste Management Processes and risk management.
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4.4.3 Detailed Audit Assessment

Waste Management is EMRC's core service and Red Hill has been providing this service to its six member councils for over 30 years. Red Hill has a waste acceptance procedure and the waste it accepts are: general waste, special waste, green waste, class 3, class 4 and class 5.

4.4.3.1 Existence and effectiveness of Waste Management guidelines, policies and procedures

The Waste Management team have developed an environmental management system (EMS) manual which contains comprehensive listing of all regulations, legislation, other imposed requirements (e.g. for site license – Red Hill). We assessed this document and noted it detailed items of compliance that are relevant and key to Waste Management at EMRC. The compliance requirements within the EMS manual specify the following key legislative items:

- Site Operating License L6833/1997/11
- Ministerial Statement 462
- Wildlife Conservation Act 1950
- Rights in Water and Irrigation Act 1914
- Local Government Act 1960 and related bylaws
- Bush Fires Act 1954
- Planning and Development Act 2005
- Environmental Protection Act 1986
- National Greenhouse and Energy Reporting Act 2007
- National Environment Protection Measure 1998
- Clean Energy Act 2011
- Waste Avoidance and Resource Recovery Act 2007
- AS/NZS ISO 14001:2004.

We acknowledge that EMRC continue to include all relevant items of legislation in all its policies and procedures.

4.4.3.2 Compliance with Waste Management guidelines, policies, procedures and legislative requirements

We identified that within waste management services directorate there exists an Interplan; a tool that tracks how employees and the directorate tracks against the objectives set in line with the strategic objectives of EMRC. Along with this process there are a number of reports produced as part of monitoring compliance with legislative requirements. We obtained and reviewed the following:

- Internal EMS Audits (License audit)
- Emissions and Energy Reporting System – NGER report
- Six Year Environmental Performance Report – last performed in March 2010
- National Pollutant Inventory Report for the FY13
- Red Hill Monitoring and Compliance Report FY13.

These reports address but are not limited to the legislations identified in section 4.4.3.1 above.

It is pleasing to note that the waste management team has identified the legal and other obligations and have tracked and provided for an action plan to ensure compliance.

It should also be noted that whilst there is a comprehensive reporting and procedure listing, many were developed recently and are yet to be implemented and affected. The following are still being implemented throughout the waste management directorate:

- Annual environmental performance review
- EMS audits (voluntary).

The above reviews and reports are voluntary and implemented by waste management to meet better practice of AS/NZS ISO 14001:2004 as stated in their key results area and environmental policy. Audit commends the initiative to moving to best practice standards and the development of a comprehensive manual for Environmental Systems for operational needs and in order to meet compliance requirements.

4.4.3.3 Efficiency and effectiveness of Waste Management Processes and risk management

We assessed the efficiency and effectiveness of waste management processes and risk management processes in relation to weighbridge operations, occupational safety and security (in the context of risk management) and cash management. We focused mainly on the Red Hill Waste Management Facility.

We performed walkthroughs and direct observations of all the key processes around the areas of focus. This included direct observation of the weighbridge process in operation and assigning risk scenarios to determine any potential weaknesses in the current operations. During this walkthrough, we also examined the cash processes to identify any risk that could impact on the collection of cash and subsequent remittance to the Head Office in Belmont and noted a few minor cash related findings which have already been reported.

We performed a physical inspection of the Red Hill facility to identify any obvious health and safety scenarios that may impact on both client and community. Within the Red Hill facility, we identified that safety procedures are in place. Fire suppressants were in place. All employees, in particular those that worked in open field conditions were well protected through appropriate clothing. Through inquiry, we were informed that regular environmental audits are conducted by the Department of Environmental Regulation.

EMRC has also allocated a dedicated resource that manages and monitors all risks that may impact any part of the organisation. Our assessment of risk relevant to waste management indicated that there is an effective process in place for capturing and managing such risks using the official guidance offered under the AS/NZS ISO 31000:2009. All risks are maintained in a corporate risk register and are subject to regular review. We did not identify any issues in relation to the efficiency and effectiveness of waste management processes and risk management.

5.0 CONCLUSION

Apart from the small issues we have identified in relation to the management of records, we recognise that EMRC has demonstrated significant strengths and high levels of maturity in its operations in relation to the areas we have audited. We obtained confidence that management quality of control in these areas is satisfactory.

It is important to highlight that that EMRC is finalising the implementation of TRIM including any training that enhances the use of the system in relation to Records Management. This system by nature of its design is compliant with the State Records Act and can be synced with other applications including Microsoft tools such as Outlook.

Waste Management which forms a significant part of EMRC's core business demonstrated that:

- waste management guidelines, policies and procedures existed and are effective
- there was adequate compliance with waste management guidelines, policies, procedures and legislative requirements
- waste management processes were identified as effective and efficiently operating as required.



11.2 ANNUAL FINANCIAL REPORT AND AUDIT REPORT FOR YEAR ENDED 30 JUNE 2014

REFERENCE: D2014/08103 (AC) – D2014/11218

PURPOSE OF REPORT

To review and adopt Council's draft Annual Financial Report for the year ended 30 June 2014.

KEY ISSUES AND RECOMMENDATION(S)

- The Terms of Reference of the Audit Committee includes a list of duties and responsibilities, among which is a requirement for the Committee to:
 - Review Council's draft annual financial report; and
 - Recommend adoption of the Annual Financial Report to Council.
- Council's auditors have completed their audit of the 2013/2014 Financial Report, which is attached for Council adoption.

Recommendation(s)

That:

1. Council adopts the audited Annual Financial Report for the year ended 30 June 2014 and the Independent Auditor's Report on that Annual Financial Report forming attachment 1 of this report.
2. Council notes the contents of the Interim Audit Report and the management comments provided in response forming attachment 2 of this report.
3. Council notes the contents of the Audit Completion Report to the Audit Committee for the year ended 30 June 2014 forming attachment 3 of this report.
4. In accordance with Regulation 51(2) of the Local Government (Financial Management) Regulations 1996, a copy of the 2013/2014 Annual Financial Report be submitted to the Departmental CEO, Department of Local Government and Communities, within 30 days of the receipt by the EMRC's CEO of the auditor's report on that financial report.

SOURCE OF REPORT

Director Corporate Services
 Manager Financial Services

BACKGROUND

It is a requirement under s 6.4 of the Local Government Act 1995 that a Local Government is to prepare an annual financial report and submit it to its auditor by 30 September following each financial year.

REPORT

The Terms of Reference of the Audit Committee includes a list of duties and responsibilities, among which (clauses 2.5 (a) (v) and (vi) are requirements for the Committee to:

- (i) Review Council's draft annual financial report, focusing on:
 - Accounting policies and practices;
 - Changes to accounting policies and practices;
 - The process used in making significant accounting estimates;
 - Significant adjustments to the financial report (if any) arising from the audit process;
 - Compliance with accounting standards and other reporting requirements; and
 - Significant variances from prior years.
- (ii) Recommend adoption of the annual financial report to Council.



Item 11.2 continued

Council's auditor, Mr A Macri of Macri Partners has completed the audit of the Eastern Metropolitan Regional Council Annual Financial Report for the year ended 30 June 2014, which is attached for Council adoption (refer attachment 1)

The Auditor will be represented, as required by Clause 2.2 (e) of the Audit Committee Terms of Reference, when the Committee is reviewing the draft Annual Financial Report.

The following comments are provided on key elements of the financial results for 2013/2014:

Statement of Comprehensive Income (pg 6 - 7 of 59)

Total Revenue of \$39,927,524 for the period ending 30 June 2014 is \$7,039,864 below the 2012/2013 actual revenue and \$11,214,569 below budget for 2013/2014.

Total Expenses of \$31,632,134 is \$1,981,346 below the 2012/2013 expenses and \$7,839,603 below budget for 2013/2014.

A profit of \$267 was realised from the Disposal of Assets for the period ending 30 June 2014 and is \$39,331 below the 2012/2013 actual profit of \$39,598 and \$273,488 below the budget for 2013/2014 of \$273,755.

There were no changes in Fair Value of Investments for the period ending 30 June 2014 compared to \$919,052 for the previous corresponding period made up of a realised gain of \$940,914 and an unrealised loss of \$21,862.

Unrealised gains or losses represent a fair market value measurement of the financial instruments during the period in which they are held, i.e. marked to market. It should be noted that actual gains or losses on financial instruments will not be realised until such time as the individual investments are sold.

The changes in revaluation of non-current assets have resulted in an increase of \$32,170,872 for 2013/2014, which relates to the revaluation undertaken on the Land and Buildings classes of assets.

Total Comprehensive Income of \$40,466,529 for the period ending 30 June 2014 is \$25,013,622 above the 2012/2013 result and \$28,522,418 above the 2013/2014 budget.

Statement of Financial Position (pg 8 - 9 of 59)

Current assets as at 30 June 2014 have increased by \$13,916,548 to \$72,402,731 from \$58,486,183 as at 30 June 2013. This is primarily due to the increase in the level of cash and cash equivalents.

The overall impact on cash and investments at the close of the financial year is an increase of \$14,001,228 to \$68,023,698 as at 30 June 2014 compared to the level of cash and investments from the previous year.

Current liabilities as at 30 June 2014 have decreased by \$1,266,437 to \$5,372,342 compared to 30 June 2013.

The balance in the Reserves has increased by \$8,819,573 to \$51,139,296 over the past 12 months.

Overall equity has increased during the 2013/2014 financial year by \$40,466,529 to \$133,062,750.



Item 11.2 continued

Cash Flow Statement (pg 10 of 59)

The overall impact on the cash position at the end of the 2013/2014 financial year is an increase of \$14,001,228 to \$68,023,698 from the previous corresponding period (2012/2013) of \$54,022,470.

Net Cash provided by Operating Activities of \$15,321,012 in the 2013/2014 financial year reflects a decrease of \$5,761,072 from the cash generated in 2012/2013 of \$21,082,084.

The cash flows utilised in investing activities for 2013/2014 reflects capital expenditure totalling \$1,538,900 compared to capital expenditure totalling \$15,480,303 during 2012/2013.

Significant items of capital expenditure during the year included:

- Construct Class III Cell - Stage 15 - Red Hill Landfill Facility - \$475,033;
- Purchase Information Technology & Communication Equipment - \$239,674;
- Purchase / Replace Vehicles - Ascot Place - \$202,706;
- Contract Payment - Resource Recovery Park Wood Waste to Energy Plant - \$165,886;
- Purchase/Replace Minor Plant & Equipment - Red Hill Waste Management Facility - \$158,417;
- Construct Class III Cell - Farm Stage 3 - Red Hill Landfill Facility - \$99,664; and
- Purchase / Replace Vehicles - Red Hill Landfill Facility - \$48,023.

Significant capital items that were budgeted but not purchased, constructed below budget or construction not completed during the year included (to the nearest thousand dollars):

- Construct Class III Cell - Stage 14 - \$3,215,000;
- Purchase / Replace Plant - Red Hill Landfill Facility - \$1,061,000;
- Purchase / Replace Plant - Hazelmere - \$865,000;
- Construct and Commission Resource Recovery Park Site Infrastructure - \$750,000;
- Construct and Commission Resource Recovery Park C & I Building - \$450,000;
- Construct Access Road to Lots 8,9 & 10 - Red Hill Landfill Facility - \$375,000;
- Relocate Greenwaste Processing area - \$350,000;
- Purchase Information Technology & Communication Equipment - \$315,000;
- Construct Roads / Carparks - \$250,000;
- Construct and Commission Resource Recovery Park Wood Waste to Energy Building - \$250,000;
- Purchase Vehicles - Ascot Place - \$228,000;
- Construct Hardstand and Road - Hazelmere - \$202,000;
- Construct Siltation Ponds 10 - Red Hill Landfill Facility - \$190,000;
- Construct Class III Leachate Pond 10 - Red Hill Landfill Facility - \$180,000;
- Construct and Commission Resource Recovery Park Weighbridges - \$150,000;
- Construct Nutrient Stripping Pond - \$110,500;
- Construct and Commission Resource Recovery Park C & I Building - Plant & Equipment - \$100,000;
- Construct Perimeter Fencing - \$100,000; and
- Purchase / Replace Security System - Red Hill Landfill Facility - \$100,000.



Item 11.2 continued

Funding for the majority of the capital items listed above has been carried forward into the 2014/2015 financial year.

Reserves (pg 38 - 41 of 59)

At the end of the 2013/2014 financial year the amount held in Reserves (page 40 of 59, Note 17) increased by \$8,819,573 to a balance of \$51,139,296. This compares favourably to the 2013/2014 budget of \$46,891,200 by \$4,248,096.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

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


FINANCIAL IMPLICATIONS

As outlined within the report and attachments

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	 Proportional share in the total equity of the EMRC.
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

1. Annual Financial Report for the Year Ended 30 June 2014 (Ref: D2014/11213)
2. Interim Audit Report for Year Ended 30 June 2014 (Ref: D2014/11214)
3. Audit Completion Report to the Audit Committee for the Year Ended 30 June 2014 (Ref: D2014/11215)

VOTING REQUIREMENT

Simple Majority



Item 11.2 continued

RECOMMENDATION(S)

That:

1. Council adopts the audited Annual Financial Report for the year ended 30 June 2014 and the Independent Auditor's Report on that Annual Financial Report forming attachment 1 of this report.
2. Council notes the contents of the Interim Audit Report and the management comments provided in response forming attachment 2 of this report.
3. Council notes the contents of the Audit Completion Report to the Audit Committee for the year ended 30 June 2014 forming attachment 3 of this report.
4. In accordance with Regulation 51(2) of the Local Government (Financial Management) Regulations 1996, a copy of the 2013/2014 Annual Financial Report be submitted to the Departmental CEO, Department of Local Government and Communities, within 30 days of the receipt by the EMRC's CEO of the auditor's report on that financial report.

Discussion ensued.

Cr Perks queried page 37 of attachment 1, specifically "provisions for annual leave" and asked what the annual leave figure represents in terms of weeks.

The CEO took the question on notice.

POST MEETING NOTE

As at 30 June 2014, the provision for annual leave represented 388.29 weeks in total or 4.27 weeks per FTE (full time equivalent). The figure has been trending down but is skewed by several long-serving employees who have accumulated a net surplus of leave which is being managed down.

AC RECOMMENDATION(S)

MOVED CR WOLFF

SECONDED CR PERKS

That:

1. Council adopts the audited Annual Financial Report for the year ended 30 June 2014 and the Independent Auditor's Report on that Annual Financial Report forming attachment 1 of this report.
2. Council notes the contents of the Interim Audit Report and the management comments provided in response forming attachment 2 of this report.
3. Council notes the contents of the Audit Completion Report to the Audit Committee for the year ended 30 June 2014 forming attachment 3 of this report.
4. In accordance with Regulation 51(2) of the Local Government (Financial Management) Regulations 1996, a copy of the 2013/2014 Annual Financial Report be submitted to the Departmental CEO, Department of Local Government and Communities, within 30 days of the receipt by the EMRC's CEO of the auditor's report on that financial report.

CARRIED UNANIMOUSLY



Item 11.2 continued

COUNCIL RESOLUTION(S)

MOVED CR WOLFF

SECONDED CR FÄRDIG

THAT:

1. COUNCIL ADOPTS THE AUDITED ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014 AND THE INDEPENDENT AUDITOR'S REPORT ON THAT ANNUAL FINANCIAL REPORT FORMING ATTACHMENT 1 OF THIS REPORT.
2. COUNCIL NOTES THE CONTENTS OF THE INTERIM AUDIT REPORT AND THE MANAGEMENT COMMENTS PROVIDED IN RESPONSE FORMING ATTACHMENT 2 OF THIS REPORT.
3. COUNCIL NOTES THE CONTENTS OF THE AUDIT COMPLETION REPORT TO THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2014 FORMING ATTACHMENT 3 OF THIS REPORT.
4. IN ACCORDANCE WITH REGULATION 51(2) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996, A COPY OF THE 2013/2014 ANNUAL FINANCIAL REPORT BE SUBMITTED TO THE DEPARTMENTAL CEO, DEPARTMENT OF LOCAL GOVERNMENT AND COMMUNITIES, WITHIN 30 DAYS OF THE RECEIPT BY THE EMRC'S CEO OF THE AUDITOR'S REPORT ON THAT FINANCIAL REPORT.

CARRIED UNANIMOUSLY

ANNUAL FINANCIAL REPORT

**For the Year Ended
30 June 2014**

EASTERN METROPOLITAN REGIONAL COUNCIL

2013/2014 ANNUAL FINANCIAL REPORT

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STATEMENT BY CHIEF EXECUTIVE OFFICER



**For the Year Ended
30 June 2014**

EASTERN METROPOLITAN REGIONAL COUNCIL**FINANCIAL REPORT****FOR THE YEAR ENDED 30 JUNE 2014****LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT)
REGULATIONS 1996****STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Eastern Metropolitan Regional Council being the annual financial report and supporting notes and other information for the financial year ended 30 June 2014 are in my opinion properly drawn up to present fairly the financial position of the Eastern Metropolitan Regional Council at 30 June 2014 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation for issue on the 28th day of August 2014



PETER B. SCHNEIDER
Chief Executive Officer

FINANCIAL REPORT



**For the Year Ended
30 June 2014**

EASTERN METROPOLITAN REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

BY PROGRAM	NOTE	ACTUAL 2013/2014 \$	BUDGET 2013/2014 \$	ACTUAL 2012/2013 \$
REVENUE				
Governance		85,018	288,929	94,324
General Purpose Funding		2,389,270	1,826,117	2,422,128
Community Amenities		35,869,089	47,461,992	42,825,808
Other Property and Services		1,584,147	1,565,055	1,625,128
TOTAL REVENUE		39,927,524	51,142,093	46,967,388
EXPENSES				
Governance		761,713	1,290,444	789,860
Community Amenities		25,750,196	32,610,956	28,419,164
Other Property and Services		5,120,225	5,570,337	4,404,456
TOTAL EXPENSES		31,632,134	39,471,737	33,613,480
INCREASE / (DECREASE)		8,295,390	11,670,356	13,353,908
DISPOSAL OF ASSETS				
Profit on Sale		29,143	273,755	48,158
Loss on Sale		(28,876)	0	(8,560)
PROFIT / (LOSS) ON DISPOSALS	22	267	273,755	39,598
REALISED/UNREALISED GAIN/(LOSS) FROM CHANGE IN FAIR VALUE OF INVESTMENTS				
General Purpose Funding	7(c)	0	0	919,052
GAIN / (LOSS)		0	0	919,052
NET RESULT		8,295,657	11,944,111	14,312,558
OTHER COMPREHENSIVE INCOME				
Changes in Revaluation of Non-Current Assets	12	32,170,872	0	1,140,349
TOTAL OTHER COMPREHENSIVE INCOME		32,170,872	0	1,140,349
TOTAL COMPREHENSIVE INCOME		40,466,529	11,944,111	15,452,907

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

EASTERN METROPOLITAN REGIONAL COUNCIL

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

BY NATURE AND TYPE	NOTE	ACTUAL 2013/2014 \$	BUDGET 2013/2014 \$	ACTUAL 2012/2013 \$
REVENUE				
Fees and Charges	4	33,855,734	44,927,390	41,053,206
Grants, Subsidies and Contributions	5	2,379,049	2,629,182	2,364,866
Interest Earnings	2	2,389,269	1,826,117	2,422,128
Other Revenue		1,303,472	1,759,404	1,127,188
TOTAL REVENUE		39,927,524	51,142,093	46,967,388
EXPENSES				
Employee Costs		7,827,857	10,118,762	8,088,700
Materials and Contracts		6,248,393	8,524,267	6,765,807
Utility Expenses		297,634	268,036	254,715
Insurance Expenses		331,053	282,405	273,199
Interest Expenses		21,115	20,683	18,921
Other Expenditure		10,521,938	13,825,430	14,122,584
Depreciation Expenses on Non-Current Assets	2	6,384,144	6,432,154	4,089,554
TOTAL EXPENSES		31,632,134	39,471,737	33,613,480
INCREASE / (DECREASE)		8,295,390	11,670,356	13,353,908
DISPOSAL OF ASSETS				
Profit on Sale		29,143	273,755	48,158
Loss on Sale		(28,876)	0	(8,560)
PROFIT / (LOSS) ON DISPOSALS	22	267	273,755	39,598
REALISED/UNREALISED GAIN/(LOSS) FROM CHANGE IN FAIR VALUE OF INVESTMENTS				
Realised Gain/(Loss)		0	0	940,914
Unrealised Gain/(Loss)		0	0	(21,862)
GAIN / (LOSS)	7(c)	0	0	919,052
NET RESULT		8,295,657	11,944,111	14,312,558
OTHER COMPREHENSIVE INCOME				
Changes in Revaluation of Non-Current Assets	12	32,170,872	0	1,140,349
TOTAL OTHER COMPREHENSIVE INCOME		32,170,872	0	1,140,349
TOTAL COMPREHENSIVE INCOME		40,466,529	11,944,111	15,452,907

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

EASTERN METROPOLITAN REGIONAL COUNCIL

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	NOTE	ACTUAL 2013/2014 \$	ACTUAL 2012/2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	7(a)	68,023,698	54,022,470
Investments	7(b)	0	0
Trade and Other Receivables	9	4,239,474	4,312,629
Inventories	10	78,895	86,077
Other Assets	11	60,664	65,007
TOTAL CURRENT ASSETS	21	<u>72,402,731</u>	<u>58,486,183</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	12	60,520,313	31,864,855
Infrastructure	13	12,311,773	13,725,125
TOTAL NON CURRENT ASSETS	21	<u>72,832,086</u>	<u>45,589,980</u>
TOTAL ASSETS	21	<u>145,234,817</u>	<u>104,076,163</u>
CURRENT LIABILITIES			
Trade and Other Payables	15	4,067,102	5,409,053
Provisions	16	1,305,240	1,229,726
TOTAL CURRENT LIABILITIES		<u>5,372,342</u>	<u>6,638,779</u>
NON CURRENT LIABILITIES			
Provisions	16	6,799,725	4,841,163
TOTAL NON CURRENT LIABILITIES		<u>6,799,725</u>	<u>4,841,163</u>
TOTAL LIABILITIES		<u>12,172,067</u>	<u>11,479,942</u>
NET ASSETS		<u>133,062,750</u>	<u>92,596,221</u>
EQUITY			
Retained Surplus		48,612,233	49,136,149
Reserves	17	51,139,296	42,319,723
Revaluation Surplus	14	33,311,221	1,140,349
TOTAL EQUITY		<u>133,062,750</u>	<u>92,596,221</u>

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

EASTERN METROPOLITAN REGIONAL COUNCIL

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	RETAINED SURPLUS \$	RESERVES \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 30 June 2012		32,442,815	44,700,498	0	77,143,313
Net Result		14,312,559	0	0	14,312,559
Total Other Comprehensive Income		0	0	1,140,349	1,140,349
Transfer (from) / to Reserves		2,380,775	(2,380,775)	0	0
Balance as at 30 June 2013		49,136,149	42,319,723	1,140,349	92,596,221
Net Result		8,295,657	0	0	8,295,657
Total Other Comprehensive Income		0	0	32,170,872	32,170,872
Transfer (from) / to Reserves		(8,819,573)	8,819,573	0	0
Balance as at 30 June 2014		48,612,233	51,139,296	33,311,221	133,062,750

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

EASTERN METROPOLITAN REGIONAL COUNCIL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	ACTUAL 2013/2014 \$	BUDGET 2013/2014 \$	ACTUAL 2012/2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Fees and Charges		38,218,156	44,927,390	44,892,851
Grants, Subsidies and Contributions		2,379,049	2,629,182	2,364,866
Interest Earnings		1,884,132	1,826,117	2,266,085
Other Revenue		1,303,471	1,759,404	1,127,188
Total Receipts		43,784,808	51,142,093	50,650,990
Payments				
Employee Costs		(7,752,515)	(10,117,558)	(8,088,393)
Materials and Contracts		(8,978,177)	(9,369,031)	(7,829,115)
Utility Expenses		(297,634)	(268,036)	(254,715)
Insurance Expenses		(327,739)	(282,405)	(284,418)
Interest Expenses		(21,115)	(20,683)	(18,921)
Other Expenditure		(8,529,584)	(12,868,772)	(10,877,800)
Goods and Services Tax paid		(2,557,032)	0	(2,215,544)
Total Payments		(28,463,796)	(32,926,485)	(29,568,906)
NET CASH PROVIDED BY OPERATING ACTIVITIES	18(ii)	15,321,012	18,215,608	21,082,084
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash receipts from sale of assets		219,116	724,614	346,682
Cash payments for acquisition of assets		(1,538,900)	(15,471,081)	(15,480,303)
NET CASH USED IN INVESTING ACTIVITIES		(1,319,784)	(14,746,467)	(15,133,621)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash receipts from sale of investments		0	0	948,400
NET CASH PROVIDED BY FINANCING ACTIVITIES		0	0	948,400
SUMMARY OF CASH FLOWS				
Cash and cash equivalents at the beginning of the year		54,022,470	45,561,474	47,125,607
Net Increase/(Decrease) in Cash Held		14,001,228	3,469,141	6,896,863
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	18(i)	68,023,698	49,030,615	54,022,470

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

**NOTES TO AND FORMING PART OF THE
FINANCIAL REPORT**



**For the Year Ended
30 June 2014**

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

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

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

The Local Government Reporting Entity

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

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

(a) Trust Funds

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

The EMRC currently does not hold any trust fund monies for the year ended 30 June 2014.

(b) Cash and Cash Equivalents

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

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

(c) Fixed Assets

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

Mandatory Requirements to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The amendments allow for the phasing in of fair value in relation to fixed assets over three years as follows:

- (a) For the financial year ending on 30 June 2013, the fair value of all assets of the local government that are plant and equipment; and
- (b) For the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are –
 - (I) land and buildings; or-
 - (II) Infrastructure;

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Fixed Assets (continued)

and

- (c) For the financial year ending on or after 30 June 2015, the fair value of all the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

The Council does not have any Crown land which comes under this regulation.

Land Under Roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 *Land Under Roads* and the fact Local Government (Financial Management) Regulation 16 (a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local FM Reg 4 (2) Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost on non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Fixed Assets (continued)

Revaluation

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

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council will still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the Initial Recognition section as detailed above.

Those assets carried at fair value will be carried in accordance with the methodology detailed in the Revaluation section above.

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to Fair Value, AASB 13 - Fair Value Measurement only become applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) the Council chose to early adopt AASB 13.

As a consequence, the principles embodied in AASB 13 - Fair Value Measurement have been applied to the previous reporting period (year ended 30 June 2013).

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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

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

• Buildings	2-10%
• Structures	
General	2-10%
Class III and IV Waste Cells	% of actual usage
• Plant	15-40%
• Furniture and fittings	10-40%
• Equipment	10-40%

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

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

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

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Fixed Assets (continued)

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

Capitalisation Threshold

Expenditure on items of major equipment under \$5,000 and minor equipment under \$1,000 are not capitalised. Rather, they are recorded on an asset inventory listing.

(d) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Valuation Techniques

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

Market Approach

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

Income Approach

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

Cost Approach

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations 1976 requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(e) Intangible Assets

Easements

Regulation 16 of the Local Government (Financial Management) Regulations 1996 requires easements to be recognised as assets. The EMRC does not have any easements.

(f) Rates

The EMRC does not levy rates. Accordingly rating information as required under the Local Government (Financial Management) Regulations 1996 has not been presented in this financial report.

(g) Grants, Donations and Other Contributions

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 6. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Local Government prior to the end of the financial year that are unpaid and arise when the Local Government becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Impairment

In accordance with Australian Accounting Standards, the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 'Impairment of Assets' and appropriate adjustments are made.

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

(j) Revenue Recognition

Sale of Goods and Disposal of Assets

Revenue from the sale of goods and disposal of other assets is recognised when the Council has passed control of the goods or other assets to the buyer.

Rendering of Services

Revenue from the provision of services is recognised on an accrual basis.

Royalties

Royalty revenue is recognised on an accrual basis.

(k) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

(l) Goods and Services Tax

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

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

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Provisions

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

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

(n) Provision for Site Rehabilitation

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

Previously Council has consistently recognised this provision by way of an incremental charge based on the volumetric usage of the landfill air space. From June 2011, the present value for the rehabilitation of the site has been calculated to be \$1,500,000 and has been deemed sufficient for post closure management purposes. To ensure that the principles of the present value are maintained, the annual increase in cumulative interest income relating to the \$1,500,000 is reflected as a provision expense each year.

The provision is measured using the best estimate of the amounts required and is reassessed periodically.

In addition, Council has also adopted an incremental charge based on volumetric usage of landfill airspace for ongoing site rehabilitation during the in-use operations of the landfill.

(o) Provision for Environmental Monitoring

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

Previously Council has consistently recognised this provision by way of an incremental charge based on the volumetric usage of the landfill air space. From June 2011, the present value for the environmental monitoring of the site has been calculated to be \$500,000 and has been deemed sufficient for post closure management purposes. To ensure that the principles of the present value are maintained, the annual increase in cumulative interest income relating to the \$500,000 is reflected as a provision expense each year.

The provision is measured using the best estimate of the amounts required and is reassessed periodically.

(p) Provision for Carbon Pricing

The EMRC is subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007. The National Greenhouse and Energy Reporting Act 2007 requires the EMRC to report its annual greenhouse gas emissions and energy use. The EMRC has implemented systems and processes for the collection and calculation of the data required.

As an operator of the landfill site at Red Hill, the EMRC is a net emitter of CO₂e over the life of the waste it receives. While the payment of the carbon pricing is based on the CO₂e emitted in the respective years and under the liability method of accounting, a corresponding recognition of future years' CO₂e emitted is recognised in the year the liability has been incurred.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(r) Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

(s) Trade and Other Receivables

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

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(t) Employee Entitlements

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

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

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

The Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

(ii) Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Employee Entitlements (continued)

(iii) Superannuation Fund

The Council contributes to the WA Local Government Superannuation Plan (LGSP) and other choice funds for qualifying employees as per statutory requirements (9.25% for 2013/14). It also contributes to the LGSP and other choice funds for full scheme members (5% for 2013/14). Contributions to defined contribution plans are recognised as an expense as they become payable.

(u) Rounding Of Amounts

All amounts shown in this annual financial report, other than the Schedule of Fees and Charges, are rounded to the nearest dollar. As a result of rounding, some minor reconciliation discrepancies may be present in the disclosures to the financial report.

(v) Comparative Figures

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

(w) Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

(x) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

The EMRC does not currently have any finance leases and operating leases.

(y) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial assets are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Financial Instruments (continued)

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the differences, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the related period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Council does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets).

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Council's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets).

If during the period the Council sold or reclassified more than a significant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be reclassified as available-for-sale.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Financial Instruments (continued)

(iv) *Available for sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets).

(v) *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(vi) *Fair Value*

Fair value is determined based on current bid prices of all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

Management's assessment of the new and amended pronouncements that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows.

Title and topic	Issued/ Compiled	Applicable (1)	Impact
(i) ASB 9 - Financial Instruments	December 2013	1 January 2017	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2013	1 January 2017	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iii) AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities] [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	December 2012	1 January 2014	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128. It is not expected to have a significant impact on Council.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and topic	Issued	Applicable	Impact
(iv) AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	1 January 2014	<p>This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlements.</p> <p>This Standard is not expected to significantly impact the Council's financial statements.</p>
(v) AASB 2013-3: Amendments to AASB 136 - Recoverable Amount Disclosure for Non-Financial Assets	June 2013	1 January 2014	<p>This Standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets.</p> <p>It is not expected to have a significant impact on Council.</p>
(vi) AASB 2013-8: Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities [AASB 10, 12 & 1049]	October 2013	1 January 2014	<p>This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities.</p> <p>It is not expected to have a significant impact on Council.</p>

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title and topic	Issued	Applicable	Impact
(vii) AASB 2012-9: Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments. [Operative dates: Part A Conceptual Framework - 20 December 2013; Part B Materiality - 1 January 2014; Part C Financial Instruments - 1 January 2015]	December 2013	Refer Title column	<p>Part A of this standard makes various editorial corrections to Australian Accounting Standards.</p> <p>Par B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031.</p> <p>Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.</p> <p>As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.</p>

Notes:

(1) Applicable to reporting periods commencing on or after the given date.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(aa) Adoption of New and Revised Accounting Standards

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 10	AASB 128	AASB 2012 - 2
AASB 11	AASB 2011 - 7	AASB 2012 - 3
AASB 12	AASB 2011 - 9	AASB 2012 - 5
AASB 119	AASB 2011 - 10	AASB 2012 - 10
AASB 127		

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

2. REVENUE AND EXPENSES

	ACTUAL 2013/2014 \$	ACTUAL 2012/2013 \$
Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit of the Financial Report	14,360	9,860
- Audit and assurance of grant acquittals	3,200	1,870
	<u>17,560</u>	<u>11,730</u>
Depreciation and Amortisation Expense		
Buildings	265,601	268,407
Structures	2,098,539	1,101,210
Plant	3,750,743	2,455,117
Equipment	257,231	241,917
Furniture and Fittings	12,030	22,903
	<u>6,384,144</u>	<u>4,089,554</u>
	ACTUAL 2013/2014 \$	BUDGET 2013/2014 \$
(ii) Crediting as Revenue:		ACTUAL 2012/2013 \$
Interest Earnings		
Interest on funds held in Reserves	1,356,155	1,547,814
Interest on Municipal Cash and Investments	527,977	278,303
Accrued Interest Earnings	505,137	0
	<u>2,389,269</u>	<u>1,826,117</u>
	ACTUAL 2013/2014 \$	ACTUAL 2012/2013 \$
Significant Revenue		
General Purpose Funding	0	919,052
	<u>0</u>	<u>919,052</u>

The Significant Revenue relates to the recognition of gains on investments during the year.
(Refer Note 7(c) for details).

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

3. COMPONENT FUNCTIONS/ACTIVITIES

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

Governance

Records income and expenditure relating to the administration and operation of facilities and services to members of Council together with other administrative governance costs.

General Purpose Funding

Records interest revenue as well as other general purpose revenue.

Community Amenities

Records income and expenditure associated with the Red Hill Waste Disposal Facility - Class III cell, Class IV cell, weighbridge, transfer stations and Hazelmere Site.

Other Property and Services

Records income and expenditure for public works overheads, plant operation, materials, salaries and wages. It also records income and expenditure for the Risk Management and Environmental Service departments (incorporating various Environmental Projects), the operations of the Ascot Place activity, and income and expenditure relating to the Regional Development activity incorporating various projects.

EMRC MISSION STATEMENT

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

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

4. FEES AND CHARGES SUMMARY BY PROGRAM

	ACTUAL 2013/2014 \$	BUDGET 2013/2014 \$	ACTUAL 2012/2013 \$
Governance	0	600	340
Community Amenities	33,845,756	44,906,790	41,035,446
Other Property and Services	9,978	20,000	17,420
Total Statutory Fees and Charges	33,855,734	44,927,390	41,053,206

5. GRANT, SUBSIDY AND CONTRIBUTION REVENUE BY PROGRAM

	ACTUAL 2013/2014 \$	BUDGET 2013/2014 \$	ACTUAL 2012/2013 \$
Community Amenities	948,221	1,268,661	913,165
Other Property and Services	1,430,828	1,360,521	1,451,701
Total Grant, Subsidy and Contribution Revenue	2,379,049	2,629,182	2,364,866

6. CONTROL OVER CONTRIBUTIONS

	ACTUAL 2013/2014 \$	ACTUAL 2012/2013 \$
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Conditions over Contributions

Grants which were recognised as revenue during the year but have yet to be applied in that manner at the reporting date were:

• Eastern Hill Catchment Management Project	0	46,359
• Helping the Helena Project	0	7,705
• EHCM Project - Community Engagement	0	13,928
• Marri Canker Project	0	1,515
• Community Energy Efficient Program (CEEP)	0	19,023
• Waste Management - Cardboard Recycling Project	82,356	0
	<u>82,356</u>	<u>88,530</u>

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

• Nil	0	0
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Grants which were recognised as revenue in a previous year and were expended in the current year in the manner specified by the grantor were:

• Regional Active Transport Plan	0	25,000
• Eastern Hill Catchment Management Project	46,359	325
• Helping the Helena Project	7,705	0
• EHCM Project - Community Engagement	13,928	0
• Marri Canker Project	1,515	0
• Community Energy Efficient Program (CEEP)	19,023	0
	<u>88,530</u>	<u>25,325</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

7(a). CASH AND CASH EQUIVALENTS

	ACTUAL 2013/2014 \$	ACTUAL 2012/2013 \$
Cash and Cash Equivalents - Unrestricted	17,254,122	12,301,653
Cash and Cash Equivalents - Restricted	50,769,576	41,720,817
	<u>68,023,698</u>	<u>54,022,470</u>

7(b). INVESTMENTS

Investments - Restricted	0	0
	<u>0</u>	<u>0</u>

Financial Assets at fair value through profit or loss

At the beginning of the year	0	29,348
Disposals	0	(948,400)
Unrealised gain/(loss) from change in fair value of investments	0	919,052
Value at the end of the year	<u>0</u>	<u>0</u>

Held for Trading

- Financial Instruments	0	0
Value at the end of the year	<u>0</u>	<u>0</u>

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

Plant and Equipment	3,061,316	1,029,772
Site Rehabilitation Red Hill - Post Closure	1,717,656	1,664,322
Future Development	242,215	234,694
Environmental Monitoring Red Hill	568,262	550,617
Environmental Insurance Red Hill	133,486	168,280
Risk Management	13,023	12,619
Class IV Cells Red Hill	111,812	439,250
Regional Development	14,747	20,193
Secondary Waste Processing	43,581,696	35,964,254
Class III Cells	914,509	1,473,747
Building Refurbishment (Ascot Place)	65,756	63,714
Long Service Leave	714,817	698,261
	<u>51,139,297</u>	<u>42,319,723</u>
Add movement in accrued interest	231,764	2,579
Less unrealised gain/(loss) from changes in fair value of Investments	(601,485)	(601,485)
	<u>50,769,576</u>	<u>41,720,817</u>

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

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

	ACTUAL 2013/2014 \$	ACTUAL 2012/2013 \$
General Purpose Funding	<u>0</u>	<u>919,052</u>

The unrealised gains/(losses) from the change in fair value of the investments of Council funds in financial instruments each year is taken up in the relevant Statement of Comprehensive Income for those years.

The realised/unrealised gains/(losses), of the investments existing as at 30 June 2014, reflected in the Statement of Comprehensive Income are summarised as follows:

Year	\$
2007/2008	(4,180,201)
2008/2009	(3,250,474)
2009/2010	621,457
2010/2011	2,614,794
2011/2012	1,587,035
2012/2013	2,005,904
	<hr/>
Opening Balance as at 1 July 2013	(601,485)
Add: Realised/Unrealised gains on disposal of Investments for 2013/2014	0
Add: Write back of accumulated unrealised losses on disposals	0
	<hr/>
Balance as at 30 June 2014	(601,485)
	<hr/> <hr/>

Unrealised gains/(losses) represent a fair value measurement of the financial instruments during the period in which they are held, i.e. marked to market. It should be noted that actual gains/(losses) on financial instruments will not be realised until such time as the individual investments are sold.

8. NET CURRENT ASSET POSITION

The net current asset position balance carried forward from the previous financial year after adjustment for Restricted Assets for the purpose of the 2013/2014 budget was \$1,967,720.

The actual net current asset position balance shown in the audited financial report as at 30 June 2013 and after adjustment for Restricted Assets was \$10,126,587.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

9. TRADE AND OTHER RECEIVABLES	ACTUAL 2013/2014 \$	ACTUAL 2012/2013 \$
Current		
Sundry Debtors	2,924,647	3,504,054
Other Debtors	49,957	48,842
Accrued Interest Earnings	1,265,280	760,143
Provision for Impairment of Receivables	(410)	(410)
	<u>4,239,474</u>	<u>4,312,629</u>
 10. INVENTORIES	 ACTUAL 2013/2014 \$	 ACTUAL 2012/2013 \$
Current		
Distillate	29,792	31,803
Oils	1,500	2,186
Unleaded Fuel	3,694	8,179
Jumbobags	43,909	43,909
	<u>78,895</u>	<u>86,077</u>
 11. OTHER ASSETS	 ACTUAL 2013/2014 \$	 ACTUAL 2012/2013 \$
Current		
Prepayment - General	31,977	33,097
Prepayment - Insurance	18,996	22,310
Prepayment - Miscellaneous	9,691	9,600
	<u>60,664</u>	<u>65,007</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

12. PROPERTY, PLANT AND EQUIPMENT	ACTUAL 2013/2014 \$	ACTUAL 2012/2013 \$
Land at:		
- Independent Valuation 2014	47,327,000	0
- Cost	0	16,361,457
Total Land	47,327,000	16,361,457
Buildings at:		
- Independent Valuation 2014	5,751,122	0
- Cost		7,052,800
Less Accumulated depreciation	0	(2,269,633)
Total Buildings	5,751,122	4,783,167
Total Land and Buildings	53,078,122	21,144,624
Plant - Independent Valuation 2013	9,605,059	9,825,700
Additions after Valuation - Cost	586,196	0
Less Accumulated depreciation	(3,720,074)	0
	6,471,181	9,825,700
Equipment - Independent Valuation 2013	285,989	291,050
Additions after Valuation - Cost	611,880	0
Less Accumulated depreciation	(254,728)	0
	643,141	291,050
Furniture and Fittings - Independent Valuation 2013	156,333	156,333
Additions after Valuation - Cost	3,515	0
Less Accumulated depreciation	(12,030)	0
Total Furniture and Fittings	147,818	156,333
Work in Progress - At Cost		
- Buildings	14,165	0
- Plant	165,886	0
- Equipment	0	447,148
Total Work in Progress	180,051	447,148
TOTAL PROPERTY, PLANT AND EQUIPMENT	60,520,313	31,864,855
<u>The work in progress value is represented by:</u>		
Wood Waste to Energy plant and equipment	165,886	0
Hazelmere fire fighting system/equipment	0	318,782
Other	14,165	128,366
Total WIP as at the end of the year	180,051	447,148

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

12. PROPERTY, PLANT AND EQUIPMENT

Movements in Carrying Amounts

Movements in the carrying amount of each class of property, plant and equipment between the beginning and the end of the current financial year.

	<u>Land</u>	<u>Buildings</u>	<u>Total Land & Buildings</u>	<u>Plant</u>	<u>Equipment</u>	<u>Furniture & Fittings</u>	<u>Work in Progress</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	16,361,457	4,783,167	21,144,624	9,825,700	291,050	156,333	447,148	31,864,855
Additions	0	32,680	32,680	586,196	164,732	3,515	180,051	967,174
WIP - Transfers in/(out)	0	0	0	0	447,148	0	(447,148)	0
(Disposals)	0	0	0	(189,972)	(3,514)	0	0	(193,486)
Reclassification	0	(4,453)	(4,453)	0	956	0	0	(3,497)
Revaluation increments/(decrements)	30,965,543	1,205,329	32,170,872	0	0	0	0	32,170,872
Impairment (losses)/reversals	0	0	0	0	0	0	0	0
Depreciation expense	0	(265,601)	(265,601)	(3,750,743)	(257,231)	(12,030)	0	(4,285,605)
Carrying amount at the end of year	47,327,000	5,751,122	53,078,122	6,471,181	643,141	147,818	180,051	60,520,313

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Land and Buildings:

The EMRC's Land and Buildings was revalued at 30 June 2014 by independent valuers.

The revaluation resulted in an overall increase of \$32,170,872 in the net value of the EMRC's land and buildings. All of this increase was credited to the revaluation surplus in the Council's equity and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

Refer to Note 31 for detailed disclosures regarding fair value measurement of the EMRC's land and buildings.

Furniture and Fittings, Plant and Equipment:

Both furniture and fittings and plant and equipment were revalued in 2013 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A.

Whilst the additions since that time are shown at cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. Thus the value is considered in accordance with Local Government (Financial Management) Regulation 17A (2) which requires these assets to be shown at fair value.

They will be revalued during the year ended 30 June 2016 in accordance with the mandatory asset measurement framework detailed at Note 1(c).

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

13. INFRASTRUCTURE

	ACTUAL 2013/2014 \$	ACTUAL 2012/2013 \$
Structures - At Cost	25,717,710	21,098,497
Less Accumulated depreciation	(14,009,239)	(11,945,622)
	11,708,471	9,152,875
Work in Progress - At Cost		
<u>The work in progress value is represented by:</u>		
Class III Stage 15 landfill cell construction	475,034	0
Class III Farm Stage 3 landfill cell construction	99,664	0
Other	28,604	0
Class III Farm Stage 1 & 2 landfill cell construction	0	4,052,549
Red Hill Leachate Project	0	519,701
Total WIP - Infrastructure	603,302	4,572,250
TOTAL INFRASTRUCTURE	12,311,773	13,725,125

Movement in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Structures \$	WIP \$	Total \$
Balance at the beginning of the year	9,152,875	4,572,250	13,725,125
Additions	103,750	603,302	707,052
WIP - Transfers in/(out)	4,572,250	(4,572,250)	0
(Disposals)	(25,362)	0	(25,362)
Reclassification	3,497	0	3,497
Depreciation Expense	(2,098,539)	0	(2,098,539)
Carrying amount at the end of the year	11,708,471	603,302	12,311,773

14. REVALUATION SURPLUS

Revaluation surpluses have arisen on the revaluation of the following class of non-current assets:

Plant and Equipment

Opening balance	1,140,349	0
Revaluation Increment	0	1,319,340
Revaluation Decrement	0	(178,991)
	1,140,349	1,140,349

Land

Opening balance	0	0
Revaluation Increment	30,965,543	0
	30,965,543	0

Buildings

Opening balance	0	0
Revaluation Increment	1,205,329	0
	1,205,329	0

Total Revaluation Surplus

	33,311,221	1,140,349
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EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

15. TRADE AND OTHER PAYABLES

	ACTUAL 2013/2014 \$	ACTUAL 2012/2013 \$
Current		
Payroll Accruals	226,495	192,787
GST Liability	505,241	357,955
Sundry Creditors	3,335,366	4,858,311
	<u>4,067,102</u>	<u>5,409,053</u>

16. PROVISIONS**Current**

Employees Annual Leave	729,849	766,609
Employees Long Service Leave	462,632	412,034
Carbon Pricing	112,759	51,083
	<u>1,305,240</u>	<u>1,229,726</u>

Non-current

Employees Long Service Leave	150,604	122,808
Red Hill Landfill Site Post Closure Rehabilitation	1,717,656	1,664,322
Red Hill Landfill Environmental Monitoring	568,262	550,617
Carbon Pricing	4,363,203	2,503,416
	<u>6,799,725</u>	<u>4,841,163</u>

Analysis of total provisions:

Current	1,305,240	1,229,726
Non-current	6,799,725	4,841,163
	<u>8,104,965</u>	<u>6,070,889</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Carbon Pricing \$	Provision for Site Rehabilitation \$	Provision for Environmental Monitoring \$	Total \$
Opening balance as at 1 July 2013	766,609	534,842	2,554,499	1,664,322	550,617	6,070,889
Net Movement in Provisions	(36,760)	78,394	1,921,463	53,334	17,645	2,034,076
Balance as 30 June 2014	<u>729,849</u>	<u>613,236</u>	<u>4,475,962</u>	<u>1,717,656</u>	<u>568,262</u>	<u>8,104,965</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

17. RESERVES

	ACTUAL 2013/2014 \$	BUDGET 2013/2014 \$	ACTUAL 2012/2013 \$
(a) Plant and Equipment Reserve			
Opening balance as at 1 July	1,029,772	107,141	1,211,123
Transfer from retained surplus	4,338,395	4,279,353	2,629,585
Transfer to retained surplus	(2,339,850)	(4,385,850)	(2,865,962)
Interest	33,000	3,965	55,026
Closing Balance as at 30 June	3,061,317	4,609	1,029,772
(b) Site Rehabilitation Reserve - Post Closure			
Opening balance as at 1 July	1,664,322	1,889,978	1,697,942
Transfer from retained surplus	0	111,902	0
Transfer to retained surplus	0	0	(111,362)
Interest	53,334	69,950	77,742
Closing Balance as at 30 June	1,717,656	2,071,830	1,664,322
(c) Future Development Reserve			
Opening balance as at 1 July	234,694	280,812	2,913,350
Transfer from retained surplus	0	0	1,000,000
Transfer to retained surplus	0	(230,000)	(3,752,015)
Interest	7,521	10,393	73,360
Closing Balance as at 30 June	242,215	61,205	234,694
(d) Environmental Monitoring Reserve			
Opening balance as at 1 July	550,617	551,808	526,688
Transfer from retained surplus	0	0	-
Transfer to retained surplus	0	0	0
Interest	17,645	20,423	23,929
Closing Balance as at 30 June	568,262	572,231	550,617
(e) Environmental Insurance Reserve			
Opening balance as at 1 July	168,280	168,770	195,912
Transfer from retained surplus	0	0	0
Transfer to retained surplus	(40,186)	(40,186)	(36,533)
Interest	5,392	6,246	8,901
Closing Balance as at 30 June	133,486	134,830	168,280

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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17. RESERVES (Continued)

	ACTUAL 2013/2014 \$	BUDGET 2013/2014 \$	ACTUAL 2012/2013 \$
(f) Risk Management Reserve			
Opening balance as at 1 July	12,619	12,649	12,071
Transfer from retained surplus	0	0	0
Transfer to retained surplus	0	0	0
Interest	404	468	548
Closing Balance as at 30 June	13,023	13,117	12,619
(g) Class IV Reserve			
Opening balance as at 1 July	439,249	440,104	362,862
Transfer from retained surplus	58,487	58,487	59,901
Transfer to retained surplus	(400,000)	0	0
Interest	14,076	16,289	16,486
Closing Balance as at 30 June	111,812	514,880	439,249
(h) Regional Development Reserve			
Opening balance as at 1 July	20,193	20,196	17,913
Transfer from retained surplus	765,000	1,005,000	855,000
Transfer to retained surplus	(771,093)	(1,013,113)	(853,534)
Interest	647	748	814
Closing Balance as at 30 June	14,747	12,831	20,193
(i) Secondary Waste Reserve			
Opening balance as at 1 July	35,964,254	36,103,620	33,522,665
Transfer from retained surplus	7,597,417	8,690,727	5,322,672
Transfer to retained surplus	(1,132,466)	(4,559,196)	(4,342,099)
Interest	1,152,491	1,336,231	1,461,016
Closing Balance as at 30 June	43,581,696	41,571,382	35,964,254
(j) Class III Reserve			
Opening balance as at 1 July	1,473,747	1,481,582	3,517,865
Transfer from retained surplus	1,843,535	2,826,702	2,210,852
Transfer to retained surplus	(2,450,000)	(3,215,000)	(4,414,800)
Interest	47,227	54,835	159,830
Closing Balance as at 30 June	914,509	1,148,119	1,473,747

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

17. RESERVES (Continued)

	ACTUAL 2013/2014 \$	BUDGET 2013/2014 \$	ACTUAL 2012/2013 \$
(k) Building Refurbishment Reserve			
Opening balance as at 1 July	63,714	63,862	60,945
Transfer from retained surplus	0	0	0
Transfer to retained surplus	0	0	0
Interest	2,042	2,364	2,769
Closing Balance as at 30 June	65,756	66,226	63,714
(l) Site Rehabilitation Reserve - Ongoing			
Opening balance as at 1 July	0	0	0
Transfer from retained surplus	83,613	0	224,412
Transfer to retained surplus	(83,613)	0	(224,412)
Interest	0	0	0
Closing Balance as at 30 June	0	0	0
(m) Long Service Leave Reserve			
Opening balance as at 1 July	698,261	699,858	661,162
Transfer from retained surplus	0	0	7,060
Transfer to retained surplus	(5,820)	(5,820)	0
Interest	22,376	25,902	30,039
Closing Balance as at 30 June	714,817	719,940	698,261
TOTAL RESERVES	51,139,296	46,891,200	42,319,723

Fair Value of investments at balance date has resulted in an unrealised loss of \$601,485 (refer Note 7(c)). This had the effect of Reserves falling short of being cash backed by the unrealised loss.

The crystallisation of the unrealised losses may occur at such time as the individual investments are sold, redeemed, matured or defaulted and may be at an amount different from that disclosed above.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

17. RESERVES (Continued)

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

Plant and Equipment Reserve

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

Site Rehabilitation Reserve - Post Closure

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

Future Development Reserve

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

Class IV Reserve

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

Class III Reserve

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

Environmental Monitoring Reserve

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

Environmental Insurance Reserve

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

Risk Management Reserve

This reserve has been established to receive surpluses from the Risk Management Service. This reserve is to be utilised in funding the future requirements of the service in subsequent financial years.

Secondary Waste Reserve

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

Regional Development Reserve

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

Building Refurbishment Reserve

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

Site Rehabilitation Reserve - Ongoing

This reserve was established to finance the ongoing rehabilitation of the completed cells at the Red Hill waste disposal site.

Long Service Leave Reserve

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

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

18. NOTES TO THE STATEMENT OF CASH FLOWS

(i) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, the EMRC considers cash to include cash on hand, cash at bank and term deposits. Cash at the end of the reporting period as shown in the Statement of Cash Flows is as follows:

	ACTUAL	BUDGET	ACTUAL
	2013/2014	2013/2014	2012/2013
	\$	\$	\$
Cash and Cash Equivalents - Unrestricted	17,254,122	2,740,901	12,301,653
Cash and Cash Equivalents - Restricted	50,769,576	46,289,715	41,720,817
Total Cash	68,023,698	49,030,616	54,022,470

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

Net Result	40,466,529	11,944,111	15,452,907
Depreciation	6,384,145	6,432,154	4,089,554
(Profit)/Loss on sale of assets	(267)	(273,755)	(39,598)
Increase/(Decrease) in provisions - Other	70,979	111,895	657,931
Increase/(Decrease) in accrued interest on Loans	0	0	0
Increase/(Decrease) in provisions - Employee	41,634	1,203	13,162
Increase/(Decrease) in provisions - Carbon price	1,921,463	0	2,554,499
Increase/(Decrease) in Sundry Creditors	(1,624,565)	0	1,283,853
Increase/(Decrease) in GST	147,287	0	(126,780)
(Increase)/Decrease in accrued interest earnings	(505,137)	0	(156,043)
(Increase)/Decrease in Receivables	578,291	0	(622,293)
(Increase)/Decrease in Inventory	7,182	0	(41,549)
(Increase)/Decrease in Prepayments	4,343	0	43,488
(Increase)/Decrease in unrealised gain/loss from change in fair value of investments	0	0	(919,052)
(Increase)/Decrease in Revaluation on non-current assets	(32,170,872)	0	(1,140,349)
Increase/(Decrease) in Impairment Loss	0	0	32,354
Net cash from operating activities	15,321,012	18,215,608	21,082,084

(iii) Undrawn Borrowing Facilities

Credit Standby Arrangements

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

Credit Card Limits	43,000	43,000
Credit Utilised at Balance Date	(2,687)	(3,167)
Net cash from operating activities	40,313	39,833

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

19. EMPLOYEE ENTITLEMENTS

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

Provision for Employee Entitlements (Refer to Note 16)	ACTUAL 2013/2014 \$	ACTUAL 2012/2013 \$
- Current	1,192,481	1,178,643
- Non-current	150,604	122,808
Total Employee Entitlements	<u>1,343,085</u>	<u>1,301,451</u>
	ACTUAL FTE's 2013/2014	ACTUAL FTE's 2012/2013
Total number of (FTE) employees at end of financial year	<u>91</u>	<u>91</u>

20. COUNCILLORS FEES AND ALLOWANCES

ACTUAL 2013/2014 \$	BUDGET 2013/2014 \$	ACTUAL 2012/2013 \$
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The following fees, expenses and allowances were paid to council members and the Chairman:

Councillors' meeting fees	110,675	77,000	75,833
Chairman's meeting fees	15,000	14,000	14,000
Deputy Councillors' meeting fees	3,150	8,600	700
Chairman's Local Government fee	19,000	6,000	6,000
Deputy Chairman's Local Government fee	4,750	1,500	1,500
	<u>152,575</u>	<u>107,100</u>	<u>98,033</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
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FOR THE YEAR ENDED 30 JUNE 2014

21. ASSETS CLASSIFIED BY TYPE AND LOCAL GOVERNMENT PROGRAM	ACTUAL 2013/2014 \$	ACTUAL 2012/2013 \$
CURRENT ASSETS		
General Purpose Funding	24,694,471	17,795,139
Governance	1,025,360	777,173
Community Amenities	46,668,153	39,893,679
Economic Services	14,747	20,193
TOTAL CURRENT ASSETS	<u>72,402,731</u>	<u>58,486,183</u>
NON-CURRENT ASSETS		
Land		
Governance	5,400,000	2,531,274
Community Amenities	41,927,000	13,830,182
Buildings		
Governance	4,033,755	3,669,736
Community Amenities	1,717,367	1,113,431
Structures		
Community Amenities	11,708,472	9,152,875
Plant		
Governance	425,837	525,000
Community Amenities	6,045,344	9,300,700
Equipment		
Governance	284,851	176,100
Community Amenities	358,289	114,950
Furniture and Fittings		
Governance	147,818	156,333
Work In Progress		
Unclassified	783,353	5,019,398
TOTAL NON CURRENT ASSETS	<u>72,832,086</u>	<u>45,589,980</u>
TOTAL ASSETS	<u>145,234,817</u>	<u>104,076,163</u>

22. DISPOSAL OF ASSETS	ACTUAL 2013/2014 \$			BUDGET 2013/2014 \$		
	Net Book Value	Sale Price	Gain (Loss)	Net Book Value	Sale Price	Gain (Loss)
Structures	25,362	0	(25,362)	0	0	0
Plant	189,972	219,116	29,143	450,859	724,614	273,755
Equipment	3,514	0	(3,514)	0	0	0
Total Assets Disposed	<u>218,849</u>	<u>219,116</u>	<u>267</u>	<u>450,859</u>	<u>724,614</u>	<u>273,755</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

23. INFORMATION ON BORROWINGS

(a) Borrowings

The EMRC currently do not have any loans or borrowings.

(b) New Borrowings

There were no new borrowings during the 2013/14 financial year.

(c) Unspent Loans

There were no unspent loans during the 2013/14 financial year.

24. INTEREST IN THE EMRC

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

Member Council	2013/2014		2012/2013	
	%	\$	%	\$
Town of Bassendean	4.55	6,057,177	4.58	4,236,303
City of Bayswater	19.87	26,435,434	19.84	18,373,133
City of Belmont	11.46	15,247,744	11.43	10,581,155
Shire of Kalamunda	17.07	22,716,221	17.21	15,937,574
Shire of Mundaring	11.38	15,138,568	11.61	10,752,890
City of Swan	35.67	47,467,606	35.33	32,715,166
Total Equity	100.00	133,062,750	100.00	92,596,221

The EMRC participating Member Councils' interest distributions for 2013/2014 have been calculated in accordance with clause 9.4 of the Eastern Metropolitan Regional Council Establishment Agreement.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

25. FINANCIAL RISK MANAGEMENT

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

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013/2014	2012/2013	2013/2014	2012/2013
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	68,023,698	54,022,470	68,023,698	54,022,470
Receivables	4,239,474	4,312,629	4,239,474	4,312,629
Financial Assets at fair value through profit and loss	0	0	0	0
	<u>72,263,172</u>	<u>58,335,099</u>	<u>72,263,172</u>	<u>58,335,099</u>
Financial Liabilities				
Payables	4,067,102	5,409,053	4,067,102	5,409,053
	<u>4,067,102</u>	<u>5,409,053</u>	<u>4,067,102</u>	<u>5,409,053</u>

Fair value is determined as follows:

Cash and Cash Equivalents, Receivables, Payables - estimated to the carrying value which approximates net market value.

Financial Assets at Fair Value through profit and loss - based on market valuations and verified by independent financial advisors.

EASTERN METROPOLITAN REGIONAL COUNCIL
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25. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit or loss

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

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

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

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

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

	2013/2014	2012/2013
	\$	\$
Impact of a 10% movement in price of investments:		
- Equity	0	0
- Statement of Comprehensive Income	0	0
Impact of a 1% movement in interest rates on cash and investments:		
- Equity	680,237	540,225
- Statement of Comprehensive Income	680,237	540,225

(b) Receivables

Council's major receivables comprise user charges and fees. The major risk associated with these receivables is credit risk - the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies.

Council makes suitable provision for impairment of receivables as required and carries out credit checks on all debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	2013/2014	2012/2013
	\$	\$
Percentage of Other Receivables		
- Current	80.5%	90.0%
- Overdue	19.5%	10.0%
	<u>100.0%</u>	<u>100.0%</u>

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2013/2014</u>					
Payables	4,067,102	0	0	4,067,102	4,067,102
	<u>4,067,102</u>	<u>0</u>	<u>0</u>	<u>4,067,102</u>	<u>4,067,102</u>
<u>2012/2013</u>					
Payables	5,409,053	0	0	5,409,053	5,409,053
	<u>5,409,053</u>	<u>0</u>	<u>0</u>	<u>5,409,053</u>	<u>5,409,053</u>

(d) Borrowings

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

Council currently do not have any borrowings or loans.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

26. COMMITMENTS FOR CAPITAL EXPENDITURE	ACTUAL 2013/2014 \$	ACTUAL 2012/2013 \$
Commitments for the acquisition of assets contracted for at the reporting date but not recognised as liabilities, payable:		
- Not longer than one year	35,600	129,480
Total Capital Commitments	35,600	129,480

27. FINANCIAL RATIOS	ACTUAL 2013/2014	ACTUAL 2012/2013	ACTUAL 2011/2012
Current Ratio	4.41 : 1.00	2.69 : 1.00	1.75 : 1.00
Asset Sustainability Ratio *	0.06 : 1.00	0.19 : 1.00	0.75 : 1.00
Operating Surplus Ratio	0.22 : 1.00	0.29 : 1.00	0.34 : 1.00
Own Source Revenue Coverage Ratio	1.19 : 1.00	1.36 : 1.00	1.46 : 1.00
Debt Service Cover Ratio	Not Applicable	Not Applicable	Not Applicable

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information.

	ACTUAL 2013/2014	ACTUAL 2012/2013	ACTUAL 2011/2012
Asset Consumption Ratio	0.57 : 1.00	0.59 : 1.00	N/A
Asset Renewal Funding Ratio	1.00 : 1.00	1.00 : 1.00	N/A

* The EMRC as a Regional Local Government has a high and diverse level of new capital expenditure for which the depreciation expense is also based on resulting in a low ratio.

N/A - In keeping with amendments to Local Government (Financial Management) Regulation 50, the Asset Consumption Ratio and the Asset Renewal Funding Ratio comparatives for the 2011/2012 financial year have not been reported as financial information is not available.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

28. CONTINGENT LIABILITIES

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

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

On 30 Oct 2008, in common with hundreds of other investors in Federation, this investment was redeemed for \$450,000.

Subsequently Lehman Brothers Special Financing Inc. commenced an action in the United States Bankruptcy Court, Southern District of New York, No. 10 - 803547 applying for an order for all investors to repay the redemption amounts. This action is the subject of a stay until further order. In the event the application is granted, it will not result in a recoverable debt unless and until it is registered in Australia. If Lehman makes that application it will then be opposed, resulting in litigation which will take years to conclude. The legal advice provided to the EMRC about this claim is, in substance, the claim is unlikely to succeed.

29. ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of grants from the State and Federal Government. The total of grant revenue from government sources is disclosed in Note 5.

30. EVENTS AFTER THE REPORTING PERIOD

Following the end of the 2013/2014 financial year, the Australian Parliament passed retrospective legislation to repeal the carbon price on 17 July 2014. This repeal has received Royal assent and been gazetted.

The consequences of the repeal of the carbon pricing mechanism for the EMRC is that no new carbon tax liability applies from effect 1 July 2014.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

31. FAIR VALUE MEASUREMENT

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

- Financial Assets at fair value through profit or loss
- Land and buildings;
- Plant;
- Equipment; and
- Furniture and Fittings.

The following table provides the fair values of the EMRC's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

Recurring Fair Value Measurements

30 June 2014					
	Note	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Assets at fair value through profit or loss:					
- CDOs	7(b)	0	0	0	0
Total financial assets recognised at fair value on a recurring basis		0	0	0	0
Non-Financial Assets					
Land	12	0	47,327,000	0	47,327,000
Buildings	12	0	0	5,751,122	5,751,122
Plant	12	0	6,471,181	0	6,471,181
Equipment	12	0	643,141	0	643,141
Furniture and Fittings	12	0	147,818	0	147,818
Total non-financial assets recognised at fair value on a recurring basis		0	54,589,140	5,751,122	60,340,262

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

31. FAIR VALUE MEASUREMENT (Continued)

		30 June 2013			
	Note	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Assets at fair value through profit or loss:					
- CDOs	7(b)	0	0	0	0
Total financial assets recognised at fair value on a recurring basis		0	0	0	0
Non-Financial Assets					
Land	12	0	0	0	0
Buildings	12	0	0	0	0
Plant	12	0	9,825,700	0	9,825,700
Equipment	12	0	291,050	0	291,050
Furniture and Fittings	12	0	156,333	0	156,333
Total non-financial assets recognised at fair value on a recurring basis		0	10,273,083	0	10,273,083

The EMRC's land and buildings were valued on the cost basis for the year ended 30 June 2013 and revalued at 30 June 2014. Therefore, no fair values have been reported for the year ended 30 June 2013.

(a) Transfers Policy

The policy of the EMRC is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between Levels 1 and 2 for recurring fair value measurements during the year. There were also no transfers in and out of Level 3 measurements.

(b) Highest and Best Use

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

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

31. FAIR VALUE MEASUREMENT (Continued)

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

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

Asset	Level of Valuation Input	Fair Value at 30 June 2014	Valuation Technique(s)	Inputs Used
Financial Assets				
Financial Assets at Fair Value through profit or loss – CDOs	2	0	Market approach	Similar priced securities in a more active market.
TOTAL		0		
Non-Financial Assets				
Land	2	30,060,000	Market approach	Price per square metre.
	2	17,267,000	Cost Approach	Price per square metre.
Buildings	3	1,751,122	Cost Approach	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
	3	4,000,000	Market and income approach	Rental yields and price per square metre
Plant	2	6,471,181	Market approach	Make, size, year of manufacture and condition
Equipment	2	643,141	Market approach	Make, size, year of manufacture and condition
Furniture and Fittings	2	147,818	Market approach	Make, size, year of manufacture and condition
TOTAL		60,340,262		

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

31. FAIR VALUE MEASUREMENT (Continued)

Recurring fair value measurements

The following methods are used to determine the fair value measurements.

Land

Where there is directly comparable market evidence Level 2 valuation inputs were used to value land held in freehold title (investment and non-investment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Where there was no observable market evidence for a land asset due to its configuration, council zoning restrictions, contamination or similar factors that result in there being no directly comparable market evidence Level 3 valuation inputs were used. For these assets significant assumptions needed to be made to determine the fair value. These were subsequently valued at the level 3 valuation input hierarchy by using the professional judgment of a Registered Valuer who adjusted the price per square metre of sales from sites not in close proximity which provided only a low level of comparability.

Level 2 valuation inputs were used to value land held in freehold title (investment and noninvestment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

The land purchased in December 2012, Lot 8, 9 & 10 land parcels at Red Hill land fill facility, was a strategically planned and prolonged acquisition over a period of several years. It was a closed negotiation and was not open to market participants. Market research and analysis was undertaken by the Valuers who have acknowledged that the cost of this land area equates to a land rate per hectare greater than analysis of nearby market evidence. The difference is a premium rate which Council paid to obtain the asset. AASB13 requires Fair Value of this land to be calibrated to the transactional cost. The Valuers have therefore adopted the Fair Value of this land at the purchase price as it provides calibration with actual price required for purchasing a land fill site.

Buildings

Level 2 valuation inputs

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

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

Level 3 valuation inputs

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

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

31. FAIR VALUE MEASUREMENT (Continued)

Buildings (continued)

The quantitative disclosures of the remaining service potential relating to each corresponding condition score for each of the patterns of consumption utilised in this valuation are as follows:

Consumption Score	Description	% RSP of Depreciable Amount				
		Straight-Line	Low	Mod	High	Extreme
0	New or very good condition – very high level of remaining service potential.	100%	100%	100%	100%	100%
1	Not new but in very good condition with no indicators of any future obsolescence and providing a high level of remaining service potential.	85%	92%	94%	98%	100%
2	Aged and in good condition, providing an adequate level of remaining service potential. No signs of immediate or short term obsolescence.	50%	65%	75%	85%	99%
3	Providing an adequate level of remaining service potential but there are some concerns over the asset's ability to continue to provide an adequate level of service in the short to medium term. May be signs of obsolescence in short to mid-term.	25%	40%	54%	70%	90%
4	Indicators showing the need to renew, upgrade or scrap in near future. Should be reflected by inclusion in the Capital Works Plan to renew or replace in short-term. Very low level of remaining service potential.	10%	20%	34%	45%	70%
5	At intervention point. No longer providing an acceptable level of service. If remedial action is not taken immediately the asset will need to be closed or decommissioned.	0%	0%	0%	0%	0%
6	Theoretical end of life.	Fully Written Off				

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

31. FAIR VALUE MEASUREMENT (Continued)

(d) Fair Value Sensitivity to Unobservable Inputs

The following table provides a summary of the unobservable inputs and an assessment of the sensitivity of these to the fair value measurement.

Table 1: Fair Value Sensitivity to Unobservable Inputs

Asset	Unobservable Inputs	Sensitivity to Unobservable Market Inputs (%)		Amount of Potential Impact	
		Lower	Upper	Lower	Upper
Buildings (Cost Approach)					
Specialised Buildings \$1,751,122	Relationship between asset consumption rating scale and the level of consumed service potential	(2.50)%	2.50%	-\$43,778	\$43,778
Buildings (Market/Income Approach)					
Commercial (Income) \$4,000,000	Long term rental yields in potentially volatile market	(5.00)%	5.00%	-\$200,000	\$200,000

(e) Valuation processes

The EMRC engages external, independent and qualified valuers to determine the fair value of the Council's land, buildings, plant, equipment and furniture and fittings on a regular basis. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material a revaluation is undertaken either by comprehensive revaluation or by applying an interim revaluation using appropriate indices.

As at 30 June 2014, a comprehensive revaluation was undertaken for all asset classes subject to revaluation by APV Valuers and Asset Management.

The main Level 3 inputs used are derived and evaluated as follows:

- **Cost for land restricted in use (non-saleable)** – estimate cost to replace the existing land if Council had to acquire it on the open market in competition with other market participants. Due to the restricted nature and unique characteristics of this land there was insufficient market evidence of directly comparable sales. Reference was made to sales of land with a limited level of comparability at distant locations and adjusted by the valuer using professional judgement to take account of the differing characteristics. These were evaluated for reasonableness against the price per area for other restricted in use land held by the Council that had been valued as level 2.

EASTERN METROPOLITAN REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

32. FAIR VALUE MEASUREMENT (Continued)

(d) Fair Value Sensitivity to Unobservable Inputs (continued)

- **Long term rental yields in potentially volatile market** – the market rental used were based on an analysis of current market rental yields. The volatility of these assumptions were considered sufficiently high by the professionally qualified valuers who completed the valuation to recommend disclosing the valuation inputs for these properties as level 3.
- **Relationship between asset consumption rating scale and the level of consumed service potential** – Under the cost approach the estimated cost to replace the asset is calculated and then adjusted to take account of an accumulated depreciation. In order to achieve this the valuer determines an asset consumption rating scale for each asset type based on the inter-relationship between a range of factors. These factors and their relationship to the fair value require profession judgment and include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value, useful life and pattern of consumption of the future economic benefit. The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Council's own engineers, asset management and finance staff. The results of the valuation were further evaluated by confirmation against Council's own understanding of the assets and the level of remaining service potential.

INDEPENDENT AUDITOR'S REPORT



**For the Year Ended
30 June 2014**

TO: MEMBERS OF EASTERN METROPOLITAN REGIONAL COUNCIL

We have audited the financial report of the Eastern Metropolitan Regional Council, which comprises the Statement of Financial Position as at 30 June 2014 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information and Statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to management's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional accounting bodies.



INDEPENDENT AUDITOR'S REPORT

TO: MEMBERS OF EASTERN METROPOLITAN REGIONAL COUNCIL (Cont'd)

Auditor's Opinion


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


- (a) gives a true and fair view of the financial position of the Eastern Metropolitan Regional Council as at 30 June 2014 and of its financial performance for the year ended on that date; and
- (b) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- (a) There are no matters that in our opinion indicate significant adverse trends in the financial position or financial management practices of the Council.
- (b) There are no matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- (c) In relation to the asset consumption ratio and asset renewal funding ratio (presented at Note 27 of the annual financial report) we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
 - (i) reasonably calculated; and
 - (ii) based on verifiable information.
- (d) All necessary information and explanations were obtained by us.
- (e) All audit procedures were satisfactorily completed in conducting our audit.


 MACRI PARTNERS
 CERTIFIED PRACTISING ACCOUNTANTS
 SUITE 2, 137 BURSWOOD ROAD
 BURSWOOD WA 6100


 A MACRI
 PARTNER

PERTH
 DATED THIS 5TH DAY OF SEPTEMBER 2014.



RECEIVED
2 - SEP 2014PARTNERS
Anthony Macri FCPA
Domenic Macri CPA
Connie De Felice CA

1 July 2014

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

Dear Sir

RE: INTERIM AUDIT VISIT FOR THE YEAR ENDED 30 JUNE 2014

We carried out an interim audit of the Eastern Metropolitan Regional Council (EMRC) for the year ended 30 June 2014.

Our interim audit covered a review of the accounting and internal control procedures in operation, as well as testing of transactions, in the following areas:

- ☐ Purchases
- ☐ Payments and Creditors
- ☐ Receipts and Sundry Debtors
- ☐ Payroll
- ☐ Bank Reconciliations
- ☐ General Accounting and IT Controls
- ☐ Investments
- ☐ Registers (Tenders Register and Register of Financial Interests)
- ☐ Minutes Review

Our review also covered an examination of some compliance matters, which are required under the Local Government Act 1995 (as amended) and Financial Management Regulations 1996.

Please note that our examination of internal controls was carried out for audit purposes designed primarily for the purpose of expressing an opinion on the financial statements of the EMRC.



Because of the inherent limitations of any internal control structure, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

It should be appreciated that the matters noted came to our attention during the course of our normal audit examination and as a result do not necessarily include all those matters which a more extensive or special examination might identify.

Accordingly, our comments in this management letter are not intended to cover all aspects of the EMRC's internal controls and accounting systems and are limited to those matters that arose from our normal audit procedures.

The following matter was noted and is brought to your attention.

CREDITORS

- (i) During our audit, we noted that new suppliers are set up by the Finance Team after receiving a completed "Supplier Details Form" from the staff. Details obtained include Australian Business Numbers (ABNs), bank account details, etc.

We observed that there were no background checks (e.g. ASIC company extracts obtained to view shareholders' and directors' details, etc.) performed on new suppliers before entry into the SynergySoft system. Such checks serve as an anti-fraud control and can assist to identify current or past Council employees, elected members, etc.

We recommend that where considered appropriate background checks be performed as an anti-fraud control on new suppliers before entry into the SynergySoft system. Such checks should be attached to support the completed "Supplier Details Form" and stored for record-keeping purposes.

Management Comments:

The EMRC has processes and procedures to ensure that transactions are kept at arm's length and mitigate fraud risk.

As part of the due diligence process with creditors, the Finance Team ensures that ABN checks are done when a new supplier is added to the system. For large public companies, they are governed by the Australian Stock Exchange and are externally audited as a requirement of the listing rules. For smaller organisations such as sole proprietors, the level of risk is managed in keeping with the process appropriate for the size of the EMRC.

At the EMRC, the procurement process is administered with clear policies and guidelines. The EMRC has the following in place to provide guidance:

- ***Council Policy - Purchasing Policy;***
- ***Management Guideline - Authorisation of Expenditure; and***
- ***Management Guideline - Signatories and On-Line (EFT) Supplier Payments.***



The EMRC has an organisational structure that provides for appropriate segregation of duties including the processing and authorisation of purchases and payments. Any payment requires the following:

- *Confirmation of receipt of goods or services;*
- *Approval of expenditure by the responsible officer within the authority limits as defined by Management Guideline - Authorisation of Expenditure; and*
- *Payment made by two authorised signatories as prescribed by Management Guideline Cheque Signatories and On-Line (EFT) Supplier Payments.*

The EMRC is subject to the requirements of s3.57 of the Local Government Act 1995 and Part 4 of the Local Government (Functions and General) Regulations 1996 in regard to tenders for providing goods or services for the supply of goods or services if the value of a purchase is or is expected to be \$100,000 or more. In those situations, there is a great level of scrutiny including an assessment of the proposed supplier's background.

As per the requirements of the Local Government (Financial Management) Regulations 1996, reg 13(1), the list of all payments made is reported to Council for its review.

The EMRC's Code of Conduct addresses the issue of conflicts of interest and misuse of position to gain an advantage. Additionally, the Annual Returns process where declarations are required by Councillors and EMRC officers who have been provided with delegated authority requires declarations of financial interests. Employees are covered under the Management Guideline - Disclosure of Financial Interest (Employees). The EMRC Code of Conduct requires staff to have prior permission by the CEO before working or being part of other organisations, whether competitors or not.

Additional future background checks such as ASIC company extracts will be undertaken on a case by case basis where appropriate.

- (ii) We noted that changes to the supplier master file (e.g. bank account details, addresses etc.) can be made by the Finance Team, however there is no review of the supplier master file changes performed by an independent senior officer.

The SynergySoft system can produce an "Audit Trail Report" which shows supplier master file changes. We noted that whilst this report is available, it is not utilised for reviewing any new additions or changes to supplier details.

We recommend that, as a monitoring control, management give consideration to generating this report on a monthly basis which identifies supplier master file changes and such report be reviewed by an independent senior officer to ensure that updates to the creditors system only contain valid and authorised creditors and existing creditor details are not amended without the knowledge of management.



Management Comments:

The Manager Financial Services has been reviewing the Audit Trail Report on a weekly basis.

All changes to the supplier master file are to be reviewed and authorised by two senior finance officers, this being the Finance Team Leader and the Manager Financial Services. A form will be prepared stating the previous details, the new details and authorisation evidenced.

With the accounting system, SynergySoft, an automated email is generated when changes to bank account details have been made. This email will be reconciled with the authorisation form and records maintained of the confirmation.

JOURNAL ENTRIES

Australian Auditing Standard ASA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report* states that there is a risk in all entities that management may be in a position to override the financial controls to perpetrate fraud. The standard requires that auditors perform audit procedures to address this risk in the areas including journal entries.

As part of our audit, we performed procedures and reviewed internal controls over journal entries recorded in the general ledger.

To test this, we reviewed the entire population of journals as at our audit visit date to identify those which would be regarded as unusual or higher risk. All higher risk journals were tested to ensure they were appropriate and supported by a clear business rationale.

The following matters were noted and are brought to your attention:

- (i) We noted that there is no documented policy regarding the use, authorisation and control over journal entries.

We recommend that a documented policy be created which addresses the use of standard entries, non-routine entries (corrections and adjustments) and unusual or management-requested entries. This includes details on sequential numbering, the requirement for journals to be adequately explained or supported by appropriate documentation and the list of approved officers who can raise or authorise journal entries.

Management Comments:

Journal numbers for journals created currently reference the person raising the journal & the date of the journal (i.e. DJA010714) in the case of more than one journal for the day it will be numbered for example DJA010704/2. In the case of the standard monthly journals the journal will reference the person the subject and the date (i.e. DJA-Oil-June 2014).

The extract from the system lists all journals processed for the period in sequential order by batch number (refer Management Comments for part ii).



Management believes the journal referencing currently used by the EMRC provides significant reference details that would not be available with journal sequential numbering only.

The EMRC will however formulate a Guideline/BMS regarding the journal raising process including a list of approved officers who can raise or authorise journal entries.

- (ii) Based on our enquiries and procedures, we noted that generally most finance staff are able to prepare and raise journal entries for posting to the general ledger. Journals are raised directly on the system and hard copies of the supporting information are maintained by the preparers of the journals on a file. However, we noted that there is no evidence of review or approval by an independent senior officer of journals raised in the system after posting.

Segregation of duties over preparing and approval of journal entries is essential to prevent errors and unauthorised posting of transactions which could potentially result in fraudulent financial reporting or misappropriation of assets. We recommend that a listing of all journal entries posted to the general ledger be generated from the system on a monthly basis and reviewed by an independent senior officer. This will provide evidence that the journals are appropriate and accurately processed.

Management Comments

Currently a significant volume of the EMRC's end of month processes involve journals being raised for the allocation of costs (e.g. Fuels & Oils allocations, Landfill levy allocation, depreciation allocations, Insurance Premium allocations, monthly accruals & reversals etc). These form part of the month end tasks that need to be undertaken. The Monthly Task List is then reviewed to ensure completion prior to ending the month and producing the required Financial Reports.

As part of the monthly process, the Manager Financial Services will review and authorise all journals raised. An extraction from the financial system listing all journal entries posted to the general ledger during the month will be extracted electronically, reviewed and authorised by the Manager Financial Services.

A copy of the Manager Financial Services authorisation will be scanned in with the extract and filed electronically.



TENDERS REGISTER

As part of our audit procedures, we reviewed the compliance requirements with regards to the maintenance of the Tenders Register for public inspection as required under the Local Government Act 1995 and Local Government (Functions and General) Regulations 1996.

Regulation 17 of the Local Government (Functions and General) Regulations 1996 requires the tenders register to include the following information in respect of each invitation to tender:-

- (a) a brief description of the goods or services required;
- (b) particulars of the making of –
 - (i) the decision to invite tenders; and
 - (ii) if applicable, decision to seek expressions of interest under regulation 21(1);
- (c) particulars of –
 - (i) any notice by which expressions of interest from prospective tenderers was sought;
 - (ii) any person who submitted an expression of interest; and
 - (iii) any list of acceptable tenderers that was prepared under regulation 23(4);
- (d) a copy of the notice of the invitation to tender;
- (e) the name of each tenderer whose tender has been opened;
- (f) the name of any successful tenderer; and
- (g) the amount of the consideration or a summary of the amount of the consideration sought in the tender accepted by the local government.

Our review of the invitations to tender for the 2013 and 2014 calendar year indicated that the tenders register did not contain the above requirements (b) to (g) of the regulation.

We recommend that the tenders register include the above requirements to fully comply with the regulation.

Management Comments:

Late last year (2013), the EMRC moved to a new electronic records management system (TRIM).

As part of the set-up for the recording of tenders the EMRC developed a structure for tender management in regards to the records. Every new tender is assigned its own Folder (Container) which contains all the documents including those required under regulation 17 of the Local Government (Functions and General) Regulations 1996.

With reference to the two tenders reviewed (Numbers 2013/09 and 2014/001), all of the documents required under regulation 17 of the Local Government (Functions and General) Regulations 1996, were up to date and completed on individual TRIM folders for each of the tenders.

Should outside persons require any details or wish to view any of the tender documentation that they may be entitled to view, the EMRC will produce hard copies from the TRIM system for them.



FINANCIAL ACTIVITY STATEMENTS

Regulation 34(5) of the Local Government (Financial Management) Regulations 1996 stipulates that the statement of financial activity and the accompanying documents referred to in subregulation (2), are to be —

- (a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
- (b) recorded in the minutes of the meeting at which it is presented.

During our review of the Council minutes, we noted that the Financial Activity Statement Reports were not prepared and presented to the Council within the required 2 months after the end of the months to which the statements related.

These are shown below:

DATE OF FINANCIAL ACTIVITY STATEMENT	DATE WHEN PRESENTED TO COUNCIL
31 August 2013	5 December 2013
30 September 2013	5 December 2013
30 November 2013	20 February 2014

We request that the monthly Financial Activity Statement Report be prepared and presented to the Council in accordance with the requirements of the Regulation and presented to the Council.

Management Comments:

The Monthly Financial Reports are submitted to the first Council meeting held within 2 months of the month to which they relate.

In the above listing the August & September 2013 Financial Activity Statement Reports were prepared per the normal timeframe. However as there was no Ordinary meeting of council during October or November 2013 they were submitted to the next Ordinary meeting of Council on 5th December 2013 following the Local Government elections.

With the November 2013 Financial Activity Statement Reports, they were prepared during December 2013 but not presented to Council until the next earliest meeting in February 2014 as there was no Ordinary meeting of Council held in January 2014.

We thank your staff for the assistance provided during the audit. Should you have any queries with respect to the above or any other matters please do not hesitate to contact our office.

Yours faithfully



ANTHONY MACRI
AUDIT PARTNER

EMRCOT AMing interim Audit Visit Letter 2014



Certified Practising Accountants

Eastern Metropolitan Regional Council



Audit Completion Report to the
Audit Committee
For the Year Ended 30 June 2014

29 August 2014

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1. Executive Summary

Under the requirements of Australian Auditing Standard ASA 260: “*Communication with Those Charged with Governance*”, we are required to communicate audit matters arising from the audit of financial statements to those charged with governance of an entity. This Annual Audit Completion Report together with our previous External Audit Plan reported to the Audit Committee in May 2014 discharges the requirements of the Auditing Standard.

This report has been prepared for the Audit Committee to summarise the significant matters that have arisen from our year-end audit of the EMRC for the year ended 30 June 2014.

1.1 Status of Audit

Our audit field work at the EMRC for the financial year ended 30 June 2014 has been completed.

Before our Independent Auditor's Report is signed off and issued to the Council, the following outstanding matter is required to be attended to:

- Completion of audit procedures relating to Auditing Standard ASA 560 *Subsequent Events* to be performed up to the date of signing the Independent Auditor's Report.

1.2 Deliverables

Output	Timing
External Audit Plan	May 2014
Interim Audit Management Letter	29 August 2014
Present the Audit Completion Report to the Audit Committee	4 September 2014
Provide Independent Auditor's Report on the Financial Report	After recommendation of Financial Report by Audit Committee

2. Financial Statements and Audit Opinion

Audit Opinion

We have completed the audit of the EMRC's accounts in line with current Australian Auditing Standards and will give an **Unqualified Opinion** [subject to subsequent events procedures] that the financial report of the Eastern Metropolitan Regional Council

- (a) gives a true and fair view of the financial position of the Eastern Metropolitan Regional Council as at 30 June 2014 and of its financial performance for the year ended on that date; and
- (b) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards.

Refer to **Appendix 1** for our Proposed Draft Independent Auditor's Report

3. Current Year Areas of Audit Focus

Our audit procedures were focused on those areas of Eastern Metropolitan Regional Council's activities that are considered to represent the key audit risks identified in our external audit plan and through discussions with management during the course of our audit.

	Risk Area	Audit Response
1	Land and Buildings	<p>EMRC's land and buildings were valued at fair value from the historical cost basis for the first time during the year ended 30 June 2014 using external independent valuers, APV Valuers and Asset Management.</p> <p>Audit procedures tested on a sample basis:</p> <ul style="list-style-type: none"> • Capital asset additions on a sample basis for accuracy to supporting documentation. • Valuation to fair value from cost on the EMRC's land and buildings. <p>We have relied upon the values adopted by the external valuers.</p> <p>Asset reconciliation schedules were verified against trial balance reported amounts.</p> <p>Audit evaluated the professional competence and objectivity of the expert and the adequacy of the scope of the expert's work.</p>

		<p>Audit also obtained a signed "Management Evaluation" letter which was critical in providing with the necessary understanding of how management has approached with the fair valuation exercise and the evaluation of the valuation results.</p> <p>Results of the audit procedures conducted did not note any material misstatement of the land and building asset classes.</p>
2	Revenue (Fees and Charges and Grant Revenue)	<p>Audit procedures were tailored to ascertain the completeness and accuracy of revenue:</p> <ul style="list-style-type: none"> ➤ Control testing on fees and charges ➤ Test a sample of revenue transactions to supporting documentation ➤ Substantive analytical procedures <p>For the year ended 30 June 2014, these amounts appear to be reasonably accounted for and recognised appropriately.</p>
3	Purchasing and Payments	<p>Audit procedures were performed to review and assess the processes and policies in the purchasing and payments area. Discussions were held with the relevant personnel involved in this area to gain an understanding of the processes and procedures, followed by an assessment of the overall controls in place. Testing was performed during our interim audit on this key operating cycle.</p> <p>Additionally, analytical procedures were performed on expenditure items to assess items for reasonableness and to ensure that fluctuations from prior year balances were consistent with our expectations.</p>
4	Payroll Expenditure	<p>Discussions were held with the relevant payroll staff. This procedure undertaken facilitated the understanding of the processes and policies in place for payroll.</p> <p>Substantive audit procedures were also performed to verify completeness and accuracy of payroll for the year ended 30 June 2014. Analytical procedures tested payroll and statutory superannuation balances, comparing budgeted results to actual results and highlighting fluctuations in fortnightly payments which were then subject to further examination.</p>
5	Provisions for Annual and Long Service Leave	<p>We examined the annual and long service leave provisions were and tested a few employees on a sample basis.</p>

		<p>Audit testing of these leave provisions involved the calculation of an audit predicted amount which was then compared to the amount recorded in the leave listings.</p> <p>The assumptions used by EMRC for the provisions with respect to discount and bond rates were compared to the equivalent assumptions provided by Macri Partners. All assumptions were within the acceptable ranges.</p> <p>Our sample testing of annual leave and long service leave balances noted no variances.</p>
5	Provisions for Site Rehabilitation and Environmental Monitoring	<p>Audit procedures were performed to review and assess the completeness, accuracy and valuation of the provisions for site rehabilitation and environmental monitoring.</p> <p>The treatment adopted by management was consistent to prior year with respect to recognising this provision by way of an incremental charge based on the volumetric usage of the landfill air space and increasing the provision by the cumulative interest income relating to the provisions to ensure the principles of present value are maintained.</p> <p>However, it is noted that a full review of the provision estimate will be undertaken by management next financial year for estimating total future rehabilitation and site monitoring expenditures over the landfill discounted to net present value.</p>
6	Provision for Carbon Pricing	<p>It is important to note that Federal Government's recent abolition of the carbon pricing mechanism from 1 July 2014 based on the Clean Energy Legislation (Carbon Tax Repeal) Act 2014 (Cth) did not impact EMRC's registration, reporting, audit and other obligations for the 2014 financial year.</p> <p>Audit procedures were performed to review and assess the completeness, accuracy and valuation of the provision for carbon pricing. We reviewed the model and methodology used by management for estimating the liable carbon emissions from the landfill multiplied by the carbon price for the year.</p> <p>For the year ended 30 June 2014, the provision appears to be reasonably accounted for.</p>
7	Contingent Liabilities	<p>Contingent liabilities at balance date relate to an action by Lehman Brothers in the United States Bankruptcy Court for Federation notes which was also disclosed in the financial report for the year ended 30 June 2013.</p>

		<p>Audit procedures included discussions with management and reviewing the solicitor's representation letter to clarify the current position on the matter. The legal advice provided to the EMRC about this claim is, in substance, the claim is unlikely to succeed. We also are in the process of obtaining a management representation letter to confirm that there are no further contingent liabilities required to be disclosed, other than those currently disclosed in the financial report.</p> <p>At this date, we are satisfied with management's disclosure of the contingent liability in the financial report.</p>
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We are satisfied that these key areas of focus have been addressed appropriately based on our audit procedures and are properly reflected in the EMRC's financial report.

4. Assessment of Internal Controls

Our interim phase of the audit indicated that the current internal control systems and processes are reasonable. They are designed adequately for EMRC's current business operations.

However, a separate Interim Audit Management Letter has been provided to management following our interim audit which provides details of the internal control and compliance matters raised.

We will be following up on the implementation of the management comments during our next interim audit visit. The result of our follow-up will be reported within our next Interim Audit Management Letter.

5. Key Findings During Final Phase of Audit

During our audit planning procedures and risk identification process, we identified a number of key focus areas as outlined in Section 3 above. In addition, during the course of our year-end fieldwork, other accounting and audit issues were noted. Our consideration of these matters is set out below.

We request that the Audit Committee review the matters below and satisfy themselves that:

- there are no other matters of which you are aware that would impact these issues;
- there are no other significant issues that ought to be considered before recommending the adoption of the financial statements to the Council; and
- you concur with the resolution of the issues as described below.

	Area	Key Findings	Recommendation
1	Provision for Annual Leave	<p>As indicated in our external audit plan, under the change in the Accounting Standard AASB 119 <i>Employee Benefits</i>, annual leave not expected to be used wholly within 12 months of end of reporting period is required to be discounted when calculating leave liability.</p> <p>During our audit, we noted that the calculation for the provision of annual leave was not done in accordance with the above requirement.</p>	Whilst the difference in the calculation was trivial, we recommend that the principles of the accounting standard be followed in future for the calculation of the provision. No financial adjustments were proposed as a result of our work.
2	Depreciation	We note that the depreciation on the plant, equipment and furniture and equipment assets appears to be quite high. We noted that the useful lives for the have not been reviewed, resulting in a higher depreciation figure for this financial year.	We recommend that the useful lives for all the above asset classes be reviewed to reflect the appropriate depreciation to be charged for the assets.
3	Non-Current Assets Policy	<p>We note that the EMRC's non-current assets policy has not been reviewed for fair value reporting purposes. The non-current assets policy sets out a range of rules that dictate definitions, policies, and specifically how the valuation and depreciation calculations are to be done. This includes such things as thresholds, valuation basis, depreciation method and management assumptions.</p> <p>This is important for audit to understand these boundaries, ensuring they comply with the prescribed requirements and the calculations have been completed in accordance with the policy.</p>	We recommend that the policy be reviewed, updated, and adopted by Council.

6. Term Deposits Held With ING Bank

Background

The Audit Committee at its meeting held on 5 June 2014 expressed concerns over the term deposits held by EMRC with ING Bank totalling \$11 million.

Current Status

Follow up to our letter dated 3 July 2014 to the Chairman of the Audit Committee, we subsequently also checked and confirm that all the funds held with ING Bank have since been received by EMRC and at this point, there are no funds held with ING Bank.

7. Specific Required Communications

The Australian Auditing Standard ASA 260: *“Communication with Those Charged with Governance”* requires the auditor to communicate certain matters to the Audit Committee that may assist them in overseeing management's financial reporting and disclosure process. Below we summarise these required communications as they apply to your organisation.

Reporting Requirement	Detailed Comments
Changes to Audit Approach Outlined in External Audit Plan	➤ There were no changes to the audit approach outlined in the External Audit Plan.
Significant accounting policies	➤ Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the EMRC including new pronouncements adopted during the year, are described in Note 1 to the financial statements. ➤ There were no significant changes in the application of existing policies during the year ended 30 June 2014, other than the fair value measurement of the Council's assets and liabilities in accordance with AASB 13 <i>Fair Value Measurement</i> . The accounting policies adopted in the financial statements are appropriately disclosed.
Sensitive Accounting Estimates and Disclosures	Refer to “Current Year of Audit Focus” section
Misstatements and significant audit adjustments	➤ We are required to report to you all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature. In the context of the EMRC, we consider that amounts of a value less than \$50,000 should be considered trivial. This represents 5% of materiality.

	<ul style="list-style-type: none"> ➤ A number of disclosure adjustments to the financial statements have been discussed and amended during the course of our audit. ➤ No financial adjustments have been raised through our audit work meaning there are no unadjusted misstatements to report.
Significant Weaknesses in Internal Controls	<ul style="list-style-type: none"> ➤ No significant weaknesses in internal control were identified. Refer to our Interim Audit Management Letter.
Disagreements with management	<ul style="list-style-type: none"> ➤ There have been no significant disagreements with management during the course of the audit.
<p>Serious Difficulties Encountered in Dealing with Management when Performing the Audit such as:</p> <ul style="list-style-type: none"> • Significant delays in management providing required information • An unnecessarily brief time within which to complete the audit • Extensive unexpected effort required to obtain sufficient appropriate audit evidence • The unavailability of expected information • Restrictions imposed on the auditor by management 	<ul style="list-style-type: none"> ➤ There were no serious difficulties encountered in dealing with management when performing the audit.
Fraud and Illegal Acts	<ul style="list-style-type: none"> ➤ We are not aware of any matters that require communication. ➤ We would request that the Audit Committee members raise with us any areas of risk not addressed in our communications and that they inform us of their knowledge of any actual or suspected fraud.
Compliance with laws and regulations	<ul style="list-style-type: none"> ➤ In performing our audit procedures, we have not become aware of any non-compliance with applicable laws or regulations that would have an impact on the determination of material amounts and disclosures in the financial report. ➤ We have also received representations from management confirming that the Council is in compliance with all laws and regulations that impact the Council.
Books and records and conduct of the audit	<ul style="list-style-type: none"> ➤ We have been presented with all the necessary books and explanations requested of management to support the amounts and disclosures contained in the financial statements in a timely and efficient manner.

	<ul style="list-style-type: none"> ➤ We take this opportunity to thank Mr David Ameduri, Mr Jer Liew and the staff for their assistance and courtesy during our audit.
Other Information in Documents Containing Audited Financial Statements	<ul style="list-style-type: none"> ➤ Our financial statement audit opinion relates only to the financial statements and accompanying notes. However, we also review other information in the Annual Report, such as Management's Discussion and Analysis, for consistency with the audited financial statements. Once the annual report is prepared and provided to us, we will review the Annual Report for consistency between the audited financial statements and other sections of that document.
Related Party Transactions	<ul style="list-style-type: none"> ➤ None of which we are aware.
Major Issues Discussed with Management in Connection with Initial or Recurring Retention	<ul style="list-style-type: none"> ➤ None.
Going concern	<ul style="list-style-type: none"> ➤ As part of our audit, we have assessed and agreed with the conclusions reached by the management concerning the application of the going concern concept.
Independence	<ul style="list-style-type: none"> ➤ We confirm that, as the date of this report, we are independent having regard to Macri Partners' policies, professional rules and relevant statutory requirements regarding auditor independence. ➤ During the year ended 30 June 2014, Macri Partners has not provided any non-audit services to the EMRC.

8. Disclaimer

This report has been prepared for the Audit Committee and management of Eastern Metropolitan Regional Council only. It should not be quoted or referred to, in whole or in part, without our prior written consent. No warranty is given to, and no liability will be accepted from, any party other than the Eastern Metropolitan Regional Council.

9. Appendix 1 - Proposed Audit Opinion

INDEPENDENT AUDITOR'S REPORT

TO: MEMBERS OF EASTERN METROPOLITAN REGIONAL COUNCIL

We have audited the financial report of the Eastern Metropolitan Regional Council, which comprises the Statement of Financial Position as at 30 June 2014 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information and Statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to management's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

INDEPENDENT AUDITOR'S REPORT

TO: MEMBERS OF EASTERN METROPOLITAN REGIONAL COUNCIL (Cont'd)

Auditor's Opinion

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

- (c) gives a true and fair view of the financial position of the Eastern Metropolitan Regional Council as at 30 June 2014 and of its financial performance for the year ended on that date; and
- (d) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- (a) There are no matters that in our opinion indicate significant adverse trends in the financial position or financial management practices of the Council.
- (b) There are no matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- (c) In relation to the asset consumption ratio and asset renewal funding ratio (presented at Note 27 of the annual financial report) we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
 - (i) reasonably calculated; and
 - (ii) based on verifiable information.
- (d) All necessary information and explanations were obtained by us.
- (e) All audit procedures were satisfactorily completed in conducting our audit.

**MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100**

**A MACRI
PARTNER**

**PERTH
DATED THIS DAY OF 2014.**



11.3 CEO REVIEW OF RISK MANAGEMENT, INTERNAL CONTROL AND LEGISLATIVE COMPLIANCE

REFERENCE: D2014/10145 (AC) – D2014/11219

PURPOSE OF REPORT

The purpose of this report is to present to the Audit Committee the Chief Executive Officer's report on the appropriateness and effectiveness of the EMRC's systems in regard to risk management, internal control and legislative compliance for its consideration and referral to Council.

KEY ISSUES AND RECOMMENDATION(S)

- The Local Government (Audit) Regulations 1996 (the Regulations) were amended in February 2013 to extend the functions of local government Audit Committees.
- Regulation 17 now requires the Chief Executive Officer to review and report on the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance
- The report and review process is to occur at least once every two calendar years.
- The review has determined that the EMRC has in place appropriate and effective systems, policies and procedures, as well as sound internal controls and audits by external parties to ensure the EMRC meets its obligations with regards to risk management, internal control and legislative compliance obligations.

Recommendation(s)

That the report be received.

SOURCE OF REPORT

Chief Executive Officer
 Director, Corporate Services

BACKGROUND

The Local Government (Audit) Regulations 1996 (Audit Regulations) were amended in February 2013 to extend the functions of local government Audit Committees.

Regulation 17 was introduced requiring the Chief Executive Officer to review the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance.

The review process is to occur at least once every two calendar years, with the first review to be completed by the Chief Executive Officer, and to be reported to the Audit Committee by 31 December 2014.



Item 11.3 continued

REPORT

In accordance with the requirements of r.17 of the Audit Regulations, a review of the appropriateness and effectiveness of the systems and procedures relating to risk management, internal control and legislative requirements has been conducted, the results of which are outlined below.

Risk Management

The coordination of activities to identify and control an organisation's risks is known as risk management. When local governments set objectives under their budget or any other plan they are exposed to risks or 'uncertainties' which need to be managed in order to meet the objectives set out in their budget or plan. Consequently every local government should consider developing a tailored risk management process and make it an integral part of management.

Historically, the EMRC used biennial risk surveys as the primary process of identifying and assessing its key risk exposures. However, since March 2013, risk identification has become part of annual business planning where items of risk are captured within the strategic planning process. This is supplemented with annual workshops and meetings conducted by the Manager Risk Management to cover Red Hill and Hazelmere operations.

EMRC's internal auditors noted in its report (DMDOC2013/183041) to the Audit Committee in September 2013 that:

"We performed a detailed assessment of EMRC's risk management policy to determine the level of compliance with the requirements..... It was pleasing to note that the policy is well documented and covers all the aspects specified in the Risk Management Standard. Notably, the policy also quotes the standard as the primary matter of guidance with regards to risk management."

In 2013, the EMRC automated its risk management process through the use of a customised risk management system. The risk management system is AS/NZS/ISO 31000:2009 compliant and is intended to support a centralised risk management process within the organisation.

The EMRC Risk Management Plan provides within its framework for training to provide staff with the appropriate tools and practices to effectively manage risks. The EMRC has a Risk Steering group that meets regularly and is made up of the Site Manager Red Hill, the Manager Risk Management and the Executive Management Team including the CEO.

The EMRC also has in place a business continuity disaster recovery plan.

The EMRC works together with LGIS to achieve the best possible insurance and risk management solutions for the organisation. The partnership offers the benefits of an industry-based self-insurance scheme, specialist risk management programmes, and advice and solutions focused on Western Australian local government needs. The EMRC has also engaged Nexus to broker appropriate environmental impairment liability insurance cover. The overall process ensures that the EMRC is managing its insurable risks and has in place adequate insurance coverage.

A part of the risk management process is to ensure that the procurement framework is administered with clear policies and guidelines, the EMRC has the following in place to provide guidance:

- *Council Policy - Purchasing Policy*
- *Management Guideline - Authorisation of Expenditure;*
- *Management Guideline - Signatories and On-Line (EFT) Supplier Payments;*

In addition all policies and guidelines are reviewed on a periodic basis to ensure currency and compliance with relevant legislative changes.



Item 11.3 continued

Internal Control

Internal control is a key component of a sound governance framework together with competent management, long-term planning, compliance, resource allocation, accountability and transparency. Strategies to maintain sound internal controls are based on risk analysis of the internal operation of a local government.

The EMRC has in place internal control systems that include documented policies, management guidelines and business management systems to safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations. The policies, management guidelines and business management systems are review at least every two years to ensure that they comply with legislative changes and adhere to best practice business principles.

The control framework includes:

- Delegation of authority;
- Documented policies and procedures;
- Trained and qualified employees;
- System controls;
- Effective policy and process review;
- Internal audit program;
- Documentation of risk identification and assessment; and
- Regular liaison with auditors and legal advisors.

A comprehensive induction process for staff, regular staff information sessions and a structured staff development and training system ensure that staff are informed and capable of maintaining effective systems controls, the subject of this review report.

It is a requirement under s 6.4 of the Local Government Act 1995 that a Local Government is to prepare an annual financial report which is subject to an external audit. As part of the audit process, the auditor considers the internal controls relevant to the local government's preparation and fair presentation of the financial report. It also involves evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made.

The EMRC's external and internal auditors review the effectiveness of the EMRC's internal control systems to ensure that its effective and transparent internal control environment is built on the following key areas:

- Integrity and ethics;
- Policies and delegated authority;
- Levels of responsibilities and authorities;
- Audit practices;
- Information system access and security;
- Management operating style; and
- Human resource management and practices.

The EMRC's organisational structure provides for appropriate segregation of duties including the processing and authorisation of payments. The procurement and payment process requires the following:

- Purchase requisitions to be authorised by the supervisor or equivalent of the requisitioning officer;
- Confirmation of receipt of goods or services;
- Approval of expenditure by the responsible officer within the authority limits as defined by *Management Guideline – Authorisation of Expenditure*;
- Payment made by two authorised signatories as prescribed by *Management Guideline Cheque Signatories and On-Line (EFT) Supplier Payments*; and
- A full list of payments is provided in Council agendas for review by Council.



Item 11.3 continued

Physical records of assets are maintained by the Finance business unit as part of its integrated financial systems. Assets, including disposal are governed by EMRC's Asset Management policy. These are verified against physical stocktakes and are subject to annual external audit.

Similarly petty cash reconciliations are prepared each month and is subject to a check every three months to ensure the physical cash count is consistent with the accounting records.

The control of computer applications and information systems are subject to assessment by the internal auditors. The IT General Controls were last audited in 2012. The overall assessment of the quality of the management controls were satisfactory, with no major issues identified.

Comparison and analysis of financial results with budgeted amounts are prepared for each month and presented at Council meetings.

Legislative Compliance

The EMRC maintains strong adherence to its legislative compliance obligations. In addition to the Executive Management Team comprising of the CEO and the Directors, the EMRC has the following officers to monitor its compliance with various legislation and regulations under which the EMRC is operating:

- Manager Waste, Environmental Operations;
- Manager Financial Services;
- Manager Administration & Compliance;
- Manager Human Resources; and
- OS&H Coordinator.

Each local government is required to complete a compliance audit return (CAR) at the end of each calendar year. The CAR is submitted to the Audit Committee for review and the results of the review are reported back to Council. The last CAR was tabled at the March 2014 Audit Committee meeting (D2014/00250). The highest level of compliance was achieved with no items of non compliance reported.

The external auditors also report on other legal and regulatory requirements including whether:

- (a) There are any matters that in their opinion indicate significant adverse trends in the financial position or financial management practices of the Council; and
- (b) There are any matters indicating non-compliance with Part 6 of the Local Government Act 1995, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were noted during the course of their audit.

At the time of preparing this report, the most recent completed audit was for the 2012/2013 financial year. Tony Macri of Macri Partners, EMRC's external auditor, has given his opinion that the financial report of the EMRC:

- (a) Gives a true and fair view of the financial position of the EMRC as at 30 June 2013 and of its financial performance for the year ended on that date; and
- (b) Complies with the Local Government Act 1995, the Local Government (Financial Management) Regulations 1996 and the Australian Accounting Standards.



Item 11.3 continued

The EMRC has Council policies, Management Guidelines and a Business Management System which provide and support a sound legislative and regulatory compliance framework. This includes:

- *Management Guideline – Grievance Resolution Procedure* that serves to ensure a clearly defined process by which staff have grievances addressed and resolved in a fair and confidential manner.
- *Code of Conduct* – which handles the issues of conflicts of interest and misuse of position to gain an advantage.
- *Annual Returns* process where declarations are required by Councillors and EMRC officers who have been provided with delegated authority.
- *Management Guideline - Disclosure of Financial Interest (Employees)*.

Financial and non-financial trends are monitored by the Executive Management team. Each month, the Executive Management team reviews the key organisational indicator reports, such as the financial report, tonnage report and scorecards to review any adverse trends and appropriate management plans are made to address them.

The effect of any significant compliance issues are disclosed in the financial reports. eg. where an individual investment falls below the required rating as prescribed in the Management of Investments Policy.

At the conclusion of this review, it is considered that the systems and procedures related to risk management, internal control and legislative compliance are both appropriate and effective.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

4.3 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	 Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	



Item 11.3 continued

ATTACHMENT(S)

Nil

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the report be received.

AC RECOMMENDATION(S)

MOVED CR WOLFF

SECONDED CR CORNISH

That the report be received.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR WOLFF

SECONDED CR FÄRDIG

THAT THE REPORT BE RECEIVED

CARRIED UNANIMOUSLY



12 REPORTS OF DELEGATES

Nil

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

Nil

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

Nil

15 FUTURE MEETINGS OF THE AUDIT COMMITTEE

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

"2.3 Meetings"

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

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

Future Meetings 2014

Thursday	9	October (if required)	at	EMRC Administration Office
Thursday	20	November (if required)	at	EMRC Administration Office

16 DECLARATION OF CLOSURE OF MEETING

There being no further business the meeting was closed at 6:47pm.



16 REPORTS OF DELEGATES

Nil

17 MEMBERS' MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil



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

18.1 INSURANCE REPAIRS TO HAZELMERE TIMBER GRINDER

REFERENCE: D2014/11536

PURPOSE OF REPORT

To seek delegated authority for the CEO to accept quotations for repairs to the HAAS timber grinder at Hazelmere following damage caused in the 14 August 2014 insurance incident.

KEY ISSUES AND RECOMMENDATION(S)

- On 14 August 2014 the HAAS timber grinder was damaged by fire as reported to Council on 21 August 2014.
- HAAS have assessed the damage and provided a repair quotation.
- An insurance claim is being prepared under the EMRC's property insurance policy.
- Once the claim has been assessed, the EMRC will be required to order the replacement parts and claim this back from LGIS.
- Approval is sought for delegated authority for the CEO to purchase the parts for the repair of the HAAS grinder and for additional equipment to enhance the capability of the timber grinder if approved by the insurers.

Recommendation(s)

That Council:

1. Acknowledge that because of the proprietary nature of the HAAS timber grinder, it has good reason to believe there is unlikely to be any other supplier who can provide a similar value for money outcome for the provision of equipment and repairs required to the damaged timber grinder.
2. Grant the CEO delegated authority to accept quotations for repairs of the HAAS timber grinder and the hire and purchase of additional plant and equipment for the processing of timber waste as approved by the EMRC's insurers.

SOURCE OF REPORT

Director Waste Services
 Manager, Administration & Compliance

BACKGROUND

The Hazelmere timber recycling project commenced in 2008 using a contract timber shredder and grinder. A fixed HAAS timber grinder was procured after a competitive tender process in 2009.

As advised by the Chairman at the 21 August 2014 meeting of Council, the HAAS timber grinder at the Hazelmere Resource Recovery Park was damaged by a fire putting it out of service. A damage assessment and repair quotation has been provided by HAAS and the EMRC has been working closely with the claims preparation officers and the loss adjustor to keep them informed of the damage assessment and the proposed recovery plan. Approval has been sought to proceed with contract timber grinding services in order to keep customers supplied from existing stockpiles of woodchip and shred incoming timber waste.

The EMRC insurance policy provides cover for damage to plant and equipment as well as business interruption costs and expert help in preparing a claim. EMRC have engaged 'Your Claim' to prepare the claim on behalf of the EMRC, the team at 'Your Claim' are working with the loss adjustors appointed by Local Government Insurance Services (LGIS) to assist the EMRC with the claim and evaluate the options for timber shredding and grinding whilst the HAAS grinder is inoperable.



Item 18.1 continued

REPORT

The fire damage to the Hazelmere timber grinder is extensive and can only be repaired using HAAS parts under the supervision of a HAAS engineer. It is expected that the costs of repairs and equipment will be in excess of the \$100,000 tender threshold. Therefore Council acknowledgement, in accordance with r11(2)(f) of the Local Government (Functions and General) Regulations 1996, that the EMRC has good reason to believe that there is unlikely to be any supplier other than HAAS to provide the equipment and complete the works, is required.

The recovery plan for the HAAS grinder includes:

1. Assessment of the damage and the repair cost by a HAAS representative (complete);
2. Notification of the damage to our insurers (complete);
3. Preparation of an insurance claim (in progress);
4. EMRC has to place the purchase orders for repairs (awaiting approval);
5. Use of a contractor for the shredding of incoming timber waste and the grinding of existing or fresh wood chip into fines for customers (in progress); and
6. Working with the loss adjustors to evaluate options for the shredding of timber and the production of wood chip until the HAAS grinder is repaired and recommissioned, which at this stage is hoped to be January/February 2015. One such option is the purchase of a slow speed shredder which will improve the capability of the Hazelmere operation.

The required replacement equipment needs to be shipped ex Germany, therefore in order to facilitate a timely implementation of the recovery plan options, authority is sought from Council to provide delegated authority to the CEO to accept quotations inclusive of the purchase of plant and equipment that provide a more cost effective solution for the short and long term shredding and/or grinding of timber waste, if such a strategy is approved by the EMRC's insurers. Apart from the insurance deductible of \$1,000, it is expected that all costs will be reimbursed by the EMRC insurers.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

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

FINANCIAL IMPLICATIONS

The cost of repairs is expected to be fully covered by the EMRC's insurers, after allowing for a \$1,000 policy excess. Any shortfall will be met from the Waste Services budget for Hazelmere for 2014/2015.


SUSTAINABILITY IMPLICATIONS

The Hazelmere timber recycling operation is aimed at reducing waste to landfill and therefore greenhouse gas emissions and producing valuable products such as wood chip fines for use in animal bedding.



Item 18.1 continued

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

Nil

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council:

1. Acknowledge that because of the proprietary nature of the HAAS timber grinder, it has good reason to believe there is unlikely to be any other supplier who can provide a similar value for money outcome for the provision of equipment and repairs required to the damaged timber grinder.
2. Grant the CEO delegated authority to accept quotations for repairs of the HAAS timber grinder and the hire and purchase of additional plant and equipment for the processing of timber waste as approved by the EMRC's insurers.

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR LINDSEY

THAT COUNCIL:

1. ACKNOWLEDGE THAT BECAUSE OF THE PROPRIETARY NATURE OF THE HAAS TIMBER GRINDER, IT HAS GOOD REASON TO BELIEVE THERE IS UNLIKELY TO BE ANY OTHER SUPPLIER WHO CAN PROVIDE A SIMILAR VALUE FOR MONEY OUTCOME FOR THE PROVISION OF EQUIPMENT AND REPAIRS REQUIRED TO THE DAMAGED TIMBER GRINDER.
2. GRANT THE CEO DELEGATED AUTHORITY TO ACCEPT QUOTATIONS FOR REPAIRS OF THE HAAS TIMBER GRINDER AND THE HIRE AND PURCHASE OF ADDITIONAL PLANT AND EQUIPMENT FOR THE PROCESSING OF TIMBER WASTE AS APPROVED BY THE EMRC'S INSURERS.

CARRIED UNANIMOUSLY



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

Nil

20 FUTURE MEETINGS OF COUNCIL

The next meeting of Council will be held on **Thursday 23 October 2014 (if required)** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 6:00pm.

Future Meetings 2014

Thursday	23 October (if required)	at	EMRC Administration Office
Thursday	4 December	at	EMRC Administration Office
January 2015 (recess)			

21 DECLARATION OF CLOSURE OF MEETING

There being no further business, the meeting was closed at 6:12pm.
