

# **SECTION 15**

D2025/05546

**Reports of Committees**  
**Ordinary Meeting of Council**  
**27 March 2025**

**Item 15.1**  
**Audit Committee Unconfirmed Minutes**  
**6 March 2025**

# UNCONFIRMED MINUTES

D2025/05115

**Audit Committee**

**6 March 2025**



## **Audit Committee Members**

Cr Doug Jeans	Committee Chairperson	Shire of Mundaring
Cr Michelle Sutherland	Committee Deputy Chairperson	City of Bayswater
Cr Paul Poliwka	Committee Member	Town of Bassendean
Cr Aaron Bowman	Committee Member	City of Swan

## **Audit Committee Deputies**

Cr Tallan Ames	Deputy Committee Member	Town of Bassendean
Cr Filomena Piffaretti	Deputy Committee Member	City of Bayswater
Cr Luke Ellery	Deputy Committee Member	Shire of Mundaring
Cr Jennifer Catalano	Deputy Committee Member	City of Swan

## **Audit Committee Second Deputies**

Cr Kathryn Hamilton	Committee Second Deputy Member	Town of Bassendean
Cr Giorgia Johnson	Committee Second Deputy Member	City of Bayswater
Cr John Daw	Committee Second Deputy Member	Shire of Mundaring
Cr Ian Johnson	Committee Second Deputy Member	City of Swan

## **Audit Committee**

**6 March 2025**

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## 1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairperson declared the meeting open at 6:00pm.

### 1.1 ACKNOWLEDGEMENT OF COUNTRY

We wish to acknowledge the traditional custodians of the land on which we meet today and to pay our respects to elders past, present and emerging.

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

### Audit Committee Members

Cr Doug Jeans	Committee Chairperson	Shire of Mundaring
Cr Filomena Piffaretti (Deputising for Cr Michelle Sutherland)	Deputy Committee Member	City of Bayswater
Cr Paul Poliwka	Committee Member	Town of Bassendean

### Leave of Absence (Previously Approved)

Cr Aaron Bowman	Committee Member	City of Swan
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### EMRC Officers

Mr Matthew MacPherson	Chief Executive Officer
Mr Hua Jer Liew	Chief Financial Officer
Miss Carmen Sadleir	Chief Operating Officer
Mrs Wendy Harris	Chief Sustainability Officer
Mr David Schmidt	Manager Information Services
Ms Theresa Eckstein	Executive Assistant to the Chief Executive Officer (Minutes)

**3 DISCLOSURE OF INTEREST**

Nil

**4 ANNOUNCEMENTS BY THE CHAIRPERSON OR PRESIDING MEMBER**

Nil

**5 PUBLIC QUESTION TIME**

Nil

**6 PETITIONS, DEPUTATIONS AND PRESENTATIONS**

Nil

**7 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

**7.1 MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 3 OCTOBER 2024  
(D2024/26467)**

That the minutes of the Audit Committee meeting held on 3 October 2024 which have been distributed, be confirmed.

**AUDIT COMMITTEE RESOLUTION**

MOVED CR POLIWKA

SECONDED CR JEANS

THAT THE MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 3 OCTOBER 2024 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

**CARRIED UNANIMOUSLY**

**8 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

Nil

**9 QUESTIONS WITHOUT NOTICE**

Nil

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

Nil

**11 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING**

Nil

**12 EMPLOYEE REPORTS**

- 12.1 COMPLIANCE AUDIT RETURN 2024 (D2025/03284)
- 12.2 HALF YEAR BUDGET REVIEW 2024/2025 (D2025/03680)
- 12.3 RISK MANAGEMENT UPDATE (D2025/03732)

## 12.1 COMPLIANCE AUDIT RETURN 2024

D2025/03284

### PURPOSE OF REPORT

The purpose of this report is to present to Council for adoption the Compliance Audit Return (CAR) for the year ending 31 December 2024.

### KEY POINT(S)

- Each local government is required to complete a CAR at the end of each calendar year.
- The CAR is required to be reviewed by the Audit Committee (AC) before being adopted by Council, certified by the Chairperson and Chief Executive Officer (CEO) and submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2025.

### RECOMMENDATION(S)

That:

1. Council adopts the draft Compliance Audit Return 2024, forming the attachment to this report and that it be certified by the Chairperson and Chief Executive Officer.
2. The adopted Compliance Audit Return 2024 be submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2025.

### SOURCE OF REPORT

Chief Executive Officer

### BACKGROUND

- 1 The audit and applicable return are completed in accordance with the requirements of Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996*. It is a compliance audit for the period 1 January to 31 December 2024 against the requirements included in the Compliance Audit Return for that period.
- 2 Regulation 14 requires the Audit Committee to review the CAR and to report the results of the review to Council prior to adoption by Council.

### REPORT

- 3 The CAR, as required by the *Local Government Act 1995* (the Act) and relevant Regulations, is now completed and is awaiting Council approval before lodgement to the Department of Local Government, Sport and Cultural Industries.
- 4 The CAR sought advice on the extent of compliance by the EMRC to a range of sections of the Act and the local government regulations.
- 5 The review process includes a rigorous assessment being undertaken by responsible officers for each section.
- 6 A high level of compliance was achieved. Where applicable, the details and explanations relating to the completion of the return appear in the relevant comment sections of the CAR.



- 7 After the CAR has been adopted by Council a certified copy of the return along with the relevant section of the minutes and additional information explaining or qualifying the compliance audit, is to be submitted to the Department of Local Government, Sport and Cultural portal by 31 March 2025.

#### STRATEGIC/POLICY IMPLICATIONS

- 8 Reporting on EMRC Strategic Policy implications align with the Revised 10 Year Strategic Plan 2017 - 2027 and the Sustainability Strategy 2022/2023 – 2026/2027.

Target - Sustainability integrated into management processes.

#### FINANCIAL IMPLICATIONS

- 9 Nil

#### SUSTAINABILITY IMPLICATIONS

- 10 Nil

#### RISK MANAGEMENT

**Risk – Non-Compliance with the *Local Government Act 1995* and EMRC's responsibility to maintain responsible and accountable governance and management of the organisation.**

Consequence	Likelihood	Rating
Moderate	Unlikely	Moderate
Action/Strategy		
➤ Council to adopt the draft Compliance Audit Return 2023, that it be certified by the Chairperson and Chief Executive Officer and submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2025.		

#### MEMBER COUNCIL IMPLICATIONS

##### Member Council

Town of Bassendean  
City of Bayswater  
Shire of Mundaring  
City of Swan

##### Implication Details

Nil

#### ATTACHMENT(S)

1. Compliance Audit Return 2024 (D2025/04122)

#### VOTING REQUIREMENT

Simple Majority

**RECOMMENDATION(S)**

That:

1. Council adopts the draft Compliance Audit Return 2024, forming the attachment to this report and that it be certified by the Chairperson and Chief Executive Officer.
2. The adopted Compliance Audit Return 2024 be submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2025.

**AC RECOMMENDATION(S)**

MOVED CR PIFFARETTI

SECONDED CR POLIWKA

That:

1. Council adopts the draft Compliance Audit Return 2024, forming the attachment to this report and that it be certified by the Chairperson and Chief Executive Officer.
2. The adopted Compliance Audit Return 2024 be submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2025.

**CARRIED UNANIMOUSLY**

**COUNCIL RESOLUTION(S)**

MOVED

SECONDED



## COMPLIANCE AUDIT RETURN 2024

Commercial Enterprises by Local Governments				
No	Reference	Question	Response	Comments
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2024?	N/A	No major trading undertaken in 2024
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2024?	N/A	No major trading undertaken in 2024
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2024?	N/A	No major trading undertaken in 2024
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2024?	N/A	No major trading undertaken in 2024
5	s3.59(5)	During 2024, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A	No major trading undertaken in 2024

Delegation of Power/Duty				
No	Reference	Question	Response	Comments
1	s5.16 (1)	Were all delegations to committees resolved by absolute majority?	Yes	
2	s5.16 (2)	Were all delegations to committees in writing?	Yes	
3	s5.17	Were all delegations to committees within the limits specified in section 5.17 of the <i>Local Government Act 1995</i> ?	Yes	
4	s5.18	Were all delegations to committees recorded in a register of delegations?	Yes	
5	s5.18	Has council reviewed delegations to its committees in the 2023/2024 financial year?	Yes	
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the <i>Local Government Act 1995</i> ?	Yes	
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes	



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<b>9</b>	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes	
<b>10</b>	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority?	N/A	No delegation was amended or revoked
<b>11</b>	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes	
<b>12</b>	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2023/2024 financial year?	Yes	Reviewed in June 2024
<b>13</b>	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with <i>Local Government (Administration) Regulations 1996</i> , regulation 19?	Yes	

Disclosure of Interest

No	Reference	Question	Response	Comments
<b>1</b>	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the <i>Local Government Act 1995</i> , did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes	
<b>2</b>	s5.68(2) & s5.69(5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by the <i>Local Government (Administration) Regulations 1996</i> regulation 21A, recorded in the minutes of the relevant council or committee meeting?	N/A	
<b>3</b>	s5.73	Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the <i>Local Government Act 1995</i> recorded in the minutes of the meeting at which the disclosures were made?	Yes	
<b>4</b>	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes	
<b>5</b>	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2024?	Yes	
<b>6</b>	s5.77	On receipt of a primary or annual return, did the CEO, or the Mayor/President, give written acknowledgment of having received the return?	Yes	



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7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the <i>Local Government Act 1995</i> ?	Yes	
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the <i>Local Government Act 1995</i> , in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?	Yes	
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the <i>Local Government Act 1995</i> , did the CEO remove from the register all returns relating to that person?	Yes	
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) of the <i>Local Government Act 1995</i> been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes	
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the <i>Local Government Act 1995</i> , in the form prescribed in the <i>Local Government (Administration) Regulations 1996</i> , regulation 28A?	Yes	
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes	
13	s5.89A(6)	When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the <i>Local Government Act 1995</i> , did the CEO remove from the register all records relating to those people?	Yes	
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A(6) <i>Local Government Act 1995</i> been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes	
15	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes	
16	s5.71A & s5.71B(5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the <i>Local Government Act 1995</i> relates, did the application include details of the nature of the	N/A	No occurrence in 2024



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		interest disclosed and any other information required by the Minister for the purposes of the application?		
17	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under section 5.71B(6) of the <i>Local Government Act 1995</i> , recorded in the minutes of the council meeting at which the decision was considered?	N/A	No occurrence in 2024
18	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates that incorporates the model code of conduct?	Yes	Council adopted a code of conduct which incorporates the model code of conduct by absolute majority at the Ordinary Meeting of Council held on 25 March 2021
19	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the <i>Local Government Act 1995</i> ?	No	
20	s5.104(7)	Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?	Yes	
21	s5.51A(1) & (3)	Has the CEO prepared and implemented a code of conduct to be observed by employee of the local government? If yes, has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?	Yes Yes	

Disposal of Property

No	Reference	Question	Response	Comments
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the <i>Local Government Act 1995</i> (unless section 3.58(5) applies)?	N/A	
2	s3.58(4)	Where the local government disposed of property under section 3.58(3) of the <i>Local Government Act 1995</i> , did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property?	N/A	



Elections				
No	Reference	Question	Response	Comments
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the <i>Local Government (Elections) Regulations 1997</i> ?	N/A	
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the <i>Local Government (Elections) Regulations 1997</i> ?	N/A	
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the <i>Local Government (Elections) Regulations 1997</i> ?	N/A	

Finance				
No	Reference	Question	Response	Comments
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the <i>Local Government Act 1995</i> ?	Yes	Members were appointed to the Audit Committee on 9 November 2023 by absolute majority and the Audit Committee was established.
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the <i>Local Government Act 1995</i> , did it do so by absolute majority?	N/A	The Audit Committee was not delegated any powers or duties.
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2024 received by the local government by 31 December 2024?	Yes	



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4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the <i>Local Government Act 1995</i> required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	N/A	
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A	
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the <i>Local Government Act 1995</i> , did the CEO publish a copy of the report on the local government's official website?	N/A	
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June 2024 received by the local government within 30 days of completion of the audit?	Yes	

**Integrated Planning and Reporting**

No	Reference	Question	Response	Comments
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	The EMRC 10 Year Strategic Plan 2017-2027 was adopted by Council by absolute majority on 18 August 2016 and was last reviewed at its Ordinary Council Meeting on 25 Aug 2022.
2	Admin Reg 19DA(1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	The EMRC Revised Corporate Business Plan 2024/2025 to 2028/2029 was adopted by absolute majority at its Ordinary Council Meeting on 27 June 2024 and was last reviewed on 28 November 2024.
3	Admin Reg 19DA(2) & (3)	Does the corporate business plan comply with the requirements of <i>Local Government (Administration) Regulations 1996</i> 19DA(2) & (3)?	Yes	





Local Government Employees				
No	Reference	Question	Response	Comments
1	s5.36(4) & s5.37(3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with <i>Local Government (Administration) Regulations 1996</i> , regulation 18A?	Yes	The recruitment for the role of the CEO was advertised in accordance with r.18A of the <i>Local Government (Administration) Regulations 1996</i> .
2	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	Yes	
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the <i>Local Government Act 1995</i> ?	Yes	
4	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	N/A	
5	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A	

Official Conduct				
No	Reference	Question	Response	Comments
1	s5.120	Has the local government designated an employee to be its complaints officer?	Yes	
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the <i>Local Government Act 1995</i> ?	Yes	
3	s5.121(2)	Does the complaints register include all information required by section 5.121(2) of the <i>Local Government Act 1995</i> ?	Yes	
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes	



Optional Questions				
No	Reference	Question	Response	Comments
1	Financial Management Reg 5(2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the <i>Local Government (Financial Management) Regulations 1996</i> regulations 5(2)(c) within the three financial years prior to 31 December 2024? If yes, please provide the date of council's resolution to accept the report.	Yes	The CEO's review of the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the <i>Local Government (Financial Management) Regulations 1996</i> regulations 5(2)(c) within the three financial years prior to 31 December 2024 was undertaken. Council accepted the report on 24 October 2024.
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with <i>Local Government (Audit) Regulations 1996</i> regulation 17 within the three financial years prior to 31 December 2024? If yes, please provide date of council's resolution to accept the report.		The CEO's review of the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with <i>Local Government (Audit) Regulations 1996</i> regulation 17 within the three financial years prior to 31 December 2024 was undertaken. Council accepted the report on 24 October 2024.
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B of the <i>Local Government Act 1995</i> , were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?	N/A	
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?	Yes	Policy was adopted by absolute majority on 25 March 2021 and was last reviewed on 22 February 2024.
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the <i>Local Government Act 1995</i> ?	Yes	



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<b>6</b>	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Adopted on 24 February 2022.
<b>7</b>	s5.127	Did the local government prepare a report on the training completed by council members in the 2022/2023 financial year and publish it on the local government's official website by 31 July 2024?	Yes	
<b>8</b>	s6.4(3)	By 30 September 2024, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2024?	Yes	
<b>9</b>	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes	

**Tenders for Providing Goods and Services**

<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>
<b>1</b>	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy, adopted under the <i>Local Government (Functions and General) Regulations 1996</i> , regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes	
<b>2</b>	s3.57 F&G Reg 11	Subject to <i>Local Government (Functions and General) Regulations 1996</i> , regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?	Yes	
<b>3</b>	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 of the <i>Local Government Functions and General) Regulations 1996</i> , required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)?	Yes	
<b>4</b>	F&G Reg 12	Did the local government comply with <i>Local Government (Functions and General) Regulations 1996</i> , Regulation 12 when deciding to enter into multiple contracts rather than a single contract?	N/A	No multiple contracts entered into.



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5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents, or each acceptable tenderer notice of the variation?	Yes	
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of <i>Local Government (Functions and General) Regulations 1996</i> , Regulation 15 and 16?	Yes	
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of the <i>Local Government (Functions and General) Regulations 1996</i> , Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes	
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	Yes	
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes	
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes	
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of the <i>Local Government (Functions and General) Regulations 1996</i> , Regulations 21 and 22?	N/A	No EOI for CY2024
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A	No EOI for CY2024
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under the <i>Local Government (Functions and General) Regulations 1996</i> , Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A	No EOI for CY2024
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with <i>Local Government (Functions and General) Regulations 1996</i> , Regulation 24?	N/A	No EOI for CY2024



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15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with <i>Local Government (Functions &amp; General) Regulations 1996</i> regulations 24AD(4) and 24AE?	N/A	The EMRC did not invite applicants for a panel of prequalified suppliers
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A	The EMRC did not invite applicants for a panel of prequalified suppliers
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of <i>Local Government (Functions and General) Regulations 1996</i> , Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A	
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of <i>Local Government (Functions and General) Regulations 1996</i> , Regulation 24AG?	N/A	
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A	
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A	
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A	
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of <i>Local Government (Functions and General) Regulations 1996</i> , Regulation 24E and 24F?	N/A	The EMRC does not have a regional price preference policy.



Department of  
**Local Government, Sport  
and Cultural Industries**

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Chief Executive Officer

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Chairperson

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Date

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Date

## 12.2 HALF YEAR BUDGET REVIEW 2024/2025

D2025/03680

### PURPOSE OF REPORT

The purpose of this report is to provide Council, via the Audit Committee, with details of the Eastern Metropolitan Regional Council's (EMRC's) 2024/2025 half year budget review for adoption and subsequent submission to the Department of Local Government, Sport and Cultural Industries.

### KEY POINT(S)

- It is a requirement of r.33A of the *Local Government (Financial Management) Regulations 1996* that a local government, between 1 January and the last day of February in each forwarded year, is to carry out a review of its annual budget for that year.
- Council receives monthly financial reports inclusive of end of year forecasts. Forecasts have been constantly monitored and reviewed based on current information and circumstances available to provide a more accurate forecast of the year end result.

### RECOMMENDATION(S)

That Council, by absolute majority in accordance with r.33A of the *Local Government (Financial Management) Regulations 1996*, adopts the review of the 2024/2025 budget and approves its submission to the Department of Local Government, Sport and Cultural Industries within 14 days.

### SOURCE OF REPORT

Chief Financial Officer

### BACKGROUND

- 1 It is a requirement of r.33A of the *Local Government (Financial Management) Regulations 1996* that a local government, between 1 January and the last day in February in each forwarded year, is to carry out a review of its annual budget for that year.
- 2 Regulation 33A(2) states the review of an amount budget for a financial year must be submitted to Council on or before 31 March in that financial year.
- 3 Regulation 33A(4) also states that within 14 days after the Council consider the review submitted to it and determine, by absolute majority, whether or not to adopt the review, any parts of the review or any recommendation made to the review.
- 4 A financial report and summaries which provide an overview of year to date budget performance for operating activities and capital works are submitted to each meeting of Council. Variances greater than 10% or \$20,000, whichever is the greater, within each nature and type category on the Statement of Comprehensive Income are reported on in the body of the report. Also included are end of year forecasts by nature and type for operating activities and end of year forecasts for each capital works project. These forecasts are reviewed regularly in order to provide an accurate forecast of the end of year result.
- 5 The half year budget review was undertaken during January/February 2025 and is reflected in this report.



## REPORT

- 6 Whilst the budget review is a statutory requirement, due to the commercial nature of the EMRC's waste operations, forecasts are conducted throughout the year in order to adjust costs (where possible) in relation to available tonnage throughput.

### **Format of Budget Review**

- 7 The format of the statutory review undertaken is based on an examination by officers of all EMRC accounts (operating income, operating expenditure and capital expenditure accounts) within their area of responsibility.
- 8 A review of the tonnages budgeted to be received at the Red Hill Waste Management Facility (RHWMF) is also undertaken. Tonnage budgets are reviewed to provide a forecast of volumes expected to be received by 30 June 2025. These forecasts, when calculated against the previously adopted disposal rates, provide financial forecasts relating to the following:
- Income from normal operations (including landfill levy);
  - Landfill Levy Expenditure;
  - Waste Education Levy Income; and
  - Cell usage and depreciation.
- 9 All forecasts, which are an actual review of the budgets set against each account, are entered into the financial management system in order to provide a more accurate forecast of the end of year result.
- 10 The year-to-date monthly budget allocations are also reviewed in order to match the appropriate timing for the various projects budgeted to be undertaken. A review is undertaken to ensure that the year-to-date budget allocations best reflect the timing applicable either to expenditure expected to be incurred or income to be received. This process commences immediately following adoption of the budget and is constantly being monitored and reviewed based on current information and circumstances available. This process provides a better comparison between the year to date actual and year to date budget figures.

### **Adjustments resulting from Budget Review**

- 11 EMRC officers undertook the latest review based on the actual financial data provided for the period ended 31 December 2024. The financial report relating to the period ended 31 January 2025 was submitted to Council at its meeting held on 27 February 2025. However, that report did not include the revised forecasts that have resulted from the half year budget review.
- 12 In accordance with the process followed in previous years, the original budget is not updated with the revised forecasts, as relevant regulations require the end of year results to be compared to the original adopted annual budget, rather than the reviewed budget.
- 13 Whilst it is accepted that many costs are incurred generally within a specific pattern, many are not. These include significant costs incurred relating to operating and capital projects, which depend solely on the timing of when the project is undertaken.



- 14 The following is a summary of the forecast changes to operating budget provisions resulting from the half year budget review:

Changes In	Total
Increase/(Decrease) in Operating Income	(\$6,232,418)
(Increase)/Decrease in Operating Expenditure	\$8,608,888
<b>Increase/(Decrease) in Net Assets from Operations</b>	<b>\$2,376,470</b>
(Increase)/Decrease in Revaluation of Assets	(12,238,929)
<b>Increase/(Decrease) in Net Assets</b>	<b>(\$9,862,459)</b>

- 15 Provided below is a summary of changes between the original budget and the forecast for the financial year ending 30 June 2025. Comments are provided for significant variances using Council's adopted criteria of 10% or \$20,000, whichever is the greater, as a guide:

#### Operating Income

- 16 **Net User Charges (User Charges less Landfill Levy Charges)**

Current Budget: \$42,790,337      Forecast Budget: \$34,507,211      Variance: (\$8,283,126)      (19.36%)

- 17 The full year forecast for Net User Charges is below the annual budget by \$8,283,126 (19.36%). This variance is attributable to lower than budgeted tonnages forecast on Class IV waste to be disposed at the RHWMF.

- 18 **Special Charges**

Current Budget: \$833,406      Forecast Budget: \$703,200      Variance: (\$130,206)      (15.62%)

- 19 The full year forecast for Special Charges is below the annual budget by \$130,206 (15.62%). This variance is attributable to lower than budgeted tonnages forecast of Class III to be received from Member Councils. This is due to the commencement of FOGO.

- 20 **Secondary Waste Charge**

Current Budget: \$1,181,382      Forecast Budget: \$619,323      Variance: (\$562,059)      (47.58%)

- 21 The full year forecast for the Secondary Waste Charge is below the annual budget by \$562,059 (47.58%). This is due to the temporarily suspense of the Secondary Waste Charge from 1 September 2024 until the end of the 2024/2025 financial year following the resolution of the Council meeting on 22 August 2024.

- 22 **Contributions**

Current Budget: \$88,726      Forecast Budget: \$83,128      Variance: (\$5,598)      (6.31%)

## 23 Operating Grants

Current Budget: \$128,300	Forecast Budget: \$116,400	Variance: (\$11,900)	(9.28%)
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## 24 Interest Municipal Cash and Investments

Current Budget: \$162,568	Forecast Budget: \$1,644,580	Variance: \$1,482,012	911.63%
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25 The full year Interest on Municipal Cash Investments has been forecast to be above the budget by \$1,482,012 (911.63%) due to the higher in investment rates achieved during the year and the higher available funds for investments.

## 26 Interest Restricted Cash Investments

Current Budget: \$1,317,456	Forecast Budget: \$2,045,492	Variance: \$728,036	55.26%
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27 The full year Interest on Restricted Cash Investments has been forecast to be above the budget by \$728,036 (55.26%). The variance is attributed to movements in restricted reserves and a higher balance in Restricted Cash Investments.

## 28 Reimbursements

Current Budget: \$2,053,456	Forecast Budget: \$2,508,075	Variance: \$454,619	22.14%
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29 The full year forecast for Reimbursements has been forecast to be \$454,619 (22.14%) above the budget of \$2,053,456. The primary variances are due to higher than budgeted income in the following areas:

- \$326k - Higher recoup from Baywaste Transfer Station operations (based on the level of expenditure);
- \$175k - Unbudgeted income from the insurance claims on Plant;
- \$15k - Higher recoup from Mathieson Rd Transfer Station operations (based on the level of expenditure);
- \$14k - Unbudgeted recoup of expenditure from Cleanaway; and
- This is offset by reimbursements lower than budget in the following areas:
- \$61k - Lower recoup relating to Bin Management on Regional Waste Collection Project; and
- \$25k - Lower recoup from Coppin Road Transfer Station including the CDS project operations (linked to the level of expenditure).

## 30 Other Income

Current Budget: \$4,050,005	Forecast Budget: \$4,330,218	Variance: \$280,213	6.92%
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## 31 Proceeds from Sale of Assets

Current Budget: \$325,000	Forecast Budget: \$140,591	Variance: (\$184,409)	(56.74%)
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32 The full year forecast for Proceeds from Sale of Assets of \$140,591 has been forecast to be \$184,409 (56.74%) below the budget of \$325,000. This variance relates to the timing on the disposal of fleet vehicles.

## Operating Expenditure

### 33 Salary Expenses

Current Budget: \$16,790,286	Forecast Budget: \$14,869,914	Variance: \$1,920,372	11.44%
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34 The full year forecast for Salary Expenses is below the annual budget by \$1,920,372 (11.44%). The variance is attributable to the timing of filling vacant positions and budgeted positions that will not to be filled by year end.

### 35 Contract Expenses

Current Budget: \$11,497,412	Forecast Budget: \$11,729,361	Variance: (\$231,949)	(2.02%)
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### 36 Material Expenses

Current Budget: \$2,064,709	Forecast Budget: \$1,931,219	Variance: \$133,490	6.47%
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### 37 Utility Expenses

Current Budget: \$514,621	Forecast Budget: \$535,884	Variance: (\$21,263)	(4.13%)
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### 38 Fuel Expenses

Current Budget: \$1,989,418	Forecast Budget: \$1,988,560	Variance: \$858	0.04%
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### 39 Interest Expenses

Current Budget: \$0	Forecast Budget: \$280,254	Variance: (\$280,254)	N/A
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40 The full year forecast for Interest Expenses is \$280,254 above the budget. The variance is attributable to the adjustment in the estimated unwinding of discount on Post Closure and Site Rehabilitation Provisions in response to the change in the Consumer Price Index (CPI).

### 41 Insurance Expenses

Current Budget: \$610,639	Forecast Budget: \$849,678	Variance: (\$239,039)	(39.15%)
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42 The full year forecast for Insurance Expenses is \$239,039 above the budget of \$610,639. The variance is due to an additional insurance premium required for Waste Transfer Station.

### 43 Depreciation Expenses

Current Budget: \$5,462,583	Forecast Budget: \$5,825,271	Variance: (\$362,688)	(6.64%)
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### 44 Miscellaneous Expenses (excluding Landfill Levy expenses)

Current Budget: \$11,180,783	Forecast Budget: \$1,775,194	Variance: \$9,405,589	84.12%
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45 The full year forecast for Miscellaneous Expenses has been forecast to be \$9,405,589 (84.12%) below the budget of \$11,180,783. The principal variances are due to lower than budgeted expenditure in the following areas:

- Disposal charges associated with the East Rockingham Waste to Energy Project (ERWTE) by \$8.99m;
- Software acquisition expenses by \$148k due to the requirements of new system are not essential to our current operations;
- Council rates and charges expenses by \$53k;
- Airfare and travel expenses by \$49k;
- Accommodation and meal expenses by \$39k; and
- Internet service provider expenses by \$51k.
- This is offset by Miscellaneous Expenses higher than budget in the following areas:
- Membership and subscription expenses of \$18k.

#### 46 **Provision Expenses**

Current Budget: \$617,260	Forecast Budget: \$2,404,634	Variance: (\$1,787,374)	(289.57%)
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47 The variance relates to the adjustment in the estimated of future value of Post Closure and Site Rehabilitation Provisions in response to the change in the Consumer Price Index (CPI) and the updated costs following the recent review.

#### 48 **Carrying Amount of Assets Disposed Of**

Current Budget: \$251,761	Forecast Budget: \$180,615	Variance: \$71,146	28.26%
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49 The full year forecast for Carrying Amount of Assets Disposal of \$180,615 has been forecast to be \$71,146 (28.26%) below the budget of \$251,761. This variance relates to the timing on the disposal of fleet vehicles.

#### 50 **Revaluation of Assets/Accumulated Depreciation Reversal**

Current Budget: \$0	Forecast Budget: \$12,238,929	Variance: (\$12,238,929)	N/A
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51 The full year forecast for Revaluation of Assets/Accumulated Depreciation Reversal is \$12,238,929 above the budget. The variance is attributable to the adjustment in the estimated costs on Post Closure and Site Rehabilitation Provisions following the recent review in accordance with the 4 year cycle as adopted by the Council. The last review was undertaken in 2020/2021 and will be the subject of the separate report going to Council in March 2025 round of meetings.

#### **Capital Expenditure**

Current Budget: \$28,834,724	Forecast Budget: \$14,731,137	Variance: \$14,103,587	48.91%
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52 The Capital Expenditure budgets as at year end have been reviewed throughout the year and in particular as part of the half year budget review undertaken during January/February 2025 in order to reflect the actual timing of various projects and match expenditure requirements in relation to tonnage forecasts.

53 Full Year Capital Expenditure has been forecast to be \$14,103,587 (48.91%) below the budget of \$28,834,724.

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

- Air Pollution Control Residue Facility and Plant (APCR) – RHWMF - \$3,927,815 (c/fwd);
- Construct Class III Cell Stage 18 – RHWMF - \$2,150,000 (c/fwd);
- Install Power Supply to Lots 8 9 & 10 – RHWMF - \$1,500,000 (c/fwd);
- Purchase / Replace Plant – HRRP - \$1,199,749 (c/fwd);
- Air Pollution Control Residue Facility (APCR) Plant & Equipment – RHWMF - \$1,074,000 (c/fwd);
- Purchase Evaporators - Solar Generator – RHWMF - \$900,000 (c/fwd);
- Construct Wood Waste to Energy Dry Char Storage Facility – HRRP - \$520,000;
- Regional Waste Collection Project - Bulk Verge for Bassendean and Mundaring – HRRP - \$510,000;
- Construct Leachate and Stormwaste Infrastructure and Siltation Ponds – RHWMF - \$475,000 (c/fwd);
- Construct Access Road to Lots 8 9 10 – RHWMF - \$330,000 (c/fwd);
- Purchase Wheel Wash – RHWMF - \$250,000;
- Purchase Vehicles - Ascot Place (Electric Vehicles) - \$250,000;
- Construct Roads / Carparks – RHWMF - \$250,000 (c/fwd);
- Purchase Information Technology & Communication Equipment - \$237,000 (c/fwd);
- Construct Waste Management Facility Buildings – RHWMF - \$220,000;
- Construct Drainage Works to Lots 8 9 10 – RHWMF - \$213,969 (c/fwd);
- Purchase Wood Waste to Energy Plant & Equipment – HRRP - \$200,000 (c/fwd);
- Wood Waste to Energy Utilities/Infrastructure – HRRP - \$200,000 (c/fwd);
- Implementation of the FOGO Recovery Strategy - \$196,822;
- Purchase / Replace Minor Plant and Equipment – RHWMF - \$189,000;
- Regional Waste Collection Project - Plant Purchases – HRRP - \$173,246;
- Design and Construct Air Pollution Control Residue Facility (APCR) Monocell – RHWMF - \$150,000 (c/fwd);
- Construct New Power Station – RHWMF - \$150,000 (c/fwd);
- Wood Waste to Energy Plant - Fire Protection – HRRP - \$150,000 (c/fwd);
- Purchase / Replace Vehicles – RHWMF - \$142,530 (c/fwd);
- Construct Waste Transfer Station – HRRP - \$130,000;
- Purchase Gas Analyser (Methane) – RHWMF - \$100,000;
- Red Hill Project - Others/ Emergency - \$100,000;
- Noise Barrier for Hammer Mill – HRRP - \$100,000 (c/fwd);
- Develop Lots 8 9 & 10 For Future Waste Activities) – RHWMF - \$100,000 (c/fwd);
- Construct Drainage Diversion and Earthworks Infrastructures – RHWMF - \$100,000 (c/fwd); and
- Construct Monitoring Bores – RHWMF - \$99,300 (c/fwd).

- 55 This is offset by an increase in the following Capital Expenditure budget provision (including new projects) following a review of the capital expenditure program:
- Construct Class III Cell Stage 17 – RHWMF - \$1,676,412;
- 56 At its meeting on 22 February 2024, Council approved additional budget funding for the construction of Stage 17 landfill cell. The full approved fund was not spent by the end of 2023/2024 and the remaining amount has been carried forward as an adjustment in 2024/2025 forecast.
- Purchase / Replace Plant – RHWMF - \$251,328;
- 57 The delivery of landfill compactor was delayed until 2024/2025 and the cost that was budgeted in 2023/2024 is required to be carried forward as an adjustment in 2024/2025 forecast.
- Gas Extraction System Wells – RHWMF - \$200,000;
- 58 The further funds are required due to the additional waste tonnages received at Red Hill. As a result, the cell has been completed earlier than expected which includes gas well installation.
- Construct Wheel Wash Bath – RHWMF - \$200,000;
- 59 The fund for Construct Wheel Wash Bath was budgeted under an account for Purchase Wheel Wash. However, once the installation was completed, the asset was reclassified as infrastructure.
- Purchase / Replace Other Equipment – RHWMF - \$139,000; and
- 60 The upgrade work to the electrical switch board of the main leachate pond was delayed until July 2024; therefore, the cost that was budgeted in 2023/2024 is required to be carried forward as an adjustment in 2024/2025 forecast.
- Sewer Line connection to Talloman – HRRP - \$120,000.
- 61 The remaining work for the sewer line connection has continued into 2024/2025 due to the delay from the supplier. Therefore, the cost that was budgeted in 2023/2024 is required to be carried forward as an adjustment in 2024/2025 forecast.

### STRATEGIC/POLICY IMPLICATIONS

- 62 Reporting on EMRC Strategic Policy implications align with the revised Strategic Plan 2017 - 2027 and the Sustainability Strategy.

### FINANCIAL IMPLICATIONS

- 63 As detailed in the report.

### SUSTAINABILITY IMPLICATIONS

- 64 Nil



## RISK MANAGEMENT

### Risk – Non-Compliance with Financial Regulations

Consequence	Likelihood	Rating
Moderate	Unlikely	Moderate
Action/Strategy		
<ul style="list-style-type: none"> <li>➤ The financial report is scrutinised by the EMRC Council to ensure that all statutory requirements are met.</li> <li>➤ Internal Audit reviews to ensure compliance with Financial Regulations.</li> <li>➤ External Audit confirms compliance.</li> </ul>		

### MEMBER COUNCIL IMPLICATIONS

#### Member Council

Town of Bassendean

City of Bayswater

Shire of Mundaring

City of Swan

#### Implication Details

As outlined in the report.

### ATTACHMENT(S)

1. Statement of Comprehensive Income by Nature and Type (D2025/04358)
2. Capital Expenditure Statement (D2025/04359)
3. Statement of Financial Position (D2025/04360)
4. Statement of Cash and Investments (D2025/04362)
5. Statement of Financial Activity (D2024/04363)

### VOTING REQUIREMENT

Absolute Majority

### RECOMMENDATION(S)

That Council, by absolute majority in accordance with r.33A of the *Local Government (Financial Management) Regulations 1996*, adopts the review of the 2024/2025 budget and approves its submission to the Department of Local Government, Sport and Cultural Industries within 14 days.

The CEO provided a presentation on the Half Year Budget review and discussion ensued.



#### AC RECOMMENDATION(S)

MOVED CR PIFFARETTI

SECONDED CR POLIWKA

That Council, by absolute majority in accordance with r.33A of the *Local Government (Financial Management) Regulations 1996*, adopts the review of the 2024/2025 budget and approves its submission to the Department of Local Government, Sport and Cultural Industries within 14 days.

**CARRIED UNANIMOUSLY**

#### COUNCIL RESOLUTION(S)

MOVED

SECONDED



# STATEMENT OF COMPREHENSIVE INCOME

## Nature and Type

Year to Date			January 2025		Full Year		
Actual	Budget	Variance			Forecast	Budget	Variance
<b>Operating Income</b>							
\$36,150,266	\$35,816,090	\$334,176	(F)	User Charges	\$58,945,349	\$61,982,317	(\$3,036,968) (U)
(\$14,406,272)	(\$11,883,018)	(\$2,523,254)	(U)	<u>Less</u> Landfill Levy Charges	(\$24,438,138)	(\$19,191,980)	(\$5,246,158) (U)
\$21,743,994	\$23,933,072	(\$2,189,078)	(U)	Net User Charges	\$34,507,211	\$42,790,337	(\$8,283,126) (U)
\$472,142	\$515,326	(\$43,184)	(U)	Special Charges	\$703,200	\$833,406	(\$130,206) (U)
\$619,322	\$873,077	(\$253,755)	(U)	Secondary Waste Charge	\$619,323	\$1,181,382	(\$562,059) (U)
\$83,104	\$83,726	(\$622)	(U)	Contributions	\$83,128	\$88,726	(\$5,598) (U)
\$9,000	\$10,000	(\$1,000)	(U)	Operating Grants	\$116,400	\$128,300	(\$11,900) (U)
\$1,344,805	\$94,822	\$1,249,983	(F)	Interest Municipal Cash Investments	\$1,644,580	\$162,568	\$1,482,012 (F)
\$1,028,954	\$768,481	\$260,473	(F)	Interest Restricted Cash Investments	\$2,045,492	\$1,317,456	\$728,036 (F)
\$1,317,822	\$1,197,812	\$120,010	(F)	Reimbursements	\$2,508,075	\$2,053,456	\$454,619 (F)
\$2,474,325	\$1,787,026	\$687,299	(F)	Other	\$4,330,218	\$4,050,005	\$280,213 (F)
\$140,591	\$157,244	(\$16,653)	(U)	Proceeds from Sale of Assets	\$140,591	\$325,000	(\$184,409) (U)
<b>\$29,234,059</b>	<b>\$29,420,586</b>	<b>(\$186,527)</b>	<b>(U)</b>	<b>Total Operating Income</b>	<b>\$46,698,218</b>	<b>\$52,930,636</b>	<b>(\$6,232,418) (U)</b>
<b>Operating Expenditure</b>							
\$8,671,713	\$9,685,064	\$1,013,351	(F)	Salary Expenses	\$14,869,914	\$16,790,286	\$1,920,372 (F)
\$5,582,327	\$6,639,908	\$1,057,581	(F)	Contract Expenses	\$11,729,361	\$11,497,412	(\$231,949) (U)
\$943,290	\$1,158,428	\$215,138	(F)	Material Expenses	\$1,931,219	\$2,064,709	\$133,490 (F)
\$260,415	\$292,940	\$32,525	(F)	Utility Expenses	\$535,884	\$514,621	(\$21,263) (U)
\$953,525	\$1,156,288	\$202,763	(F)	Fuel Expenses	\$1,988,560	\$1,989,418	\$858 (F)
\$0	\$0	\$0	(F)	Interest Expenses	\$280,254	\$0	(\$280,254) (U)
\$477,363	\$354,445	(\$122,918)	(U)	Insurance Expenses	\$849,678	\$610,639	(\$239,039) (U)
\$3,546,516	\$3,186,302	(\$360,214)	(U)	Depreciation Expenses	\$5,825,271	\$5,462,583	(\$362,688) (U)
\$940,321	\$1,714,574	\$774,253	(F)	Miscellaneous Expenses	\$1,775,194	\$11,180,783	\$9,405,589 (F)
\$1,008,023	\$340,522	(\$667,501)	(U)	Provision Expenses	\$2,404,634	\$617,260	(\$1,787,374) (U)
(\$845)	(\$611)	\$234	(F)	Costs Allocated	\$0	\$0	\$0 (F)
\$180,614	\$190,935	\$10,321	(F)	Carrying Amount of Assets Disposed Of	\$180,615	\$251,761	\$71,146 (F)
<b>\$22,563,262</b>	<b>\$24,718,795</b>	<b>\$2,155,533</b>	<b>(F)</b>	<b>Total Operating Expenditure</b>	<b>\$42,370,584</b>	<b>\$50,979,472</b>	<b>\$8,608,888 (F)</b>
<b>\$6,670,797</b>	<b>\$4,701,791</b>	<b>\$1,969,006</b>	<b>(F)</b>	<b>NET RESULT BEFORE OTHER COMPREHENSIVE INCOME</b>	<b>\$4,327,634</b>	<b>\$1,951,164</b>	<b>\$2,376,470 (F)</b>
Surplus	Surplus				Surplus	Surplus	
<b>Other Comprehensive Income</b>							
\$0	\$0	\$0	(F)	Revaluation of Assets/Accumulated Depreciation Reversal	(\$12,238,929)	\$0	(\$12,238,929) (U)
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(F)</b>	<b>Total Other Comprehensive Income</b>	<b>(\$12,238,929)</b>	<b>\$0</b>	<b>(\$12,238,929) (U)</b>
<b>\$6,670,797</b>	<b>\$4,701,791</b>	<b>\$1,969,006</b>	<b>(F)</b>	<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>(\$7,911,295)</b>	<b>\$1,951,164</b>	<b>(\$9,862,459) (U)</b>
Surplus	Surplus				Deficit	Surplus	

### Notes:

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

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



CAPITAL EXPENDITURE STATEMENT

JANUARY 2025

Year to Date			On Order	Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance	
CEO's Team							
\$5,668	\$43,750	\$38,082	\$49,475	Purchase Information Technology & Communication Equipment - Councillors ( 24550/01 )	\$60,000	\$75,000	\$15,000
\$5,668	\$43,750	\$38,082	\$49,475		\$60,000	\$75,000	\$15,000



# CAPITAL EXPENDITURE STATEMENT

JANUARY 2025

Year to Date			On Order	Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance	
Business Support							
\$15,429	\$31,262	\$15,833	\$0	Extend Ascot PV & EV Charging ( 24399/28 )	\$15,430	\$53,603	\$38,173
\$110,066	\$79,331	(\$30,735)	\$0	Purchase Vehicles - Ascot Place ( 24440/00 )	\$110,067	\$136,000	\$25,933
\$0	\$145,831	\$145,831	\$0	Purchase Vehicles - Ascot Place (Electric Vehicles) ( 24440/01 )	\$0	\$250,000	\$250,000
\$0	\$5,831	\$5,831	\$0	Purchase Furniture Fittings & Equipment - Corporate Services ( 24510/01 )	\$5,000	\$10,000	\$5,000
\$0	\$228,662	\$228,662	\$0	Purchase Information Technology & Communication Equipment ( 24550/00 )	\$155,000	\$392,000	\$237,000
\$0	\$11,662	\$11,662	\$0	Capital Improvement Administration Building - Ascot Place ( 25240/01 )	\$20,000	\$20,000	\$0
\$0	\$3,003	\$3,003	\$0	Upgrade Security Equipment - Ascot Place ( 25530/01 )	\$5,150	\$5,150	\$0
\$125,495	\$505,582	\$380,087	\$0		\$310,647	\$866,753	\$556,106



# CAPITAL EXPENDITURE STATEMENT

JANUARY 2025

Year to Date			On Order	Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance	
Operations Team							
\$0	\$145,831	\$145,831	\$0	Construct Waste Management Facility Buildings - Red Hill Landfill Facility ( 24250/01 )	\$30,000	\$250,000	\$220,000
\$354,800	\$764,330	\$409,530	\$615,919	Construct Wood Waste to Energy Building - HRRP ( 24259/05 )	\$894,300	\$1,310,291	\$415,991
\$0	\$17,500	\$17,500	\$0	Construct Community Recycling Centre (CRC) - HRRP ( 24259/06 )	\$0	\$30,000	\$30,000
\$50,949	\$175,000	\$124,051	\$58,874	Construct Waste Transfer Station - HRRP ( 24259/10 )	\$170,000	\$300,000	\$130,000
\$0	\$5,831	\$5,831	\$0	Construct Weighbridge Office - Hazelmere ( 24259/12 )	\$0	\$10,000	\$10,000
\$5,274	\$0	(\$5,274)	\$0	Construct Site Workshop - Hazelmere ( 24259/13 )	\$5,275	\$0	(\$5,275)
\$0	\$58,331	\$58,331	\$0	Upgrade Power Supply to Workshop No 2 - Red Hill Landfill Facility ( 24259/15 )	\$100,000	\$100,000	\$0
(\$236)	\$875,000	\$875,236	\$12,000	Install Power Supply to Lots 8 9 & 10 - Red Hill Landfill Facility ( 24259/16 )	\$0	\$1,500,000	\$1,500,000
\$0	\$0	\$0	\$0	Construct Wood Waste to Energy Building (Commissioning) - HRRP ( 24259/18 )	\$0	\$0	\$0
\$0	\$303,331	\$303,331	\$0	Construct Wood Waste to Energy Dry Char Storage Facility - HRRP ( 24259/19 )	\$0	\$520,000	\$520,000
\$0	\$175,000	\$175,000	\$0	Wood Waste to Energy Plant - Fire Protection - HRRP ( 24259/22 )	\$150,000	\$300,000	\$150,000
\$0	\$87,500	\$87,500	\$0	Construct New Power Station - Redhill Landfill Facility ( 24259/23 )	\$0	\$150,000	\$150,000
\$1,623,590	\$0	(\$1,623,590)	\$75,290	Construct Class III Cell Stage 17 - Red Hill Landfill Facility ( 24310/21 )	\$1,676,412	\$0	(\$1,676,412)

# CAPITAL EXPENDITURE STATEMENT

JANUARY 2025

Year to Date			On Order		Full Year		
Actual	Budget	Variance			Forecast	Budget	Variance
Operations Team							
\$310,503	\$3,295,831	\$2,985,328	\$4,078,316	Construct Class III Cell Stage 18 - Red Hill Landfill Facility ( 24310/22 )	\$3,500,000	\$5,650,000	\$2,150,000
\$0	\$0	\$0	\$0	Construct Class III Cell Stage 19 - Red Hill Landfill Facility ( 24310/23 )	\$50,000	\$0	(\$50,000)
\$0	\$0	\$0	\$0	Construct Class III Cell Stage 20 - Red Hill Landfill Facility ( 24310/24 )	\$50,000	\$0	(\$50,000)
\$0	\$58,331	\$58,331	\$0	Design and Construct Class IV Cell Stage 2 - Red Hill Landfill Facility ( 24330/04 )	\$100,000	\$100,000	\$0
\$49,778	\$87,500	\$37,723	\$660	Design and Construct Class IV Cell Stage 3 - Red Hill Landfill Facility ( 24330/05 )	\$150,000	\$150,000	\$0
\$0	\$277,081	\$277,081	\$0	Construct Leachate and Stormwaste Infrastructure and Siltation Ponds - Red Hill Landfill Facility ( 24350/01 )	\$0	\$475,000	\$475,000
\$218	\$0	(\$218)	\$0	Leachate Pond Deepening - Red Hill Landfill Facility ( 24350/02 )	\$218	\$0	(\$218)
\$0	\$145,831	\$145,831	\$0	Construct Roads / Carparks - Red Hill Landfill Facility ( 24370/00 )	\$0	\$250,000	\$250,000
\$0	\$192,500	\$192,500	\$0	Construct Access Road to Lots 8 9 10 - Red Hill Landfill Facility ( 24370/02 )	\$0	\$330,000	\$330,000
\$0	\$58,331	\$58,331	\$0	Construct Drainage Diversion and Earthworks Infrastructures - Red Hill Landfill Facility ( 24380/00 )	\$0	\$100,000	\$100,000
\$6,031	\$128,324	\$122,293	\$13,469	Construct Drainage Works to Lots 8 9 10 - Red Hill Landfill Facility ( 24380/01 )	\$6,031	\$220,000	\$213,969
\$0	\$17,500	\$17,500	\$18,466	Construct Litter Fence - Redhill Landfill Facility ( 24394/05 )	\$30,000	\$30,000	\$0
\$9,550	\$449,162	\$439,612	\$0	Construct FOGO Processing Area - Red Hill Landfill Facility ( 24395/05 )	\$770,000	\$770,000	\$0

# CAPITAL EXPENDITURE STATEMENT

JANUARY 2025

Year to Date			On Order	Full Year		
Actual	Budget	Variance		Forecast	Budget	Variance
Operations Team						
\$0	\$23,324	\$23,324	\$0	Undertake FOGO Reference Site Tours ( 24395/06 )	\$0	\$40,000 \$40,000
\$3,628	\$122,493	\$118,865	\$917	Implementation of the FOGO Recovery Strategy ( 24395/07 )	\$13,178	\$210,000 \$196,822
\$167,172	\$148,225	(\$18,947)	\$0	FOGO Picking Station - Red Hill Landfill Facility ( 24395/11 )	\$254,105	\$254,105 \$0
\$700	\$58,331	\$57,631	\$0	Construct Monitoring Bores - Red Hill Landfill Facility ( 24396/00 )	\$700	\$100,000 \$99,300
\$27,146	\$58,331	\$31,185	\$16,837	Project & Engineering Hazelmere - Construct Other ( 24399/03 )	\$75,000	\$100,000 \$25,000
\$0	\$29,162	\$29,162	\$0	Construct Storage Bunkers for Wood Fines (QA process) - Hazelmere ( 24399/09 )	\$50,000	\$50,000 \$0
(\$5,733)	\$116,662	\$122,395	\$45,218	Air Supply lines - Waste Management Structures - Red Hill Landfill Facility ( 24399/10 )	\$200,000	\$200,000 \$0
\$206,212	\$350,000	\$143,788	\$0	Wood Waste to Energy Utilities/Infrastructure - HRRP ( 24399/11 )	\$400,000	\$600,000 \$200,000
\$0	\$58,331	\$58,331	\$0	Develop Lots 8 9 & 10 For Future Waste Activities - Red Hill Landfill Facility ( 24399/19 )	\$0	\$100,000 \$100,000
\$0	\$291,662	\$291,662	\$0	Gas Extraction System Wells - Red Hill Landfill Facility ( 24399/20 )	\$700,000	\$500,000 (\$200,000)
\$0	\$2,291,219	\$2,291,219	\$0	Air Pollution Control Residue Facility (APCR) - Red Hill Landfill Facility ( 24399/21 )	\$0	\$3,927,815 \$3,927,815
\$0	\$58,331	\$58,331	\$0	Noise Barrier for Hammer Mill - HRRP ( 24399/26 )	\$0	\$100,000 \$100,000
\$56,279	\$0	(\$56,279)	\$0	Sewer Line connection to Talloman - HRRP ( 24399/30 )	\$120,000	\$0 (\$120,000)
\$0	\$58,331	\$58,331	\$0	Red Hill Project - Others/ Emergency ( 24399/31 )	\$0	\$100,000 \$100,000



# CAPITAL EXPENDITURE STATEMENT

JANUARY 2025

Year to Date			On Order	Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance	
Operations Team							
\$0	\$87,500	\$87,500	\$0	Design and Construct Air Pollution Control Residue Facility (APCR) Monocell - Red Hill Landfill Faci ( 24399/32 )	\$0	\$150,000	\$150,000
\$144,869	\$0	(\$144,869)	\$0	Construct Wheel wash Bath - Red Hill Landfill Facility ( 24399/33 )	\$200,000	\$0	(\$200,000)
\$1,951,327	\$991,662	(\$959,665)	\$0	Purchase / Replace Plant - Red Hill Landfill Facility ( 24410/00 )	\$1,951,328	\$1,700,000	(\$251,328)
\$343,212	\$1,382,360	\$1,039,148	\$363,983	Purchase / Replace Plant - Hazelmere ( 24410/01 )	\$1,170,011	\$2,369,760	\$1,199,749
\$1,434	\$192,500	\$191,066	\$0	Purchase Wood Waste to Energy Plant & Equipment - HRRP ( 24410/03 )	\$130,000	\$330,000	\$200,000
\$34,993	\$198,331	\$163,338	\$0	Purchase FOGO Processing Plant - Red Hill Landfill Facility ( 24410/10 )	\$420,458	\$340,000	(\$80,458)
\$6,754	\$105,000	\$98,246	\$0	Regional Waste Collection Project - Plant Purchases ( 24410/14 )	\$6,754	\$180,000	\$173,246
\$0	\$626,500	\$626,500	\$0	Air Pollution Control Residue Facility (APCR) Plant & Equipment - Red Hill Landfill Facility ( 24410/15 )	\$0	\$1,074,000	\$1,074,000
\$0	\$297,493	\$297,493	\$0	Regional Waste Collection Project - Bulk Verge for Bassendean and Mundaring ( 24410/16 )	\$0	\$510,000	\$510,000
\$154,054	\$199,500	\$45,446	\$0	Purchase / Replace Minor Plant and Equipment-Red Hill Landfill Facility ( 24420/00 )	\$153,000	\$342,000	\$189,000
(\$176)	\$19,831	\$20,007	\$3,914	Purchase / Replace Minor Plant and Equipment - Hazelmere ( 24420/02 )	\$117,000	\$34,000	(\$83,000)
\$0	\$145,831	\$145,831	\$0	Purchase Wheel Wash - Red Hill Landfill Facility ( 24420/08 )	\$0	\$250,000	\$250,000
\$146,466	\$168,581	\$22,115	\$0	Purchase / Replace Vehicles - Red Hill Landfill Facility ( 24430/00 )	\$146,470	\$289,000	\$142,530

# CAPITAL EXPENDITURE STATEMENT

JANUARY 2025

Year to Date			On Order	Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance	
Operations Team							
\$0	\$5,831	\$5,831	\$0	Purchase Fire Fighting System/Equipment - Hazelmere ( 24520/07 )	\$0	\$10,000	\$10,000
\$0	\$35,000	\$35,000	\$0	Purchase / Replace Security System - Red Hill Waste Management Facility ( 24530/08 )	\$60,000	\$60,000	\$0
\$0	\$3,500	\$3,500	\$0	Purchase Information Technology & Communication Equipment - Projects ( 24550/02 )	\$0	\$6,000	\$6,000
(\$5,274)	\$19,831	\$25,105	\$0	Purchase Information Technology & Communication Equipment - Hazelmere ( 24550/03 )	\$0	\$34,000	\$34,000
\$0	\$3,500	\$3,500	\$0	Purchase Information Technology & Communication Equipment - Red Hill Admin ( 24550/05 )	\$0	\$6,000	\$6,000
\$0	\$3,500	\$3,500	\$0	Purchase Information Technology & Communication Equipment - Red Hill Weighbridge ( 24550/06 )	\$0	\$6,000	\$6,000
\$215,807	\$58,331	(\$157,476)	\$0	Purchase / Replace Other Equipment - Red Hill Landfill Facility ( 24590/00 )	\$239,000	\$100,000	(\$139,000)
\$8,250	\$5,831	(\$2,419)	\$0	Purchase / Replace Miscellaneous Equipment - Hazelmere ( 24590/02 )	\$18,250	\$10,000	(\$8,250)
\$0	\$583,331	\$583,331	\$0	Purchase Evaporators - Solar Generator - Red Hill Landfill Facility ( 24590/12 )	\$100,000	\$1,000,000	\$900,000
\$0	\$58,331	\$58,331	\$0	Purchase Gas Analyser (Methane) - Redhill Landfill Facility ( 24590/13 )	\$0	\$100,000	\$100,000
\$0	\$2,912	\$2,912	\$0	Purchase Office Furniture and Fittings - Hazelmere Office ( 24610/10 )	\$0	\$5,000	\$5,000





# CAPITAL EXPENDITURE STATEMENT

JANUARY 2025

Year to Date			On Order	Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance	
Operations Team							
\$0	\$5,831	\$5,831	\$0	Purchase Furniture and Fittings - Hazelmere Workshop ( 24610/11 )	\$0	\$10,000	\$10,000
\$54,590	\$87,500	\$32,910	\$0	Refurbish Plant - Red Hill Landfill Facility ( 25410/00 )	\$153,000	\$150,000	(\$3,000)
\$5,922,165	\$16,270,765	\$10,348,600	\$5,303,863		\$14,360,490	\$27,892,971	\$13,532,481
\$6,053,329	\$16,820,097	\$10,766,768	\$5,353,339	TOTAL CAPITAL EXPENDITURE	\$14,731,137	\$28,834,724	\$14,103,587



## STATEMENT OF FINANCIAL POSITION

### JANUARY 2025

Actual June 2024	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
			Forecast	Budget	Variance
Current Assets					
\$27,350,538	\$3,379,984	Cash and Cash Equivalents	\$2,102,606	\$1,186,472	\$916,134 (F)
\$60,500,000	\$80,000,000	Investments	\$47,997,810	\$26,019,318	\$21,978,492 (F)
\$6,249,406	\$6,308,613	Trade and Other Receivables	\$2,988,058	\$2,988,058	\$0 (F)
\$133,919	\$147,120	Inventories	\$39,035	\$39,035	\$0 (F)
\$37,493	\$363,217	Other Assets	\$67,382	\$67,382	\$0 (F)
\$94,271,356	\$90,198,934	Total Current Assets	\$53,194,891	\$30,300,265	\$22,894,626 (F)
Current Liabilities					
\$19,582,923	\$8,176,650	Trade and Other Payables	\$6,201,968	\$6,201,968	\$0 (F)
\$21,000,517	\$53,699,962	Provisions*	\$34,405,634	\$2,009,781	(\$32,395,853) (U)
\$40,583,440	\$61,876,612	Total Current Liabilities	\$40,607,602	\$8,211,749	(\$32,395,853) (U)
\$53,687,916	\$28,322,322	Net Current Assets	\$12,587,289	\$22,088,516	(\$9,501,227) (U)
Non Current Assets					
\$47,850,257	\$47,850,257	Land	\$47,850,257	\$47,850,257	\$0 (F)
\$20,492,681	\$20,437,000	Buildings	\$31,413,070	\$34,189,308	(\$2,776,238) (U)
\$18,468,960	\$27,896,975	Structures	\$49,098,138	\$51,020,474	(\$1,922,336) (U)
\$15,494,923	\$15,842,611	Plant	\$23,434,576	\$26,422,357	(\$2,987,781) (U)
\$461,077	\$836,033	Equipment	\$2,946,283	\$3,935,059	(\$988,776) (U)
\$150,905	\$137,095	Furniture and Fittings	\$223,156	\$217,802	\$5,354 (F)
\$38,867,973	\$31,113,002	Work in Progress	\$11,811,411	\$17,536,763	(\$5,725,352) (U)
\$141,786,776	\$144,112,973	Total Non Current Assets	\$166,776,891	\$181,172,020	(\$14,395,129) (U)
Non Current Liabilities					
\$36,935,224	\$7,225,030	Provisions	\$23,809,023	\$42,625,314	\$18,816,291 (F)
\$36,935,224	\$7,225,030	Total Non Current Liabilities	\$23,809,023	\$42,625,314	\$18,816,291 (F)
\$158,539,468	\$165,210,265	Net Assets	\$155,555,157	\$160,635,222	(\$5,080,065) (U)
Equity					
\$58,805,378	\$75,389,318	Accumulated Surplus/Deficit	\$83,943,926	\$96,902,208	(\$12,958,282) (U)
\$37,597,986	\$37,597,986	Asset Revaluation Reserve	\$34,374,026	\$37,145,634	(\$2,771,608) (U)
\$45,552,164	\$45,552,164	Cash Backed Reserves	\$32,909,571	\$24,636,216	\$8,273,355 (F)
\$16,583,940	\$6,670,797	Net change in assets from operations	\$4,327,634	\$1,951,164	\$2,376,470 (F)
\$158,539,468	\$165,210,265	Total Equity	\$155,555,157	\$160,635,222	(\$5,080,065) (U)



## CASH AND INVESTMENTS

### JANUARY 2025

Actual June 2024	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year			
			Forecast	Budget	Variance	
Municipal Cash and Investments						
3,346,488	3,376,134	Cash at Bank - Municipal Fund 01001/00	1,653,228	737,094	916,134	(F)
4,050	3,850	Cash on Hand 01019/00 - 02	4,050	4,050	0	(F)
38,947,836	10,306,034	Investments - Municipal Fund 02021/00	15,533,567	1,182,422	14,351,145	(F)
42,298,374	13,686,018	Total Municipal Cash	17,190,845	1,923,566	15,267,279	(F)
Restricted Cash and Investments						
1,288,995	605,028	Restricted Investments - Plant and Equipment 02022/01	85,667	222,157	(136,490)	(U)
4,462,212	4,700,500	Restricted Investments - Post Closure Site Rehabilitation Red Hill 02022/02	4,519,723	4,282,467	237,256	(F)
6,682,929	100,336	Restricted Investments - Future Development 02022/03	3,166,304	735,590	2,430,714	(F)
2,065,084	2,175,362	Restricted Investments - Environmental Monitoring Red Hill 02022/04	2,095,557	1,985,756	109,801	(F)
4,573,220	5,394,736	Restricted Investments - Class IV Cells Red Hill 02022/07	848,974	463,756	385,218	(F)
10,312,670	6,724,231	Restricted Investments - Secondary Waste Processing 02022/09	1,541,952	8,810,577	(7,268,625)	(U)
1,208,713	673,437	Restricted Investments - Class III Cells 02022/10	1,854,648	2,152,501	(297,853)	(U)
5,762,984	6,070,735	Restricted Investments - EastLink Relocation 02022/13	1,187,712	4,864,418	(3,676,706)	(U)
8,036,861	21,028,724	Restricted Investments - Committed Funds 02022/14	10,544,468	544,468	10,000,000	(F)
0	21,000,517	Restricted Investments - Equity Reserve 02022/15	5,782,061	0	5,782,061	(F)
1,158,496	1,220,360	Restricted Investments - Long Service Leave 02022/90	1,282,505	1,220,534	61,971	(F)
45,552,164	69,693,966	Total Restricted Cash	32,909,571	25,282,224	7,627,347	(F)
87,850,538	83,379,984	TOTAL CASH AND INVESTMENTS	50,100,416	27,205,790	22,894,626	(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.



## STATEMENT OF FINANCIAL ACTIVITY

### January 2025

Year to Date				Full Year		
Actual	Budget	Variance		Forecast	Budget	Variance
(F) = Favourable variation (U) = Unfavourable variation						
<b>OPERATING ACTIVITIES</b>						
<b>Revenue from operating activities</b>						
\$37,241,730	\$37,204,493	\$37,237 (F)	Fees and charges	\$60,267,872	\$63,997,105	(\$3,729,233) (U)
\$1,409,926	\$1,291,538	\$118,388 (F)	Grants, subsidies and contributions	\$2,707,603	\$2,270,482	\$437,121 (F)
\$2,373,759	\$863,303	\$1,510,456 (F)	Interest revenue	\$3,690,072	\$1,480,024	\$2,210,048 (F)
\$2,474,325	\$1,787,026	\$687,299 (F)	Other revenue	\$4,330,218	\$4,050,005	\$280,213 (F)
\$140,591	\$157,244	(\$16,653) (U)	Profit on asset disposals	\$0	\$73,239	(\$73,239) (U)
<b>\$43,640,331</b>	<b>\$41,303,604</b>	<b>\$2,336,727 (F)</b>		<b>\$70,995,765</b>	<b>\$71,870,855</b>	<b>(\$875,090) (U)</b>
<b>Expenditure from operating activities</b>						
(\$8,671,713)	(\$9,685,064)	\$1,013,351 (F)	Employee costs	(\$14,869,914)	(\$16,790,286)	\$1,920,372 (F)
(\$6,525,617)	(\$7,798,336)	\$1,272,719 (F)	Materials and contracts	(\$13,660,580)	(\$13,562,121)	(\$98,459) (U)
(\$260,415)	(\$292,940)	\$32,525 (F)	Utility charges	(\$535,884)	(\$514,621)	(\$21,263) (U)
(\$3,546,516)	(\$3,186,302)	(\$360,214) (U)	Depreciation	(\$5,825,271)	(\$5,462,583)	(\$362,688) (U)
\$0	\$0	\$0 (F)	Finance costs	(\$280,254)	\$0	(\$280,254) (U)
(\$477,363)	(\$354,445)	(\$122,918) (U)	Insurance	(\$849,678)	(\$610,639)	(\$239,039) (U)
(\$17,307,296)	(\$15,093,791)	(\$2,213,505) (U)	Other expenditure	(\$30,606,526)	(\$32,979,441)	\$2,372,915 (F)
(\$180,614)	(\$190,935)	\$10,321 (F)	Loss on asset disposals	(\$40,024)	\$0	(\$40,024) (U)
<b>(\$36,969,534)</b>	<b>(\$36,601,813)</b>	<b>(\$2,686,316) (U)</b>		<b>(\$66,668,131)</b>	<b>(\$69,919,691)</b>	<b>\$1,450,910 (F)</b>
\$4,594,567	\$5,013	\$4,589,554 (F)	Non-cash amounts excluded from operating activities	(\$14,064,919)	\$6,006,604	(\$20,071,523) (U)
<b>\$11,265,364</b>	<b>\$4,706,804</b>	<b>\$4,239,965 (F)</b>	<b>Amount attributable to operating activities</b>	<b>(\$9,737,285)</b>	<b>\$7,957,768</b>	<b>(\$19,495,703) (U)</b>
<b>INVESTING ACTIVITIES</b>						
<b>Inflows from investing activities</b>						
\$140,591	\$157,244	(\$16,653) (U)	Proceeds from disposal of assets	\$140,591	\$325,000	(\$184,409) (U)
<b>\$140,591</b>	<b>\$157,244</b>	<b>(\$16,653) (U)</b>		<b>\$140,591</b>	<b>\$325,000</b>	<b>(\$184,409) (U)</b>
<b>Outflows from investing activities</b>						
(\$3,383,366)	(\$8,326,584)	\$4,943,218 (F)	Purchase of property, plant and equipment	(\$8,330,324)	(\$14,274,201)	\$5,943,877 (F)
(\$2,669,965)	(\$8,493,618)	\$5,823,653 (F)	Purchase and construction of infrastructure	(\$12,126,165)	(\$14,560,523)	\$2,434,358 (F)
<b>(\$6,053,332)</b>	<b>(\$16,820,202)</b>	<b>\$10,766,870 (F)</b>		<b>(\$20,456,489)</b>	<b>(\$28,834,724)</b>	<b>\$8,378,235 (F)</b>
<b>(\$5,912,741)</b>	<b>(\$16,662,958)</b>	<b>\$10,750,217 (F)</b>	<b>Amount attributable to investing activities</b>	<b>(\$20,315,898)</b>	<b>(\$28,509,724)</b>	<b>\$8,193,826 (F)</b>
<b>FINANCING ACTIVITIES</b>						
<b>Inflows from financing activities</b>						
\$13,474,190	\$5,693,905	\$7,780,285 (F)	Transfers from reserve accounts	\$18,644,153	\$9,761,029	\$8,883,124 (F)
<b>\$13,474,190</b>	<b>\$5,693,905</b>	<b>\$7,780,285 (F)</b>		<b>\$18,644,153</b>	<b>\$9,761,029</b>	<b>\$8,883,124 (F)</b>
<b>Outflows from financing activities</b>						
(\$37,615,994)	(\$2,771,356)	(\$34,844,638) (U)	Transfers to reserve accounts	(\$21,261,458)	(\$4,750,987)	(\$16,510,471) (U)
<b>(\$37,615,994)</b>	<b>(\$2,771,356)</b>	<b>(\$34,844,638) (U)</b>		<b>(\$21,261,458)</b>	<b>(\$4,750,987)</b>	<b>(\$16,510,471) (U)</b>
<b>(\$24,141,803)</b>	<b>\$2,922,549</b>	<b>(\$27,064,352) (U)</b>	<b>Amount attributable to financing activities</b>	<b>(\$2,617,305)</b>	<b>\$5,010,042</b>	<b>(\$7,627,347) (U)</b>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>						
\$8,135,751	\$12,348,206	(\$4,212,455) (U)	<b>Surplus or deficit at the start of the financial year</b>	\$12,348,206	\$12,348,206	\$0 (F)
\$11,265,364	\$4,706,804	\$6,558,560 (F)	Amount attributable to operating activities	(\$9,737,285)	\$7,957,768	(\$17,695,053) (U)
(\$5,912,741)	(\$16,662,958)	\$10,750,217 (F)	Amount attributable to investing activities	(\$20,315,898)	(\$28,509,724)	\$8,193,826 (F)
(\$24,141,803)	\$2,922,549	(\$27,064,352) (U)	Amount attributable to financing activities	(\$2,617,305)	\$5,010,042	(\$7,627,347) (U)
<b>(\$10,653,429)</b>	<b>\$3,314,601</b>	<b>(\$13,968,030) (U)</b>	<b>Surplus or deficit after imposition of general rates</b>	<b>(\$20,322,282)</b>	<b>(\$3,193,708)</b>	<b>(\$17,128,574) (U)</b>

## **12.3 RISK MANAGEMENT UPDATE**

**D2025/03732**

### **PURPOSE OF REPORT**

The purpose of this report is to provide Council with an update on the EMRC's risk management profile.

### **KEY POINT(S)**

- Sound corporate governance requires an integrated risk management approach including management processes, strategic planning, reporting and performance management.
- In accordance with the Risk Management Framework, an overview of the management of risk is reported approximately 3 – 4 times a year to the Audit Committee.

### **RECOMMENDATION(S)**

That Council notes the update on the status of the Council's risk management profile.

### **SOURCE OF REPORT**

Chief Financial Officer

### **BACKGROUND**

- 1 At the Ordinary Council meeting on 22 August 2024 it was resolved inter alia that (D2024/21002):
  - 2 *COUNCIL ADOPTS THE COUNCIL POLICY 7.1 - RISK MANAGEMENT AS REVIEWED AND AMENDED FORMING ATTACHMENT 5 TO THIS REPORT.*
- 2 The EMRC has quantified its broad risk appetite through the EMRC's risk assessment and acceptance criteria. The criteria are included within the EMRC's Risk Management Policy, Risk Management Framework and the Risk Appetite Statement.
- 3 The EMRC continues to monitor and review process and to report on the progress of its achievement of the risk management objectives, the management of individual risks and the ongoing identification of issues and trends.
- 4 The last risk performance objectives were reported to the Audit Committee and Council in October 2024 (D2024/24989).

### **REPORT**

- 5 The EMRC's Risk Management Framework provides the guidance to integrate risk management into significant activities and functions performed by the EMRC and supporting the EMRC's ability to use risk management as part of the decision-making processes.
- 6 The current EMRC risk appetite accepts the taking of controlled risks, the use of innovative approaches and the development of new opportunities to improve service delivery and to achieve EMRC objectives provided that the risks are properly identified, evaluated and managed to ensure that any exposures are acceptable.
- 7 The current risk management profile (heat map report), forming attachment 1 to this report, is a heat map report generated using the CAMMS risk software and shows all the EMRC's strategic risks. The heat map offers a visualised, comprehensive view of the likelihood and impact of the EMRC's strategic risks and helps the organisation improve its risk management and risk governance by prioritising risk management efforts.

- 8 The table below summarises the current risk management update associated with all the EMRC's strategic risks that are included in the attachment to this report.

Risk Code	Risk Title	Risk Owner	Risk Status Update
SR-1	Excessive Employee Benefits leave liability	Chief Executive Officer	Introduced Competency Framework Management Guideline, monthly Executive Leadership Team reporting and included this into performance reviews.
SR-2	Inadequate succession planning	Chief Executive Officer	Annual succession planning workshop scheduled undertaken in November 2024. Internal promotions have increased.
SR-3	Ineffective Operational Reporting (timely and relevant)	Chief Operating Officer	All reports are effective with clear KPI's. The effectiveness of the reports is tested regularly.
SR-4	Over-use of single-source suppliers	Chief Financial Officer	On-going review is undertaken by the Operations and Procurement Teams. Where possible, the EMRC will also include the use of WALGA Panel of suppliers to reduce over-reliance on single-source suppliers.
SR-5	Legacy issues restricting innovation and performance	Chief Executive Officer	Business improvement is now an agenda item at monthly Executive Leadership Team meetings. New revenue and value add to member councils observing budget restraints are mainstream now.
SR-6	Under/poor performance	Chief Executive Officer	Performance management system is undertaken on ongoing basis and poor performance is dealt with on a case-by-case basis.
SR-7	Reduced Grant Funding	Chief Sustainability Officer	All opportunities are explored to secure external funding and deliver quality programs to member councils and continue regional advocacy.
SR-8	Inadequate leachate control	Chief Operating Officer	Leachate controls put in place are deemed adequate. The leachate ponds are monitored on a daily basis. All inspections and controls are in place. The deepening of the second main leachate pond provides additional storage capacity. Minor decrease in risk.

Risk Code	Risk Title	Risk Owner	Risk Status Update
SR-9	Odour, noise, dust and traffic complaints	Chief Operating Officer	Internal processes that allow neighbours and others to report on any of these issues. All complaints are acted on within a timely manner and signed off by both the Site Manager and Chief Operating Officer and filed in accordance with EMRC's internal requirements. Some improvements to FOGO processing have reduced odour issues which has decreased the risk of these complaints.
SR-10	WWTE (Pyrolysis) Project underperformance	Chief Operating Officer	Project now managed by EMRC WWTE Project Manager. Stage 1 & 2 'Construction' is complete. Verification of instrumentation completed. Tender for commissioning of Stage 1 & 2 awarded and commenced September 2024.
SR-11	Fire in operational sites	Chief Operating Officer	All inductions and internal processes are adequate to manage all EMRC sites in the unlikely event of a fire on site. This includes all reporting requirements.
SR-12	By-passing established Tender or Procurement procedures	Chief Financial Officer	An online training for procurement procedures has been effective in ensure a minimum level of understanding and knowledge of statutory requirements. Audit reviews have also been undertaken to ensure compliance and that best practice principles are maintained.
SR-13	Cyber attack	Chief Financial Officer	Ongoing testing and system updates are undertaken to ensure a high level of security is maintained. Internal Audit on the IT general controls and IT vulnerability assessment have been completed in this past quarter.  Annual cyber security insurance review is currently underway.
SR-14	Poor Stakeholder Engagement	Chief Executive Officer	2023 Stakeholder Perception Review showed remarkable year on year improvement.
SR-15	By-passing established administrative (non-financial) procedures	Chief Financial Officer	An internal audit review was undertaken of the appropriateness and effectiveness of the financial management systems and procedures of the EMRC as well as a review on the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance were undertaken, both the subject of report to Audit Committee and Council in October 2024.

Risk Code	Risk Title	Risk Owner	Risk Status Update
SR-16	Injury to Operational Field Officers	Chief Executive Officer	Introduction of revised pre-starts, a WHS focus at recruitment and accountability/corrective action, as well as communication/check-in tools have been implemented and continuously improved. Risk is being reviewed/reclassified. MYOSH has been implemented to assist in recording hazards, incidents and risks
SR-17	COVID-19 Infection	Chief Executive Officer	COVID cases remain in the community and employees testing positive are requested to work from home if possible or for operational employees are requested to stay at home until they test negative.  EMRC offers flu shots for all employees to assist them in dealing with other infectious diseases.
SR-18	Capex project objectives/targets not achieved	Chief Sustainability Officer	Information supporting the APCr works approval is largely completed and is waiting on receipt of the comments from the public submissions of the ERD from EPA.  Talis will be issuing design plans for the Monocell in March 2025.  The Harmonisation process of all six Ministerial Statements are currently scheduled to re-commence ~July 2025.
SR-19	Licencing conditions breach	Chief Sustainability Officer	The Red Hill licence is about to be re-issued with amendments for the expanded FOGO area (due late Feb/early Mar). All other aspects of the licence are in hand.  Moving the Red Hill water monitoring to Part V will form part of forthcoming EPA Ministerial Statement (6 of) harmonisation which is scheduled to commence in July 2025.  There are no changes to the Hazelmere licence and there have been no notices of non-compliance at either the Red Hill or Hazelmere facilities during 2024.
SR-20	Lack of interest from Member Councils regarding Sustainability Programs	Chief Sustainability Officer	A focus on decarbonisation, circular economy, net zero, sustainability and resource recovery guides delivery of relevant programs and ensures alignment with the EMRC's endorsed Sustainability Strategy 2022/23 - 2026/2027.



Risk Code	Risk Title	Risk Owner	Risk Status Update
SR-21	Employment related litigation	Chief Executive Officer	Audits by LGIS and Internal auditors of management guidelines and procedures took place as well as training regarding employee relations, WHS and site procedures enforcement. Risk being reviewed/reclassified.
SR-22	Sub-surface landfill fires	Chief Operating Officer	There is a process in place in the unlikely event that there is a sub-surface fire. This process also includes the reporting of the actual incident, as well to the regulator as required under licence conditions. Re assessed risk rating and decreased both likelihood and consequence.
SR-23	Methane gas explosion	Chief Operating Officer	All areas are monitored on a daily basis by the EMRC site contractor (EDL) as well as EMRC site leaders. All inductions as well as EMRC's site emergency plan covers the requirements in the event of an incident. The EMRC conducts regular drills on evacuation procedures etc. This is to ensure that all personnel understand what is required in the unlikely event of a methane gas explosion. Emergency evacuation drills up to date.
SR-24	Light vehicle or pedestrian interaction with heavy equipment	Chief Operating Officer	All external visitors and contractors are inducted to ensure they are informed of all active operational areas. Suitable PPE must be worn if required and they are also issued with two-way radios and escorted safely by an EMRC site employee. No visitors and contractors are permitted to enter EMRC sites without being first inducted. Inductions cover off on all site requirements when it comes to light vehicles or pedestrian activity. There are set safety KPI's for all managers and leaders of the sites. This is to ensure that EMRC leaders auditing the process to ensure all processes are being adhered too. These results and mitigations are highlighted in regular operational reports. Consequence and risk were re assessed due to a potential rare likelihood of an incident with the treatment, however a high consequence outcome should an incident ever occur.

Risk Code	Risk Title	Risk Owner	Risk Status Update
SR-25	Fraudster changing a Creditor's bank account details	Chief Financial Officer	The ongoing threats of phishing, scam emails remain a constant risk for the EMRC has demanded continued vigilance. Ongoing review of the approval processes for changing creditors bank account details and controls are in place.
SR-26	No scheduled maintenance program for all buildings	Chief Financial Officer	Funding in the 2024/2025 budget has factored in scheduled maintenance programs to improve asset conditions. This will reduce and minimise unscheduled repairs for all buildings.
SR-27	Intentional activities in excess of delegated authority (PID Officer)	Chief Executive Officer	No PID's have been disclosed to the Officer.
SR-28	Large numbers of Ibis and Pelicans scavenging on open tip face	Chief Operating Officer	There are internal procedures in place to ensure that this is managed in accordance with EMRC's requirements. The Operations team is also supported by the Environmental team. No changes. Bird numbers are stable and tip face is managed by compaction and daily cover.
SR-29	Lack of interest for future participation from Member Councils in EMRC Services	Chief Executive Officer	Risk mitigation underway with increased engagement with member council.

## STRATEGIC/POLICY IMPLICATIONS

- 9 Reporting on EMRC Strategic Policy implications align with the Revised 10 Year Strategic Plan 2017 - 2027 and the Sustainability Strategy 2022/2023 – 2026/2027.

## FINANCIAL IMPLICATIONS

- 10 Nil

## SUSTAINABILITY IMPLICATIONS

- 11 Nil

## RISK MANAGEMENT

**Risk – The EMRC is required to ensure that all risks are reviewed, monitored and controlled on a regular basis**

Consequence	Likelihood	Rating
Moderate	Unlikely	Moderate
Action/Strategy		
➤ Council to note the update on the status of the Council's risk management objectives.		



## MEMBER COUNCIL IMPLICATIONS

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

## ATTACHMENT(S)

1. Current Risk Management Profile (D2025/04336)

## VOTING REQUIREMENT

Simple Majority

## RECOMMENDATION(S)

That Council notes the update on the status of the Council's risk management profile.

## AC RECOMMENDATION(S)

MOVED CR POLIWKA

SECONDED CR PIFFARETTI

That Council notes the update on the status of the Council's risk management profile.

**CARRIED UNANIMOUSLY**

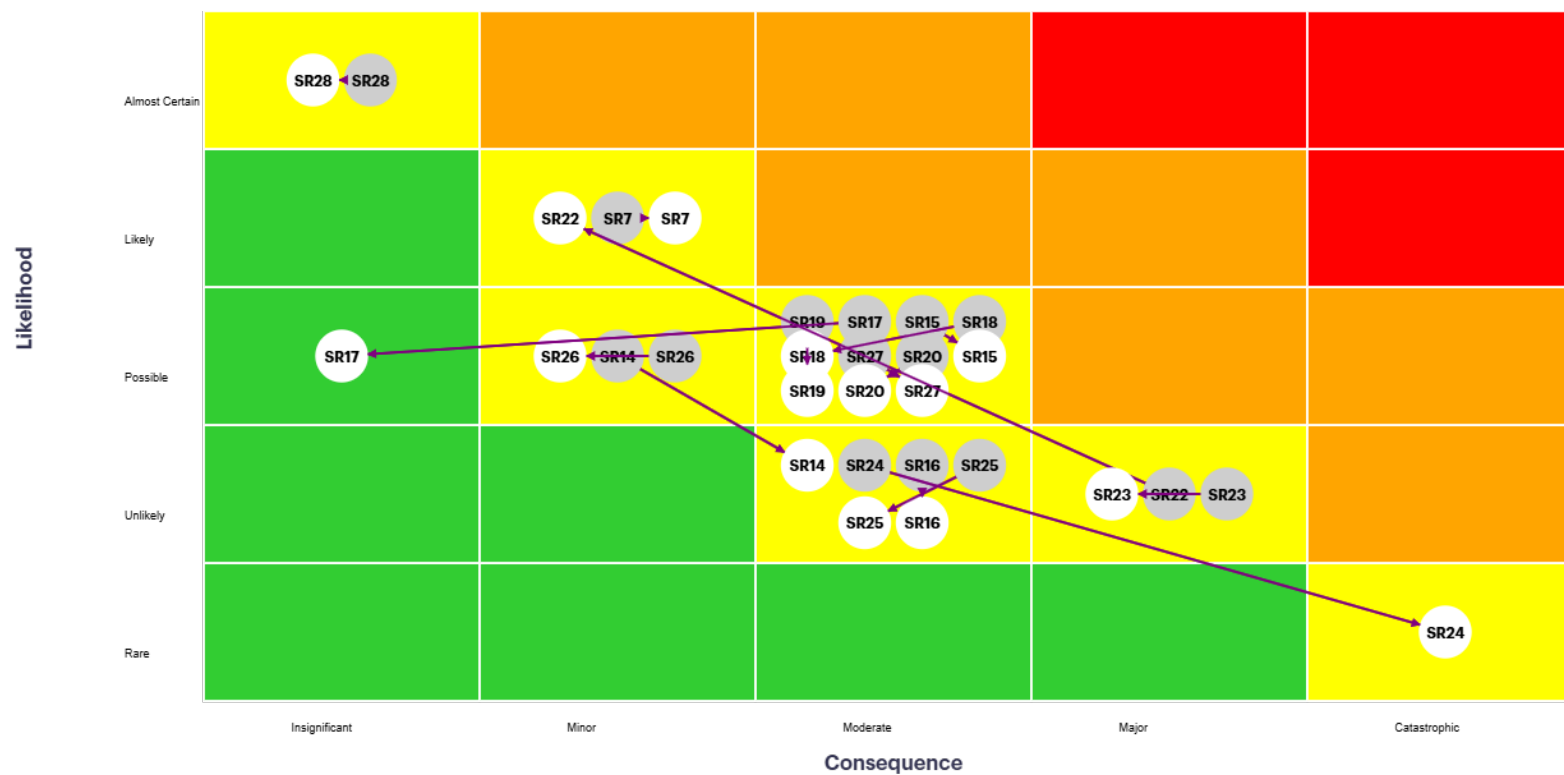
## COUNCIL RESOLUTION(S)

MOVED

SECONDED



Risk Code	Risk Title
SR1	Excessive Employee Benefits leave liability
SR2	Inadequate succession planning
SR3	Ineffective Operational Reporting (timely and relevant)
SR4	Over-use of single-source suppliers
SR5	Legacy issues restricting innovation and performance
SR6	Under/poor performance
SR8	Inadequate leachate control
SR9	Odour, noise, dust and traffic complaints
SR10	WWTE (Pyrolysis) Project underperformance
SR11	Fire in operational sites
SR12	By-passing established Tender or Procurement procedures
SR13	Cyber attack
SR21	Employment related litigation
SR29	Lack of interest in EMRC Services from Member Councils



Risk Code	Risk Title
SR7	Reduced Grant Funding
SR14	Poor Stakeholder Engagement
SR15	By-passing established administrative (non-financial) procedures
SR16	Injury to Operational Field Officers
SR17	Covid-19 Infection
SR18	Capex project objectives/targets not achieved
SR19	Licencing conditions breach
SR20	Lack of Member Councils participating in Sustainability Programs
SR22	Sub-surface landfill fires
SR23	Methane gas explosion
SR24	Light vehicle or pedestrian interaction with heavy equipment
SR25	Fraudster changing a Creditor's bank account details
SR26	No scheduled maintenance program for all buildings
SR27	Intentional activities in excess of delegated authority (PID Officer)
SR28	Large numbers of Ibis and Pelicans scavenging on open tip face

### 13 REPORTS OF DELEGATES

Nil

### 14 NEW BUSINESS OF AN URGENT NATURE

Nil

### 15 CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

Nil

### 16 FUTURE MEETINGS OF THE AUDIT COMMITTEE

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

#### **“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:
- Approval of strategic and annual plans;
  - Approval of the annual budget; and
  - The auditor’s report on the annual financial report.”

#### **Future Meetings 2025**

Thursday	3 April	(if required)	at	EMRC Administration Office
Thursday	1 May	(if required)	at	EMRC Administration Office
Thursday	5 June		at	EMRC Administration Office
Thursday	3 July	(if required)	at	EMRC Administration Office
Thursday	7 August	(if required)	at	EMRC Administration Office
Thursday	4 September	(if required)	at	EMRC Administration Office
Thursday	2 October	(if required)	at	EMRC Administration Office
Thursday	13 November*	(if required)	at	EMRC Administration Office

*\* Starting at 5:00pm*

### 17 DECLARATION OF CLOSURE OF MEETING

I declare the meeting closed at 6:40 pm.