

AGENDA

D2025/16141

Audit Committee 7 August 2025

Notice of Meeting

Dear Councillors

I wish to advise that the next meeting of the Audit Committee will be held on Thursday, 7 August 2025 at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, Ascot WA 6104 commencing at 6:00pm.



Matthew MacPherson | Chief Executive Officer

1 August 2025

Please Note

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



Audit Committee

Cr Filomena Piffaretti	EMRC Chairperson	AC Chairperson	City of Bayswater
Cr Paul Poliwka	EMRC Chairperson	AC Deputy Chairperson	Town of Bassendean
Cr Tallan Ames	EMRC Member		Town of Bassendean
Cr Michelle Sutherland	EMRC Member		City of Bayswater

Audit Committee Deputies

Cr Kathryn Hamilton	EMRC Deputy Member		Town of Bassendean
Cr Giorgia Johnson	EMRC Deputy Member		City of Bayswater

Audit Committee

7 August 2025

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

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)

3 DISCLOSURE OF INTEREST

4 ANNOUNCEMENTS BY THE CHAIRPERSON OR PRESIDING MEMBER

5 PUBLIC QUESTION TIME

6 PETITIONS, DEPUTATIONS AND PRESENTATIONS

7 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

7.1 MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 6 MARCH 2025 (D2025/05262)

That the minutes of the Audit Committee meeting held on 6 March 2025 which have been distributed, be confirmed.

AUDIT COMMITTEE RESOLUTION

MOVED

SECONDED

8 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

9 QUESTIONS WITHOUT NOTICE

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 INTERNAL AUDIT REPORT – 2024/2025 PROGRAMME (D2025/15304)

12.2 DRAFT CORPORATE BUSINESS PLAN 2025/2026 TO 2028/2029 (D2025/14272)

12.3 EASTERN METROPOLITAN REGIONAL COUNCIL 2025/2026 DRAFT ANNUAL BUDGET (D2025/15801)

12.4 RISK MANAGEMENT UPDATE (D2025/15520)

12.1 INTERNAL AUDIT REPORT – 2024/2025 PROGRAMME

D2025/15304

PURPOSE OF REPORT

The purpose of this report is to present the Audit Committee (AC) with the internal audit report of the 2024/2025 programme.

KEY POINT(S)

- At the June 2020 meeting, Council endorsed a new internal audit programme to be spread over a three-year (plus three year) cycle to coincide with the new requirements of the *Local Government (Financial Management) Regulations 1996* and consisting of 22 auditable areas.
- This year represents the fifth year of the three-year (plus three-year) programme.
- The internal audit programme for this year commenced in May 2025 for the 10 auditable areas as set out in this report.
- The audits were finalised by July 2025 and internal audit reports are now ready to be presented to Council.
- All 10 auditable areas have achieved or mostly achieved their overall risk rating outcomes.
- There were no findings with some business improvement opportunities suggested.
- A summary of the findings, recommendations and business improvements for the various auditable areas is set out in the table contained within this report.

RECOMMENDATION(S)

That:

1. Council notes the internal audit reports forming attachments 1 to 10 to this report.
2. Attachment 5 remains confidential and be certified by the Chairperson and the CEO.

SOURCE OF REPORT

Employee Disclosure under s.5.70 of the *Local Government Act 1995*

Author(s)	Manager Information Services	Nil
Responsible Officer	Chief Executive Officer	Nil

BACKGROUND

- 1 At the Audit Committee (AC) meeting held on 4 June 2020 (Ref: D2020/05734), the Committee endorsed a three year (plus three year) programme, which was subsequently adopted by Council at its meeting of 18 June 2020.
- 2 The three-year (plus three-year) programme is as follows:

Auditable Area	Business Team	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Accounts Payable (Masterfile)	Business Support	.		.		.	
Accounts Payable (Transactional)	Business Support		.		.		.
Accounts Receivable	Business Support		.		.		.
Contract Management	Operations	.		.		.	
Corporate Governance	Business Support	.			.		
Grants Management	Sustainability		.			.	
Human Resource Management	Office of CEO	.		.		.	
Investment Policies	Business Support			.			.
IT General Controls	Business Support
IT Vulnerability Assessment	Business Support		.		.		.
OH&S Systems Review	Office of CEO	.		.		.	
OH&S Reporting and Remedial Actions	Office of CEO	.		.		.	
Payroll (Masterfile & Compliance)	Business Support	.		.		.	
Payroll (Transactional)	Business Support		.		.		.
Plant & Equipment	Operations			.		.	
Procurement	Business Support				.		.
Records Management	Business Support		.			.	

Auditable Area	Business Team	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Taxation	Business Support			•			•
Waste Management Facility (Landfill Operations)	Operations		•		•		•
Waste Management (Wood waste, Community Recycling Centres and other processing transfer)	Operations	•		•		•	
Financial Management Systems Review (legislative requirement)	Business Support		•			•	
Review of Risk Management, Internal Control and Legislative Compliance (legislative requirement)	Business Support		•			•	

REPORT

- 3 The internal audit programme for the 2024/2025 financial year commenced in May 2025 for the following audit areas:
 - Accounts Payable (Masterfile);
 - Contract Management;
 - Grants Management;
 - HR Management;
 - IT General Controls;
 - OH&S Systems Review;
 - Payroll (Master File and Compliance);
 - Plant and Equipment;
 - Records Management; and
 - Waste Management (Hazelmere) Resource Recovery Park.
- 4 The last set of internal audits (2023/2024) were presented at the 3 October 2024 Audit Committee meeting and the 24 October 2024 Council meeting.

5 A summary of the findings on the internal audit are summarised as follows:

Auditable Area	Overall Risk Rating Outcomes	Summary of Findings	Recommendations	Business Improvements
Accounts Payable (Masterfile)	Achieved	None	None	1. Given the absence of a periodic review against the Accounts Payable Masterfile, EMRC should consider implementing a formal review process to regularly assess the integrity of the Masterfile. This review should aim to identify and remove inactive suppliers, as well as eliminate any dummy or test records that may exist in the system.
Contract Management	Achieved	None	None	<p>1. Audit suggests that Management consider implementing a more standardised and automated approach to support the tracking of contract renewal timelines. This could include the use of a shared calendar with automated alerts or a structured spreadsheet incorporating automated reminders and status tracking. Implementing such tools would enhance visibility and accountability across the organisation and reduce reliance on manual processes.</p> <p>2. Audit suggests that respective stakeholders be required to share insurance renewal certificates in a timely manner, ensuring the procurement team being kept informed of any updates or renewals. Implementing this practice will strengthen compliance, risk mitigation, and support a more centralised and transparent record-keeping process.</p>
Grants Management	Achieved	None	None	None
Human Resource Management	Achieved	None	None	None
IT General Controls	Achieved	None	None	As detailed in the confidential attachment 5 to this report.
OH&S System Review/Reporting and Remedial Actions	Achieved	None	None	1 Audit suggests that where there are WHS incidents to be discussed during the Health and Safety Committee meetings, attendance by at least one (1) Senior Executive should be considered. This would strengthen executive oversight, facilitate timely decision-making, and reinforce the organisation's commitment to workplace health and safety at the leadership level.

Auditable Area	Overall Risk Rating Outcomes	Summary of Findings	Recommendations	Business Improvements
Payroll (Masterfile & Compliance)	Achieved	None	None	None
Plant & Equipment	Achieved	None	None	None
Records Management	Achieved	None	None	None
Waste Management (Resource Recovery Park)	Mostly Achieved / Achieved	None	None	<ol style="list-style-type: none"> 1 Given the Defining Power Poles and Cutting Point Procedure was scheduled for review on 1 December 2023 but had not been updated as of the audit date, EMRC considers ensuring periodic review to be undertaken as schedule. 2 Given as of the week of 17 March 2025, waste previously transported directly to Red Hill is now being taken to a Waste Transfer Station (WTF), EMRC considers updating the relevant Standard Operating Procedure (SOP) accordingly.

- 6 The audit results of each of the auditable areas are covered in attachments 1 to 10 as part of this report.
- 7 The EMRC is reviewing all the suggested business improvement opportunities highlighted in the final audit report, and progressively being implemented.
- 8 On the recommendation of the Internal Auditor, attachment 5 is marked as confidential due to the content of the document containing security matters in accordance with s.5.23(2) of the *Local Government Act 1995*.

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 The annual budget provides for the internal audit function.

SUSTAINABILITY IMPLICATIONS

- 11 The internal audit function assists in ensuring the EMRC remains financially sustainable.

RISK MANAGEMENT

Risk – The EMRC must continue to improve financial and asset management practices and to report on any audit findings regularly.

Consequence	Likelihood	Rating
Moderate	Likely	High
Action/Strategy		
➤ Council to note the internal audit reports.		

MEMBER COUNCIL IMPLICATIONS

Member Council Implication Details

Town of Bassendean	}	Nil
City of Bayswater		

ATTACHMENT(S)

1. Internal Audit Report - Accounts Payable (Masterfile) (D2025/15305)
2. Internal Audit Report - Contract Management (D2025/15306)
3. Internal Audit Report - Grants Management (D2025/15307)
4. Internal Audit Report - Human Resource Management (D2025/15308)
5. Confidential Internal Audit Report - IT General Controls (D2025/15309)
6. Internal Audit Report – OH&S System Review/Reporting and Remedial Actions (D2025/15310)
7. Internal Audit Report - Payroll (Masterfile & Compliance) (D2025/15311)
8. Internal Audit Report - Plant & Equipment (D2025/15312)
9. Internal Audit Report - Records Management (D2025/15314)
10. Internal Audit Report - Waste Management (Resource Recovery Park) (D2025/15315)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That:

1. Council notes the internal audit reports forming attachments 1 to 10 to this report.
2. The attachment 5 remains confidential and be certified by the Chairperson and the CEO.

AC RECOMMENDATION(S)

MOVED

SECONDED



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Eastern Metropolitan Regional Council Accounts Payable (Masterfile)

Internal Audit

June 2025



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1. EXECUTIVE SUMMARY

Introduction

The Eastern Metropolitan Regional Council (EMRC) is a progressive and innovative regional local government working on behalf of four member Councils located in Perth's Eastern Region: Town of Bassendean, City of Bayswater, Shire of Mundaring, and City of Swan. This Region is a major gateway to greater Perth, hosting Western Australia's major air, road, and rail transport hubs. The EMRC is an incorporated body established under the Western Australian Local Government Act 1995. The EMRC's operations are governed under an Establishment Agreement.

EMRC provides a broad range of services across the region including waste management and education, resource recovery, urban and natural environmental management, and regional development of the region. Its Council is responsible for setting the EMRC's strategic direction. EMRC management implements this direction, ensures the organisation's values are sustained and provides an environment that encourages staff to reach their full potential.

As part of the Strategic Internal Audit Plan 2020/2021 – 2025/2026 an audit of Accounts Payable is conducted every second year. This is a core financial related audit that would be expected to be relied upon by the Office of the Auditor General, Western Australia. The audit will cover the period 1 July 2024 to 30 April 2025. This audit will examine reliability and integrity of information, compliance and safeguarding of assets.

Audit Objective:

This is classified as an assurance audit with a focus on controls. We will use a combination of walk throughs, interviews, process observation, and sampling to assess controls.

The specific objectives of this audit are as follows:

Reliability and Integrity of Information

- Determine whether adequate controls exist to provide reasonable assurance that only authorised suppliers are set up in the Accounts Payable system.
- Determine whether adequate controls exist to provide reasonable assurance that payments will only be made to approved creditors
- Ensure that adequate controls exist to prevent fraudulent modification to supplier details, in particular bank accounts.

Compliance

- Determine whether there is an adequate process in place to ensure that suppliers have a valid ABN.

Safeguarding of Assets

- Determine whether there are adequate procedures in place to mitigate the risk of fraudulent payments.

Risks Identified

- Creditor information may be incorrect or incomplete
- Non-compliance with legislation (ABN, Tax withholding)
- Unauthorised changes to Masterfile data.

Scope of works

The audit period was 1 July 2024 to 30 April 2025.

2. OVERALL AUDIT OUTCOMES AGAINST AUDIT SCOPE OF WORKS

Overall Risk Rating

Scope Report Reference	Audit Scope	Outcomes	Risk Rating
8.1	Determine whether adequate controls exist to provide reasonable assurance that only authorised suppliers are set up in the Accounts Payable system.	Achieved	N/A
8.2	Determine whether adequate controls exist to provide reasonable assurance that payments are only made to approved creditors.	Achieved	N/A
8.3	Ensure that adequate controls exist to prevent fraudulent modification to supplier details, in particular bank accounts.	Achieved	N/A
8.4	Determine whether there is an adequate process in place to ensure that suppliers have a valid ABN.	Achieved	N/A
8.5	Determine whether there are adequate procedures in place to mitigate the risk of fraudulent payments	Achieved	N/A

3. SUMMARY OF FINDINGS

1. No findings were made.

4. RECOMMENDATIONS

1. No recommendations were made.

5. BUSINESS IMPROVEMENTS

1. Given the absence of a periodic review against the Accounts Payable Masterfile, EMRC should consider implementing a formal review process to regularly assess the integrity of the Masterfile. This review should aim to identify and remove inactive suppliers, as well as eliminate any dummy or test records that may exist in the system.

6. OVERALL COMMENTS

Eastern Metropolitan Regional Council - Management Comments

We thank the Audit team for their diligence and work undertaken for the Internal Audit on the Accounts Payable module.

We acknowledge the suggested areas of Business Improvements listed and we will implement the review of Accounts Payable Masterfile annually.

Stantons - Audit Management Comments

It is pleasing that EMRC will implement the review of Accounts Payable Masterfile annually. We would like to extend our thanks to the Finance team for all their assistance with the audit.

7. RISK RATING AND DEFINITIONS

Risk Ratings and Interpretations

Risks Ratings	Rating Interpretation	Suggested timing of implementing recommendations
Critical	The finding poses a severe risk to EMRC if not appropriately and timely addressed.	Commence remedial action immediately
Major	The finding poses significant risk to EMRC if not appropriately and timely addressed.	Commence remedial action within 3 months
Moderate	The finding poses less significant risk to EMRC if not appropriately and timely addressed.	Commence remedial action within 6 months
Minor	The finding poses minimal risk to EMRC if not appropriately and timely addressed, and the risk may develop more or cause other risks to develop.	Commence remedial action within 12 months

DISCLAIMER, BASIS OF AUDIT AND LIMITATIONS

DISCLAIMER

This report is prepared for EMRC's internal use and may be shared with its auditors and professional advisors for internal use. Copying and distribution of this report to other parties should not be done without prior approval and consent from Stantons.

BASIS OF AUDIT

We have conducted our audit in accordance with the applicable Performance Standards of the International Standards for the Professional Practice of Internal Auditing. The content of this report therefore represents the independent view by Stantons purely based on the information provided by EMRC members of staff during audit fieldwork. Changes to the contents of the report without Stanton's involvement will render all contents less "independent" and unrepresentative of Stanton's position with regards to the contents contained therein.

INHERENT LIMITATIONS

Because of the inherent limitations of any internal control structure, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An Audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Liability limited by a scheme approved under Professional Standards Legislation.

Report Release

Released by (Name): James Cottrill

Title: Principal, Internal Audit, IT Audit & Risk Consulting

Signature:



Date: 10 June 2025

8. DETAILED AUDIT ASSESSMENT

8.1 DETERMINE WHETHER ADEQUATE CONTROL EXIST TO PROVIDE REASONABLE ASSURANCE THAT ONLY AUTHORISED SUPPLIERS ARE SET UP IN THE ACCOUNTS PAYABLE SYSTEM.

Overall Outcome	The Review identified that controls are in place which provide reasonable assurance that only authorised suppliers are set up in SynergySoft Accounts Payable Masterfile.
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New vendors seeking to become authorised creditors of the Eastern Metropolitan Regional Council (EMRC) are required to complete a Supplier Details Form. This form captures essential supplier information including business name, Australian Business Number (ABN), business address, contact details, bank account information, and details of the Authorising Officer. Submission of the completed Supplier Details Form constitutes the suppliers' acknowledgement and acceptance of the EMRC's standard trading terms, which stipulate payment within twenty (20) business days from the date of invoice. The Template below illustrates the Supplier Details Form in use.


Eastern Metropolitan Regional Council
226 Great Eastern Hwy
ASCOT WA 6104
PO Box 234 Belmont WA 6984
t: (08) 9424 2222
e: mail@emrc.org.au
w: emrc.org.au

Supplier Details Form

Supplier Name

ABN

ACN

Supplier Registered for GST ☐ Yes ☐ No

Street Address

Suburb

State

Post Code

Postal Address

Suburb

State

Post Code

Phone Number

Mobile

BANK DETAILS FOR EFT PAYMENT

Bank Account Name

Bank Name

Branch

BSB Number

Bank Account Number

REMITTANCE ADVICE

Email Address

SUPPLIER'S AUTHORISATION

Authorising Officer Name

Position Title

Signature

Date

THE EMRC'S TRADING TERMS ARE 20 BUSINESS DAYS FROM THE DATE OF INVOICE

EMRC OFFICE USE ONLY

Credit Limit Applied For

Estimated Yearly Spend

Nature of Goods | Services Required

PLEASE RETURN COMPLETED FORM TO RESPONSIBLE OFFICER

Once a completed Supplier Details Form is received, the Finance Team undertakes a series of validation checks to confirm the accuracy and legitimacy of the information provided. These checks include:

- ABN Lookup (to confirm entity registration and GST status)
- Extract from ASIC (to verify company details and legal standing)
- Creditor Watch (to assess credit risk and identify potential concerns).

All completed forms, along with supporting validation check and audit trails, are stored in the Content Manager (CM) System.

Following discussion with the Finance Team, it was noted that there are currently no formal documented procedures for the entry of new suppliers into the SynergySoft system. Alternatively, the Finance Team has implemented a Management Guideline – New Suppliers Background Checks. This guideline outlines the process of performing due diligence and serves as an anti-fraud control before suppliers are entered into the SynergySoft creditors system.

Background checks are not required for suppliers falling under the following categories, deemed low risk:

- Public list companies
- Suppliers under a Common Use Agreement (CUA)
- State authorities (i.e., Water Corporation, Synergy, Landcorp)
- Local governments
- Financial Institutions (i.e., banks, ADIs)
- Insurance companies
- Other low-risk entities as determined by Finance.

As part of audit procedure, we selected a sample of six (6) new creditors created during the period 01 July 2024 to 30 April 2025 to assess whether the procedure outlined above was appropriately conducted. The sampled creditors included:

- #6265 – The Fruit Box Group
- #6267 – Envirapest Pty Ltd
- #6297 – Marketforce Pty Ltd
- #6331 – Positive Salary Packaging
- #6349 – Aussie Buckets
- #6397 – Turnstone Procedures.

Our review confirmed that for each of the selected creditors:

- Supplier Details Form was completed
- ABN Lookup was performed
- ASIC Extract and Creditor Watch checks were conducted.

No issues were identified in the application of procedures for these creditors.

A monthly Audit Trail Report is generated from SynergySoft, detailing any changes made towards the Creditors Masterfile for existing suppliers. This reported is reviewed by the Manager Financial Services, who investigates any anomalies and signs off on the report as evidence of review. It was noted that the review may occur up to one month after the reporting period ends.

Based on the testing conducted, there is sufficient evidence to demonstrate that controls are in place to provide reasonable assurance that only authorised suppliers are set up in the Accounts Payable System.

8.2 DETERMINE WHETHER ADEQUATE CONTROLS EXIST TO PROVIDE REASONABLE ASSURANCE THAT PAYMENTS ARE ONLY MADE TO APPROVED CREDITORS.

Overall Outcomes	There are adequate controls existing to ensure that payments are made only to approved creditors listed within the Accounts Payable Masterfile.
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Through discussion with the Finance Team, it was confirmed that payments are only processed for approved creditors in the SynergySoft system. For all new vendors, a Supplier Details Form is required to be completed and verified by the Finance Team, with supporting documentation and audit trails stored in the Content Manager (CM). Prior to entry into the SynergySoft creditors system, new supplier information must be reviewed and authorised by either the Finance Team Leader or the Manager Financial Services.

According to the Finance Procedure – Maintenance of Creditor Banking Details, the Management Financial Services receives a system-generated email notification whenever supplier banking details are modified in SynergySoft. The Manager Financial Services is responsible for reviewing these changes to ensure that all amendments are properly authorised and align with the documented advice received from suppliers.

This verification process includes obtaining the Creditors Bank Details Audit Trail from the Accounts Payable module on a monthly basis. All changes are then cross-referenced with supporting documentation and the corresponding authorisations, which must be approved by either the Finance Team Leader or the Manager Financial Services.

Suggested Improvement 1	Business	Given the absence of a periodic review against the Accounts Payable Masterfile, EMRC should consider implementing a formal review process to regularly assess the integrity of the Masterfile. This review should aim to identify and remove inactive suppliers, as well as eliminate any dummy or test records that may exist in the system.
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8.3 ENSURE THAT ADEQUATE CONTROL EXIST TO PREVENT FRAUDULENT MODIFICATION TO SUPPLIER DETAILS, IN PARTICULAR BANK ACCOUNTS.

Overall Outcome	There are adequate controls in place to prevent fraudulent modification to supplier details, particularly with regard to changes in bank account information.
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According to the Finance Procedure – Maintenance of Creditor Banking Details, when a request for change of bank account details is received from an existing supplier, the Finance Team is required to assess whether the request is genuine and not fraudulent in nature. This assessment includes verifying that sufficient supporting documentation has been received from the supplier before presenting the request for management authorisation.

Requests to amend banking details are typically initiated via:

- A written request from the supplier, received via general mail or email
- Identification of a discrepancy between bank account details listed on a supplier invoice and those recorded in the EMRC's accounts payable system (SynergySoft).

Before any amendments are made towards a supplier's banking details in SynergySoft, the Finance team members are required to contact the supplier either via telephone or email to confirm the legitimacy of the change, and record details of this Information (including the person's name, position title, date and time) on the Change to Creditor Bank Account Details - Official Form, as presented below.

CHANGE TO CREDITOR BANK ACCOUNT DETAILS – OFFICIAL FORM

BEFORE MAKING THE CHANGE

Creditor Code & Name

PERMISSION TO MAKE A CHANGE:

Signature: Finance Team Leader / Manager Financial Services

AFTER MAKING THE CHANGE

AUDIT TRAIL ATTACHED ☐

SUPPORTING DOCUMENT ATTACHED ☐

CONFIRMED VIA TELEPHONE/ EMAIL: Telephone & Email

Date & Time

Name & Position

Signature of Accounts Officer

DETAILS VERIFIED IN SYNERGYSOFT:

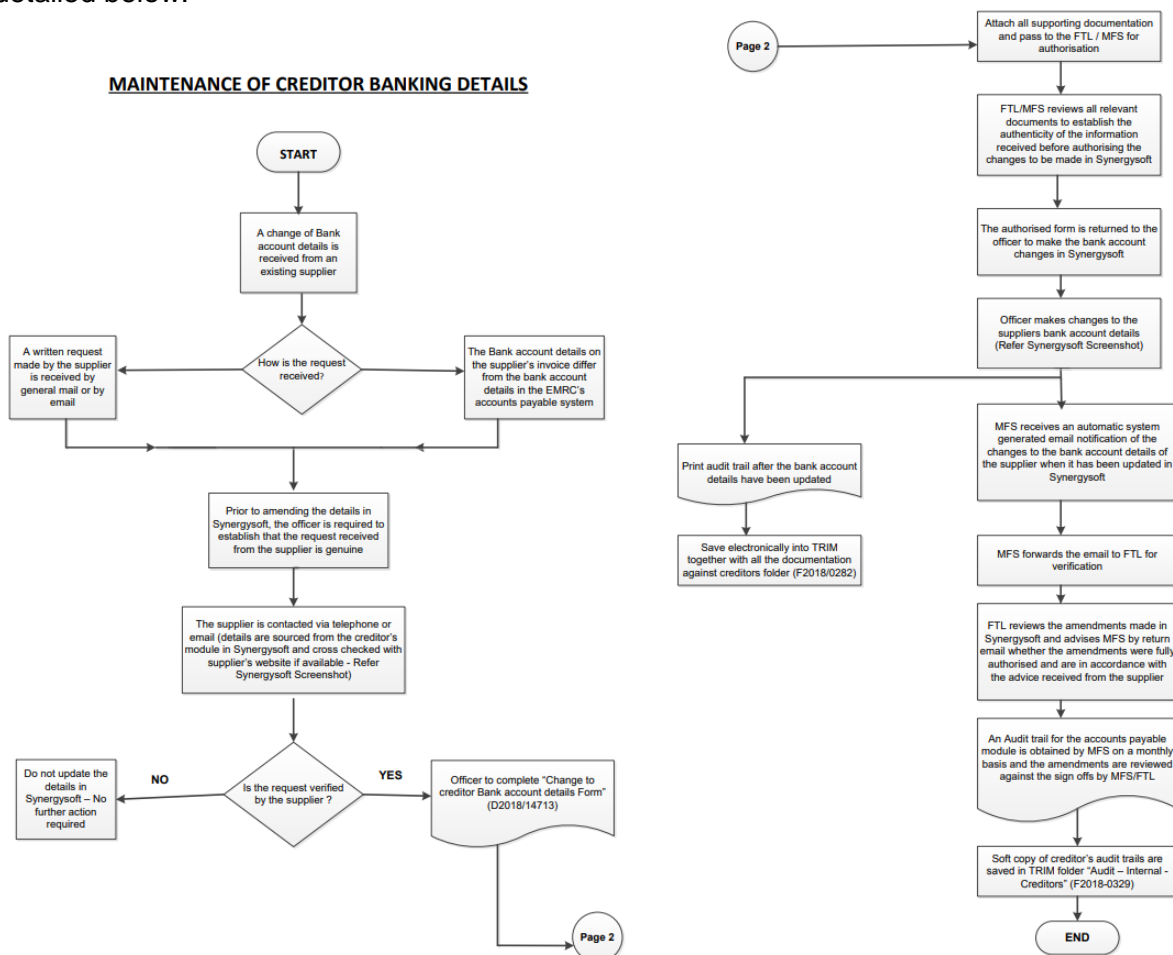
Signature: Finance Team Leader / Manager Financial Services

Once the change request has been validated, the officer completes the official form, attaches all relevant supporting documentation, and passes it to the Finance Team Leader or Manager Financial Services for authorisation. Management is responsible for reviewing the documentation and confirming its authenticity prior to approving the change.

Upon approval, the Finance team member updates the supplier's banking information in SynergySoft. An audit trail of the change is generated, printed, and filed alongside the completed form and supporting documents in the Creditors Details File for the relevant supplier.

Following any update to banking details in SynergySoft, a system-generated email notification is sent to the Manager Financial Services. On a monthly basis, the Manager Financial Services retrieves and reviews the Creditors Bank Details Audit Trail from the Accounts Payable module to ensure all changes were properly authorised and supported by valid documentation. This review includes cross-reference against approved change forms.

The process has been depicted within the Maintenance of Creditor Banking Details flowchart detailed below.



As part of our audit procedures, we performed a walkthrough of a bank detail amendment related to Creditor #5121 Industrial Recruitment Partners. We verified that the Change to Creditor Bank Account Details Form was properly completed and the Finance Team confirmed the request with the supplier through an official company contact number obtained from the system or publicly available sources.

Additionally, we reviewed the Creditors Audit Trail Report for April 2025 and confirmed that the audit trail had been reviewed and signed off by the Manager Financial Services on 13 May 2025. No issues were noted during the review.

8.4 DETERMINE WHETHER THERE IS AN ADEQUATE PROCESS IN PLACE TO ENSURE THAT SUPPLIERS HAVE A VALID ABN.

Overall Outcome	Review confirmed that the ABN provided by each supplier is to be validated by EMRC through an ABN Lookup.
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The Supplier Details Form includes a section requiring new suppliers to provide their Australian Business Number (ABN). Through discussion with the Finance Team, it was confirmed that an ABN Lookup is performed by the team to verify the validity of the ABN provided by the supplier.

As part of our review, we examined a sample of six (6) new suppliers, as outlined in Section 8.1. For all suppliers in the sample, we confirmed that an ABN verification check had been completed by the Finance Team.

No issues were noted.

8.5 DETERMINE WHETHER THERE ARE ADEQUATE PROCEDURES IN PLACE TO MITIGATE THE RISK OF FRAUDULENT PAYMENTS.

Overall Outcome	There are adequate procedures in place to mitigate the risk of fraudulent payments.
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The Eastern Metropolitan Regional Council (EMRC) has implemented a range of controls across its payment process to mitigate the risk of fraudulent transactions, including system-generated audit trails for both supplier setup and payment processing, as well as a mandatory dual-authorisation requirement for all payments.

According to the Management Guideline – Cheque Signatories and Online (EFT) Supplier Payments, all cheque payments made by EMRC must be authorised by any two (2) of the following signatories:

- Chief Executive Officer
- Chief Financial Officer
- Chief Sustainability Officer
- Manager Financial Services
- Manager Information Services
- Finance Team Leader.

Where possible, supplier payments are processed via Electronic Funds Transfers (EFT). EFT transactions are subject to the same dual-authorisation requirement, involving any two of the authorised officers listed above.

These dual-authorisation controls are a key component of EMRC's fraud prevention strategy, ensuring that no individual can unilaterally initiate and approve payments, thereby enhancing the integrity and security of the payment process.

No issues were noted.



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Eastern Metropolitan Regional Council Contract Management

Internal Audit

June 2025

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1. EXECUTIVE SUMMARY

Introduction

The Eastern Metropolitan Regional Council (EMRC) is a progressive and innovative regional local government working on behalf of four member Councils located in Perth's Eastern Region: Town of Bassendean, City of Bayswater, Shire of Mundaring, and City of Swan. This Region is a major gateway to greater Perth, hosting Western Australia's major air, road, and rail transport hubs. The EMRC is an incorporated body established under the Western Australian *Local Government Act 1995*. The EMRC's operations are governed under an Establishment Agreement.

The Council provides a broad range of services across the region including waste management and education, resource recovery, urban and natural environmental management, and regional development of the region. Its Council is responsible for setting the EMRC's strategic direction. EMRC management implements this direction, ensures the organisation's values are sustained and provides an environment that encourages staff to reach their full potential.

As part of the Strategic Internal Audit Plan 2020/2021 – 2025/26 an audit of Contract Management is conducted every second year. This is a core financial related audit that would be expected to be relied upon by the Office of the Auditor General, Western Australia. The audit will cover the period 1 July 2024 to 30 April 2025. This audit will examine reliability and integrity of information, compliance and safeguarding of assets.

Audit Objective:

The primary objective of the audit was classified as an assurance audit with a focus on controls. We will use a combination of walk throughs, interviews, process observation, and sampling to assess controls.

The specific objectives of this audit are to ascertain that there are adequate controls over key areas.

Reliability and Integrity of Information

- Determine whether contracts information is recorded accurately and in a timely manner
- Identify whether contracts are renewed on a timely basis
- Determine whether contract management reports assist in timely decision making.

Compliance

- Determine whether contracts are managed in accordance with the contract requirements
- Determine whether contract requirements are in accordance with applicable legislation
- Identify the processes in place to manage contract variations.

Safeguarding of Assets

- Determine whether contracts are required to have adequate insurance coverage in place for the duration of the contract
- Verify that procedures are in place to ensure quality of goods/services provide comply with contractual obligations.

Risks Identified

- Compliance with *Local Government Act* and Regulations
- Contract approval and advice to tenders
- Variations to contracts
- Terms and conditions
- Insurances – Termination of coverage and renewals
- Health Safety and Environment and quality control monitoring of contractor requirements
- Contracts Register
- Contracts expiring prior to us going out to tender.

Scope of works

The audit period was 1 July 2024 to 30 April 2025.

2. OVERALL AUDIT OUTCOMES AGAINST AUDIT SCOPE OF WORKS

Overall Risk Rating

Scope Report Reference	Audit Scope	Outcomes	Risk Rating
8.1	Determine whether contracts information is recorded accurately and in a timely manner.	Achieved	N/A
8.2	Identify whether contracts are renewed on a timely basis.	Achieved	N/A
8.3	Determine whether contract management reports assist in timely decision making.	Achieved	N/A
8.4	Determine whether contracts are managed in accordance with the contract requirements.	Achieved	N/A
8.5	Determine whether contracts requirements are in accordance with applicable legislation.	Achieved	N/A
8.6	Identify the processes in place to manage contract variations.	Achieved	N/A
8.7	Verify that procedures are in place to ensure quality of goods/services provided comply with contractual obligations.	Achieved	N/A

3. SUMMARY OF FINDINGS

1. No findings were made.

4. RECOMMENDATIONS

1. No recommendations were made.

5. BUSINESS IMPROVEMENTS

1. Audit suggests that Management consider implementing a more standardised and automated approach to support the tracking of contract renewal timelines. This could include the use of a shared calendar with automated alerts or a structured spreadsheet incorporating automated reminders and status tracking. Implementing such tools would enhance visibility and accountability across the organisation and reduce reliance on manual processes.
2. Audit suggests that respective stakeholders be required to share insurance renewal certificates in a timely manner, ensuring the procurement team being kept informed of any updates or renewals. Implementing this practice will strengthen compliance, risk mitigation, and support a more centralised and transparent record-keeping process.

6. OVERALL COMMENTS

Eastern Metropolitan Regional Council - Management Comments

We value the Internal Auditor's expertise throughout the audit from the planning stage through to the final feedback and report. The Auditors was always professional, knowledgeable and took the time to understand the process at the EMRC as well as to provide detailed explanations and insights.

We've taken on board the suggested opportunities for business improvements and we will implement them as soon as practicable.

Stantons - Audit Management Comments

We acknowledge EMRC taking on board the suggested opportunities for business improvements with an aim to implement them as soon as practicable and would like to thank the contracts team for all their assistance with the audit.

7. RISK RATING AND DEFINITIONS

Risk Ratings and Interpretations

Risks Ratings	Rating Interpretation	Suggested timing of implementing recommendations
Critical	The finding poses a severe risk to EMRC if not appropriately and timely addressed.	Commence remedial action immediately
Major	The finding poses significant risk to EMRC if not appropriately and timely addressed.	Commence remedial action within 3 months
Moderate	The finding poses less significant risk to EMRC if not appropriately and timely addressed.	Commence remedial action within 6 months
Minor	The finding poses minimal risk to EMRC if not appropriately and timely addressed, and the risk may develop more or cause other risks to develop.	Commence remedial action within 12 months

DISCLAIMER, BASIS OF AUDIT AND LIMITATIONS

DISCLAIMER

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BASIS OF AUDIT

We have conducted our audit in accordance with the applicable Performance Standards of the International Standards for the Professional Practice of Internal Auditing. The content of this report therefore represents the independent view by Stantons purely based on the information provided by EMRC members of staff during audit fieldwork. Changes to the contents of the report without Stanton's involvement will render all contents less "independent" and unrepresentative of Stanton's position with regards to the contents contained therein.

INHERENT LIMITATIONS

Because of the inherent limitations of any internal control structure, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An Audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Liability limited by a scheme approved under Professional Standards Legislation.

Report Release

Released by (Name): James Cottrill

Title: Principal, Internal Audit, IT Audit & Risk Consulting

Signature:

Date: 20 June 2025



8. DETAILED AUDIT ASSESSMENT

8.1 DETERMINE WHETHER CONTRACTS INFORMATION IS RECORDED ACCURATELY AND IN A TIMELY MANNER.

Overall Outcome	Audit reviewed EMRC's contract information recording process and tested a sample of eight (8) contracts. It was noted that the information for all sampled contracts was accurately recorded and updated in a timely manner.
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Audit obtained and examined the Council Purchasing Policy 3.5, which was last reviewed on 22 August 2024. The policy ensures fair and equitable treatment of all parties involved and mandates compliance with relevant legislation, regulations, and the EMRC's internal policies, procedures, and Code of Conduct at all stages of the procurement process.

Purchasing decisions must be made with full accountability, and all processes, evaluations, and outcomes should be transparent, free from bias, and thoroughly documented to provide a clear audit trail. Additionally, any actual or perceived conflicts of interest must be promptly identified, disclosed, and appropriately managed to uphold integrity and trust in the procurement process.

As part of the audit, we conducted an interview with the Procurement Team Leader to gain insight into procedures for documenting new contract details. The following steps were described:

- An EMRC stakeholder identifies a requirement for specific goods or services
- The stakeholder informs the Procurement team and submits all relevant details to initiate the process
- The Procurement team assists in the development of a Request for Quotation (RFQ) or Request for Tender (RFT), assigns a unique ID, and records the request in the relevant tracking report
- Once a preferred supplier or contractor is selected, a Letter of Award is signed by the CEO. The contract becomes binding once signed by the contractor
- The Contract Register is updated by the Procurement team to include the new agreement.

Audit reviewed the Contract Register for the 2024 – 2025 financial year, including newly established contracts. A random sample of eight (8) contracts was selected for detailed examination. For each contract, the associated RFT or RFQ, the letter of award, and relevant supporting documentation were reviewed across the following key areas:

1. Procurement Planning & Tendering Process

- Was a formal procurement document (RFT/RFQ) with clear specifications developed?
- Was the procurement opportunity properly advertised or were expressions of interest invited?
- Were all bids or quotations evaluated through a documented and fair assessment process?
- Were unsuccessful bidders officially notified of the outcome?

2. Contract Approval & Governance

- Was the contract value clearly identified and confirmed?
- Was the contract authorised by the appropriate approving body or individual?
- Were the tender title and associated details clearly reviewed and matched with the final contract documentation?

3. Contract Structure & Terms

- Did the contract include standard general terms and conditions, or were custom terms applied?
- Was a defined pricing mechanism incorporated into the contract?
- Did the agreement make terms for contract variations or amendments?

4. Risk Management & Compliance

- Was there a requirement for insurance coverage for the life of the contract, and was proof of this provided?
- Were there any special stipulations or procedures outlined for submitting claims or requesting payments?
- Did the contract contain a formal procedure for handling grievances or disputes?

Out testing confirmed that all criteria were satisfied for the eight (8) sampled contracts. All necessary information was accurately and promptly recorded in the Contract Register. Relevant documentation (including RFT or RFQ documents, Letters of Award, and other supporting files) was appropriately saved within the Content Manager (CM) system.

Audit was satisfied that contracts information was recorded accurately and in a timely manner.

No issues were noted.

8.2 IDENTIFY WHETHER CONTRACTS ARE RENEWED AND A TIMELY BASIS.

Overall Outcomes	Audit reviewed EMRC's contract renewal process and tested a sample of four (4) contracts. It was found that all contracts were renewed on a timely manner, with appropriate documentation and approvals in place.
-------------------------	---

Audit interviewed the Procurement Team Leader to gain insight into the contract renewal procedures. The following key steps were outlined.

1. Contract Monitoring

- The Procurement team reviews the Contract Register every month.
- This review identifies contracts that are due to expire within the next six (6) weeks.

2. Stakeholder Communication

- The Procurement team contacts stakeholders with regards to the expiring contracts.
- Stakeholders are required to complete and return a Contractor Performance Assessment Form.

3. Contractor Performance Assessment

- The form includes a section for stakeholders to indicate whether the contract should be renewed
- This feedback informs the renewal decision.

4. CEO Authorisation

- Once the completed form is received, the Procurement team prepares a Chief Executive Officer Request Form
- The form is submitted to the CEO for review and authorisation of the renewal.

5. Contractor Notification and Record Update

- After CEO approval, the Procurement team notifies the contractor of the renewal decision via phone or email
- The Contract Register is updated to reflect the renewal.

During the interview, it was observed that there is no formalised or standardised procedure in place to track contract renewal dates. The contract information is maintained in a basic spreadsheet, which lacks automated reminders or built-in controls to support timely monitoring and follow-up.

Additionally, contract tracking responsibilities are assigned to a single staff member, increasing the risk of oversight or error, particularly in the absence of shared or automated tracking mechanisms. While no issues were identified during this audit, the reliance on manual processes presents a low-level risk that could lead to administrative inefficiencies or missed deadlines in the future.

Suggested Business Improvement 1	Audit suggests that Management consider implementing a more standardised and automated approach to support the tracking of contract renewal timelines. This could include the use of a shared calendar with automated alerts or a structured spreadsheet incorporating automated reminders and status tracking. Implementing such tools would enhance visibility and accountability across the organisation and reduce reliance on manual processes.
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Audit selected a random sample of four (4) contract renewals recorded in the Contract Register during 1 July 2024 to 30 April 2025. For each renewal, Audit obtained and reviewed:

- Contractor Performance Assessment Form
- Chief Executive Officer Request Form
- Contract extension letter.

It was confirmed that all contract renewals were accurately recorded and processed in a timely manner with supporting documentation being complete and appropriately filed. Audit was satisfied that the contract renewal process at EMRC is adequate.

No issues were noted.

8.3 DETERMINE WHETHER CONTRACT MANAGEMENT REPORTS ASSIST IN TIMELY DECISION MAKING.

Overall Outcome	Audit reviewed the current contract management reports and noted that the reports assisted EMRC in performing timely decision making.
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In accordance with the *Local Government (Functions and General) Regulations 1996*, local governments are required to maintain proper documentation and records to support transparency and accountability in procurement processes.

As part of the audit, discussions were held with the Procurement Team Leader to understand the processes currently in place for contract management reporting. The audit identified that the Eastern Metropolitan Regional Council (EMRC) utilises a number of reports to support contract oversight and monitoring. These include:

- **Contract Register** – Maintains details of all active contracts. Mainly, use for detection of contract renewals and contract variations.
- **Current RFTs Report** – Tracks Requests for Tender currently in progress.
- **Current RFQs Report** – Tracks Requests for Quotation currently in progress.
- **Creditor Report** – Summarises the Invoiced Value of all purchase orders created within the reporting period.
- **Late Purchase Order Report** – capture any invoices that had been received by EMRC without a purchase order
- **Councillor Report** – use to inform Councillors of any issues or variations to the contract and seek authorisation in form of a Council Resolution.

It was noted that the procurement department operates is currently staffed by a single individual, who is responsible for the entire procurement lifecycle, including maintaining and updating the Contract Register, processing contract renewal and variations, and generating contract-related reports.

We reviewed the reports to verify whether the details regarding the individual who prepared the reports, the individual who reviewed them, and the frequency of reporting were clearly documented and appropriately followed. This evaluation aimed to confirm whether these aspects contributed to effective and timely decision-making. Based on the review, it was observed that the reports were consistently prepared and reviewed as per the defined process and were issued at the specified frequency, thereby supporting timely and informed decision-making by management, as presented in the table below.

Report	Prepared by	Reviewed by	Reporting frequency	Issues Noted
Contract Register	Procurement	CFO/COO	Real time reporting	None
Current RFTs Report	Procurement	CFO/COO	Weekly	None
Current RFQs Report	Procurement	CFO/COO	Weekly	None
Creditor Report Late purchase order report	Procurement	CFO/COO	Monthly	None
Councillor Report	Respective Stakeholders	CFO/COO	On-demand	None

No issues were noted.

8.4 DETERMINE WHETHER CONTRACTS ARE MANAGED IN ACCORDANCE WITH THE CONTRACT REQUIREMENTS.

Overall Outcome	Audit reviewed a sample of eight (8) contract samples and found that each was managed in accordance with its respective terms and requirements. The controls in place were assessed to be adequate to support effective contract management.
------------------------	--

As part of the audit, we interviewed the Procurement Team Leader to understand EMRC's current practices relating to contract drafting and review. The following were noted:

- Initial contract assessments are undertaken in-house by the EMRC Procurement team to ensure alignment with EMRC's contractual requirements and compliance with relevant legislation
- Where contracts contain complex or specialised clauses beyond the internal team's expertise, they are referred to external legal advisors for review and amendment.

We also reviewed the Purchasing Policy that outlines key elements of procurement governance, including:

- Applicable procurement thresholds
- Conditions under which tender exemptions may be granted
- Delegation of authority provided to the Chief Executive Officer (CEO) for contract approvals and procurement decisions.

A random sample of eight (8) EMRC contracts was selected for detailed testing. We performed compliance and procedural checks across the following areas:

- **Procurement Thresholds and Exemptions**
 - Assessed whether the contract value exceeded \$250,000
 - Verified if appropriate tender exemptions were applied in accordance with policy, where required.
- **Supplier and Tender Process**
 - Confirmed whether the contractor was a WALGA Preferred Supplier
 - Reviewed the preparation of formal Request for Tender (RFT), including detailed specifications
 - Evaluated whether tenders were publicly advertised, including placement of notices in local libraries to ensure community and transparency.
- **Evaluation and Approval**
 - Examined whether tenders were evaluated using documented assessment criteria to ensure consistency and fairness
 - Verified that contracts were approved by the appropriate delegated authority
 - Checked whether all tenderers were duly informed of the outcome.
- **Contract Content and Conditions**
 - Verified inclusion of standard general terms and conditions or identification of bespoke clauses, as applicable
 - Assessed clarity of pricing mechanisms and inclusion of provisions for contract variations to manage changes during the contract lifecycle.
- **Insurance and Risk Management**
 - Confirmed that insurance coverage was required for the duration of each contract
 - Verified the currency and validity of insurance documents provided by contractors.

- **Payment and Dispute Resolution**

- Reviewed whether contracts outlined clear procedures for submitting payment claims
- Assess whether provisions for dispute resolution were included.

Our review confirmed that all eight (8) contract samples fully complied with EMRC's procurement policies and procedures. Each contract was:

- Properly drafted and reviewed
- Supported by the appropriate procurement process
- Accompanied by the necessary approvals and documentation, and
- Consistently aligned with the stipulated contract terms and legal requirements.

No issues were noted.

8.5 DETERMINE WHETHER CONTRACTS ARE REQUIRED TO HAVE ADEQUATE INSURANCE COVERAGE IN PLACE FOR THE DURING OF THE CONTRACT.

Overall Outcome	Audit reviewed a sample of five (5) contracts and confirmed that the processes in place were effective in ensuring that appropriate insurance coverage was maintained for the duration of the contracts.
------------------------	--

As part of the audit, we interviewed the Procurement Team Leader to understand the current process for managing insurance obligations throughout the contract lifecycle at EMRC. The following key practices were identified:

- It is the responsibility of the contract stakeholder to monitor insurance obligations for contracts under their oversight
- The Request for Tender (RFT) or Request for Quotation (RFQ) documents include a section for contractors to declare their insurance coverage
- The Procurement team request a certificate of insurance from the contractor and saves the certificates in designated folders on the EMRC system
- At the contract award stage, both the Procurement team and relevant stakeholders are expected to review the insurance requirements and ensure the contractor provides the necessary documentation within 14 (fourteen) days from the contract awarded
- If an insurance policy is due to expire before the end of the contract term, it is the stakeholder's responsibility to follow up with the contractor and ensure timely renewal.

We reviewed five (5) contracts to assess whether insurance obligations were met and whether the required insurance documentation was valid at the time the contracts were offered:

- Contract # 2020-504 Fauna Management
- Contract # 2020-505 Whistleblower Hotline Services
- Contract # 2020-511 Mapping Service within the EMRC Region
- Contract # 2024-018 FOGO Consultancy Services
- Contract # 2020-105 Provision of Internal Audit Services.

Our testing confirmed that for four (4) of the five (5) contracts, required insurance certificates were obtained and properly filed in accordance with EMRC's procedures. However, Contract # 2020-505 was identified without any evidence on file confirming the contractor's insurance coverage at the time the contract was awarded.

Although no issues have been reported under this contract since it was awarded in 2021, the lack of documented insurance coverage at the point of contract execution presents a minor risk. Proper documentation of insurance is essential for compliance, risk mitigation, and to ensure the Council is not exposed to unnecessary liabilities.

Suggested Business Improvement 2	Audit suggests that respective stakeholders be required to share insurance renewal certificates in a timely manner, ensuring the procurement team being kept informed of any updates or renewals. Implementing this practice will strengthen compliance, risk mitigation, and support a more centralised and transparent record-keeping process.
---	--

No issues were noted.

8.6 DETERMINE WHETHER CONTRACT REQUIREMENTS ARE IN ACCORDANCE WITH APPLICABLE LEGISLATION.

Overall Outcome	Audit reviewed the contract requirements and confirmed that they are aligned with applicable legislation and EMRC's internal procurement policies.
------------------------	--

Audit obtained and reviewed the standard Terms and Conditions used by the Eastern Metropolitan Regional Council (EMRC) across its contract categories. Three (3) distinct sets of terms and conditions were identified, each corresponding to a specific contract type. Audit reviewed each document in detail to verify alignment with EMRC's internal procurement policies and relevant legislative requirements.

Goods and services

This standard document applies to contracts involving the supply of goods and general services. Key provisions include:

- Compliance with Order specifications and relevant Australian or ISO standards
- Requirement to deliver specified quantities and meet quality and packaging standards
- Services to be delivered with professional care and skill, matching the specifications
- Obligation to promptly notify EMRC of any supply delays
- Fixed contract pricing with no rise-and-fall adjustments
- Contract extensions only by mutual written agreement
- Compliance with Occupational Safety and Health (OSH) laws
- Insurance obligations, including minimum cover levels as per contract requirements

Consultancy services

This standard document governs contracts for consultancy and professional services. Key provisions include:

- Performance of services with due diligence, care, and within the contractual timeframe
- EMRC's right to require the removal of specific personnel
- Prohibition of subcontracting or assignment without prior written consent
- Adherence to payment timelines and safety requirements
- Consultant to bear own expenses unless otherwise specified
- Compliance with GST regulations in pricing and invoicing
- Insurance requirements including public liability, workers' compensation, and professional indemnity (where required)
- Warranties on the non-infringement of intellectual property rights.

Equipment Rental

This standard document applies to equipment hire arrangement. Key provisions include:

- Contract governed by the laws of Western Australia
- Defined start and end dates, with extensions by mutual agreement
- Fixed pricing for equipment hire, including mobilisation and demobilisation fees
- Risk and title remain with the contractor until equipment return
- Contractor responsible for equipment maintenance and timely notification of issues
- Payment terms of 30 days from month-end upon receipt of valid tax invoices
- Insurance obligations covering public/product liability, workers' compensation, professional indemnity, and vehicle/equipment insurance
- Contractor's duty to comply with OSH laws, with EMRC empowered to suspend work for breaches

- Dispute resolution via negotiation, mediation, and, if necessary, arbitration
- Termination rights for both convenience and cause (e.g., breach, insolvency, performance failure).

It was confirmed that all three (3) sets of Terms and Conditions were compliant with relevant legislative requirements and aligned with EMRC's internal procurement governance framework. Each document appropriately addressed key contractual risks, legal obligations, and performance expectations relevant to the type of engagement.

No issues were noted.

8.7 IDENTIFY THE PROCESS IN PLACE TO MANAGE CONTRACT VARIATION.

Overall Outcome	Audit reviewed a sample of variations towards EMRC contracts and confirmed that the processes in place were adequate to effectively manage contract variations.
------------------------	---

As part of the audit, the Procurement Team Leader was interviewed to gain insight into the contract variation process at the Eastern Metropolitan Regional Council (EMRC). The following key practices were noted:

- Responsibility for identifying variations is shared between contract stakeholder and the Procurement team. In practice, stakeholders may become aware of potential variation through informal communication (e.g., emails or phone calls) from the contractor and subsequently notify the Procurement team. The Procurement team may also identify variations during their routine reviews of the Contract Register
- Once a variation is recognised, the Procurement team reviews the contract's Terms and Conditions to determine appropriate options. Communication takes place among the contractor, stakeholder, and Procurement team to reach a consensus on the most suitable approach
- A Chief Executive Officer Request Form is generated, detailing the nature of the variation and the recommended course of action. This form is submitted to the CEO for review and formal approval prior to implementing the variation.

Audit reviewed a sample of three (3) contract variations, as listed below:

- Contract # 2021-003 - Security Services to EMRC Sites
- Contract # 2022-008 - Mattress collection and Recycling Services
- Contract # 2022-009 – Provision of Transport Services from HRRP to East Rockingham and Redhill.

Our review confirmed that all three (3) contract variations were appropriately managed in line with EMRC's procedures. Executive leadership was kept informed of changes, and mutual agreement was reached among all parties regarding the extensions of time or scope adjustments. A Chief Executive Officer Request Form was prepared for each variation and submitted for formal approval, confirming proper governance and authorisation.

No issues were noted.



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**Eastern Metropolitan Regional Council
Grants Management
Internal Audit**

June 2025

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1. EXECUTIVE SUMMARY

Introduction

The Eastern Metropolitan Regional Council (EMRC) is a progressive and innovative regional local government working on behalf of four member Councils located in Perth's Eastern Region: Town of Bassendean, City of Bayswater, Shire of Mundaring, and City of Swan. This Region is a major gateway to greater Perth, hosting Western Australia's major air, road, and rail transport hubs. The EMRC is an incorporated body established under the Western Australian *Local Government Act 1995*. The EMRC's operations are governed under an Establishment Agreement.

The EMRC provides a broad range of services across the region including waste management and education, resource recovery, urban and natural environmental management, and regional development of the region. Its Council is responsible for setting the EMRC's strategic direction. EMRC management implements this direction, ensures the organisation's values are sustained and provides an environment that encourages staff to reach their full potential.

As part of the Strategic Internal Audit Plan 2020/2021 – 2025/2026 an audit of Grants Management is conducted every third year. The audit covered the period 1 July 2024 to 30 April 2025.

Audit Objective:

This is classified as an assurance audit with a focus on controls. We will use a combination of walk throughs, interviews, process observation, and sampling to assess controls.

The specific objectives of this audit are as follows:

Reliability and Integrity of Information

- Determine whether reports are produced to enable timely review of grant expenditure

Compliance

- Determine whether acquittals are conducted in accordance with grant terms and conditions
- Identify whether expenditure is in accordance with the grant approval
- Determine whether grant expenditure is approved in accordance with delegated authority.

Risks Identified

- Tracking of grants received or proposed
- Acquittal of grant funding
- Audit of grant expenditure for final report.

Scope of works

The audit period was 1 July 2024 to 30 April 2025.

2. OVERALL AUDIT OUTCOMES AGAINST AUDIT SCOPE OF WORKS

Overall Risk Rating

Scope Report Reference	Audit Scope	Outcomes	Risk Rating
8.1	Determine whether reports are produced to enable timely review of grant expenditure.	Achieved	N/A
8.2	Determine whether acquittals are conducted in accordance with grant terms and conditions.	Achieved	N/A
8.3	Identify whether expenditure is in accordance with the grant approval.	Achieved	N/A
8.4	Determine whether grant expenditure is approved in accordance with delegate authority.	Achieved	N/A

3. SUMMARY OF FINDINGS

1. No findings were made.

4. RECOMMENDATIONS

1. No recommendations were made.

5. BUSINESS IMPROVEMENTS

1. No business improvements were made.

6. OVERALL COMMENTS

Eastern Metropolitan Regional Council - Management Comments

The EMRC appreciated the thorough process applied to the Grant Management internal audit.

Stantons - Audit Management Comments

We would like to thank the grants team for all their assistance with the audit.

7. RISK RATING AND DEFINITIONS

Risk Ratings and Interpretations

Risks Ratings	Rating Interpretation	Suggested timing of implementing recommendations
Critical	The finding poses a severe risk to EMRC if not appropriately and timely addressed.	Commence remedial action immediately
Major	The finding poses significant risk to EMRC if not appropriately and timely addressed.	Commence remedial action within 3 months
Moderate	The finding poses less significant risk to EMRC if not appropriately and timely addressed.	Commence remedial action within 6 months
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An Audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Liability limited by a scheme approved under Professional Standards Legislation.

Report Release

Released by (Name): James Cottrill

Signature:



Title: Principal, Internal Audit, IT Audit & Risk Consulting

Date: 20 June 2025

8. DETAILED AUDIT ASSESSMENT

8.1 DETERMINE WHETHER REPORTS ARE PRODUCED TO ENABLE TIMELY REVIEW OF GRANT EXPENDITURE.

Overall Outcome	Based on audit sampling, we verified that grant reports are prepared in a manner than enables timely review of grant expenditure.
------------------------	---

Audit obtained EMRC's Register of Grants for both the financial years 2023-24 and 2024-25. For the 2024-25 period, four (4) grants were recorded in the register, including one (1) deemed unsuccessful and the remaining three (3) currently in progress. For 2023-24, one (1) grant was recorded and has since been successfully completed.

To assess whether grant reporting is conducted in a timely and compliant manner, Audit reviewed EMRC's relevant policies and procedures for Grants Management and conducted Sample testing across both periods.

The following documents were obtained to evaluate EMRC's approach in management of grants:

- Grant Process Checklist
- Grant Management Flowchart (Business Management System).

Review of the Grant Process Checklist indicated that it covers key lifecycle stages, including:

- Pre-application
- Application
- Grant management
- Grant acquittal
- Post grant.

Through discussion with the Chief Sustainability Officer and Strategic Projects Office, Audit was informed that EMRC utilises a Grant Suitability Assessment Matrix to assess whether a grant aligns with the organisation's strategic and operational objectives.

In line with EMRC's commitment to environmental sustainability and reduced paper usage, both the checklist and matrix are no longer physically completed but are referred to as part of the grants process. The sustainability team has adopted Microsoft Teams for collaboration and shared access to documentation, enabling more efficient, paperless workflows. This includes eliminating manual completion of the assessment matrix and checklist.

The Grant Management (BMS) Flowchart outlines the full process from grant application to acquittal and reporting. This flowchart was updated in April 2024 to reflect the formal inclusion of the Grant Suitability Assessment Matrix and grant application processes.

Due to the ongoing status of 2024-25 grants (with acquittals not due until 30 June 2025), Audit selected the only completed grant in 2023-24 – Avon Descent Festivals 2024 for detailed review.

For the Avon Descent Festival 2024 project, no formal submission deadline was identified for the acquittal report, however, we confirmed that the Grant Acquittal Declaration was reviewed by the Acting Chief Executive Officer and submitted on 29 November 2024.

As evidence of timely submission, Audit obtained a copy of the document titled: “Report Received – Submission of Grant Acquittal Report –Grant ID G-202412-85980” dated 29 November 2024.

No issues were noted.

8.2 DETERMINE WHETHER ACQUITTALS ARE CONDUCTED IN ACCORDANCE WITH GRANT TERMS AND CONDITIONS.

Overall Outcomes	Audit reviewed documentation for the selected grant samples and confirmed that acquittals were conducted in accordance with the applicable grant terms and conditions.
------------------	--

The grants acquittal process at EMRC is coordinated by the Project Officer, in consultation with the Chief Sustainability Officer, prior to submission to Finance Services for validation of relevance and accuracy. Details submitted include:

- Invoices and Purchase Orders
- Receipts
- Signed contracts (if applicable)
- All other relevant acquittal document required for review and audit purposes.

Certain grants may require an external audit as stipulated in the grant terms and conditions. As per the BMS, the Project Officer provides acquittal documentation to Finance Service, who are responsible for coordinating the submission to the external auditor.

As referenced in Section 8.1, Audit reviewed the completed grants acquittal for the Avon Descent Festivals 2024. The following documentation was examined as part of our review:

- Invoices and Purchase Orders issued to EMRC
- Avon Descent Festivals Process
- Grant Acknowledgement Plan
- Acquittal Statement Letter signed by Acting CEO
- Grant Acquittal Declaration (submitted via the Lotterywest portal)
- Income and Expenditure Statement 2024
- Completed final acquittal declaration.

Based on our review of the documentation provided, EMRC has demonstrated compliance with the relevant grant terms and conditions. The acquittal process was supported by appropriate evidence, reviewed by senior personnel, and submitted in a timely and accurate manner.

No issues were noted.

8.3 IDENTIFY WHETHER EXPENDITURE IS IN ACCORDANCE WITH THE GRANT APPROVAL

Overall Outcome	Audit assessed the sampled grants and confirmed that all expenditures were in accordance with the respective grant approvals.
------------------------	---

As part of audit testing, Audit reviewed the grant acquittals for both the Avon Descent Festivals 2024 and Community Grants for 2023-24. To determine whether expenditure was in accordance with the grant approval, Audit examined each item of expenditure, sighted the related invoices, and verified that:

- The amount listed on the invoices matched those recorded in the grant acquittals
- The nature of expenditure was relevant and appropriate to the respective grant project.

For the Avon Descent Festivals 2024, Audit confirmed that all expenditures incurred by EMRC were related specifically to the marketing promotion of the event and complied with the Conditions of the Grant.

Based on our review, Audit has verified that all sampled expenditures were relevant to the proposed project and in accordance with the grant approval.

No issues were noted.

8.4 DETERMINE WHETHER GRANT EXPENDITURE IS APPROVED IN ACCORDANCE WITH DELEGATE AUTHORITY.

Overall Outcome	Audit reviewed the sampled grant project reports and verified that grant expenditures were approved in accordance with delegate authority.
------------------------	--

Audit conducted testing for the Avon Descent Festivals 2024 to assess whether grant expenditure was approved in accordance with EMRC's delegated authority. The following criteria were examined:

- Grant contract/agreement is signed and authorised by the CEO
- Grant Acquittals are reviewed and signed off by appropriate Manager or CEO
- Grant Acquittal report is signed and authorised by the CEO
- All invoices related to the grant project are checked and received by the appropriate Officer/Manager within their delegated financial authority.

Based on the results of this testing, Audit confirms that all required approvals were obtained and appropriately authorised. The sampled grant was signed off by the CEO, and all related expenditures were reviewed by personnel with the appropriate level of delegated authority.

No issues were noted.



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Eastern Metropolitan Regional Council

Human Resource Management

June 2025

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1. EXECUTIVE SUMMARY

Introduction

The Eastern Metropolitan Regional Council (EMRC) is a progressive and innovative regional local government working on behalf of four member Councils located in Perth's Eastern Region: Town of Bassendean, City of Bayswater, Shire of Mundaring, and City of Swan. This Region is a major gateway to greater Perth, hosting Western Australia's major air, road, and rail transport hubs. The EMRC is an incorporated body established under the Western Australian *Local Government Act 1995*. The EMRC's operations are governed under an Establishment Agreement.

The Council provides a broad range of services across the region including waste management and education, resource recovery, urban and natural environmental management, and regional development of the region. Its Council is responsible for setting the EMRC's strategic direction. EMRC management implements this direction, ensures the organisation's values are sustained and provides an environment that encourages staff to reach their full potential.

As part of the Strategic Internal Audit Plan 2020/2021 – 2025/26 an audit of Human Resource Management is conducted every second year. This is a core financial related audit that would be expected to be relied upon by the Office of the Auditor General, Western Australia. The audit will cover the period 1 July 2024 to 30 April 2025. This audit will examine reliability and integrity of information, compliance and safeguarding of assets.

The audit objectives and scope of the works are provided below.

Audit Objective:

The primary objective of the audit was classified as an assurance audit with a focus on controls. We will use a combination of walk throughs, interviews, process observation, and sampling to assess controls.

The specific objectives of this audit are to ascertain that there are adequate controls over two key areas.

Compliance

- Assess mechanisms in place to ensure that policies and procedures are revised in line with changes to legislative or regulatory requirements
- Assess whether procedures are in place to provide adequate assurance that personnel processes comply with documented and approved policies and procedures
- Determine whether personnel policies are transparent, impartial, and capable of review
- Determine whether processes are in place to allow for objective and confidential action in the event of reported discrimination, harassment, or other grievances
- Assess awareness of policies and procedures
- Identify adequacy and gaps in internal controls and information security
- Assess rigour and consistency of incident follow-up process.

Strategic

- Determine whether the workforce plan is developed and monitored in accordance with best practice
- Assess effectiveness of staff retention strategies.

Risk Identified

- Compliance with legislation
- Lack of awareness
- Not having appropriate policies in place
- High churn rate
- Security
- Completeness of information.

Scope of works

The audit period was 1 July 2024 to 30 April 2025.

2. OVERALL AUDIT OUTCOMES AGAINST AUDIT SCOPE OF WORKS

Overall Risk Rating

Scope Report Reference	Audit Scope	Outcomes	Risk Rating
8.1	Assess mechanisms in place to ensure that policies and procedures are revised in line with changes to legislative or regulatory requirements.	Achieved	N/A
8.2	Assess whether procedures are in place to provide adequate assurance that personnel processes comply with documented and approved policies and procedures.	Achieved	N/A
8.3	Determine whether personnel policies are transparent, impartial, and capable of review.	Achieved	N/A
8.4	Determine whether processes are in place to allow for objective and confidential action in the event of reported discrimination, harassment, or other grievances.	Achieved	N/A
8.5	Assess awareness of policies and procedures.	Achieved	N/A
8.6	Identify adequacy and gaps in internal controls and information security.	Achieved	N/A
8.7	Assess rigour and consistency of incident follow-up process.	Achieved	N/A
8.8	Determine whether the workforce plan is developed and monitored in accordance with best practice.	Achieved	N/A
8.9	Assess effectiveness of staff retention strategies.	Achieved	N/A

3. SUMMARY OF FINDINGS

1. There were no findings noted.

4. RECOMMENDATIONS

1. There were no recommendations made.

5. BUSINESS IMPROVEMENTS

1. There were no business improvement suggestions made.

6. OVERALL COMMENTS

Eastern Metropolitan Regional Council (EMRC) - Management Comments

The Manager Human Resources accepts the Report and thanks the auditors for their useful comments which assist the team in delivering consistent improvements.

Stantons - Audit Management Comments

We wish to thank the Manager Human Resources and the team for all their assistance with the audit.

7. RISK RATING AND DEFINITIONS

Risk Ratings and Interpretations

Risks Ratings	Rating Interpretation	Suggested timing of implementing recommendations
Critical	The finding poses a severe risk to LAWA if not appropriately and timely addressed.	Commence remedial action immediately
Major	The finding poses significant risk to LAWA if not appropriately and timely addressed.	Commence remedial action within 3 months
Moderate	The finding poses less significant risk to LAWA if not appropriately and timely addressed.	Commence remedial action within 6 months
Minor	The finding poses minimal risk to LAWA if not appropriately and timely addressed, and the risk may develop more or cause other risks to develop.	Commence remedial action within 12 months

DISCLAIMER, BASIS OF AUDIT AND LIMITATIONS

DISCLAIMER

This report is prepared for LAWA's internal use and may be shared with its auditors and professional advisors for internal use. Copying and distribution of this report to other parties should not be done without prior approval and consent from Stantons.

BASIS OF AUDIT

We have conducted our audit in accordance with the applicable Performance Standards of the International Standards for the Professional Practice of Internal Auditing. The content of this report therefore represents the independent view by Stantons purely based on the information provided by LAWA members of staff during audit fieldwork. Changes to the contents of the report without Stanton's involvement will render all contents less "independent" and unrepresentative of Stanton's position with regards to the contents contained therein.

INHERENT LIMITATIONS

Because of the inherent limitations of any internal control structure, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An Audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Liability limited by a scheme approved under Professional Standards Legislation.

Report Release

Released by (Name): James Cottrill

Title: Principal, Internal Audit, IT Audit & Risk Consulting

Signature:



Date: 20 June 2025

8. DETAILED AUDIT ASSESSMENT

8.1 ASSESS MECHANISMS IN PLACE TO ENSURE THAT POLICIES AND PROCEDURES ARE REVISED IN LINE WITH CHANGES TO LEGISLATIVE OR REGULATORY REQUIREMENTS.

Overall Outcome	EMRC has established a regular review schedule to ensure that its policies and procedures and Human Resources Management Guidelines are consistently updated to reflect changes to legislative and regulatory requirements.
------------------------	---

The Easter Metropolitan Regional Council (EMRC) has established Human Resources policies and procedures that are aligned with relevant public sector legislation and industrial regulations, including:

- *Minimum Conditions of Employment Act 1993*
- *Industrial Relations Act 1979*
- *Local Government Industry Award 2020*
- National Employment Standards
- Fair Work Information Statement
- Casual Employment Information Sheet

To ensure continued compliance and relevance, EMRC undertakes a four-year cycle for conducting regular review of the Council Policies in response to updates regarding the following:

- Legislative or regulatory updates
- Changes to organisational processes
- Specific incidents
- Ethical considerations (either internal or external)
- Identification of the need for policy or procedure revision.

In addition to formal Council policies, EMRC maintains a comprehensive suite of Management Guidelines that support key Human Resources functions, such as disciplinary processes and misconduct investigations. These guidelines are reviewed annually by the Executive Leadership Team, or more frequently as needed, to ensure ongoing alignment with current legislation, regulatory requirements, and industry best practice.

No issues were identified.

8.2 ASSESS WHETHER PROCEDURES ARE IN PLACE TO PROVIDE ADEQUATE ASSURANCE THAT PERSONNEL PROCESSES COMPLY WITH DOCUMENTED AND APPROVED POLICIES AND PROCEDURES.

Overall Outcomes	There are adequate procedures in place to provide reasonable assurance that personnel processes comply with documented and approved policies and procedures.
-------------------------	--

The Eastern Metropolitan Regional Council (EMRC) has established a Management Guideline – Recruitment and Selection to ensure that all recruitment activities are conducted efficiently, professionally, and consistently, in alignment with relevant legislative and policy requirements.

All recruitment processes and decisions must adhere to the following principles:

- **Equal Opportunity** – all decisions must be free from discriminations prohibited under law
- **Legislative and Policy Compliance** – recruitment activities must comply with the *Local Governmental Act 1995 (WA)*, the EMRC's Code of Conduct and all relevant policies and guidelines
- **Impartiality** – the recruitment process must be free of patronage, nepotism, favouritism, or undue influence
- **Merit-based Selection** – selections must be based upon the applicant's suitability against the position requirements
- **Procedural Fairness and Transparency** – all processes must be conducted fairly and transparently, with adequate documentation maintained
- **Confidentiality** – individuals involved in recruitment must uphold appropriate confidentiality throughout the process.

Section processes are designed to align with the skills, experience, and attributes required for competent performance in the advertised role. Specific guidelines based upon employment type are outlined below:

- Permanent, temporary, or fixed-term appointments exceeding 12 months must be selected by an interview panel of at least two (2) people. The interview panel will assess all applications and determine candidate suitability for interview
- temporary appointments of 12 months or less may be assessed by an interview panel of one or more persons. Where the proposed appointee is a current or recent employee (employed within the past 12 months), a single panel member may conduct the assessment
- casual roles may be filled by individuals previously employed by EMRC or sourced via a specialist labour hire or recruitment agency.

All candidates are assessed against the essential selection criteria, with ranking based on merit. In cases of equal merit, desirable criteria may serve as a tiebreaker. A majority consensus is required to determine the preferred candidate.

Once a verbal offer is accepted, Human Resources prepares a Letter of Offer and Contract of Employment for CEO authorisation. Upon approval by the relevant Chief Officer and the CEO, these documents, along with payroll and onboarding materials, are sent to the successful applicant.

Both the Human Resources and line Manager/Supervisor are responsible for onboarding new staff, which includes completion of a New Employee Human Resources Induction and a New Employee Induction Checklist.

As part of our audit procedures, we conducted sample testing against five (5) new employees appointed during the period from 1 July 2024 to 30 April 2025. The employees selected for review were:

- #R270 – Senior Truck Diver – Domestic Waste
- #R275 – Plant Operator WTS
- #A492 – Weighbridge Officer
- #R277 – Bin Tagger (Casual)
- #R284 – Beverage Container Refund Point Attendant.

Testing confirmed that all five employees completed the Human Resources Induction. However, the completion status of the Manager / Supervisor induction cannot be verified. According to Human Resources, the New Employee Induction Checklist is forwarded to line Manager / Supervisor by the Human Resources and the completed checklist is not required to be returned or tracked. WHS training has also been undertaken by the new employees. However, it was noted that an audit is scheduled in the coming weeks to identify several missing completion dates.

In addition, the EMRC Employee Handbook and Code of Conduct are in place to inform employees of working conditions, entitlements, benefits, and applicable policies and guidelines. All EMRC employees are expected to comply with the Code of Conduct, EMRC's policies, management guidelines, and Business Management System.

The Code of Conduct provides a consistent framework for professional conduct and outlines principles of ethical behaviour. All employees are required to:

- Act with reasonable care and diligence
- Act with honesty and integrity
- Act lawfully
- Avoid damage to the reputation of the local government
- Be open and accountable to the public
- Base decisions on relevant and factually correct information
- Treat others with respect and fairness
- Not be impaired by mind-altering substances.

At the end of Employee Handbook and Code of Conduct, all employees are required to sign the Employee Acknowledgement page, confirming that they acknowledged the requirements outlined within the Employee Handbook and Code of Conduct.

No issues were noted.

8.3 DETERMINE WHETHER PERSONNEL POLICIES ARE TRANSPARENT, IMPARTIAL, AND CAPABLE OF REVIEW

Overall Outcome	EMRC's personnel policies are transparent, impartial, and capable of review.
------------------------	--

The Easter Metropolitan Regional Council (EMRC) has a range of Human Resources Management Guidelines available to all staff via the Intranet, including (but not limited to):

- Education and Study Assistance
- Employee Assistance Program
- Employee Grievance, Resolution and Complaints
- Higher Duties
- Long Service Leave
- Managing Employment Termination
- Managing Disciplinary Issues
- Managing Poor/Under Performance
- Misconduct, Corruption and Fraud Control
- Misconduct Investigations
- etc.

Audit noted that many of the existing guidelines were scheduled for review in 2024. Discussions with Human Resources confirmed that EMRC is currently in the process of updating these documents in alignment with a recently revised Corporate Style Guide. As part of this transition:

- A formal review schedule has been developed
- Each guideline will be reformatted and updated when due for review or as otherwise required
- Once updated, guidelines will reflect the revised review date and be transferred to a newly styled corporate template
- The target is to have most guidelines transitioned to the new format by end of the calendar year or early next year.

As per the EMRC Handbook and Code of Conduct, all EMRC employees are expected to comply with the Code of Conduct and EMRC's policies, management guidelines, and Business Management System, all of which are available on EMRC's Intranet. The Employee Handbook outlines key personnel policies, including:

- Employment terms, conditions, and payment of remuneration
- Level entitlements
- Communication and IT systems
- Use of motor vehicles and equipment
- Standards of conduct and equal opportunity
- Health, safety, and security in the workplace
- Employee records (personal information)
- Employee benefits
- Performance and conduct management
- EMRC policies and procedures
- Office protocol
- Miscellaneous information.

At the end of Employee Handbook and Code of Conduct, all employees are required to sign the Employee Acknowledgement page, confirming that they have read and understood the information outlined within the Employee Handbook and Code of Conduct.

As part of our audit procedures, we selected five (5) new employees appointed during the period 01/07/2024 – 30/04/2025 from the employee list, comprising:

- #R270 – Senior Truck Diver – Domestic Waste
- #R275 – Plant Operator WTS
- #A492 – Weighbridge Officer
- #R277 – Bin Tagger (Casual)
- #R284 – Beverage Container Refund Point Attendant.

Audit confirmed that all five employees had signed the Employee Handbook and Code of Conduct Acknowledgement Page, indicating compliance with onboarding requirements and policy awareness expectations.

No issues were noted.

8.4 DETERMINE WHETHER PROCESSES ARE IN PLACE TO ALLOW FOR OBJECTIVE AND CONFIDENTIAL ACTION IN THE EVENT OF REPORTED DISCRIMINATION, HARASSMENT, OR OTHER GRIEVANCES.

Overall Outcome	The EMRC has implemented an Equal Employment Opportunity (EEO) Management Plan which outlines key EEO outcomes, along with a suite of Management Guidelines aimed at preventing, managing, and reporting discrimination, harassment, and other workplace grievances.
------------------------	--

The Eastern Metropolitan Regional Council (EMRC) has implemented the Equal Employment Opportunity (EEO) Management Plan, which has been developed in alignment with the Director of Equal Opportunity in Public Employment's EEO and Diversity Outcome Standards Framework. The EEO Management Plan outlines four (4) key outcomes to be achieved during the period of the plan, comprising:

- The organisation values EEO and diversity, and the work environment is free from sexual and racial harassment
- Workplaces are free from employment practices that are biased or unlawfully discriminate towards employees or potential employees
- Employment programs and practices recognise and include strategies for EEO groups to achieve workforce diversity
- Maintain a relevant and achievable EEO Management Plan through communication, review / amendment, and evaluation.

In support of the EEO Management Plan, EMRC has established a suite of Management Guidelines aimed at promoting diversity, fairness, and respectful workplace conduct.

The Management Guideline – Equal Employment Opportunity and Diversity affirms EMRC's zero tolerance towards racial harassment, racial vilification, victimisation, and bullying. Discrimination is explicitly prohibited on grounds including, but not limited to:

- Race
- Impairment
- Sex
- Age
- Gender history
- Pregnancy
- etc.

Under the Management Guideline – Workplace Anti-Bullying and Anti-Harassment, EMRC leaders are expected to actively promote a respectful culture and ensure the workplace is free from harassment, bullying, and violence. All employees are expected to:

- not engage in harassment, bullying or workplace violence
- not aid, abet or encourage others in such behaviours
- behave in a responsible and professional manner
- treat others in the workplace with courtesy and respect
- listen and respond appropriately to the views and concerns of others
- be fair and honest in their dealings with colleagues.

The Management Guideline – Employee Grievance, Resolution, and Complaints encourages three (3) informal methods for resolving workplace issues directly and promptly, comprising:

- Approaching the people involved
- Seeking guidance from team leader
- Consulting with Human Resources.

If the matter cannot be resolved informally, or if it involves bullying, harassment, discrimination, or victimisation, a formal complaint may be lodged with Human Resources. The complaint must include:

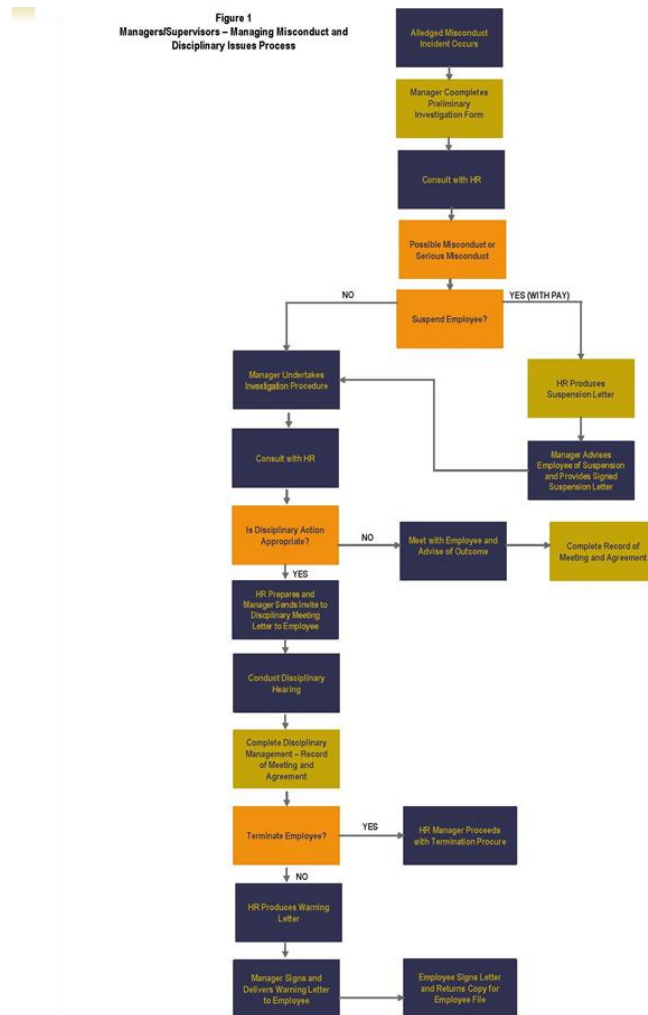
- the name of the complainant
- the name(s) of the person(s) the complaint is about
- details of the conduct or incident (including date, time, location, and witnesses)
- The desired outcome sought.

Grievances and complaints are required to be managed in a manner that is a confidential, respectful, fair, impartial, supportive, and prompt manner.

According to the Management Guideline – Managing Disciplinary Issues, formal disciplinary actions may be undertaken following substantiated findings of inappropriate behaviour or misconduct. These may include:

- Verbal warning
- Written warning
- Final written warning
- First and final written warning
- Suspension
- Termination.

The process diagram below outlines the steps EMRC follows in managing disciplinary matters.



Through discussion with the Human Resources, it was confirmed that no cases of misconduct were reported during the audit period 01/7/2024 – 30/04/2025, apart from one (1) ongoing investigation. As this investigation has not yet concluded, no outcome or findings were available at the time of the audit.

No issues were noted.

8.5 ASSESS AWARENESS OF POLICIES AND PROCEDURES.

Overall Outcome	EMRC has implemented adequate process to ensure employees' awareness of policies and procedure.
------------------------	---

Through discussion with the Human Resources, it was confirmed that all policies, procedures, and guidelines available on the Intranet are up to date and accessible to all employees.

The EMRC Handbook and Code of Conduct provides new employees with essential information regarding working conditions, employee benefits, and relevant organisational guidelines and policies. The Code of Conduct also set out consistent expectations for acceptable standards of professional behaviour.

All the new EMRC employees are required to sign and return the Acknowledgement Page to Human Resources, confirming that they have read and understood the contents, as presented in the extract below.



Employee Acknowledgment

I sign below in acknowledgment that:

- I understand that the EMRC has prepared this Employee Handbook and Code of Conduct as a guide to assist me during my employment;
- I agree to read and abide by the policies, guidelines, procedures and Code of Conduct as set forth in the handbook;
- I accept and understand that these guidelines should not be construed as a contract or other such legal document;
- I understand that the EMRC reserves the right to make changes in content or application as it deems appropriate;
- I understand that the EMRC Employee Handbook and Code of Conduct is located in electronic format on the EMRC's Intranet; and
- I acknowledge that I have been given the opportunity to read the handbook and discuss any issues with the appropriate person in the EMRC.

Employee Name:

Employee Signature:

Date:

Please complete the details requested in the Employee Acknowledgement and RETURN THIS PAGE ONLY to Human Resources Team.

Please retain the handbook for your future reference.

As part of New Employee Induction process, new staff are provided with Employee Manual and the Code of Conduct and are instructed to review EMRC's policies and management guidelines. They are also encouraged to familiarise themselves with the Intranet and the EMRC corporate website to ensure full awareness of available resources and organisations standards.

No issues were noted.

8.6 IDENTIFY ADEQUACY AND GAPS IN INTERNAL CONTROLS AND INFORMATION SECURITY.

Overall Outcome	EMRC has in place adequate internal Human Resources controls and information security.
------------------------	--

According to EMRC has a Management Guideline – Privacy in the Workplace, the Eastern Metropolitan Regional Council (EMRC) is committed to protecting the privacy and personal information of individuals in accordance with relevant legislation and best practices.

EMRC may collect personal information in a variety of ways, including:

- Directly from individuals, such as through application forms, statutory declarations and written or oral correspondence
- From third parties, including private and public entities.

Collected personal and health information is protected by reasonable security safeguards to prevent loss, unauthorised access or misuse. EMRC may use this information to:

- Perform its functions and duties under the *Local Government Act 1995*
- Administer and process matters related to personnel and recruitment.

EMRC takes active steps to ensure personal and health information is not disclosed without valid justification. Disclosure is only permitted under the following conditions:

- With the individual's informed consent
- When required by law or legal obligation
- To a third-party service provider, provided that:
 - The service provider agrees to maintain the confidentiality of the information
 - The individual is informed in advance, where practical
- As otherwise authorised under relevant legislation or official guidelines.

To ensure the safety, security, and integrity of its systems and assets, EMRC implements the following monitoring practices:

- Internet and email usage are logged and reviewed; unusual activity is subject to investigation
- Remote access tools may be used by IT support staff to troubleshoot user issues, with full visibility and control during the session
- GPS tracking systems are installed on EMRC vehicles and equipment to monitor usage
- CCTV and mobile/still cameras may be used in high-risk areas or where assets are located or operated.

The Human Resources Adviser maintains accurate personal records and HR databases, and oversees compliance for work experience placement, whereas the Senior Human Resources Adviser ensures compliance with employment legislation, provides guidance on awards and industrial relations, and ensure the accuracy of employee records. In addition, the Manager Human Resources oversees the induction process, and develops, reviews, and promotes HR policies, guidelines, and procedures.

Employee information is primarily managed by the Payroll Officer through SynergySoft, with occasionally input by Human Resources and access restricted to authorised personnel. HR records are maintained electronically via Content Manager (CM) and hardcopy documents are not accepted. No issues were noted.

8.7 ASSESS RIGOUR AND CONSISTENCY OF INCIDENT FOLLOW-UP PROCESS.

Overall Outcome	The EMRC has implemented a rigorous and consistent incident (e.g., bullying, harassment, discrimination, etc.) follow-up process.
------------------------	---

The Eastern Metropolitan Regional Council (EMRC) has established a clear and structured process for managing employee grievances, formal complaints, and misconduct investigations. These processes are outlined in the Management Guideline – Employee Grievance, Resolution, and Complaints, as well as the Management Guideline – Misconduct Investigations and Managing Disciplinary Issues.

Where possible, employees are encouraged to resolve workplace issues informally. However, if informal resolution is not effective or the matter involves serious issues such as bullying, harassment, discrimination, or victimisation, a formal complaint must be lodged with Human Resources. Formal complaints should provide the following information:

- the name of the complainant
- the name of the person/s the complaint is about
- detailed description of the conduct / incident (including date, time location and any witnesses)
- the desired outcome sought by the complainant.

Human Resources will review the complaint for substance and seriousness, which may involve a preliminary investigation to determine whether a full investigation or disciplinary action is warranted.

Where an employee disagrees with a decision related to their employment, they may submit a written concern to the relevant Leader or decision-maker. The request must clearly identify the aspects of the decision being contested. The Leader will review the decision and may consult the owner of the relevant document or legislation underpinning the original decision. If unresolved, the matter may be escalated in writing to the relevant Chief or the Chief of the decision-maker. All grievances and complaints will be managed in a manner that is:

- confidential
- respectful
- fair and impartial
- supportive
- prompt.

False or malicious complaints made with the intent to cause harm or reputational damage may constitute misconduct and result in disciplinary action.

As per the Management Guideline – Misconduct Investigations, allegations of misconduct are typically investigated jointly by Human Resources and the relevant operational team. In some circumstances, an external investigator may be appointed. If the complaint is assessed to be a Public Interest Disclosure (PID), it will be referred to EMRC's designated PID Officer and handled in accordance with the Public Sector Commission's PID Guidelines.

Reports on any investigation into misconducts are to be prepared by the Human Resources after gathering the applicable evidence and statements. Reports and recommendations may be escalated to the CEO, a Chief or a Manager where appropriate. Investigation Report may include:

- a determination on whether a prima facie case exists
- recommendations for referrals to external agencies (e.g., Corruption and Crime Commission (CCC))
- Suggestions for improvements to internal processes and controls.

In accordance with the Management Guideline – Managing Disciplinary Issues, if disciplinary action is required following an investigation, a formal disciplinary hearing will be held to determine and confirm appropriate action. Disciplinary actions may include:

- Verbal warning
- Written warning
- Final written warning
- First and final written warning
- Suspension
- Termination.

No issues were noted.

8.8 DETERMINE WHETHER THE WORKFORCE PLAN IS DEVELOPED AND MONITORED IN ACCORDANCE WITH BEST PRACTICE.

Overall Outcome	The EMRC has implemented a Workforce Plan for the period 2023 to 2027, developed and monitored in accordance with best practice standards.
------------------------	--

The Eastern Metropolitan Regional Council (EMRC) has developed and implemented the Workforce Plan 2023 – 2027 to ensure the organisation has the capability and capacity to meet both current organisational objectives and future strategic requirements. This plan is aligned with EMRC's commitment to operational excellence, strategic agility, and workforce resilience.

The Workforce Plan aims to:

- Strengthen EMRC's capacity to deliver on strategic and operational plans
- Provide a comprehensive understanding of the workplace profile to enhance capacity and performance both now and in the future
- Enable proactive and agile responses to both planned and unplanned organisational changes
- Creating the right workforce mix (the right skills, at the right time, and in the right place) to drive greater efficiency, effectiveness and productivity across the organisation.

A detailed workforce analysis was conducted covering key demographic factors, including equal employment opportunities, gender balance, age distribution, and employment tenure and turnover. The analysis informs strategic planning, and highlights focus areas for workforce development and diversity.

The Workforce Plan reflects EMRC's commitment to upholding the principles and obligations of the following legislations and frameworks:

- *Equal Opportunity Act 1984*
- *Workplace Gender Equality Act 2012*
- *Disability Services Act 1993*
- United Nations Sustainable Development Goals (SDGs).

To build a future-ready workforce, the EMRC has identified the following strategic priorities:

- Drive, support and reward a high-performance culture
- Build an adaptable fit-for-purpose workforce
- Provide a safe and healthy working environment
- Empower employees to deliver excellent service to both customers and the community.

Through the Workforce Plan, EMRC demonstrates its ongoing dedication to:

- Consistently delivering a dynamic and efficient model to approximately 100 skilled and dedicated employees
- Promoting fairness, equality, and cultural diversity, ensuring inclusion across all ages, genders, and backgrounds
- Equipping staff with modern technology and systems, including access to innovative digital tools and smart solutions, safe and secure ICT equipment, and comprehensive training and induction programs for all new employees.

No issues were noted.

8.9 ASSESS EFFECTIVENESS OF STAFF RETENTION STRATEGIES.

Overall Outcome	EMRC has offered comprehensive benefits for employees as well as implementation of employee service programs.
------------------------	---

According to the Workforce Plan 2023 – 2027, the Eastern Metropolitan Regional Council (EMRC) demonstrates a strong commitment to fostering a positive and supportive workplace culture. A range of initiatives and employee benefits have been implemented to promote work/life balance, employee satisfaction, and professional development.

EMRC offers a comprehensive suite of programs and flexible arrangements designed to enhance the employee experience, including:

- Competitive salaries and attractive benefits
- Flexible working arrangements, including work-from-home (WFH), none-day fortnights, rostered days off (RDOs), and the ability to work from alternate locations
- Access to health and well-being programs
- Professional and personal development opportunities, such as tailored training, guest speakers, and information sessions
- A value-based, for-purpose organisational culture
- A strong commitment to workplace safety and health, with supported systems and leadership accountability
- Flexible financial arrangements, including salary sacrifice options.

As outlined in Council Policy 4.4 – Employees Service Recognition, EMRC recognises the commitment and service of employees through a formal recognition process. Employees who reach milestone anniversaries are acknowledged with:

- A Certificate of Appreciation signed by both the Chairman and Chief Executive Officer
- A gift, with its value determined in accordance with an approved schedule
- A Council-funded Service Recognition Ceremony, such as a morning tea or sundowner, organised close to the employee's service anniversary.

These ceremonies are intended to highlight individual contributions and foster a culture of appreciation, with presentations made by the Chief Executive Officer and/or Chairman, where practicable. The schedule below illustrates relevant service recognition awards based upon years of services.

Number of Years of Continuous Service	Service Recognition Award
5 Years of Service	Framed Certificate of Appreciation Gift to the value of \$100
10 Years of Service	Framed Certificate of Appreciation Gift to the value of \$200
15 Years of Service	Framed Certificate of Appreciation Gift to the value of \$300
20 Years of Service	Framed Certificate of Appreciation Gift to the value of \$400
After Each Period of 5 Years Thereafter	Framed Certificate of Appreciation Gift to the value of \$500

As further detailed in the Employee Handbook and the Code Conduct, EMRC offered several initiatives to support staff:

- A comprehensive internal training program to build proficiency in EMRC systems
- Study Assistance for further education
- Enhanced superannuation contributions, including an additional 5% contribution for personal contributions
- Access to a confidential Employee Assistance Program (EAP) for a range of personal and professional issues
- Services awards presented every five years of continuous service
- The Extra Mile Recognition Certificate (EMRC), recognising exceptional employee achievements and behaviours
- The Employee Suggestion Program (ESP), allowing staff to contribute ideas and provide feedback.

It should be noted that from July 2025, the number of member Councils is expected to reduce from four (4) to one (1).

As a result, this may impact the effectiveness of employee retention strategies, however this change has not been assessed as part of the current audit.

No issues were noted.



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Eastern Metropolitan Regional Council

OH&S System Review/Reporting and Remedial Actions

June 2025



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1. EXECUTIVE SUMMARY

Introduction

The Eastern Metropolitan Regional Council (EMRC) is a progressive and innovative regional local government working on behalf of four member Councils located in Perth's Eastern Region: Town of Bassendean, City of Bayswater, Shire of Mundaring, and City of Swan. This Region is a major gateway to greater Perth, hosting Western Australia's major air, road, and rail transport hubs. The EMRC is an incorporated body established under the Western Australian *Local Government Act 1995*. The EMRC's operations are governed under an Establishment Agreement.

The Council provides a broad range of services across the region including waste management and education, resource recovery, urban and natural environmental management, and regional development of the region. Its Council is responsible for setting the EMRC's strategic direction. EMRC management implements this direction, ensures the organisation's values are sustained and provides an environment that encourages staff to reach their full potential.

As part of the Strategic Internal Audit Plan 2020/2021 – 2025/26 an audit of Occupational Health and Safety (OH&S) Systems Review and Reporting, and Remedial Actions is conducted every second year. The audits will cover the period 1 July 2024 to 30 April 2025. These audits will examine reliability and integrity of systems, compliance and safeguarding of staff.

The audit objectives and scope of the works are provided below.

Audit Objective:

The primary objective of the audit was classified as an assurance audit with a focus on controls. We will use a combination of walk throughs, interviews, process observation, and sampling to assess controls.

The specific objectives of this audit are as follows:

Occupational Health and Safety (OH&S) Systems Review Compliance

- Assess policies and procedures to provide adequate assurance that legislative and regulatory requirements will be met
- Assess whether procedures are in place to provide adequate assurance that OHS processes comply with documented and approved policies and procedures
- Assess awareness of policies and procedures
- Assess rigour and consistency of incident follow-up process.

Strategic

- Determine whether the OHS systems are monitored and updated in accordance with the changes in best practice.

Risks Identified

- Compliance with legislation
- Not having appropriate policies in place
- Security
- Completeness of information.

Occupational Health and Safety (OH&S) Reporting, and Remedial Actions
Compliance

- Managers receive reporting in both leading and lagging indicators
- Reporting is provided on near hits, medical treatment, and lost time injuries
- Assess awareness of reporting and remedial processes
- Assess rigour and consistency of incident follow-up process.

Risks Identified

- Compliance with legislation
- Not having appropriate policies in place
- Completeness of information.

Scope of works

The audit period was 1 July 2024 to 30 April 2025.

2. OVERALL AUDIT OUTCOMES AGAINST AUDIT SCOPE OF WORKS

Overall Risk Rating

Scope Report Reference	Audit Scope	Outcomes	Risk Rating
<i>Occupational Health and Safety (OH&S) Systems Review</i>			
8.1	Assess policies and procedures to provide adequate assurance that legislative and regulatory requirements will be met	Achieved	N/A
8.2	Assess whether procedures are in place to provide adequate assurance that OHS processes comply with documented and approved policies and procedures	Achieved	N/A
8.3	Assess awareness of policies and procedures	Achieved	N/A
8.4	Assess rigour and consistency of incident follow-up process	Achieved	N/A
8.5	Determine whether the OHS systems are monitored and updated in accordance with the changes in best practice	Achieved	N/A
<i>Occupational Health and Safety (OH&S) Reporting, and Remedial Actions</i>			
8.6	Managers receive reporting in both leading and lagging indicators	Achieved	N/A
8.7	Reporting is provided on near hits, medical treatment, and lost time injuries	Achieved	N/A
8.8	Assess awareness of reporting and remedial processes to the Council and Senior Executive	Achieved	N/A
8.9	Assess rigour and consistency of incident follow-up process by the Council and Senior Executive	Achieved	N/A

3. SUMMARY OF FINDINGS

1. No findings were raised.

4. RECOMMENDATIONS

1. There were no recommendations.

5. BUSINESS IMPROVEMENTS

1. Audit suggests that where there are WHS incidents to be discussed during the Health and Safety Committee meetings, attendance by at least one (1) Senior Executive should be considered. This would strengthen executive oversight, facilitate timely decision-making, and reinforce the organisation's commitment to workplace health and safety at the leadership level.

6. OVERALL COMMENTS

Eastern Metropolitan Regional Council (EMRC) - Management Comments

We accept the suggested business improvements and will invite Senior executives to Health and Safety Committee meetings.

Stantons International - Audit Management Comments

We acknowledge that EMRC accepts the suggested business improvement to invite Senior executives to Health and Safety Committee meetings and would like to thank the OH&S team for all their assistance with the audit.

7. RISK RATING AND DEFINITIONS

Risk Ratings and Interpretations

Risks Ratings	Rating Interpretation	Suggested timing of implementing recommendations
Critical	The finding poses a severe risk to EMRC if not appropriately and timely addressed.	Commence remedial action immediately
Major	The finding poses significant risk to EMRC if not appropriately and timely addressed.	Commence remedial action within 3 months
Moderate	The finding poses less significant risk to EMRC if not appropriately and timely addressed.	Commence remedial action within 6 months
Minor	The finding poses minimal risk to EMRC if not appropriately and timely addressed, and the risk may develop more or cause other risks to develop.	Commence remedial action within 12 months

DISCLAIMER, BASIS OF AUDIT AND LIMITATIONS

DISCLAIMER

This report is prepared for EMRC's internal use and may be shared with its auditors and professional advisors for internal use. Copying and distribution of this report to other parties should not be done without prior approval and consent from Stantons.

BASIS OF AUDIT

We have conducted our audit in accordance with the applicable Performance Standards of the International Standards for the Professional Practice of Internal Auditing. The content of this report therefore represents the independent view by Stantons purely based on the information provided by EMRC members of staff during audit fieldwork. Changes to the contents of the report without Stanton's involvement will render all contents less "independent" and unrepresentative of Stanton's position with regards to the contents contained therein.

INHERENT LIMITATIONS

Because of the inherent limitations of any internal control structure, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An Audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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Report Release

Released by (Name): James Cottrill

Title: Principal, Internal Audit, IT Audit & Risk Consulting

Signature:



Date: 20 June 2025

8. DETAILED AUDIT ASSESSMENT

8.1 ASSESS POLICIES AND PROCEDURES TO PROVIDE ADEQUATE ASSURANCE THAT LEGISLATIVE AND REGULATORY REQUIREMENTS WILL BE MET

Overall Outcome	Audit noted that there was adequate assurance that legislative and regulatory requirements were being met through EMRC policies and procedures.
------------------------	---

Audit obtained and reviewed the Council Policy 7.2 Occupational Health and Safety to assess the Eastern Metropolitan Regional Council's (EMRC) compliance with relevant legislative and regulatory requirements, including the *Work Health and Safety Act 2020* and *Work Health and Safety Regulations 2022*. The objective of the Policy is to foster a strong safety culture and ensure the health, safety, and welfare of workers, contractors, and volunteers. Key commitments outlined in the policy include:

- Meeting due diligence obligations and empowering workers to mitigate workplace risks.
- Implementing and reviewing the Work Health and Safety Policy with clear responsibilities and continuous improvement.
- Establishing measurable health and safety objectives and targets and planning to achieve and monitor them.
- Using risk management systems to identify hazards, assess risks, and implement control strategies.
- Ensuring all workers, volunteers, and contractors are informed, trained, supervised, and competent in their tasks.
- Communicating and consulting with Health and Safety Representatives, workers, and contractors on safety matters.
- Identifying legal and other requirements and monitoring compliance.
- Making sure workers and contractors understand their responsibility to safeguard their own and others' health and safety.
- Regularly monitoring the workplace for risks and reviewing control measures.
- Implementing rehabilitation and injury management initiatives for injured workers.

The Chief Executive Officer, supported by the management team, is responsible for ensuring a safe and healthy work environment by:

- Promoting cooperation and consultation between management and workers on safety matters.
- Identifying and controlling workplace hazards.
- Conducting formal safety training, including inductions, for workers, contractors, and volunteers.
- Ensuring plant and equipment are safe through proper purchasing, inspection, and maintenance.
- Implementing systems for accident/incident reporting, investigation, and recording.
- Minimising risks in the workplace using the hierarchy of controls.
- Developing and implementing emergency response procedures.
- Providing health-related information and programs to promote worker wellbeing.
- Maintaining effective injury management processes for work-related injuries.
- Ensuring compliance with all relevant safety legislation.

As per Work Health and Safety Management System (WHSMS), the purpose of the framework is to:

- Implement WHS Risk Management Framework:
 - Integrate with management, reporting processes, communication, consultation, policies, values, governance, and strategy.
- Define Organisational Standards:

- Aim to mitigate or minimize harm to personnel and assets.
- Provide Guidance on Management System:
 - Outline core elements and their interactions.
 - Offer direction on applying relevant documentation.

The objective of the WHSMS is to ensure the health and safety of workers, eliminate or reduce risks, and support compliance with applicable legislation. Key focus areas include:

- Implement and review WHS Policy with clear responsibilities and resources.
- Establish measurable Health and Safety objectives and monitor results.
- Identify hazards, assess risks, and implement effective control strategies.
- Ensure workers, volunteers, and contractors are informed, trained, and competent.
- Communicate and consult on safety and health matters.
- Identify and monitor compliance with legal and other requirements.
- Ensure workers and contractors understand their responsibility for health and safety.
- Regularly monitor workplace risks and review controls.
- Implement rehabilitation and injury management for injured workers.

Discussions with the Human Resource confirmed that EMRC is currently in the process of reviewing its WHSMS, conducting a gap analysis and implementing the updated framework in 2025.

No issues were noted.


8.2 ASSESS WHETHER PROCEDURES ARE IN PLACE TO PROVIDE ADEQUATE ASSURANCE THAT OHS PROCESSES COMPLY WITH DOCUMENTED AND APPROVED POLICIES AND PROCEDURES

Overall Outcomes	Audit reviewed EMRC's OH&S processes and found them to be adequate and in compliance with documented and approved policies and procedures.
-------------------------	--

Audit obtained and reviewed the Safety Management Plan to assess whether Occupational Health and Safety (OHS) processes were compliant with approved internal policies and relevant legislation. The plan serves as a guiding document for ensuring adherence to the *Western Australian Occupational Safety and Health Act 1984* and *Western Australian Occupational Safety and Health Regulations 1996* as far as reasonably practical.

Management Guidelines – Contractor Management, which was last reviewed in April 2015, provide structured guidance for engaging a contractor to undertake work on EMRC property or on behalf of the EMRC, ensuring that the scope of work is defined with all known risks and record keeping accounted for, in alignment with the EMRC Occupational Safety and Health (OS&H) Policy, Occupational Safety and Health Act and Regulations. The guidelines are currently under review by the Human Resources and WHS Team.

A contractor risk matrix was implemented to assess potential hazards prior to a contract being awarded, as presented below.

		RISK RATING MATRIX				
		Consequence				
		Insignificant	Minor	Moderate	Major	Severe
Likelihood	Almost certain	8 (M)	16 (H)	18 (H)	23 (E)	26 (E)
	Likely	7 (M)	10 (M)	17 (H)	20 (H)	24 (E)
	Possible	4 (L)	9 (M)	12 (M)	19 (H)	22 (H)
	Unlikely	2 (L)	5 (L)	11 (M)	14 (M)	21 (H)
	Rare	1 (L)	4 (L)	6 (L)	13 (M)	15 (M)

During a site visit to the Hazelmere Resource Recovery Park on 20 May 2025, it was noted that an improved induction process for contractors had been implemented. This change was prompted by safety incidents caused by non-compliance during waste transfer activities. The updated induction aims to ensure that contractors are fully aware of site rules and can be held accountable in the event of safety breaches.

EMRC uses MyOSH, its Health and Safety Management Software, to track:

- Equipment servicing and maintenance schedules
- Repair records
- Automated alerts based on equipment usage hours.

According to the WHS Coordinator, at Red Hill Waste Management Facility, machinery is serviced through agreements with external suppliers. The Site Mechanical Team schedules servicing based on machine hours/kilometres, which are reported weekly by the Administration Team. A detailed plant/vehicle asset register is maintained and a daily pre-start faults register logs maintenance issues and repairs

An OS&H policy and procedure review matrix was developed to keep track of all corporate documents, management guidelines, procedures, and policies, and work safe methods.

In terms of field guides, a Contractor Health and Safety Handbook for Red Hill and Hazelmere facilities is in place to articulate site inductions, rules, safety procedures, insurances/licences/permits, Personal Protective Equipment requirements and hours of operation.

Additionally, an Environmental Management Safety Online Induction Part C for staff and contractors is established to communicate workplace risks and required safety protocols when working at the Red Hill Waste Management facility.

Pre-start checklists and daily plant inspection/run sheet were completed daily at both sites to identify structural damage or excessive equipment wear.

Audit reviewed EMRC's OH&S processes and found them to be adequate and in compliance with documented and approved policies and procedures. The systems and practices in place demonstrate a proactive approach to safety, with ongoing improvements and strong alignment to legislative obligations.

No issues were noted.

8.3 ASSESS AWARENESS OF POLICIES AND PROCEDURES

Overall Outcome	Audit found that awareness of Work Health and Safety (WHS) policies and procedures at EMRC was adequate and supported through appropriate training, communication, and induction processes.
------------------------	---

Through our discussion with the Coordinator Work Health & Safety in assessing awareness of WHS policies and procedures at EMRC. The Coordinator advised that EMRC employed all relevant Code of Practice requirements issued by the Department of Mines, Industry Regulation and Safety. The Codes of Practices were incorporated into operational procedures as Safe Work Method Statement (SWMS) which were available to all staff on EMRC's intranet. Audit conducted a walkthrough with the Coordinator to verify SWMS accessibility.

Each EMRC site maintains tailored SWMS aligned with its unique operational requirements. Operational employees are required to review and sign off on the relevant SWMS daily. During staff induction, new employees is required to complete a Competency Assessment (e.g., operating machinery or vehicles) to confirm they possess the necessary skills for the job. If an employee fails the test, they must complete formal training provided by EMRC prior being permitted to undertake their duties. It indicated that staff were appropriately aware of SWMS applicable to their roles.

For visitors and contractors, the Coordinator outlined that a Walk Around Induction Form must be completed prior to site access. This checklist confirms awareness of key WHS requirements, including:

- Online induction/Training
- Amenities
- Emergency planning
- PCBU/Employer duty of care
- Worker/Employee duty of care
- Mobile plant interaction safe work procedure
- WHS issue resolution
- Manual tasks
- Workplace behaviour
- Working outdoors
- Drugs and alcohol in the workplaces
- Smoke free workplace policy
- Vehicle safety
- Contractors
- Medical concerns.

Audit noted that the Walk Around Induction form had been improved to strengthen contractor and visitor awareness of site-specific WHS policies and expectations.

Audit also obtained and reviewed the Health and Safety Committee Minutes – April 2024. This meeting was attended by the Coordinator WHS, WHS Senior Advisor, Quality Officer, Plant Operators, Transfer Station Team Leader and Project Engineer. Topics discussed included:

- Development audits to monitor EMRC's systems
- MyOSH dashboard update
- HSC to continually develop practical ideas using new technology with the intention of improving quality and efficiency of work
- HSC members to inform their teams of the HSC at their next Toolbox meeting.

The meeting also held discussions on action items, completed items, new discussion items and other general business.

Audit confirmed that WHS awareness, communication, and induction processes at EMRC were adequate and aligned with approved policies and procedures.

No issues were noted.

8.4 ASSESS RIGOUR AND CONSISTENCY OF INCIDENT FOLLOW-UP PROCESS

Overall Outcome	Audit reviewed EMRC's incident follow-up procedures and found them to be consistent, adequately implemented, and executed with a high degree of rigour.
------------------------	---

Through discussion with the Coordinator WHS in assessing the incident follow-up process at EMRC. The Coordinator advised that upon receiving an incident report form, the WHS team enters the incident myosh incident reporting module and typically initiates a formal investigation to identify the root cause. If an injury is sustained, the injured person is taken to the doctor for assessment. A workers comp claim is only raised if the injured person wants to raise one. A meeting is then held with the site manager, WHS Coordinator, and the injured worker to determine appropriate follow-up actions, assign accountability, and establish completion timelines, where a Return to Work is completed. These actions are recorded in the site-specific Actions List.

According to the Coordinator WHS, all incidents are discussed during the next Toolbox and WHS Committee meetings. Any lessons learned or corrective actions are communicated to all staff to prevent recurrence.

Audit reviewed a recent Workers' Compensation claim to assess the implementation of the follow-up process. The selected case involved a staff member who sustained a back injury while lifting audio-visual equipment. Audit reviewed the following documentation:

- Position description – Information Services Support Officer
- Workers' Compensation Claim Form
- Workers' Compensation First Certificate of Capacity
- Workers' Compensation First and Final Certificate of Capacity
- Worker's MRI result
- Form 1 Employer Report Form (including wages information attachments).

Audit confirmed that the incident was recorded and followed up in line with WHS policies and procedures. Cross-referencing with the Incident Register and site-specific Action Lists for the current period showed that incidents were reported within 24 hours and assigned appropriate remedial actions. Each action included an accountable officer and a due date, supporting traceability and accountability. The audit concluded that the incident follow-up process was rigorous and consistently applied.

According to the Management Guidelines – Managing Noise Preventing Hearing Loss at Work and Audiometric Testing, regular audiometric testing is recommended for workers exposed to ototoxic substances exceeding 50% of the exposure standard, along with noise levels of LAeq,8h (eight-hour equivalent) greater than 80 dB(A) or LC, peak greater than 135 dB(C).

Initial testing must commence within three months of the worker starting the job and subsequent tests are conducted at least every two years to monitor any changes in hearing.

Audit reviewed the Health Surveillance Register maintained by the Human Resources Department and confirmed that audiometric testing had been conducted in accordance with the defined schedule.

No issues were noted.

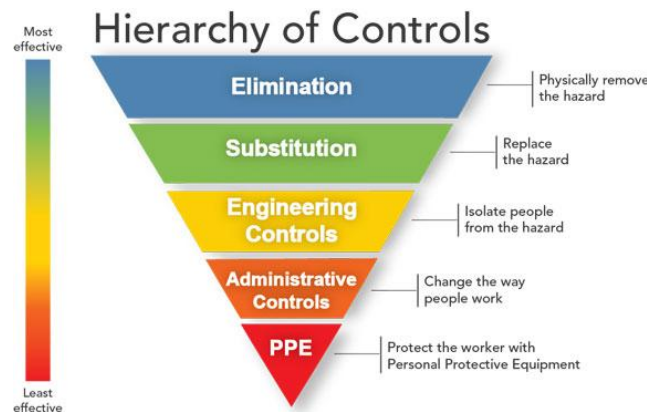
8.5 DETERMINE WHETHER THE OHS SYSTEMS ARE MONITORED AND UPDATED IN ACCORDANCE WITH THE CHANGES IN BEST PRACTICE

Overall Outcome	Monitoring of WHS systems was adequate and aligned with current best practice and legislative changes.
------------------------	--

Through interview with the Coordinator Work Health & Safety, Audit noted that each operational site at EMRC maintained a Site Hazard Risk Register. The objective of the register is to identify any potential risks and implement controls to mitigate the impact of such risks.

The risk register categorises general hazards across the site with labels and links to all necessary documentation, such as safe work methods and risk assessments for hazards. It also outlines the initial risk ratings, mitigating controls applied, residual risk ratings after controls, and measurement criteria for ongoing monitoring.

Audit reviewed the Site Hazard Risk Register for both Hazelmere and Red Hill. Audit noted that the approach to risk identification and control implementation aligned with EMRC's Safety Management Plan, as presented below.



The Coordinator further advised that the WHS team is primarily responsible for monitoring and updating the system. Since April 2023, the team has been conducting a WHS Gap Analysis to identify system weaknesses and areas for improvement.

Audit also noted that EMRC was in the process of updating its WHS policies and procedures to address the changes in legislation as mentioned previously. Audit was satisfied that the WHS system at EMRC were monitored and updated in accordance with the changes in best practice.

No issues were noted.

8.6 MANAGERS RECEIVE REPORTING IN BOTH LEADING AND LAGGING INDICATORS

Overall Outcome	The WHS Team is still in the process of developing KPI reporting for both leading and lagging indicators.
------------------------	---

Audit obtained and reviewed the 2024-25 KPIs report. according to the Coordinator WHS, the KPI tracking spreadsheet has recently been implemented, with actual KPI data being recorded from May 2025 onwards.

The process requires WHS advisors to update the spreadsheet monthly. Audit noted that Site supervisor, managers, team leaders and WHS are responsible for meeting targets related to site inspections, behavioural-based safety observations, pre-start meetings, and toolbox meetings with employees.

The Coordinator WHS indicated that for Site KPIs, the actions closed out in MyOSH and training completed sections are both lagging indicators which have 80% target to be upheld. The "actions closed out" KPI reflects the WHS team's efforts to prevent incident recurrence through timely remediation, while the "training completed" KPI ensures the workforce remains informed and competent regarding relevant WHS documents and procedures.

Additionally, the WHS team is working to integrate all KPIs into the MyOSH system, aiming to develop a dashboard for ongoing monitoring and reporting.

No issues were noted.

8.7 REPORTING IS PROVIDED ON NEAR HITS, MEDICAL TREATMENT, AND LOST TIME INJURIES

Overall Outcome	Audit noted that EMRC has a detailed and structured reporting process in place for near misses, medical treatment cases, and lost time injuries.
------------------------	--

Audit inquired with the Coordinator WHS regarding the latest worker compensations claims. The claim involved a worker who injured his back while lifting audiovisual equipment.

Audit traced each case back to the MyOSH Incident Register and confirmed that the incident was appropriately recorded. The Action Lists were also reviewed, and remedial actions were planned and assigned for each incident.

Audit selected one (1) random case for testing and obtained the relevant documents from the HR team as following:

- Workers' Compensation Claim Form
- Workers' Compensation First Certificate of Capacity
- Workers' Compensation First and Final Certificate of Capacity
- Worker's MRI result
- Form 1 Employer Report Form (including wages information attachments).

Audit verified that all the above documents were sent to Local Government Insurance Scheme (LGIS) for processing. Reporting covered near misses, medical treatment cases, and lost time injuries.

Additionally, audit reviewed a lost time injury report and the Incident Cause Analysis Methodology (ICAM) investigation process report in relation to a serious injury sustained by a worker at the Hazelmere site. According to the lost time injury report, the incident was categorised as major, therefore the WHS Coordinator was involved and subsequently an investigation was launched.

No issues were noted.


8.8 ASSESS AWARENESS OF REPORTING AND REMEDIAL PROCESSES TO THE COUNCIL AND SENIOR EXECUTIVE

Overall Outcome	Audit reviewed the reporting and remedial processes to the Council and Senior Executive and found them to be adequate.
------------------------	--

Audit obtained and reviewed the Risk Management Policy and noted that it includes a risk assessment and acceptance criteria as following:

Loss Type	Consequence				
	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Severe
Injury / Illness/ Mental Health	Minor discomfort. Does not require first aid or time off.	Injury or sickness that will recover. Only requires first aid treatment and monitoring.	Injury, sickness, or impairment that will recover. Requires medical treatment and/or limitations to normal work duties – Involves a worker's compensation claim.	Injury, sickness, permanent impairment or notifiable incident that requires medical treatment and/or time in hospital resulting in a lost time injury (LTI)	Actual or potential fatality, severe disability or impairment or any event that presents an immediate threat to life.
Environmental impacts	Localised Spill. Event is managed by a site response. No/minimal impact of environment (e.g., Dust cloud, minor oil spill <20L)	Small containable on/off site environmental release not affecting the ecosystem. Managed by an internal response. Minimal clean-up required	Moderate effect on the environment. Reversible impact managed by an external response. Containable on/off site oil spill. No potential licence breaches/non-conformances. Moderate level of clean up required.	Serious containable on/off site environmental release. Potential licence breach due to non-conformance. Major environmental impact and is notifiable to the regulator. Major clean up required. Short term damage to the environment.	Uncontained on / off site environmental release which involves a significant clean-up. Causes serious, actual or potential environmental harm. Is a licence breach that is notifiable to the regulator.
Complaints / Reputation	Informal complaint. Locally resolved. No potential media coverage.	Formal local complaint/s. Locally resolved. No potential media coverage.	Multiple local complaints. Potential for local media coverage. Short term local concern-perception of company.	Multiple complaints and/or regional concern. Potential for State media coverage. Major damage to company reputation. Potential use of services affected.	Multiple complaints. Potential national concern. Potential for national/international coverage. Severe damage to company reputation-loss of public confidence.
Financial Impact (Property / Equipment)	Minimal vehicle/ plant/ equipment or property damage. Financial cost < \$1,000.	Minor vehicle/ plant/ equipment or property damage. Financial cost \$1,000-\$5,000.	Moderate vehicle/plant/equipment or property damage. Financial cost \$5,000 to \$10,000.	Major financial loss from vehicle/ plant/ equipment or property damage \$10,000 to \$100,000.	Severe financial loss from vehicle/ plant/ equipment or property damage > \$100,000.
Legal and Other Requirements	No breach of regulation, legal or other requirement.	Breach of regulation, legal or other requirement. Requires reporting via routine mechanisms. May attract administrative response from the regulator.	Continuing or multiple occurrences of breach or regulation, legal or other requirement. Regulator notification required. Prosecution, penalties or other action not expected.	Major breach of regulation, legal, contract or other requirement. Possible licence or approval to operate suspension. Prosecution, penalties, or other action likely.	Significant breach of regulation, legal, contract or other requirement. Licences or approval to operate withdrawn or revoked. Prosecution, penalties or other action expected. Officer jailed.

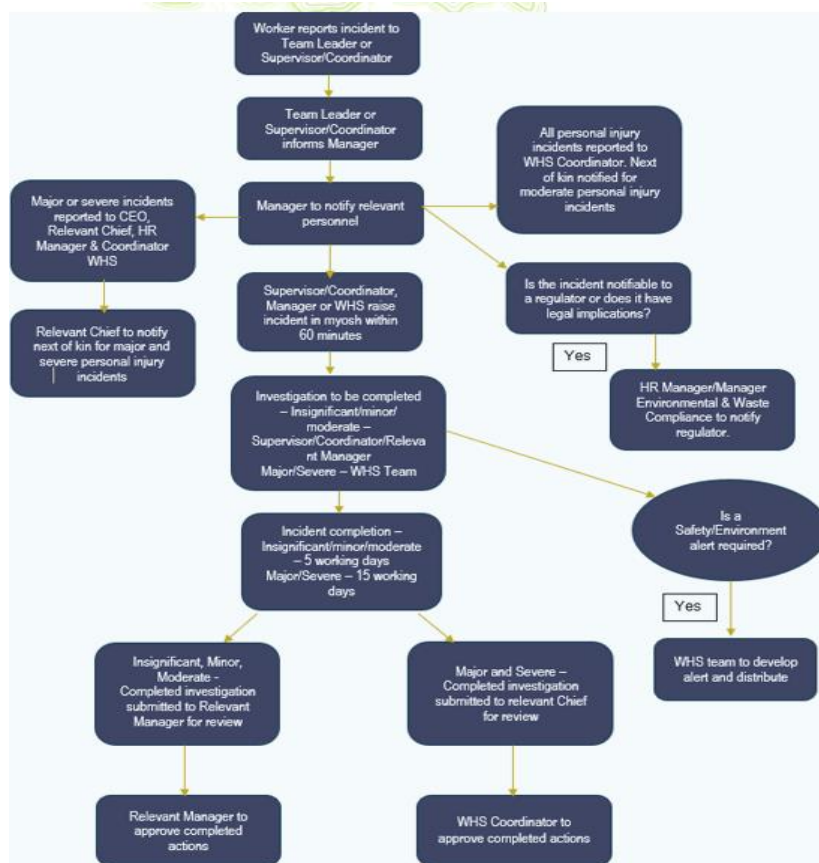
Based on that assessment, EMRC implemented the risk matrix below to evaluate and categorise risks.

		RISK RATING MATRIX				
		Consequence				
Likelihood	Almost certain	8 (M)	16 (H)	18 (H)	23 (E)	25 (E)
	Likely	7 (M)	10 (M)	17 (H)	20 (H)	24 (E)
	Possible	4 (L)	9 (M)	12 (M)	19 (H)	22 (H)
	Unlikely	2 (L)	5 (L)	11 (M)	14 (M)	21 (H)
	Rare	1 (L)	4 (L)	6 (L)	13 (M)	15 (M)

The policy assigned the responsibility for risk management to different management level:

Risk Level	Risk Score	Action
Extreme	23-25	Act immediately. Stop work or process and introduce immediate risk controls. Must not continue without robust controls in place.
High	16-22	Actions required to mitigate risk. Senior management attention required to reduce risk. Implement risk controls in accordance with hierarchy of controls within one week.
Medium	7-15	Implement risk treatments in accordance with hierarchy of control. May require specific attention or allocation of resources. Implement within one month.
Low	1-6	Monitor and manage risk in accordance with hierarchy of control. Unlikely to require specific allocation of resources

An Incident Reporting and Investigation Flow Chart, as outline within the Management Guidelines – Accident and Incident Reporting and Investigation serves as a procedural guide for incident escalation and reporting, as presented below.



The Coordinator WHS advised that that no incidents of catastrophic consequence had occurred that would trigger direct communication to the CEO or Council under the escalation requirements set out in the Risk Management Policy.

Audit also obtained and reviewed the Health and Safety Committee Minutes – April 2024 to assess the communication of WHS issues to senior leadership. The meeting was attended by operational and WHS personnel including the Coordinator WHS, WHS Senior Advisor, Quality Officer, Plant Operators, and the Transfer Station Team Leader. However, no Senior Executive attended the meeting.

No issues were noted.

8.9 ASSESS RIGOUR AND CONSISTENCY OF INCIDENT FOLLOW-UP PROCESS BY THE COUNCIL AND SENIOR EXECUTIVE

Overall Outcome	Audit found that the follow-up process of incidents by the Senior Executive was consistent and appropriately implemented.
------------------------	---

As part of the audit, we discussed with the Coordinator Work Health & Safety to assess the process in place for incident follow-up by the Council and Senior Executive. The Coordinator advised that while attendance by Senior Executives at WHS meetings is not mandatory, they are invited to attend on a periodic basis. During these meetings, Senior Executives are briefed on recent WHS incidents, including associated remedial actions and any outstanding actions from previous incidents. Where necessary, the Senior Executive may raise questions or provide recommendations.

In case of incident follow-up by the Council, it was noted that only incidents with catastrophic consequences, such as those resulting in a fatality or permanent disability, are reported directly to the Council, in accordance with the Council's Risk Management Policy. As no such incidents have occurred to date, there is no documentation evidencing Council-level incident follow-up.

Suggested Business Improvement 1	Audit suggests that where there are WHS incidents to be discussed during the Health and Safety Committee meetings, attendance by at least one (1) Senior Executive should be considered. This would strengthen executive oversight, facilitate timely decision-making, and reinforce the organisation's commitment to workplace health and safety at the leadership level.
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No issues were noted.



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Eastern Metropolitan Regional Council

Payroll (Masterfile & Compliance)

Internal Audit

June 2025

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1. EXECUTIVE SUMMARY

Introduction

The Eastern Metropolitan Regional Council (EMRC) is a progressive and innovative regional local government working on behalf of four member Councils located in Perth's Eastern Region: Town of Bassendean, City of Bayswater, Shire of Mundaring, and City of Swan. This Region is a major gateway to greater Perth, hosting Western Australia's major air, road, and rail transport hubs. The EMRC is an incorporated body established under the Western Australian *Local Government Act 1995*. The EMRC's operations are governed under an Establishment Agreement.

The Council provides a broad range of services across the region including waste management and education, resource recovery, urban and natural environmental management, and regional development of the region. Its Council is responsible for setting the EMRC's strategic direction. EMRC management implements this direction, ensures the organisation's values are sustained and provides an environment that encourages staff to reach their full potential.

As part of the Strategic Internal Audit Plan 2020/2021 – 2025/2026 an audit of Payroll (Masterfile and Compliance) is conducted every second year. This is a core financial related audit that would be expected to be relied upon by the Office of the Auditor General, Western Australia. The audit will cover the period 1 July 2024 to 30 April 2025. This audit will examine reliability and integrity of information, compliance and safeguarding of assets.

The audit objectives and scope of the works are provided below.

Audit Objective:

The primary objective of the audit was classified as an assurance audit with a focus on controls. We will use a combination of walk throughs, interviews, process observation, and sampling to assess controls.

The specific objectives of this audit are to ascertain that there are adequate controls over three key areas as follows:

Reliability and Integrity of Information

- Identify controls over adding new employees
- Identify controls over modifications to employee data
- Review process for role changes and ensure both HR and payroll data are being updated correctly.

Compliance

- Determine whether employee's rates are in accordance with applicable awards, contracts, and legislation.

Safeguarding of Assets

- Determine whether adequate security exists over employee records
- Identify whether the rate changes and allowances are appropriately authorised.

Risk Identified:

- Controls over creating or modifying employees records
- Compliance with awards and legislation

- Compliance with employment contracts.

Scope of works

The audit period was 1 July 2024 to 30 April 2025.

2. OVERALL AUDIT OUTCOMES AGAINST AUDIT SCOPE OF WORKS

Overall Risk Rating

Scope Report Reference	Audit Scope	Outcomes	Risk Rating
8.1	Identify controls over adding new employees.	Achieved	N/A
8.2	Identify controls over modifications to employee data.	Achieved	N/A
8.3	Review process for role changes and ensure both HR and payroll data are being updated correctly.	Achieved	N/A
8.4	Determine whether employee's rates are in accordance with applicable awards, contracts, and legislation.	Achieved	N/A
8.5	Determine whether adequate security exists over employee records.	Achieved	N/A
8.6	Identify whether the rate changes and allowances are appropriately authorised.	Achieved	N/A

3. SUMMARY OF FINDINGS

1. There were no findings noted.

4. RECOMMENDATIONS

1. There were no recommendations made.

5. BUSINESS IMPROVEMENTS

1. There were no business improvements made.

6. OVERALL COMMENTS

Eastern Metropolitan Regional Council (EMRC) - Management Comments

We thank the Audit team for their diligence and work undertaken for the Internal Audit on the Payroll (Masterfile) module.

Stantons - Audit Management Comments

We would like to thank the Payroll team within Finance for all their assistance with the payroll audit and it is pleasing there were no findings.

7. RISK RATING AND DEFINITIONS

Risk Ratings and Interpretations

Risks Ratings	Rating Interpretation	Suggested timing of implementing recommendations
Critical	The finding poses a severe risk to LAWA if not appropriately and timely addressed.	Commence remedial action immediately
Major	The finding poses significant risk to LAWA if not appropriately and timely addressed.	Commence remedial action within 3 months
Moderate	The finding poses less significant risk to LAWA if not appropriately and timely addressed.	Commence remedial action within 6 months
Minor	The finding poses minimal risk to LAWA if not appropriately and timely addressed, and the risk may develop more or cause other risks to develop.	Commence remedial action within 12 months

DISCLAIMER, BASIS OF AUDIT AND LIMITATIONS

DISCLAIMER

This report is prepared for LAWA's internal use and may be shared with its auditors and professional advisors for internal use. Copying and distribution of this report to other parties should not be done without prior approval and consent from Stantons.

BASIS OF AUDIT

We have conducted our audit in accordance with the applicable Performance Standards of the International Standards for the Professional Practice of Internal Auditing. The content of this report therefore represents the independent view by Stantons purely based on the information provided by LAWA members of staff during audit fieldwork. Changes to the contents of the report without Stanton's involvement will render all contents less "independent" and unrepresentative of Stanton's position with regards to the contents contained therein.

INHERENT LIMITATIONS

Because of the inherent limitations of any internal control structure, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An Audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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Report Release

Released by (Name): James Cottrill

Title: Principal, Internal Audit, IT Audit & Risk Consulting

Signature:



Date: 10 June 2025

8. DETAILED AUDIT ASSESSMENT

8.1 IDENTIFY CONTROLS OVER ADDING NEW EMPLOYEES.

Overall Outcome	The EMRC has in place adequate controls over adding new employees.
------------------------	--

The Eastern Metropolitan Regional Council (EMRC) has implemented a Payroll Procedure that outlines the step-by-step process for entering new employee records into the SynergySoft system, including:

- Creating new award codes for updated employment details
- Adding a new employee or amending existing employee records
- Updating personal details
- Adding tasks for new timecard employees.

Through discussion with the Finance Team, Audit was advised that the Accounts / Payroll Officer is responsible for entering new employee information into the SynergySoft after receiving the completed Employee Details Form and signed employment contract from Human Resources. The date entry is subject to review by the Finance Team Leader or Manager Financial Services prior to the processing of the first salary payment.

As part of our audit procedure, we randomly selected a sample of five (5) new employees appointed during the period 01 July 2024 to 30 April 2025. The employee selected for review are as follows:

- #A491 – Weighbridge / Administration Officer
- #R270 – Senior Truck Driver – Domestic Waste
- #R272 – Waste Education – Bin Tagger
- #R276 – Bin Tagger (Casual)
- #R283 – Heavy Duty Plant Mechanic.

Our testing confirmed that the information entered into SynergySoft was consistent with the corresponding Employee Personal Details Forms and signed contracts. Additionally, all employees were remunerated only after their official commencement dates.

No issues were noted.

8.2 IDENTIFY CONTROLS OVER MODIFICATIONS TO EMPLOYEE DATA.

Overall Outcomes	The EMRC has in place adequate controls over modifications to employee data.
-------------------------	--

The Eastern Metropolitan Regional Council (EMRC) has implemented a Payroll Procedure outlining the step-by-step process for amending new employee record in the SynergySoft software, including amending employee detail and amending personal information.

Through discussions with the Finance Team, Audit was informed that the Accounts / Payroll Officer is responsible for updating employee information within the SynergySoft system. All amendments are subject to reviewed by the Finance Team Leader or Manager Financial Services. Any change of bank account information is required to be authorised by relevant employee. A Change of Bank Account Details Form should be completed and signed by the employee requesting the change to initiate the change. The standard template below is currently in use to facilitate and document this authorisation.



EMRC
Change of Bank Account Details

Completed form to be forwarded to Human Resources five (5) days prior to the pay fortnight end date. Incomplete form will be rejected.

Employee Name: Payroll Number:

This Advice is to Commence: ☐ Next Pay Or ☐ Pay Date:

Whole of Pay / Balance of Pay Bank Account (No Credit Cards Allowed)

Branch Name:
Branch Address:
Account Name (eg John J Smith):
BSB No. (6 digits):
Account No. (Max 9 digits):

In addition to the above please deposit the following amounts into the specified bank accounts until further notice.

Additional Bank Accounts (Fixed Amounts Only - No Credit Cards Allowed)

BANK ACCOUNT 2 Amount Per Pay Period:
Branch Name:
Branch Address:
Account Name (eg. John J Smith):
BSB No. (6 digits):
Account No. (Max 9 digits):

Additional Bank Accounts (Fixed Amounts Only - No Credit Cards Allowed)

BANK ACCOUNT 3 Amount Per Pay Period:
Branch Name:
Branch Address:
Account Name (eg. John J Smith):
BSB No. (6 digits):
Account No. (Max 9 digits):

I acknowledge that this advice supersedes any previous advice submitted.

Employee Signature:

Payroll Use Only
Processed by Payroll:

Additionally, as part of the control procedures, a monthly Audit Trail Report is generated by the Accounts / Payroll Officer which is to be reviewed and approved by the Manager Financial Services to ensure oversight of any amendments to employee data. Review of the Audit Trail Report for April 2025 confirmed that all changes made by the Accounts / Payroll Officer (including updates to pay rates and personal details) were accurately recorded. The report was reviewed and approved by the Manager Financial Service.

No issues were noted.

8.3 REVIEW PROCESS FOR ROLE CHANGES AND ENSURE BOTH HR AND PAYROLL DATA ARE BEING UPDATED CORRECTLY.

Overall Outcome	The EMRC has in place adequate controls over role changes to ensure correct updates.
------------------------	--

Through discussion with the Finance Team, it was noted that a Payroll Checklist of Current Employee's Timesheets Checklist Spreadsheet is maintained by the Accounts / Payroll Officer. Within this checklist, the 'HR Documentation Checklist' column is used to records various types of information changes received from Human Resources. These changes may include updates such as Higher Duties Rates, changes to contact information (e.g., phone numbers), new employment contracts, and other employment-related variations.

Each change recorded in the checklist is required to be reviewed and signed off by either the Finance Team Leader or the Manager Financial Services, ensuring appropriate oversight and verification of updates made.

As part of our audit procedure, we conducted a walkthrough of employee #R251 Site Supervisor. It was confirmed that upon receiving an authorised variation to the employee's contracts from HR, the Accounts / Payroll Officer updated the employee details in the SynergySoft system and recorded the change in the Current Employee's Timesheets checklist spreadsheet, which was subsequently reviewed and signed by the Finance Team Leader.

No issues were noted.

8.4 DETERMINE WHETHER EMPLOYEE'S RATES ARE IN ACCORDANCE WITH APPLICABLE AWARDS, CONTRACTS, AND LEGISLATION.

Overall Outcome	EMRC's employees were paid in accordance with the applicable awards, contracts, and legislation.
------------------------	--

As part of our audit procedures, we randomly selected a sample of ten (10) current employees from the employee list as at 30 April 2025. The sampled employees were:

- #A110 – Coordinator Administration
- #A298 – Project Engineer
- #A422 – Accounts Assistant
- #A446 – Circular Economy Coordinator
- #A482 – Senior Environmental & Waste Compliance Officer
- #R209 – Plant Operator
- #R228 – Plant Operator / Truck Driver
- #R240 – Truck Driver – Domestic Waste
- #R251 – Site Supervisor
- #R262 – Senior Plant Operator.

Our testing confirmed that all selected employees were remunerated in accordance with the Local Government Industry Award, with relevant allowances and deductions accurately applied.

We also conducted testing against randomly selected new employee, as detailed in Section 8.1 and verified the following:

- Employees were only paid after the commencement of employment
- Payments were made in accordance with the Local Government Industry Award and their respective signed contracts.

Additionally, a sample of four (4) employee separations during the period 01 July 2024 to 30 April 2025 was reviewed. The employees selected were:

- #A448 – Coordinator – Environmental & Waste Compliance
- #A469 – Administration Officer (Sustainability Team – Casual)
- #R145 – Heavy Duty Plant Mechanic
- #R235 – Plant Operator / Truck Driver.

Our testing verified that for separated employees, final payments were made only up to the official termination date., which were calculated by the Accounts / Payroll Officer, and reviewed and approved by either the Finance Team Leader or the Manager Financial Services. Allowances and accrued leave entitlements were correctly paid out, in compliance with the applicable award conditions.

No issues were noted.

8.5 DETERMINE WHETHER ADEQUATE SECURITY EXISTS OVER EMPLOYEE RECORDS.

Overall Outcome	The EMRC has in place adequate security over employee records.
------------------------	--

The EMRC Payroll Procedure outlines a series of internal controls designed to ensure the accuracy, integrity, and confidentiality of employee records. These controls include:

- All payroll-related documentation such as appointment, termination, and status changes, the Human Resources Department must seek the appropriate approval prior forwarding the documents to payroll for processing
- Details from the Offer of Employment Letter and Contract of Employment must be verified by the Human Resources Department to ensure compliance with the Local Government Industry Award before being entered into the payroll system
- Changes to an employee's status, bank account details, tax withholding, allowances, or deductions are only processed upon receipt of a written and signed request form from the employee. In addition, the Accounts / Payroll Officer must directly contact the employee to confirm any updates to personal details
- The Finance Team Leader or Manager Financial Services is responsible for verifying all changes made to employee records by the Payroll Officer. This verification is performed against supporting documentation provided by Human Resources and must occur prior to each pay run.

Through discussion with the Finance Team, Audit was advised that access to the SynergySoft payroll system is restricted as follows:

- Edit Access (limited to three (3) employees):
 - Two (2) Accounts / Payroll Officers
 - Finance Team Leader
- View-only Access (granted to seven (7) employees):
 - Manager Human Resources
 - Manager Information Services
 - Human Resources Advisor
 - Senior Human Resource Advisor
 - Chief Financial Officer
 - Manager Financial Services
 - Human Resources Intern.

All digital employee records are stored securely within Content Manager (CM). Access to CM is restricted to authorised personnel within Human Resources and Payroll. For physical records, current records are kept in locked filing cabinets with access only given to the Accounts / Payroll Officer and the Finance Team Leader, while historical records are also stored in locked filing cabinets, with access limited to the Accounts / Payroll Officer, Finance Team Leader, and the Records Officer.

No issues were noted.

8.6 IDENTIFY WHETHER THE RATE CHANGES AND ALLOWANCES ARE APPROPRIATELY AUTHORISED.

Overall Outcome	The EMRC has established adequate authorisation controls over changes to employee pay rates and allowances.
------------------------	---

Through discussion with the Finance Team, it was noted that each employee's pay rates and allowances were specified in their employee contracts. Upon the initial entry into the SynergySoft system, employees were allocated to the appropriate award group based upon their role and contract terms.

For any subsequent changes to pay rates or allowances, the following process is followed:

- The Human Resources provides the relevant supporting documentation outlining approved change
- Upon receipt of the documentation, the Accounts / Payroll Officer updates the employee's record in the SynergySoft accordingly
- The change is also recorded within the Current Employee's Timesheets Checklist spreadsheet
- This record is then reviewed and signed by the Finance Team Leader or Manager Financial Services prior to the processing of any payments.

To ensure ongoing oversight, at end of each monthly, an Audit Trail Report is generated by the Accounts / Payroll Officer, detailing updates to employee pay rates and personal details. The Report is subsequently reviewed and approved by the Manager Financial Services, providing a secondary layer of control to verify the accuracy and authorisation of payroll amendments.

No issues were noted.



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Eastern Metropolitan Regional Council

Plant & Equipment

June 2025

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1. EXECUTIVE SUMMARY

Introduction

The Eastern Metropolitan Regional Council (EMRC) is a progressive and innovative regional local government working on behalf of four member Councils located in Perth's Eastern Region: Town of Bassendean, City of Bayswater, Shire of Mundaring, and City of Swan. This Region is a major gateway to greater Perth, hosting Western Australia's major air, road, and rail transport hubs. The EMRC is an incorporated body established under the Western Australian *Local Government Act 1995*. The EMRC's operations are governed under an Establishment Agreement.

The Council provides a broad range of services across the region including waste management and education, resource recovery, urban and natural environmental management, and regional development of the region. Its Council is responsible for setting the EMRC's strategic direction. EMRC management implements this direction, ensures the organisation's values are sustained and provides an environment that encourages staff to reach their full potential.

As part of the Strategic Internal Audit Plan 2020/2021 – 2025/26 an audit of Plant & Equipment is conducted every second year. This is a core financial related audit that would be expected to be relied upon by the Office of the Auditor General, Western Australia. The audit will cover the period 1 July 2024 to 30 April 2025. This audit will examine reliability and integrity of information and compliance.

The audit objectives and scope of the works are provided below.

Audit Objective:

The primary objective of the audit was classified as an assurance audit with a focus on controls. We will use a combination of walk throughs, interviews, process observation, and sampling to assess controls.

The specific objectives of this audit are to ascertain that there are adequate controls over two key areas as follows:

Reliability and Integrity of Information

- Determine the completeness and accuracy of the asset register and appropriateness of control in place
- Assess the adequacy and effectiveness of the stocktake of assets process
- Ascertain the adequacy of the asset acquisition process
- Assess the adequacy and effectiveness of the asset disposal and write-off process.

Compliance

- Determine adequate compliance with policy and procedures
- Determine compliance with applicable legislation
- Determine whether assets are accounted for in accordance with recognised accounting standards including depreciation and any revaluations.

Risks Identified

- Non-compliance with legislative requirements
- Poor management of assets
- Details of assets not properly recorded

- Processes do not comply with relevant policies and procedures
- Assets not properly maintained due to absence or non-monitoring of assets
- Maintenance / replacement plants are not based on risk assessments
- No record of action plans.

Scope of works

The audit period was 1 July 2024 to 30 April 2025.

2. OVERALL AUDIT OUTCOMES AGAINST AUDIT SCOPE OF WORKS

Overall Risk Rating

Scope Report Reference	Audit Scope	Outcomes	Risk Rating
8.1	Determine the completeness and accuracy of the asset register and appropriateness of controls in place.	Achieved	N/A
8.2	Assess the adequacy and effectiveness of the stocktake of assets process.	Achieved	N/A
8.3	Ascertain the adequacy of the asset acquisition process.	Achieved	N/A
8.4	Assess the adequacy and effectiveness of the asset disposal and write-off process.	Achieved	N/A
8.5	Determine adequate compliance with policy and procedures.	Achieved	N/A
8.6	Determine compliance with applicable legislation.	Achieved	N/A
8.7	Determine whether assets are accounted for in accordance with recognised accounting standards including depreciation and any revaluations.	Achieved	N/A

3. SUMMARY OF FINDINGS

1. There were no findings noted.

4. RECOMMENDATIONS

1. There were no recommendations made.

5. BUSINESS IMPROVEMENTS

1. There were no business improvements made.

6. OVERALL COMMENTS

Eastern Metropolitan Regional Council (EMRC) - Management Comments

We thank the Audit team for their diligence and work undertaken for the Internal Audit on the Plant and Equipment module.

Stantons - Audit Management Comments

We appreciated the assistance from the Finance team in relation to the audit on the Plant and Equipment module.

7. RISK RATING AND DEFINITIONS

Risk Ratings and Interpretations

Risks Ratings	Rating Interpretation	Suggested timing of implementing recommendations
Critical	The finding poses a severe risk to EMRC if not appropriately and timely addressed.	Commence remedial action immediately
Major	The finding poses significant risk to EMRC if not appropriately and timely addressed.	Commence remedial action within 3 months
Moderate	The finding poses less significant risk to EMRC if not appropriately and timely addressed.	Commence remedial action within 6 months
Minor	The finding poses minimal risk to EMRC if not appropriately and timely addressed, and the risk may develop more or cause other risks to develop.	Commence remedial action within 12 months

DISCLAIMER, BASIS OF AUDIT AND LIMITATIONS

DISCLAIMER

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BASIS OF AUDIT

We have conducted our audit in accordance with the applicable Performance Standards of the International Standards for the Professional Practice of Internal Auditing. The content of this report therefore represents the independent view by Stantons purely based on the information provided by EMRC members of staff during audit fieldwork. Changes to the contents of the report without Stanton's involvement will render all contents less "independent" and unrepresentative of Stanton's position with regards to the contents contained therein.

INHERENT LIMITATIONS

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Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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Report Release

Released by (Name): James Cottrill

Title: Principal, Internal Audit, IT Audit & Risk Consulting

Signature:



Date: 20 June 2025

8. DETAILED AUDIT ASSESSMENT

8.1 DETERMINE THE COMPLETENESS AND ACCURACY OF THE ASSET REGISTER AND APPROPRIATENESS OF CONTROLS IN PLACE.

Overall Outcome	EMRC maintains an adequate and accurate Asset Register, supported by established internal controls over asset recording.
------------------------	--

Audit obtained and reviewed the Asset Register as at 30 April 2025. It was noted that the register categorises assets by asset group, comprising land, buildings, cells, structures, plant, equipment, and furniture and fittings. Key data fields in the register include asset number, asset name, acquisition date, current valuation, written down value, etc.

EMRC

Eastern Metropolitan Regional Council

Apr-25

24/25 Asset Register by Group - Detailed

Asset Code	Asset Name	Date Acquired	Opening Value	Additions	Revaluations	Disposals	Current Valuation	Current Year Depreciation	Depreciation on Disposals	Total Accum Depreciation	Written Down Value	
Buildings - Commercial												
3203	Asset # 3203 - Commercial and Industrial Building - (C & I) - Substructure -	Y002016	247,000.00	0.00	0.00	0.00	247,000.00	3,435.50	1%	0.00	15,870.00	231,129.99
3202	Asset # 3203 - Commercial and Industrial Building - (C & I) - Superstructure -	Y002016	639,000.00	0.00	0.00	0.00	639,000.00	10,644.13	2%	0.00	40,384.01	598,615.99
3273	Asset # 3203 - Commercial and Industrial Building - (C & I) - Roof - Hazelm	Y002016	396,000.00	0.00	0.00	0.00	396,000.00	8,245.44	2%	0.00	37,945.29	358,054.71
3274	Asset # 3203 - Commercial and Industrial Building - (C & I) - Electrical Serv	Y002016	208,000.00	0.00	0.00	0.00	208,000.00	6,929.51	3%	0.00	21,889.42	186,110.58
3275	Asset # 3203 - Commercial and Industrial Building - (C & I) - Hydraulic - Ha	Y002016	152,000.00	0.00	0.00	0.00	152,000.00	5,063.85	3%	0.00	23,303.70	128,696.30
3769	Asset # 3203 - Commercial and Industrial Building - (C & I) - Fitout - Hazelm	Y072021	61,600.00	0.00	0.00	0.00	61,600.00	2,052.19	3%	0.00	9,444.13	52,155.87
Total Buildings - Commercial			1,703,600.00	0.00	0.00	0.00	1,703,600.00	36,370.62	0.00	0.00	167,376.63	1,536,223.37
Buildings - Administration												

While asset descriptions in the register occasionally reference location details, the register lacks a dedicated field for the precise physical location of each asset. This may impact the ease and accuracy of asset tracking and verification. Through discussion with the Finance Team, it was confirmed that location information has been detailed in the SynergySoft application.

We selected a sample of ten (10) to assess the accuracy and completeness of the register. The assets were verified through physical inspection across EMRC's Ascot and Hazelmere site:

- #973 – Generator Diesel P65E65Kva Perkins Diesel Engine and Leroy Somer Alternator -Ascot
- #3194 – Punch GBC Magnapunch 2.0 with Comb Die Set – Ascot
- #3578 – Interactive Projector with Whiteboard – Ascot
- #3411 – Water Meter – YSI Proplus – Ascot
- #3630 – Free Standing Screen 1500w *1800h * 70 mm – Ascot
- #2371 – Fire services Infrastructure – Hazelmere
- #4270 – Security System – CCTV Cameras – Hass Grinder – Hazelmere
- #4106 – Laboratory Fume Cupboard – Hazelmere
- #3828 – Audiovisual Equipment – TV and Camera – Hazelmere
- #3465 – Photocopier – APEOSPORT – VI – C3371 – Hazelmere.

All selected assets were physically sighted during the audit, with the exception of asset #2371 – Fire Services Infrastructure. This asset could not be visually inspected as the infrastructure is predominantly underground. However, a detailed report outlining the specifications and precise locations of these underground components was obtained and reviewed.

It was noted that a number of the assets are not currently labelled. The Finance Team confirmed that not all assets are required to be labelled due to the nature and usage of the asset. For example, items that are frequently used off-site may experience label detachment

due to regular handling and transport. To address this, the team has committed to conducting routine inspections and reapplying labels as required to maintain effective asset management.

The audit team also obtained and reviewed the Business Management System (BMS) for Processing Assets and Depreciation within the SynergySoft Procedure. It was noted that EMRC has established internal controls to manage asset recording effectively. The controls include:

- A comprehensive Fixed Asset Register is maintained to track all capital purchases and disposals
- The register is regularly reviewed and updated, with expenditure capitalised based on asset type
- Reconciliations between the Fixed Asset Register and the General Ledger are conducted monthly
- A physical inspection and verification process is performed every two years to ensure alignment between recorded and actual assets.

No issues were noted.

8.2 ASSESS THE ADEQUACY AND EFFECTIVENESS OF THE STOCKTAKE OF ASSET PROCESS.

Overall Outcomes	EMRC has established adequate asset stocktake processes that effectively cover all locations and asset groups.
-------------------------	--

Audit obtained and reviewed the Asset Register for the period 01 July 2024 to 30 April 2025, along with the corresponding Asset Stocktake Report. Through discussions with the Finance Team, Audit was informed that stocktakes are conducted every two (2) years.

The review confirmed that the stocktake process covered all major EMRC locations (including Ascot, Hazelmere, and Red Hill), and included all assets listed in the organisation's asset portfolio. The following stocktake reports were examined as part of the audit.

Ascot Stocktake Report

Asset Details - 2636 ARASSETFILE PickList

Asset Code	Asset Name	Location	Disposal Date	Date Acquired	Class	Group Code	Free Format Description	Memo Text	Unit Cost	Date Last Calculated	Serial Number
89	Council Administration Building - 226 Great Eastern Highway Ascot	A		13/02/1998	240	240	This asset is made up of: BL18-\$2,089,766.84 - Ascot Place Admin BusinessID: BL18 emrc-24439 emrc-24443		2721502.00	01/25	
135	P135 Trailer - R Gang - 1TDPS38 - Ascot Place	A		17/03/2003	420	420	Location: Ascot Place-Environmental Services Asset Type: Trailer BusinessID: PM279 emrc-7511		4080.00	06/14	
272	Refrigerator-Arcus Upright ALD/2-Ascot Place	A		18/08/1998	590	590	33890 L 23 Location: Catering Kitchen Asset Type: Refrigeration L BusinessID: FE274		2554.00	06/14	
288	Print Timmer-Neck Trim 130 cm Print Timmer w/o stand-Ascot F	A		08/03/2002	590	590	Kewdale Drafting Supplies Inv 025051 8/3/2002 PO 16608 (old e BusinessID: FE621		785.00	06/14	
291	R Gang Mannequins (4)-Ascot Place	A		29/01/2003	590	590	Location: Project Development Asset Type: R Gang Equipment BusinessID: FE725 emrc-7505 emrc-7506 e		14000.00	06/14	
292	R Gang Aluminium Crates (4)-Ascot Place	A		27/02/2003	590	590	Location: Project Development Asset Type: R Gang Equipment BusinessID: FE725/1 emrc-7510		4880.00	06/14	
350	Cable-Telephone Lightning Protection-Ascot Place	A		08/05/2000	580	580	Location: Downstairs Asset Type: PABX BusinessID: FE432		1165.00	06/14	
399	Cabinet & Cabling Computer and Telephone-Ascot Place	A		30/10/2000	560	560	This asset includes the cabinet and the cabling in the Server room BusinessID: FE483		4546.36	06/14	
474	Case Aluminium - Projector-Epson EMP 7250 LCD - Ascot Place	A		16/12/2002	510	510	Asset Type: Projector/Screen BusinessID: FE712		395.00	06/14	
480	Projector Screen with Tripod-Ascot Place	A		18/03/2003	510	510	Location: Risk Management Asset Type: Projector/Screen BusinessID: FE732		0.00	06/14	

Hazelmere Stocktake Report

2165

Asset Details - 2636 ARASSETFILE PickList

C Code	Asset Name	Date Acquired	Unit Cost	Free Format Description	Location
20x8	Pie Warmer - Hazelmere	01/11/2009	490.00	Reward Distribution Inv 92312572 29/10/2009 PO 20535 Location: S/N 01496 Asset Type: Food Warmer	ADMIN/WORKSHOP
2774	Defibrillator - Zoll AED Plus - Hazelmere	22/07/2013	2495.00	Asset Type: Miscellaneous Office Equipment	ADMIN/WORKSHOP
2806	P2806 Kubota RTV900XTW Utility Vehicle - Hazelmere	02/12/2013	23500.00	Engine Number - 4D17051 Model - RTV900XTW E & M. J. Roeder Pty Ltd Invoice Number 1311328 dated 02/12/2013 for \$ 25850.00 P O 34084 Asset Type: Multi 4x4-Major Plant	ADMIN/WORKSHOP
3450	Lockers - Qty 8 - Latch Grey - Hazelmere (Non - Capex)	01/11/2018	230.00	J & K Hopkins Invoice Number # 254612 dated 24/10/2018 for \$2024.00. PO # 48144.	ADMIN/WORKSHOP
3628	Printer - Fuji Xerox - APTC2273 - Photocopier / Printer / Scanner - Hazelmere (Non-Capex)	01/04/2020	4835.00	Fuji Xerox Invoice Number # RUH655 dated 12/03/2020 for \$5318.50. PO # 51963. Was in old House. Asset Type: Photocopier Location: Hazelmere - Admin Building Workshop Serial	ADMIN/WORKSHOP

Red Hill Stocktake Report

2165

Asset Details - 2636 ARASSETFILE PickList

John Sandwell

FOGO

Bill Penhuan's

Asset Code	Asset Name	Location	Disposal Date	Date Acquired	Class	Group Code	Free Format Description	Memo Text	Unit Cost	Date Last Calculated	Serial Number
✓ 3711	Microsoft Surface Go 2 Tablet - Ascot Place (Non-Capex)	R		22/01/2022	550	550	PO454780 Asset Type: Surface Pro Location: Red Hill - Microsoft Surface Go has CoreM, LTE, 128GB SSD, 8GB RAM		1345.00		
✓ 4236	Wrench - Torque Fusion Battery Operated - Red Hill	R		01/06/2024	420	420	Specialised Force Pty Invoice Number # 407423 dated 28/06/2024 for \$25,543.00. PO # 47082.		14130.00	01/25	
✓ 3529	Defibrillator - Zoll AED - Red Hill	R		22/02/2010	590	590	Fire Rescue Safety Australia P/L Inv 8894 03/03/2010 POC1036 Location: Admin Office		2700.00	06/14	
✓ 2065	Safe - Dominator DS-10 - Red Hill	R		12/03/2010	610	610	Wayward Locksmith Inv 1191 - 12.3.2010 POC1082 Location: new admin building Asset Type: Safe		1000.00	07/18	
✓ 2220	Asset # 2220 Compensation - New Admin Office Transportable - Superstructure - Red Hill	R		31/03/2012	250	250	Refer EMRC 127785 for details. Additional works as at 30.04.2013. Refer to DM 127785 for details. Additional work done on the 24/08/2013. Supply and install Shelter over front entry of admin building. Refer 127785 for updated details Location: Red Hill Land Facility Asset Type: 751 Red Hill Administration Buildings	EMRC 127785	37700.00	01/25	
✓ 2342	Security System - CCTV DVR, UPS & Cabinet - Red Hill	R		21/04/2011	530	530	SEPM Solutions Inv 121195 21/04/2011 PO 25801 Location: Red Hill Admin Building. Note: This asset has been moved to the Admin Office. additional cost has also been incu Asset Type: Security Camera Security Equipment	EMRC 137221	7075.00	01/25	
✓ 2344	Level - Laser Imax Self-Rotating with Tripod - Red Hill	R		11/08/2011	590	590	Stanford Discount Tool Centre Inv # 453223 13/08/2011 POC0481 Location: Admin Office Asset Type: Miscellaneous Equipment		886.00	06/14	
✓ 2352	Security Camera - Trail Camera - Red Hill	R		13/05/2011	530	530	SEPM Solutions Inv #133478 13/05/2011 PO 26857 Model: 139466 Serial Number:		600.00	07/18	

In addition to these periodic stocktakes, EMRC performs monthly reconciliations of the Asset Register with accounting records. These reconciliations form part of the organisation's ongoing internal controls over asset management and are reviewed and approved by management to ensure accuracy and completeness of asset records.

No issues were noted.

8.3 ASCERTAIN THE ADEQUACY OF THE ASSET ACQUISITION PROCESS.

Overall Outcome	EMRC has established an adequate asset acquisition process, but it could be enhanced with a flowchart or procedure to document acquisitions to ensure consistency.
------------------------	--

Audit obtained and reviewed the Business Management System (BMS) for Processing Assets and Depreciation in SynergySoft Procedure. The BMS Procedure outlines that EMRC has implemented robust internal controls to effectively manage asset acquisitions, including:

- Ensuring that all capital asset purchases receive appropriate approval in accordance with the Purchasing Policy and delegated approval limits
- Verifying that capital expenditure invoices are authorised and matched against approved purchase orders prior to recording in the system
- Confirming that newly acquired assets are covered under appropriate insurance policies to mitigate potential risk

During discussions with the Finance Team, it was noted that there is no formal procedure or flowchart specifically detailing the asset acquisition process. We do acknowledge that a procedure is in place showing how to add assets in SynergySoft as well as handling asset invoices. The Accounts/Payroll Officer is responsible for entering new asset details into the SynergySoft and maintaining records of newly acquisitions. For capital expenditure exceeding authority limit on the Authorisation Expenditure Management Guideline, approval is required from the Manager, the Chief, and the Chief Executive Officer (CEO) before acquiring the new asset.

Audit reviewed the list of seventy-four (74) fixed assets acquired during the period 01 July 2024 to 30 April 2025. A sample of five (5) assets was randomly selected for detailed testing:

- Asset # 4220 – P4220 – Skoda Superb Sportline Wagon – White -1IGO991 – Ascot - \$ 54,262.60
- Asset # 4267 – Security – CCTV Upgrade – (16 * Cameras) – Red Hill - \$ 257,262.00
- Asset # 4256 – Photocopier – C4571 4T – Fuji Film Apeos – Ascot - \$ 5,668.00
- Asset # 4132 – P4132 Bomang BC1173RB5 Compactor – Red Hill - \$ 1,949,216.35
- Asset # 4248 – Fire Monitoring at waste Transfer Station – Hazelmere - \$ 196,842.60

Testing confirmed that each selected acquisition was supported by authorised tax invoices, purchase orders, and necessary approvals, with asset information appropriately recorded within the Asset Register.

No issues were noted.

8.4 ASSESS THE ADEQUACY AND EFFECTIVENESS OF THE ASSET DISPOSAL AND WRITE-OFF PROCESS.

Overall Outcome	EMRC has established an adequate asset disposal process.
------------------------	--

Audit obtained and reviewed the Business Management System (BMS) for Processing Assets and Depreciation in SynergySoft Procedure. The BMS Procedure outlines that EMRC has implemented structured internal controls governing the asset disposal process, including:

- A requirement for the relevant department to conduct a thorough inspection of the asset to confirm its eligibility for disposal
- Completion and submission of an Asset Disposal Form, which must be approved by the respective Business Unit Manager
- The Finance Team is responsible for reconciling the asset details and securing authorisation from the relevant manager and Chief
- Final review and authorisation of disposal documentation (including the approved Asset Disposal Form and reconciliation) by the Chief Executive Officer (CEO) before the asset is officially written off from records

Through discussions with the Finance Team, it was noted that while a clearly followed process exists, as outlined in the Asset Management Plan and in alignment with the *Local Government Act*. The current practice includes the following:

- Completion of an Asset Disposal Form by the responsible division, with initial approval by the Business Unit Manager and relevant Chief
- Submission to the Finance Team for further approvals by the Manager Financial Services, the Chief Financial Officer (CFO), and the CEO
- Once fully authorised, the Accounts/Payroll Officer updates the disposal in the Synergy system, Asset Register, and Asset Disposal List.

Audit reviewed the list of thirty-six (36) assets disposed of during the period 01 July 2024 to 30 April 2025. We randomly selected five (5) disposed assets as samples, comprising:

- Asset # 3395 – Photocopier – D125 with Green Controller – Fuji Xerox – Ascot
- Asset # 1101 – Monitor – Samsung 17 LCD – Ascot
- Asset # 3554 – P3554 0 Ford Ranger – White – 1GWZ850 – Hazelmere
- Asset # 2880 – Compressor with Dryer – Red Hill
- Asset # 2250 – Pump – Davey pressure pump – Hazelmere.

Testing confirmed that each sampled disposal was supported by a completed and authorised Asset Disposal Form, and appropriate approvals were in place. The assets were correctly removed from the Asset Register and recorded in the disposal list.

No issues were noted.

8.5 DETERMINE ADEQUATE COMPLIANCE WITH POLICY AND PROCEDURES.

Overall Outcome	EMRC has established adequate controls over asset management, which are operating effectively and in compliance with existing policies and procedures.
------------------------	--

Audit obtained and reviewed the Council Policy 3.6 Asset Management Policy and noted that the Policy was last reviewed on 23 May 2024, with the next review scheduled to take place following the ordinary Elections in 2025. The policy outlines roles and responsibilities in relation to asset management, as illustrated in table below.

Position	Roles and Responsibilities
Council	<ul style="list-style-type: none"> ➤ Act as stewards for all assets owned by EMRC ➤ Provides strategic direction for asset management ➤ Endorses asset management policy and strategy ➤ Endorses SAMP (as part of strategic planning) and OAMP (as part of budget process)
Chief Executive Officer	<ul style="list-style-type: none"> ➤ Develops asset management policy and strategy for submission to Council ➤ Develops SAMP for submission to Council ➤ Develops OAMP ➤ Develops business cases ➤ Monitors and reports progress of SAMP and OAMP to Council as required
Chiefs	<ul style="list-style-type: none"> ➤ Contribute towards preparation of SAMP and OAMP ➤ Authorise asset additions and disposals in accordance with the approved OAMP ➤ Maintain oversight over assets under their control (including usage, safeguards, risk management and insurance)
Asset Officer	<ul style="list-style-type: none"> ➤ Maintains Asset Register and asset related records ➤ Updates General Ledger for asset related transactions (including depreciation, write off, acquisition and disposal) ➤ Provides assistance to EMRC teams as required
Team Members	<ul style="list-style-type: none"> ➤ Initiate acquisition or disposal requests ➤ Utilise assets in a responsible manner

As per the Annual Financial Reporting Policy, financial statements are prepared in accordance with relevant accounting standards and disclosure requirements of the Australian accounting bodies, the *Local Government Act 1995*, and the *Local Government (Financial Management) Regulations 1996*. These statements account for various asset classes, including:

- Land
- Buildings
- Structures
- Plant
- Equipment
- Furniture and fittings.

Discussions with the Finance Team confirmed that EMRC does not currently have an overarching policy that comprehensively covers entire asset management process, including asset acquisitions, disposals, transfers, and stocktakes, however there are various BMS documents created.

Despite the absence of such a consolidated policy, EMRC has implemented the Business Management System (BMS) for Processing Asset and Depreciation in SynergySoft, which provides a structured, step-by-step procedure to manage asset information and apply

depreciation rates. The Procedure covers addition of new assets, the recording of disposals, and the calculation of monthly depreciation, ensuring consistency and accuracy in asset management practices.

It was also noted that an Asset Disposal Form is required to be completed and authorised by the relevant Business Unit Managers and Chiefs prior to the disposal of any asset. Similarly, an Asset Transfer Form must be completed and approved by the appropriate Business Unit Manager when transferring assets between locations.

Our testing of asset acquisitions in Section 8.3 and disposals in Section 8.4 confirmed that these processes are functioning effectively and in line with existing documented practices and controls.

No issues were noted.

8.6 DETERMINE COMPLIANCE WITH APPLICABLE LEGISLATION.

Overall Outcome	EMRC complies with the requirements of the <i>Local Government Act 1995</i> and the <i>Local Government (Administration) Regulations 1996</i> .
------------------------	---

Audit reviewed EMRC's Asset Management Policy and noted that the organisation's asset management practices are aligned with the requirements of the *Local Government Act 1995* and the *Local Government (Administration) Regulations 1996*, specifically:

- Section 5.56 of the *Local Government Act 1995*, which requires local governments to plan for the future of the district
- Regulation 19C, which mandates the preparation of a Strategic Community Plan with a minimum outlook of ten (0) financial years.
- Regulation 19DA, which stipulates the development of a Corporate Business Plan covering a period of at least four (4) financial years.

We confirmed that EMRC has developed both a 10-Year Strategic Plan and a Corporate Business Plan, demonstrating compliance with its statutory planning obligations.

As outlined in EMRC's Asset Management Policy, the organisation is committed to deliver effective and sustainable asset management. This is supported through:

- The development of a 10-Year Strategic Asset Management Plan that aligns with EMRC's corporate strategic objectives
- A 5-Year Operational Asset Management Plan detailing the key initiatives and actionable steps over the medium term
- A focus on identifying current and future asset needs in response to changing service demands and levels of service
- Clearly defined roles and responsibilities to ensure accountability in asset management practices
- Utilisation of an integrated asset and financial management information system to ensure the accuracy of asset records and support informed decision-making.

The Asset Management Policy also affirms that financial reports are prepared in compliance with Australian Accounting Standards, ensuring transparency and consistency. Asset reporting covers all relevant asset classes, including:

- Land
- Buildings
- Structures
- Plant and equipment
- Furniture and fittings
- Artworks.

No issues were noted.

8.7 DETERMINE WHETHER ASSETS ARE ACCOUNTED FOR IN ACCORDANCE WITH RECOGNISED ACCOUNTING STANDARDS INCLUDING DEPRECIATION AND ANY REVALUATION.

Overall Outcome	EMRC's fixed assets have been accounted for in accordance with the Australian Accounting Standards, including appropriate application of depreciation methods, asset classification, and revaluation practices.
------------------------	---

Audit obtained and reviewed the Annual Financial Reporting Policy. The Policy outlines that depreciation rates for fixed assets are based on their estimated useful lives and calculated using the straight-line method. This methodology is consistent with the relevant Australian Accounting Standards, the *Local Government Act 1995*, and the *Local Government (Financial Management) Regulations 1996*, as presented below.

4 Depreciation

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

Asset Class	Useful life
➤ Buildings	7.50 to 100 years (based on components)
➤ Structures	
➤ General	15 to 105 years
➤ Class III & IV Waste Cells	Based on actual usage
➤ Plant	3 to 24 years
➤ Furniture and fittings	3 to 25 years
➤ Equipment	3 to 25 years
➤ Post closure assets	Based on actual usage
➤ Landfill cells	Based on actual usage

Based upon our review of the financial statements and discussions held with the Finance Team, it was confirmed that depreciation rates applied across all asset classes align with those specified in the policy.

In accordance with Section 7 of the Annual Financial Reporting Policy, EMRC is required to perform revaluations against land, buildings, and infrastructure asset every four (4) years based upon thresholds as listed in table below.

➤ Land	No limit
➤ Buildings	\$5,000
➤ Road Infrastructure	\$5,000
➤ Other Infrastructures	\$5,000

The most recent formal revaluation was conducted during the 2020/21 financial year. Through discussions with the Finance Team, it was confirmed that a revaluation process is currently in progress for the 2024/25 financial year, thereby ensuring compliance with the four-year revaluation cycle.

Review of the Asset Register as at 30 April 2025 noted that while most fixed assets were appropriately recorded, several plant and equipment assets were noted with depreciation rates of 0% and disproportionately high written-down values.

Upon inquiry, the Finance Team advised that these assets had reached their residual value, as determined in the 2019/20 Valuation Report. As such, no further depreciation is applied, which is consistent with accepted accounting practices for fully depreciated or low-value residual assets.

We also observed that cell assets are depreciated on an annual basis, whereas other asset categories are depreciated monthly. Additionally, artworks are recorded in the register but are

not subject to depreciation, in line with applicable accounting standards, due to their nature and indefinite useful lives.

No issues were noted.



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Eastern Metropolitan Regional Council

Records Management

June 2025

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1. EXECUTIVE SUMMARY

Introduction

The Eastern Metropolitan Regional Council (EMRC) is a progressive and innovative regional local government working on behalf of four member Councils located in Perth's Eastern Region: Town of Bassendean, City of Bayswater, Shire of Mundaring, and City of Swan. This Region is a major gateway to greater Perth, hosting Western Australia's major air, road, and rail transport hubs. The EMRC is an incorporated body established under the Western Australian *Local Government Act 1995*. The EMRC's operations are governed under an Establishment Agreement.

The Council provides a broad range of services across the region including waste management and education, resource recovery, urban and natural environmental management, and regional development of the region. Its Council is responsible for setting the EMRC's strategic direction. EMRC management implements this direction, ensures the organisation's values are sustained and provides an environment that encourages staff to reach their full potential.

As part of the Strategic Internal Audit Plan 2020/2021 – 2025/26 an audit of Records Management is conducted every third year. This is a core financial related audit that would be expected to be relied upon by the Office of the Auditor General, Western Australia. The audit will cover the period 1 July 2024 to 30 April 2025. This audit will examine reliability and integrity of information and compliance.

The audit objectives and scope of the works are provided below.

Audit Objective:

This is classified as an assurance audit with a focus on controls. We will use a combination of walk throughs, interviews, process observation, and sampling to assess controls.

The specific objectives of this audit are to ascertain that there are adequate controls over two key areas as follows:

Reliability and Integrity of Information

- Review controls in place for the safeguarding and securing of records.

Compliance

- Determine the extent to which legislation, Australian Standards, policies, and procedures have been complied with
- A suitable and current Record Keeping Plan (RKP) and supporting Disposal Schedule is in place
- A records management system is in use.

Risks Identified

- Non-compliance with policies and legislation such as the State Records Act 2000
- Records not properly secured and protected against loss
- Inappropriate access to records.

Scope of works

The audit period was 1 July 2024 to 30 April 2025.

2. OVERALL AUDIT OUTCOMES AGAINST AUDIT SCOPE OF WORKS

Overall Risk Rating

Scope Report Reference	Audit Scope	Outcomes	Risk Rating
8.1	Review controls in place for the safeguarding and securing of records.	Achieved	N/A
8.2	Determine the extent to which legislation, Australian Standards, policies, and procedures have been complied with.	Achieved	N/A
8.3	A suitable and current Record Keeping Plan (RKP) and supporting Disposal Schedule is in place.	Achieved	N/A
8.4	A records management system is in use.	Achieved	N/A

3. SUMMARY OF FINDINGS

1. There were no findings noted.

4. RECOMMENDATIONS

1. There were no recommendations made.

5. BUSINESS IMPROVEMENTS

1. There were no business improvements made.

6. OVERALL COMMENTS

Eastern Metropolitan Regional Council (EMRC) - Management Comments

We thank the Audit team for their diligence and work undertaken for the Internal Audit on Records Management.

Stantons - Audit Management Comments

We would like to thank the Records Management team for all their assistance with the audit.

7. RISK RATING AND DEFINITIONS

Risk Ratings and Interpretations

Risks Ratings	Rating Interpretation	Suggested timing of implementing recommendations
Critical	The finding poses a severe risk to EMRC if not appropriately and timely addressed.	Commence remedial action immediately
Major	The finding poses significant risk to EMRC if not appropriately and timely addressed.	Commence remedial action within 3 months
Moderate	The finding poses less significant risk to EMRC if not appropriately and timely addressed.	Commence remedial action within 6 months
Minor	The finding poses minimal risk to EMRC if not appropriately and timely addressed, and the risk may develop more or cause other risks to develop.	Commence remedial action within 12 months

DISCLAIMER, BASIS OF AUDIT AND LIMITATIONS

DISCLAIMER

This report is prepared for EMRC's internal use and may be shared with its auditors and professional advisors for internal use. Copying and distribution of this report to other parties should not be done without prior approval and consent from Stantons.

BASIS OF AUDIT

We have conducted our audit in accordance with the applicable Performance Standards of the International Standards for the Professional Practice of Internal Auditing. The content of this report therefore represents the independent view by Stantons purely based on the information provided by EMRC members of staff during audit fieldwork. Changes to the contents of the report without Stanton's involvement will render all contents less "independent" and unrepresentative of Stanton's position with regards to the contents contained therein.

INHERENT LIMITATIONS

Because of the inherent limitations of any internal control structure, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An Audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Liability limited by a scheme approved under Professional Standards Legislation.

Report Release

Released by (Name): James Cottrill

Title: Principal, Internal Audit, IT Audit & Risk Consulting

Signature:



Date: 26 June 2025

8. DETAILED AUDIT ASSESSMENT

8.1 REVIEW CONTROLS IN PLACE FOR THE SAFEGUARDING AND SECURING OF RECORDS.

Overall Outcome	The controls in place for safeguarding and securing both physical and electronic records are adequate.
------------------------	--

Audit obtained and reviewed the EMRC's Recordkeeping plan 2020 and examined the current arrangements for the storage and security of both physical and electronic records. It was noted that EMRC does not utilise any offsite physical storage facilities; all records are held on-site across three (3) distinct locations:

- EMRC Administration Office – this facility houses the EMRC's current and active records. It is well-equipped with a range of security and environmental control features:
 - Metal compactus storage units
 - Fire retardant rooms for significant and vital records
 - Fire retardant safe
 - Secured premises and server rooms
 - Smoke alarms throughout the building
 - Temperature sensors in the server room
 - Air-conditioning in storage areas operating an average of 13 hours per day, 7 days a week
 - Two air-conditioning units in the server room providing 24/7 redundancy.
- Red Hill Waste Management Facility – records are kept in the administration office for the current financial year and moved to the sea containers at the end of the financial year. Key features of the facility include:
 - Metal shelving in sea containers; laminated shelving in the administration office
 - Sea containers are fireproof and vermin-proof
 - Fenced, secure premises with regular nightly patrols
 - Secure server cabinet
 - Smoke alarms in the administration office
 - Air-conditioning:
 - 11 hours/day on weekdays (administration office)
 - 24/7 operation in the server cabinet room
- Hazelmere Recycling Facility - this facility holds current records within an office environment. Key features include:
 - Fire retardant safe
 - Secure premises and server room
 - Fire detection system
 - Server room air-conditioned 24/7.

EMRC maintains robust controls for electronic recordkeeping:

- Daily backups to tape (two-week cycle), held offsite by Compu-Stor
- Replication of electronic records to a remote site
- Use of multiple virus checkers across servers, workstations, firewall servers, and internet gateway routers
- Quarterly full-system backups stored on-site for 12 months.

As outlined in the Recordkeeping Plan, EMRC has implemented the following security measures:

- **Physical Security of Hard Copy Records:** All physical records are stored in a secured, locked room with access restricted to authorised personnel only. When these records are needed, they are formally issued through the Content Manager system. No hard copy records are stored offsite, however, should offsite storage become necessary, it would be arranged through an approved provider listed in the State Government panel contract.
- **Electronic Records Access:** Access to digital records is managed through role-based permissions, ensuring staff can only access information appropriate to their responsibilities. Regular backups are performed to maintain data integrity and recovery capabilities.
- **Server Room Access:** Server rooms are secured with key lock systems, with entry permitted only to designated staff.
- **Storage Facility Security:** The sea container storage area at the Red Hill site is housed within a fenced and secure compound, further protected by nightly security patrols.

No issues were noted.

8.2 DETERMINE THE EXTENT OF WHICH LEGISLATION, AUSTRALIAN STANDARDS, POLICIES, AND PROCEDURES HAVE BEEN COMPLIED WITH.

Overall Outcomes	EMRC is fully compliant with all relevant legislation, applicable Australian standards, and its internal records management policies and procedures.
-------------------------	--

Audit reviewed Council Policy 7.3 – Records Management Policy, which was last reviewed on 22 August 2024. The policy outlines EMRC’s commitment to ensuring compliance with relevant legislation, standards and best practices in records management. Specifically, it references the following:

- *State Records Act 2000*
- *Freedom of Information Act 1992*
- *Local Government Act 1995*
- *Criminal Code 1913*
- *Evidence Act 1906*
- *Public Sector Management 1994*
- *Financial Management Act 2006*
- *National Trade Measurement Regulations 2009*
- State Records Commission Standards 2002
- State Records Principles and Standards 2016
- AS ISO 15489.1:2017 Information and Documentation – Records Management Concepts and Principles.

The policy stipulates that all individuals associated with EMRC (including officers, councillors, and contractors) are personally responsible for complying with the organisation’s Recordkeeping Plan (RKP) and its associated procedures and policies.

Further observation indicates that EMRC has established a comprehensive set of internal policies and procedures governing all critical aspects of records management. These include:

- Record capture and control
- Retention and disposal practices
- Administrative records procedures
- Guidelines for Electronic Document and Records Management System (EDRMS) training and usage
- Policies for digitisation, freedom of information, and handling of incoming correspondence.

This structured and well-documented framework supports EMRC’s overarching objective of maintaining effective, compliant, and sustainable records management practices.

No issues were noted.

8.3 A SUITABLE AND CURRENT RECORDING PLAN (RKP) AND SUPPORTING DISPOSAL SCHEDULE IS IN PLACE.

Overall Outcome	EMRC's current Recordkeeping Plan is suitable for the organisation's operational needs, and appropriate disposal schedules are in place to ensure the timely and compliant management of records.
------------------------	---

In accordance with Section 28 of the *State Records Act 2000*, the Eastern Metropolitan Regional Council (EMRC) is required to maintain a Recordkeeping Plan (RKP), with a review conducted at intervals not exceeding five years from the date of approval. The RKP outlines the types of records that EMRC must create and the systems and procedures by which those records are maintained. It serves as the central framework for ensuring compliance with the Act, while also demonstrating EMRC's commitment to best practice standards in records management.

The RKP comprehensively reflects EMRC's recordkeeping framework, including its systems, disposal schedules, operational policies, and procedures. It is formally approved by the State Records Commission (SRC).

Audit assessed EMRC's RKP against the State Records Commission's Standard 2 – Recordkeeping Plans, which comprises six key principles. Observations and findings under each principle are summarised below:

Principle 1: Proper and Adequate Records

EMRC's RKP provides a comprehensive overview of its organisational context, including history, strategic priorities, and operational structure. Supporting appendices detail local government functions, applicable legislation and standards, and key internal documents such as the Records Management Policy, Guidelines, and Manual. Significant records are systematically stored and accessible in both physical and digital formats.

Adequacy: Met ✓

Principal 2: Policies and Procedures

EMRC has established detailed and senior-authorised records management policies and procedures, documented in Appendices 5–7. These cover the full lifecycle of records, including capture, digitisation, mail handling, access control, electronic records, metadata, and system migrations. Regular reviews and certifications ensure ongoing compliance and continuous improvement.

Adequacy: Met ✓

Principle 3: Language Control

EMRC uses the Keyword for Councils Thesaurus as its standard classification tool. This ensures consistent and accurate naming, classification, and retrieval of records across all functions. The thesaurus is widely accessible and periodically reviewed to remain aligned with changes in organisational activities.

Adequacy: Met ✓

Principle 4: Preservation

Section 8.1 of the RKP outlines EMRC's comprehensive approach to the preservation of both physical and digital records. Protective measures include environmental controls, risk assessments, and secure backup procedures. Storage facilities are equipped to mitigate environmental risks and support long-term data integrity.

Adequacy: Met ✓

Principle 5: Retention and Disposal

Retention and disposal processes are aligned with the General Disposal Authority for Local Government Records. Secure processes are in place for the digitisation and handling of source records. Disposals are authorised at a senior level, with no ad hoc disposals noted. An annual disposal program supports compliance and operational efficiency.

Adequacy: Met ✓

Principle 6: Compliance

EMRC promotes compliance through ongoing training, induction, and awareness programs. Staff responsibilities are clearly communicated, and regular surveys help measure and improve performance. For outsourced services, contracts include specific recordkeeping clauses. Contractors must maintain compliant systems and return all records to EMRC upon contract conclusion.

Adequacy: Met ✓

Based on the findings under each principle, audit confirmed that EMRC's Recordkeeping Plan and associated practices are effective, appropriate, and fully compliant with the *State Records Act 2000*, relevant Australian standards, and internal policies.

No issues were noted.

8.4 A RECORDS MANAGEMENT SYSTEM IS IN USE.

Overall Outcome	A suitable and effective system is in place to support compliant and secure recordkeeping practices.
------------------------	--

As part of the audit, EMRC's Recordkeeping Plan was reviewed, with a particular focus on the organisation's records management systems. EMRC ensures effective and compliant recordkeeping through well-structured systems supported by clearly defined policies and procedures.

Records Management System

EMRC operates a hybrid records management system, with documents created prior to 2003 maintained in hardcopy format, while records generated after 2003 are stored electronically in Content Manager (CM).

Content Manager, formerly known as TRIM, was implemented in June 2013 and serves as the primary Electronic Document and Records Management System (EDRMS). The system is maintained and periodically upgraded by Information Proficiency and is used to manage both electronic and physical records, ensuring compliance with regulatory obligations and operational efficiency.

Business Information Systems

EMRC also utilises SynergySoft, which includes the following modules that interface with Content Manager:

- Financial Management – Quotes, tenders, payroll, and HR documents are stored in the EDRMS.
- Risk Management – Supports risk tracking and compliance.
- Asset Management – Manages and monitors asset lifecycle and planning.

These integrated systems contribute to the secure, compliant, and efficient management of records across the organisation.

EMRC has implemented two (2) key user profiles within Content Manager:

- Knowledge Worker – Can log in, search and retrieve records, view metadata, create and update documents (excluding Personnel Folders), and manage access controls
- Administrator – Has full Knowledge Worker rights, plus permissions to create records in Personnel Folders, delete records (with approval), and override access controls.

Additionally, HR Knowledge Workers have a "Personnel" caveat, which grants them access to update and retrieve records within Personnel Folders. Security within Content Manager is based on record classification levels and record locations.

There are currently sixty-seven (67) security groups configured in Content Manager. Of these, five (5) key groups are specifically designated to protect confidential and sensitive records, ensuring access is restricted to authorised personnel only. These measures reinforce EMRC's commitment to maintaining data confidentiality and integrity.

Upon notification of an employee's termination or transfer, the Records Officer initiates the following process to safeguard records:

- Deactivation of the employee's Content Manager account
- Verification that all actively edited documents are checked back into the system
- Migration of relevant records from OneDrive or SharePoint into Content Manager, if applicable

These steps ensure that corporate records remain accessible, complete, and compliant with retention and governance requirements after an employee's departure.

No issues were noted.



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**Eastern Metropolitan Regional Council
Waste Management (Resource Recovery Park)
Internal Audit**

June 2025

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1. EXECUTIVE SUMMARY

Introduction

The Eastern Metropolitan Regional Council (EMRC) is a progressive and innovative regional local government working on behalf of four member Councils located in Perth's Eastern Region: Town of Bassendean, City of Bayswater, Shire of Mundaring, and City of Swan. This Region is a major gateway to greater Perth, hosting Western Australia's major air, road, and rail transport hubs. The EMRC is an incorporated body established under the Western Australian *Local Government Act 1995*. The EMRC's operations are governed under an Establishment Agreement.

EMRC provides a broad range of services across the region including waste management and education, resource recovery, urban and natural environmental management, and regional development of the region. Its Council is responsible for setting the EMRC's strategic direction. EMRC management implements this direction, ensures the organisation's values are sustained and provides an environment that encourages staff to reach their full potential.

As part of the Strategic Internal Audit Plan 2020/2021 – 2025/2026 an audit of Waste Management is conducted every second year. The audit will cover the period 1 July 2024 to 30 April 2025.

Audit Objective:

This is classified as an assurance audit with a focus on controls. We will use a combination of walk throughs, interviews, process observation, and sampling to assess controls.

The specific objectives of this audit are as follows:

Compliance

- Determine compliance with legislative requirements and Council policy.

Efficiency / Effectiveness

- Assess whether processes are undertaken in an efficient manner.

Achievement of Objectives

- Determine whether processes facilitate the achievement of waste management objectives and community recycling.

Risks Identified

- Cash Management e.g., weighbridge operations
- Safety of gatehouse operators from irate customers
- Fraud e.g., cash handling, incorrect charging, improper use of organisation assets, etc.
- Issue of incorrect tipping tickets
- Charging incorrect tipping fees
- Calibration of weighbridge.

Scope of works

The audit period was 1 July 2024 to 30 April 2025.

2. OVERALL AUDIT OUTCOMES AGAINST AUDIT SCOPE OF WORKS

Overall Risk Rating

Scope Report Reference	Audit Scope	Outcomes	Risk Rating
8.1	Determine compliance with legislative requirements and Council policy.	Mostly Achieved	Moderate
8.2	Assess whether processes are undertaken in an efficient manner.	Achieved	None
8.3	Determine whether processes facilitate the achievement of waste management objectives and community recycling.	Achieved	None

3. SUMMARY OF FINDINGS

1. There were no findings noted.

4. RECOMMENDATIONS

1. There were no recommendations made.

5. BUSINESS IMPROVEMENTS

1. Given the Defining Power Poles and Cutting Point Procedure was scheduled for review on 1 December 2023 but had not been updated as of the audit date, EMRC considers ensuring periodic review to be undertaken as schedule.
2. Given as of the week of 17 March 2025, waste previously transported directly to Red Hill is now being taken to a Waste Transfer Station (WTF), EMRC considers updating the relevant Standard Operating Procedure (SOP) accordingly.

6. OVERALL COMMENTS

Eastern Metropolitan Regional Council - Management Comments

We appreciate the business improvements mentioned and have taken note. Thank you for your time and we have no further comments regarding the audit document.

Stantons - Audit Management Comments

We acknowledge that the business improvements have been noted and would like to thank the waste management team for all their assistance with the audit.

7. RISK RATING AND DEFINITIONS

Risk Ratings and Interpretations

Risks Ratings	Rating Interpretation	Suggested timing of implementing recommendations
Critical	The finding poses a severe risk to EMRC if not appropriately and timely addressed.	Commence remedial action immediately
Major	The finding poses significant risk to EMRC if not appropriately and timely addressed.	Commence remedial action within 3 months
Moderate	The finding poses less significant risk to EMRC if not appropriately and timely addressed.	Commence remedial action within 6 months
Minor	The finding poses minimal risk to EMRC if not appropriately and timely addressed, and the risk may develop more or cause other risks to develop.	Commence remedial action within 12 months

DISCLAIMER, BASIS OF AUDIT AND LIMITATIONS

DISCLAIMER

This report is prepared for EMRC's internal use and may be shared with its auditors and professional advisors for internal use. Copying and distribution of this report to other parties should not be done without prior approval and consent from Stantons.

BASIS OF AUDIT

We have conducted our audit in accordance with the applicable Performance Standards of the International Standards for the Professional Practice of Internal Auditing. The content of this report therefore represents the independent view by Stantons purely based on the information provided by EMRC members of staff during audit fieldwork. Changes to the contents of the report without Stanton's involvement will render all contents less "independent" and unrepresentative of Stanton's position with regards to the contents contained therein.

INHERENT LIMITATIONS

Because of the inherent limitations of any internal control structure, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An Audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Liability limited by a scheme approved under Professional Standards Legislation.

Report Release

Released by (Name): James Cottrill

Title: Principal, Internal Audit, IT Audit & Risk Consulting

Signature:

Date: 19 June 2025



8. DETAILED AUDIT ASSESSMENT

8.1 DETERMINE COMPLIANCE WITH LEGISLATIVE REQUIREMENTS AND COUNCIL POLICY.

Overall Outcome	EMRC were compliant with legislative requirements and Council policy.
------------------------	---

Council Policy 5.1 Red Hill Waste Management Facility and Hazelmere Resource Recovery Park Environmental Policy outlines that the Eastern Metropolitan Regional Council (EMRC) manages the Red Hill Waste Management Facility and the Hazelmere Resource Recovery Park on behalf of its four (4) member Councils in eastern Perth metropolitan area.

The EMRC is committed to minimising the environmental and social impacts of operations by implementing best practice management. To achieve this, the EMRC is to:

- Comply, at a minimum, with all applicable environmental legal obligations and internal standards
- Openly and transparently report environmental performance
- Address community concerns and provide effective channels for stakeholder engagement
- Continually improve environmental performance through the implementation and maintenance of an Environmental Management System (EMS) at Red Hill, supported and communicated at all organisational levels
- Support innovation and research to inform data-driven environmental and operational decisions
- Promote better waste management practices through education and diversion strategies
- Prevent pollution and protect the environment by assessing the environmental implications of planning, construction, and operational decisions
- Raise environmental awareness among staff and contractors, promoting accountability and environmental stewardship
- Commit to reducing greenhouse gas emissions through mitigation and adaptation strategies, and assess climate impacts of operational and strategic decisions
- Integrate environmental sustainability with social responsibility and economic development to benefit current and future generations.

EMRA's waste management practices are conducted in accordance with the following legislation:

- *Environmental Protection Act 1986*
- *Contaminated Sites Act 2003*
- *Environmental Protection Biodiversity Conservation Act 1999.*

Our audit focused on a review of operations at the Hazelmere Resources Recovery Park (HRRP), specifically in relation to Wood Waste and Commercial and Industrial (C&I) Waste. These operations are regulated by the Department of Water and Environmental Regulation (DWER) under Licences L9003/2016/1, valid from 14 November 2016 to 13 November 2036. Licence conditions pertain to the following areas:

- Infrastructure and Equipment
- Waste Acceptance
- Waste processing
- Emissions and Discharges
- Monitoring and Reporting.

Under Licence Condition 4, EMRC is permitted to accept only certain types of waste, and only within specific quantity limits, as outlined in the table below.

Waste type	Quantity Limit	Specification
Inert waste type 1	50,000 tonnes per annual period	Waste containing visible asbestos, ACM, controlled waste or hazardous waste must not be accepted.
Putrescible waste (including FOGO)	165,000 tonnes (including up to 40,000 tonnes of FOGO) per annual period	
Paper and cardboard		
Waste type	Quantity Limit	Specification
Timber	50,000 tonnes per annual period combined for all timber waste (treated power poles limited to 15,000 tonnes per annual period)	Commercial and industrial waste only. Green waste timber is not to be accepted. Timber with markings H3 to H6 is not to be accepted.
Treated power poles		Pole mix coated, CCA and rod treated poles only

Discussions with the Coordinator Administration – Hazelmere confirmed that the Hazelmere – Tonnages Report is updated monthly following invoicing. This report, sourced from the Mandalay weighbridge program, captures all incoming and outgoing waste data. The report is distributed to Managers and the Chief Operating Officer on a monthly basis to enable review of site tonnages and ensure compliance with licence conditions.

The Council Tonnages tab within the Hazelmere Tonnages Report provides a summary of reporting figure, while the individual project tabs offer detailed information for each site activity, as reflected in the table below.

	TIMBER RECYCLING					POWER POLES				C & I				MATTRESS RECYCLING				
	Incoming	Outgoing Waste	Sale of Fines	Sale of Woodchip	Outgoing Recycling (inc BW Oversight)	Incoming	CLIV to Red Hill	CLV to Tellus	Outgoing Recycling (Scrap Metal and Wood)	Incoming C & I Tonnes	Incoming Fridges/Batteries/Tyres #	Outgoing Waste Tonnes	Outgoing Recycling Tonnes	Incoming Tonnes	Outgoing Waste Tonnes	Outgoing Recycling Tonnes	Incoming Numbers	Outgoing Numbers
Jul-2024	1604.67	627.35	822.90	481.14	8.54	357.92	105.32	143.28	73.22	16.74	0	19.28	1.00	42.66	0.00	40.34	1383	1439
Aug-2024	1599.60	113.68	1077.00	148.26	0.00	443.84	147.80	127.50	38.30	32.38	0	5.08	0.00	53.23	0.00	52.20	1730	1791
Sep-2024	1391.34	113.94	687.08	59.46	8.36	361.86	99.22	178.34	52.46	42.20	1	13.96	8.20	61.03	0.00	49.66	1985	1823
Oct-2024	1757.04	129.94	1186.66	344.74	16.68	426.16	159.22	219.64	126.82	22.08	0	31.30	6.82	36.52	0.00	42.26	1220	1403
Nov-2024	1414.70	121.34	1032.54	54.54	9.56	383.16	78.44	227.02	216.90	56.98	0	23.32	1.52	33.63	0.00	30.66	1153	1177
Dec-2024	1194.94	94.06	941.04	28.84	0.00	237.22	148.00	166.34	45.52	36.76	0	43.92	1.34	31.52	0.00	30.38	1182	1203
Jan-2025	1426.71	123.59	914.16	11.82	8.96	386.98	88.54	70.96	93.88	19.48	0	30.08	0.00	43.15	0.00	38.34	1451	1495
Feb-2025	1427.35	93.63	1211.12	269.12	16.76	447.66	191.74	123.34	143.36	16.15	0	12.95	5.30	30.18	0.00	27.44	1098	1125
Mar-2025	1321.23	157.07	690.36	368.34	0.00	445.32	136.00	119.18	50.40	86.98	0	59.02	12.78	27.69	0.00	28.44	1044	1072
Apr-2025	1169.56	87.46	1267.32	111.56	9.08	322.88	195.84	165.96	196.12	47.92	0	59.06	15.06	36.72	0.00	30.42	1224	1191
May-2025	257.38	8.04	162.32	34.66	0.00	82.54	6.40	47.64	21.32	4.44	0	0.00	2.24	10.24	0.00	10.52	328	394
Jun-2025	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0

In accordance with licence requirements, EMRC is required to:

- conduct an annual audit of compliance with licence conditions
- prepare and submit to the CEO by no later than 31 March after the end of that annual period an Annual Audit Compliance report in the approved form.

The Annual Environmental Report and Annual Audit Compliance Report 2024 was acknowledged by the Manager Environmental & Waste Compliance on 13 March 2025 and approved by the CEO on 17 March 2025. The report addressed the following areas:

- Incidents
- Complaints management
- Site operations
- Waste acceptance
- Waste inputs and outputs
- Noise and vibration
- Vermin control
- Windblown waste
- Dust
- Fire management
- Water quality monitoring
- Licence amendments and works approvals.

The Report, submitted in compliance with Condition 33(b) of Licence, confirmed that:

- No complaints were received by the HRRP during the 2024 reporting period
- No non-compliances with the HRRP licence were recorded in the 2024 reporting period
- No incidents requiring reporting to DWER were recorded at HRRP in the 2024 reporting period.

HRRP has implemented a Defining Power Poles and Cutting Point Procedure, which was endorsed on 1 December 2020 and due for review on 1 December 2023 yet to be reviewed. The procedure governs the acceptance of treated and non-treated power poles directly from Western Power and its subcontractors. Power poles are classified as:

- Category A: CCA-treated Power Poles
- Category B: Contaminated sections (e.g., PresChem Saver Rods, termite treatment, hydrocarbon-treated butts – Polemix / Creosote)
- Category C: Non-treated poles designated.

Suggested Business Improvement 1	<p>Given the Defining Power Poles and Cutting Point Procedure was scheduled for review on 1 December 2023 but had not been updated as of the audit date, EMRC considers ensuring periodic review to be undertaken as schedule.</p>
---	--

Two (2) information posters below developed by HRRP illustrate the accepted types of C&I and Wood waste.

What we DO accept



Additional charges for recovered items applies to



What we DO accept



Look out for an ISPM-15 marking. We can accept anything marked: HT, DH

What we DON'T accept



What we DON'T accept



As part of our audit procedures, a site walkthrough was conducted at the Hazelmere Resource Recovery Park on 20 May 2025. The following observations were noted:

- Contamination checks are primarily conducted verbally between weighbridge staff and truck drivers. If a truck driver is aware of contamination in the load, the load is rejected upon arrival
- Operators are responsible for inspecting incoming loads for contamination and must report any identified issues to weighbridge personnel
- Some Western Power subcontractors were unlicensed for the waste delivered to the site. Discussion with the Operation Team confirmed that truck drivers entering the site are required to present their relevant registration forms, and any issues identified are to be reported to Western Power
- In response to recent breaches of site safety protocols and operational rules by contractors, new drivers are now required to acknowledge site induction procedures prior to gaining entry to the facility.

No issues were noted.

8.2 ASSESS WHETHER PROCESSES ARE UNDERTAKEN IN AN EFFICIENT MANNER.

Overall Outcomes	We confirmed that processes are undertaken in an efficient manner and have been designed for the purpose of what they were set to achieve.
-------------------------	--

As part of our audit procedures, we conducted a site walkthrough at the Hazelmere Resource Recovery Park (HRRP) on 20 May 2025. The map below outlines key operational areas with the waste management site.



During the onsite visit, we observed key operational processes and conducted interviews with the Coordinator Administration and the Weighbridge Officer to gain a comprehensive understanding of site practices.

Upon truck enter at the weighbridge, the Weighbridge Officer the Weighbridge Officer asks the driver to identify the type of waste being delivered. This information, along with the vehicle's licence plate number and driver details, is recorded into the system.

During the unloading process, the Operator assesses the loads and informs the Weighbridge Officer if any contamination is present. In cases of treated timber or other contaminated waste, the fee is adjusted to reflect the correct waste type classification for billing purposes.

Woodwaste Operators are responsible for grading wood waste loads into the following categories:

- Grade 1 – no contamination
- Grade 2 – minor contamination (e.g., plastics, MDF, laminate)
- Grade 4 – Significant contamination (e.g., CCA-treated timber, painted timber, glass, or where non-wood waste exceeds 50% of the load).

The operator identifies the vehicle, typically using the last three digits of its licence plate and communicates the grade and nature of contamination to the Weighbridge Officer. Contaminated loads are documented in:

- Register – Contaminated Loads – CCA Treated Timbers
- Register – Contaminated Loads – Grade 4.

At the end of each day, the Weighbridge Officer performs a three-way matching between Till Check Report and Mandalay Cash Sales Report and Summary Report. Errors identified on the same day can be corrected directly in the Mandalay system. Corrections beyond the day of occurrence require supervisor approval. Supervisors conduct a monthly review of entries to verify accuracy.

Each Tuesday, HRRP performs a weekly Cash Sales Report for invoicing purpose, which signed by both the Weighbridge Officer and the Administration Officer with cancelled documents requiring authorisation from the Coordinator Administration. Reports generated for weekly invoicing include:

- Mandalay Transaction Report
- Mandalay Cancelled Docket Report
- Mandalay Cash Summary Report
- Mandalay Settlement Summary Report
- Mandalay Summary Report.

HRRP has four (4) Standard Operating Procedures (SOP) in place covering waste acceptance, weekly cash sales reconciliation and annual weighbridge calibration. However, during our discussions with the Coordinator Administration, it was noted that Waste Acceptance SOPs are not fully up to date. As of the week commencing 17 March 2025, waste previously carted directly to Red Hill is now redirected to the Waste Transfer Station (WTS). To support accurate tracking by recycling stream, bins are weighed prior to being emptied into the WTS, and corresponding products are now labelled with WTS in the product title.

Suggested Improvement 2	Business Given as of the week of 17 March 2025, waste previously transported directly to Red Hill is now being taken to a Waste Transfer Station (WTF), EMRC considers updating the relevant Standard Operating Procedure (SOP) accordingly.
--------------------------------	--

We performed testing on the End of Day Sales Report and Weekly Cash Sales Reconciliations for April 2025. Our testing confirmed that the sales amounts across all reports were consistent.

However, we identified a discrepancy in Grade 2 waste reporting: the volume of Grade 2 waste in the Sales Report significantly exceeded the entries recorded in the Contaminated Loads Register. It indicates that a number of Grade 2 waste loads were not formally documented in the register. The Waste Management Team confirmed that the Contaminated Loads Register only captures instances where CCA-treated timber is identified within loads. In such cases, the operator notifies the weighbridge and provides an estimated weight for the CCA timber component only. As a result, the figures in the two reports are not expected to match.

We also noted that the weighbridge is calibrated annually by a third-party contractor, Aust-Weigh. This is typically done outside peak operational hours (e.g., Saturdays) to avoid customer disruption. We verified that the most recent calibration was completed on 16 October 2024, with the next calibration scheduled for October 2025.

No issues were noted.

8.3 DETERMINE WHETHER PROCESSES FACILITATE THE ACHIEVEMENT OF WASTE MANAGEMENT OBJECTIVES AND COMMUNITY RECYCLING.

Overall Outcome	The processes in place effectively support the achievement of waste management objectives and community recycling initiatives.
------------------------	--

As per the Council Policy 5.1 Red Hill Waste Management Facility and Hazelmere Resource Recovery Park Environmental Policy, Eastern Metropolitan Regional Council (EMRC) is committed to minimising the environmental and social impacts of operations by pursuing best practice management, in alignment with the Plan for the Future and the revised 10 Year Strategic Plan 2017-2027 and Sustainability Strategic 2022/2023 – 2026/2027.

The EMRC has revised the 10 Year Strategic Plan 2017 to 2027 in August 2022, which is underpinned by the following strategic priorities:

- Demonstrate circular economy leadership
- Respond to a climate emergency
- Reduce environmental impact
- Create value in the community.

The EMRC evaluates its success against key performance indicators (KPIs), including but not limited to:

- Overall stakeholder satisfaction with the EMRC
- Satisfaction with waste management and resource recovery services, including education
- Financial sustainability of the organisation
- Progression towards strategic targets and actions
- Overall satisfaction with partnerships and securing funding
- Contribution to circular economy and alignment with sustainability and SDG goals.

The EMRC Sustainability Team Program Plan 2024/2025 outlines a range of programs and projects in supporting of its waste management practices:

- Waste Education Support for Local Governments
 - Implementation support for the 2030 State Waste Avoidance and Resource Recovery (WARR) Strategy
 - Waste Plan review
 - Regional Waste Education Steering Group
 - Advocacy through participation in Waste Management Community Reference Group (WMCRG), Recycle Right, Waste Educator Networking Group (WENG) and other collectives
 - Development of Local Government Waste & Recycling Guides
 - Bin tagging program
 - WA Plastic Ban
 - Support for source separation collection
 - Resource recovery event support
 - Fee-for-service delivery for other waste-related initiatives
- Waste Education Services for Community
 - Waste Management Facility (WMF) Tours
 - Community courses and workshops
 - Education loan boxes
 - Schools outreach and support
- Food Organics and Garden Organics (FOGO) Program

- FOGO Communication Plan
- Implementation Support
- Step by Step Guide.

Hazelmere Resource Recovery Park's primary role is to support member Councils by delivering recycling services that reduce material sent to landfill at the Red Hill Waste Management Facility.

As part of our audit procedures, we conducted a walkthrough of Hazelmere Resource Recovery Park on 20 May 2025. This included direct observation of site operation, review of the weighbridge process, and discussion with key personnel regarding changes in waste acceptance and handling procedures.

The core operation at the park involves processing untreated wood waste (such as pallets, crates, packaging, off-cuts, and cable reels) into woodchip fines and woodchip that get sold as end products to the broiler grower and livestock industries, whilst the woodchip remains as residual waste which currently has limited markets uptake (e.g., landscaping, animal bedding).

The new Circular Energy Recovery facility will convert woodchip destined for landfill to renewable electricity and biochar. The electricity generated will be used as a power source for the onsite facilities and surplus electricity will be exported to a third party via a dedicated power cable.

Other services include the disposal of mattresses. Commercial customers can deliver mattresses directly to Hazelmere Resource Recovery Park, where resident of member Councils can dispose of up to 5 mattresses per household at either Hazelmere Resource Recovery Park or Red Hill Waste Management Facility.

Hazelmere also receives and processes power poles from Western Power where untreated power poles are sorted on a new concrete pad with Class IV timber being disposed of at Red Hill Waste Management Facility, class V category material being sent to a suitable external facility and remaining pole timber being shredded on-site and recycled into woodchip.

As noted earlier, effective the week commencing 17 March 2025, waste that was previously carted directly to Red Hill is now redirected to the Waste Transfer Station (WTS) at Hazelmere.

No issues were noted.

12.2 DRAFT CORPORATE BUSINESS PLAN 2025/2026 TO 2028/2029

D2025/14272

PURPOSE OF REPORT

The purpose of this report is to present the draft Corporate Business Plan 2025/2026 to 2028/2029 to Council for adoption.

KEY POINT(S)

- Sections 5.56(1) and (2) of the *Local Government Act 1995* (the Act) require that each local government is 'to plan for the future of the district', by developing plans in accordance with the regulations. The *Local Government (Administration) Regulations 1996* specify that a 'plan for the future' comprises the following:
 - ⇒ A Strategic Community Plan – a minimum 10-year timeframe (r.19C).
 - ⇒ A Corporate Business Plan – a four to five-year plan, which translates the 10-year strategic plan into operations (r.19DA).
- Council adopted the EMRC's Strategic Community Plan titled 10 Year Strategic Plan to 2017 to 2027 on 18 August 2016 for implementation from 1 July 2017 onwards.
- Council further adopted the EMRC's revised Strategic Community Plan titled Revised 10 Year Strategic Plan 2017 to 2027 at its November 2022 ordinary meeting of Council.
- Regulation 19DA states that each local government must review its Corporate Business Plan annually.
- The previous Corporate Business Plan 2024/2025 to 2028/2029 has been reviewed and the draft Corporate Business Plan 2025/2026 to 2026/2027 has been prepared (attached).
- The draft Corporate Business Plan 2025/2026 to 2028/2029 sets out the actions that staff will undertake over the next four years to deliver on the Revised 10 Year Strategic Plan 2017 to 2027.
- The EMRC provides quarterly updates to Council on the Corporate Business Plan actions.
- Section 5.53 of the Act requires that an overview of the 'plan for the future' must be made in the Annual Report, including major initiatives that are proposed to commence or to continue in the next financial year. Therefore, a report will be provided within the 2024/2025 Annual Report.
- In accordance with Section 6.2(2) of the Act, Council is to give regard to the 'plan for the future' when adopting the EMRC's Annual Budget, which will be tabled separately.

RECOMMENDATION(S)

That:

1. Council by absolute majority, in accordance with r.19DA(6) of the *Local Government (Administration) Regulations 1996*, adopts the Corporate Business Plan 2025/2026 to 2028/2029 forming an attachment to this report; and
2. Local public notice of the adoption of the Corporate Business Plan 2025/2026 to 2028/2029 be given in accordance with r.19D of the *Local Government (Administration) Regulations 1996*.

SOURCE OF REPORT

Employee Disclosure under s.5.70 of the *Local Government Act 1995*

Author(s)	Chief Transformation Officer	Nil
Responsible Officer	Chief Executive Officer	Nil

BACKGROUND

- 1 At Section 5.56(1) and (2) of the *Local Government Act 1995* (the Act) require that each local government is 'to plan for the future of the district', by developing plans in accordance with the regulations. The *Local Government (Administration) Regulations 1996 (the Regulations)* specify that a 'plan for the future' comprise the following:
 - A Strategic Community Plan – a minimum 10-year timeframe (r.19C); and
 - A Corporate Business Plan – a four to five-year plan, which translates the 10-year strategic plan into operations (r.19DA).
- 2 Regulation 19DA states that the Corporate Business Plan (the Plan) is to:
 - Be for a minimum of 4 years; (Refer to explanation above)
 - Identify and prioritise the principal strategies and activities Council will undertake in response to the objectives stated in the Strategic Community Plan;
 - State the services, operations and projects that a local government will deliver over the period of the plan, the method for delivering these and the associated cost;
 - Reference resourcing considerations such as asset management plans, finances and workforce plans;
 - Be adopted by absolute majority; and
 - Be reviewed annually – this can be scheduled to align with the setting of the Annual Budget.
- 3 In addition to the above requirements local public notice must be given when the Plan is adopted or modified (r.19D).
- 4 Council adopted the revised EMRC's Strategic Community Plan titled Revised 10 Year Strategic Plan 2017 to 2027 (10 Year Strategic Plan) at its ordinary meeting of Council, held on 24 November 2022 (Ref: (D2022/20404) for implementation from 1 July 2017 onwards and adopted the EMRC's Corporate Business Plan 2024/2025 to 2028/2029 in June 2024.

REPORT

- 5 The EMRC has in place an integrated planning framework to ensure that strategic priorities drive operational activities and inform the annual budget.
- 6 The 10 Year Strategic Plan guides, at a strategic level, the direction that the EMRC plans to take over the ensuing ten years towards achieving its vision.
- 7 The draft Corporate Business Plan 2025/2026 to 2028/2029 is an element of the integrated planning framework that has been developed to articulate the strategic direction into operational activities. Both documents form the EMRC's 'plan for the future'.

- 8 The draft Corporate Business Plan 2025/2026 to 2028/2029 sets out the actions that staff will undertake over the next four years to deliver on the Revised 10 Year Strategic Plan 2017 to 2027. It provides high level information on capital and operating projects planned over the next five years.
- 9 Section 6.2(2) of the Act states that “in the preparation of the annual budget the local government is to have regard to the contents of the plan for the future of the district made in accordance with section 5.56”.
- 10 Both the Revised 10 Year Strategic Plan 2017 to 2027 and the draft Corporate Business Plan 2025/2026 to 2028/2029 constitutes the ‘plan for the future’, and Council is to give regard to both these strategic documents when adopting the EMRC’s Annual Budget.
- 11 The 2025/2026 draft Annual Budget is tabled separately for adoption as part of this Agenda.
- 12 It is intended to report to Council against the Corporate Business Plan actions on a quarterly basis.
- 13 Section 5.53 of the Act requires that an overview of the ‘plan for the future’ must be made in the Annual Report, including major initiatives that are proposed to commence or to continue in the next financial year. A report will be provided within the 2024/2025 Annual Report.
- 14 Regulation 19B(2)(k) requires that any significant modifications to the adopted Corporate Business Plan 2025/2026 to 2028/2029 must be reported through the Annual Report.
- 15 In accordance with r.19DA(6) of the Regulations, Council is to determine whether or not to adopt the Corporate Business Plan by absolute majority.
- 16 The draft Corporate Business Plan 2025/2026 to 2028/2029 (attached) is provided for Council adoption.

STRATEGIC/POLICY IMPLICATIONS

- 17 Reporting on EMRC Strategic Policy implications align with the revised Strategic Plan 2017-2027 and the Sustainability Strategy 2022/2023 – 2026/2027.

FINANCIAL IMPLICATIONS

- 18 The financial implications of the Corporate Business Plan are reflected in the EMRC’s budget and long-term financial plans.

SUSTAINABILITY IMPLICATIONS

- 19 This Corporate Business Plan has a focus on sustainability, net zero, decarbonisation and the circular economy and is aligned to the new EMRC Sustainability Strategy.

RISK MANAGEMENT

Risk – The Council agreed Key actions are not delivered in accordance with the Corporate Business Plan

Consequence	Likelihood	Rating
Possible	Insignificant	Low
Action/Strategy		
➤ Regular and ongoing reviews and quarterly updates ensure staff continue to be apprised of the deliverables and agreed timeframes.		



MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean } City of Bayswater }	Nil

ATTACHMENT(S)

Draft Corporate Business Plan 2025/2026 to 2028/2029 (D2025/15888)

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That:

1. Council by absolute majority, in accordance with r.19DA(6) of the *Local Government (Administration) Regulations 1996*, adopts the Corporate Business Plan 2024/2025 TO 2028/2029 forming an attachment to this report; and
2. Local public notice of the adoption of the Corporate Business Plan 2025/2026 to 2028/2029 be given in accordance with r.19D of the *Local Government (Administration) Regulations 1996*.

AC RECOMMENDATION(S)

MOVED

SECONDED



Corporate Business Plan

2025/2026 – 2028/2029



ABOUT THE EASTERN METROPOLITAN REGIONAL COUNCIL

The EMRC works in partnership with two member Councils located in Perth's Eastern Region - Town of Bassendean, City of Bayswater.

The EMRC's Vision, Mission and Values are outlined below:



OUR VISION

The EMRC focuses on delivering waste, resource recovery and sustainability services, capitalising on its existing capabilities and infrastructure to act as an industry leader



OUR MISSION

The EMRC, by working with Councils and other stakeholders, facilitates strategies and actions for the benefit of Perth's Eastern Region

OUR VALUES

The values that govern the EMRC are:

EXCELLENCE

Striving for excellence through the development of quality and continuous improvement.

RECOGNITION

Valuing staff in a supporting environment that focuses on their wellbeing.

INNOVATION

Focus on innovative approaches in project and service delivery.

RESPONSIVENESS

Dynamic and flexible service delivery.

INTEGRITY

Accountability and consistency in all that we do.



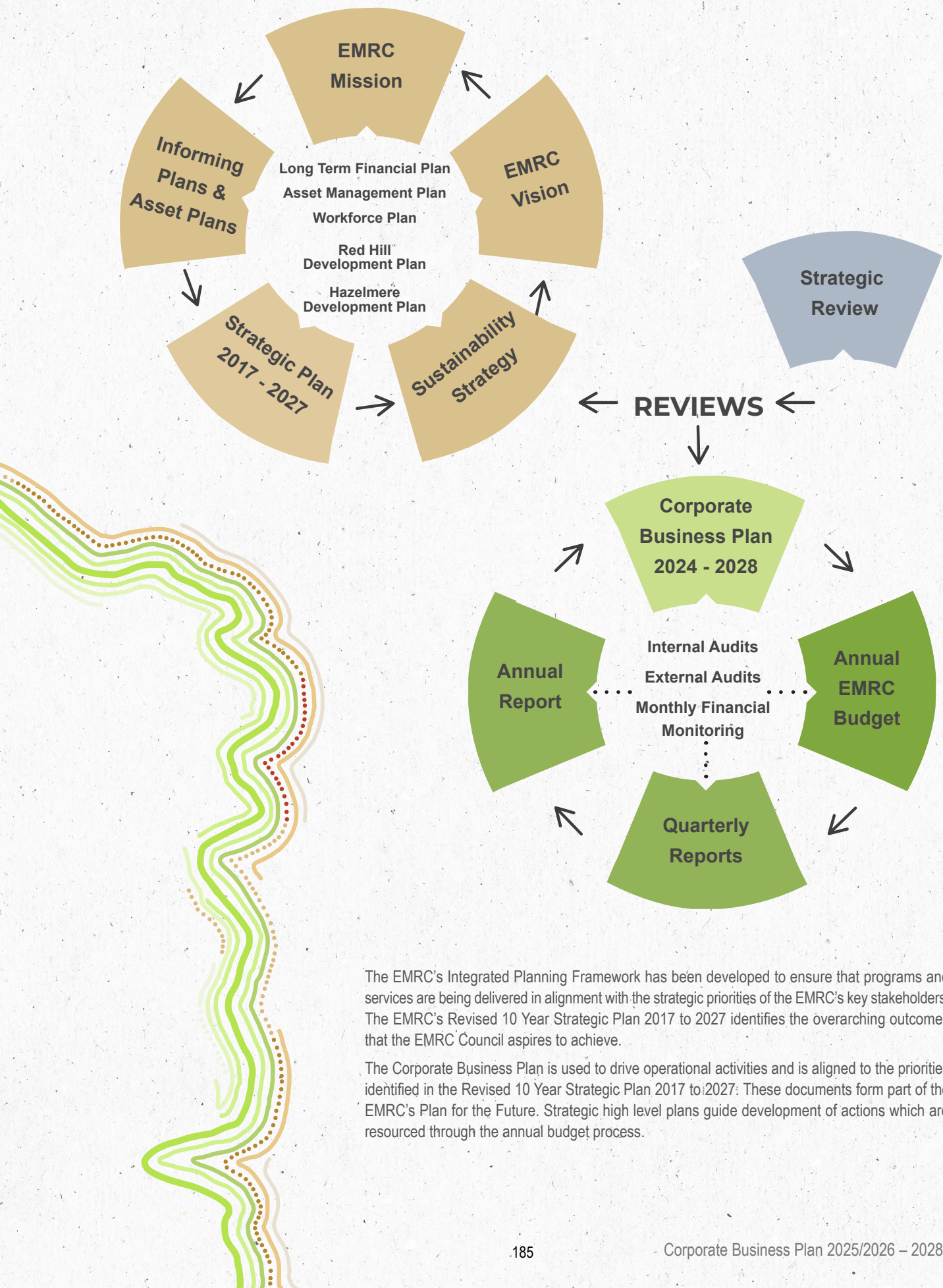
KEY STAKEHOLDERS

Whilst the EMRC takes a lead role in implementing a range of initiatives, the partnership with stakeholders is critical in delivering sustainable outcomes for Perth's Eastern Region. This is underpinned by the EMRC's Stakeholder Engagement Plan.

The EMRC's stakeholders are:

- The EMRC and member Council Elected Members
- The EMRC and member Council Staff
- Customers and clients
- Other local governments and regional local governments
- Federal Government Agencies
- State Government Agencies
- Non-Government Agencies
- State and Federal elected members
- Educational institutions
- Business and Industry Groups in Perth's Eastern Region
- Community, Reference and Advisory Groups in the region
- Residents of Perth's Eastern Region
- Visitors and Tourists to Perth's Eastern Region
- Businesses
- Investors
- Volunteers

INTEGRATED PLANNING FRAMEWORK



The EMRC's Integrated Planning Framework has been developed to ensure that programs and services are being delivered in alignment with the strategic priorities of the EMRC's key stakeholders. The EMRC's Revised 10 Year Strategic Plan 2017 to 2027 identifies the overarching outcomes that the EMRC Council aspires to achieve.

The Corporate Business Plan is used to drive operational activities and is aligned to the priorities identified in the Revised 10 Year Strategic Plan 2017 to 2027. These documents form part of the EMRC's Plan for the Future. Strategic high level plans guide development of actions which are resourced through the annual budget process.

CORPORATE BUSINESS PLAN – LEGISLATIVE REQUIREMENTS

Section 5.56(1) and (2) of the Local Government Act 1995 (the Act) requires that each local government is 'to plan for the future of the district', by developing plans in accordance with the regulations.

The Local Government (Administration) Regulations 1996 (the Regulations) requires each local government to adopt a Strategic Community Plan and a Corporate Business Plan.

Both these documents comprise a local government's 'plan for the future' under the requirements of s.5.56 of the Act.

With reference to the Corporate Business Plan the Regulations state:

19DA. Corporate business plans, requirements for (Act s. 5.56)

1. A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.
2. A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.
3. A corporate business plan for a district is to -
 - (a) set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and
 - (b) govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and
 - (c) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.
4. A local government is to review the current corporate business plan for its district every year.
5. A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government's strategic community plan.
6. A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.
*Absolute majority required.
7. If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.



ORGANISATIONAL STRUCTURE

Office of the Chief Executive Officer

❖ Office of the CEO

Advocacy
.....
Corporate
.....
Communications and Marketing
.....
Public relations
.....
Stakeholder engagement and relationships
.....
Corporate functions
.....
Strategic and corporate planning
.....
Organisational development

❖ Human Resources

Human resource management
.....
Occupational safety and health

FTE 9.89

Operations Team

❖ Waste Management Operations

Red Hill Waste Management Facility – Operations

RHWMF site operations and Development
.....
Community Recycling Centre (CRC)
.....
Garden Organics
.....
FOGO processing
.....
CRC - operated by the EMRC on behalf of the Shire of Mundaring
.....
Coppin Road and Mathieson Road
.....
Baywaste CRC and Transfer Station - operated by the EMRC on behalf of the City of Bayswater

❖ Resource Recovery Operations

Hazelmere Resource Recovery Park (HRRP) - Operations

HRRP site operations and development
.....
Transfer Station activities
.....
Mattress receipt
.....
Whitegoods receipt
.....
Timber recycling
.....
Circular Energy Recovery Facility development
.....
Western Power pole stripping/shredding

FTE 80.44

Business Support Team

❖ Procurement and Governance

Governance and Compliance
.....
Risk Management
.....
Procurement, Fleet & Building (Ascot Place)

❖ Finance Services

Financial management and reporting
.....
Asset management
.....
Payroll

❖ Information Services

Help Desk
.....
IT Projects
.....
Records management

FTE 14.06

Sustainability Team

❖ Urban Environment Team

Avon Descent Family Days (2025 only)
.....
Waterwise Council
.....
Transition Team
.....

❖ Environmental & Waste Compliance

Environmental Compliance
.....
Environmental Advice

FTE 5.80

CAPITAL WORKS PROGRAM

The table below identifies the Capital Works Program over the ensuing period, for all projects over \$100,000, which are approved during the annual budget process. Quarterly reporting on the actions associated with the Corporate Business Plan track the progress of all activities.



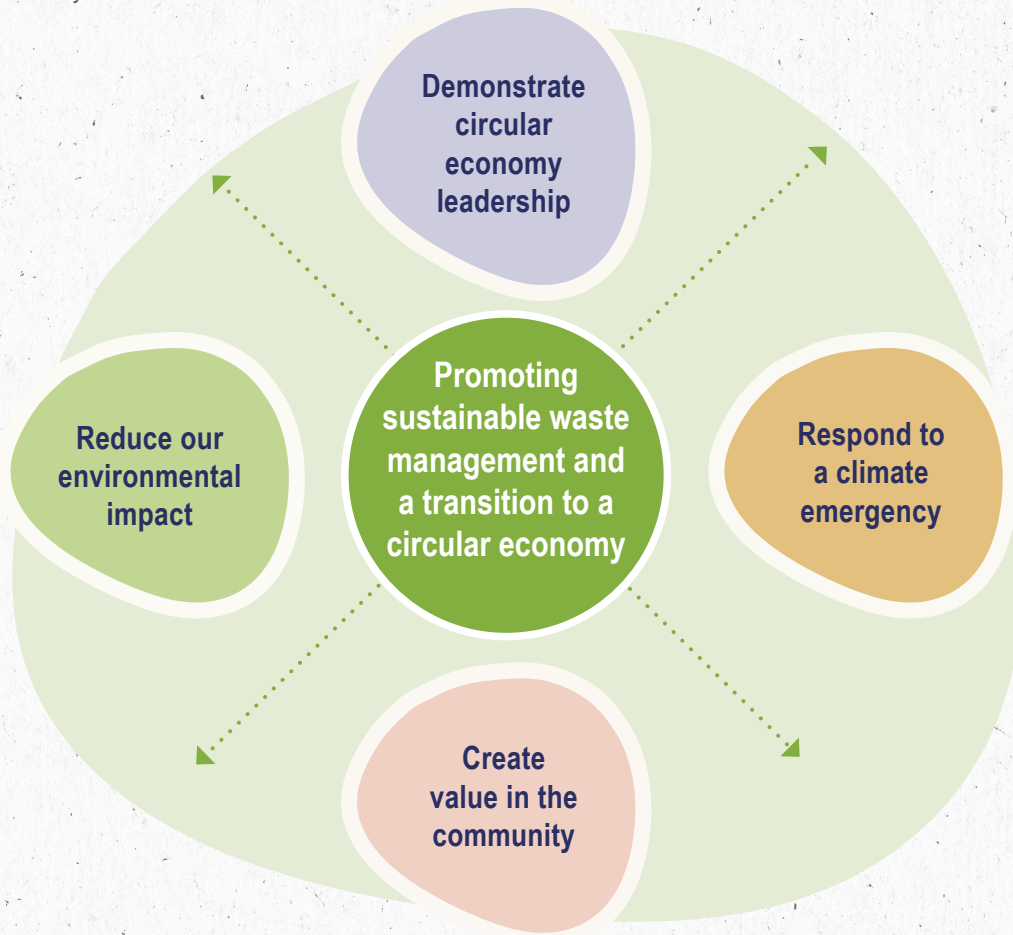
Five Year Capital Expenditure Statement

Forecast Provisions > = \$100,000

		Forecasts				
Description and G/L Number		2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
Business Support						
24550/00	Purchase Information Technology & Communication	\$176,000	\$17,000	\$11,000	\$11,000	\$305,600
Operations Team						
24259/10	Construct Waste Transfer Station - HRRP	\$400,000				
24399/03	Project & Engineering Hazelmere - Construct Other Relocate Garden Organics	\$125,000	\$100,000	\$100,000	\$100,000	\$100,000
24395/04	Processing area - Red Hill Landfill Facility	\$1,370,000				
24310/22	Construct Class III Cell Stage 18 - Red Hill Landfill Facility	\$2,588,374		\$625,000		
24310/23	Construct Class III Cell Stage 19 - Red Hill Landfill Facility	\$575,000				
24370/02	Construct Access Road to Lots 8 9 10 - Red Hill Landfill	\$330,000				
24380/01	Construct Drainage Works to Lots 8 9 10 - Red Hill Landfill	\$220,000				
24395/12	FOGO Pad Fence - Red Hill Landfill Facility	\$150,000				
24395/13	FOGO Pad Cover & Associated Works - Red Hill Landfill Develop Lots 8 9 & 10 For	\$1,811,456				
24399/19	Future Waste Activities - Red Hill Landfill Facility	\$100,000				
24410/00	Purchase / Replace Plant -	\$1,500,000				
25410/00	Refurbish Plant - RHLF	\$109,000	\$300,000		\$300,000	
24420/00	Purchase / Replace Minor Plant and Equipment-RHLF	\$161,000	\$200,000	\$200,000	\$200,000	\$200,000
24410/01	Purchase / Replace Plant -	\$550,000	\$3,220,000	\$2,090,000	\$2,110,000	\$2,670,000
24420/02	Purchase / Replace Minor Plant and Equipment -	\$132,000	\$34,000	\$34,000	\$34,000	\$34,000
TOTAL		\$10,297,830	\$3,871,000	\$3,060,000	\$2,755,000	\$3,309,600

STRUCTURE OF THE CORPORATE BUSINESS PLAN

The revised draft Corporate Business Plan is built on the foundation of four key themes identified within the Strategic Review, the Sustainability Strategy, and the Revised 10 Year Strategic Plan 2017 to 2027. The Corporate Plan sets out the objective and actions that staff will undertake to deliver on Council's strategic priorities, which are largely underpinned by "Promoting sustainable waste management and a transition to a circular economy".



Demonstrate circular economy leadership:

We will use our experience to provide circular based resource recovery solutions for Perth's Eastern Region and act as a knowledge hub for waste avoidance strategies.

Respond to a climate emergency:

We will reduce carbon impacts to achieve net zero and understand the risks associated with climate change to Perth's Eastern Region.

Create value in the community:

We will establish and support projects in the community that create social value from a residential level through to commercial level.

Reduce our environmental impact:

We will lead by example by reducing environmental impact through efficient operations, forward thinking, and supporting circular and sustainable initiatives in the region.



**Demonstrate
circular
economy
leadership**



OBJECTIVE: To use our experience to provide circular based resource recovery solutions for Perth's Eastern Region and act as a knowledge hub for waste avoidance strategies.



1.1 Enable circular economy initiatives through advocacy networks by 2025

KEY ACTIONS

Map stakeholders and areas of influence and impact to develop a targeted engagement plan (e.g. member Councils, commercial waste customers, government policy drivers)

Create and maintain strategic partnerships and alliances which aim to achieve positive outcomes for the region and beyond, build resilience and secure funding (where relevant)

1.2 80% reuse of material at all EMRC operated sites by 2040

KEY ACTIONS

Develop a sales model for use of recovered material

Determine high-value use for the existing C&I processing building at Hazelmere RRP

Map our current waste production profile for benchmarking (as an organisation) and align with the EMRC's FOGO Strategy where applicable.

Regularly review and implement initiatives in line with the Red Hill and Hazelmere Development Plans.

Regularly review local government procurement guidelines and processes for sustainable decision making.

Identify and facilitate supply chain awareness for product production e.g. FOGO products, woodchips and construction materials including ferricrete.

**Respond to
a climate
emergency**



OBJECTIVE: To reduce carbon impacts to achieve net zero and understand the risks associated with climate change to Perth's Eastern Region



2.1 Infrastructure adaptation by 2030

KEY ACTIONS

Undertake asset management assessment, workforce planning and long term financial planning for all EMRC owned infrastructure

Identify and evaluate land-use options at EMRC sites

Map and benchmark energy usage and consumption rates across all sites e.g. energy use, vehicle fuel consumption, auditing requirements, early stage asset management

2.2 Sustainability integrated into management processes

KEY ACTIONS

Establish a decision-making framework to include sustainability for operational and capital expenditure

Include sustainable decision-making frameworks in procurement templates, evaluation and processes of all projects

Implement a sustainability performance review for each team and identify sustainability criteria for environmental, social, governance (ESG) decision making

Establish regular internal collaboration sessions to identify new sustainability initiatives.

Reduce our environmental impact

OBJECTIVE: To lead by example and reduce environmental impact through efficient operations, forward thinking and supporting circular and sustainability initiatives in the region.

3.1 Contribute to a decrease in illegal waste disposal by 2040

KEY ACTIONS

Consider programs for recovery of construction and demolition waste e.g. bricks, timber, sand, soil, concrete and other resource recovery initiatives

3.2 EMRC wide environmental management system

KEY ACTIONS

Review and develop the framework the EMRC will use going forward in terms of its Environmental Management System Framework i.e. in alignment with ISO14001 or equivalent

Establish compliance monitoring, reporting and review processes in alignment with the EMRC's Environmental Management System (e.g. NGRS, NPI etc)

Create value in the community

OBJECTIVE: To establish and support projects in the community that create social value from a residential level through to commercial levels.

4.1 Source separation initiatives by 2027

KEY ACTIONS

Utilise EMRC fleet and other EMRC owned assets as educational billboards for source separation education and requirements

Consider shared valet service programs for verge collection. This includes a waste classification program for different materials and costings

4.2 Use of recovered material in the region by 2040

KEY ACTIONS

Continue to establish and promote community recycling and reuse networks for exchange of products, and reuse initiatives

Identify uses for recovered materials e.g. woodchip mulching, FOGO products, construction materials for road surfacing and energy reuse

Provide waste solutions that are in line with WA Waste Strategy and waste hierarchy



KEY PERFORMANCE INDICATORS AND MEASURES OF SUCCESS

In order to gauge the success of the EMRC implementing the actions outlined in the Strategic Plan a set of Key Performance Indicators (KPIs) have been identified below. Regular reporting on the progress of agreed tasks will be performed through the quarterly updates of the Corporate Business Plan, which are aligned with this Plan.

The EMRC will measure its success in implementing the strategic plan which will include, but not necessarily be limited to the following KPIs:

- Overall stakeholder satisfaction with the EMRC;
- Level of satisfaction with waste management and resource recovery services;
- Financial sustainability of the organisation;
- Progression towards achieving the identified targets and actions; and
- Create value through partnerships and external funding

The EMRC will know it has been successful when it has satisfactorily achieved the above, but also through achieving the following actions:

- Developed and Implement an Integrated Planning Framework;
- Monitored and Managed Strategic Risks;
- Developed and implemented Policies and Management Guidelines (within four year cycles);
- Effectively and efficiently implemented the recommendations of the EMRC Council within prescribed timelines;
- Achieved a high standard of corporate governance and compliance;
- Developed a Long-Term Financial Plan (LTFP) and financial models;
- Developed an Asset Management Plan (AMP); and
- Ensured that projects were planned and executed in accordance with Strategic Business Plans and Strategies and delivered on time, on budget and in accordance with member Council expectations.

REPORTING AND REVIEW

Reporting

It is intended to provide periodic reports to Council against the Corporate Business Plan.

The Local Government (Administration) Regulations 1996 (the Regulations) in relation to reporting states:

19CA. Information about modifications to certain plans to be included (Act s. 5.53(2)(i))

- 1) This regulation has effect for the purposes of section 5.53(2)(i).
- 2) If a modification is made during a financial year to a local government's strategic community plan, the annual report of the local government for the financial year is to contain information about that modification.
- 3) If a significant modification is made during a financial year to a local government's corporate business plan, the annual report of the local government for the financial year is to contain information about that significant modification.

Where applicable the EMRC will also provide a report against the Corporate Plan through its Annual Report.

Reviewing

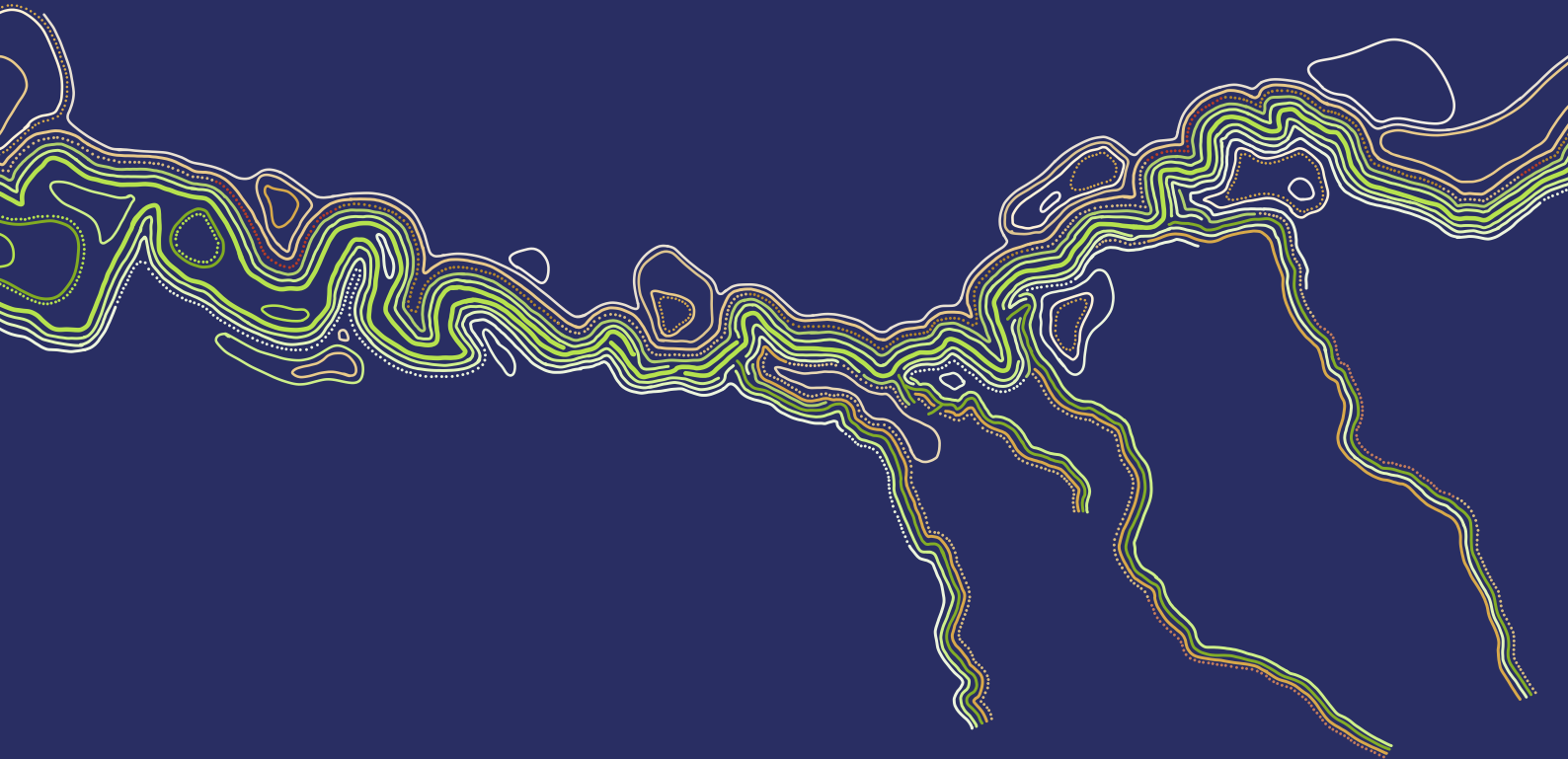
The Corporate Business Plan will be reviewed annually in accordance with current legislation. Any significant modifications will be the subject of future reports to Council.

APPENDIX ONE - STRATEGIC HIGH LEVEL PLANS

DOCUMENT	DESCRIPTION
Asset Management Plan (AMP)	This plan defines current levels of service and the processes used to manage each of EMRC's asset classes.
Business Continuity Plan	This Plan outlines the key steps to be taken by the EMRC to respond to and recover from a disaster.
Corporate Business Plan	This plan sets out the projects and services EMRC will deliver to achieve the outcomes identified in the 10 Year Strategic Plan.
Code of Conduct	The Code of Conduct provides members and employees with consistent guidelines for an acceptable standard of professional conduct.
Council Policies	Council Policies are developed and adopted by the EMRC Council.
Establishment Agreement	This document was signed by all EMRC member Councils in 1998 and is the basis for the delivery of ongoing and new services to member Councils.
Long Term Financial Plans	The 10 year and 5 year financial plans enable delivery of projects and services.
Food Organics and Garden Organics (FOGO) Strategy for the EMRC 2019-2022	This strategy will help guide the journey towards optimal recovery of FOGO materials.
Local Government Act 1995	The EMRC operates under the Local Government Act 1995 and associated regulations.
Management Guidelines	Management Guidelines are developed and adopted by the Executive team in relation to internal operations.
Red Hill and Hazelmere Development Plans	This plan indicates infrastructure requirements for the ongoing development of the Red Hill Waste Management Facility and the Hazelmere Resource Recovery Park..
Red Hill Environmental Management System	The Red Hill Environmental Management System provides a structured framework for implementing environmental protection programs which assist in managing potential environmental impacts of the Red Hill Waste Management Facility operations.
Sustainability Strategy	A new draft Sustainability Strategy was developed and presented to Council at its November 2021 meeting, further revised and re-presented to Council at its May Forum and May Council meeting for adoption.
Occupational Safety and Health Plan (OS&H)	This plan provides a framework for protection of EMRC staff and property, and other people who may interface with EMRC operations.
Stakeholder Engagement Plan	This plan provides guidance, priority and frequency of stakeholder engagement.
Stakeholder Perception Survey Reports	The EMRC surveys stakeholders biennially to collect information on stakeholder perceptions.
Workforce Plan	This plan enables the EMRC to ensure that it has a workforce capable of delivering organisational objectives now and in the future.

**FOR FURTHER INFORMATION
PLEASE CONTACT**

**Eastern Metropolitan Regional Council
226 Great Eastern Highway
Belmont WA 6104
T: 9424 2222**



**This plan will be made available
electronically and will also be
available on the EMRC's website.**

12.3 EASTERN METROPOLITAN REGIONAL COUNCIL (EMRC) 2025/2026 DRAFT ANNUAL BUDGET D2025/15801

PURPOSE OF REPORT

The purpose of this report is to present the 2025/2026 Draft Annual Budget for Council adoption.

KEY POINT(S)

- The 2025/2026 Draft Annual Budget has been prepared using the Ten Year Financial Plan 2025/2026 – 2034/2035 that has been reviewed and adjusted to take into consideration:
 - ⇒ Forecast financial results for 2024/2025;
 - ⇒ Budget provisions from 2024/2025 required to be carried forward into the 2025/2026 Budget;
 - ⇒ The draft 2025/2026 fees and charges relating to Waste Management, Sustainability, and Administration; and
 - ⇒ Other variations and adjustments as outlined within the report.

AC RESOLUTION(S)

That:

1. The Audit Committee endorses the EMRC 2025/2026 Annual Budget.
2. The EMRC 2025/2026 Annual Budget be referred to Council for adoption at its 28 August 2025 meeting.

AC RECOMMENDATION(S)

That:

1. Council, by absolute majority, in accordance with section 6.2(1) of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*, adopts the EMRC 2025/2026 Annual Budget and supporting schedules which have been prepared in compliance with the Australian Accounting Standards.
2. For the 2025/2026 financial year a material variance percentage of 10% of the appropriate base, or a dollar value of \$20,000, whichever is the greater, be adopted for reporting variances in the statements of financial activity.
3. In accordance with Regulation 33 of the *Local Government (Financial Management) Regulations 1996*, a copy of the 2025/2026 Annual Budget be submitted to the Departmental CEO, Department of Local Government, Sport and Cultural Industries, within 14 days of its adoption by Council.

SOURCE OF REPORT

Employee Disclosure under s.5.70 of the *Local Government Act 1995*

Author(s)	Manager Financial Services	Nil
Responsible Officer	Chief Financial Officer	Nil

BACKGROUND

- 1 Section 6.2(2) of the *Local Government Act 1995* states “In the preparation of the annual budget the local government is to have regard to the contents of the plan for the future of the district made in accordance with section 5.56”.
- 2 EMRC’s Strategic Community Plan titled the EMRC’s Revised 10 Year Strategic Plan 2017 - 2027, adopted by Council on 24 November 2022 (Ref: D2022/20402) and the Corporate Business Plan 2024/2025 to 2028/2029 (Ref: Report Item 12.2), considered as part of this Council Agenda, together constitute the EMRC’s ‘Plan for the Future’ in accordance with section 5.56 of the *Local Government Act 1995*. From 30 June 2017 onwards, both plans must be taken into account in budget preparations.
- 3 The 2025/2026 Annual Budget draws from the priorities as identified in the EMRC’s ‘Plan for the Future’.
- 4 As part of the budget preparation process, financial forecasts within the EMRC’s Ten Year Financial Plan are regularly reviewed in order to provide an indicative forecast of the EMRC’s ten year financial position.
- 5 The revised plan includes key assumptions which provide the framework for the 2025/2026 budget and includes fees and charges for Waste Management and fees and charges and project funding for the Sustainability Team.
- 6 Budget reviews were undertaken by the Executive Leadership Team during February to July 2025 to ensure the budget accurately reflected the planned operations for 2025/2026 and beyond.
- 7 The EMRC’s Ten Year Financial Plan tonnage forecasts are reviewed regularly and have been used to derive forecast income and expenditure for the Red Hill Waste Management Facility (RHWMF) and Hazelmere Resource Recovery Park (HRRP). These tonnages are included within the budget document (refer page 37 of the attachment).
- 8 All business units have developed detailed financial estimates for 2025/2026 to 2034/2035. These estimates have been entered into the EMRC’s financial management system to produce the ten year financial forecasts.
- 9 As the EMRC has not commence the process of preparing its Annual Financial Statements for 2024/2025, the forecast results for 2024/2025 have been used as a basis for the finalisation of the 2025/2026 Budget.

REPORT

- 10 In producing the 2025/2026 Budget, the EMRC’s Ten Year Financial Plan has been reviewed and adjusted to take into consideration the following:
 - Forecast financial results for 2024/2025; and
 - Budget provisions from 2024/2025 required to be carried forward into the 2025/2026 Budget.
- 11 The budgeted 2025/2026 Net Result is a surplus of \$2,960,857 compared to a forecast deficit of \$7,911,295 and the budget surplus of \$1,951,164 for 2024/2025.
- 12 Major variances to the 2024/2025 forecasts are attributable to:
 - A decrease of an estimated \$3.33m in User Charges income is primarily due to the expected lower tonnages to be received at RHWMF.
 - A discontinuation of Secondary Waste Charge and Comprehensive Waste Education Strategy (CWES) Levy have resulted in a decrease of \$619k in the Secondary Waste Charge income and \$703k in Special Charges.
 - A decrease in Contribution income of \$76k is attributed to a reduction of Sustainability team and fewer projects.

- An increase in Operating Grant of \$1.99m is due to the expecting grant to be received for capital project, FOGO pad.
- A decrease of approximately \$2.30m in interest earnings due to a reduction in available funds for investment through 2025/2026. The interest rate for 2025/2026 being set at an average of 3.25% compared to a rate of 4.43% for 2024/2025.
- Other income is budgeted to be \$1.89m lower than 2024/2025 forecast is attributed to the expected reduction in landfill gas income to be received.
- A decrease of \$2.63m in Contract expenses is mainly attributed to reduced expenses on labour hire which is budgeted based on the anticipation of lower tonnages to be received.
- Lower Miscellaneous expenses of approximately \$4.81m is due to reduced expenses on gate fees and transportation costs for tonnages transferred from the WTS to ERWtE facility.

Key Budget Assumptions

- 13 The following key assumptions have been used in the development of the Ten Year Financial Plan and the 2025/2026 Budget (all values are exclusive of GST):
- A discontinuation of Secondary Waste charge of \$38.00 per tonne as per Council's resolution on 27 March 2025;
 - A discontinuation of Comprehensive Waste Education Strategy (CWES) Levy of \$6.00 per tonne;
 - An increase of \$28.77 per tonne in the member Council base waste disposal charge to subsidy the discontinuation of Secondary Waste charge;
 - An increase of \$3.00 per tonne in the Waste Levy;
 - An increase of \$25.45 per tonne in the Commercial Waste Disposal charge (includes \$3.00 per tonne increase in the Landfill Levy);
 - The C & I rate has increased by \$4.54 per tonne to \$185.45 per tonne;
 - Class III Contaminated Waste charge has increased by \$25.45 per tonne for 2025/2026 (includes \$3.00 per tonne increase in the Waste Levy);
 - The Food Organics and Garden Organics (FOGO) rate has increased by \$64.55 per tonne to \$174.55.00 per tonne to reflect the high contamination rate on FOGO;
 - Member Councils uncontaminated Garden Organics disposed at the RHWMF has increased by \$1.81 per tonne for 2025/2026;
 - The rate for Commercial uncontaminated Garden Organics disposed at the RHWMF has increased by \$14.55 per tonne to \$84.55 per tonne;
 - The rate for the sale of Coloured Recycled Wood Chip has increased from \$380.00 per tonne to \$391.82 per tonne;
 - The rate for the sale of Uncoloured Recycled Wood Chip has increased from \$264.55 per tonne to \$272.73 per tonne;
 - Mattress disposal charges for member council residents of \$32.73 per mattress has increased by \$1.82 per mattress;
 - Mattress disposal charges for commercial clients has increased by \$1.82 per mattress to \$40.00 per mattress;
 - The consulting rates for 2025/2026 for member Councils and Other Organisations have increased by an average of 3.35%;

- Increased insurance premiums of 15% have been applied in 2025/2026 for property, plant and equipment and liability insurance;
- The average interest rate for term deposit investments for the 2025/2026 financial year is budgeted at 3.25% per annum; and
- A fuel purchase price increase of 5% has been applied in 2025/2026.

Tonnages (page 37 of the attachment)

- 14 Budgeted total tonnages for 2025/2026 of 260,678 tonnes is below the 2024/2025 forecast of 324,168 tonnes and above the 2024/2025 budget of 252,633 tonnes.
- 15 Class IV tonnages have been budgeted at 6,400 tonnes for 2025/2026. This is above the 2024/2025 forecast of 6,200 but below the 2024/2025 budget of 39,000 tonnes.
- 16 FOGO tonnages have been budgeted to go to Red Hill at 28,125 for 2025/2026.

	Actual 2022/2023	Actual 2023/2024	Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Class III	212,195	314,649	186,788*	283,048	220,268
Class IV & V	9,008	28,548	39,000	6,200	6,400
Garden Organic	6,794	4,484	6,249	5,520	5,885
FOGO	14,342	14,319	20,596*	29,400	28,125
TOTAL	242,339	362,000	252,633	324,168	260,678

* Not inclusive of budgeted 61,090 Class III tonnes and budgeted 6,126 FOGO tonnages to go to WTS.

Disposal Fees and Charges - (pages 31 - 35 of the attachment)

- 17 The member Council disposal charge for Class III waste for 2025/2026 has been reduced from the 2024/2025 rate of \$218.59 per tonne (ex GST) to \$206.36 per tonne (ex GST) due to the discontinuation of the Secondary Waste Charge as per Council's resolution on 27 March 2025 and the discontinuation of Comprehensive Waste Education Strategy (CWES).

EMRC Consulting Fees - (page 35 of the attachment)

- 18 An average increase of 3.35% in the consulting rates for member Councils and Other Organisations has been proposed for 2025/2026.

EMRC Administration Fees and Charges - (page 32 of the attachment)

- 19 An average increase of 3.23% has been applied to 2025/2026 EMRC Administration Fees and Charges except for Photocopier charges.

Statement of Comprehensive Income - (page 2 of the attachment)

- 20 The budgeted 2025/2026 "Net Result" is a surplus of \$2,960,857 compared with a budgeted surplus of \$1,951,164 and a forecast deficit of \$7,911,295 for 2024/2025.
- 21 Also provided is a Statement of Comprehensive Income by (Local Government) Program on page 3 of the attachment.

Staffing Levels

- 22 As part of the budget development, there are no new positions that have been budgeted in the 2025/2026 budget. Some of the positions previously approved and not filled have been carried forward into the 2025/2026 financial year.

Staff Remuneration Structure

- 23 A 3% increase in staff remuneration has been budgeted for 2025/2026.

Capital Works - (pages 61 - 67 of the attachment)

- 24 The total proposed Capital Works expenditure for 2025/2026 is \$11,081,400 which includes carried forward capital expenditure of \$4,258,623. This compares with the 2024/2025 budgeted expenditure of 28,834,724 and the 2024/2025 forecast expenditure of \$14,731,137. It should be noted that some capital funds were either from unspent funds expected to be expended by 30 June 2025 or capital grant expected to be received in 2025/2026.

- 25 Major capital expenditure items for 2025/2026 including carry forwards from 2024/2025 are:

➤ Construct Class III Cell Stage 18 – RHWMF (\$2,588,374 carried forward)	\$2,588,374
➤ FOGO Pad Cover & Associated Works – RHWMF (capital grant)	\$1,811,456
➤ Purchase/Replace Plant – RHWMF	\$1,500,000
➤ Relocate Garden Organics Processing area – RHWMF	\$1,370,000
➤ Construct Class III Cell Stage 19 – RHWMF	\$575,000
➤ Purchase/Replace Plant – HRRP	\$550,000
➤ Construct Waste Transfer Station – HRRP	\$400,000
➤ Construct Access Road to Lots 8 9 10 – RHWMF (\$330,000 carried forward)	\$330,000
➤ Construct Drainage Works to Lots 8 9 10 – RHWMF (\$188,707 carried forward)	\$220,000
➤ Purchase Information Technology & Communication Equipment (\$6,000 carried forward)	\$176,000
➤ Purchase / Replace Minor Plant and Equipment – RHWMF	\$161,000
➤ FOGO Pad Fence – RHWMF	\$150,000
➤ Purchase / Replace Minor Plant and Equipment – HRRP	\$132,000
➤ Project & Engineering - Construct Other – HRRP	\$125,000
➤ Refurbish Plant – RHWMF	\$109,000
➤ Develop Lots 8 9 & 10 For Future Waste Activities – RHWMF	\$100,000

Statement of Cash Flows - (page 5 of the attachment)

- 26 The budgeted net cash provided by operating activities is a decrease of \$26,691,135 compared with the 2024/2025 budget and a decrease of \$3,025,371 compared with the forecast position in 2024/2025.

Municipal Cash and Restricted Investments (Reserves) - (pages 7 - 10 of the attachment)

- 27 The cash and investments (Municipal and Restricted Investments) as at 30 June 2026 has been forecast to be \$33,594,001 compared with the forecast cash and investments as at 30 June 2025 of \$64,220,562.

- 28 The overall decrease year on year in budgeted cash (Municipal and Restricted Investments) is attributable to the capital expenditure exceeding the net budgeted operational cash flow during the 2025/2026 financial year and a payout for City of Kalamunda equity entitlement. Funds have been set aside in Reserves and will be utilised in accordance with the budgeted expenditure.
- 29 Other restricted cash investments will be used to fund future capital works projects including:
- Major plant replacements at the RHWMF and HRRP;
 - Post closure Site Rehabilitation and Environmental Monitoring at RHWMF; and
 - Future Class III and Class IV cell construction.

Reporting Requirements

- 30 It is a requirement of the Local Government (Financial Management) Regulations 1996 - Regulation 34(5) that a local government is to establish and adopt materiality levels either as a percentage and/or dollar value to be used in statements of financial activity for reporting variances.
- 31 The concept of materiality is defined in the accounting standard, AASB 108 as:
- “Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.”*
- 32 In determining whether the variance amount of an item is material, the variance is to be compared with the corresponding budgeted revenue and expense amount to the end of the month to which the statement of financial activity relates.
- 33 Since the 2015/2016 financial year Council has adopted 10% as the percentage, or a dollar value of \$20,000, whichever is the greater to be used when reporting variances. It is recommended that for the 2025/2026 financial year the materiality percentage of 10%, or a dollar value of \$20,000, whichever is the greater, be retained and adopted for reporting variances in the statements of financial activity.

Post Budget Preparation Event

- 34 There have been no post budget preparation events that will have a significant effect on the 2025/2026 draft budget.

STRATEGIC/POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

- 36 As detailed in the attachment to this report.

SUSTAINABILITY IMPLICATIONS

- 37 Nil

RISK MANAGEMENT

Risk – Non Compliance with Financial Regulations

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

MEMBER COUNCIL IMPLICATIONS

Member Council

Town of Bassendean
City of Bayswater

Implication Details

As per budget implications

ATTACHMENT(S)

Financial Statements – 2025/2026 Budget (D2025/15801)

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That:

1. The Audit Committee endorses the EMRC 2025/2026 Annual Budget.
2. The EMRC 2025/2026 Annual Budget be referred to Council for adoption at its 28 August 2025 meeting.

AC RESOLUTION(S)

MOVED

SECONDED

RECOMMENDATION(S)

That:

1. Council, by absolute majority, in accordance with section 6.2(1) of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*, adopts the EMRC 2025/2026 Annual Budget and supporting schedules which have been prepared in compliance with the Australian Accounting Standards.
2. For the 2025/2026 financial year a material variance percentage of 10% of the appropriate base, or a dollar value of \$20,000, whichever is the greater, be adopted for reporting variances in the statements of financial activity.
3. In accordance with Regulation 33 of the *Local Government (Financial Management) Regulations 1996*, a copy of the 2025/2026 Annual Budget be submitted to the Departmental CEO, Department of Local Government, Sport and Cultural Industries, within 14 days of its adoption by Council.



AC RECOMMENDATION(S)

MOVED

SECONDED



FINANCIAL STATEMENT

**2025/2026
BUDGET**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDING 30 JUNE 2026

	NOTE	BUDGET 2024/2025 \$	FORECAST 2024/2025 \$	BUDGET 2025/2026 \$
REVENUE				
User Charges	5	61,982,317	58,945,349	55,608,977
Special Charges	5	833,406	703,200	0
Secondary Waste Charge	5	1,181,382	619,323	0
Contributions		88,726	83,128	7,365
Operating Grants		128,300	116,400	2,107,000
Interest Investments Earnings	8	1,480,024	3,690,072	1,386,326
Reimbursements		2,053,456	2,508,075	1,871,673
Other		4,050,005	4,330,218	2,439,285
Proceeds from Sale of Assets		325,000	140,591	160,000
TOTAL REVENUE		72,122,616	71,136,356	63,580,626
EXPENSES				
Salary Expenses		16,790,286	14,869,914	15,855,118
Contract Expenses		11,497,412	11,729,361	9,102,046
Material Expenses		2,064,709	1,931,219	1,583,122
Fuel Expenses		1,989,418	1,988,560	2,069,203
Utility Expenses		514,621	535,884	542,444
Finance Costs		0	280,254	0
Insurance Expenses		610,639	849,678	918,074
Provision Expenses		617,260	2,404,634	2,370,947
Miscellaneous Expenses		30,372,763	26,213,332	21,405,582
Depreciation Expenses		5,462,583	5,825,271	6,674,450
Costs Allocated		0	0	0
Carrying Amount of Assets Disposed		251,761	180,615	98,783
TOTAL EXPENSES		70,171,452	66,808,722	60,619,769
NET RESULT BEFORE OTHER COMPREHENSIVE INCOME		1,951,164	4,327,634	2,960,857
OTHER COMPREHENSIVE INCOME				
Changes in asset revaluation surplus		0	(12,238,929)	0
TOTAL OTHER COMPREHENSIVE INCOME		0	(12,238,929)	0
NET RESULT		1,951,164	(7,911,295)	2,960,857

**STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM
FOR THE YEAR ENDING 30 JUNE 2026**

	NOTE	BUDGET 2024/2025 \$	FORECAST 2024/2025 \$	BUDGET 2025/2026 \$
REVENUE				
General Purpose Funding		1,480,024	3,690,072	1,386,326
Governance		88,100	66,839	43,000
Community Amenities		69,818,466	66,798,073	61,682,935
Other Property and Services		411,026	440,781	308,365
TOTAL REVENUE		71,797,616	70,995,765	63,420,626
EXPENSES				
Governance		1,996,747	981,922	809,484
Community Amenities		65,192,955	63,631,205	56,032,727
Other Property and Services		2,729,989	2,014,980	3,678,775
TOTAL EXPENSES		69,919,691	66,628,107	60,520,986
INCREASE / (DECREASE)		1,877,925	4,367,658	2,899,640
DISPOSAL OF ASSETS				
Proceeds from Sale of Assets		325,000	140,591	160,000
<u>Less</u> Carrying Amount of Assets Disposed Of		(251,761)	(180,615)	(98,783)
PROFIT / (LOSS) ON DISPOSALS	9	73,239	(40,024)	61,217
NET RESULT BEFORE OTHER COMPREHENSIVE INCOME		1,951,164	4,327,634	2,960,857
OTHER COMPREHENSIVE INCOME				
Changes in asset revaluation surplus		0	(12,238,929)	0
TOTAL OTHER COMPREHENSIVE INCOME		0	(12,238,929)	0
NET RESULT		1,951,164	(7,911,295)	2,960,857

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	NOTE	BUDGET 2024/2025 \$	FORECAST 2024/2025 \$	BUDGET 2025/2026 \$
CURRENT ASSET				
Cash and Cash Equivalents	3(i)	27,205,790	64,220,562	33,594,001
Investments		0	0	0
Trade and Other Receivables		2,988,058	2,988,058	4,088,629
Inventories		39,035	39,035	39,035
Other Assets		67,382	67,382	67,382
TOTAL CURRENT ASSETS		30,300,265	67,315,037	37,789,047
CURRENT LIABILITIES				
Trade and Other Payables		6,201,968	6,201,968	7,302,539
Provisions		2,009,781	34,186,673	2,888,934
TOTAL CURRENT LIABILITIES		8,211,749	40,388,641	10,191,473
NET CURRENT ASSETS		22,088,516	26,926,396	27,597,574
NON CURRENT ASSETS				
Land		47,850,257	47,850,257	47,850,257
Building		34,189,308	31,413,070	30,976,537
Structures		51,020,474	49,098,138	56,149,200
Plant		26,422,357	23,434,576	22,381,126
Equipment		3,935,059	2,946,283	2,955,435
Furniture and Fittings		217,802	223,156	209,836
Work in Progress		17,536,763	11,811,411	10,562,667
TOTAL NON CURRENT ASSETS		181,172,020	166,776,891	171,085,058
NON CURRENT LIABILITIES				
Provisions		42,625,314	22,809,356	135,803,992
TOTAL NON CURRENT LIABILITIES		42,625,314	22,809,356	135,803,992
NET ASSETS		160,635,222	170,893,931	62,878,640
EQUITY				
Accumulated Surplus		135,999,006	127,724,465	34,617,497
Reserves		24,636,216	43,169,466	28,261,143
TOTAL EQUITY		160,635,222	170,893,931	62,878,640

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 30 JUNE 2026**

	NOTE	BUDGET 2024/2025 \$	FORECAST 2024/2025 \$	BUDGET 2025/2026 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts in the course of operations		71,383,762	69,646,583	63,726,830
Cash payments in the course of operations		(34,159,930)	(58,298,563)	(53,100,435)
Interest receipts		1,480,024	3,690,072	1,386,326
Net Cash Provided by Operating Activities	3(ii)	38,703,856	15,038,092	12,012,721
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash receipts from sale of property, plant and equipment		325,000	140,591	160,000
Cash payments for property, plant and equipment		(28,834,724)	(14,731,137)	(11,081,400)
Net Cash Provided by Investing Activities		(28,509,724)	(14,590,546)	(10,921,400)
CASH FLOWS FROM FINANCE ACTIVITIES				
Cash receipts from sale of investments		0	0	0
City of Kalamunda payout		(30,718,215)	0	(31,717,882)
Net Cash Used in Financing Activities		(30,718,215)	0	(31,717,882)
SUMMARY OF CASH FLOWS				
Cash at the beginning of the year		47,729,873	63,773,016	64,220,562
Net Increase (Decrease) in Cash Held		(20,524,083)	447,546	(30,626,561)
Cash at the end of the year	3(i)	27,205,790	64,220,562	33,594,001

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2026**

	NOTE	BUDGET 2024/2025 \$	FORECAST 2024/2025 \$	BUDGET 2025/2026 \$
OPERATING ACTIVITIES				
Revenue from operating activities				
Fees and charges		63,997,105	60,267,872	55,608,977
Grants, subsidies and contributions		2,270,482	2,707,603	3,986,038
Interest revenue		1,480,024	3,690,072	1,386,326
Other revenue		4,050,005	4,330,218	2,439,285
Profit on asset disposals		73,239	0	61,217
		<u>71,870,855</u>	<u>70,995,765</u>	<u>63,481,843</u>
Expenditure from operating activities				
Employee costs		(16,790,286)	(14,869,914)	(15,855,118)
Materials and contracts		(13,562,121)	(13,660,580)	(10,685,168)
Utility charges		(514,621)	(535,884)	(542,444)
Depreciation		(5,462,583)	(5,825,271)	(6,674,450)
Finance costs: unwinding of discount		0	(280,254)	0
Insurance		(610,639)	(849,678)	(918,074)
Other expenditure		(32,979,441)	(30,606,526)	(25,845,732)
Loss on asset disposals		0	(40,024)	0
Loss on revaluation of non-current assets		0	(12,238,929)	
		<u>(69,919,691)</u>	<u>(78,907,060)</u>	<u>(60,520,986)</u>
Non-cash amounts excluded from operating activities	4(a)	36,724,819	(6,373,635)	8,631,722
Amount attributable to operating activities		<u>38,675,983</u>	<u>(14,284,930)</u>	<u>11,592,579</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from disposal of assets		325,000	140,591	160,000
		<u>325,000</u>	<u>140,591</u>	<u>160,000</u>
Outflows from investing activities				
Purchase of property, plant and equipment		(14,274,201)	(8,330,324)	(3,910,450)
Purchase and construction of infrastructure		(14,560,523)	(6,400,813)	(7,170,950)
		<u>(28,834,724)</u>	<u>(14,731,137)</u>	<u>(11,081,400)</u>
Amount attributable to investing activities		<u>(28,509,724)</u>	<u>(14,590,546)</u>	<u>(10,921,400)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts		9,761,029	18,644,153	18,427,499
		<u>9,761,029</u>	<u>18,644,153</u>	<u>18,427,499</u>
Outflows from financing activities				
Transfers to reserve accounts		(4,750,987)	(16,261,458)	(3,519,176)
City of Kalamunda payout		(30,718,215)	0	0
		<u>(35,469,202)</u>	<u>(16,261,458)</u>	<u>(3,519,176)</u>
Amount attributable to financing activities		<u>(25,708,173)</u>	<u>2,382,695</u>	<u>14,908,323</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year		12,348,206	10,249,711	(16,243,070)
Amount attributable to operating activities		38,675,983	(14,284,930)	11,592,579
Amount attributable to investing activities		(28,509,724)	(14,590,546)	(10,921,400)
Amount attributable to financing activities		(25,708,173)	2,382,695	14,908,323
Surplus or deficit after imposition of general rates	4(b)	<u>(3,193,708)</u>	<u>(16,243,070)</u>	<u>(663,568)</u>

This statement is to be read in conjunction with the accompanying notes.

**BUDGETED STATEMENT OF CASH MOVEMENTS
FOR THE YEAR ENDING 30 JUNE 2026**

	NOTE	BUDGET 2024/2025 \$	FORECAST 2024/2025 \$	BUDGET 2025/2026 \$
Municipal Fund (Cash and Investment)				
Opening Balance		16,863,081	42,298,375	21,051,096
Transfer to Restricted Investments		(3,433,531)	(14,215,966)	(2,291,801)
Transfer from Restricted Investments		9,761,029	18,644,153	18,427,499
Transfer to/from Municipal Investments		0	(20,218,456)	3,947,721
Interest on Municipal Funds		162,568	1,644,580	158,951
Payments and Receipts		(22,004,107)	(7,101,590)	(35,960,608)
Movement in Accrued Interest		0	0	0
Closing Balance		1,349,040	21,051,096	5,332,858
Plant and Equipment Reserve				
Opening Balance		243,000	1,288,994	1,131,661
Transfer to Restricted Investments		817,819	817,819	834,174
Transfer from Restricted Investments		(850,000)	(1,000,000)	(550,000)
Interest on Restricted Investments		11,338	24,848	59,419
Closing Balance		222,157	1,131,661	1,475,254
Site Rehabilitation Reserve				
Opening Balance		5,058,653	4,462,212	3,923,282
Transfer to Restricted Investments		0	0	0
Transfer from Restricted Investments		(895,222)	(895,222)	(750,000)
Interest on Restricted Investments		119,036	356,292	221,871
Closing Balance		4,282,467	3,923,282	3,395,153
Future Development Reserve				
Opening Balance		3,158,699	6,682,929	6,690,534
Transfer to Restricted Investments		0	0	0
Transfer from Restricted Investments		(2,500,000)	0	(500,000)
Interest on Restricted Investments		76,891	7,605	319,614
Closing Balance		735,590	6,690,534	6,510,148

BUDGETED STATEMENT OF CASH MOVEMENTS
FOR THE YEAR ENDING 30 JUNE 2026

NOTE	BUDGET 2024/2025 \$	FORECAST 2024/2025 \$	BUDGET 2025/2026 \$
Environmental Monitoring Reserve			
Opening Balance	2,345,777	2,065,084	1,814,864
Transfer to Restricted Investments	0	0	0
Transfer from Restricted Investments	(415,110)	(415,110)	(1,000,000)
Interest on Restricted Investments	55,089	164,890	102,680
Closing Balance	1,985,756	1,814,864	917,544
Class IV Cell Reserve			
Opening Balance	445,990	4,573,219	4,976,203
Transfer to Restricted Investments	747,289	747,289	769,708
Transfer from Restricted Investments	(750,000)	(750,000)	(1,100,000)
Interest on Restricted Investments	20,477	405,695	255,723
Closing Balance	463,756	4,976,203	4,901,634
EastLink Rehabilitation Reserve			
Opening Balance	5,727,557	5,762,984	1,223,139
Transfer to Restricted Investments	0	0	0
Transfer from Restricted Investments	(1,016,876)	(5,000,000)	0
Interest on Restricted Investments	153,737	460,155	193,633
Closing Balance	4,864,418	1,223,139	1,416,772
Secondary Waste Reserve			
Opening Balance	8,327,123	10,312,670	3,527,499
Transfer to Restricted Investments	1,181,382	1,181,382	0
Transfer from Restricted Investments	(1,470,003)	(8,470,003)	(3,527,499)
Interest on Restricted Investments	772,075	503,450	0
Closing Balance	8,810,577	3,527,499	0

BUDGETED STATEMENT OF CASH MOVEMENTS
FOR THE YEAR ENDING 30 JUNE 2026

	NOTE	BUDGET 2024/2025 \$	FORECAST 2024/2025 \$	BUDGET 2025/2026 \$
Class III Cells Reserve				
Opening Balance		3,156,710	1,208,713	6,651
Transfer to Restricted Investments		667,883	667,883	687,919
Transfer from Restricted Investments		(1,750,000)	(1,900,000)	0
Interest on Restricted Investments		77,908	30,055	16,832
Closing Balance		2,152,501	6,651	711,402
Committed Funds Reserve				
Opening Balance		658,286	8,036,861	17,823,043
Transfer to Restricted Investments		0	10,000,000	0
Transfer from Restricted Investments		(113,818)	(213,818)	(11,000,000)
Interest on Restricted Investments		0	0	0
Closing Balance		544,468	17,823,043	6,823,043
Equity Reserve				
Opening Balance		0	0	782,061
Transfer to Restricted Investments		0	782,061	0
Transfer from Restricted Investments		0	0	0
Interest on Restricted Investments		0	0	0
Closing Balance		0	782,061	782,061
Long Service Leave - Restricted Asset				
Opening Balance		1,170,471	1,158,495	1,270,529
Transfer to Restricted Investments		19,158	19,532	0
Transfer from Restricted Investments		0	0	0
Interest on Restricted Investments		30,905	92,502	57,603
Closing Balance		1,220,534	1,270,529	1,328,132
Cash and Investments at the end of the Year		26,631,264	64,220,562	33,594,001
<u>Add</u> Accrued Interest - Restricted Assets		574,526	0	0
Cash and Investments as per Statement of Financial Position		27,205,790	64,220,562	33,594,001

**BUDGETED STATEMENT OF CASH MOVEMENTS
AS AT 30 JUNE 2026**

	NOTE	BUDGET 2024/2025 \$	FORECAST 2024/2025 \$	BUDGET 2025/2026 \$
SUMMARY				
MUNICIPAL FUND (CASH AND INVESTMENTS)				
Opening Balance		16,863,081	42,298,375	21,051,096
Transfer to Restricted Investments		(3,433,531)	(14,215,966)	(2,291,801)
Transfer from Restricted Investments		9,761,029	18,644,153	18,427,499
Transfer to/from Municipal Investments		0	(20,218,456)	3,947,721
Interest on Municipal Funds		162,568	1,644,580	158,951
Payments and Receipts		(22,004,107)	(7,101,590)	(35,960,608)
Movement in Accrued Interest		0	0	0
Closing Balance		1,349,040	21,051,096	5,332,858
RESTRICTED INVESTMENTS				
Opening Balance		30,292,266	45,552,161	43,169,466
Transfer to Restricted Investments		3,433,531	14,215,966	2,291,801
Transfer from Restricted Investments		(9,761,029)	(18,644,153)	(18,427,499)
Interest on Restricted Investments		1,317,456	2,045,492	1,227,375
Closing Balance		25,282,224	43,169,466	28,261,143
Sub Total		26,631,264	64,220,562	33,594,001
<u>Add</u> Accrued Interest - Restricted Assets		574,526	0	0
Cash and Investments as per Statement of Financial Position	3(i)	27,205,790	64,220,562	33,594,001

**NET CURRENT ASSETS CARRIED FORWARD
AS AT 30 JUNE 2026**

	NOTE	BUDGET 2024/2025 \$	FORECAST 2024/2025 \$	BUDGET 2025/2026 \$
NET CURRENT ASSETS REPRESENTED BY				
CURRENT ASSETS				
Cash at Bank - Unrestricted		1,349,040	21,051,096	5,332,858
Receivables		2,988,058	2,988,058	4,088,629
Inventory		39,035	39,035	39,035
Prepayments		67,382	67,382	67,382
		<u>4,443,515</u>	<u>24,145,571</u>	<u>9,527,904</u>
LESS: CURRENT LIABILITIES				
Creditors		6,201,968	6,201,968	7,302,539
Current Provisions		2,009,781	34,186,673	2,888,934
		<u>8,211,749</u>	<u>40,388,641</u>	<u>10,191,473</u>
(DEFICIT) SURPLUS - OTHER FUNDS		(3,768,234)	(16,243,070)	(663,569)
ADD BALANCE OF NET RESTRICTED INVESTMENTS				
		25,856,750	43,169,466	28,261,143
ESTIMATED NET CURRENT ASSET POSITION		22,088,516	26,926,396	27,597,574



BUDGET NOTES

**2025/2026
BUDGET**

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

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

Amendments to Local Government (Financial Management) Regulations 1996

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

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

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

The Local Government Reporting Entity

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

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

(a) Trust Funds

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

The EMRC currently holds trust fund monies on behalf of the Green Deal Alliance Project (GDA) as approved by Council at its meeting held on 25 November 2021.

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Cash and Cash Equivalents

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

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

The EMRC does not have any bank overdrafts.

(c) Fixed Assets

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

Mandatory Requirements to Revalue Non-Current Assets

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

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

The revaluation of the land, buildings and infrastructure classes of assets was undertaken during the 2024/2025 financial year. It is proposed to undertake the next revaluation in the 2028/2029 financial year.

Initial Recognition and Measurement between Mandatory Revaluation Dates

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

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

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

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Fixed Assets (continued)

Revaluation

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

Depreciation

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

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

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

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

• Buildings	7.50 to 100 years (based on components)
• Structures	
General	15 to 105 years
Class III and IV Waste Cells	Based on actual usage
• Plant	3 to 24 years
• Furniture and fittings	3 to 25 years
• Equipment	3 to 25 years
• Post closure assets	Based on actual usage
• Landfill cells	Based on actual usage

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

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

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

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

Capitalisation Threshold

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

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation Techniques

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

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Market Approach

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

Income Approach

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

Cost Approach

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

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

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

(e) Grants, Donations and Other Contributions

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions will be disclosed in the Annual Financial Report. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(f) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the local government prior to the end of the financial year that are unpaid and arise when the Local Government becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition.

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Impairment

In accordance with Australian Accounting Standards, the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with *AASB 136 Impairment of Assets* and appropriate adjustments are made.

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

(h) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Goods and Services Tax

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

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

(j) Provisions

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

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

(k) Provision for Site Rehabilitation

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

Increments in the provision are calculated annually based on the change in the net present value of the future cash outflows of costs for site rehabilitation (unwinding of the discount rate).

As per the independent engineers report from December 2024, the current value for the rehabilitation of the site has been calculated to be \$8,917,142 and has been deemed sufficient for post closure management purposes. This value will be reviewed on a five yearly cycle.

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

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Provision for Environmental Monitoring

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

Increments in the provision are calculated annually based on the change in the net present value of the future cash outflows of costs for environmental monitoring (unwinding of the discount rate).

As per the independent engineers report from December 2024, the current value for the environmental monitoring of the site has been calculated to be \$10,885,352 and has been deemed sufficient for post closure management purposes. This value will be reviewed on a five yearly cycle.

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

(m) Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

(n) Trade and Other Receivables

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

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

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

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

Impairment and risk exposure information about the impairment of trade receivables and their exposure to credit risk and interest rate risk will be disclosed in the Annual Financial Report.

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Employee Entitlements

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

(i) Short-term Employee Benefits

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

(ii) Other long-term Employee Benefits

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

(iii) Superannuation Fund

The Council contributes to Aware Super and other choice funds for qualifying employees as per statutory requirements (12% for 2025/2026). It also contributes to Aware Super and other choice funds for full scheme members (5% for 2025/2026). Contributions to defined contribution plans are recognised as an expense as they become payable.

(p) Rounding Off Amounts

All amounts shown in this annual financial report are rounded to the nearest dollar. As a result of rounding, some minor reconciliation discrepancies may be present in the disclosures to the financial report.

(q) Comparative Figures

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

(r) Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Leases

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

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

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

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

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

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

The EMRC does not currently have any leases.

(t) Other Financial Assets

(i) Other Financial Assets at Amortised Cost

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

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

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

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

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

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Current and Non-Current Classification

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

(v) Landfill Cells

There are three general components of cell construction:

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

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

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

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

2. PROGRAMS

The activities relating to the EMRC's programs reported on in the Operating Statement are as follows:

Governance

Records income and expenditure relating to the administration and operation of facilities and services to members of Council together with other administrative governance costs.

General Purpose Funding

Records interest revenue as well as other general purpose revenue.

Community Amenities

Records income and expenditure associated with the Class III cell, Class IV cell, weighbridge, and transfer station at the Red Hill Waste Management Facility, the Hazelmere Resource Recovery Park and the Baywaste, Coppin Road and Mathieson Road transfer stations.

Other Property and Services

Records income and expenditure for public works overheads, plant operation, materials, salaries and wages. It also records income and expenditure for the Sustainability Team (incorporating various projects) and the operations of the Ascot Place activity.

EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026

3. NOTES TO THE STATEMENT OF CASH FLOWS

(i) Reconciliation of Cash

For the purpose of the statement of cash flows, The EMRC considers cash to include cash on hand, cash at bank and bank term deposits. Cash at the end of the reporting period as shown in the statement of cash flows is as follows:

	BUDGET	FORECAST	BUDGET
	2024/2025	2024/2025	2025/2026
	\$	\$	\$
Cash - Unrestricted	1,349,040	21,051,096	5,332,858
Cash - Restricted	25,856,750	43,169,466	28,261,143
Total Cash	27,205,790	64,220,562	33,594,001

(ii) Reconciliation of net cash used in operating activities to change in net assets arising from operations

	BUDGET	FORECAST	BUDGET
	2024/2025	2024/2025	2025/2026
	\$	\$	\$
Net Change in assets from operations	1,951,164	4,327,634	2,960,857
Non-cash items:			
Depreciation	5,462,583	5,825,271	6,674,450
Provisions	617,260	2,404,634	2,370,947
Finance Costs	0	280,254	0
(Profit)/Loss on sale of assets	(73,239)	40,024	(61,217)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables	0	0	(1,100,571)
Increase/(decrease) in trade and other payables	0	0	1,100,571
Increase/(decrease) in employee related provisions	27,873	27,873	220,143
Increase/(decrease) in other provisions	30,718,215	2,132,402	(152,459)
Net cash from operating activities	38,703,856	15,038,092	12,012,721

(iii) Depreciation of Assets

Details of depreciation expenditure budgets for each program are as follows:

	BUDGET	FORECAST	BUDGET
	2024/2025	2024/2025	2025/2026
	\$	\$	\$
Administration	377,789	190,649	209,713
Community Amenities	3,373,355	2,807,724	3,208,845
Other Property and Services	1,711,439	2,826,898	3,255,892
Total Depreciation all Programs	5,462,583	5,825,271	6,674,450

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

4. DETERMINATION OF SURPLUS OR DEFICIT

NOTE	BUDGET 2024/2025	FORECAST 2024/2025	BUDGET 2025/2026
	\$	\$	\$

(a) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with r.32 of the *Local Government (Financial Management) Regulations 1996*.

Adjustments to operating activities

Less: Profit on asset disposals	(73,239)	0	(61,217)
Add: Loss on revaluation of fixed assets	0	40,024	0
Add: Depreciation	5,462,583	5,825,271	6,674,450
Add: Finance costs: unwinding of discount	0	280,254	0
Non-cash movements in non-current assets and liabilities:			
Provisions	31,335,475	(12,519,184)	2,018,489
Non-cash amounts excluded from operating activities	36,724,819	(6,373,635)	8,631,722

(b) Surplus or deficit after imposition of general rates

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with r.32 of the *Local Government (Financial Management) Regulations 1996* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Reserve accounts	(25,282,224)	(43,169,466)	(28,261,143)
Total adjustments to net current assets	(25,282,224)	(43,169,466)	(28,261,143)

Net current assets used in the Statement of Financial Activity

Total current assets	30,300,265	67,315,037	37,789,047
Less: Total current liabilities	(8,211,749)	(40,388,641)	(10,191,473)
Less: Total adjustments to net current assets	(25,282,224)	(43,169,466)	(28,261,143)
Surplus or deficit after imposition of general rates	(3,193,708)	(16,243,070)	(663,569)

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

5. FEES AND CHARGES SUMMARY BY PROGRAM

	BUDGET	FORECAST	BUDGET
	2024/2025	2024/2025	2025/2026
	\$	\$	\$
Administration	0	0	0
Community Amenities	63,997,105	60,267,872	55,608,977
Other Property and Services	0	0	0
Total Statutory Fees and Charges	63,997,105	60,267,872	55,608,977

	BUDGET	FORECAST	BUDGET
	2024/2025	2024/2025	2025/2026
	\$	\$	\$
User Charges	61,982,317	58,945,349	55,608,977
Special Charges	833,406	703,200	0
Secondary Waste Charge	1,181,382	619,323	0
Total Statutory Fees and Charges	63,997,105	60,267,872	55,608,977

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

6. LOAN BORROWINGS

(a) Loan Repayments

No Loans existed as at 30 June 2025 and no loans are anticipated during the 2025/2026 financial year.

(b) Unspent Loan

No unspent loan funds existed as at 30 June 2025 and no unspent loan funds are anticipated during the 2025/2026 financial year.

(c) New Borrowings

The EMRC does not propose to undertake new borrowings during the 2025/2026 financial year.

(d) Overdraft

Council has not utilised an overdraft facility during the 2024/2025 financial year and it is not anticipated that any such facility will be utilised during the 2025/2026 financial year

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

7. COUNCILLOR FEES AND ALLOWANCES

From July 2025 each Councillor, other than the Chairman, will be entitled to an annual meeting fee of \$11,830.

From July 2025 the Chairman will be entitled to an annual meeting fee of \$17,740 as well as an annual Local Government fee of \$22,470.

From July 2025 the Deputy Chairman will be entitled to an annual Local Government fee of \$5,617.50.

A provision of \$2,763 for meeting fees has been provided for deputy Councillors when deputising for a Councillor at a meeting. All fees paid to Councillors and the Chairman are paid quarterly in arrears.

All fees are in accordance with the 2025 Salaries and Allowances (SAT) Tribunal determination.

	BUDGET	FORECAST	BUDGET
	2024/2025	2024/2025	2025/2026
	\$	\$	\$
Councillor(s) meeting fees	84,010	84,010	47,320
Chairman's meeting fees	17,139	17,139	17,740
Chairman's Local Government fee	21,710	21,710	22,470
Deputy Chairman's Local Government fee	5,428	5,428	5,618
Deputy Councillors' meeting fees	11,713	11,713	7,052
Total Fees and Allowances	140,000	140,000	100,200

8. INVESTMENT INTEREST

The total estimated earnings from interest on investments is made up as follows:

	BUDGET	FORECAST	BUDGET
	2024/2025	2024/2025	2025/2026
	\$	\$	\$
Interest on Restricted Assets			
Interest on funds held in Reserve	1,286,551	1,952,990	1,169,772
Interest on other restricted investments (LSL)	30,905	92,502	57,603
Sub-Total Interest on Restricted Assets	1,317,456	2,045,492	1,227,375
Interest on Other Funds			
Interest on Municipal funds	162,568	1,644,580	158,951
Total Interest on Investments	1,480,024	3,690,072	1,386,326

**EASTERN METROPOLITAN REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2026**

9. ASSET PROFIT OR LOSS ON DISPOSAL

	BUDGET 2024/2025 \$	FORECAST 2024/2025 \$	BUDGET 2025/2026 \$
Building	0	0	0
Carried Amount of Assets Disposed	0	0	0
(Profit) Loss on Disposal	0	0	0
Equipment			
Proceeds from Sale of Assets	0	0	0
Carried Amount of Assets Disposed	0	(7,176)	0
(Profit) Loss on Disposal	0	(7,176)	0
Furniture and Fittings	0	0	0
Carried Amount of Assets Disposed	0	0	0
(Profit) Loss on Disposal	0	0	0
Land			
Proceeds from Sale of Assets	0	0	0
Carried Amount of Assets Disposed	0	0	0
(Profit) Loss on Disposal	0	0	0
Plant			
Proceeds from Sale of Assets	325,000	140,591	160,000
Carried Amount of Assets Disposed	(251,761)	(173,439)	(98,783)
(Profit) Loss on Disposal	73,239	(32,848)	61,217
Structures			
Carried Amount of Assets Disposed	0	0	0
(Profit) Loss on Disposal	0	0	0
Net Profit/ (Loss) on Disposal	73,239	(40,024)	61,217

10. PLAN FOR THE FUTURE

EMRC's Strategic Community Plan titled The EMRC's Revised 10 Year Strategic Plan 2017 - 2027, endorsed by Council at its meeting held on 24 November 2022 and the Corporate Business Plan 2025/2026 to 2029/2030, which was adopted by Council at its meeting held on 28 August 2025 together constitute EMRC's 'Plan For The Future' in accordance with *section 5.56 of the Local Government Act 1995*.

The 2025/2026 Annual Budget draws from the priorities as identified in the EMRC's 'Plan for The Future'.



FEES AND CHARGES

**For the Year Ending
30 June 2026**

EASTERN METROPOLITAN REGIONAL COUNCIL
2025/2026 DRAFT SCHEDULE OF WASTE MANAGEMENT FEES AND CHARGES
EFFECTIVE FROM 1 SEPTEMBER 2025

Description	Unit	2024/2025 Charges with no GST \$	Value of GST \$	2024/2025 Charges inc GST \$	2025/2026 Charges with no GST \$	Value of GST \$	2025/2026 Charges inc GST \$
<u>Waste Management Charges</u>							
Member Council disposal rate	1 tonne	218.59	21.86	240.45	206.36	20.64	227.00
<u>Councils - Other (Member and Non-Member Council)</u>							
Domestic Refuse Tip Pass (Gidgegannup @ 3bags/wk)	N/A	8.18	0.82	9.00	9.09	0.91	10.00
Council Refuse Tip Passes - Trailers (up to 500kg)	N/A	70.91	7.09	78.00	73.64	7.36	81.00
Council Garden Organics Tip Passes (up to 500 kg)	N/A	35.45	3.55	39.00	37.27	3.73	41.00
<u>General Waste</u>							
Cars / Station Wagons *	N/A	37.27	3.73	41.00	39.09	3.91	43.00
Trailers (6 x 4) *	N/A	64.55	6.45	71.00	67.27	6.73	74.00
Vans / Utes *	N/A	64.55	6.45	71.00	67.27	6.73	74.00
Trailers (6 x 4) High Sides *	N/A	80.91	8.09	89.00	83.64	8.36	92.00
Tandem/ Horse Floats (< 1 tonne) *	N/A	120.00	12.00	132.00	123.64	12.36	136.00
Up to 240 Litre Mobile Garbage Bin *	N/A	11.82	1.18	13.00	12.73	1.27	14.00
Commercial (General)	1 tonne	180.91	18.09	199.00	206.36	20.64	227.00
Minimum Commercial Charges	0.50 tonne	90.45	9.05	99.50	103.64	10.36	114.00
<u>Garden Organics</u>							
Garden Organics - Member Councils (uncontaminated - Red Hill)	1 tonne	53.64	5.36	59.00	55.45	5.55	61.00
Garden Organics - Commercial and Non-Member Council (uncontaminated - Red Hill)	1 tonne	70.00	7.00	77.00	84.55	8.45	93.00
Garden Organics - Shredded to EMRC specification (to Red Hill)	1 tonne	11.82	1.18	13.00	12.73	1.27	14.00
(Minimum charge for Garden Organics 0.5 tonne)							
<u>FOGO Waste (Member and Non-Member Council)</u>							
FOGO waste - MGB - Red Hill	1 tonne	110.00	11.00	121.00	174.55	17.45	192.00
FOGO waste - MGB (6% - 9% contamination) - Hazelmere	1 tonne	126.27	12.63	138.90	220.91	22.09	243.00
Note 1: Attractive discounts available to major customers and Local Government depending on service requirements such as volume, contamination and length of contract.							
Note 2: In the event that the weighbridges at Red Hill Waste Management Facility are not operational, vehicles will be charged according to their carrying capacity (in tonnes) multiplied by the appropriate rate from the schedule of fees and charges according to the type of waste being disposed.							

* Fees and Charges are for all weights Under 1 Tonne

EASTERN METROPOLITAN REGIONAL COUNCIL
2025/2026 DRAFT SCHEDULE OF WASTE MANAGEMENT FEES AND CHARGES
EFFECTIVE FROM 1 SEPTEMBER 2025

Description	Unit	2024/2025 Charges with no GST \$	Value of GST \$	2024/2025 Charges inc GST \$	2025/2026 Charges with no GST \$	Value of GST \$	2025/2026 Charges inc GST \$
<u>Waste Management Charges continued ..</u>							
<u>Disposal Rates continued..</u>							
<u>Special Wastes</u>							
Asbestos (Wrapped)	1 tonne	198.18	19.82	218.00	206.36	20.64	227.00
Asbestos (Wrapped) - Member Council residents only	1 tonne	105.45	10.55	116.00	109.09	10.91	120.00
Asbestos (Wrapped) - Minimum Charge		34.55	3.45	38.00	36.36	3.64	40.00
Car Bodies - Commercial	each	58.18	5.82	64.00	60.00	6.00	66.00
Car Bodies - Member Council residents only	each	28.18	2.82	31.00	29.09	2.91	32.00
Biosecurity Waste	1 tonne	227.27	22.73	250.00	234.55	23.45	258.00
Burial Fee (for immediate burial requirements)	N/A	157.27	15.73	173.00	162.73	16.27	179.00
Handling Fee (for special handling requirements)	N/A	157.27	15.73	173.00	162.73	16.27	179.00
Tyre Disposal (off rim) *	each	9.09	0.91	10.00	10.00	1.00	11.00
Tyre Disposal (with rim) *	each	16.36	1.64	18.00	17.27	1.73	19.00
Tyre Recovery Charges (for tyres at the landfill face)	each	28.18	2.82	31.00	29.09	2.91	32.00
Mattress disposal fee (Member and Non-Member Council Residents)	each	30.91	3.09	34.00	32.73	3.27	36.00
Mattress disposal fee (Charitable Organisations)	each	31.82	3.18	35.00	33.64	3.36	37.00
Mattress disposal fee (Commercial)	each	38.18	3.82	42.00	40.00	4.00	44.00
E-Waste (Price applicable after quota has been reached under	each	10.91	1.09	12.00	11.82	1.18	13.00
Infoactive agreement)			0.00	0.00			
Wash Facility Fee	N/A	41.82	4.18	46.00	43.64	4.36	48.00
Class III Contaminated Waste **	1 tonne	182.73	18.27	201.00	208.18	20.82	229.00
Class III Contaminated Soil **	1 tonne	182.73	18.27	201.00	208.18	20.82	229.00
Class IV Contaminated Waste **	1 tonne	270.00	27.00	297.00	290.00	29.00	319.00
Class IV Contaminated Soil **	1 tonne	238.18	23.82	262.00	245.45	24.55	270.00
** Minimum Contaminated Waste Charges	0.50 tonne						
Administration Charge - For Waste Acceptance Approvals	consignment	170.00	17.00	187.00	175.45	17.55	193.00
Administration Charge - Reprinting of Unsigned Weighbridge Dockets	per docket	5.45	0.55	6.00	6.36	0.64	7.00
Administration Charge - For uploading invoices onto the portal	set up fee	131.82	13.18	145.00	136.36	13.64	150.00
Administration Charge - For uploading invoices onto the portal	per invoice	60.00	6.00	66.00	61.82	6.18	68.00
Note 1: Attractive discounts available to major customers and Local Government depending on service requirements such as volume, contamination and length of contract.							
* Only car and 4 wheel drive vehicle tyres accepted. Member Council residents only maximum 4 per person.							

EASTERN METROPOLITAN REGIONAL COUNCIL
2025/2026 DRAFT SCHEDULE OF WASTE MANAGEMENT FEES AND CHARGES
EFFECTIVE FROM 1 SEPTEMBER 2025

Description	Unit	2024/2025 Charges with no GST \$	Value of GST \$	2024/2025 Charges inc GST \$	2025/2026 Charges with no GST \$	Value of GST \$	2025/2026 Charges inc GST \$
Waste Management Charges continued ..							
<u>Hazlemere – Woodwaste Sorting & Recycling</u>							
Wood Waste (per tonne)							
- Grade 1	1 tonne	61.82	6.18	68.00	64.55	6.45	71.00
- Grade 2	1 tonne	69.09	6.91	76.00	71.82	7.18	79.00
- Contaminated	1 tonne	264.55	26.45	291.00	272.73	27.27	300.00
(Minimum Charge for Wood Waste of 0.50 Tonnes)							
Wood Waste Unloading Fee	per load	30.00	3.00	33.00	30.91	3.09	34.00
<u>Hazlemere - Commercial & Industrial Waste Sorting Facility</u>							
Dry Commercial and Industrial Waste (contains a minimum 40% recyclable of timber and scrap steel material)*	1 tonne	180.91	18.09	199.00	185.45	18.55	204.00
Minimum Charge (Member Councils)	0.50 tonne	90.91	9.09	100.00	92.73	9.27	102.00
Minimum Charges (Commercial and Non-Member Council)	0.50 tonne	90.91	9.09	100.00	92.73	9.27	102.00
Additional Charges for Recovered Items							
Tyre - Passenger car (off rim)	each	6.36	0.64	7.00	10.00	1.00	11.00
Tyre - Passenger car (with rim)	each	8.18	0.82	9.00	17.27	1.73	19.00
Tyre - Light truck, Light Industrial (off rim)	each	11.82	1.18	13.00	26.36	2.64	29.00
Tyre - Light truck, Light Industrial (with rim)	each	23.64	2.36	26.00	52.73	5.27	58.00
Fridges & Freezers / White Goods / Air Conditioning Units	each	35.45	3.55	39.00	37.27	3.73	41.00
Car Batteries	each	11.82	1.18	13.00	12.73	1.27	14.00
Handling Fee (for special handling requirements)	per load	170.00	17.00	187.00	175.45	17.55	193.00
<u>Hazlemere Waste Transfer Station</u>							
General waste - Handling & EMRC Site Disposal (commercial)* **	1 tonne	203.64	20.36	224.00	250.91	25.09	276.00
General waste - Handling & Third Party Site Disposal (commercial)* **	POA						POA
<u>Note 1</u> : If a C&I waste load is contaminated by more than 40% (by visual inspection), a surcharge of 50% of the disposal charge per tonne will apply plus a handling fee will be applied to the consignment.							
<u>Note 2</u> : Tyres other than mentioned above will be required to be removed from site by the customer.							
<u>Note 3</u> : In the event that the weighbridge at Hazlemere Resource Recovery Park is not operational, vehicles will be charged according to the estimated waste volumes in cubic metres converted to tonnes.							
* Discounts are available on large quantities of waste, please contact the EMRC sales team							
** Access under Contract or Agreement Only							

EASTERN METROPOLITAN REGIONAL COUNCIL
2025/2026 DRAFT SCHEDULE OF WASTE MANAGEMENT FEES AND CHARGES
EFFECTIVE FROM 1 SEPTEMBER 2025

Description	Unit	2024/2025 Charges with no GST \$	Value of GST \$	2024/2025 Charges inc GST \$	2025/2026 Charges with no GST \$	Value of GST \$	2025/2026 Charges inc GST \$
<u>Waste Management Charges continued ..</u>							
<u>Sale of Materials (all ex stockpile, minimum 10 tonnes)</u>							
Bulk Fresh Water for construction/maintenance purposes	kL (1,000 litres)	1.82	0.18	2.00	2.73	0.27	3.00
<u>Ferricrete Products (dependant on availability)*</u>							
Ferricrete 25 mm < 5000 tonnes (Tonnage Price)	1 tonne	15.45	1.55	17.00	19.09	1.91	21.00
Ferricrete 25 mm 5000 - 10000 tonnes (Tonnage Price)	1 tonne				18.18	1.82	20.00
Ferricrete 25 mm > 10000 tonnes (Tonnage Price)	1 tonne				17.27	1.73	19.00
Ferricrete 12 mm < 5000 tonnes (Tonnage Price)	1 tonne	15.45	1.55	17.00	19.09	1.91	21.00
Ferricrete 12 mm 5000 - 10000 tonnes (Tonnage Price)	1 tonne				18.18	1.82	20.00
Ferricrete 12 mm > 10000 tonnes (Tonnage Price)	1 tonne				17.27	1.73	19.00
Filter Rock 20-50 mm < 5000 tonnes (Tonnage Price)	1 tonne	15.45	1.55	17.00	20.91	2.09	23.00
Filter Rock 20-50 mm 5000 - 10000 tonnes (Tonnage Price)	1 tonne				20.00	2.00	22.00
Filter Rock 20-50 mm > 10000 tonnes (Tonnage Price)	1 tonne				19.09	1.91	21.00
Filter Rock 50-80 mm < 5000 tonnes (Tonnage Price)	1 tonne	15.45	1.55	17.00	20.91	2.09	23.00
Filter Rock 50-80 mm 5000 - 10000 tonnes (Tonnage Price)	1 tonne				20.00	2.00	22.00
Filter Rock 50-80 mm > 10000 tonnes (Tonnage Price)	1 tonne				19.09	1.91	21.00
Rock Spalls (Unsorted) < 5000 tonnes (Tonnage Price)	1 tonne	27.27	2.73	30.00	19.09	1.91	21.00
Rock Spalls (Unsorted) 5000 - 10000 tonnes (Tonnage Price)	1 tonne				18.18	1.82	20.00
Rock Spalls (Unsorted) > 10000 tonnes (Tonnage Price)	1 tonne				17.27	1.73	19.00
Ferricrete (Member Councils)	1 tonne	12.73	1.27	14.00	15.45	1.55	17.00
* Discounts are available on large quantities of Ferricrete Products, please contact the EMRC Sales Team	POA						POA
<u>Manufactured Products (m³ and T)*</u>							
Bulk volumes of manufactured products	Per tonne / per m ³						POA
Mixed Mulch	1 m ³				20.00	2.00	22.00
Mulch (Member Councils)	1 m ³				16.36	1.64	18.00
Coloured Recycled Wood Chip - Hazelmere	1 m ³				86.36	8.64	95.00
Uncoloured Recycled Wood Chip - Hazelmere	1 m ³				63.64	6.36	70.00
Fines - Hazelmere (when available)	1 m ³				63.64	6.36	70.00
Shredded, Unprocessed Garden Organics (Red Hill)	1 m ³				14.55	1.45	16.00
Soil Improver (Blended)	1 m ³				21.82	2.18	24.00
* Discounts are available on large quantities of Manufactured Products, please contact the EMRC Sales Team							
<u>Trailer Loaded Products (per scoop)</u>							
Mixed Mulch	1 scoop	17.27	1.73	19.00	18.18	1.82	20.00
Soil Improver (Blended)	1 scoop	18.18	1.82	20.00	19.09	1.91	21.00

Note: Large volume customers have access to generous discounts via the sales team

EASTERN METROPOLITAN REGIONAL COUNCIL
2025/2026 DRAFT SCHEDULE OF WASTE MANAGEMENT FEES AND CHARGES
EFFECTIVE FROM 1 SEPTEMBER 2025

Description	Unit	2024/2025 Charges with no GST	Value of GST	2024/2025 Charges inc GST	2025/2026 Charges with no GST	Value of GST	2025/2026 Charges inc GST
		\$	\$	\$	\$	\$	\$
<u>Consulting Fees</u>							
<u>Member Councils</u>							
Senior Executive	1 hour	140.00	14.00	154.00	144.55	14.45	159.00
Manager	1 hour	123.64	12.36	136.00	128.18	12.82	141.00
Co-ordinator	1 hour	106.36	10.64	117.00	110.00	11.00	121.00
Officer	1 hour	75.45	7.55	83.00	78.18	7.82	86.00
<u>Other Organisations</u>							
Senior Executive	1 hour	419.09	41.91	461.00	431.82	43.18	475.00
Manager	1 hour	309.09	30.91	340.00	319.09	31.91	351.00
Co-ordinator	1 hour	242.73	24.27	267.00	250.91	25.09	276.00
Officer	1 hour	199.09	19.91	219.00	205.45	20.55	226.00
<u>Miscellaneous Charges</u>							
<u>Vehicle Charges</u>							
Commercial Vehicle	1 hour	28.18	2.82	31.00	29.09	2.91	32.00
<u>Hazelmere Site Access Fees & Surcharges</u>							
After Hours Access Surcharge - Extended Opening hours (charged min per 30 mins)	1 hour				661.82	66.18	728.00
Opening on request (outside of scheduled hours)	POA						POA
<u>Red Hill Site Access Fees & Surcharges</u>							
After Hours Access Surcharge - Extended Opening hours (charged min per 30 mins)	1 hour				867.27	86.73	954.00
Opening on request (outside of scheduled hours)	POA						POA
<u>Photocopier Charges</u>							
Black & White A4 print	per page	0.50	0.05	0.55	0.55	0.05	0.60
Black & White A3 print	per page	0.64	0.06	0.70	0.68	0.07	0.75
Colour A4 print	per page	0.59	0.06	0.65	0.64	0.06	0.70
Colour A3 print	per page	0.73	0.07	0.80	0.77	0.08	0.85
<u>Credit Card Surcharges</u>							
Visa and Mastercard	amount			1.10%			1.10%
EFTPOS	amount			No charge			No charge
Late Payment Fees	amount					5.0% pa calculated daily	



WASTE DISPOSAL TONNAGES

**For the Year Ending
30 June 2026**

TONNAGES ANALYSIS

COUNCIL	ACTUAL 2022/2023 TONNES	ACTUAL 2023/2024 TONNES	BUDGET 2024/2025 TONNES	FORECAST 2024/2025 TONNES	BUDGET 2025/2026 TONNES
Bassendean	2,238	2,308	2,473	2,800	2,800
Bayswater/Baywaste	18,619	18,799	19,932	19,500	18,350
Kalamunda	20,974	0	0	0	0
Mundaring	12,616	10,262	2,218	9,000	0
Swan	55,188	58,946	9,398	59,000	0
Sub-total - Member Councils (MSW)	109,635	90,314	34,021	90,300	21,150
Bassendean - Garden Organics	148	249	300	300	300
Bayswater/Baywaste - Garden Organics	1,327	1,342	1,500	1,600	1,520
Kalamunda - Garden Organics	2,237	0	0	0	0
Mundaring - Garden Organics	733	540	1,000	1,200	0
Swan - Garden Organics	506	622	520	500	0
Transfer Station - Garden Organics	955	1,011	1,346	920	850
Commercial/Other - Garden Organics	888	720	1,583	1,000	3,215
Sub-total - Garden Organics	6,794	4,484	6,249	5,520	5,885
Hazelmere - C & I, WWTE, Wood & Mattress Waste	1,620	43,846	1,353	3,240	1,718
Hazelmere - Waste Transfer Station	0	0	45,000	42,437	36,000
Non-Member Local Governments	1,344	2,970	8,000	14,000	64,600
EMRC Transfer Stn (Trailers & Commercial etc)	4,435	4,544	4,614	5,000	5,000
Asbestos (Wrapped)	1,970	1,916	2,000	2,000	1,800
Commercial/Other Class III (exc. Asbestos)	76,456	81,233	45,000	36,071	35,000
FOGO - Town of Bassendean	3,349	3,361	4,000	3,900	3,900
FOGO - City of Bayswater	10,993	10,958	12,700	12,700	12,065
FOGO - Shire of Mundaring	0	0	3,896	7,300	0
FOGO - City of Swan	0	0	0	5,500	0
FOGO - Non-Member Local Governments	0	0	0	0	12,160
Contaminated Class III - General & PFAS	16,735	89,825	46,800	90,000	55,000
Class IV Waste	9,008	28,548	39,000	6,200	6,400
Waste Agreement Residual	0	0	0	0	0
Sub-total - Other Tonnages	125,910	267,202	212,363	228,348	233,643
TOTAL TONNAGES TO REDHILL WASTE DISPOSAL FACILITY	242,339	362,000	252,633	324,168	260,678
Class III	212,195	314,649	186,788	283,048	220,268
Class IV & V	9,008	28,548	39,000	6,200	6,400
Garden Organics	6,794	4,484	6,249	5,520	5,885
FOGO	14,342	14,319	20,596	29,400	28,125
SUMMARY TOTAL TONNAGES TO REDHILL WASTE DISPOSAL FACILITY	242,339	362,000	252,633	324,168	260,678
<u>Waste Transfer Station</u>					
Mundaring - General Waste	0	0	12,090	0	0
Swan - General Waste	0	0	49,000	0	0
TOTAL TONNAGES TO WASTE TRANSFER STATION	0	0	61,090	0	0

FINANCIAL PERFORMANCE BY ACCOUNT

**For the Year Ending
30 June 2026**

Financial Performance by Account 2025/2026

CEO's Team

Budget
2024/2025

Forecast
2024/2025

Budget
2025/2026

CEO and Support

Operating Income

58981/01	Income CEO s Special Projects	0	5,909	0
		0	5,909	0

Operating Expenditure

72851/06	IT Support - Councillors	72,740	54,185	44,148
73904/01	Attend Corporate and Award Functions and Events - Governance	1,400	1,400	1,400
73906/00	Provide Compliance Services and Internal Audit	63,700	63,700	98,221
73917/09	Provide Staff Annual Leave - CEO's Department	1,010	(67,258)	5,000
73918/08	Recruit Senior Staff	25,600	30,500	25,600
73918/11	Recruit Staff - CEO's Department	10,000	10,000	10,000
73919/10	Train and Develop Staff - CEO's Department	20,204	12,806	20,810
73922/09	Provide Staff Long Service Leave - CEO's Department	1,010	1,010	20,731
73966/00	Undertake Regional Advocacy - CEO/Councillors	4,000	0	4,000
73981/01	Manage CEO's Department	520,543	712,712	617,739
73981/02	Project Due Diligence	50,000	0	10,000
73989/00	Undertake Strategic Planning Research and Special Projects	50,000	90,000	50,000
73992/01	Hold Stakeholder Events/Functions	25,000	10,000	16,000
73993/00	Governance - Council Members	286,000	654,888	222,660
73994/00	Conduct Committee Meetings	3,152	1,576	2,000
73995/00	Conduct Council Meetings	23,355	23,355	18,500
73995/01	Catering Kitchen - Provisions	10,415	6,738	8,153
73996/00	Conduct Other Functions	27,997	27,998	12,848
73996/02	EMRC Staff Kitchen - Provisions	10,731	5,741	10,750
73999/00	Prepare Strategic Plan and Plan for the Future	11,562	4,819	0
		1,218,419	1,644,170	1,198,560

Capital Expenditure

24550/01	Purchase Information Technology & Communication Equipment -	75,000	60,000	0
		75,000	60,000	0

Net Income/(Expenditure)

(1,293,419) (1,698,261) (1,198,560)

Communications Team

Operating Income

59961/00	Income Marketing and Communications	0	16,485	0
		0	16,485	0

Operating Expenditure

73953/01	Support and Maintenance of EMRC Web Sites	21,855	21,855	17,000
73961/00	Manage Marketing and Communications Services	277,902	203,860	253,676
73961/01	Conduct Biennial Stakeholder Perception Survey	15,000	0	15,000
73963/00	Prepare Annual Report	4,270	3,850	3,750
73965/00	Conduct Promotions/Public Relations Events - Marketing	3,200	850	2,061
		322,227	230,415	291,487

Net Income/(Expenditure)

(322,227) (213,930) (291,487)

Human Resources

Operating Expenditure

72752/00	Reconciliation Action Plan (RAP)	19,559	7,381	5,200
72851/08	IT Support - Human Resources	46,570	54,580	28,500
72859/02	Monitor WHS Impacts - Red Hill & Hazelmere Occupational	26,562	15,662	26,579
73911/00	Provide Staff Health Welfare - EAP	4,308	4,308	6,915

Financial Performance by Account 2025/2026

CEO's Team		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Human Resources				
Operating Expenditure				
73911/01	Implement Health Promotion Activities	15,076	15,076	16,454
73911/02	Provide Staff Health Welfare - 1st Aid	44,190	29,005	24,724
73912/00	Provide Human Resource Management Service	897,310	860,278	913,386
73912/01	Conduct Employee Service Recognition Presentations	3,184	3,184	3,263
73919/00	Train and Develop Staff - Corporate General	23,692	16,547	20,208
73988/02	Facilitate Continuous Improvement Programme	2,863	2,863	2,934
73988/03	Implement the Rewards and Recognition Programme	5,384	4,187	5,519
73999/03	Implement Disability Access & Inclusion Plan	1,577	1,577	1,104
73999/04	Implement Workforce Plan Initiatives	2,206	2,206	2,261
		1,092,481	1,016,854	1,057,047
Net Income/(Expenditure)		(1,092,481)	(1,016,854)	(1,057,047)
Net Operating and Capital Expenditure for CEO's Team		2,708,127	2,929,045	2,547,094

Financial Performance by Account 2025/2026

Business Support		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Business Support - General				
Operating Income				
59981/00	Income Governance and Corporate Services Business Unit	0	3,497	0
		0	3,497	0
Operating Expenditure				
66590/00	Operate and Maintain Miscellaneous Equipment - Corporate Services	2,000	1,000	1,000
73914/01	Implement Governance and Corporate Services Study Assistance	4,000	4,000	3,000
73917/01	Provide Staff Annual Leave - Business Support	0	113,544	12,017
73918/01	Recruit Staff - Business Support	10,300	15,000	10,000
73919/01	Train and Develop Staff - Business Support	42,700	20,600	29,100
73922/01	Provide Staff Long Service Leave - Business Support	0	0	23,449
73981/00	Manage Governance and Corporate Services Business Unit	602,099	520,153	538,485
		661,099	674,297	617,051
Capital Expenditure				
24510/01	Purchase Furniture Fittings & Equipment - Corporate Services	10,000	5,000	4,800
		10,000	5,000	4,800
Net Income/(Expenditure)		(671,099)	(675,800)	(621,851)

Financial Performance by Account 2025/2026

Business Support		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Finance Team				
Operating Income				
59943/00	Income Financial Services	12,000	12,054	12,000
59945/00	Income Municipal Cash Investments	100,568	1,568,963	148,951
59945/02	Income Municipal Cash at Bank	62,000	75,617	10,000
		174,568	1,656,634	170,951
Operating Expenditure				
71981/00	Internal Revenue Governance and Corporate Services Business Unit	(5,465,727)	(5,465,727)	(5,574,889)
73913/00	Provide Payroll Service	250	250	250
73943/00	Provide Financial Services	921,313	921,676	894,917
73943/01	Provide Financial Services - Non GST Fees and Charges	1,323	1,323	1,389
73981/99	Councillors - Corporate Services Allocation	542,718	542,718	553,572
73982/99	Waste Management Services Business Unit - Corporate Services	3,007,753	3,007,753	3,067,908
73983/99	Sustainability Team - Corporate Services Allocation	731,395	731,395	746,023
73984/99	Environmental Services Business Unit - Corporate Services	731,395	731,395	746,023
		470,420	470,783	435,193
Other Income				
59945/01	Income Restricted Cash Investments	1,317,456	2,045,492	1,227,375
		1,317,456	2,045,492	1,227,375
Other Expenditure				
73986/99	Resource Recovery Business Unit - Corporate Services Allocation	444,866	444,866	453,763
		444,866	444,866	453,763
Net Income/(Expenditure)		576,738	2,786,477	509,370
Information Team				
Operating Income				
59951/00	Income Information Technology Services	0	30	0
		0	30	0
Operating Expenditure				
65420/06	Operate and Maintain Power Supply Equipment - Ascot Place	10,559	10,438	17,839
66550/00	Operate and Maintain Information Technology & Communication	347,907	126,234	133,056
66560/00	Operate and Maintain Network Communications Equipment	1,819	1,819	2,001
66570/00	Operate and Maintain Information Technology Servers	1,819	1,819	2,001
71951/00	Internal Revenue Information Technology Services	(66,305)	(130,819)	(124,678)
73951/00	Manage Information Technology Services	614,449	574,305	611,611
73951/01	Provide Records Management Services	12,600	12,600	11,530
73952/00	Manage Application and Operating System Software	600,165	295,265	332,745
73953/00	Manage Telecommunications	146,910	78,210	87,640
		1,669,923	969,871	1,073,745
Capital Expenditure				
24550/00	Purchase Information Technology & Communication Equipment	392,000	155,000	176,000
		392,000	155,000	176,000
Net Income/(Expenditure)		(2,061,923)	(1,124,841)	(1,249,745)

Financial Performance by Account 2025/2026

Business Support		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Procurement and Governance				
Operating Income				
54440/00	Income Vehicles - Ascot Place	100	0	0
		100	0	0
Operating Expenditure				
61440/00	Internal Revenue Vehicles - Ascot Place	(149,157)	(259,343)	(250,445)
63240/01	Operate and Maintain Administration Building - Ascot Place	381,505	365,835	370,904
63240/02	Clean Administration Building - Ascot Place	52,857	80,348	77,040
64394/07	Operate and Maintain EV Charging Station - Ascot Place	0	615	893
65420/07	Operate and Maintain Office Furniture and Miscellaneous Plant and	6,550	5,881	3,527
65440/00	Operate and Maintain Vehicles - Ascot Place	128,908	71,697	64,303
66510/01	Operate and Maintain Office Equipment - Corporate Services	1,783	1,718	1,887
66520/10	Operate and Maintain Fire Fighting Equipment - Ascot Place	515	1,500	1,000
67610/01	Operate and Maintain Office Furniture and Fittings - Corporate	7,600	6,076	6,607
73901/00	Provide Administrative Service	623,382	355,993	456,746
		1,053,943	630,320	732,462
Other Income				
82440/00	Income Disposal of Vehicles - Ascot Place	76,000	28,864	31,000
		76,000	28,864	31,000
Other Expenditure				
83440/00	Disposal of Vehicles - Ascot Place	63,099	25,232	18,609
83510/00	Disposal of Office Equipment - Ascot Place	0	7,176	0
		63,099	32,408	18,609
Capital Expenditure				
24399/28	Extend Ascot PV & EV Charging	53,603	15,430	1,320
24440/00	Purchase Vehicles - Ascot Place	136,000	110,067	0
24440/01	Purchase Vehicles - Ascot Place (Electric Vehicles)	250,000	0	0
25240/01	Capital Improvement Administration Building - Ascot Place	20,000	20,000	0
25530/01	Upgrade Security Equipment - Ascot Place	5,150	5,150	2,450
		464,753	150,647	3,770
Net Income/(Expenditure)		(1,505,695)	(784,511)	(723,841)
Net Operating and Capital Expenditure for Business Support		3,661,979	(201,325)	2,086,067

Financial Performance by Account 2025/2026

Sustainability Team		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Advocacy				
Operating Expenditure				
73917/11	Provide Staff Annual Leave - Advocacy	1,010	23,539	3,662
73922/11	Provide Staff Long Service Leave - Advocacy	0	0	1,914
73966/02	Implement Regional Advocacy	296,449	287,090	289,357
73983/03	Support Sustainability Team Grant/Sponsorship Opportunities	10,000	0	0
		307,459	310,629	294,933
Other Expenditure				
72883/01	Support Waste Management Community Reference Group	4,000	1,550	500
		4,000	1,550	500
Net Income/(Expenditure)		(311,459)	(312,179)	(295,433)
Transformation				
Operating Expenditure				
73966/04	Implement Transformation	0	0	47,977
		0	0	47,977
Net Income/(Expenditure)		0	0	(47,977)

Financial Performance by Account 2025/2026

Sustainability Team		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Urban Environmental Team				
Operating Income				
58739/07	Income Urban Environment Sustainability Programs	66,536	60,329	7,365
58829/01	Income Avon Descent	150,490	130,199	107,000
		217,026	190,528	114,365
Operating Expenditure				
71915/04	Internal Revenue Staff Leave Entitlements - Urban Environment	(36,135)	(36,191)	(12,063)
72739/08	Implement Urban Environment Sustainability Programs	295,923	281,542	40,115
72799/02	Provide Regional Economic Profile Information	25,000	25,000	0
72829/01	Support Avon Descent	215,166	185,576	148,037
72829/02	Support Other Regional Events and Forums	1,500	1,500	0
73914/04	Implement Sustainability Staff Study Assistance Programme	1,000	1,000	0
73917/04	Provide Staff Annual Leave - Urban Environment	23,313	39,719	16,759
73918/04	Recruit Staff - Urban Environment	500	0	0
73919/04	Train and Develop Staff - Urban Environment Team	12,810	6,737	3,566
73921/04	Provide Staff Sick Leave - Urban Environment	9,920	5,682	7,131
73922/04	Provide Staff Long Service Leave - Urban Environment	2,118	2,118	0
73923/04	Provide Staff RDO and TIL Leave - Urban Environment	0	922	0
73924/04	Provide Staff Public Holiday Leave - Urban Environment	9,920	7,646	7,131
73983/06	IT Support - Urban Environmental	12,255	15,247	0
73983/07	Undertake EMRC and Other Agency Initiatives - Urban Environment	15,000	0	0
		588,290	536,498	210,676
Net Income/(Expenditure)		(371,264)	(345,970)	(96,311)
Waste Education - FOGO				
Other Income				
58864/03	Income FOGO - Waste Education	160,332	176,400	0
		160,332	176,400	0
Other Expenditure				
72864/08	Conduct FOGO - Waste Education	260,304	246,853	0
		260,304	246,853	0
Net Income/(Expenditure)		(99,972)	(70,453)	0

Financial Performance by Account 2025/2026

Sustainability Team

Budget
2024/2025

Forecast
2024/2025

Budget
2025/2026

Waste Education – General

Operating Income

58873/01	Income Stakeholder Waste Education	679,074	590,800	0
		679,074	590,800	0

Operating Expenditure

71915/10	Internal Revenue Staff Leave Entitlements - Waste Education	(73,342)	(72,811)	0
72873/00	Conduct Waste Education Programmes	345,677	312,113	0
72873/04	Produce Regional Waste Education Marketing Materials	35,000	15,000	0
72873/11	Coordinate Waste Education	134,488	139,198	0
72873/13	Undertake EMRC and Other Agency Initiatives - Waste Education	0	11,415	0
73917/13	Provide Staff Annual Leave - Waste Education	41,899	71,008	0
73918/13	Recruit Staff - Waste Education	0	2,844	0
73919/13	Train and Develop Staff - Waste Education Staff	19,700	14,447	0
73921/13	Provide Staff Sick Leave - Waste Education	17,400	10,928	0
73922/13	Provide Staff Long Service Leave - Waste Education	1,010	1,010	0
73923/13	Provide Staff RDO and TIL Leave - Waste Education	0	262	0
73924/13	Provide Staff Public Holiday Leave - Waste Education	17,400	13,301	0
		539,232	518,715	0

Net Income/(Expenditure)

139,842 **72,085** **0**

Waste Environmental

Operating Income

58712/03	Income Waste Mngmt Environ. Cons. - Other Clients	60,000	15,000	50,000
		60,000	15,000	50,000

Operating Expenditure

64310/06	Operate and Maintain Class III Cells - Sample/Test Materials/Waste	5,750	250	5,750
64310/13	Rehabilitate Class III Cells Waste Environmental - Red Hill Landfill	115,000	65,000	45,000
64330/06	Operate and Maintain Class IV Cells - Sample / Test Materials /	30,000	10,000	20,000
64330/10	Rehabilitate Class IV Cells - Red Hill Landfill Facility	10,000	5,000	10,000
64396/00	Operate and Maintain Monitoring Bores - Red Hill Landfill Facility	41,565	14,960	40,382
71915/11	Internal Revenue Staff Leave Entitlements - Waste Environmental	(72,892)	(57,125)	(61,707)
72712/03	Provide Waste Management Consulting Services - Member	37,961	22,000	27,000
72853/00	Monitor Environmental Impacts - Red Hill Water Monitoring	199,262	212,262	292,695
72856/00	Develop Environmental Management System - Red Hill Landfill	30,000	20,000	10,000
72856/01	Develop Environmental Management System - Hazelmere Resource	15,000	0	0
72859/00	Monitor Environmental Impacts - Red Hill Landfill Other	411,230	395,730	271,230
72859/06	Monitor Environmental Impacts - Red Hill Odour Monitoring	10,000	5,165	10,000
72859/08	Monitor Environmental Impacts - Hazelmere Water Monitoring	3,000	3,000	3,500
72859/09	Monitor Environmental Impacts - Hazelmere Ambient Dust Monitoring	15,000	5,168	10,176
72859/11	Monitor Environmental Impacts - Environmental Offsets	70,000	40,000	35,000
72859/12	Monitor Environmental Impacts - Hazelmere Fines Sampling	2,000	20,000	4,500
72859/16	Monitor Environmental Impacts - Hazelmere Other	20,000	10,000	0
73917/14	Provide Staff Annual Leave - Waste Environmental	45,326	49,308	30,800
73919/14	Train and Develop Staff - Waste Environmental Staff	16,144	6,550	12,297
73921/14	Provide Staff Sick Leave - Waste Environmental	19,288	7,967	12,594
73922/14	Provide Staff Long Service Leave - Waste Environmental	0	0	6,570
73923/14	Provide Staff RDO and TIL Leave - Waste Environmental	0	2,775	0
73924/14	Provide Staff Public Holiday Leave - Waste Environmental	19,288	10,600	12,594
73982/02	Environmental Waste Compliance Operations	634,108	516,251	565,209
		1,677,030	1,364,861	1,363,590

Net Income/(Expenditure)

(1,617,030) **(1,349,861)** **(1,313,590)**

2,259,883	2,006,378	1,753,311
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Financial Performance by Account 2025/2026

Operations Team

Budget
2024/2025

Forecast
2024/2025

Budget
2025/2026

Hazelmere Operations

Operating Income

53221/00	Income Hazelmere - Operations General	70,100	92,890	70,100
58857/09	Income Power Pole Processing (Steel Recycling) Hazelmere -	399,125	159,650	159,650
58888/01	Income Woodwaste Project Hazelmere - Operations	2,299,146	2,279,966	1,857,406
58888/02	Income Mattress Processing Hazelmere - Operations	618,624	471,008	527,637
58888/05	Income Woodwaste Project (broiler growers guarantee fee)	30,000	30,000	30,000
58888/08	Income Power Pole Processing (Handling Fee) Hazelmere -	5,460	0	0
58888/10	Income Power Pole Processing (Transport of CLIV to Red Hill)	75,000	80,000	100,000
58888/11	Income Power Pole Processing (Admin Surcharge for Poles to Red	2,000	2,800	2,000
58888/12	Income CWTF's for Poles to Red Hill (not subject to GST) -	10,000	10,000	10,000
		3,509,455	3,126,314	2,756,793

Operating Expenditure

62120/00	Hazelmere Site - Maintenance	361,284	372,992	341,047
63221/00	Building (Admin Building and Admin Hub and Workshop) Hazelmere -	255,083	254,629	223,033
63259/02	Building (hut minor other) Hazelmere - Maintenance	107,251	85,511	86,078
64392/01	Maintain Hazelmere Weighbridge Structure	39,094	27,360	37,809
64393/01	Water Storage Dams/Tanks Hazelmere - Maintenance	4,293	9,657	4,059
64394/01	Fencing Hazelmere - Maintenance	11,738	17,447	7,651
64394/06	Noise Control Fencing Hazelmere - Maintenance	10,448	21,315	23,101
64395/02	Hardstand & Road Hazelmere - Maintenance	83,177	94,363	84,356
64396/03	Monitoring Bores Hazelmere - Maintenance	817	618	669
65410/02	Major Plant Hazelmere - Maintenance	7,003	6,746	5,771
65420/08	Minor Plant Hazelmere - Maintenance	173,173	241,933	293,400
66520/09	Fire Fighting Equipment Hazelmere - Maintenance	76,072	75,370	94,586
66530/09	Security System Hazelmere - Maintenance	156,392	169,497	138,632
66590/09	Other Equipment Hazelmere - Maintenance	56,929	30,000	25,000
67610/09	Office Furniture & Fittings Hazelmere - Maintenance	34,966	18,806	20,213
71915/09	Internal Revenue Staff Leave Entitlements Hazelmere - Operations	(480,187)	(342,809)	(806,518)
72851/05	IT Support - Hazelmere Operations	75,184	43,136	48,869
72888/01	Woodwaste Project Hazelmere - Operations	2,085,794	2,709,309	1,888,516
72888/02	Mattress Processing Hazelmere - Operations	522,651	371,480	689
72888/05	Woodwaste Project (broiler growers guarantee fee) Hazelmere -	30,000	30,000	30,000
72888/08	Manage Hazelmere Weighbridge Operations (Software)	39,700	34,030	33,420
72888/10	Power Pole Processing Hazelmere - Operations	261,061	462,127	298,831
73917/12	Provide Staff Annual Leave Hazelmere - Operations General	102,626	255,691	96,885
73918/10	Recruit Staff Hazelmere - Operation General	8,000	31,000	8,100
73919/09	Train and Develop Staff Hazelmere - Operations General	48,106	38,577	41,699
73921/12	Provide Staff Sick Leave Hazelmere - Operations General	43,241	27,821	39,421
73922/12	Provide Staff Long Service Leave Hazelmere - Operations General	1,010	1,010	3,106
73923/12	Provide Staff RDO and TIL Leave Hazelmere - Operations General	0	1,895	0
73924/12	Provide Staff Public Holiday Leave Hazelmere - Operations General	43,241	23,829	39,421
73936/01	Mechanical Workshop Hazelmere - Operation	350,196	295,509	581,139
		4,508,343	5,408,849	3,688,983

Other Income

58986/04	Income Waste Transfer Station Hazelmere - General Waste -	14,792,761	3,328,824	3,278,157
58986/05	Income C & I Processing Hazelmere - Operations	40,785	30,866	73,455
58986/09	Income Waste Transfer Station Hazelmere - FOGO - Operations	773,547	0	0
58986/10	Income Hazelmere - Administration	0	4,301	0
		15,607,093	3,363,991	3,351,612

Other Expenditure

63259/04	Waste Transfer Station Hazelmere - Maintenance	308,912	547,527	631,801
63259/05	C & I Building Hazelmere - Maintenance	87,466	79,919	84,188
64398/01	Operate and Maintain Infrastructure - Hazelmere	0	0	20,787
65410/05	C & I Plant and Equipment Hazelmere - Maintenance	99,630	89,192	96,914
65420/09	Operate and Maintain Minor Plant/Equipment - Hazelmere	33,738	78,682	0

Financial Performance by Account 2025/2026

Operations Team		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Hazelmere Operations				
Other Expenditure				
66550/05	Information Technology & Communication Equipment Hazelmere -	771	9,024	9,780
66590/07	Miscellaneous Equipment Hazelmere - Maintenance	59,732	57,959	48,201
71915/07	Internal Revenue Staff Leave Entitlements - Resource Recovery	0	0	(256,349)
72884/01	Waste Transfer Station Waste Stream Audits Hazelmere - Operation	10,000	0	0
72986/00	Manage Hazelmere - Administration	979,379	937,316	1,277,719
72986/03	C & I Processing Hazelmere - Operations	617,839	239,141	258,658
72986/06	Waste Transfer Station Hazelmere - General Waste - Operations	11,803,574	2,222,477	2,058,379
72986/08	C & I Processing Member Councils Bulk Verge Trial Hazelmere -	0	(33)	0
72986/10	Waste Transfer Station Hazelmere - FOGO - Operations	567,268	0	0
73917/07	Provide Staff Annual Leave - Hazelmere - Administration	0	0	11,348
73919/07	Train and Develop Staff Hazelmere - Administration	8,000	8,000	8,000
73922/07	Provide Staff Long Service Leave - Hazelmere - Administration	0	0	8,145
		14,576,309	4,269,204	4,257,571
Capital Expenditure				
24410/01	Purchase / Replace Plant - Hazelmere	2,369,760	1,170,011	550,000
24420/02	Purchase / Replace Minor Plant and Equipment - Hazelmere	34,000	117,000	132,000
24520/07	Purchase Fire Fighting System/Equipment - Hazelmere	10,000	0	0
24530/10	Purchase / Replace Security System - Hazelmere	0	0	10,000
24550/03	Purchase Information Technology & Communication Equipment -	34,000	0	28,000
24590/02	Purchase / Replace Miscellaneous Equipment - Hazelmere	10,000	18,250	20,000
24610/10	Purchase Office Furniture and Fittings - Hazelmere Office	5,000	0	5,000
24610/11	Purchase Furniture and Fittings - Hazelmere Workshop	10,000	0	5,000
		2,472,760	1,305,261	750,000
Net Income/(Expenditure)		(2,440,864)	(4,493,009)	(2,588,149)
Hazelmere Projects				
Operating Expenditure				
73939/16	Project & Engineering Hazelmere Other - Maintenance	100,000	100,000	150,000
		100,000	100,000	150,000
Other Expenditure				
72884/02	Resource Recovery Project Study Tour Hazelmere - Other	20,000	0	0
		20,000	0	0
Capital Expenditure				
24259/06	Construct Community Recycling Centre (CRC) - HRRP	30,000	0	0
24259/10	Construct Waste Transfer Station - HRRP	300,000	170,000	400,000
24259/12	Construct Weighbridge Office - Hazelmere	10,000	0	0
24259/13	Construct Site Workshop - Hazelmere	0	5,275	0
24399/03	Project & Engineering Hazelmere - Construct Other	100,000	75,000	125,000
24399/09	Construct Storage Bunkers for Wood Fines (QA process) -	50,000	50,000	0
24399/26	Noise Barrier for Hammer Mill - HRRP	100,000	0	0
24399/30	Sewer Line connection to Talloman - HRRP	0	120,000	0
24530/11	Waste Transfer Station - CCTV and Network - HRRP	0	0	10,000
		590,000	420,275	535,000
Net Income/(Expenditure)		(710,000)	(520,275)	(685,000)
Hazelmere Regional Waste Collection Project - EMRC				
Other Income				
58889/02	Regional Waste Collection Systems - EMRC Services Fee	133,111	133,151	138,568

Financial Performance by Account 2025/2026

Operations Team		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Hazelmere Regional Waste Collection Project - EMRC				
Other Income				
58889/03	Regional Waste Collection Systems - Other Commercials	8,200	8,200	0
		141,311	141,351	138,568
Net Income/(Expenditure)		141,311	141,351	138,568
Hazelmere Regional Waste Collection Project - Shire of Mundaring				
Other Income				
58889/00	Regional Waste Collection Systems	2,016,830	2,016,830	2,079,208
58889/01	Regional Waste Collection Systems - Bin Management	121,010	61,000	10,000
		2,137,840	2,077,830	2,089,208
Other Expenditure				
72889/10	Regional Waste Collection Systems	1,946,304	1,991,810	1,963,588
72889/24	Regional Waste Collection Systems - Bin Costs	82,000	52,000	24,000
		2,028,304	2,043,810	1,987,588
Capital Expenditure				
24410/14	Regional Waste Collection Project - Plant Purchases	180,000	6,754	0
24410/16	Regional Waste Collection Project - Bulk Verge for Bassendean and	510,000	0	0
		690,000	6,754	0
Net Income/(Expenditure)		(580,464)	27,266	101,620
Hazelmere WWtE				
Other Income				
58986/02	Income Hazelmere Wood Waste to Energy Project	550,000	0	0
		550,000	0	0
Other Expenditure				
63259/03	Operate and Maintain Hazelmere Wood Waste to Energy - Building	206,000	0	0
65410/03	Operate and Maintain Hazelmere Wood Waste to Energy - Plant and	7,737	5,846	8,851
72859/10	Monitor Environmental Impacts - Hazelmere Wood Waste to Energy	171,500	16,373	6,000
72986/01	Manage Hazelmere Wood Waste to Energy Project	768,094	748,548	396,759
72986/09	Manage Hazelmere Wood Waste to Energy Project - Legal Expenses	0	22,000	10,000
		1,153,331	792,767	421,610
Capital Expenditure				
24259/05	Construct Wood Waste to Energy Building - HRRP	1,310,291	894,300	0
24259/18	Construct Wood Waste to Energy Building (Commissioning) - HRRP	0	0	0
24259/19	Construct Wood Waste to Energy Dry Char Storage Facility - HRRP	520,000	0	0
24259/22	Wood Waste to Energy Plant - Fire Protection - HRRP	300,000	150,000	0
24399/11	Wood Waste to Energy Utilities/Infrastructure - HRRP	600,000	400,000	0
24410/03	Purchase Wood Waste to Energy Plant & Equipment - HRRP	330,000	130,000	0
		3,060,291	1,574,300	0
Net Income/(Expenditure)		(3,663,622)	(2,367,067)	(421,610)
Operations Other				
Operating Expenditure				
72860/00	Manage - Sales and Marketing	465,515	215,129	461,766
73917/10	Provide Staff Annual Leave COO Team - Operations General	1,010	(120,130)	7,000

Financial Performance by Account 2025/2026

Operations Team		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Operations Other				
Operating Expenditure				
73918/12	Recruit Staff COO Team - Operations General	11,500	0	0
73918/14	Recruit Staff - Sales and Marketing	500	500	500
73919/11	Train and Develop Staff COO Team - Operations General	18,000	8,000	9,000
73919/15	Train and Develop Staff - Sales and Marketing	2,000	2,000	3,000
73922/10	Provide Staff Long Service Leave COO Team - Operations General	1,010	1,010	(2,362)
73982/01	Manage COO Team - Operations General	638,171	888,310	737,897
		1,137,706	994,819	1,216,801
Other Expenditure				
72864/10	Market FOGO Products - Sales and Marketing	32,500	5,000	17,000
72888/00	Market Resource Recovery Products - Sales and Marketing	22,000	4,360	4,300
73982/03	Undertake Research and Development Bulk Verge Waste COO	10,000	540	5,000
		64,500	9,900	26,300
Net Income/(Expenditure)		(1,202,206)	(1,004,719)	(1,243,101)

Financial Performance by Account 2025/2026

Operations Team		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Projects – General				
Operating Income				
58857/10	Income Shire of Coolgardie Project	7,150	485	0
58857/13	Income Waste Services - Government Agency	5,000	0	0
		12,150	485	0
Operating Expenditure				
66590/02	Operate and Maintain Miscellaneous Equipment - Engineering	969	732	794
67610/02	Operate and Maintain Office Furniture and Fittings - Engineering	500	500	0
71915/02	Internal Revenue Staff Leave Entitlements - Engineering	(80,372)	(86,949)	(74,682)
72851/07	IT Support - Projects General	8,930	17,713	12,731
72857/10	Manage Shire of Coolgardie Project - Projects Team	6,500	432	0
72857/14	Manage Shire of Ashburton Project - Projects Team	5,000	0	0
73914/02	Implement Engineering Study Assistance Programme	1,000	1,000	1,000
73917/02	Provide Staff Annual Leave - Engineering	88,581	198,625	125,481
73918/02	Recruit Staff - Engineering	5,000	3,000	3,000
73919/02	Train and Develop Staff - Engineering	40,647	26,549	34,095
73921/02	Provide Staff Sick Leave - Engineering	37,694	25,951	48,790
73922/02	Provide Staff Long Service Leave - Engineering	5,050	5,050	25,998
73923/02	Provide Staff RDO and TIL Leave - Engineering	0	3,326	0
73924/02	Provide Staff Public Holiday Leave - Engineering	37,694	29,405	48,790
73925/02	Provide Staff Workers' Compensation - Engineering Waste	0	6,192	0
73932/00	Undertake Engineering / Waste Management Research and	13,250	10,750	13,250
73982/00	Engineering & Projects - Operations	831,169	685,722	768,285
		1,001,612	927,998	1,007,532
Capital Expenditure				
24550/02	Purchase Information Technology & Communication Equipment -	6,000	0	0
		6,000	0	0
Net Income/(Expenditure)		(995,462)	(927,513)	(1,007,532)

Financial Performance by Account 2025/2026

Operations Team

Budget
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Forecast
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Budget
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Red Hill Operations

Operating Income

53310/00	Income Class III Cells Red Hill - Operations	27,587,919	38,109,538	40,265,786
53310/01	Income Tyre Recovery Charge Class III Cells Red Hill - Operations	7,500	7,500	7,500
53310/04	Income Class III Cells - Cleanaway Commercial (via Baywaste) Red	0	13,006	0
53310/06	Income Class III - PFAS Material Red Hill - Operations	1,230,182	8,691,782	0
53330/00	Income Class IV Cells Red Hill - Operations	9,390,009	1,665,257	1,814,800
58851/00	Income Red Hill Landfill - Administration	500	4,008	500
58857/00	Income Waste Transfer Station Red Hill - Operations	1,635,866	1,735,294	1,682,580
58862/00	Ferricrete Processing Red Hill - Operations	656,364	702,727	536,482
58863/00	Income Landfill Gas Capture (Methane) & Processing Red Hill -	943,810	1,257,170	523,035
58864/00	Income Garden Organics Processing Red Hill - Operations	483,467	372,385	451,759
58888/04	Income Mattress Project Red Hill - Operations	(6,325)	(13,142)	1,636
		41,929,292	52,545,525	45,284,078

Operating Expenditure

61430/00	Internal Revenue Vehicles Red Hill	(131,328)	(321,776)	(323,440)
62150/00	Land (Admin WB & TS Areas) Red Hill - Maintenance	74,361	66,131	69,790
62150/03	Land Offsets (Lot 501 and Lot 82) Red Hill - Maintenance	2,500	2,500	2,500
62150/06	Land (Lots 8 9 & 10) Red Hill - Maintenance	3,500	3,500	3,500
62151/00	Land (Farm 500m Buffer Zone) - Maintenance	15,134	15,134	15,528
63251/00	Buildings Administration Office Red Hill - Maintenance	114,959	107,732	118,474
63252/00	Buildings House Red Hill - Maintenance	13,117	5,042	8,475
63253/00	Operate and Maintain Environ. Education Centre Bldg - Red Hill	33,459	17,659	11,054
63259/00	Buildings Other (Workshops WB Office Crib etc) Red Hill -	187,078	180,536	205,865
64310/01	Class III Cells Receive and Compact Waste Red Hill - Operations	1,722,208	2,131,028	1,827,208
64310/02	Class III Cells Suppress Dust Red Hill - Operations	134,451	113,036	128,304
64310/03	Class III Cells Manage Litter Red Hill - Operations	221,942	376,198	376,658
64310/04	Class III Cells Manage Traffic and Maintain Hardstand Red Hill -	185,668	205,774	158,781
64310/05	Class III Cells Supply and Maintain Intermediate/Daily Cover Red Hill	609,651	584,229	548,693
64310/07	Class III Cell Drainage System Red Hill - Operations	69,271	79,482	74,090
64310/08	Class III Cells Cell Usage (Airspace Consumption) Red Hill -	16,305,643	24,399,652	20,169,285
64310/09	Class III Cells Maintain Liner Red Hill - Operations	38,628	29,507	33,861
64310/10	Class III Cells Rehabilitation Red Hill - Operations	328,008	316,576	310,272
64310/16	Class III Cells - Cleanaway Commercial (via Baywaste) Red Hill -	0	63,960	0
64320/01	Class III Leachate Ponds Red Hill - Maintenance	205,005	171,433	231,974
64330/01	Class IV Cells Receive and Compact Waste Red Hill - Operations	205,215	182,465	223,821
64330/02	Class IV Cells Suppress Dust Red Hill - Operations	17,093	6,214	12,109
64330/03	Class IV Cells Maintain Liner / Sand Filter Red Hill - Operations	50,000	50,000	50,000
64330/04	Class IV Cells Manage Traffic and Maintain Hardstand Red Hill -	1,605	175	832
64330/05	Class IV Cells Supply and Maintain Intermediate / Daily Cover Red	87,604	18,341	32,828
64330/07	Class IV Cell Drainage System Red Hill - Operations	14,129	8,871	11,053
64330/08	Class IV Cells Cell Usage (Airspace Consumption) Red Hill -	4,062,289	533,895	682,563
64335/00	APCR Received and Process Waste Red Hill - Operations	100,000	0	0
64340/01	Class IV Leachate Ponds Red Hill - Maintenance	38,207	29,865	52,349
64350/00	Siltation Ponds Red Hill - Maintenance	20,225	16,163	23,973
64370/00	Roads / Car Parks Red Hill - Maintenance	56,345	51,993	56,982
64380/00	Stormwater System Red Hill - Maintenance	46,074	31,005	31,897
64391/00	Buildings Transfer Station Red Hill - Maintenance	5,364	5,364	5,780
64392/00	Maintain Red Hill - Weighbridge Structure	24,196	28,156	29,284
64394/00	Fencing Red Hill - Maintenance	65,768	64,125	65,815
64395/00	Garden Organics Processing Area (Unsealed Pavement) Red Hill -	2,910	2,321	2,474
64398/00	Structures Miscellaneous Red Hill - Maintenance	44,404	70,637	92,369
65410/01	Operate and Maintain Plant - Arrange for servicing repairs and	44,828	14,910	27,465
65410/07	Major Plant Leachate Infrastructure Red Hill - Maintenance	41,874	31,638	34,288
65420/01	Minor Plant Water Pumps/Wheel Wash Red Hill - Maintenance	99,499	104,983	114,582
65420/02	Minor Plant Other Red Hill - Maintenance	282,952	329,607	356,700
65420/03	Minor Plant Water Tanker Red Hill - Maintenance	170	128	139
65420/04	Minor Plant Trailers Red Hill - Maintenance	2,293	1,993	2,521
65420/11	Minor Plant Leachate Infrastructure Red Hill - Maintenance	6,462	4,882	5,148

Financial Performance by Account 2025/2026

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Red Hill Operations

Operating Expenditure

65420/99	Minor Plant Miscellaneous Attachments Red Hill - Maintenance	131,576	107,392	126,028
65430/00	Vehicles Red Hill - Maintenance	313,640	313,055	317,822
66510/08	Office Equipment Red Hill - Maintenance	7,893	5,000	7,000
66520/08	Fire Fighting Equipment Red Hill - Maintenance	7,600	7,600	7,600
66530/08	Security System Red Hill - Maintenance	106,955	112,721	143,206
66550/03	Information Technology & Communication Equipment Red Hill -	771	5,056	5,480
66590/08	Other Equipment Red Hill - Maintenance	40,197	60,592	110,778
67610/08	Office Furniture and Fittings Red Hill - Maintenance	3,000	0	3,000
71915/03	Internal Revenue Staff Leave Entitlements Red Hill - Administration	(105,632)	(232,066)	(66,775)
71916/00	Internal Revenue Staff On Costs Red Hill - Operations General	(807,679)	(583,907)	(541,840)
72851/00	Manage Red Hill - Administration	1,045,243	1,131,277	1,294,959
72851/02	Manage Safety Requirements Red Hill - Operation General	7,600	7,600	7,100
72851/03	Support EMRC Community Grants Program - Administration	17,900	17,650	0
72851/04	IT Support Red Hill - Administration	37,480	38,375	53,609
72857/00	Transfer Station Red Hill - Operations	980,549	1,130,421	936,260
72858/00	Manage Red Hill - Weighbridge Operations	382,880	361,645	347,829
72858/01	Manage Red Hill - Weighbridge Operations (Software)	40,050	50,050	40,900
72861/00	Surplus Clay Stock Pile Red Hill - Operations	31,948	10,996	23,676
72862/00	Ferricrete Processing Red Hill - Operations	151,571	114,248	128,256
72862/02	Ferricrete Crush and Screen Caprock Red Hill - Operations	700,000	1,000,000	600,000
72863/00	Landfill Gas Capture (Methane) & Processing Red Hill - Operations	38,365	37,495	18,340
72863/01	Woodside Red Hill - Project	0	116	363
72864/02	Garden Organics Mulch Processing Red Hill - Operations	287,034	254,250	284,469
72866/00	Household Hazardous Waste Red Hill - Operations	10,087	10,367	10,630
73916/00	Manage Staff On Costs Red Hill - Operations General	294,716	207,400	282,508
73917/03	Provide Staff Annual Leave Red Hill - Administration	46,624	69,083	52,550
73917/08	Provide Staff Annual Leave Red Hill - Operations General	167,332	286,188	165,373
73918/03	Recruit Staff Red Hill - Operations General	7,000	11,000	12,000
73919/03	Train and Develop Staff Red Hill - Administration	18,772	9,399	19,144
73919/08	Train and Develop Staff Red Hill - Operations General	53,796	44,671	83,288
73921/03	Provide Staff Sick Leave Red Hill - Administration	19,840	10,133	20,288
73921/08	Provide Staff Sick Leave Red Hill - Operations General	69,672	40,943	65,660
73922/03	Provide Staff Long Service Leave Red Hill - Administration	0	0	19,795
73922/08	Provide Staff Long Service Leave Red Hill - Operations General	8,080	31,986	12,556
73923/03	Provide Staff RDO and TIL Leave Red Hill - Administration	0	1,975	0
73923/08	Provide Staff RDO and TIL Leave Red Hill - Operations General	(69)	5,776	(72)
73924/03	Provide Staff Public Holiday Leave Red Hill - Administration	19,840	11,654	20,288
73924/08	Provide Staff Public Holiday Leave Red Hill - Operations General	69,855	35,484	65,854
73936/00	Mechanical Workshop Red Hill - Operations	28,400	52,200	43,400

29,685,647 34,912,889 30,607,166

Other Income

58864/02	Income Interim FOGO Processing Red Hill - Operations	2,141,984	3,077,600	6,909,091
58864/05	Income Carbon Credit Interim FOGO Processing Red Hill -	0	5,000	0
82410/00	Income Disposal of Plant Red Hill	100,000	124,740	100,000
82430/00	Income Disposal of Vehicles Red Hill	149,000	111,727	29,000

2,390,984 3,319,067 7,038,091

Other Expenditure

65410/08	Interim FOGO Processing Plant and Equipment Red Hill -	185,019	180,697	163,035
72864/06	Interim FOGO Processing Red Hill - Operations	1,679,762	4,313,054	3,278,631
72864/07	Interim FOGO Processing Waste Stream Audits Red Hill - Operations	50,000	10,100	0
83410/00	Disposal of Plant Red Hill	76,181	117,500	74,256
83430/00	Disposal of Vehicles Red Hill	127,125	43,625	16,868

2,118,087 4,664,976 3,532,790

Capital Expenditure

Financial Performance by Account 2025/2026

Operations Team		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Red Hill Operations				
Capital Expenditure				
24250/01	Construct Waste Management Facility Buildings - Red Hill Landfill	250,000	30,000	40,000
24350/01	Construct Leachate and Stormwaste Infrastructure and Siltation	475,000	0	50,000
24350/02	Leachate Pond Deepening - Red Hill Landfill Facility	0	218	0
24380/00	Construct Drainage Diversion and Earthworks Infrastructures - Red	100,000	0	50,000
24394/05	Construct Litter Fence - Redhill Landfill Facility	30,000	30,000	40,000
24395/04	Relocate Garden Organics Processing area - Red Hill Landfill Facility	0	0	1,370,000
24396/00	Construct Monitoring Bores - Red Hill Landfill Facility	100,000	700	0
24399/10	Air Supply lines - Waste Management Structures - Red Hill Landfill	200,000	200,000	25,000
24399/20	Gas Extraction System Wells - Red Hill Landfill Facility	500,000	700,000	25,000
24410/00	Purchase / Replace Plant - Red Hill Landfill Facility	1,700,000	1,951,328	1,500,000
24420/00	Purchase / Replace Minor Plant and Equipment-Red Hill Landfill	342,000	153,000	161,000
24430/00	Purchase / Replace Vehicles - Red Hill Landfill Facility	289,000	146,470	47,000
24530/08	Purchase / Replace Security System - Red Hill Waste Management	60,000	60,000	0
24550/05	Purchase Information Technology & Communication Equipment - Red	6,000	0	27,000
24550/06	Purchase Information Technology & Communication Equipment - Red	6,000	0	6,000
24590/00	Purchase / Replace Other Equipment - Red Hill Landfill Facility	100,000	239,000	50,000
24590/13	Purchase Gas Analyser (Methane) - Redhill Landfill Facility	100,000	0	0
25410/00	Refurbish Plant - Red Hill Landfill Facility	150,000	153,000	109,000
		4,408,000	3,663,716	3,500,000
Net Income/(Expenditure)		8,108,542	12,623,011	14,682,213

Financial Performance by Account 2025/2026

Operations Team

Budget
2024/2025

Forecast
2024/2025

Budget
2025/2026

Red Hill Projects

Operating Expenditure

73939/01	Undertake Geotechnical and Materials Investigations Red Hill	20,000	20,000	0
73939/02	Update Red Hill Development Plan	10,000	10,000	10,000
73939/14	Install New Firebreak - Red Hill	200,000	50,000	0
73939/15	Project & Engineering Red Hill Other - Maintenance	100,000	100,000	100,000
		330,000	180,000	110,000

Capital Expenditure

24259/15	Upgrade Power Supply to Workshop No 2 - Red Hill Landfill Facility	100,000	100,000	0
24259/16	Install Power Supply to Lots 8 9 & 10 - Red Hill Landfill Facility	1,500,000	0	0
24259/23	Construct New Power Station - Redhill Landfill Facility	150,000	0	0
24310/21	Construct Class III Cell Stage 17 - Red Hill Landfill Facility	0	1,676,412	0
24310/22	Construct Class III Cell Stage 18 - Red Hill Landfill Facility	5,650,000	3,500,000	2,588,374
24310/23	Construct Class III Cell Stage 19 - Red Hill Landfill Facility	0	50,000	575,000
24310/24	Construct Class III Cell Stage 20 - Red Hill Landfill Facility	0	50,000	75,000
24330/04	Design and Construct Class IV Cell Stage 2 - Red Hill Landfill Facility	100,000	100,000	0
24330/05	Design and Construct Class IV Cell Stage 3 - Red Hill Landfill Facility	150,000	150,000	50,000
24370/00	Construct Roads / Carparks - Red Hill Landfill Facility	250,000	0	50,000
24370/02	Construct Access Road to Lots 8 9 10 - Red Hill Landfill Facility	330,000	0	330,000
24380/01	Construct Drainage Works to Lots 8 9 10 - Red Hill Landfill Facility	220,000	6,031	220,000
24395/05	Construct FOGO Processing Area - Red Hill Landfill Facility	770,000	770,000	50,000
24395/06	Undertake FOGO Reference Site Tours	40,000	0	0
24395/07	Implementation of the FOGO Recovery Strategy	210,000	13,178	0
24395/11	FOGO Picking Station - Red Hill Landfill Facility	254,105	254,105	50,000
24395/12	FOGO Pad Fence - Red Hill Landfill Facility	0	0	150,000
24395/13	FOGO Pad Cover & Associated Works - Red Hill Landfill Facility	0	0	1,811,456
24399/19	Develop Lots 8 9 & 10 For Future Waste Activities - Red Hill Landfill	100,000	0	100,000
24399/21	Air Pollution Control Residue Facility (APCR) - Red Hill Landfill	3,927,815	0	0
24399/31	Red Hill Project - Others/ Emergency	100,000	0	0
24399/32	Design and Construct Air Pollution Control Residue Facility (APCR)	150,000	0	0
24399/33	Construct Wheel wash Bath - Red Hill Landfill Facility	0	200,000	0
24410/10	Purchase FOGO Processing Plant - Red Hill Landfill Facility	340,000	420,458	50,000
24410/15	Air Pollution Control Residue Facility (APCR) Plant & Equipment -	1,074,000	0	0
24420/08	Purchase Wheel Wash - Red Hill Landfill Facility	250,000	0	0
24590/12	Purchase Evaporators - Solar Generator - Red Hill Landfill Facility	1,000,000	100,000	0
		16,665,920	7,390,184	6,099,830

Net Income/(Expenditure)

(16,995,920) (7,570,184) (6,209,830)

Transfer Stations

Operating Income

58857/02	Income Mathieson Road Transfer Station - Operations	426,880	440,901	426,785
58857/03	Income Coppin Road Transfer Station - Operations	574,933	604,471	577,089
58857/07	Income Baywaste Transfer Station - Operations	1,149,440	1,363,561	1,073,228
58857/11	Income Mundaring CDS - Operations (at Coppin Road Transfer	699,470	636,999	750,013
58857/14	Income Baywaste Transfer Station - Repair Costs	0	70,131	0
		2,850,723	3,116,063	2,827,115

Operating Expenditure

72857/02	Manage Mathieson Road Transfer Station - Operations	388,073	400,819	387,986
72857/03	Manage Coppin Road Transfer Station - Operations	522,666	549,519	524,626
72857/09	Manage Baywaste Transfer Station - Operations	1,033,945	1,239,601	964,662
72857/12	Manage Mundaring CDS - Operations (at Coppin Road Transfer	635,882	579,090	681,830
72857/13	Baywaste Transfer Station - IT Software Subscriptions	11,000	11,000	11,000
72857/16	Baywaste Transfer Station - Repair Costs	0	63,756	0
73917/15	Provide Staff Annual Leave - Baywaste Transfer Station	0	0	1,599
73917/16	Provide Staff Annual Leave - Mundaring CDS - Operations (at	0	0	1,547

Financial Performance by Account 2025/2026

Operations Team		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Transfer Stations				
Operating Expenditure				
73917/17	Provide Staff Annual Leave - Coppin Road Transfer Station	0	0	6,902
73917/18	Provide Staff Annual Leave - Mathieson Road Transfer Station	0	0	3,678
73922/15	Provide Staff Long Service Leave - Baywaste Transfer Station	0	0	1,359
73922/16	Provide Staff Long Service Leave - Mundaring CDS - Operations (at	0	0	1,445
73922/17	Provide Staff Long Service Leave - Coppin Road Transfer Station	0	0	6,718
73922/18	Provide Staff Long Service Leave - Mathieson Road Transfer Station	0	0	1,528
		2,591,566	2,843,785	2,594,880
Capital Expenditure				
24550/04	Purchase Information Technology & Communication Equipment -	0	0	12,000
		0	0	12,000
Net Income/(Expenditure)		259,157	272,278	220,235
Net Operating and Capital Expenditure for Operations Team		18,079,528	3,818,861	(2,987,413)

Financial Performance by Account 2025/2026

Miscellaneous		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Changes on Revaluations of Assets				
Other Expenditure				
84300/01	Changes on revaluation of non-current assets - Structures - Landfill	0	12,238,929	0
		0	12,238,929	0
Net Income/(Expenditure)		0	(12,238,929)	0
Payroll Control Accounts				
Operating Expenditure				
93999/01	Clearing Account - Salaries Paid	16,410,059	16,410,059	0
93999/02	Clearing Account - Salaries Allocated	(16,410,059)	(16,410,059)	0
		0	0	0
Net Income/(Expenditure)		0	0	0
Plant Control Accounts				
Operating Income				
58410/00	Income Plant	194,000	250,253	194,000
		194,000	250,253	194,000
Operating Expenditure				
61410/00	Internal Revenue Plant	(3,462,987)	(5,411,313)	(3,453,666)
65410/00	Arrange Servicing/Repairs/Parts Plant Red Hill - Administration	4,395,152	5,633,950	5,998,204
		932,165	222,637	2,544,538
Net Income/(Expenditure)		(738,165)	27,616	(2,350,538)
Post Closure Provisions				
Operating Expenditure				
64310/15	Operate and Maintain Class III Cells - Post Closure Provisions	512,540	2,615,497	2,304,003
64330/15	Operate and Maintain Class IV Cells - Post Closure Provisions	104,720	69,391	66,944
		617,260	2,684,888	2,370,947
Net Income/(Expenditure)		(617,260)	(2,684,888)	(2,370,947)
Regional Waste Collection Project - Loan Receivable				
Other Income				
58889/04	Regional Waste Collection Systems - Mundaring Invoicing	0	185,485	0
		0	185,485	0
Net Income/(Expenditure)		0	185,485	0
Secondary Waste Income				
Other Income				
58986/00	Income Resource Recovery Project	1,181,382	621,243	0
		1,181,382	621,243	0
Net Income/(Expenditure)		1,181,382	621,243	0

Financial Performance by Account 2025/2026

Net Operating and Capital Expenditure for Miscellaneous	174,043	14,089,473	4,721,485
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Financial Performance by Account 2025/2026

Total Organisation	Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Net Operating and Capital Expenditure	(26,883,560)	(22,642,432)	(8,120,544)

CAPITAL WORKS SUMMARY

**For the Year Ending
30 June 2026**

Capital Works Summary 2025/2026

CEO's Team	Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
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CEO and Support

Capital Expenditure

24550/01	Purchase Information Technology & Communication Equipment -	75,000	60,000	0
	Net Expenditure	75,000	60,000	0

Capital Works Summary 2025/2026

Business Support		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Business Support - General				
Capital Expenditure				
24510/01	Purchase Furniture Fittings & Equipment - Corporate Services	10,000	5,000	4,800
Net Expenditure		10,000	5,000	4,800

Information Team				
Capital Expenditure				
24550/00	Purchase Information Technology & Communication Equipment	392,000	155,000	176,000
Net Expenditure		392,000	155,000	176,000

Procurement and Governance				
Capital Expenditure				
24399/28	Extend Ascot PV & EV Charging	53,603	15,430	1,320
24440/00	Purchase Vehicles - Ascot Place	136,000	110,067	0
24440/01	Purchase Vehicles - Ascot Place (Electric Vehicles)	250,000	0	0
25240/01	Capital Improvement Administration Building - Ascot Place	20,000	20,000	0
25530/01	Upgrade Security Equipment - Ascot Place	5,150	5,150	2,450
Net Expenditure		464,753	150,647	3,770

Capital Works Summary 2025/2026

Operations Team		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Hazelmere Operations				
Capital Expenditure				
24410/01	Purchase / Replace Plant - Hazelmere	2,369,760	1,170,011	550,000
24420/02	Purchase / Replace Minor Plant and Equipment - Hazelmere	34,000	117,000	132,000
24520/07	Purchase Fire Fighting System/Equipment - Hazelmere	10,000	0	0
24530/10	Purchase / Replace Security System - Hazelmere	0	0	10,000
24550/03	Purchase Information Technology & Communication Equipment -	34,000	0	28,000
24590/02	Purchase / Replace Miscellaneous Equipment - Hazelmere	10,000	18,250	20,000
24610/10	Purchase Office Furniture and Fittings - Hazelmere Office	5,000	0	5,000
24610/11	Purchase Furniture and Fittings - Hazelmere Workshop	10,000	0	5,000
Net Expenditure		2,472,760	1,305,261	750,000
Hazelmere Projects				
Capital Expenditure				
24259/06	Construct Community Recycling Centre (CRC) - HRRP	30,000	0	0
24259/10	Construct Waste Transfer Station - HRRP	300,000	170,000	400,000
24259/12	Construct Weighbridge Office - Hazelmere	10,000	0	0
24259/13	Construct Site Workshop - Hazelmere	0	5,275	0
24399/03	Project & Engineering Hazelmere - Construct Other	100,000	75,000	125,000
24399/09	Construct Storage Bunkers for Wood Fines (QA process) - Hazelmere	50,000	50,000	0
24399/26	Noise Barrier for Hammer Mill - HRRP	100,000	0	0
24399/30	Sewer Line connection to Talloman - HRRP	0	120,000	0
24530/11	Waste Transfer Station - CCTV and Network - HRRP	0	0	10,000
Net Expenditure		590,000	420,275	535,000
Hazelmere Regional Waste Collection Project - Shire of Mundaring				
Capital Expenditure				
24410/14	Regional Waste Collection Project - Plant Purchases	180,000	6,754	0
24410/16	Regional Waste Collection Project - Bulk Verge for Bassendean and	510,000	0	0
Net Expenditure		690,000	6,754	0
Hazelmere WWtE				
Capital Expenditure				
24259/05	Construct Wood Waste to Energy Building - HRRP	1,310,291	894,300	0
24259/18	Construct Wood Waste to Energy Building (Commissioning) - HRRP	0	0	0
24259/19	Construct Wood Waste to Energy Dry Char Storage Facility - HRRP	520,000	0	0
24259/22	Wood Waste to Energy Plant - Fire Protection - HRRP	300,000	150,000	0
24399/11	Wood Waste to Energy Utilities/Infrastructure - HRRP	600,000	400,000	0
24410/03	Purchase Wood Waste to Energy Plant & Equipment - HRRP	330,000	130,000	0
Net Expenditure		3,060,291	1,574,300	0

Capital Works Summary 2025/2026

Operations Team		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Projects – General				
Capital Expenditure				
24550/02	Purchase Information Technology & Communication Equipment - Projects	6,000	0	0
Net Expenditure		6,000	0	0

Red Hill Operations

Capital Expenditure				
24250/01	Construct Waste Management Facility Buildings - Red Hill Landfill Facility	250,000	30,000	40,000
24350/01	Construct Leachate and Stormwaste Infrastructure and Siltation Ponds -	475,000	0	50,000
24350/02	Leachate Pond Deepening - Red Hill Landfill Facility	0	218	0
24380/00	Construct Drainage Diversion and Earthworks Infrastructures - Red Hill	100,000	0	50,000
24394/05	Construct Litter Fence - Redhill Landfill Facility	30,000	30,000	40,000
24395/04	Relocate Garden Organics Processing area - Red Hill Landfill Facility	0	0	1,370,000
24396/00	Construct Monitoring Bores - Red Hill Landfill Facility	100,000	700	0
24399/10	Air Supply lines - Waste Management Structures - Red Hill Landfill Facility	200,000	200,000	25,000
24399/20	Gas Extraction System Wells - Red Hill Landfill Facility	500,000	700,000	25,000
24410/00	Purchase / Replace Plant - Red Hill Landfill Facility	1,700,000	1,951,328	1,500,000
24420/00	Purchase / Replace Minor Plant and Equipment-Red Hill Landfill Facility	342,000	153,000	161,000
24430/00	Purchase / Replace Vehicles - Red Hill Landfill Facility	289,000	146,470	47,000
24530/08	Purchase / Replace Security System - Red Hill Waste Management	60,000	60,000	0
24550/05	Purchase Information Technology & Communication Equipment - Red Hill	6,000	0	27,000
24550/06	Purchase Information Technology & Communication Equipment - Red Hill	6,000	0	6,000
24590/00	Purchase / Replace Other Equipment - Red Hill Landfill Facility	100,000	239,000	50,000
24590/13	Purchase Gas Analyser (Methane) - Redhill Landfill Facility	100,000	0	0
25410/00	Refurbish Plant - Red Hill Landfill Facility	150,000	153,000	109,000
Net Expenditure		4,408,000	3,663,716	3,500,000

Capital Works Summary 2025/2026

Operations Team		Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
Red Hill Projects				
Capital Expenditure				
24259/15	Upgrade Power Supply to Workshop No 2 - Red Hill Landfill Facility	100,000	100,000	0
24259/16	Install Power Supply to Lots 8 9 & 10 - Red Hill Landfill Facility	1,500,000	0	0
24259/23	Construct New Power Station - Redhill Landfill Facility	150,000	0	0
24310/21	Construct Class III Cell Stage 17 - Red Hill Landfill Facility	0	1,676,412	0
24310/22	Construct Class III Cell Stage 18 - Red Hill Landfill Facility	5,650,000	3,500,000	2,588,374
24310/23	Construct Class III Cell Stage 19 - Red Hill Landfill Facility	0	50,000	575,000
24310/24	Construct Class III Cell Stage 20 - Red Hill Landfill Facility	0	50,000	75,000
24330/04	Design and Construct Class IV Cell Stage 2 - Red Hill Landfill Facility	100,000	100,000	0
24330/05	Design and Construct Class IV Cell Stage 3 - Red Hill Landfill Facility	150,000	150,000	50,000
24370/00	Construct Roads / Carparks - Red Hill Landfill Facility	250,000	0	50,000
24370/02	Construct Access Road to Lots 8 9 10 - Red Hill Landfill Facility	330,000	0	330,000
24380/01	Construct Drainage Works to Lots 8 9 10 - Red Hill Landfill Facility	220,000	6,031	220,000
24395/05	Construct FOGO Processing Area - Red Hill Landfill Facility	770,000	770,000	50,000
24395/06	Undertake FOGO Reference Site Tours	40,000	0	0
24395/07	Implementation of the FOGO Recovery Strategy	210,000	13,178	0
24395/11	FOGO Picking Station - Red Hill Landfill Facility	254,105	254,105	50,000
24395/12	FOGO Pad Fence - Red Hill Landfill Facility	0	0	150,000
24395/13	FOGO Pad Cover & Associated Works - Red Hill Landfill Facility	0	0	1,811,456
24399/19	Develop Lots 8 9 & 10 For Future Waste Activities - Red Hill Landfill	100,000	0	100,000
24399/21	Air Pollution Control Residue Facility (APCR) - Red Hill Landfill Facility	3,927,815	0	0
24399/31	Red Hill Project - Others/ Emergency	100,000	0	0
24399/32	Design and Construct Air Pollution Control Residue Facility (APCR)	150,000	0	0
24399/33	Construct Wheel wash Bath - Red Hill Landfill Facility	0	200,000	0
24410/10	Purchase FOGO Processing Plant - Red Hill Landfill Facility	340,000	420,458	50,000
24410/15	Air Pollution Control Residue Facility (APCR) Plant & Equipment - Red Hill	1,074,000	0	0
24420/08	Purchase Wheel Wash - Red Hill Landfill Facility	250,000	0	0
24590/12	Purchase Evaporators - Solar Generator - Red Hill Landfill Facility	1,000,000	100,000	0
Net Expenditure		16,665,920	7,390,184	6,099,830

Transfer Stations

Capital Expenditure

24550/04	Purchase Information Technology & Communication Equipment -	0	0	12,000
Net Expenditure		0	0	12,000

Capital Works Summary 2025/2026

Total Organisation	Budget 2024/2025	Forecast 2024/2025	Budget 2025/2026
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Total Capital Expenditure	28,834,724	14,731,137	11,081,401
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12.4 RISK MANAGEMENT UPDATE

D2025/15520

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

Employee Disclosure under s.5.70 of the Local Government Act 1995

Author(s)	Manager Information Services	Nil
Responsible Officer	Chief Financial Officer	Nil

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 March 2025 (D2025/03732).

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. Succession Planning Workshop to be scheduled in H2 2025.
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. Exemption from multiple quotes process has also been reviewed with a revision to the oversight process.
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 Transformation 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 which has been completed.

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.
SR-10	WWTE (Pyrolysis) Project underperformance	Chief Operating Officer	Council has requested a business review and all capital works are on hold until this has been completed and is represented to Council for further consideration.
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	Regular procurement meetings have been held with senior representatives from Operations, reinforcing the updated process and procedures.
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 has been completed in this past quarter. Annual cyber security insurance review was also completed.
SR-14	Poor Stakeholder Engagement	Chief Executive Officer	2023 Stakeholder Perception Review showed remarkable year on year improvement. Stakeholder Perception Survey on hold pending strategic review.
SR-15	By-passing established administrative (non-financial) procedures	Chief Financial Officer	On going review undertaken, with updates to procedures to improve administrative processes. The 2024/2025 Interim Audit was undertaken by external auditors with no findings.
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

Risk Code	Risk Title	Risk Owner	Risk Status Update
SR-17	COVID-19 Infection	Chief Executive Officer	<p>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. Flexible work arrangements facilitate working from home.</p> <p>EMRC offers flu shots for all employees to assist them in dealing with other infectious diseases.</p>
SR-18	Capex project objectives/targets not achieved	Chief Transformation Officer	<p>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.</p> <p>Talis will be issuing design plans for the Monocell in March 2025.</p> <p>The Harmonisation process of all six Ministerial Statements are currently scheduled to re-commence ~July 2025.</p>
SR-19	Licencing conditions breach	Chief Transformation Officer	<p>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.</p> <p>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.</p> <p>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.</p>
SR-20	Lack of interest from Member Councils regarding Sustainability Programs	Chief Transformation Officer	<p>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. Strategy Programs to finalise in 2025.</p>
SR-21	Employment related litigation	Chief Executive Officer	<p>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.</p>

Risk Code	Risk Title	Risk Owner	Risk Status Update
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 operations team 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 or escorted. 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 and safety reports.
SR-25	Fraudster changing a Creditor's bank account details	Chief Financial Officer	Ongoing review of processes were undertaken for such concern areas as the ongoing threats of phishing, scam emails and the approval processes for changing creditors bank account details.
SR-26	No scheduled maintenance program for all buildings	Chief Financial Officer	Funding in the 2025/2026 budget has factored in scheduled maintenance programs to maintain the condition of assets to 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.

Risk Code	Risk Title	Risk Owner	Risk Status Update
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 councils.

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 City of Bayswater	Nil

ATTACHMENT(S)

Current Risk Management Profile (D2025/15779)

VOTING REQUIREMENT

Simple Majority



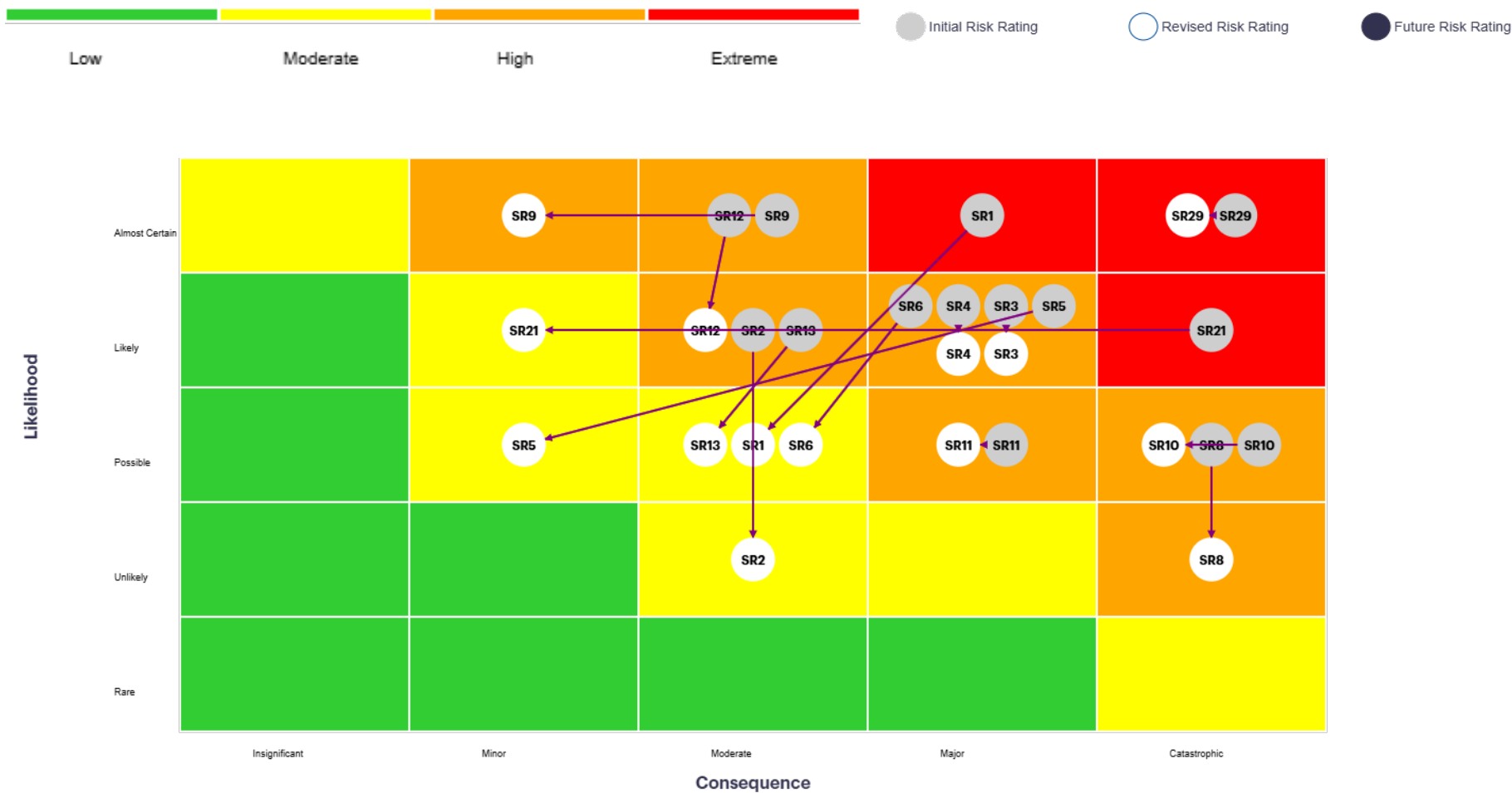
RECOMMENDATION(S)

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

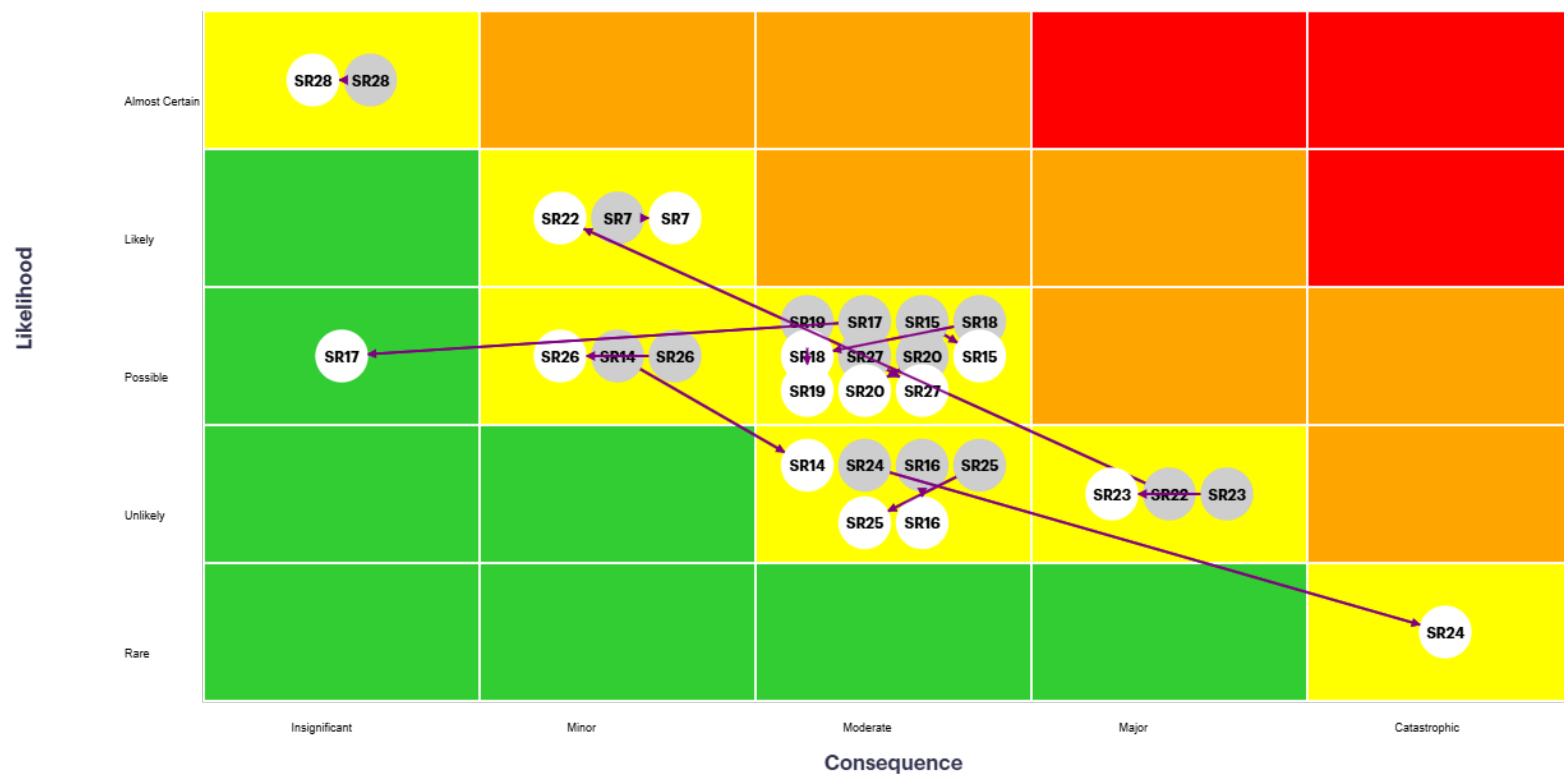
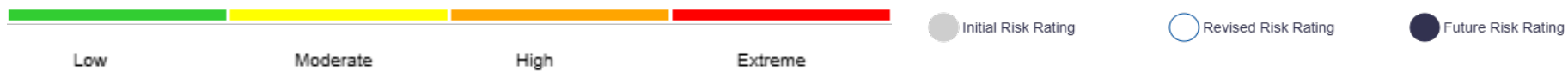
AC RECOMMENDATION(S)

MOVED

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

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:

- a. Approval of strategic and annual plans;
- b. Approval of the annual budget; and
- c. The auditor’s report on the annual financial report.”

Future Meetings 2025

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