

# **SECTION 15**

D2025/25189

**Minutes of Committees  
Ordinary Meeting of Council  
27 November 2025**

**Item 15.1  
Audit, Risk and Improvement Committee Minutes  
2 October 2025**

# UNCONFIRMED MINUTES

D2025/22129 (ARIC) | D2025/25190

**Audit, Risk and Improvement Committee**  
**2 October 2025**



## **Audit, Risk and Improvement Committee Members**

Cr Paul Poliwka	Committee Chairperson	Town of Bassendean
Cr Filomena Piffaretti	Committee Deputy Chairperson	City of Bayswater
Cr Tallan Ames	Committee Member	Town of Bassendean
Cr Giorgia Johnson	Committee Member	City of Bayswater

## **Audit, Risk and Improvement Committee Deputies**

Cr Kathryn Hamilton	Deputy Committee Member	Town of Bassendean
Cr Michelle Sutherland	Deputy Committee Member	City of Bayswater



## **Audit, Risk and Improvement Committee**

### **2 October 2025**

The Audit, Risk and Improvement Committee meeting was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, Ascot WA 6104 on **Thursday, 2 October 2025**. The meeting commenced at **6:00pm**.

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## 1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

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

### 1.1 ACKNOWLEDGEMENT OF COUNTRY

The Committee Chairperson acknowledged the traditional custodians of the land and to paid respect to elders past, present and emerging.

He welcomed Ms Iris Yap from the Office of the Auditor General, as well as Mr Wen-Shien Chai and Mr Noel Lam from Moore Australia to the meeting.

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

### Audit, Risk and Improvement Committee Members

Cr Paul Poliwka	Committee Chairperson	Town of Bassendean
Cr Kathryn Hamilton (Deputising for Cr Ames)	Deputy Committee Member	Town of Bassendean
Cr Giorgia Johnson	Committee Member	City of Bayswater
Cr Michelle Sutherland (Deputising for Cr Piffaretti)	Deputy Committee Member	City of Bayswater

### Apologies

Cr Filomena Piffaretti	Committee Deputy Chairperson	City of Bayswater
Cr Tallan Ames	Committee Member	Town of Bassendean

### EMRC Officers

Mr Hua Jer Liew	Acting Chief Executive Officer
Mr Stephen Conway	Acting Chief Operating Officer
Mrs Wendy Harris	Chief Transformation Officer
Ms Kasa Nakhonthat	Manager Financial Services
Mr David Schmidt	Manager Information Services
Ms Theresa Eckstein	Executive Assistant to the Chief Executive Officer (Minutes)

### Visitors

Ms Iris Yap	Assistant Director	Office of the Auditor General
Mr Wen-Shien Chai	Partner	Moore Australia (WA) Pty Ltd
Mr Noel Lam	Manager	Moore Australia (WA) Pty Ltd

**3 DISCLOSURE OF INTERESTS**

Nil

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

The Committee Chairperson acknowledged the contributions of all sitting members for the past two years, noting the upcoming Local Government elections.

**5 PUBLIC QUESTION TIME**

Nil

**6 PETITIONS, DEPUTATIONS AND PRESENTATIONS**

Nil

**7 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

**7.1 MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 7 AUGUST 2025  
(D2025/16999)**

That the minutes of the Audit Committee meeting held on 7 August 2025 which have been distributed, be confirmed.

**AUDIT COMMITTEE RESOLUTION**

MOVED CR HAMILTON                      SECONDED CR SUTHERLAND

THAT THE MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 7 AUGUST 2025 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

**CARRIED UNANIMOUSLY**

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

Nil

**9 QUESTIONS WITHOUT NOTICE**

Nil



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

Nil

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

Nil

**12 EMPLOYEE REPORTS**

12.1 ANNUAL FINANCIAL REPORT AND AUDIT REPORT FOR YEAR ENDED 30 JUNE 2025 (D2025/19300)

12.2 RISK MANAGEMENT UPDATE (D2025/19463)



## 12.1 ANNUAL FINANCIAL REPORT AND AUDIT REPORT FOR YEAR ENDED 30 JUNE 2025

D2025/19300 (AF) | D2025/25191

### PURPOSE OF REPORT

The purpose of this report is to review and adopt Council's Annual Financial Report for the year ended 30 June 2025.

### KEY POINT(S)

- The Terms of Reference of the Audit, Risk and Improvement Committee (ARIC) includes a list of duties and responsibilities, among which is a requirement for the Committee to:
  - ⇒ Review Council's draft annual financial report; and
  - ⇒ Recommend adoption of the Annual Financial Report to Council.
- The Office of the Auditor General (OAG), via its contractors Moore Australia, has completed the audit of the 2024/2025 Financial Report, which is attached for Council adoption.

### RECOMMENDATION(S)

That:

1. Council adopts the audited Annual Financial Report for the year ended 30 June 2025 and the Independent Auditor's Report on that Annual Financial Report forming attachment 1 of this report.
2. Council notes the contents of the Audit Concluding Report to the Audit, Risk and Improvement Committee for the year ended 30 June 2025 forming attachment 2 of this report.

### SOURCE OF REPORT

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

<b>Author(s)</b>	Manager Financial Services	Nil
<b>Responsible Officer</b>	Acting Chief Executive Officer	Nil

### BACKGROUND

- 1 It is a requirement under s.6.4 of the *Local Government Act 1995* that a Local Government is to prepare an annual financial report and submit it to its auditor by 30 September following each financial year.
- 2 The Terms of Reference of the ARIC includes a list of duties and responsibilities, among which (clauses 2.5 (a) and 2.6) are requirements for the Committee to:
  - ⇒ Review Council's draft annual financial report, focusing on:
    - ↻ Accounting policies and practices;
    - ↻ Changes to accounting policies and practices;
    - ↻ The process used in making significant accounting estimates;
    - ↻ Significant adjustments to the financial report (if any) arising from the audit process;
    - ↻ Compliance with accounting standards and other reporting requirements; and
    - ↻ Significant variances from prior years.
  - ⇒ Recommend adoption of the annual financial report to Council.



- 3 On 7 April 2016 Circular No 3-2016 was received titled “Auditing of Local Government by the Auditor General - Renewal of Audit Contracts”, which outlined the intention to amend the *Local Government Act 1995* to allow for the Auditor General and the OAG to take responsibility for the local government financial audits from 1 July 2017.
- 4 The *Local Government Amendment (Auditing) Act 2017* (No 5 of 2017) - an Act to amend the *Local Government Act 1995* and provide for the auditing of local governments by the Auditor General and for related purposes was assented to on 1 September 2017.
- 5 The Interim Audit for the 2024/2025 financial year was undertaken during March 2025 by Moore Australia as contractors to the OAG.
- 6 The interim audit covers a review of the accounting and internal control procedures in operation as well as the testing of transactions and an examination of some compliance matters which are required under the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*. The interim audit involves a test of controls (compliance tests), analytical procedures and some limited substantive tests. This will assist to ensure the design of the audit plan will contribute to the audit being done efficiently and effectively. The interim audit will also identify high risk areas (if any) and provide the auditor with greater assurances.
- 7 An Interim Audit Report is normally submitted to Council, via the ARIC, and forms part of the report scheduled to be tabled in each year relating to the adoption of the audited Financial Report and the Independent Auditor’s Report on that Annual Financial Report. As there were no findings this year, there was no interim Audit Report issued by OAG.
- 8 The Annual Audit for the 2024/2025 financial year was undertaken during August 2025 by Moore Australia as contractors to the OAG.

## REPORT

- 9 In accordance with *The Local Government Amendment (Auditing) Act 2017*, the Office of the Auditor General (OAG) has completed the audit of the Eastern Metropolitan Regional Council Annual Financial Report for the year ended 30 June 2025, which is attached for Council adoption (refer attachment 1).

- 10 The following comments are provided on key elements of the financial results for 2024/2025:

### **Statement of Comprehensive Income (page 3)**

- 11 Total Revenue of \$71,983,358 for the period ending 30 June 2025 is \$1,579,484 below the 2023/2024 actual revenue and \$185,742 above budget for 2024/2025.
- 12 Total Expenses of \$82,792,572 is \$25,281,340 above the 2023/2024 actual expenses and \$12,872,881 above the budget for 2024/2025.
- 13 A loss of \$281,258 was realised from the Disposal of Assets for the period ending 30 June 2025 compared to 2023/2024 actual profit on disposals of \$65,265 and the budgeted profit for 2024/2025 of \$73,239.
- 14 The changes in asset revaluation have resulted in an increase of \$24,953,785 in 2024/2025 compared to an increase of \$467,066 in 2023/2024. This relates to the revaluation of the assets.
- 15 Total Comprehensive Income of \$13,863,313 (surplus) for the period ending 30 June 2025 is \$2,720,628 below the 2023/2024 result and \$11,912,149 above the 2024/2025 budget.

### **Statement of Financial Position/Statement of Changes in Equity (page 4 and 5)**

- 16 Current assets as at 30 June 2025 of \$79,755,244 have decreased by \$14,516,112 from the previous year’s current assets of \$94,271,356.

- 17 The overall impact on cash and cash equivalents and other financial assets at the close of the financial year of \$73,807,217 is a decrease of \$14,043,321 compared to the previous year's cash and cash equivalents and other financial assets of \$87,850,538.
- 18 Current liabilities as at 30 June 2025 of \$45,561,860 have increased by \$4,978,420 compared to \$40,583,440 as at 30 June 2024. The values for 2024/2025 include the provision for City of Kalamunda payout of \$31,717,882 that was made and remained unpaid as at 30 June 2025. The value on provision for City of Kalamunda payout is based on the City of Kalamunda's equity interest in the EMRC as at 30 June 2023. This value will be adjusted once the final payment value has been finalised in the next financial year.
- 19 The balance in the Reserves has increased by \$21,678,472 to \$67,230,636 over the past 12 months.
- 20 Overall equity has increased during the 2024/2025 financial year by \$18,645,707 to \$177,185,175.

### Cash Flow Statement (page 6)

- 21 The overall impact on the cash position (cash + term deposit investments < 3 months) at the end of the 2024/2025 financial year is a decrease of \$16,043,321 to \$11,307,217 from the previous corresponding period 2023/2024 of \$27,350,538.
- 22 It should also be noted that other financial assets (term deposit investments > 3 months) have increased by \$2,000,000 to \$62,500,000 from the total of \$60,500,000 in 2023/2024.
- 23 Net Cash provided by Operating Activities of \$17,275,343 in the 2024/2025 financial year reflects a decrease of \$10,279,551 from the cash generated in 2023/2024 of \$27,554,894.
- 24 The cash flows utilised in investing activities for 2024/2025 reflects capital expenditure totalling \$11,301,708 compared to capital expenditure totalling \$20,010,791 during 2023/2024.
- 25 Significant items of capital expenditure during the year included:
- Construct Class III Cell Stage 18 - Red Hill Waste Management Facility (RHWMF) - \$3,061,626;
  - Purchase / Replace Plant - RHWMF - \$1,951,327
  - Construct Class III Cell Stage 17 - RHWMF - \$1,650,404;
  - Purchase / Replace Plant - Hazelmere Resource Recovery Park (HRRP) - \$812,940;
  - Gas Extraction System Wells - RHWMF - \$716,474;
  - Construct Wood Waste to Energy Building – HRRP - \$594,497;
  - Purchase FOGO Processing Plant - RHWMF - \$427,732;
  - Wood Waste to Energy Utilities/Infrastructure - HRRP - \$328,088;
  - Purchase / Replace Other Equipment - RHWMF - \$215,807;
  - Purchase / Replace Vehicles - RHWMF - \$199,338;
  - FOGO Picking Station - RHWMF - \$167,172;
  - Sewer Line connection to Talloman - HRRP - \$165,458;
  - Construct Wheel wash Bath - RHWMF - \$144,868;
  - Construct Waste Transfer Station - HRRP - \$131,628;
  - Purchase Information Technology & Communication Equipment – Councillors - \$113,684;
  - Purchase Vehicles - Ascot - \$110,066;
  - Construct Storage Bunkers for Wood Fines (QA process) - HRRP - \$99,154;
  - Purchase / Replace Minor Plant and Equipment - HRRP - \$80,930; and
  - Purchase / Replace Minor Plant and Equipment - RHWMF - \$71,866.

26 Significant capital items that were budgeted in 2024/2025 but not purchased, constructed below budget or construction not completed during the year included:

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

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

- Construct Class III Cell Stage 17 - RHWMF - \$1,676,412;

At its meeting on 22 February 2024, Council approved additional budget funding for the construction of Stage 17 landfill cell which will be funded by the budget from Class IV cell construction as well as the surplus funds available in the Municipal Fund reserves.

- Purchase / Replace Plant – RHWMF - \$251,328;
- Gas Extraction System Wells – RHWMF - \$200,000;
- Construct Wheel Wash Bath – RHWMF - \$200,000;
- Purchase / Replace Other Equipment – RHWMF - \$139,000; and
- Sewer Line connection to Talloman – HRRP - \$120,000.

28 The total funding for the majority of the capital items budgeted but not purchased in 2024/2025 has been carried forward into the future financial years totalling \$7,047,548. Of this amount, \$4,161,374 has been carried forwarded to 2025/2026 financial year. This amount has been included in the 2025/2026 Annual Budget adopted by the Council at its meeting on 28 August 2025.

**Reserves (page 43)**

29 At the end of the 2024/2025 financial year the amount held in Reserves (Note 28) increased by \$21,678,472 to a balance of \$67,230,636 compared to the 2023/2024 balance of \$45,552,164 and higher than the 2024/2025 budget of \$25,282,224 by \$41,948,412.

30 The increase in reserves is due to movements in reserves and the establishment of a new equity reserve during the year.

31 The Auditor representing Moore Australia and a representative of the OAG will be in attendance at the Audit Committee meeting, in accordance with clause 6.5 of the Audit Committee Terms of Reference, when the Committee is reviewing the Annual Financial Report.

**STRATEGIC/POLICY IMPLICATIONS**

32 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**

33 As outlined within the report and attachments.

**SUSTAINABILITY IMPLICATIONS**

34 Nil



**RISK MANAGEMENT**

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

**MEMBER COUNCIL IMPLICATIONS**

**Member Council**

Town of Bassendean  
City of Bayswater



**Implication Details**

Surplus in the EMRC will increase the value of the member Council’s investment in the EMRC.

**ATTACHMENT(S)**

1. Annual Financial Report for the Year Ended 30 June 2025 (D2025/21902 (AF) | D2025/25192)
2. Audit Concluding Report to the Audit Committee for the Year Ended 30 June 2025 (D2025/22164 (ARIC) | D2025/25193)

**VOTING REQUIREMENT**

Simple Majority

**RECOMMENDATION(S)**

That:

1. Council adopts the audited Annual Financial Report for the year ended 30 June 2025 and the Independent Auditor’s Report on that Annual Financial Report forming attachment 1 of this report.
2. Council notes the contents of the Audit Concluding Report to the Audit, Risk and Improvement Committee for the year ended 30 June 2025 forming attachment 2 of this report.

The ARIC Chairperson invited the Auditors to speak to their report.

Discussion ensued.





## ARIC RECOMMENDATION(S)

MOVED CR JOHNSON

SECONDED CR HAMILTON

That:

1. Council adopts the audited Annual Financial Report for the year ended 30 June 2025 and the Independent Auditor's Report on that Annual Financial Report forming attachment 1 of this report.
2. Council notes the contents of the Audit Concluding Report to the Audit, Risk and Improvement Committee for the year ended 30 June 2025 forming attachment 2 of this report.

**CARRIED UNANIMOUSLY**

The Acting Chief Executive Officer acknowledged that this year will conclude Moore (Australia)'s EMRC engagement as the contract auditors for OAG. OAG will be undertaking the EMRC audit directly for the 2025/2026 Annual Financial Report.

The Acting Chief Executive Officer thanked the Audit team from Moore (Australia) for their professionalism and highlighted that it has been a pleasure for the EMRC Finance team to have worked with Moore (Australia) over the past three years.

The Acting Chief Executive Officer also thanked Ms Iris Yap for stepping in to the role to look after the EMRC audit engagement, especially getting up to speed in a very short timeframe to understand the nuances of EMRC's operations.

The ARIC Chairperson thanked the external Auditors for their attendance.

Ms Iris Yap, Mr Wen-Shien Chai and Mr Noel Lam departed the meeting at 6:25pm.

## COUNCIL RESOLUTION(S)

That:

1. Council adopts the audited Annual Financial Report for the year ended 30 June 2025 and the Independent Auditor's Report on that Annual Financial Report forming attachment 1 of this report.
2. Council notes the contents of the Audit Concluding Report to the Audit, Risk and Improvement Committee for the year ended 30 June 2025 forming attachment 2 of this report.

MOVED

SECONDED

**EASTERN METROPOLITAN REGIONAL COUNCIL**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2025**

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The Eastern Metropolitan Regional Council conducts the operations of a local government with the following community vision:

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

Principal place of business:  
226 Great Eastern Highway  
ASCOT WA 6104

**EASTERN METROPOLITAN REGIONAL COUNCIL  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CEO**

The accompanying financial report of the Eastern Metropolitan Regional Council has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2025 and the financial position as at 30 June 2025.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the            2            day of            October            2025

  
\_\_\_\_\_  
Acting Chief Executive Officer

**HUA JER LIEW**  
\_\_\_\_\_  
Name of Acting Chief Executive Officer





**EASTERN METROPOLITAN REGIONAL COUNCIL  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2025**

	NOTE	2025 Actual	2025 Budget	2024 Actual
		\$	\$	\$
<b>Revenue</b>				
Fees and charges	2(a)	61,746,193	63,997,105	63,796,738
Grants, subsidies and contributions	2(a)	2,455,983	2,270,482	2,530,900
Interest revenue	2(a)	3,842,875	1,480,024	3,896,789
Other revenue	2(a)	3,938,307	4,050,005	3,338,415
		<b>71,983,358</b>	<b>71,797,616</b>	<b>73,562,842</b>
<b>Expenses</b>				
Employee costs	2(b)	(15,013,193)	(16,790,286)	(13,469,513)
Materials and contracts		(11,460,678)	(13,562,121)	(11,089,097)
Utility charges		(476,627)	(514,621)	(455,920)
Depreciation		(7,341,143)	(5,462,583)	(7,131,129)
Finance costs	2(b)	(280,254)	0	(270,658)
Insurance		(826,407)	(610,639)	(461,176)
Other expenditure	2(b)	(26,689,933)	(32,979,441)	(24,633,739)
Work in progress write off	2(b)	(20,704,337)	0	0
		<b>(82,792,572)</b>	<b>(69,919,691)</b>	<b>(57,511,232)</b>
		<b>(10,809,214)</b>	<b>1,877,925</b>	<b>16,051,610</b>
Profit on asset disposals		0	73,239	65,265
Loss on asset disposals		(281,258)	0	0
		<b>(281,258)</b>	<b>73,239</b>	<b>65,265</b>
<b>Net result for the period</b>	26(b)	<b>(11,090,472)</b>	<b>1,951,164</b>	<b>16,116,875</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	24,953,785	0	467,066
<b>Total other comprehensive income for the period</b>	17	<b>24,953,785</b>	<b>0</b>	<b>467,066</b>
<b>Total comprehensive income for the period</b>		<b>13,863,313</b>	<b>1,951,164</b>	<b>16,583,941</b>

This statement is to be read in conjunction with the accompanying notes.



**EASTERN METROPOLITAN REGIONAL COUNCIL  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2025**

	NOTE	2025	2024
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	11,307,217	27,350,538
Other financial assets	4(a)	62,500,000	60,500,000
Trade and other receivables	5	5,795,731	6,249,406
Inventories	6	112,987	133,919
Other assets	7	39,309	37,493
<b>TOTAL CURRENT ASSETS</b>		<b>79,755,244</b>	<b>94,271,356</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	111,377,495	101,530,400
Infrastructure	9	40,423,295	40,256,376
<b>TOTAL NON-CURRENT ASSETS</b>		<b>151,800,790</b>	<b>141,786,776</b>
<b>TOTAL ASSETS</b>	26(c)	<b>231,556,034</b>	<b>236,058,132</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	9,434,712	16,566,656
Other liabilities	13	1,717,513	1,053,410
Employee related provisions	15	2,602,186	1,962,857
Other provisions	16	31,807,449	21,000,517
<b>TOTAL CURRENT LIABILITIES</b>		<b>45,561,860</b>	<b>40,583,440</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee related provisions	15	202,039	177,062
Other provisions	16	8,606,960	36,758,162
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>8,808,999</b>	<b>36,935,224</b>
<b>TOTAL LIABILITIES</b>		<b>54,370,859</b>	<b>77,518,664</b>
<b>NET ASSETS</b>		<b>177,185,175</b>	<b>158,539,468</b>
<b>EQUITY</b>			
Retained surplus		47,656,865	75,389,318
Reserve accounts	28	67,230,636	45,552,164
Revaluation surplus	17	62,297,674	37,597,986
<b>TOTAL EQUITY</b>		<b>177,185,175</b>	<b>158,539,468</b>

This statement is to be read in conjunction with the accompanying notes.



**EASTERN METROPOLITAN REGIONAL COUNCIL  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2025**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2023</b>		<b>88,296,747</b>	<b>52,231,361</b>	<b>37,145,634</b>	<b>177,673,742</b>
Comprehensive income for the period					
Net result for the period		16,116,875	0	0	16,116,875
Other comprehensive income for the period					
Movement in site rehabilitation and environmental monitoring provisions	17	0	0	467,066	467,066
Revaluation Surplus Reversal	17	14,714	0	(14,714)	0
Total comprehensive income for the period		16,131,589	0	452,352	16,583,941
Transfers from reserve accounts	28	37,354,113	(37,354,113)	0	0
Transfers to reserve accounts	28	(30,674,916)	30,674,916	0	0
Provision for City of Kalamunda payout	16, 22	(30,718,215)	0	0	(30,718,215)
Dividends Payable to member councils	12	(5,000,000)	0	0	(5,000,000)
<b>Balance as at 30 June 2024</b>		<b>75,389,318</b>	<b>45,552,164</b>	<b>37,597,986</b>	<b>158,539,468</b>
Comprehensive income for the period					
Net result for the period		(11,090,472)	0	0	(11,090,472)
Other comprehensive income for the period					
Movement in site rehabilitation and environmental monitoring provisions and other comprehensive income for the period	17	0	0	24,953,785	24,953,785
Revaluation Surplus Reversal	17	254,097	0	(254,097)	0
Total comprehensive income for the period		(10,836,375)	0	24,699,688	13,863,313
Transfers from reserve accounts	28	50,071,442	(50,071,442)	0	0
Transfers to reserve accounts	28	(71,749,914)	71,749,914	0	0
Provision for City of Kalamunda payout	16, 22	(999,667)	0	0	(999,667)
Discount on Provision for City of Belmont payout	16	5,782,061	0	0	5,782,061
<b>Balance as at 30 June 2025</b>		<b>47,656,865</b>	<b>67,230,636</b>	<b>62,297,674</b>	<b>177,185,175</b>

This statement is to be read in conjunction with the accompanying notes.



**EASTERN METROPOLITAN REGIONAL COUNCIL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2025**

	NOTE	2025 Actual \$	2024 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Fees and charges		62,136,682	62,736,044
Operating grants, subsidies and contributions		2,455,983	2,530,900
Interest revenue		3,906,066	3,525,528
Goods and services tax received		6,730,175	6,981,126
Other revenue		3,938,307	3,338,415
		79,167,213	79,112,013
<b>Payments</b>			
Employee costs		(14,303,751)	(14,056,369)
Materials and contracts		(15,429,690)	(8,406,689)
Utility charges		(476,627)	(455,920)
Insurance paid		(826,407)	(461,176)
Goods and services tax paid		(4,165,462)	(3,543,226)
Other expenditure		(26,689,933)	(24,633,739)
		(61,891,870)	(51,557,119)
<b>Net cash provided by (used in) operating activities</b>	18(b)	17,275,343	27,554,894
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	8(a)	(6,269,197)	(12,069,320)
Payments for construction of infrastructure	9(a)	(5,032,511)	(7,941,471)
Proceeds from sale of property, plant & equipment		201,500	182,273
Net proceeds/(payments) for financial assets at amortised cost		(2,000,000)	(9,000,000)
<b>Net cash provided by (used in) investing activities</b>		(13,100,208)	(28,828,518)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend distribution to Member Councils		(5,000,000)	0
City of Belmont's equity payout	16	(15,218,456)	0
<b>Net cash provided by (used In) financing activities</b>		(20,218,456)	0
<b>Net increase (decrease) in cash held</b>		(16,043,321)	(1,273,624)
Cash at beginning of year		27,350,538	28,624,162
<b>Cash and cash equivalents at the end of the year</b>	18(a)	11,307,217	27,350,538

This statement is to be read in conjunction with the accompanying notes.

**EASTERN METROPOLITAN REGIONAL COUNCIL  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE YEAR ENDED 30 JUNE 2025**

	NOTE	2025 Actual \$	2025 Budget \$	2024 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
Fees and charges		61,746,193	63,997,105	63,796,738
Grants, subsidies and contributions		2,455,983	2,270,482	2,530,900
Interest revenue		3,842,875	1,480,024	3,896,789
Other revenue		3,938,307	4,050,005	3,338,415
Profit on asset disposals		0	73,239	65,265
		71,983,358	71,870,855	73,628,107
<b>Expenditure from operating activities</b>				
Employee costs		(15,013,193)	(16,790,286)	(13,469,513)
Materials and contracts		(11,460,678)	(13,562,121)	(11,089,097)
Utility charges		(476,627)	(514,621)	(455,920)
Depreciation		(7,341,143)	(5,462,583)	(7,131,129)
Finance costs		(280,254)	0	(270,658)
Insurance		(826,407)	(610,639)	(461,176)
Other expenditure		(26,689,933)	(32,979,441)	(24,633,739)
Loss on asset disposals		(281,258)	0	0
Work in progress write off		(20,704,337)	0	0
		(83,073,830)	(69,919,691)	(57,511,232)
Non-cash amounts excluded from operating activities	27(a)	22,914,604	36,724,819	2,342,792
<b>Amount attributable to operating activities</b>		11,824,132	38,675,983	18,459,667
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Proceeds from disposal of assets		201,500	325,000	182,273
		201,500	325,000	182,273
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment	8(a)	(6,269,197)	(14,274,201)	(12,069,320)
Purchase and construction of infrastructure	9(a)	(5,032,511)	(14,560,523)	(7,941,471)
		(11,301,708)	(28,834,724)	(20,010,791)
<b>Amount attributable to investing activities</b>		(11,100,208)	(28,509,724)	(19,828,518)
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Transfers from reserve accounts	28	50,071,442	9,761,029	37,354,113
		50,071,442	9,761,029	37,354,113
<b>Outflows from financing activities</b>				
Transfers to reserve accounts	28	(71,749,914)	(4,750,987)	(30,674,916)
Provision for City of Kalamunda payout		0	(30,718,215)	0
Dividend distribution to Member Councils		(5,000,000)	0	0
Provision for City of Belmont payout		(15,218,456)	0	0
		(91,968,370)	(35,469,202)	(30,674,916)
<b>Amount attributable to financing activities</b>		(41,896,928)	(25,708,173)	6,679,197
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	27(b)	8,135,752	12,348,206	2,825,406
Amount attributable to operating activities		11,824,132	38,675,983	18,459,667
Amount attributable to investing activities		(11,100,208)	(28,509,724)	(19,828,518)
Amount attributable to financing activities		(41,896,928)	(25,708,173)	6,679,197
<b>Total surplus or deficit</b>	27(b)	<b>(33,037,252)</b>	<b>(3,193,708)</b>	<b>8,135,752</b>

This statement is to be read in conjunction with the accompanying notes.

**EASTERN METROPOLITAN REGIONAL COUNCIL  
FOR THE YEAR ENDED 30 JUNE 2025  
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**EASTERN METROPOLITAN REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

**1. BASIS OF PREPARATION**

The financial report of the Eastern Metropolitan Regional Council (EMRC) which is a Class 2 local government comprises general purpose financial statements which have been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

**Local Government Act 1995 requirements**

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for 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.

The *Local Government (Financial Management) Regulations 1996* provide that:

- land and buildings classified as property, plant and equipment; or
  - infrastructure; or
  - vested improvements that the local government controls;
- and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from *AASB 116 Property, Plant and Equipment*, which would have required the council to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow, the financial report has 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.

**Critical accounting estimates and judgements**

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 which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment - note 8
  - Infrastructure - note 9
- Measurement of employee benefits - note 15
- Measurement of provisions - note 16

Fair value hierarchy information can be found in note 25

**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.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 of the financial report.

**Initial application of accounting standards**

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*
- *AASB 2023-3 Amendments to Australian Accounting Standards - Disclosure of Non-current Liabilities with Covenants: Tier 2*
- *AASB 2024-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements: Tier 2 Disclosures*
- *AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

These amendments are not expected to have any material impact on the financial report on initial application.

- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

This amendment may result in changes to the fair value of certain non-financial assets on revaluation. The impact has not been quantified as it is not considered practicable to determine the amount of the difference in fair value attributable to the change in the standard.

**New accounting standards for application in future years**

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

- *AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2024-4b Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- *AASB 2022-9 Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector*
- *AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability*
- *AASB 18 (FP) Presentation and Disclosure in Financial Statements - (Appendix D) [for for-profit entities]*
- *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements - (Appendix D) [for not-for-profit and superannuation entities]*
- *AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments*
- *AASB 2024-3 Amendments to Australian Accounting Standards - Annual Improvements Volume 11*

These amendments are not expected to have any material impact on the financial report on initial application.

**EASTERN METROPOLITAN REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Fees and Charges	Waste treatment, recycling and disposal services at the waste disposal facilities and consulting services	At time of waste disposal or at time of consultancies	Cash or 14 days from invoice date or as negotiated	Not applicable	Recognised upon disposal of waste at the waste disposal facilities or when consultancy obligations have been met.
Grants, subsidies and contributions	Grants	Over time based on grant conditions	Based on grant conditions set by funding body	Unexpended grants based on grant conditions	Recognised upon fulfilment of grant conditions
	Contributions	Completion of project or project milestone	Set by mutual agreement with the funding body	Not applicable	Recognised upon fulfilment of contribution conditions
Interest Earnings	Interest Earnings	Based on accruals over time up to and including maturity	Upon maturity of investment	Not applicable	Recognised on the monthly balance date of the financial report
Other Revenue	Reimbursements	Based on reconciliation of monthly income and expenditure or submission of insurance claims	14 days from invoice date or settlement of insurance claims	Not applicable	Recognised when the monthly income and expenditure at the Transfer Stations managed by the EMRC has been reconciled or upon settlement of insurance claims.
	Sales of Products	At time of product sales	Cash or 14 days from invoice date or as negotiated	Upon faulty product only	Recognised upon the sale of products from EMRC
	Royalty Income	At time of electriCouncil generation by third party	Quarterly for royaly payments and as and when Renewable Energy Certificates are sold	Not applicable	Recognised upon receipt of funds based on the electriCouncil generation from landfill gas by third party
	Rebate Income	Annually for Insurance rebates and monthly for diesel fuel rebates	Reduction on monthly Business Activity Statement return and as distributed by insurance company	Not applicable	Recognised when the monthly diesel fuel rebate is calculated based on diesel usage during the month and upon receipt of funds for insurance rebates

**Revenue Recognition**

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

**FOR THE YEAR ENDED 30 JUNE 2025**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Fees and charges	61,746,193	0	0	0	61,746,193
Grants, subsidies and contributions	137,300	0	0	2,318,683	2,455,983
Interest revenue	0	0	0	3,842,875	3,842,875
Other revenue	1,535,400	0	0	2,402,907	3,938,307
<b>Total</b>	<b>63,418,893</b>	<b>0</b>	<b>0</b>	<b>8,564,465</b>	<b>71,983,358</b>

**FOR THE YEAR ENDED 30 JUNE 2024**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Fees and charges	63,796,738	0	0	0	63,796,738
Grants, subsidies and contributions	129,623	0	0	2,401,277	2,530,900
Interest revenue	0	0	0	3,896,789	3,896,789
Other revenue	946,521	0	0	2,391,894	3,338,415
<b>Total</b>	<b>64,872,882</b>	<b>0</b>	<b>0</b>	<b>8,689,960</b>	<b>73,562,842</b>



EASTERN METROPOLITAN REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	Note	2025 Actual \$	2024 Actual \$
<b>Interest revenue</b>			
Interest on reserve account funds		2,237,213	2,348,530
Interest on municipal cash and investments		1,574,667	1,539,232
Interest from other sources		30,995	9,027
		3,842,875	3,896,789
<b>Other revenue</b>			
Sale of Products		2,168,226	2,192,428
Gas Royalty Income		1,089,289	514,457
Rebate Income		446,111	432,064
Miscellaneous Income		234,681	199,466
		3,938,307	3,338,415
<b>(b) Expenses</b>			
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report		56,898	53,300
		56,898	53,300
<b>Employee Costs</b>			
Employee benefit costs		14,002,248	13,298,852
Other employee costs		1,010,945	170,661
		15,013,193	13,469,513
<b>Finance costs</b>			
Other provisions: Unwinding of discount		280,254	270,658
		280,254	270,658
<b>Other expenditure</b>			
State landfill levy		23,552,150	21,976,917
Other expenses		3,137,783	2,656,822
		26,689,933	24,633,739
<b>Work in progress write off</b>			
Capital projects - buildings	8(a)	16,577,812	0
Capital projects - infrastructures	9(a)	4,126,525	0
		20,704,337	0

**EASTERN METROPOLITAN REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

**3. CASH AND CASH EQUIVALENTS**

Note	2025 \$	2024 \$
Cash at bank and on hand	2,307,217	3,350,538
Term deposits	9,000,000	24,000,000
<b>Total cash and cash equivalents</b>	<b>11,307,217</b>	<b>27,350,538</b>
Held as		
- Unrestricted cash and cash equivalents	2,644,619	14,084,346
- Restricted cash and cash equivalents	8,662,598	13,266,192
	<b>11,307,217</b>	<b>27,350,538</b>

**MATERIAL ACCOUNTING POLICIES**

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the local government due to internally and externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

**4. OTHER FINANCIAL ASSETS**

(a) Current assets	2025 \$	2024 \$
Financial assets at amortised cost	62,500,000	60,500,000
	62,500,000	60,500,000
<b>Other financial assets at amortised cost</b>		
Term deposits	62,500,000	60,500,000
	62,500,000	60,500,000
Held as		
- Unrestricted other financial assets at amortised cost	3,731,962	27,885,729
- Restricted other financial assets at amortised cost	58,768,038	32,614,271
	<b>62,500,000</b>	<b>60,500,000</b>

**MATERIAL ACCOUNTING POLICIES**

**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.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 23.

**EASTERN METROPOLITAN REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

**5. TRADE AND OTHER RECEIVABLES**

Note	2025 \$	2024 \$
<b>Current</b>		
Trade receivables	3,643,779	4,032,735
Trade receivables - Regional Waste Collection Project**	314,511	124,990
Other receivables	262,119	44,988
Accrued interest	882,597	945,788
Loan receivables*	1,277,983	1,277,983
Loan receivables - Regional Waste Collection Project**	692,725	1,109,598
Allowance for credit losses of trade receivables^	23(b) (1,277,983)	(1,286,676)
	5,795,731	6,249,406

\*The carrying amounts of the loan receivables include the loan on commercial terms between the EMRC and Anergy Australia Pty Ltd.

^The balance of the loan receivable from Anergy Australia Pty Ltd as at 30 June 2025 of \$1,277,983 has been fully impaired as the Company is under voluntary liquidation.

\*\*Trade Receivables and Loan Receivables for Regional Waste Collection Project are recognised in accordance with the participants agreement terms and commercial loan terms between the EMRC and Shire of Mundaring.

**Disclosure of opening and closing balances related to contracts with customers**

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:	Note	30 June 2025 Actual \$	30 June 2024 Actual \$	1 July 2023 Actual \$
	Trade and other receivables from contracts with customers		7,073,715	7,536,082
Allowance for credit losses of trade receivables	5	(1,277,983)	(1,286,676)	(1,286,676)
Total trade and other receivables from contracts with customers		5,795,732	6,249,406	4,817,450

**MATERIAL ACCOUNTING POLICIES**

**Trade receivables**

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

**Other Receivables**

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

**Measurement**

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

**Classification and subsequent measurement**

Receivables which are generally due for settlement within 30 days are classified as current assets.

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

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

**EASTERN METROPOLITAN REGIONAL COUNCIL  
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**6. INVENTORIES**

Note	2025	2024
<b>Current</b>	<b>\$</b>	<b>\$</b>
Fuel and materials	112,987	133,919
	112,987	133,919
The following movements in inventories occurred during the year:		
<b>Balance at beginning of year</b>	133,919	32,950
Inventories expensed during the year	(1,556,178)	(1,673,893)
Additions to inventory	1,535,246	1,774,862
<b>Balance at end of year</b>	112,987	133,919

**MATERIAL ACCOUNTING POLICIES**

**General**

Inventories are measured 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.

**EASTERN METROPOLITAN REGIONAL COUNCIL  
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**7. OTHER ASSETS**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Other assets - current</b>		
Prepayments	39,309	37,493
	<b>39,309</b>	<b>37,493</b>

**MATERIAL ACCOUNTING POLICIES**

**Other current assets**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

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**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land	Buildings	Total land and buildings	Furniture and fittings	Plant and equipment	Plant and equipment - Regional Waste Collection Project*	Artworks	Work in progress	Total
	\$	\$		\$	\$		\$	\$	\$
<b>Balance at 1 July 2023</b>	47,850,257	9,172,808	57,023,065	72,519	12,984,545	0	83,800	23,494,702	93,658,631
Additions	0	2,553,534	2,553,534	16,893	5,137,275	1,058,836	0	3,302,782	12,069,320
Disposals	0	0	0	0	(117,008)	0	0	0	(117,008)
Depreciation	0	(695,432)	(695,432)	(22,307)	(3,210,338)	(152,466)	0	0	(4,080,543)
Transfers	0	9,461,771	9,461,771	0	255,156	0	0	(9,716,927)	0
<b>Balance at 30 June 2024</b>	47,850,257	20,492,681	68,342,938	67,105	15,049,630	906,370	83,800	17,080,557	101,530,400
<b>Comprises:</b>									
Gross balance amount at 30 June 2024	47,850,257	21,676,356	69,526,613	134,805	24,556,128	1,058,836	83,800	17,080,557	112,440,739
Accumulated depreciation at 30 June 2024	0	(1,183,675)	(1,183,675)	(67,700)	(9,506,498)	(152,466)	0	0	(10,910,339)
<b>Balance at 30 June 2024</b>	47,850,257	20,492,681	68,342,938	67,105	15,049,630	906,370	83,800	17,080,557	101,530,400
Additions	0	96,728	96,728	0	3,918,848	0	0	2,253,621	6,269,197
Disposals	0	(12,555)	(12,555)	0	(382,450)	(30,822)	0	0	(425,827)
Work in progress write off**	0	0	0	0	0	0	0	(16,577,812)	(16,577,812)
Revaluation increments / (decrements) transferred to revaluation surplus	25,489,743	19,974	25,509,717	0	0	0	0	0	25,509,717
Depreciation	0	(808,419)	(808,419)	(23,446)	(3,881,578)	(214,737)	0	0	(4,928,180)
Transfers	0	1,603,049	1,603,049	0	814,006	0	0	(2,417,055)	0
<b>Balance at 30 June 2025</b>	73,340,000	21,391,458	94,731,458	43,659	15,518,456	660,811	83,800	339,311	111,377,495
<b>Comprises:</b>									
Gross balance amount at 30 June 2025	73,340,000	21,391,458	94,731,458	134,805	28,480,702	1,008,837	83,800	339,311	124,778,913
Accumulated depreciation at 30 June 2025	0	0	0	(91,146)	(12,962,246)	(348,026)	0	0	(13,401,418)
<b>Balance at 30 June 2025</b>	73,340,000	21,391,458	94,731,458	43,659	15,518,456	660,811	83,800	339,311	111,377,495

\*Plant and equipment for Regional Waste Collection Project are recognised in accordance with the participants agreement terms between the EMRC and Shire of Mundaring.

\*\*Work in progress write off relates to capital projects that were cancelled and subject to a full review be undertaken regarding the go forward options. This was approved at the council meetings held on 22 May 2025 and 26 June 2025.

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

**(b) Carrying Value Measurements**

Asset Class	Note	Carrying amount 2025	Carrying amount 2024	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>								
<b>Land and buildings</b>								
Land	8(a)	73,340,000	47,850,257	2	Market approach	Management Valuation by engaging Marsh Valuation Services	June 2025	Price per square metre.
Buildings	8(a)	21,391,458	20,492,681	3	Cost Approach using current gross replacement cost	Management Valuation by engaging Marsh Valuation Services	June 2025	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

**(ii) Cost**

Furniture and fittings		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plant and equipment		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Artworks		N/A	N/A	N/A	N/A	N/A	N/A	N/A

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**9. INFRASTRUCTURE**

**(a) Movements in Balances**

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Landfill cells	Other structures	Post closure assets	Work in progress	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2023</b>	6,971,518	8,874,058	5,271,449	14,248,466	35,365,491
Additions	0	237,643	0	7,703,828	7,941,471
Depreciation	(2,605,364)	(160,972)	(284,250)	0	(3,050,586)
Transfer	0	164,878	0	(164,878)	0
<b>Balance at 30 June 2024</b>	4,366,154	9,115,607	4,987,199	21,787,416	40,256,376
<b>Comprises:</b>					
Gross balance at 30 June 2024	10,021,839	9,565,651	5,616,910	21,787,416	46,991,816
Accumulated depreciation at 30 June 2024	(5,655,685)	(450,044)	(629,711)	0	(6,735,440)
<b>Balance at 30 June 2024</b>	4,366,154	9,115,607	4,987,199	21,787,416	40,256,376
Additions	1,650,404	460,367	0	2,921,740	5,032,511
Disposals	0	(56,931)	0	0	(56,931)
Work in progress write off*	0	0	0	(4,126,525)	(4,126,525)
Revaluation increments / (decrements) transferred to revaluation surplus	(277,882)	591,628	1,417,081	0	1,730,827
Depreciation	(1,882,344)	(283,153)	(247,466)	0	(2,412,963)
Transfer	5,264,890	7,488,021	0	(12,752,911)	0
<b>Balance at 30 June 2025</b>	9,121,222	17,315,539	6,156,814	7,829,720	40,423,295
<b>Comprises:</b>					
Gross balance at 30 June 2025	9,121,222	17,315,539	6,156,814	7,829,720	40,423,295
Accumulated depreciation at 30 June 2025	0	0	0	0	0
<b>Balance at 30 June 2025</b>	9,121,222	17,315,539	6,156,814	7,829,720	40,423,295

\*Work in progress write off relates to capital projects that were cancelled and subject to a full review be undertaken regarding the go forward options. This was approved at the council meetings held on 22 May 2025 and 26 June 2025



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**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Landfill cells</b>	3	Cost approach using current replacement cost	Management valuation	June 2025	Construction costs and current condition, residual values and remaining useful life assessments inputs
<b>Other structures</b>	3	Cost approach using current replacement cost	Management Valuation by engaging Marsh Valuation Services	June 2025	Construction costs and current condition, residual values and remaining useful life assessments inputs
<b>Post closure assets</b>	3	Cost approach using current replacement cost	Management valuation	June 2025	Construction costs and current condition, residual values and remaining useful life assessments inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

**EASTERN METROPOLITAN REGIONAL COUNCIL  
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**10. FIXED ASSETS**

**(a) Depreciation**

Freehold land, artworks and work-in-progress are not depreciated.

**Depreciation rates**

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

<b>Asset Class</b>	<b>Useful life</b>
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

\*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.

**(b) Temporarily Idle or retired from use assets**

	<u>2025</u>	<u>2024</u>
The carrying value of assets held by the Council which are temporarily idle or retired from active use and not classified as held for sale are shown in the table below.	\$	\$
Plant and equipment	150,000	110,000
	<u>150,000</u>	<u>110,000</u>

**(c) Fully Depreciated Assets in Use**

The gross carrying value of assets held by the Council which are currently in use yet fully depreciated are shown in the table below.

	<u>2025</u>	<u>2024</u>
	\$	\$
Plant and equipment	3,517,458	884,600
	<u>3,517,458</u>	<u>884,600</u>

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**10. FIXED ASSETS (Continued)**

**MATERIAL ACCOUNTING POLICIES**

**Initial recognition**

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the 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. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Local Government (Financial Management) Regulation 17A(5). These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Council's revaluation policy, are recognised at cost and disclosed as being at reportable value.

**Measurement after recognition**

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under Local Government (Financial Management) Regulation 17A(2). Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

**Reportable Value**

In accordance with Local Government (Financial Management) Regulation 17A(2), the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of Local Government (Financial Management) Regulation 17A(4) is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

**Revaluation**

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Council.

**Revaluation (continued)**

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Council to revalue earlier if it chooses to do so. As a matter of policy, the Council performs a revaluation every four years.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

The depreciable amount of all property, plant and equipment and infrastructure, 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.

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

**Depreciation on revaluation**

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Impairment**

In accordance with Local Government (Financial Management) Regulations 17A(4C), the Council is not required to comply with AASB 136 Impairment of Assets to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the 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 or losses on disposal**

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.

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**11. LEASES**

The Council does not currently have any operating leases.

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**12. TRADE AND OTHER PAYABLES**

	2025	2024
	\$	\$
<b>Current</b>		
Sundry creditors	8,578,146	10,289,421
Sundry creditors - Regional Waste Collection Project*	22,656	25,115
Accrued payroll liabilities	45,136	0
Statutory liabilities	96,049	151,549
Funding to Regional Waste Collection Project*	692,725	1,100,571
Dividends Payable to member councils**	0	5,000,000
	9,434,712	16,566,656

\*Sundry creditors and Funding for Regional Waste Collection Project are recognised in accordance with the participants agreement terms between the EMRC and Shire of Mundaring.

\*\*At the 24th June 2024 ordinary council meeting, a dividend of \$5,000,000 was declared. The distribution of the dividend has been made in the 2024/2025 Financial Year.

**MATERIAL ACCOUNTING POLICIES**

**Financial liabilities**

Financial liabilities are initially recognised at fair value when the Council becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**Statutory liabilities**

Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG. GST payable is offset against GST receivable and any net GST payable is included as a statutory liability.

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

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**13. OTHER LIABILITIES**

	2025	2024
	\$	\$
<b>Current</b>		
Contract liabilities - Amounts Received in Advance*	1,517,513	725,110
Capital grant/contribution liabilities	200,000	328,300
	<u>1,717,513</u>	<u>1,053,410</u>
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	1,053,410	629,212
Additions	8,447,931	6,818,713
Revenue recognised from contracts with customers	<u>(7,783,828)</u>	<u>(6,394,515)</u>
	1,717,513	1,053,410

Contract Liabilities represent the EMRC's performance obligations relating to services to be delivered in the financial year ending 30 June 2025.

\* Amounts Received in Advance from contracts with customers of \$1,517,513 forms part of unrestricted financial assets.

**MATERIAL ACCOUNTING POLICIES**

**Contract liabilities**

Contract liabilities represent the Council's obligation to transfer goods or services to a customer for which the Council has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**Capital grant/contribution liabilities**

Capital grant/contribution liabilities represent the Council's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Council which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

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**14. BORROWINGS**

The EMRC does not have any loans or borrowings.

There were no new borrowings during the 2024/2025 financial year.

There were no unspent loans during the 2024/2025 financial year.

**EASTERN METROPOLITAN REGIONAL Council**  
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**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	2025	2024
	\$	\$
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual Leave	1,133,815	1,100,576
Annual Leave - Regional Waste Collection Project*	36,332	23,056
Long Service Leave	1,064,234	557,894
Other Employee Leave Provision	40,964	36,790
	<u>2,275,345</u>	<u>1,718,316</u>
<b>Other provisions</b>		
Employment on-costs	326,841	244,541
	<u>326,841</u>	<u>244,541</u>
<b>Total current employee related provisions</b>	<u>2,602,186</u>	<u>1,962,857</u>
<b>Non-current provisions</b>		
Long Service Leave	171,098	160,052
Long Service Leave - Regional Waste Collection Project*	2,159	204
	<u>173,257</u>	<u>160,256</u>
<b>Other provisions</b>		
Employment on-costs	28,782	16,806
	<u>28,782</u>	<u>16,806</u>
<b>Total non-current employee related provisions</b>	<u>202,039</u>	<u>177,062</u>
<b>Total employee related provisions</b>	<u>2,804,225</u>	<u>2,139,919</u>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

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

	Note	2025	2024
		\$	\$
<b>Amounts are expected to be settled on the following basis:</b>			
Less than 12 months after the reporting date		2,093,931	1,178,306
More than 12 months from reporting date		710,294	961,613
		<u>2,804,225</u>	<u>2,139,919</u>

\*Employee benefit provisions for Regional Waste Collection Project are recognised in accordance with the participants agreement terms between the EMRC and Shire of Mundaring.

**MATERIAL ACCOUNTING POLICIES**

**Employee benefits**

The Council's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

**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.

**Other long-term employee benefits**

Long-term employee benefits provisions 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. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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.



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**16. OTHER PROVISIONS**

	Site Rehabilitation Provision	Environmental Monitoring Provision	City of Belmont Payout Provision	City of Kalamunda Payout Provision	Other Provision	Total
	\$	\$	\$	\$	\$	\$
<b>Opening balance at 1 July 2024</b>						
Current provisions	0	0	21,000,517	0	0	21,000,517
Non-current provisions	4,136,678	1,903,269	0	30,718,215	0	36,758,162
	4,136,678	1,903,269	21,000,517	30,718,215	0	57,758,679
Additional provision	0	2,412,694	0	999,667	89,567	3,501,928
Amounts used	(125,935)	0	(15,218,456)	0	0	(15,344,391)
Write back of discount	0	0	(5,782,061)	0	0	(5,782,061)
Charged to profit or loss - unwinding of discount	191,942	88,312	0	0	0	280,254
<b>Balance at 30 June 2025</b>	<b>4,202,685</b>	<b>4,404,275</b>	<b>0</b>	<b>31,717,882</b>	<b>89,567</b>	<b>40,414,409</b>
<b>Comprises</b>						
Current	0	0	0	31,717,882	89,567	31,807,449
Non-current	4,202,685	4,404,275	0	0	0	8,606,960
	4,202,685	4,404,275	0	31,717,882	89,567	40,414,409

**Other provisions**

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

**Site rehabilitation provision**

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

Increments/decrements in the provision are calculated annually at the reporting date based on the change in the net present value of the future cash outflows of costs for site rehabilitation. These movements are recognised under revaluation surplus. The unwinding of the discount is expensed as incurred and recognised in the Statement of Comprehensive Income as a finance cost.

As per the independent engineers report from December 2024, the value as at the reporting date 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 at the reporting date with an independent review being undertaken on a five yearly cycle.

**Environmental monitoring provision**

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

Increments/decrements in the provision are calculated annually at the reporting date based on the change in the net present value of the future cash outflows of costs for environmental monitoring. These movements are recognised under revaluation surplus. The unwinding of the discount is expensed as incurred and recognised in the Statement of Comprehensive Income as a finance cost.

As per the independent engineers report from December 2024, the value as at the reporting date 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 at the reporting date with an independent review being undertaken on a five yearly cycle.

**City of Belmont Payout Provision**

Following the settlement of the City of Belmont's equity payout, the discount amount of \$5,782,061 was written back and transferred to retained surplus.

**City of Kalamunda Payout Provision**

A provision of \$30,718,215 was recognised as at 30 June 2024 following its effective withdrawal from the EMRC on 1 July 2023. This amount represents the amount of its interest in the EMRC as at 30 June 2023 at the time of its withdrawal.

An adjustment of \$999,667 was subsequently made to the City of Kalamunda's equity interest as at 30 June 2023 following the finalisation of the City of Belmont's equity payout which was finalised at a discount in accordance with the methodology prescribed in the EMRC Establishment Agreement on 28 February 2025. This brought the total provision to \$31,717,882 as at 30 June 2025.

The value of the City of Kalamunda's entitlement will be determined using a different valuation methodology based on the theoretical winding up of EMRC as at the effective date of withdrawal as prescribed under Clause 12 of the EMRC Establishment Agreement. Refer to Note 22 for further details.

**MATERIAL ACCOUNTING POLICIES**

**Provisions**

Provisions are recognised when the Council has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

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**17. REVALUATION SURPLUS**

	<b>2025 Opening Balance</b>	<b>Revaluation Increment/ (decrement)</b>	<b>Revaluation Writeback on disposals*</b>	<b>2025 Closing Balance</b>	<b>2024 Opening Balance</b>	<b>Revaluation Increment/ (decrement)</b>	<b>Revaluation Writeback on disposals*</b>	<b>2024 Closing Balance</b>
	\$	\$		\$	\$	\$		\$
Revaluation surplus - Land - freehold land	26,804,789	25,489,743	0	52,294,532	26,804,789	0	0	26,804,789
Revaluation surplus - Buildings	974,972	19,974	145,623	1,140,569	974,972	0	0	974,972
Revaluation surplus - Furniture and fittings	23,400	0	0	23,400	23,400	0	0	23,400
Revaluation surplus - Plant and equipment	4,619,341	0	(315,322)	4,304,020	4,634,055	0	(14,714)	4,619,341
Revaluation surplus - Artworks	14,164	0	0	14,164	14,164	0	0	14,164
Revaluation surplus - Other structures	2,389,712	591,628	(84,398)	2,896,941	2,389,712	0	0	2,389,712
Revaluation surplus - Landfill cells and post closure asset	2,771,608	(1,147,560)	0	1,624,048	2,304,542	467,066	0	2,771,608
	37,597,986	24,953,785	(254,097)	62,297,674	37,145,634	467,066	(14,714)	37,597,986

**\*Revaluation writeback on disposals**

This is comprised of the revaluation surplus on assets that were disposed during the financial year. The balance has been transferred to retained surplus in accordance with AASB 116.

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**18. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2025 Actual \$	2024 Actual \$
Cash and cash equivalents	3	11,307,217	27,350,538
<b>Restrictions</b>			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	8,662,598	13,266,192
- Financial assets at amortised cost	4	58,768,038	32,614,271
		67,430,636	45,880,463
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	67,230,636	45,552,164
Capital grant/contribution liabilities	13	200,000	328,300
<b>Total restricted financial assets</b>		67,430,636	45,880,464
<b>(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities</b>			
Net result		(11,090,472)	16,116,875
Non-cash items:			
Depreciation/amortisation		7,341,143	7,131,129
(Profit)/loss on sale of asset		281,258	(65,265)
Receivables written off during the year as uncollectible		(8,693)	0
Finance costs: unwinding of discount		280,254	270,658
Work in progress write off		20,704,337	0
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		399,177	(1,060,694)
(Increase)/Decrease in accrued interest earnings		63,191	(371,262)
(Increase)/decrease in other assets		(1,816)	(16,872)
(Increase)/decrease in inventories		20,932	(100,969)
Increase/(decrease) in trade and other payables		(2,087,513)	5,397,808
Increase/(decrease) in employee related provisions		709,442	(170,712)
Increase/(decrease) in other liabilities		664,103	424,198
Net cash provided by/(used in) operating activities		17,275,343	27,554,894
<b>(c) Undrawn Borrowing Facilities</b>			
<b>Credit Standby Arrangements</b>			
Credit card limit		80,000	80,000
Credit card balance at balance date		(19,552)	(16,582)
<b>Total amount of credit unused</b>		60,448	63,418

**EASTERN METROPOLITAN REGIONAL COUNCIL  
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**19. CONTINGENT LIABILITIES**

The Council had no contingent liabilities at the end of the reporting period.

**20. CAPITAL COMMITMENTS**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	2,748,354	3,430,628
- plant & equipment purchases	111,509	2,814,107
	<hr/> 2,859,863	<hr/> 6,244,735
Payable:		
- not later than one year	2,859,863	6,244,735

**EASTERN METROPOLITAN REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**21. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Fees, expenses and allowances to be paid or reimbursed to council members and the Chairman.

Note	2025 Actual	2025 Budget	2024 Actual
	\$	\$	\$
Councillors' meeting fees	68,580	84,010	65,940
Chairman's meeting fees	17,139	17,139	20,875
Deputy Councillors' meeting fees	5,720	11,713	2,375
Deputy Chairman's meeting fees	11,430	5,428	5,219
Chairman's Local Government fee	21,710	21,710	16,480
Deputy Chairman's Local Government fee	5,428	0	10,990
Superannuation	2,491	0	0
Travel and accommodation expenses	477	0	654
21(b)	132,975	140,000	122,533

**(b) Key Management Personnel (KMP) Compensation**

The total of compensation paid to KMP of the Council during the year are as follows:

Note	2025 Actual	2024 Actual
	\$	\$
Short-term employee benefits	923,255	945,711
Post-employment benefits	160,038	136,220
Employee - other long-term benefits	85,806	106,653
Employee - termination benefits	115,727	0
Council member costs	132,975	122,533
21(a)	1,417,801	1,311,117

*Short-term employee benefits*

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

*Post-employment benefits*

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

*Other long-term benefits*

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

*Termination benefits*

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

*Council member costs*

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

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**21. RELATED PARTY TRANSACTIONS**

**Transactions with related parties**

Transactions between related parties and the Council are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.  
No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	<b>2025 Actual</b>	<b>2024 Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Member Councils</b>		
Sale of goods and services	25,012,020	24,746,602
Purchase of goods and services	288,741	351,977
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	2,306,066	2,137,795
<b>Amounts payable to related parties:</b>		
Trade and other payables	0	0

**Related Parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

*iii. Entities subject to significant influence by the Council*

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

**EASTERN METROPOLITAN REGIONAL COUNCIL  
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**22. INTEREST IN THE EMRC**

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

Member Council	2025		2024	
	%	\$	%	\$
Town of Bassendean	5.44	9,641,362	5.56	8,821,409
City of Bayswater	24.11	42,727,343	24.44	38,741,912
Shire of Mundaring	13.57	24,040,764	13.55	21,485,320
City of Swan	56.88	100,775,706	56.45	89,490,827
<b>Total Equity</b>	<b>100.00</b>	<b>177,185,175</b>	<b>100.00</b>	<b>158,539,468</b>

The EMRC participating Member Councils' interest distributions have been calculated in accordance with Clause 9.4 of the EMRC Establishment Agreement. This clause stipulates that each participant's share is determined based on the proportion of its population relative to the total population of all participating Member Councils.

The City of Kalamunda issued its Notice of Withdrawal from the EMRC on 22 November 2022, with the withdrawal taking effect from 1 July 2023 in accordance with Clause 12 of the EMRC Establishment Agreement. This clause allows a participant to give notice between 1 July and 31 December in any year, with the withdrawal effective at the end of the financial year following the giving of the notice of withdrawal.

Under Clause 12 of the EMRC Establishment Agreement, the entitlement or liability of a withdrawing participant is payable as soon as practicable following the end of the second financial year after the withdrawal takes effect. The amount payable is based on the valuation methodology as prescribed under Clause 12 of the EMRC Establishment Agreement.

As at 30 June 2024, a provision of \$30,718,215 was made for the City of Kalamunda's equity payment. An adjustment of \$999,667 was made following the City of Belmont's equity payout increasing the total provision to \$31,717,882 as at 30 June 2025. This value will be adjusted once the final payment value to City of Kalamunda has been finalised (Refer to Note 16).

The City of Swan and Shire of Mundaring issued their Notices of Withdrawal from the EMRC on 1 December 2024 and 11 December 2024 respectively. Their withdrawals will take effect from 1 July 2025 in accordance with Clause 12 of the EMRC Establishment Agreement. As at 30 June 2025 both councils remain participants of the EMRC and their equity interests are reflected in the financial statements.

The value of the equity of the City of Swan and Shire of Mundaring are indicative only and not necessary equal to the value they are entitled to upon withdrawal. Their equity entitlements are subject to the valuation methodology as prescribed in Clause 12 of the EMRC Establishment Agreement for withdrawing participants. At present, a separate process is in progress and the values are not finalised.

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**23. FINANCIAL RISK MANAGEMENT**

This note explains the Council's exposure to financial risks and how these risks could affect the Council's future financial performance.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<b>Market risk - interest rates</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

Financial risk management is carried out by the finance department under policies approved by the Council. The finance department identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

**(a) Interest rate risk**

**Cash and cash equivalents**

The Council's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Council to cash flow interest rate risk. The Council seeks advice from an independent adviser before placing any cash and investments. The Council does not have any short term overdraft facilities.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Council to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2025</b>					
Cash and cash equivalents	4.14%	11,307,217	9,000,000	2,303,367	3,850
Financial assets at amortised cost - term deposits	4.92%	62,500,000	62,500,000	0	0
<b>2024</b>					
Cash and cash equivalents	4.47%	27,350,538	24,000,000	3,346,488	4,050
Financial assets at amortised cost - term deposits	4.91%	60,500,000	60,500,000	0	0

**Sensitivity**

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit or loss and equity*	23,034	33,465

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The Council does not have any borrowings or loans.



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**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

***Trade and Other Receivables***

The Council's major trade and other receivables comprise user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Council manages this risk by monitoring outstanding debt and employing debt recovery policies.

Council makes suitable allowance for impairment of receivables as required and carries out credit checks on all debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Council applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2024 or 1 July 2025 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2025 and 30 June 2024 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2025</b>					
Trade and loan receivables					
Expected credit loss	0.00%	0.00%	0.00%	99.99%	
Gross carrying amount	3,537,987	420,134	0	1,278,152	5,236,273
Loss allowance	0	0	0	1,277,983	1,277,983
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	262,119	0	0	0	262,119
Loss allowance	0	0	0	0	0
<b>30 June 2024</b>					
Trade and loan receivables					
Expected credit loss	0.00%	0.00%	0.00%	99.46%	
Gross carrying amount	3,889,129	322,933	515	1,293,621	5,506,198
Loss allowance	0	0	0	1,286,676	1,286,676
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	44,988	0	0	0	44,988
Loss allowance	0	0	0	0	0

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**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

The loss allowances for trade and other receivables as at 30 June reconcile to the opening loss allowances as follows:

	Trade receivables		Other receivables	
	2025 Actual	2024 Actual	2025 Actual	2024 Actual
	\$	\$	\$	\$
Opening loss allowance as at 1 July	1,286,676	1,286,676	0	0
Increase in loss allowance recognised in profit or loss during the year	0	0	0	0
Receivables written off during the year as uncollectible	(8,693)	0	0	0
<b>Closing loss allowance at 30 June</b>	<b>1,277,983</b>	<b>1,286,676</b>	<b>0</b>	<b>0</b>

Trade and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Council, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade and other receivables are presented as net impairment losses within other expenditure. Subsequent recoveries of amounts previously written off are credited against the same line item.

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**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables**

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

The contractual undiscounted cash flows of the Council's payables are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	<b>Due within 1 year</b>	<b>Due between 1 &amp; 5 years</b>	<b>Due after 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying values</b>
	\$	\$	\$	\$	\$
<b><u>2025</u></b>					
Trade and other payables	9,434,712	0	0	9,434,712	9,434,712
	<u>9,434,712</u>	<u>0</u>	<u>0</u>	<u>9,434,712</u>	<u>9,434,712</u>
<b><u>2024</u></b>					
Trade and other payables	16,566,656	0	0	16,566,656	16,566,656
	<u>16,566,656</u>	<u>0</u>	<u>0</u>	<u>16,566,656</u>	<u>16,566,656</u>

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**24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

Other than the withdrawal of the City of Swan and the Shire of Mundaring as member councils taking effect from 1 July 2025 as disclosed in Note 22, there have been no significant events after the reporting period that are required to be included in the 2024/2025 Annual Financial Report.

The withdrawal of the City of Swan and the Shire of Mundaring is considered a non-adjusting event.

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**25. OTHER MATERIAL ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. 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 presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**b) Current and non-current classification**

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 or non-current based on the Council's intentions to release for sale.

**c) Rounding off figures**

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

**d) Comparative figures**

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

**e) 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.

**f) Superannuation**

The Council contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

**g) Fair value of assets and liabilities**

Fair value is the price that the Council would receive to sell the asset or would have to pay to transfer a 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 or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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

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

**h) Interest revenue**

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

Each valuation technique requires inputs that 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.

**j) Impairment of assets**

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 impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

**EASTERN METROPOLITAN REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

**26. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

Council operations as disclosed in this financial report encompass the following service orientated functions and activities.

<b>Objective</b>	<b>Description</b>
<p><b>Governance</b> To provide responsible and accountable governance and management of the EMRC.</p>	<p>Includes the activities of members of council and the administration and operation of facilities and services to members of Council together with other administrative governance costs.</p>
<p><b>General purpose funding</b> To provide responsible and accountable financial management practices.</p>	<p>Includes the activities relating to the management of the EMRC's investment portfolio, records interest revenue as well as other general purpose revenue.</p>
<p><b>Community amenities</b> To provide sustainable waste disposal, resource recovery and recycling operations and solutions in partnership with member Councils.</p>	<p>Includes waste disposal, resource recovery and recycling operations undertaken at the Red Hill Waste Disposal Facility, the Hazelmere Resource Recovery Facility, Baywaste, Coppin and Mathieson Road transfer stations.</p>
<p><b>Other property and services</b> To facilitate the sustainable economic development of the region together with the provision of responsible and accountable management of the EMRC.</p>	<p>Includes activities and projects of the EMRC's Sustainability directorate, the operations of the Ascot Place activity and records the activities associated with public works overheads, plant operation, materials, salaries and wages.</p>

**EASTERN METROPOLITAN REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

**26. FUNCTION AND ACTIVITY (Continued)**

<b>(b) Income and expenses</b>	<b>2025 Actual</b>	<b>2024 Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions</b>		
Governance	18,346	0
General purpose funding	3,858,691	3,914,600
Community amenities	65,353,169	66,804,466
Other property and services	297,169	312,876
	<u>69,527,375</u>	<u>71,031,942</u>
<b>Grants, subsidies and contributions</b>		
Governance	47,974	3
Community amenities	2,146,263	2,268,068
Other property and services	261,746	262,829
	<u>2,455,983</u>	<u>2,530,900</u>
<b>Total Income</b>	<u>71,983,358</u>	<u>73,562,842</u>
<b>Expenses</b>		
Governance	(43,223)	(1,448,457)
Community amenities	(79,450,307)	(53,304,944)
Other property and services	(3,299,042)	(2,757,831)
<b>Total expenses</b>	<u>(82,792,572)</u>	<u>(57,511,232)</u>
<b>Increase/ (Decrease)</b>	<u>(10,809,214)</u>	<u>16,051,610</u>
<b>Disposal of assets</b>		
Profit on Sale	0	65,265
Loss on Sale	(281,258)	0
<b>Profit/ (Loss) on disposals</b>	<u>(281,258)</u>	<u>65,265</u>
<b>Net result for the period</b>	<u>(11,090,472)</u>	<u>16,116,875</u>
<b>(c) Total Assets</b>		
Governance	11,955,791	9,974,878
General purpose funding	12,524,604	50,008,189
Community amenities	198,906,607	137,207,096
Unallocated - Work In Progress	8,169,031	38,867,969
	<u>231,556,034</u>	<u>236,058,132</u>

**EASTERN METROPOLITAN REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

**27. DETERMINATION OF SURPLUS OR DEFICIT**

	2024/25 (30 June 2025 Carried Forward)	2024/25 Budget (30 June 2025 Carried Forward)	2023/24 (30 June 2024 Carried Forward)
<b>(a) Non-cash amounts excluded from operating activities</b>	\$		\$
<p>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 <i>Financial Management Regulation 32</i>.</p>			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	0	(73,239)	(65,265)
Less: Receivables written off during the year as uncollectible	(8,693)	0	0
Add: Loss on disposal of assets	281,258	0	0
Add: Depreciation	7,341,143	5,462,583	7,131,129
Add: Finance costs: unwinding of discount	280,254	0	270,658
Add: Work in progress write off	20,704,337	0	0
Less: Dividends Payable to member councils	0	0	(5,000,000)
Non-cash movements in non-current assets and liabilities:			
Employee benefit provisions	24,977	0	6,270
Other provisions	(5,708,672)	31,335,475	0
<b>Non-cash amounts excluded from operating activities</b>	<b>22,914,604</b>	<b>36,724,819</b>	<b>2,342,792</b>
<b>(b) Surplus or deficit</b>			
<p>The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit)</p>			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	(67,230,636)	(25,282,224)	(45,552,164)
<b>Total adjustments to net current assets</b>	<b>(67,230,636)</b>	<b>(25,282,224)</b>	<b>(45,552,164)</b>
<b>Net current assets used in the Statement of Financial Activity</b>			
Total current assets	79,755,244	30,300,265	94,271,356
Less: Total current liabilities	(45,561,860)	(8,211,749)	(40,583,440)
Less: Total adjustments to net current assets	(67,230,636)	(25,282,224)	(45,552,164)
<b>Total Surplus/ (deficit)</b>	<b>(33,037,252)</b>	<b>(3,193,708)</b>	<b>8,135,752</b>



**EASTERN METROPOLITAN REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

**28. RESERVE ACCOUNTS**

	2025 Actual Opening Balance	2025 Actual Transfer to	2025 Actual Transfer (from)	2025 Actual Closing Balance	2025 Budget Opening Balance	2025 Budget Transfer to	2025 Budget Transfer (from)	2025 Budget Closing Balance	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Plant and Equipment Reserve	1,288,995	1,449,904	(1,259,168)	1,479,731	243,000	829,157	(850,000)	222,157	1,347,455	3,670,232	(3,728,692)	1,288,995
(b) Site Rehabilitation Reserve - Post Closure	4,462,212	391,113	0	4,853,325	5,058,653	119,036	(895,222)	4,282,467	4,263,318	198,894	0	4,462,212
(c) Future Development Reserve	6,682,929	6,896,168	(6,587,680)	6,991,417	3,158,699	76,891	(2,500,000)	735,590	9,036,948	3,934,648	(6,288,667)	6,682,929
(d) Environmental Monitoring Reserve	2,065,084	2,339,191	0	4,404,275	2,345,777	55,089	(415,110)	1,985,756	1,973,037	92,047	0	2,065,084
(e) Class IV Reserve	4,573,220	1,096,548	0	5,669,768	445,990	767,766	(750,000)	463,756	40,237	6,961,365	(2,428,382)	4,573,220
(f) Secondary Waste Reserve	10,312,670	743,085	(11,055,755)	0	8,327,123	1,953,457	(1,470,003)	8,810,577	7,915,283	4,243,781	(1,846,394)	10,312,670
(g) Class III Reserve	1,208,713	1,470,824	(1,084,387)	1,595,150	3,156,710	745,791	(1,750,000)	2,152,501	2,378,510	1,519,413	(2,689,210)	1,208,713
(h) EastLink Relocation Reserve	5,762,984	505,126	0	6,268,110	5,727,557	153,737	(1,016,876)	4,864,418	5,506,110	256,874	0	5,762,984
(i) Committed Capital Expenditure Reserve	8,036,861	12,991,863	(14,865,996)	6,162,728	658,286	0	(113,818)	544,468	18,663,605	9,746,024	(20,372,768)	8,036,861
(j) Long Service Leave Reserve	1,158,496	101,542	0	1,260,038	1,170,471	50,063	0	1,220,534	1,106,858	51,638	0	1,158,496
(k) Equity Reserve	0	43,764,550	(15,218,456)	28,546,094	0	0	0	0	0	0	0	0
	45,552,164	71,749,914	(50,071,442)	67,230,636	30,292,266	4,750,987	(9,761,029)	25,282,224	52,231,361	30,674,916	(37,354,113)	45,552,164

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of reserve account	Purpose of the reserve account
(a) Plant and Equipment Reserve	to finance the replacement of major items of plant and equipment.
(b) Site Rehabilitation Reserve - Post Closure	to finance the rehabilitation of the Red Hill waste disposal site at time of decommissioning.
(c) Future Development Reserve	to finance future developments being undertaken by the EMRC. The reserve is also utilised to provide funds for projects that the EMRC is investigating and undertaking for the purpose of the long term future direction in the area of waste management for the benefit of the region.
(d) Environmental Monitoring Reserve	to provide funds for environmental monitoring after decommissioning of the Red Hill Waste disposal site.
(e) Class IV Reserve	to finance the construction of future Class IV cells and associated works at the Red Hill waste disposal site.
(f) Secondary Waste Reserve	to accumulate and to make provision for Secondary Waste Treatment Technology in the future.
(g) Class III Reserve	to finance the construction of future Class III cells and associated works at the Red Hill waste disposal site.
(h) EastLink Relocation Reserve	to accumulate and provide funds for the relocation of EMRC's buildings and structures that will be impacted by the EastLink alignment route through the EMRC's Red Hill site.
(i) Committed Capital Expenditure Reserve	to accumulate and provide funds for the committed projects.
(j) Long Service Leave Reserve	to accumulate and provide funds to enable the EMRC to fund staff long service leave.
(k) Equity Reserve	to finance the payment of the equity interest of member Councils which have withdrawn from the EMRC in accordance with the Establishment Agreement.

**EASTERN METROPOLITAN REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

**29. TRUST FUNDS**

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	<b>1-Jul-24</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2025</b>
	\$	\$	\$	\$
Green Deal Alliance	476,484	62,500	(300,159)	238,825
	476,484	62,500	(300,159)	238,825



# Auditor General

## INDEPENDENT AUDITOR'S REPORT

2025

### Eastern Metropolitan Regional Council

To the Council of the Eastern Metropolitan Regional Council

#### Opinion

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

- the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report :

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Council for the year ended 30 June 2025 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

#### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, but not the financial report and my auditor's report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

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

The Chief Executive Officer (CEO) of the Council is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Council's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Council.

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

## **Auditor's responsibilities for the audit of the financial report**

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

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

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

## **My independence and quality management relating to the report on the financial report**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

This auditor's report relates to the financial report of the Eastern Metropolitan Regional Council for the year ended 30 June 2025 included in the annual report on the Council's website. The Council's management is responsible for the integrity of the Council's website. This audit does not provide assurance on the integrity of the Council's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Council to confirm the information contained in the website version.

*Mark Ambrose*

Mark Ambrose  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
7 October 2025



# AUDIT CONCLUDING REPORT

## Eastern Metropolitan Regional Council

Audit for the Year Ended  
30 June 2025



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## Executive Summary

The key purpose of this report is to communicate the results of the audit with those charged with governance.

We have performed an audit of the financial report of the Eastern Metropolitan Regional Council (the Council) for the year ended 30 June 2025 in accordance with Australian Auditing Standards ('ASAs').

The purpose of the audit is to express an opinion as to whether the Council's financial report fairly represents, in all material respects, the financial transactions of the Council for the year ended 30 June 2025 and its financial position at the end of that period in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Australian Accounting Standards.

### Key Audit Risks or Focus Areas

As part of our audit procedures, we identified key risks based on our knowledge of the industry and experience. This risk assessment process is designed to ensure that we focused our audit work on the areas of highest risk.

This risk assessment and our responses were updated throughout the engagement to ensure that all areas of material risk are addressed.

We are pleased to advise we have satisfactorily completed our audit procedures designed to address these risks and meet our audit objectives.

Set out below, are what we have identified as the key audit risks and focus areas for the audit:

- Valuation of property, plant and equipment and infrastructure assets
- Accounting for landfill site, environmental monitoring and employee related provisions
- Accounting for withdrawal of City of Kalamunda equity payout provision
- Revenue recognition
- Completeness of liabilities and expenses
- Disclosures in the financial report
- Related party transactions
- Fraud risk and management override of controls

### Audit Opinion

We will recommend the OAG to issue an unmodified opinion on the audit of the Council's financial report.

## Significant Audit and Accounting Issues

Particulars of the significant audit and accounting issues which arose, are included in this section of the report for further consideration, where appropriate. Appropriate action has been taken by management to resolve any issues and there is no further action that we are aware of that needs to be taken prior to signing off the financial report.

### Accounting Policies

The 30 June 2025 financial report has been prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Australian Accounting Standards. The accounting policies are consistent with those applied in the financial report for the 30 June 2024 year.

Apart from the changes arising from AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-For-Profit Public Sector Entities, we are not aware of any other material changes in accounting policies to applied during the financial year. In addition, we are not aware of any significant unusual transactions in controversial or emerging areas.

Effective to annual periods beginning on or after 1 January 2024, AASB 2022-10 amends AASB 13 Fair Value measurement for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash flows. The amendment clarifies



considerations for highest and best use, market participant assumptions and appropriate valuation approaches.

Our audit procedures included a review of the accounting policies to ensure that they were consistently applied throughout the period.

## **Adoption of changes to Accounting Standards**

We have also considered changes that have occurred in Australian Accounting Standards and other relevant parts of the regulatory framework as part of our audit. There are no significant changes that impacted on the accounting results and disclosure requirements of the Council for the year ended 30 June 2025.

No other major accounting standards are coming into force over the next year that have the potential to significantly impact the financial report.

## **Judgmental Matters and Estimations**

The preparation of the financial report requires the use of management judgments and accounting estimates or assumptions, which affect the reported amounts of assets, liabilities, income and expenses, and disclosure of contingent assets and contingent liabilities. Certain estimates can be particularly sensitive because of their significance to the financial report and the possibility that actual future events affecting them may differ significantly from management's current assumptions and expectations.

In relation to the Council, our assessment is that is the following account balances are critically affected by management judgments or accounting estimates. Given the nature of the Council's revenue, expenses, assets and liabilities - accounting for them is not overly complex nor affected by contentious accounting practices.

Major accounts affected by management judgments or accounting estimates are:

- Accounting for landfill site rehabilitation, environmental monitoring and employee related provisions
- Accounting for City of Kalamunda payout provision
- Depreciation rates of non-current assets
- Fair value of land and buildings and infrastructure assets

Where necessary we have challenged the judgments of management based on our examination of evidential matter relating to those estimates. We are satisfied that the accounting estimates for the current financial period are reasonable in light of known circumstances. In our view a prudent approach has been adopted by management in applying judgments and in making estimates.

## **Key Audit Risks and Focus Areas**

### **Valuation of property, plant and equipment and infrastructure assets**

These are the biggest classes of non-financial assets reported in the Council's statement of financial position where there is a mix of cost (for plant and equipment) and fair value (for land, buildings and infrastructure – revalued every 4 years) accounting involved. The property, plant and equipment and infrastructure carrying value as at 30 June 2025 is \$111.4m and \$40.4m respectively (2024: \$101.5m and \$40.3m). During the year, a revaluation for land, buildings and infrastructure was undertaken in accordance with the Council's revaluation cycle, resulting in a net increment of \$27.2m, of which \$25.5m related to land. Correspondingly, the revaluation surplus has been recognised in Council's asset revaluation reserves.

As part of this revaluation process, the Council applied the amendments introduced by AASB 2022-10, effective for annual periods beginning on or after 1 January 2024. The new standard amends AASB 13 Fair Value Measurements for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate cash flows, which clarifies considerations for highest and best use, market participant assumptions and appropriate valuation approaches. In applying the amended guidance, locational and one-off costs were identified and appropriately factored into the fair value assessments where relevant. The Council has reviewed its external valuer methodology and confirms that the requirements of the revised standard have been appropriately addressed, with minimal financial impact on the current year's fair value measurements.

In addition, work-in-progress (WIP) of \$20.7m was written off, primarily due to Council's decision to discontinue the Wood Waste to Energy project.

There is an inherent risk given the large balances and nature of assets, and the judgement applied in determining revaluation of land, buildings and infrastructure, depreciation/ amortisation expense including impairment.

Key audit procedures performed were:

- Reviewed and updated documented system procedures and performed walkthroughs for property, plant and equipment and infrastructure assets;
- Assessed accounting policies to ensure they were in accordance with AASB 116 Property, Plant and Equipment, AASB 13 Fair Value Measurement and the amendments from AASB 2022-10 and AASB 136 Impairment of Assets;
- Sample tested asset additions, disposals and depreciation;
- Reviewed the fair value reports of valuations that were performed during the year, including a review of valuation techniques and assumptions applied. We have also assessed the valuer's qualifications and expertise; and
- Reviewed management's impairment assessment in relation to the \$20.7m write-off of WIP, which included evaluation the Council's rationale for discontinuation and confirming that the write-off was appropriately recognised in accordance with AASB 136 Impairment of Assets.

Based on procedures performed, we are satisfied that property, plant and equipment and infrastructure assets are reasonable and fairly stated as at 30 June 2025.

### **Accounting for landfill site rehabilitation, environmental monitoring provisions**

The Council operates the Red Hill Landfill Site. There is a present obligation to rehabilitate/make good at the end of the asset's useful life. As at 30 June 2025, the Council recognised a total provision of \$8.6m, of which \$4.2m relates to site rehabilitation and \$4.4m relates to environmental monitoring.

During the year, Council has re-estimate its landfill site rehabilitation and environmental monitoring provisions to reflect the updated assumptions and scope of work. This re-estimation was supported by an independent peer review of management's workings, which assessed the reasonableness of cost estimates, timing assumptions and alignment with industry expectations. Through this process, the Council extended its water monitoring period by an additional 15 years, consistent with the Victorian Government Environmental Protection Authority's (EPA) Best Practice Environmental Management guidelines. While these guidelines are not legally required in Western Australia, the Council has adopted the relevant scope as best practice. The re-estimation has consequently increase the Council's total landfill site rehabilitation and environmental monitoring provisions by \$2.6m to \$8.6m as at 30 June 2025 (30 June 2024: \$6m).

As a result of the revised obligations, the fair value of the landfill asset classified within infrastructure was also updated to reflect the increased future costs associated with rehabilitation and monitoring. This treatment is consistent with AASB Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities, which requires changes in estimated restoration costs to be reflected in the carrying amount of the related asset when measured under the revaluation model. The adjustment was incorporated into the Council's revaluation process during the year, with movements being reflected in the Council's asset revaluation reserves.

Key audit procedures performed were:

- Reviewed the independent peer review reports of provisions workings during the year, including a review of valuation assumptions, inputs applied. We have also assessed the independent peer reviewer's qualifications and expertise; and
- Reviewed the rehabilitation costs worksheet to ensure cost estimates relating to the liabilities were calculated using a reasonable approach in accordance with AASB 137.

Based on procedures performed, we are satisfied that the landfill site rehabilitation and environmental monitoring provisions are reasonable and fairly stated as at 30 June 2025.

## Accounting for employee related provisions

The Council's liabilities include employee-related annual leave and long service leave provisions. As at 30 June 2025 the total current provision value is \$2.8mil, of which \$1.4m relates to Annual Leave Provisions and \$1.4m relates to Long Service Leave Provisions. Employee related provisions involve a degree of management estimation and uncertainty in their calculation in respect of present value inputs (inflation rates, discount factors, work costs), timing and probabilities of settlement.

Key audit procedures performed were:

- Agreed underlying information to employee employment contracts and approved leave applications;
- Reviewed management's assumptions, inputs and calculation of employee related provisions to ensure they are in accordance with AASB 119.

Based on procedures performed, we are satisfied that the employee related provisions are reasonable and fairly stated as at 30 June 2025.

## Accounting for withdrawal for City of Kalamunda equity payout provision

The City of Kalamunda issued its Notice of Withdrawal from the Council on 22 November 2022, with the effective date of the withdrawal being 30 June 2023. As at 1 July 2023, the Council has a present obligation to provision for the City's equity payout. The City's equity entitlement is subject to a valuation methodology and process prescribed in the Establishment Agreement for withdrawing participants based on a wind-up basis.

Following the finalisation of the City of Belmont's equity payout in February 2025, discussions with the City of Kalamunda have commenced; however, the formal valuation process prescribed under the Establishment Agreement has not yet begun. A discount of \$5.78m was written back to the Regional Council's retained surplus upon completion of City of Belmont's payout, which in turn adjusted City of Kalamunda's equity interest as at 30 June 2023. Consequently, an additional provision of \$999.7k has been recognised for Kalamunda's equity entitlement as at 30 June 2025. Therefore, a provision of \$31.7m was recognised based on management's best estimate as at 30 June 2025.

Key audit procedures performed were:

- Reviewed management's assumptions and verified workings to ensure payout estimates relating to the City of Kalamunda's equity payout has been calculated using a reasonable approach in accordance with AASB 137.

Based on the procedures performed, we are satisfied that the provision for City of Kalamunda's equity entitlement is reasonable and fairly stated as at 30 June 2025.

## Revenue recognition

Revenue is being recognised in accordance with AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities. The main revenue generating activities include fees & charges and government grants & contributions. Given the different revenue streams, there is a risk that revenue may not be recognised as required.

Key audit procedures performed were:

- Reviewed and performed the relevant audit provision on the application of the Council's revenue recognition policies for application under AASB 15 and 1058;
- Performed a walkthrough of the revenue cycles to gain the understanding of the process;
- On sample basis, tested revenue streams to supporting grant agreements, tax invoices and bank statement receipts; and
- On sample basis, tested the recognition of contract and capital grant/contribution liabilities to ensure proper accounting in accordance with AASB 15 and AASB 1058.

Based on procedures performed, we are satisfied that revenue has been recognised appropriately for the year ended 30 June 2025.

## Disclosures in the Financial Report

The Council is required to disclose information in relation to:

- Contingent assets and liabilities;
- Post balance date events;
- Key management personnel remuneration;
- Related party transactions;
- Auditor's remuneration;
- Capital commitments; and
- Interest of Member Councils.

Our procedures indicate that appropriate and adequate disclosures have been made in respect of the above.

## Fraud Risk and Management Override of Controls

Management is involved in day-to-day operations and monitoring of the Council, which gives them the ability to manipulate accounting records and prepare fraudulent financial reports by overriding controls in place. Due to the unpredictable way in which such override could occur, this leads to potential fraud risk and is always assessed as a significant risk.

To address the risk of management override, the following procedures were performed:

- Reviewed journal entries and other adjustments for evidence of possible material misstatements due to fraud;
- Reviewed accounting estimates and application of accounting policies for evidence of bias or aggressive accounting practices; and
- For significant or unusual transactions, evaluated the business rationale (or the lack thereof) for evidence of fraudulent financial reporting or misappropriation of assets.

Based on testing performed, we are satisfied that the risk of fraud from management override has been reduced to an acceptable level.

## Significant Representations by Management

Both our and the OAG's representation letters have been provided and a signed copy is to be returned to us prior to our submission of the financial report with the OAG.

There are no significant representations (other than the ones referred to in our and the OAG's standard representation letters) made by management for which we and OAG are relying on in forming our audit opinions.

## Audit Adjustments

We are required by the auditing standards to communicate all unadjusted differences (other than clearly trivial) that we noted during the audit.

We note that one adjusted audit difference was identified and processed during the audit. This adjustment was reviewed and agreed with management, and has been appropriately reflected in the financial statements.

N o.		Asset Dr/(Cr)	Liability Dr/(Cr)	Equity Dr/(Cr)	Profit Dr/(Cr)
1	To recognise a reversal of future legal and valuation costs that were incorrectly provisioned during the year in relation to the withdrawal of the City of Kalamunda.	-	\$900,000	-	(\$900,000)
	<b>Total</b>	-	\$900,000	-	(\$900,000)

# Internal Controls

As part of our planned audit approach, we evaluated the Council's system of internal controls primarily to enable us to determine the appropriate nature and extent of our procedures.

We have also conducted a high-level ITGC review of key controls relating to:

- System Security;
- Technology Framework;
- Service Management, Operations and Change Control;
- Security Governance and Reporting; and
- Security training.

Based on the procedures performed, we have noted no significant deficiencies or control breakdowns were identified in the areas reviewed, with controls assessed appear to be suitably designed and implemented to support the integrity and security of the Council's IT systems.

This, however, does not constitute a comprehensive review. Accordingly, the Audit and Risk Committee may wish to discuss with management any matters they may have raised with respect to particular systems, which may necessitate a more comprehensive review.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and therefore may not bring to light all weaknesses in systems and procedures which may exist. However, we aim to use our knowledge of the Council gained during our work to make comments and suggestions which, we hope, will be useful to you.

No key internal control deficiencies were noted in the interim and final audit of the Council.

The management letter for the previous period identified some findings to be actioned by the Council. Below is an update on the findings based on our follow up during current year audit:

Findings	Rating	Update
1. No evidence of independent review of general journals	Moderate	Resolved
2. Lack documentation of verbal quotation obtained prior to incurring expenditure	Minor	Resolved

# Other Key Matters

## Withdrawal of Member Councils

### City of Kalamunda

The City of Kalamunda withdrew from the Council on 1 July 2023. The City's equity entitlement is subject to a valuation methodology and process prescribed in the Establishment Agreement for withdrawing participants.

As at 30 June 2025, a provision of \$31.7 million was recognised based on book value. Whilst this may not in accordance with basis of valuation adopted (Recoverable basis) for member exit in the Establishment Agreement, this represents the management's best estimate at period end without a formal valuation process being taken.

Following the finalisation and payout of City of Belmont's equity payment in February 2025, the Regional Council and the City has commenced preliminary discussions to agree on the valuation methodology and key input assumptions. The formal valuation process will commence once the Regional Council and the City reach agreement on the valuation methodology and key assumptions. This is anticipated to occur during the 2025/26 financial year.

At present the Council has sufficient funds on hand, including incremental cash flow from its operations to meet its obligations and pay the City of Kalamunda. Should the funds be insufficient, the remaining participants of the Council may be required to pay the distribution to the City in accordance with clause 9.9 of the Establishment Agreement.

## **City of Swan, Shire of Mundaring and City of Bayswater**

The Council received notices of withdrawal from three of its participating member councils (City of Swan, Shire of Mundaring and City of Bayswater) in December 2024 leaving only Town of Bassendean confirming its intention to remain and becoming the sole one participating member council. External legal advice initially sought by Management suggested there is no restriction for the Council to continue operating with one participating member council. However, further advice from the Department of Local Government, Industry Regulation and Safety ("Department") indicated there should be at least two participating members are required. Subsequently, the City of Bayswater revoked its notice of withdrawal, and together with the Town of Bassendean, has confirmed its commitment to ongoing participation.

At this date of the report, the Council continues to operate with two confirmed participating member councils – City of Bayswater and Town of Bassendean, thereby meeting the minimum participation requirement advised by the Department. Consequently, there are no indicators of material uncertainty that may cast significant doubt on the Council's ability to continue as a going concern for the foreseeable future.

### **Non-Compliance with Laws and Regulations or Fraudulent Activity**

We confirm no matters have come to our attention that indicate material misstatement in the financial report due to non-compliance with laws and regulations or fraudulent activity. Management has confirmed that they are unaware of any fraudulent activity.

### **Auditor's Responsibility to Consider Fraud**

As auditors, we obtain reasonable assurance that the financial report is free from material misstatements due to fraud or error.

Accordingly, certain procedures were performed as part of our audit by way of enquiry, evaluation and review as required by the Australian Auditing Standards on fraud, ASA 240.

We have enquired with management regarding the existence of fraud and/or non-compliance with laws and regulations. We have also reviewed the general ledger and minutes for evidence of these.

Based on representations obtained from management and the work performed, we are confident that the risk of fraud in relation to financial reporting and non-compliance with laws and regulations is low and we have not identified any reportable matters for your attention.

### **Liaison with Management**

We had no disagreements with management about significant audit, accounting or disclosures matters.

We identified no errors or irregularities that would cause the financial report to contain a material misstatement and noted no apparent illegal acts.

There were no difficulties encountered in dealing with management related to the performance of the audit.

There was no correspondence between us and management relating to any significant audit and accounting issues during the period other than those discussed under the Significant Audit and Accounting Issues section above.

### **Independence**

We have established policies and procedures designed to ensure our independence, including policies on holding financial interests in the Council and other related parties, business relationships, employment relationships, and the provision of non-audit services.

We have assessed our audit independence at the planning stage and to the best of our knowledge and belief, we are of the opinion that each engagement team member and partners of all Moore network firms in Australia are not in contravention of the auditor independence and ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the financial report in Australia.

We have also fulfilled our other ethical responsibilities with the Code. We have further considered the safeguards the Moore Australia network has in place, and we are not aware of any services being provided that would compromise our independence as external auditor.

## Confidentiality

This document is strictly confidential and although it has been made available to management and those charged with governance to facilitate discussions, it may not be taken as altering our responsibilities to the Council arising under our audit contract with the OAG.

The information contained in this document is confidential and cannot be conveyed to any party other than the party to which it is directed.

## Conflicts of Interest

The firm is not aware of any existing or potential relationship, transaction or holding that would compromise its objectivity in the conduct of the services provided. Should the possibility of a perceived or actual conflict arise the matter would be raised with the Council immediately and activities suspended until the issue was resolved to your satisfaction.

## Outstanding items

The following items remain outstanding at the time of writing:

- Signed management representation letter; and
- Signed financial report.



Wen-Shien Chai  
Partner  
[Moore Australia Audit \(WA\)](#)

Dated 2 October 2025

## CONTACT US

Level 15, 2 The Esplanade,  
Perth WA 6000

T +61 8 9225 5355

F +61 8 9225 6181

E [perth@moore-australia.com.au](mailto:perth@moore-australia.com.au)

[www.moore-australia.com.au](http://www.moore-australia.com.au)



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## 12.2 RISK MANAGEMENT UPDATE

D2025/19463 (AF) | D2025/25194

### 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	Acting Chief Executive 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 August 2025 (D2025/15520).

### 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	Reported monthly to the Executive Leadership Team.
SR-2	Inadequate succession planning	Chief Executive Officer	Succession planning workshop scheduled was undertaken in November 2024. .
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 and input into MYOSH System.
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.  A project is underway undertaking a review of critical plant and machinery components to ensure source, time and cost of supply are undertaken ahead of any ad hoc and urgent parts replacements.
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.  More frequent informal meetings with Executive Team to bring a collaborative and timely response to emerging matters.
SR-6	Under/poor performance	Chief Executive Officer	Performance management system is undertaken on an ongoing basis and poor performance is dealt with on a case-by-case basis. A review of structural improvements to ensure financial responsibility and functional accountability is underway.
SR-7	Reduced Grant Funding	Chief Transformation Officer	All opportunities are explored to secure external funding and deliver quality programs to member councils and to continue regional advocacy.

Risk Code	Risk Title	Risk Owner	Risk Status Update
SR-8	Inadequate leachate control	Chief Operating Officer	Leachate management controls put in place are deemed adequate. The leachate ponds are subject to daily monitoring, with all inspections and controls in place. The deepening of the second main leachate pond provides additional storage capacity which has been completed.
SR-9	Odour, noise, dust and traffic complaints	Chief Operating Officer	Internal processes are in place that allow neighbours and other stakeholders to report on any of these issues. All complaints are addressed promptly, reviewed 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 contributed to a reduction in odour related issues.
SR-10	WWTE (Pyrolysis) Project underperformance	Chief Operating Officer	Council has instructed a business review, and all capital works have been placed on hold until the review has been completed and is presented to Council for further consideration.
SR-11	Fire in operational sites	Chief Operating Officer	All inductions and internal processes are adequately designed to manage all EMRC sites in the unlikely event of a fire on site. These processes also ensure compliance with all necessary 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. The next Stakeholder Perception Survey is on hold.
SR-15	By-passing established administrative (non-financial) procedures	Chief Financial Officer	On going review undertaken, with updates to process as well as procedures to improve accountability and efficiency.

Risk Code	Risk Title	Risk Owner	Risk Status Update
SR-16	Injury to Operational Field Officers	Chief Executive Officer	Introduction of revised pre-starts, a WHS focus at recruitment and accountability/corrective action, as well as communication/check-in tools have been implemented and continuously improved. Risk is being reviewed/ reclassified. MYOSH has been implemented to assist in recording hazards, incidents and risks. A review of WHS policies will be undertaken to improve reporting, improvements and accountability.
SR-17	COVID-19 Infection	Chief Executive Officer	COVID cases remain in the community and employees testing positive are requested to work from home if possible or for operational employees are requested to stay at home until they test negative. Flexible work arrangements facilitate working from home.  EMRC offers flu shots for all employees to assist them in dealing with other infectious diseases.
SR-18	Capex project objectives/targets not achieved	Chief Transformation Officer	Information supporting the APCr works approval is largely completed, however the EPA are seeking further clarification on some minor points.  Talis will be issuing design plans for the Monocell in early 2026..  The Harmonisation process of all six Ministerial Statements that apply to Red Hill are currently scheduled to recommence late 2025.
SR-19	Licencing conditions breach	Chief Transformation Officer	The amended Red Hill licence for the expanded FOGO area was issued by DWER on 6 March 2025. All other aspects of the licence are in hand.  Moving the Red Hill water monitoring to Part V will form part of forthcoming EPA Ministerial Statement (6 of) harmonisation which is scheduled to commence early 2026.  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 -2025, to date.
SR-20	Lack of interest from Member Councils regarding Sustainability Programs	Chief Transformation Officer	This has been captured in the revised Corporate Business Plan 20235/2026 - 2028/2029, which will flow on to the EMRC's Strategic Plan 2017-2027 when it is reviewed in late 2026.

Risk Code	Risk Title	Risk Owner	Risk Status Update
SR-21	Employment related litigation	Chief Executive Officer	Audits by LGIS and Internal auditors of management guidelines and procedures took place as well as training regarding employee relations, WHS and site procedures enforcement. Risk are being reviewed/reclassified.
SR-22	Sub-surface landfill fires	Chief Operating Officer	There is a formal process in place to manage the unlikely event that there is a sub-surface fire. This process also includes the reporting of the actual incident, including notification to the regulator as required under licence conditions. Re assessed risk rating and decreased both likelihood and consequence. Environmental Team prepares a report, and the incident is logged in MYOSH for investigation.
SR-23	Methane gas explosion	Chief Operating Officer	All site areas are monitored daily by both the EMRC site contractor (EDL) and the 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 to ensure all personnel understand what is required in the unlikely event of a methane gas explosion. These Emergency evacuation drills are current and up to date, reinforcing preparedness across the site.
SR-24	Light vehicle or pedestrian interaction with heavy equipment	Chief Operating Officer	All external visitors and contractors are inducted to ensure they are fully informed of all active operational areas. Suitable PPE must be worn if required and individuals are issued with two-way radios and escorted safely by an EMRC site employee.  No visitors and contractors are permitted to enter EMRC sites without prior induction or escort. Inductions cover off on all site requirements when it comes to light vehicles or pedestrian activity.  There are set safety KPI's for all site 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 documented and reflected in regular operational and safety reporting.

Risk Code	Risk Title	Risk Owner	Risk Status Update
SR-25	Fraudster changing a Creditor's bank account details	Chief Financial Officer	Ongoing review of processes was 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 Transformation Officer	No PID's have been disclosed to the Officer.
SR-28	Large numbers of Ibis and Pelicans scavenging on open tip face	Chief Operating Officer	There are internal procedures in place to ensure that this is managed in accordance with EMRC's requirements. The Operations team is also supported by the Environmental team. No changes. Bird numbers are stable and tip face is managed by compaction and daily cover.
SR-29	Lack of interest for future participation from Member Councils in EMRC Services	Chief Executive Officer	Risk mitigation underway with increased engagement with member 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 direct implications

## ATTACHMENT(S)

Current Risk Management Profile (D2025/19741 (ARIC) | D2025/25194)

## VOTING REQUIREMENT

Simple Majority

## RECOMMENDATION(S)

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

The Acting Chief Executive Officer gave an overview of the report.

## ARIC RECOMMENDATION(S)

MOVED CR HAMILTON                      SECONDED CR SUTHERLAND

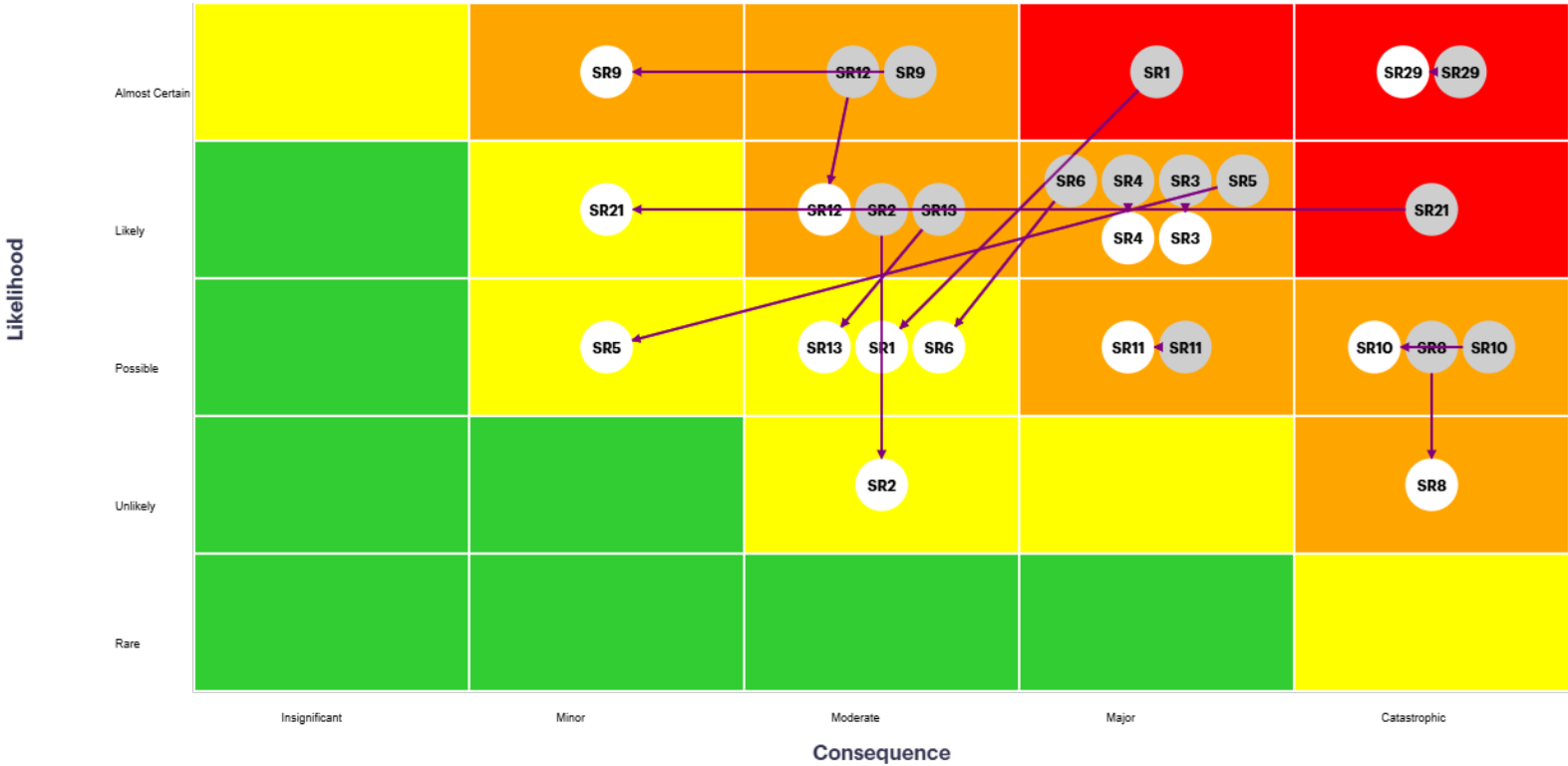
That Council notes the update on the status of the Council's risk management profile.

**CARRIED UNANIMOUSLY**

## COUNCIL RESOLUTION(S)

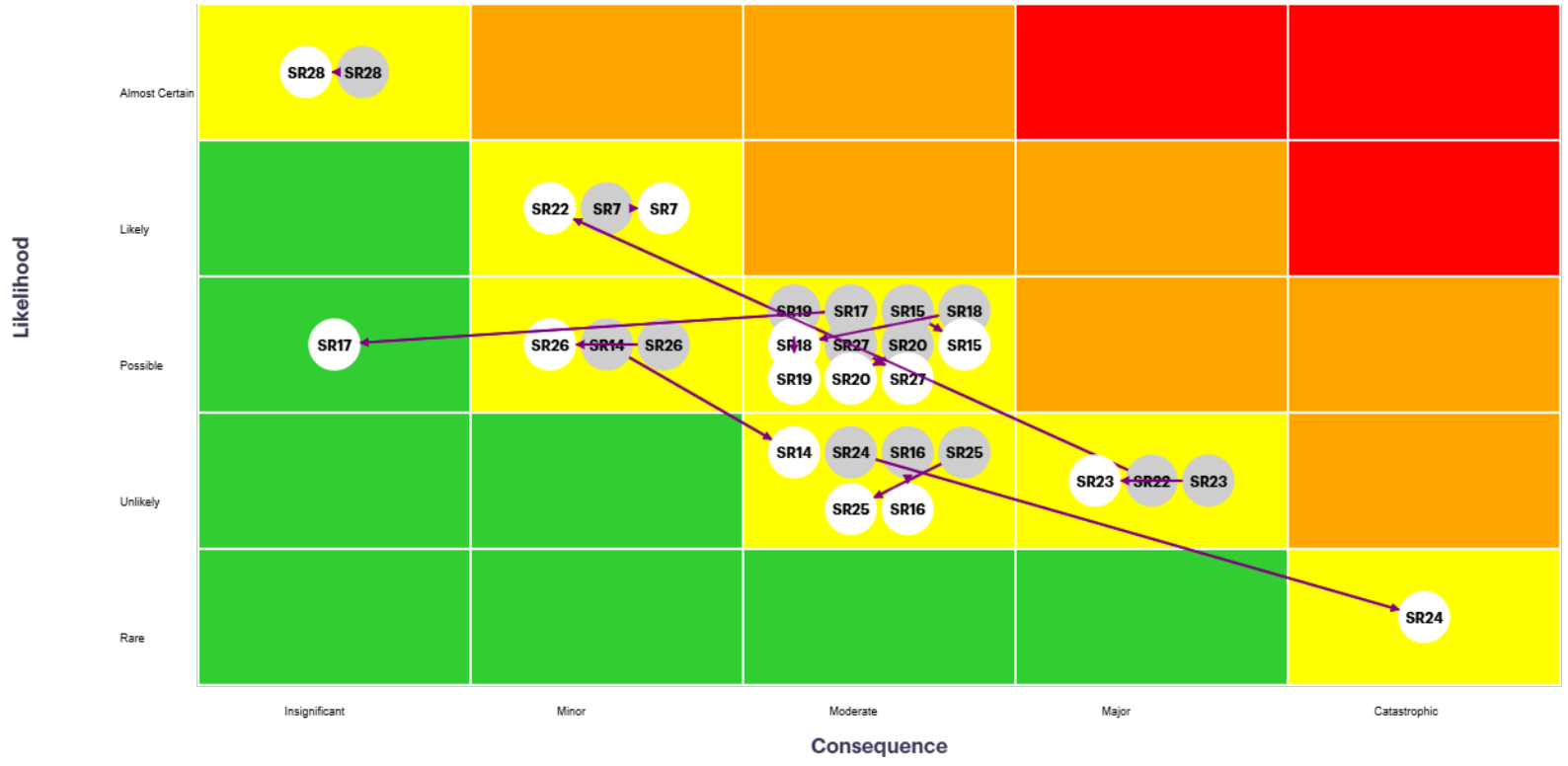
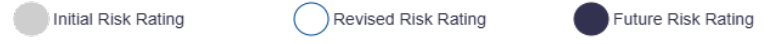
That Council notes the update on the status of the Council's risk management profile.

MOVED                                      SECONDED





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



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

**13 REPORTS OF DELEGATES**

Nil

**14 NEW BUSINESS OF AN URGENT NATURE**

Nil

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

Nil

**16 FUTURE MEETINGS OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE**

Meetings of the Audit, Risk and Improvement Committee are covered under the Audit, Risk and Improvement Committee Terms of Reference as follows:

**“5 Meetings**

5.1 The Audit, Risk and Improvement 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) The Compliance Audit Return;
- (c) Approval of the annual budget; and
- (d) The auditor’s report on the annual financial report.

5.2 Additional meetings will be convened at the discretion of the Chairperson.”

**Future Meetings 2025**

Thursday	13 November*	(if required)	at	EMRC Administration Office
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*\* Starting at 5:00pm*

**17 DECLARATION OF CLOSURE OF MEETING**

The Chairperson declared the meeting closed at 6:31pm.