EMRC

ANNUAL REPORT

2018/2019

Advancing Perth's Eastern Region

TOWN OF BASSENDEAN
Home by the Swan

CITY OF BAYSWATER
The Garden City - Quality Lifestyle

BELMONT • CITY OF OPPORTUNITY

City of Kalamunda

Shire of MUNDARING

city of swan

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KEY RESULT AREA 1

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KEY RESULT AREA 3

OUR VISION

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

OUR MISSION

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

OUR VALUES

The values that govern the EMRC are:

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

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

INNOVATION – Focus on innovative approaches in project and service delivery.

RESPONSIVENESS – Dynamic and flexible service delivery.

INTEGRITY – Accountability and consistency in all that we do.

ABOUT THE EMRC

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

The EMRC is an incorporated body established under the Western Australian Local Government Act 1995. The EMRC's operations are governed by its Council under an Establishment Agreement. In brief, the Establishment Agreement states that the EMRC will:

- Work collaboratively with member Councils to facilitate local government to enhance its service delivery to the community;
- Be efficient and effective in delivering quality services and facilities;
- Maintain a framework which allows the members to promote and market the role of local government;
- Implement a strategic plan that is regularly reviewed; and
- Avoid providing any service or facility that adversely impacts on the services or facilities of any member Council.

In line with this brief, the EMRC provides a broad range of services across the region including waste management and education, resource recovery, environmental management and regional development. Working in partnership with our member Councils and other stakeholders, the EMRC delivers local and regional scale projects across each of these areas for the benefit of the region.

The EMRC Council is responsible for setting the EMRC's strategic direction. EMRC management implements this direction, ensures the organisation's values are sustained and provides an environment that encourages all staff to reach their full potential.

ABOUT PERTH'S EASTERN REGION

Perth's Eastern Region is an area defined by the boundaries of the EMRC's six member Councils: Town of Bassendean, City of Bayswater, City of Belmont, City of Kalamunda, Shire of Mundaring and City of Swan. The region constitutes around one-third of Perth's metropolitan area encompassing a land area of about 2,100 square kilometres and is home to over a third of a million people.

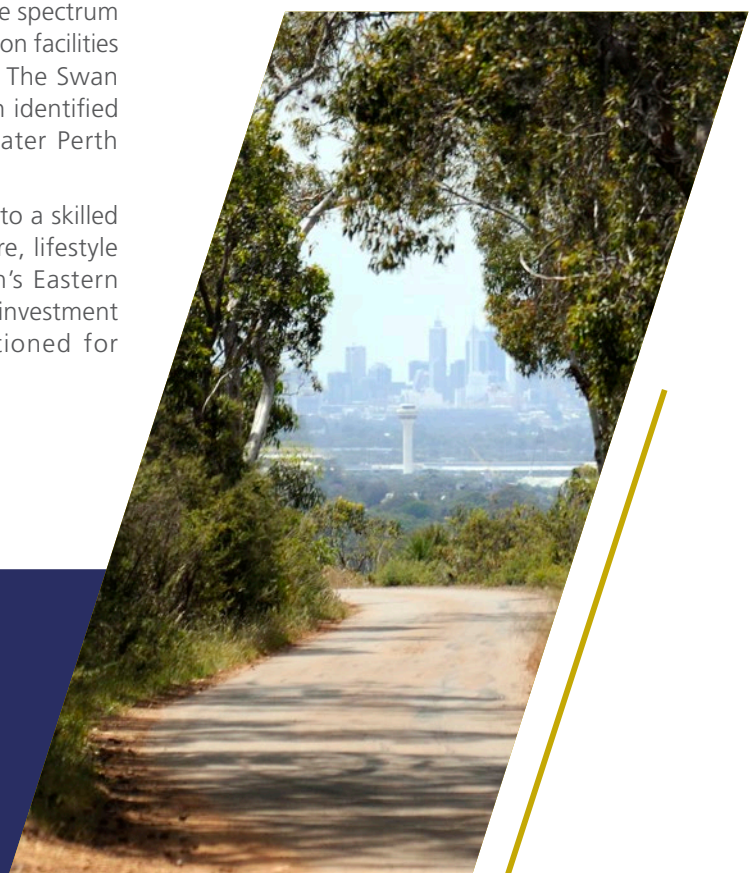
The Region is considered the gateway to greater Perth, hosting Western Australia's major air, road and rail transport hub for the efficient movement of freight and passengers throughout Perth, intrastate, interstate and overseas.

Perth's Eastern Region has undergone rapid expansion following major capital investments including intermodal freight terminal development, major airport and road redevelopment and education and health services investment. It is an increasingly attractive for large national and international companies seeking office and commercial accommodation within close proximity of the CBD, their key stakeholders and major transport routes. The industrial areas of Malaga, Kewdale, Hazelmere, Forrestfield, Bayswater, Ashfield and Bassendean play key roles in transport, storage, manufacturing and logistics servicing the state's vital construction and resource sectors.

In addition to specialist and industrial centres, several key activity centres in the region are identified for growth in the State Government's key planning framework Directions 2031 and Beyond. Morley and Midland are both identified as Strategic Metropolitan Centres providing a mix of retail, office, community, entertainment, residential and employment activities. Secondary centres identified are Belmont and Ellenbrook. These centres deliver a range of services to local communities and play a vital role for allocation of future infill population. Forrestfield, Kalamunda, Mundaring, Ashfield, Bassendean and Maylands have been identified as the district centres that provide key local services, facilities and employment opportunities. The Forrestfield Airport Link and associated Perth Airport redevelopment, Midland Health and University Campus and NorthLink WA in particular are providing new infrastructure to support future growth. Proposed developments including Metronet and the Perth-Adelaide National Highway will further support this development. Encompassing inner urban areas to outer metropolitan and urban fringe developments, this is a growing vibrant region.

Perth's Eastern Region is an attractive destination for visitors and provides a high quality of life for its residents. Key amenities include national parks; walking and cycling trails; numerous picturesque parks and reserves on the banks of the Swan River; an extensive range of heritage, culture and arts attractions including Guildford, which is one of the oldest settled areas in WA and the ever-popular Swan Valley and boutique wineries in the Perth Hills. A wide spectrum of community events and recreation facilities encourage community activity. The Swan Valley and Perth Hills have been identified as key attractions for the Greater Perth Metropolitan Area.

With a diverse economy, access to a skilled workforce and a range of leisure, lifestyle and living opportunities, Perth's Eastern Region represents an attractive investment destination and is well positioned for continued growth.



Perth's Eastern Region constitutes around

ONE THIRD

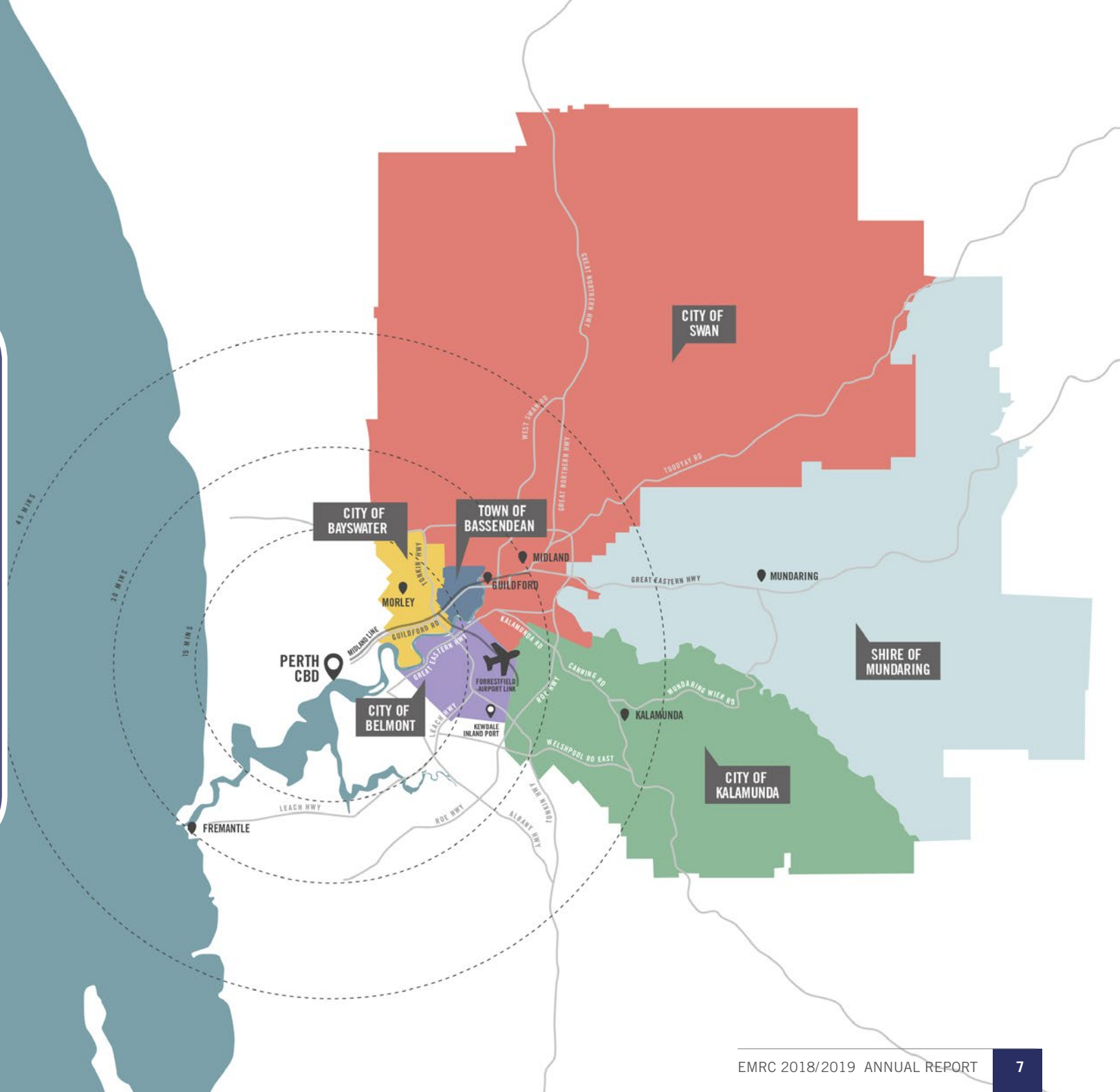
of Perth's metropolitan area, encompassing a land area of about

2,100 KM²

with an estimated population of

365,000

people.



Outgoing Chairman's Report

It was both a pleasure and a privilege to serve as Chairman of the EMRC during an important transitional phase in its history.

Achieving positive change for the benefit of stakeholders is a goal that all local governments aspire to. In the case of the EMRC, my experience as Chairman provided a unique perspective on how the EMRC's achieves this: its single-minded focus has always been, and continues to be, creating and delivering value for its member Councils and the region.

Following my election as an EMRC Councillor in November 2015, I was immediately impressed by the organisation's ability to foresee and develop opportunities across its specialist areas of waste management, regional advocacy and environmental sustainability.

My positive impressions continued to grow as I observed the EMRC's councillors and staff working single-mindedly to deliver positive outcomes for the benefit of Perth's Eastern Region.

Over recent months public interest in waste recovery, spurred by community concerns over environmental protection, has created expectations that organisations with specific responsibility in these fields are working towards providing sustainable short, medium and long term solutions. In the case of the EMRC, this is perfectly true.

The appointment as CEO of Mr Marcus Geisler, with his extensive professional background in the waste industry, marks a new focus and direction for the EMRC as it demonstrates its leadership, commitment to innovation and expertise.

Looking back, I can pinpoint the unanimous vote for adoption by Council of a FOGO Strategy in March 2019 as a pivotal moment of my chairmanship. The decision is fully aligned with Western Australia's Waste Strategy, encapsulated in the Waste Avoidance and Resource Recovery Strategy 2030, which calls for all metropolitan local government councils to provide a FOGO system by 2025. The EMRC's Strategy will also identify appropriate technology to implement long-term FOGO processing solutions for all EMRC member Council waste streams.

I would like to convey my sincerest best wishes to my successor, Cr Jai Wilson, for a successful chairmanship and wish him well for the future.

My thanks also go to the Executive Leadership Team and the dedicated staff of the EMRC for their unstinting guidance and support.

Finally, I will always be grateful to my fellow Councillors for their confidence in entrusting me with the responsibilities and duties of EMRC Chairman, working collaboratively for the benefit of the region. I wish the organisation every success as it rises to meet the challenges ahead.

Cr David McDonnell
EMRC Chairman

Incoming Chairman's Report

As the incoming Chairman of the Eastern Metropolitan Regional Council (EMRC), it gives me great pleasure to present the 2018/2019 Annual Report.

I would like to pay my respects to outgoing Chairman of the EMRC, David McDonnell, for the great work he did as Chairman of the EMRC during the 2018/2019 financial year.

We have an exciting year ahead and I am confident EMRC will continue to demonstrate excellence and innovation in the provision of services for, and on behalf of, our member Councils.

Cr Jai Wilson
EMRC Chairman

SAFE ACTIVE STREET

Chief Executive Officer's Report

There can be no doubt that these are pivotal times for the EMRC.

Entering the financial year 2018/2019 with an acknowledged leadership position in waste management, a second-to-none track record of effective advocacy for Perth's Eastern Region and for its staunch environmental protection, the following 12 months witnessed the EMRC continue to strengthen its reputation for delivering value for our member Councils across a range of quality programs and services.

Arriving as CEO just after the end of the year, I was delighted to find an organisation respectful of its past, geared to maximise the benefit from its current plans and strategies, and a future firmly aligned to delivering positive future outcomes for its member Councils.

Looking ahead, these qualities place the EMRC in a lead position as we gear up to maximise the full benefits from the biggest waste management revolution in WA for decades.

Our resources and capabilities will stand us in good stead as we commence the rollout of our Food Organics Garden Organics (FOGO) Recovery Strategy and gear up for the mid-2020 introduction of WA's Container Deposit Scheme. Both initiatives require extensive stakeholder consultation and communication which are being met with large-scale public awareness initiatives.

While waste management remains our principal focus, the popularity of our support for volunteer environmental groups and the work of our Waste Education team continued to generate significant community goodwill. Our focus on Sustainable Development Goals, advocacy and NRM contribute much to our understanding of the natural world around us and how we can preserve and protect our lands, hills and rivers.

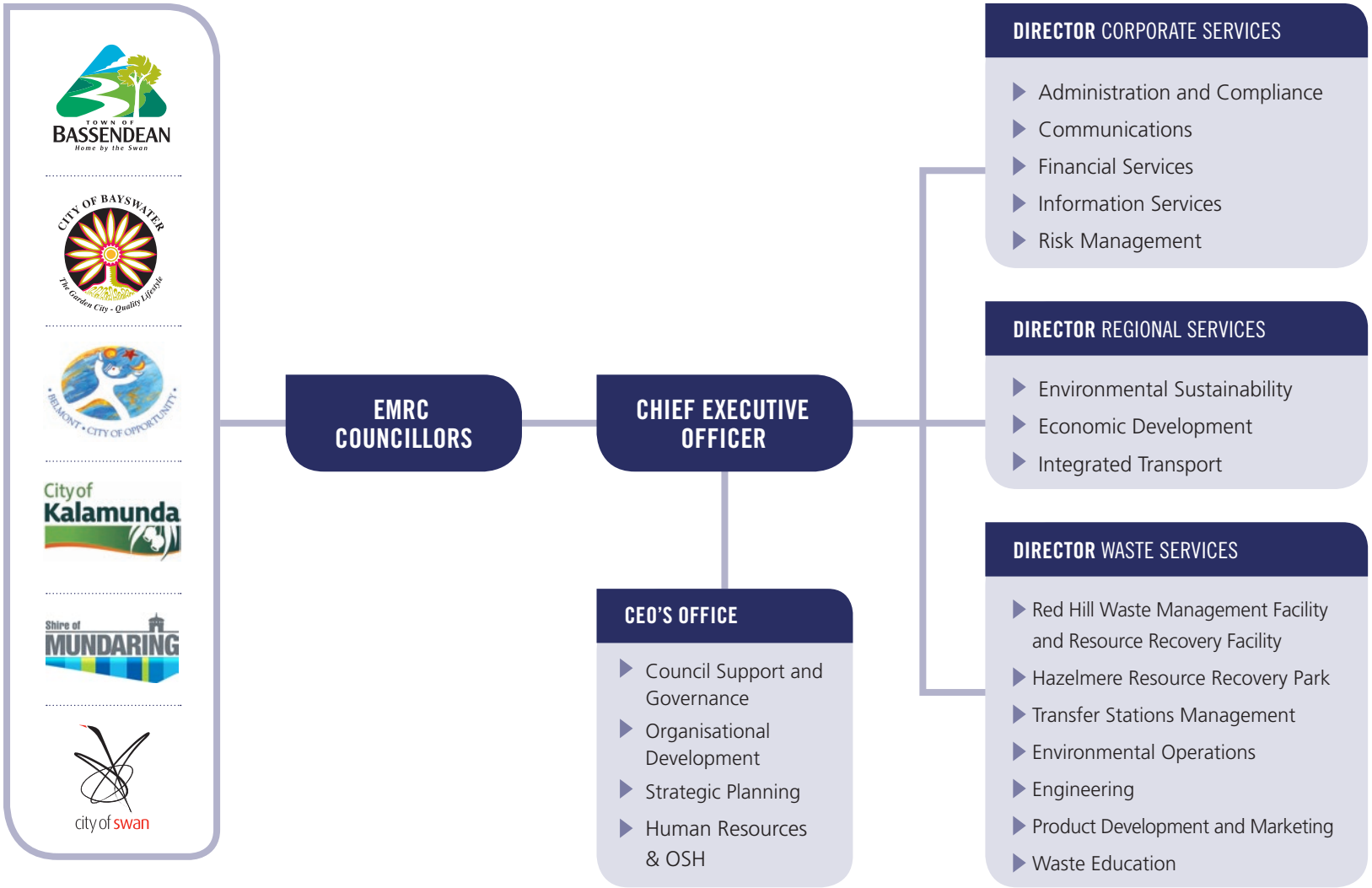
I have been highly impressed by the knowledge, direction and support provided by our Councillors and also that of the EMRC's staff, who strive every day to create and deliver value for our member Councils. This would be an opportune moment to offer my personal thanks to Wendy Harris who, in her role as Acting CEO, steered the EMRC through a transitional six months following the departure of former CEO.

I am deeply appreciative of the valuable and ongoing support provided by the EMRC's Executive Management Team of Hua Jer Liew, Director Corporate Services; Stephen Fitzpatrick, Director Waste Services, Wendy Harris, Director Regional Services and the entire EMRC Team.

I would like to thank the EMRC's outgoing Chairman, Cr David McDonnell, for his dynamic leadership of the EMRC. I am looking forward to working alongside our new chairman, Cr Jai Wilson of the Town of Bassendean, as together we seek to achieve the EMRC's vision of making Perth's Eastern Region not only a great place to live, work, play and do business, but also a place where, collectively and with a shared responsibility, we strive to avoid generating waste, recover more resources and value, as well as protect our environment moving towards resource efficiency and a Circular Economy.

Marcus Geisler
Chief Executive Officer

Organisational Structure



GUILDFORD
POST OFFICE
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6055

Elected Representatives

The EMRC's Establishment Agreement specifies that two councillors from each member Council be appointed to the EMRC's Council, while a third councillor is appointed to deputise in their absence. The appointed Council members as at 30 June 2019 were:

Back row: Cr Steve Wolff, Cr Adam Kovalevs, Cr David Lavell, Cr Melissa Mykytiuk, Cr Jai Wilson, Cr Geoff Stallard. **Front row:** Cr Sally Palmer, Cr Dylan O'Connor (Deputy Chairman), Cr David McDonnell (Chairman), Cr Barry McKenna, Cr Janet Powell. **Inset:** Cr John Daw

COUNCILLORS

- Cr David McDonnell – City of Swan – EMRC Chairman
- Cr Dylan O'Connor – City of Kalamunda – EMRC Deputy Chairman
- Cr Melissa Mykytiuk – Town of Bassendean
- Cr Jai Wilson – Town of Bassendean
- Cr Barry McKenna – City of Bayswater
- Cr Sally Palmer – City of Bayswater
- Cr Janet Powell – City of Belmont
- Cr Steve Wolff – City of Belmont
- Cr Geoff Stallard – City of Kalamunda
- Cr John Daw – Shire of Mundaring
- Cr David Lavell – Shire of Mundaring
- Cr Adam Kovalevs – City of Swan

DEPUTY COUNCILLORS

- Cr Kathryn Hamilton – Town of Bassendean
- Cr Filomena Piffaretti – City of Bayswater
- Cr Phil Marks – City of Belmont
- Cr Cameron Blair – City of Kalamunda
- Cr Doug Jeans – Shire of Mundaring
- Cr Ian Johnson – City of Swan

Councillor Attendance

COUNCILLORS	MEMBER COUNCIL	ORDINARY COUNCIL* (12)				AUDIT COMMITTEE (3)				CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW COMMITTEE (1)				RESOURCE RECOVERY COMMITTEE (1)				INVESTMENT COMMITTEE (0)				CHIEF EXECUTIVE OFFICER RECRUITMENT REVIEW COMMITTEE (3)				WASTE ADVISORY COMMITTEE (2)			
		✓	A	D	L	✓	A	D	L	✓	A	D	L	✓	A	D	L	✓	A	D	L	✓	A	D	L	✓	A	D	L
Cr Melissa Mykytiuk	Town of Bassendean	10	2			3								4												2			
Cr Jai Wilson	Town of Bassendean	10	1	1			1			3	1							1				3							
Cr Sally Palmer	City of Bayswater	11	1			3				4												3				1			
Cr Barry McKenna	City of Bayswater	9	1		1		1							4				1								1	1		
Cr Janet Powell	City of Belmont	10	1					3		3	1							1				2		1					
Cr Steve Wolff	City of Belmont	11	1			1								3	1											2			
Cr Dylan O'Connor	City of Kalamunda	12								4				2	1		1					3				2			
Cr Geoff Stallard	City of Kalamunda	9	1	1	1	3								2				1											
Cr John Daw	Shire of Mundaring	11			1	1				3	1											1	2			1			
Cr David Lavell	Shire of Mundaring	8	3			2	1							4				1								1	1		
Cr Adam Kovalevs	City of Swan	11					1							2	2			1											
Cr David McDonnell	City of Swan	12				3				4				2								2	1			2			
DEPUTY COUNCILLORS																													
Cr Kathryn Hamilton	Town of Bassendean	3																											
Cr Filomena Piffaretti	City of Bayswater	3																											
Cr Phil Marks	City of Belmont	1	1																										
Cr Cameron Blair	City of Kalamunda	2	3																										
Cr Doug Jeans	Shire of Mundaring	4																											
Cr Ian Johnson	City of Swan																												

✓ = Attended meeting A = Apology D = Did Not Attend L = Leave of Absence

Note: The total number of meetings held during 2018/2019 are shown in brackets next to the meeting title.

*Including Special Meetings of Council held on 29 November 2018, 30 May 2019, 6 June 2019 and 27 June 2019.

Incoming Council

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COUNCILLORS

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

DEPUTY COUNCILLORS

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

Executive Leadership Team

Left to right: Director Regional Services Wendy Harris, Director Waste Services Stephen Fitzpatrick, CEO Marcus Geisler, Director Corporate Services Hua Jer Liew

EMRC Services

The EMRC provides services in waste management, resource recovery, environmental management and regional development. Working with our member Councils, industry, government agencies and other stakeholders, the EMRC is a model of successful collaboration that delivers tangible benefits to the region.

CEO's Office

The CEO's Office undertakes council support and governance, organisational development and strategic planning for the organisation.

Corporate Services Directorate

The EMRC's Corporate Services Directorate provides administrative and operational support that meet both statutory requirements and the needs of internal and external customers. The directorate is responsible for the effective and efficient development and management of organisational policies, systems and processes.

Regional Services Directorate

The EMRC is the only metropolitan regional council in Western Australia to expand its services beyond waste management. The Regional Services Directorate provides a range of services and projects that focus on best practice land management, improving air and water quality, enhancing local biodiversity, stimulating economic development and advocating for a safe and efficient transport network in the region. The EMRC's Regional Services Directorate comprises two business units, Environmental Services and Regional Development.

The Environmental Services team builds upon strong partnerships and effective working relationships with the EMRC's member Councils and other stakeholders, including volunteer community groups to deliver the outcomes of the *Regional Environment Strategy 2016 - 2020*. With this strategy, the EMRC is one of the first organisations in Australia to progress regional environmental initiatives under the United Nations global Sustainable Development Goals framework.

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

Waste Services Directorate

The EMRC's Waste Services Directorate operates the Red Hill Waste Management Facility and the Hazelmere Resource Recovery Park, on behalf of all member Councils, as well as transfer stations at Coppin Road and Mathieson Road on behalf of the Shire of Mundaring.

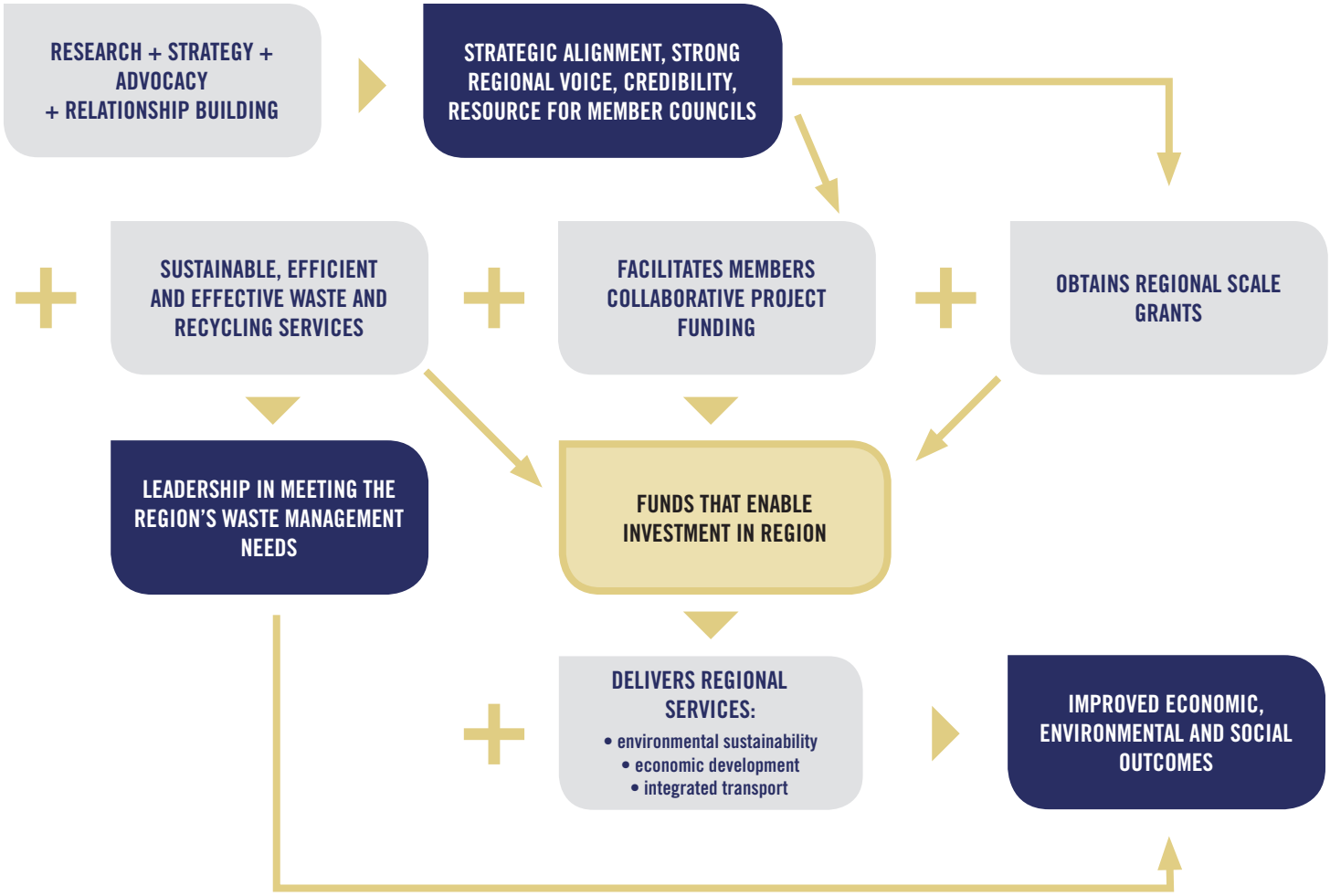
The EMRC undertakes a range of initiatives to divert material from landfill. Services provided by the EMRC which promote resource recovery include timber waste recycling; mattress processing; greenwaste recycling; and the collection of batteries, fluorescent lights and electronic waste for recycling.

The Resource Recovery Project, which is also driven by the Waste Services Directorate, aims to develop and implement resource recovery solutions to maximise the social, environmental and economic benefits to Perth's Eastern Region and minimise the amount of waste being directed to landfill. This is complemented by the development and implementation of waste education schemes and initiatives.

EMRC Service Delivery Model

The EMRC's Establishment Agreement provides it with a means of undertaking a wide range of projects and services and for member Councils to share resources and facilities. The cooperative, political and executive framework of the EMRC enables the member Councils individually and collectively to promote and advocate on issues for the benefit of local government and to better serve the community.

For over 35 years the EMRC has initiated and led projects for its member Councils that deliver real benefits to the region in the areas of waste management and resource recovery, environmental sustainability and regional economic development. These services enable member Councils to enhance outcomes for their communities and for Perth's Eastern Region as a whole. The EMRC's governance and service delivery model is sufficiently robust and flexible enough to enable the delivery of services to its member Councils on a regional scale. The EMRC also has a geographical advantage in that its members abut each other in a cluster. This grouping enables the EMRC to provide services at a scale which is beneficial to a region containing a huge variety of interests.



Committees

Council has appointed the following six committees to assist Council with its planning and decision making

Audit Committee

The Audit Committee assists Council with the effective conduct of its responsibilities for financial reporting, management of risk and maintaining a reliable system of internal controls.

It also assists Council with review and oversight of compliance with laws and regulations, and internal and external audit. The Committee consists of one Councillor from each member Council.

Chief Executive Officers Advisory Committee (CEOAC)

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

Chief Executive Officer Performance Review Committee (CEOPRC)

The Chief Executive Officer Performance Review Committee consists of one Councillor from each member Council and meets to review the Chief Executive Officer's performance, determine performance objectives to be met by the Chief Executive Officer and review the Chief Executive Officer's remuneration and contract of employment.

Waste Advisory Committee (WAC)

The Waste Advisory Committee comprises a Councillor and an officer from each member Council and the EMRC Chief Executive Officer as a non-voting member. The Committee reviews and provides reports on technical matters and recommendations to Council and advises on resource recovery and other waste-related matters.

The Waste Advisory Committee incorporates the functions of the Technical Advisory Committee and the Resource Recovery Committee, which were disbanded on 21 March 2019.

Investment Committee (IC)

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

Grants

Grants

EMRC Community Grants Program

The EMRC's Community Grants program provides financial support for community groups in the vicinity of the Red Hill Waste Management Facility. In 2018/2019 a total of $5,520 was awarded to Gidgegannup Scout Group, East Gidgegannup Volunteer Bush Fire Brigade, Gidgegannup Community Website and X-Speed Australia Cycle Club at a cheque presentation held on 19 October 2018.

Standards

Healthier Workplace

The EMRC has been recognised as a silver healthy workplace through The Healthier Workplace WA program, delivered by the Heart Foundation WA, in collaboration with the Cancer Council WA and the University of Western Australia. The EMRC maintained the silver Healthier Workplace standard throughout 2018/2019. EMRC health promotion and wellbeing initiatives included presentations on health topics, weekly yoga classes and annual flu vaccinations.

AS/NZS ISO 14001:2015

The EMRC's Environmental Development System (EMS) was developed in accordance with the ISO 14001:2004 certification for general and contaminated waste management, green waste composting and earth materials supply in relation to the Red Hill Waste Management Facility. Following a transition audit, the facility was certified as meeting the requirements of the new ISO 14001:2015 standard. The overall aim of this international standard is to support environmental protection and prevention of pollution in balance with socio-economic needs.

KEY RESULT AREA

01

Environmental Sustainability

TO PROVIDE SUSTAINABLE WASTE DISPOSAL OPERATIONS

Minimise the environmental impact of waste management operations.

The EMRC's core objective has always been to provide sustainable waste management with a focus on environmental performance. To implement this objective the EMRC follows a comprehensive Environmental Management System which is designed to produce continuous site improvement whilst minimising environmental impact. Following an audit in January 2019, the EMRC's Environmental Management System for the Red Hill Waste Management Facility was certified to the international ISO 14001:2015 standard. The EMRC continued to implement the Environmental Management System at the Red Hill Waste Management Facility in line with this new certification. The Environmental Management System assures the EMRC's stakeholders and the wider community that the Red Hill Waste Management Facility is meeting its environmental objectives, sufficient environmental management processes and activities are in place and that the facility has implemented practices to continually improve its environmental performance. A similar system is being investigated for the Hazelmere Resource Recovery Park.

The EMRC publicly reports its environmental performance in annual monitoring and compliance reports to the Department of Water and Environmental Regulation and annual compliance assessment reports to the Office of the Environmental Protection Authority. Throughout 2018/2019 the EMRC undertook works to minimise the environmental impact of operations on site including environmental monitoring, research and consulting to member Councils, ground water remediation, plume management, community engagement and site rehabilitation. A new leachate management system was implemented in December 2018 alongside new Class III leachate ponds. A review of the landfill area at the Red Hill Waste Management Facility documented rehabilitation works undertaken since 1992 and identified areas for future rehabilitation.

Provide a waste disposal service at Red Hill Waste Management Facility.

The Red Hill Waste Management Facility is one of Western Australia's largest municipal waste landfills and is acknowledged as one of the best in Australia. The Red Hill Waste Management Facility has a total area of 352 hectares and receives approximately 200,000 tonnes of waste per annum. The site includes:

- An approved Class I to IV landfill (including being Western Australia's only Class IV contaminated waste landfill cell);
- A transfer station;
- A Household hazardous Waste Collection Facility; and
- A compost and mulch processing facility.

The Red Hill Waste Management Facility contains one of Western Australia's local government composting operations that has been certified as meeting Australian Standards. The facility's on-site power station run by Energy Developments Limited generates up to four megawatts of electricity from recovered landfill gas for export into the grid. Currently, all non-recycled waste collected by the EMRC's member Councils is landfilled at the Red Hill Waste Management Facility.

The Red Hill Waste Management Facility continued to operate in compliance with Department of Water and Environment Regulation Licence Conditions. The Department of Water and Environment Regulation carried out Site Licence Compliance and Landfill Levy Inspections in September 2018, November 2018, January 2019 and May 2019 and the site passed these audits without any compliance issues raised.

Review and implement the Red Hill Waste Management Facility Development Plan

The *Red Hill Development Plan* continued to be updated by the Engineering and Operations team with input from consultants as required.

Operate member Councils' waste transfer stations where appropriate

In addition to the transfer station at the Red Hill Waste Management Facility, the EMRC operates the Coppin Road and Mathieson Road transfer stations on behalf of the Shire of Mundaring. Waste accepted at the transfer stations includes general waste, greenwaste, scrap metal, cardboard, motor oil (limit of 20 litres), white goods, mattresses, televisions, computers, batteries, tyres (fees payable), clothing and blankets, fluorescent lights, aluminium cans, glass and bottles; and paper and plastic. A Grab and Go facility at the Mathieson Road transfer station has continued to encourage residents to reuse household items.

TO IMPROVE REGIONAL WASTE MANAGEMENT

Collect, manage and dispose of problematic waste in the region in a sustainable manner.

The EMRC developed the Battery Collection program for schools and public places throughout Perth's Eastern Region in 2004 in response to a growing concern about the amount of household batteries going to landfill each year. In 2018/2019 the EMRC's Battery Collection program collected approximately 18.4 tonnes of household batteries from 105 schools and 43 public places including libraries, shopping centres and Council offices.

The Battery Collection Program for Schools held a interim collection competition between July – December 2018, so that the Battery Collection Program for Schools can be realigned with the Calendar year from the beginning of January, 2019.

The prize recipients were: Ellenbrook Secondary College - Winner of the 'Best New School' category, Belmont Primary School – Winner of the 'Small Schools' category, Darlington Primary School– Winner of the 'Medium Schools' category, High Wycombe Primary School – Winner of the 'Large Schools' category, and Sawyers Valley Primary School Winner in the 'Most Improved' category.

Compact Fluorescent Lamps contain small amounts of mercury which could be absorbed into the environment if not disposed of correctly. In order to keep these outr of the environment a public collection service is also available for these. In 2018/2019, approximately 1.8 tonnes of Compact Fluorescent Lamp tubes and globes were collected and recycled from 28 public places across the region.

Continue the Waste Education Program and align this to new operations and resource recovery.

The EMRC's Waste Education program offers a range of school and community group activities, community training courses and talks and tours of the Red Hill Waste Management Facility. As part of this program, the EMRC works with its member Councils to distribute information and programs to manage waste more efficiently. A key component of the program is maintaining information for the community through the R-Gang website. This site promotes ways to reduce, re-use, recycle and recover waste. The EMRC maintains an events recycling trailer which was provided to member Councils and community groups in the region to reduce litter and increase recycling at local events. Informative bin caps and "litter letters", promoting litter reduction, were distributed at various member Council events across the region.

Earth Carers training courses were run in November 2018 and May 2019. Each course included five sessions over three weeks to increase participants' knowledge of waste management in Western Australia and learn practical ways of reducing waste. Increasing awareness saw a total of 53 community members complete the course in 2018/2019.

Earth Carer members volunteered at a number of events including the Perth Royal Show, Australia Day at Ashfield, and Perth Garden Festival. The Waste Education team attended 11 community events at the request of member Councils, 19 school engagements, 6 community presentations and 2 joint events with regional Councils. The team also organised and promoted a range of community events across the region.

The annual Waste and Recycling guides were also developed in partnership with five member Councils. These guides provide important information for residents within Perth's Eastern Region on how to manage and reduce household waste. Across the five versions a total of 160,300 copies were printed for distribution.

The Red Hill Environmental Education Centre continued operation throughout 2018/2019 with a total of 48 school and community groups were taken through the site with 1,791 people participating. Waste Education was also linked with the EMRC's Bush Skills 4 Youth program offering a more holistic approach to environmental education for school groups.

18.4

tonnes of household batteries collected

Provide a Waste Management Advisory Service.

The EMRC undertakes a range of consulting works relating to waste management on behalf of its member Councils and other local government bodies. These works have included undertaking contaminated site investigations at decommissioned landfills, groundwater and surface water monitoring, landfill gas assessments and site remediation activities. In 2018/2019 the EMRC provided consultancy services for sampling and analysis of contaminated waste material and undertook a preliminary site investigation for a site in the City of Bayswater.

TO PROVIDE RESOURCE RECOVERY AND RECYCLING SOLUTIONS IN PARTNERSHIP WITH MEMBER COUNCILS

Establish a Resource Recovery Facility.

The HZI Consortium has amended their environmental approval for the proposed East Rockingham Waste to Energy Facility and is proceeding to financial close. Subject to these conditions being met, waste deliveries from participating member Councils are expected to commence in 2022/2023.

Develop the Hazelmere Resource Recovery Park.

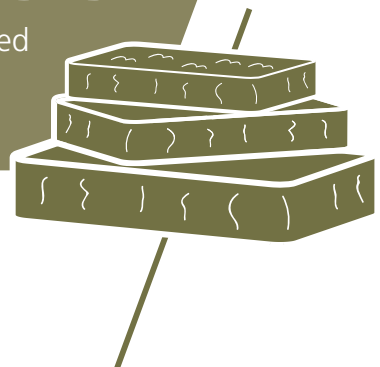
The Hazelmere Resource Recovery Park is home to Western Australia's first mattress and timber recycling operations. The purpose of the park is to recover resources from some waste streams destined for landfill and provide the opportunity to re-use materials.

The EMRC's current timber recycling activities involve processing untreated wood waste (such as pallets, packaging and crates, off-cuts and cable reels) into woodchip fines and woodchip. The woodchip fines are sold as an 'end product' to established markets in the broiler grower and livestock industries for animal bedding, whilst the woodchip remains as residual waste for which there are currently limited markets (landscaping and animal bedding). Timber processing and mattress processing at Hazelmere Resource Recovery Park in 2018/2019 included:

- 13,062 tonnes of wood waste was received during the year and converted into woodchip fines, woodchip and coloured woodchip;
- 11,929 tonnes of woodchip fines was supplied to broiler growers for animal bedding;
- 290 tonnes of coloured woodchip was supplied to landscapers;
- 13,453 mattresses were received and processed on site; and
- 490 tonnes of commercial and industrial waste were received and processed on site.

13,453

mattresses received and recycled



In 2018/2019 the EMRC made headway on development of the Hazelmere Resource Recovery Park. The Commercial and Industrial Waste Sorting Facility continued to accept dry commercial and industrial waste from commercial customers and local government bulk verge waste and recover resources from these waste streams, thus diverting waste from landfill whilst also providing an opportunity to re-use materials. The next major development at the site, the Wood Waste to Energy Plant, is currently under construction with commissioning expected in 2020.

The Wood Waste to Energy Plant will convert woodchip, to renewable electricity and biochar. The electricity generated will be used as a power source for the onsite facilities and excess electricity will be exported to Perth Airport Pty Ltd via a dedicated power cable. The biochar will be sold to the market.

The next stage of the Hazelmere Resource Recovery Project is development of a new commercial entrance, weighbridges, site-wide roadworks and a greenwaste processing area. Other proposed developments at the Hazelmere Resource Recovery Park include a new administration office and education centre, a workshop and a Materials Recovery Facility.

Identify markets and develop resource recovery products and markets in order to reduce waste going to landfill.

A range of high-quality products make use of materials recovered during the creation of landfill cells. These products include mulch, ferricrete, woodchip, coloured woodchip, woodchip fines, soil improver and clay. The EMRC maintained accreditation to Australian Standard AS4454 for mulch at the Red Hill Waste Management Facility and produces ferricrete similar to Main Roads specification.

Products recovered from the Commercial and Industrial Waste Sorting Facility include timber, scrap metals, cardboard and mixed plastics.

TO INVESTIGATE LEADING EDGE WASTE MANAGEMENT PRACTICES

Undertake research into Integrated Waste Management.

The EMRC is jointly contributing to research for a PhD project at Edith Cowan University into the use of vetiver grass to develop a vetiver biofiltration system for the treatment of landfill leachate. The project will run over five years.

Provide leadership in the development of waste policy and practices.

The EMRC has a reputation as an innovative leader in responsible waste management and has demonstrated expertise in management and coordination of household waste, resource recovery and recycling services, managing and operating landfill sites, delivering education and awareness programs and providing and maintaining waste management infrastructure.

During 2018/2019 the EMRC provided a submission on the review of the Waste Authority's State Waste Strategy, a submission on the Discussion Paper – Controlled Waste Review and other regulatory matters and continued to represent the region on the WALGA steering group for the development of a Container Deposit System in WA.

Identify, investigate and develop new waste management practices and services.

The EMRC is currently investigating and developing business cases for several new initiatives at the Red Hill Waste Management Facility and Hazelmere Resource Recovery Park which will deliver new waste services for the region.

TO CONTINUE TO CONTRIBUTE TOWARDS IMPROVED REGIONAL AIR, WATER AND LAND QUALITY, REGIONAL BIODIVERSITY CONSERVATION AND ADDRESS CLIMATE CHANGE

Review and implement the *Regional Environment Strategy 2016 – 2020.*

In implementing the *Regional Environment Strategy 2016 – 2020* the EMRC became one of the first organisations in Australia to progress regional environmental management under the Agenda 2030 Sustainable Development Goals framework. The Sustainable Development Goals, ratified by the Australian Government, provide a new and exciting strategic method for the EMRC to work effectively with member Councils and stakeholders towards achieving excellence in environmental protection and management. As a result the Regional Environment Strategy 2016-2020was nominated under the Government category in the 2018 Banksia Sustainability Awards in 2018.

The EMRC is taking an active and innovative leadership role in environmental management in Perth's Eastern Region by embracing the Sustainable Development Goals, continuing an ongoing partnership with the Cooperative Research Centre (CRC) for Water Sensitive Cities and taking opportunities to work with Murdoch and Curtin Universities to leverage funding for research projects for the benefit of the region.

Review and Implement the Eastern Region Catchment Management Program.

The Eastern Region Catchment Management program is a partnership between the City of Kalamunda, Shire of Mundaring, City of Swan, Department of Biodiversity, Conservation and Attractions and the EMRC that has operated for over 15 years to support the Councils and their community groups in protecting and managing the biodiversity, waterways and catchments of the area. The Eastern Region Catchment Management program provides opportunities for regional advocacy, grant applications and implementation, coordinated community engagement for natural area enhancement, strengthening of messaging for biodiversity conservation and skilled officers to provide expert support and information.

The program also includes the delivery of the award-winning Bush Skills 4 Youth program as well as Bush Skills for the Hills workshops; 20 Million Trees projects; Greenpage Newsletter; Community Capability project; and revegetation and water quality initiatives. Highlights from the 2018/2019 financial year include delivery of 10 Bush Skills for the Hills workshops, with topics including feral animal and erosion control, dieback treatment

training and foreshore Condition assessment training; completion of the 20 Million Trees revegetation program; hiring the EMRC's steam weeding machine to member Councils and other agencies; continuing projects under the Swan and Alcoa Landcare Program; and assisting community groups and member Councils with Community Rivercare Grants. The success of the program is supported by an active and diverse group of over 1,700 volunteers. The EMRC also organised the popular 2018 End of Year Volunteer function for over 120 volunteers from the region's catchment groups and 'friends of groups' to celebrate their achievements over the period.

The EMRC has also continued to deliver the Community Capability project supported by grant funding from the Western Australian Government's State Natural Resource Management (NRM) Program. The project is providing the region's volunteer base with targeted skills development, supporting

recruitment of new volunteers and providing on ground assistance and support to develop an engaged, capable, coordinated and proactive community. Planning and implementation of on ground activities is considering Noongar values and traditional ecological knowledge relating to NRM. In addition, community focused workshops are an essential part of the project with topics such as how to use social media to engage the community Indigenous Landcare with Dr Noel Nannup and Dale Tilbrook and Catchment Group Succession Planning. These workshops provided catchment and friends group members with the skills and knowledge to utilise social media to promote group activities, engage new volunteers and network with relevant groups and organisations.

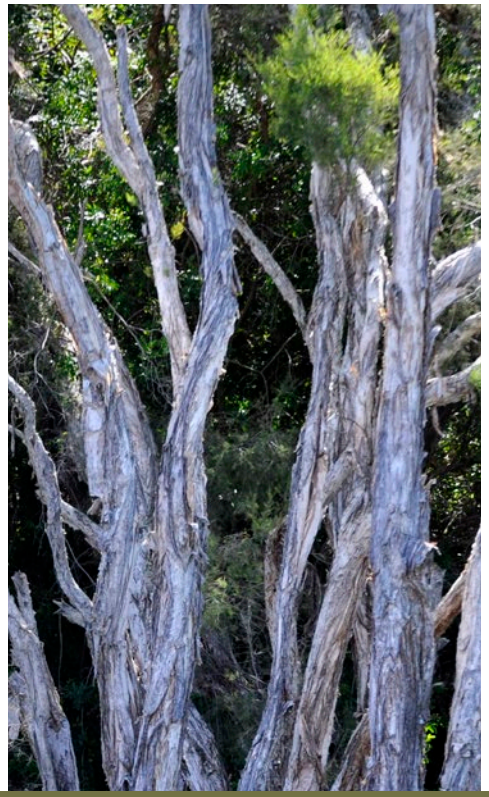
Bush Skills 4 Youth was added to the program in the 2018/2019 period and was developed in response to member Council priorities for community education and engagement to support environmental stewardship. This initiative has been one of the EMRC's most successful in recent years with 53 workshops delivered across the region with 1,477 children and 425 adult taking part in the sessions in 2018/2019.

The EMRC was successful in receiving a Lotterywest grant in 2018 for the 'Farm Dams as refuges for freshwater plants and animals in a drying climate' project. This project was completed during the 2018/2019 period collaboratively with Murdoch University as our research partner and had a strong citizen science component. Our drying climate is having serious impacts on streams and wetlands, which has increased the risk of extinction for fish. The findings of this project will be presented to the community and member Councils in August 2019. This knowledge will increase the capacity of all landholders with farm dams to manage them to sustain native biodiversity into the future.

The EMRC also supported itsmember Councils by assisting with applications for funding through various grant funding opportunities such as the implementation of the Shire of Mundaring's State NRM grant to manage blackberry in sensitive watercourses; Jane Brook Catchment Group's SALP and Community Rivercare grants to increase the bushland and water quality values in Lion Mill Creek Reserve. In addition, the EMRC coordinated the implementation of a SALP grant, in collaboration with the City of Kalamunda to improve water quality and environmental values at Lower Lesmurdie Falls.

The EMRC also provided significant support to our member Councils Friends of Groups and regional Catchment Groups in undertaking the coordination and implementation of landcare activities such as planting and weeding days, attendance at Catchment Group committee meetings across the City of Swan, Shire of Kalamunda and Shire of Mundaring catchments. In addition, during the 2018/2019 period the EMRC assisted Jane Brook, Helena River and Susannah Brook Catchment Groups, supportin g them with implementing constitutional changes per the new requirements from the Department of Mines, Industry Regulation and Safety (Resource and Environmental Regulation Group).

The EMRC also supported our regions volunteers through the organisation and attendance at a number of regional events during the 2018/2019 period. These included hosting the Volunteering in Perth's Eastern Region stall at the Blue-Sky Festival, support for the 202020 Vision for the upcoming urban forest Growing Together Tour, Gidgegannup Small Farm Field day and other events in support of Catchment Groups, Bush Skills 4 Youth and the Eastern Region Catchment Management Program.



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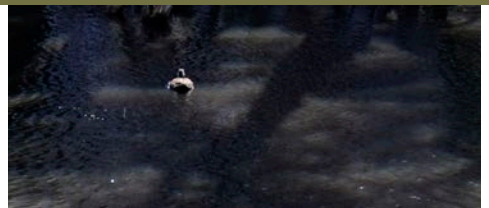


Review and implement the Swan and Helena Rivers Framework.

The EMRC, four of its member Councils and the Department of Biodiversity, Conservation and Attractions work in partnership to enhance the Swan and Helena Rivers through a coordinated management framework. The Swan and Helena Rivers are iconic landscapes in Perth's Eastern Region recognised for their natural, cultural and social values. They provide a regional resource in terms of ecosystem functions, access to the natural environment, and recreation, social, historic and economic links. The EMRC supports a collaborative approach under this framework including representing the region on the River Protection Strategy Advisory Group

The need for up to date flood risk information on the Swan and Helena Rivers was identified through a major review of the Swan and Helena Rivers Management Framework and the EMRC's Regional Climate Change Adaptation Action Plan. The 'Understanding and Managing Flood Risk' staged project was initiated in 2014 and has received funding to date through the Natural Disaster Resilience Program administered by the Western Australian State Emergency Management Committee under a National Partnership Agreement between the Western Australian and Commonwealth governments, and the Office of Emergency Management through the All West Australians Reducing Emergencies (AWARE) Program.

The project delivered Stages one and two in previous years and Stage three was finalised in 2018/2019 period. The project delivered all the local governments along the study area with updated floodplain mapping for a range of events, Flood Risk and Vulnerability Assessments for each participating Council and a revised Floodplain Development Strategy which will be incorporated into state and local government planning. Future stages of the project are proposed to develop flood risk adaptation planning documentation for participating local governments, as well as develop awareness materials and undertake community engagement.

The Swan and Helena Rivers are iconic landscapes in Perth's Eastern Region recognised for their natural, cultural and social values. They provide a regional resource in terms of ecosystem functions, access to the natural environment, and recreation, social, historic and economic links.

Review and implement the Water Quality and Conservation Program.

The EMRC's Water Quality and Conservation program offers support and guidance to reduce water consumption across the region and takes a structured approach enabling local governments within Perth's Eastern Region to continue to be leaders in water management. The program provides opportunities to improve water efficiency and water quality to ensure a sustainable water future for local governments, the community and the environment. Through this program, the EMRC assists member Councils and the Town of Victoria Park to maintain Waterwise Council status.

In 2018/2019, the EMRC prepared relevant member Council Water Data Report Cards; undertook water data anomaly investigations and reported findings; liaised with the Department of Water and Environmental Regulation and Water Corporation on issues and information relating to groundwater reporting and the Waterwise Council program; facilitated water team meetings to achieve implementation of participating member Councils' Water Efficiency Action Plans; identified facilities with the highest volumetric consumption increases of water for investigation; and progressed and recorded implementation of water efficiency actions. The City of Belmont and the Shire of Mundaring retained their Waterwise Council status; the Town of Bassendean, City of Swan and Town of Victoria Park all achieved Gold Waterwise Council status.

The EMRC also ensured that the region was represented at key strategic events. These events representing the region at the 'Water Sensitive Cities Index Diagnosis and Action Development' workshop and on the Western Region Advisory Panel Cooperative Research Centre (CRC) for Water Sensitive Cities Integrated Research Project 2 Steering Committee and. This research project to develop an integrated economic evaluation framework includes the opportunity to assist with development and testing of a Benefit Cost Analysis Tool and Non-Market Value Tool including Benefit Transfer for water sensitive urban design and application of the tool through a case study of a development in Bellevue within the Shire of Mundaring and City of Swan.

Implement the Achieving Carbon Emissions Reduction Program.

The EMRC aspires to have Perth's Eastern Region recognised as a leader in corporate carbon management and energy efficiency by reducing carbon emissions to ensure that the region minimises its impact on the environment both now and into the future. The Achieving Carbon Emissions Reduction program (ACER) was developed to monitor, mitigate, reduce and report on corporate carbon emissions and provide a structured approach for member Councils to ensure continual improvement and to advance their leadership positions in the community regarding carbon management.

The EMRC provides technical information and a range of assistance to support participating Councils in reviewing and developing energy efficiency and emissions reduction strategies, plans and emissions targets, as well as implementing actions such as solar PV system and LED lighting installations. The EMRC also maintains Home Energy Audit Kits at relevant member Council libraries and provides media articles to assist with community awareness. As part of both ACER and the Water Quality Control Plan (WQCP), participating Councils monitor energy use, emissions and water use through Planet Footprint. The EMRC assists with the management of the Planet Footprint software to enable Councils to address high use in facilities and monitor efficiency measures. This includes coordinating quarterly performance and service level reviews to identify top consuming assets of water and energy, identifying any anomalies, analysing current performance and undertaking data analysis of the participating member Councils' energy, fuel and water consumption, including tracking towards reduction targets.

Identify, investigate and develop new environmental and sustainability opportunities.

In recent years, member Councils have been proactive in undertaking energy and water efficiency retrofits and upgrades, supported by the EMRC's Sustainability Programs and external grants. For many Council facilities, the most easily identified actions have now been completed - lighting retrofit, air conditioning upgrade and solar PV installation. The next steps to achieve long term sustainability require a deeper understanding of facility performance.

Member Councils have also identified that cost benefit analysis of retrofitting opportunities and benefits to assess financial return on investment is a gap in existing programs and services.

The Regional Benchmarking Building Efficiency Project has been proposed to our member Councils during the 2018/2019 period and is proposed to be undertaken over two years. The project will involve assessing a sufficient number of buildings/ facilities of various types across the Region to be able to identify areas of success and highlight areas for potential improvement. It is important to establish a robust database to better understand Key Performance Indicators for each facility type; quantify benefits and financial savings potential; and identify the most cost-effective retrofits and upgrades.

The EMRC aspires to have Perth's Eastern Region recognised as a leader in corporate carbon management and energy efficiency by reducing carbon emissions to ensure that the region minimises its impact on the environment both now and into the future.

KEY RESULT AREA

02

Economic Development

The EMRC provides a range of services and projects designed to stimulate economic development and advocate for a safe and efficient regional transport network, all aimed at supporting social outcomes for the region. Programs and projects are delivered within key strategies that provide a flexible response to emerging regional issues and the needs of member Councils.

Three key regional strategies are regularly reviewed and updated in partnership with member Councils. They were developed through consultation with member Councils and supported by research to ensure that they provide effective solutions to making the region a great place to live, work, play and do business.

The three strategies are the *Integrated Transport Strategy 2017-2021*; the *Economic Development Strategy 2017-2021* and the *Environmental Strategy 2016-2020*. In addition, the EMRC also has a Regional Advocacy Strategy coordinating advocacy actions for the period 2016-2020, including not only transport and economic development but also environmental and waste services.

TO FACILITATE AND ADVOCATE FOR INCREASED INVESTMENT IN REGIONAL INFRASTRUCTURE

Review and implement the Regional Integrated Transport Strategy.

Perth's Eastern Region is WA's key air, rail and road transport hub servicing passenger and freight demands of the state. The provision of an efficient and safe regional transport network is a critical issue, particularly with predicted population and transport growth. The EMRC works closely with key stakeholders to identify opportunities to address the future transport needs of residents and visitors to the region, under the *Regional Integrated Transport Strategy (RITS) 2017-2021*.

The Strategy promotes relevant and contemporary issues including road safety; infrastructure design; congestion; intelligent transport systems; travel demand management and route optimisation; behaviour change; self-sufficiency and decentralisation; active transport; public transport; transit-oriented developments; freight network resilience; new technologies; vulnerable populations; and mobility.

In 2018/2019, the EMRC completed a *Regional Congestion Action Management Plan* under the guidance of the Regional Integrated Transport Implementation Advisory Group. With members drawn from the EMRC and its six member Councils, Department of Transport, Main Roads WA, Public Transport Authority, Department of Planning, Perth Airport Pty Ltd, Western Roads Federation, WA Road Safety Commission, RAC, Westcycle and the Western Australian Local Government Association (WALGA). The group met regularly in 2018/2019 to promote transport strategies, plans and initiatives.

The EMRC conducted a Perth Airport Precinct Tour for key stakeholders, providing updates on completed and future projects, the proposed new runway and a tour of the Woolworths Distribution Facility.

TO FACILITATE AND ADVOCATE FOR REGIONAL ECONOMIC DEVELOPMENT ACTIVITIES

Review and implement the Regional Economic Development Strategy.

Within the boundaries of Perth's Eastern Region are a multitude of economic centres supporting a vast range of businesses and industries. Each of these centres, the businesses within and the community surrounding them require different levels of support, intervention and regulation. The EMRC has supported member Councils and industry stakeholders to achieve economic development outcomes since 1998.

The EMRC works with member Councils and other stakeholders to ensure the region capitalises on its strategic advantages, attracts investment and develops a diverse industry base, as outlined in the Regional Economic Development Strategy. During 2018/2019, the EMRC continued to provide REMPLAN, Profile.id and Atlas.id subscriptions to enable member Councils and the EMRC to obtain relevant regional economic and social-demographic profiling data.

In 2018/2019, the EMRC offered two opportunities to businesses: the Business Exemplar project and the 'How to do Business with Local Government' forum.

The Business Exemplar project, offered free to award-winning regional businesses, provided a public relations package and provided additional promotion for business associations and groups within Perth's Eastern Region.

The EMRC hosted six Economic Development Officers Group meetings, covering topics including the future of work, NBN progress and business trends.

Nearly 40 regional businesses gained valuable insights into competing for local government tenders through a WALGA "How to do Business with Local Government" forum hosted by the EMRC. The event focused on how to best respond to local government tenders, what it means to become a WALGA 'preferred supplier' and the process for gaining pre-qualified status.

The EMRC hosted six Economic Development Officers Group meetings, covering topics including the future of work, NBN progress and business trends.

Identify and investigate strategic regional development project and investment opportunities.

The EMRC has been working with its six member Councils, two non-member Councils (Town of Victoria Park and City of Canning) and industry partner Perth Airport Pty Ltd to promote the City Deal proposal, "Connect Perth's East" which was lodged with the WA State Government in January 2018. The proposal leveraged existing and new markets via improved connectivity, clustering and innovation. This was achieved through producing the greatest amount of productivity to generate the greatest economic output that was supported by enhanced Liveability in Perth's Extended Eastern Region (PEER). "Connect Perth's East" also identified alignment between the PEER Group's priorities and state and federal government priorities.

The "Connect Perth's East" City Deal proposal comprised two distinct themes, Productivity and Liveability, which recognised the complementary and integrated competitive advantages of an enhanced and integrated PEER over the next 15 years. The proposal connected the eight local governments and Perth Airport Pty Ltd to wider WA, the nation and the Asia-Pacific region and beyond and connected PEER's productive precincts, communities and jobs. The proposal ensured that the region continued to be a productive leader in freight, logistics, transport, manufacturing and warehousing with an appropriate skills based workforce, a productivity leader in clustering/colocation and innovation, a liveability leader in diverse and affordable housing that is well connected to public transport and a liveability leader in resilience, sustainable densification, regeneration, revitalisation and urban infill.

The proposal has delivered significant federal and state government funding to major road and rail infrastructure projects in Perth's Eastern Region.

TRAMS STOP HERE
WHEN REQUIRED
TRAMSTOP
village tram stop
EXPERIENCE
TRADITION
HISTORY
ON BOARD A TRAM
68
891

TO FACILITATE REGIONAL CULTURAL AND RECREATIONAL ACTIVITIES

Continue the coordination, marketing and promotion of regional events.

The EMRC's regional events program sets out to leverage local community events, designed to attract a relatively local market, and support these events through a wider audience and coordination of grant funding and regional marketing. Through its regional approach, the program provides a cost-effective mechanism for promoting to a much wider audience.

The EMRC's participating member Councils, alongside non-member Councils the Shire of Toodyay and Shire of Northam, contribute to the regional events program both financially and through collaboration and cross promotion of each other's activities. By working together, the program leverages a stronger and more cohesive position within the tourism market and supports member Council investment in events to maximise marketing budgets and expand market reach. These events included the Avon Descent Family Fun Days, Perth Autumn Festival and the Hello Spring Campaign in 2018/2019.

The Avon Descent Family Fun Days are a range of family-friendly weekend events which take place over the first weekend of August. Activities, entertainment and food were provided along the river to coincide with the 2018 Avon Descent White Water Race, which regularly attracts around 25,000 spectators.

These annual events presented great opportunities for the community to come out and support competitors as they tackled this incredibly challenging race. With five events spread along the 124km of river foreshore, incorporating a huge range of on-shore activities, this was a great weekend to get outdoors with family and friends.

The EMRC coordinated a regional marketing campaign for the 2018 Avon Descent Family Fun Days at a cost of $52,600 and delivered over $113,900 in advertising value.

This campaign, along with a significant contribution to event staging costs was funded through support from Lotterywest.

Since becoming involved, the EMRC has secured more than two and a half million dollars in grant funding for these events.

The region's Hello Spring Campaign and Autumn festival are a seasonal collection of community events held across the region from September to November and March through to May respectively. The Hello Spring Campaign delivered 61 events and the Autumn Festival delivered 30 across the period. The events were promoted through the www.perthseasternregion.com.au website.

KEY RESULT AREA

03

Good Governance

TO PROVIDE ADVICE AND ADVOCACY ON ISSUES AFFECTING PERTH'S EASTERN REGION

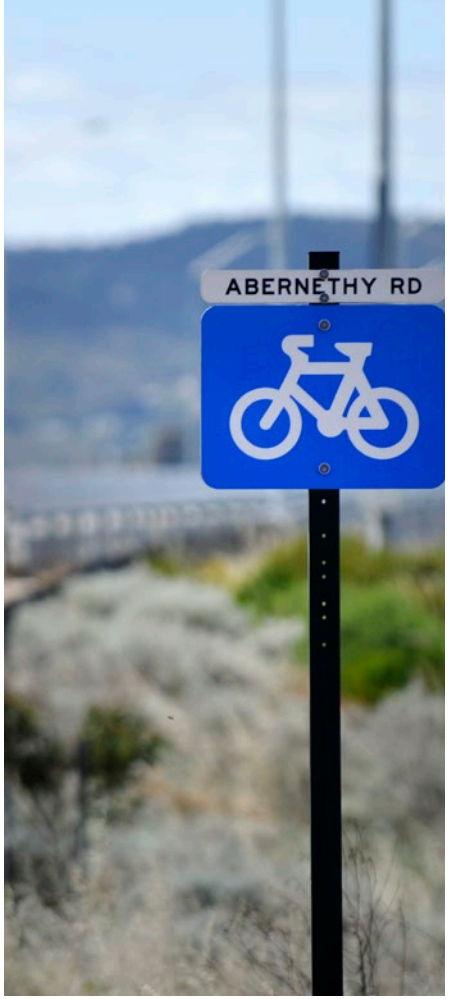
Review and implement the Regional Advocacy Strategy 2016 – 2020.

The EMRC's *Regional Advocacy Strategy 2016 – 2020* provides a collective voice for regional priorities. In pursuing regional outcomes that benefit member Councils, the EMRC initiates and develops relationships with individuals, organisations and state and federal governments. This strategy is outward-focused with the capacity to deliver broad scale, big picture outcomes.

The *Regional Advocacy Strategy 2016 – 2020* priorities and areas of focus for Perth's Eastern Region are:

The Connect Perth's East City Deal proposal set out a vision embracing infrastructure improvements to enhance productivity and liveability, aimed at creating Western Australia's most connected, productive and liveable region by 2032. It encompassed regionally significant projects across the EMRC's six member Councils, non-member Councils the City of Canning and Town of Victoria Park and strategic industry partner, Perth Airport Pty Ltd. Following the proposal's presentation to the state government in January 2018, meetings were ongoing with both the state and federal government on funding key projects.

Two major components of a Federal funding package, announced in March 2019, align with key projects contained in Connect Perth's East. The Government's funding proposals include $13.25 million to upgrade a 3 kilometre stretch of Abernethy Road in Kewdale. Identified as a bottleneck in the proposal, Abernethy Road is a key freight route providing direct access to Kewdale, Forrestfield and Hazelmere industrial areas. It currently serves 19,000 vehicles day – projected to rise to 28,000 by 2031 – of which a quarter are heavy freight vehicles.



REGIONAL WASTE MANAGEMENT
Waste reduction and resource recovery
Environmentally sustainable solutions
Capacity for the future
REGIONAL ENVIRONMENT MANAGEMENT
Swan and Helena Rivers
Natural resource management
Climate change
REGIONAL ECONOMIC GROWTH
Business growth, investment and innovation
Infrastructure to support strategic centres and population growth
Maximise infrastructure benefits
REGIONAL INTEGRATED TRANSPORT
Increase and maximise benefits of infrastructure and services
Behaviour change
Safety

$13.25 million

Government funding proposal to upgrade a 3 kilometre stretch of Abernethy Road in Kewdale.

Also included is a $20 million contribution to extend Lloyd Street in Hazelmere, creating a southern entry to Midland and providing direct links to Midland, the Hazelmere industrial area and Perth Airport.

The EMRC continues to actively engage with its six member Councils, relevant ministers, local members of parliament, government agencies and key stakeholders on the delivery of services in waste management, resource recovery, transport, economic development, natural resource management, sustainability and climate change.

Other actions of regional relevance included providing regional representation on peak bodies and committees including:

- NorthLink Southern Construction Group and Freight and Road User Group;
- Northam Avon Descent Association;
- WALGA Cycling Reference Group;
- North East Youth Organisations Network;
- CRC for Water Sensitive Cities – Western Regional Advisory Panel;
- CRC for Water Sensitive Cities – Integrated Research Project 2;
- Water Resources State Planning Policy Stakeholder Reference Group:
- WALGA Climate Change Collaborators;
- WALGA Sustainability Officers Networking Group;
- Swan Region Strategy for Natural Resource Management Committee;
- Swan Canning River Protection Strategy Advisory Group;
- Department of Parks and Wildlife Rivers and Estuaries Division
- Sub-Regional Groups Chairs and Coordinators Meeting;
- Sustainable Schools WA Alliance;
- Municipal Waste Advisory Council and committees
- Officers Advisory Group, Household Hazardous Waste Committee, Contaminated Sites Committee;
- Regional Councils Working Group
- Australian Landfill Owners Association; and
- Waste Management Association of Australia.

Media releases prepared and distributed to advocate EMRC initiatives included the following:

- Regional Economic Development – Federal infrastructure funding boost welcomed
- Regional Events – EMRC receives Lotterywest funding for 2019 Avon Descent Family Fun days
- Regional Economic Development - $1.7bn road infrastructure spending for Perth's east welcomed by the EMRC
- EMRC 2018/2019 Community Grants Program

The priorities, focus areas and intended actions identified in the Regional Advocacy Strategy 2016 – 2020 remain constant for the life of the strategy with reporting against the actions modified as required in order to respond to emerging issues and opportunities for Perth's Eastern Region. The EMRC is regarded as a credible partner for regional projects and the EMRC model is held in high regard by other Councils and the state and federal government and their agencies.

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Meltham Station
Train Replacement Bus Stop

TO MANAGE PARTNERSHIPS AND RELATIONSHIPS WITH STAKEHOLDERS

Continue to foster and enhance relationships with member Councils and all key stakeholders.

The ongoing sustainability and development of the region depends on the strength and ability of the region to pool its resources to compete for public and private investment, deal with community issues, capitalise on opportunities and influence outcomes. This can be achieved through education and awareness-raising or through directly influencing key decision-makers and key stakeholders for the purpose of achieving specific outcomes.

The EMRC works with member Councils to provide a collective voice for the region and to be a conduit for collaboration and advocacy on issues of regional significance. In pursuing regional outcomes that benefit member Councils, the EMRC initiates and develops relationships with individuals, organisations and state and federal governments. The aim of this approach is to assist the region to fulfil its potential by attracting and increasing investment and supporting activities that contribute to making Perth's Eastern Region a great place to live, work, play and do business.

Member Council officers provide input to the EMRC on the development and delivery of strategic projects and relevant strategies through participation on steering groups. The Waste Services Directorate also meets regularly with groups comprising of member Council officers, particularly through the Regional Waste Education Steering Group and Resource Recovery Project Advisory Group.

The Resource Recovery Project Advisory Group provides direction on the delivery of the Resource Recovery Project. The Regional Waste Education Steering Group meets to review, advise and collaborate on waste education matters for the region, and in particular the implementation of actions to meet the objectives of the Regional Waste Education Strategy. Regional Services advisory groups meet regularly to consider regional economic, transport and environmental projects and initiatives and assist in guiding EMRC strategies.

Representation from each participating member Council and the EMRC constitute each group's membership with an expanded membership of the Regional Integrated Transport Strategy Implementation Advisory Group including numerous key stakeholders with an interest in transport.

In addition, project teams comprising representatives from participating Councils meet to provide guidance to the EMRC's role in regional events and a TravelSmart working group informs the Regional Integrated Transport Strategy Implementation Advisory Group on public and active transport matters.

Advancing the interests of Perth's Eastern Region through strategic and proactive representation and effective working relationships, across all three tiers of government, is a key enabler for investment attraction and development in the region. The EMRC's regional areas of priority are consistent with delivering on the core function of working on behalf of our member Councils and making the region stronger. Influencing the outcomes for these areas is achieved through targeting a range of primary and secondary audiences including funding partners, policy makers and key community leaders.

The EMRC maintains:

- A cooperative and productive relationship with State and Federal Government Ministers and their Departments, and Members of Parliament, particularly those representing Perth's Eastern Region;
- Consistent and effective participation in relevant regional organisations and peak bodies for the purpose of influencing outcomes beneficial to Perth's Eastern Region;
- Representation of the region's interests at key conferences, meetings, forums and on strategic committees;
- Protocols for communication with different stakeholders and target groups; and
- Involvement in external consultation processes, seeking out regional funding opportunities and providing written submissions, where relevant to Perth's Eastern Region. The EMRC also works with several community and business organisations for the benefit of the region. Several projects were delivered in 2018/2019 in partnership with the region's chambers of commerce, business support services, environmental not-for-profit organisations, catchment and 'friends of' groups. Meetings of the Red Hill Waste Management Facility Community Liaison Group continued to provide a forum for neighbours to be briefed on site development issues and have any concerns addressed. The Waste Management Community Reference Group met during the year for briefings on the Resource Recovery Project and waste education initiatives.

Review and implement the Marketing and Communications Plan.

The EMRC's *Corporate Communications Plan 2017-2019* provides a framework for communications activities in support of the EMRC's *10 Year Strategic Plan*.

The Plan is driven by the organisation's vision, mission and values and supports the EMRC to be a responsive, progressive and responsible organisation. The Communications Team is responsible for review and implementation of the Plan and also with upholding the integrity and credibility of the EMRC brand.

While the implementation of actions contained within the Plan are largely coordinated by the Communications Team, the initiatives are intended to support EMRC staff in providing consistency and quality in delivering communications supporting their services and projects. To ensure continuous improvement, a review of the Plan is carried out annually prior to the commencement of the new financial year.

The Plan's actions are also progressively updated as the communications objectives of the organisation develop in line with business needs and technological capability.

TO PROVIDE RESPONSIBLE AND ACCOUNTABLE GOVERNANCE AND MANAGEMENT OF THE EMRC

Continue to improve organisational governance.

The EMRC continues to implement and review a wide range of policies and guidelines through which the organisation strives to improve on its high standards of organisational governance.

A 12-month review of Council policies commenced in October 2017 and was reviewed by Council at its December 2018 meeting. The Recordkeeping Plan continues to be reviewed and updated, with a recordkeeping plan for the Woodwaste to Energy plant finalised during the year. The Executive Management Team adopted an updated Management of Investment Policy.

Review and implement EMRC's Integrated Planning Framework.

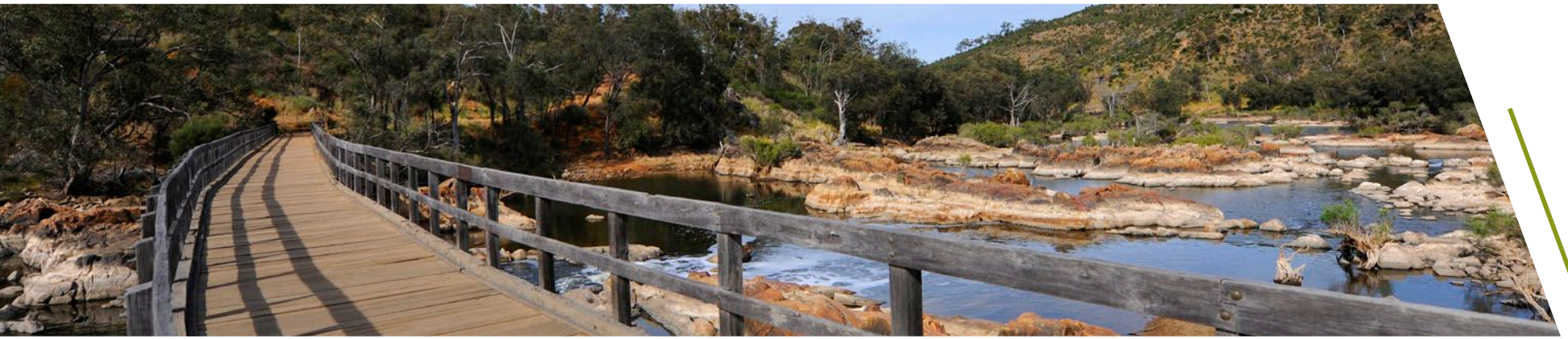
The EMRC's Integrated Planning Framework has been developed to ensure that programs and services are being delivered in alignment with the strategic priorities of the EMRC's key stakeholders. *The 10 Year Strategic Plan* identifies the overarching outcomes that the EMRC Council aspires to achieve. The Corporate Business Plan is used to drive operational activities and is aligned to the priorities identified in the 10 Year Strategic Plan. These two documents comprise the EMRC's Plan for the Future. Strategic high level plans guide development of actions which are prioritised during annual business planning workshops, and resourced through the annual budget.

Review and implement a Risk Management Plan.

The EMRC Risk Management Policy is underpinned by the *Risk Management Plan* which is reviewed on an annual basis. The Risk Management Plan conforms to the process framework as set out in AS/NZS ISO 31000 Risk Management and provides detailed actions and responsibilities to ensure the intentions of the Policy are achieved. Risk Management is an essential component of good governance and competent management generally and is tracked closely by the Executive Management Team via the Risk Management Steering Group. This forum ensures that the main risks facing the EMRC are mitigated as planned and that the ever-changing operating environment is being monitored for evolving threats to the business.

Review and implement the Disability Access and Inclusion Plan (DAIP).

The EMRC's *Disability Access and Inclusion Plan (DAIP) 2013/2014 to 2017/2018* was reviewed and a replacement draft DAIP 2018/2023 was adopted by Council at its December 2018 meeting. DAIP reporting for the 2018/2019 financial year was reviewed by Council and submitted to the Disability Services Commission. Actions from the revised DAIP continued to be implemented during the year.



TO CONTINUE TO IMPROVE FINANCIAL AND ASSET MANAGEMENT PRACTICES

Review and implement long term financial plans.

The EMRC's *10 Year Financial Management Plan* was updated to reflect the activity for the period 2019/2020 to 2028/2029. The EMRC strives to achieve improved financial management practices ensuring clarity in financial planning and reporting.

The EMRC updated the *Asset Management Plan* including the *10 Year Fleet and Plant Replacement Plan* to manage assets for the period 2018/2019 – 2027/2028.

Review and implement the Asset Management Plan

The EMRC updated the *Asset Management Plan* including the *10 Year Fleet and Plant Replacement Plan* to manage assets for the period 2019/2020 – 2028/2029. The Annual Condition Report of all plant and equipment at the Red Hill Waste Management Facility was completed in June 2019.

Review and implement the Strategic IT Plan

The EMRC *Strategic IT Plan* continued to be implemented. The EMRC's SynergySoft finance system was upgraded in June 2019, to comply with Single Touch Payroll reporting and Taxable Payments Annual Report (TPAR) reporting. required by the ATO.

The EMRC's Records System was upgraded from TRIM 7.3 to Content Manager 9.3 and the backup ADSL Internet service was replaced with an NBN service.

TO IMPROVE ORGANISATIONAL CULTURE, HEALTH, WELFARE AND SAFETY

Review and implement the Workforce Plan

An updated internal training program continued to provide staff with skills in internal procedures such as procurement, records management and safety.

Staff also continued to enhance their skills and knowledge by attending relevant training courses, identified as a result of their annual performance reviews. Several initiatives were undertaken to develop an inclusive culture, which were focused on working as a high performing team. These included:

- Group training sessions held at Ascot Place and Red Hill Waste Management Facility for all staff;
- Regular CEO and executive management attendance at Toolbox meetings at the Red Hill Waste Management Facility and Hazelmere Resource Recovery Park;
- The annual Staff Tree Planting Day at Red Hill Waste Management Facility, which saw staff plant seedlings as part of rehabilitation of the site;
- Shire of Mundaring Transfer Station employees attended monthly Toolbox Meetings at Red Hill Waste Management Facility, as well as training sessions, to ensure they were integrated into the EMRC's processes;
- HR days were organised at the operations sites so that staff could raise any queries;
- Long serving staff continued to be recognised for completing five year service interval milestones;
- The Rewards and Recognition Program continued with the 2018 Employee of the Year being awarded.

Review and implement the Occupational Safety and Health Plan.

The Safety Advisory Committee continued to meet and provide input at a strategic level on improving safety systems. A key focus was on continuing to improve reporting, analysis and management of incident and injuries at all EMRC sites to ensure lessons are learned as to the root cause of each incident and effective controls put in place to reduce the likelihood of an event reoccurring, and to reduce overall risk across all EMRC operations.

The main elements of the safety management system continued to include:

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

The safety logo and slogan 'Our Safety is in Your Hands' was used to reinforce everyone's responsibility for safety. The following initiatives were implemented:

- The OS&H section of the intranet was updated to provide staff with current procedures and policies;
- A business case to implement online OS&H contractor inductions was approved;
- Accident/incident reporting was improved;
- Emergency response and evacuation drills were conducted at various sites;
- The hazard assessment process was reviewed

Staff were provided tools for all site procedures and inductions; and

- Safety boards were installed at Red Hill Waste Management Facility and Hazelmere Resource Recovery Park; The Safety Training program continued to be implemented to promote a safety focused culture. Safety inspections were regularly conducted at all EMRC sites and actions were implemented to minimise the risk of safety incidents.

The following safety training was conducted at EMRC sites:

- OH&S safety inductions – outdoor environments;
- OH&S safety inductions – indoor environments;
- Vehicle safety;
- Manual tasks;
- Emergency evacuations; and
- Heat Stress and manual handling training.

The Health Promotion program continued and a number of new initiatives were rolled out to encourage staff to maintain a healthy work life balance. These were promoted to staff through the Health Promotion Calendar. Some of the activities included:

- Free swim passes
- Fresh fruit
- Flu vaccinations and skin cancer checks
- Ergonomic assessments
- Employee Assistance Program
- Walking group
- Bike riding group
- Yoga
- Mental health talks

The safety logo and slogan ***'Our Safety is in Your Hands'*** was utilised to reinforce that everyone's responsibility for safety.

Statutory Reports

Register of Complaints

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

There were no registered complaints against EMRC Council members during the 2018/2019 financial year.

Statutory Compliance Return

The Statutory Compliance Return for the year ending 31 December 2018 was completed and referred to the Audit Committee meeting held on 7 March 2019. A certified copy of the completed Statutory Compliance Return was submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2019. Council was able to advise that it achieved a high level of compliance with all matters applicable to the EMRC's operations.

National Competition Policy

The Competition Principles Agreement is a contractual agreement between the federal government and all state and territory governments. As a result, local government is committed to the Competition Principles Agreement, which aims to ensure all public enterprises operate in a transparent manner and in the best interests of the public.

Under the Competition Principles Agreement, public enterprises are required to review their operations to ensure that they have no competitive advantage, or disadvantage, in comparison to the private sector.

The EMRC supports the Competition Principles Agreement concept and, as such, a cost benefit analysis of operations was conducted. The analysis concluded that none of the core services – operation of the Red Hill Waste Management Facility, Hazelmere Resource Recovery Park, and environmental services – should be subject to competitive neutrality principles.

Furthermore, the EMRC has not received notification that the Australian Bureau of Statistics has classified any of its operations as either public trading or public financial enterprises. No allegations of non-compliance with the principles have been made against the EMRC.

Public Interest Disclosure Act 2003

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information, and provides protection for those making such disclosures and those who are the subject of disclosures.

During 2018/2019 the EMRC received no public interest disclosures.

State Records Act 2000

During 2018/2019, the EMRC carried out its record keeping in accordance with the provisions of the *State Records Act 2000*. A total of 17,791 documents and 423 new files were created in the EMRC's TRIM and the upgraded Content Manager Records Management Systems.

A help desk service was provided to staff promoting the use of both the TRIM and an upgraded Content Manager Records Management System.

New staff were inducted in records management responsibilities and in the use of TRIM and Content Manager. This was provided in a face-to-face and one-to-one training delivery method by the EMRC's Manager of Information Systems and the Records Officer.

A review of the organisation's Record Keeping Plan 2015 commenced during this year with the view to submission of a new Record Keeping Plan in 2020 to the State Records Commission.

As required under the Office of the Auditor General's report into Record Keeping within Local Government, an action plan was submitted by the EMRC to the Minister for Local Government and published on the EMRC's website. The action plan set outs the Audit Recommendations made by the Office of the Auditor General, the Action Items that need to be achieved in order for these Recommendations to be fulfilled and appropriate Target dates set for the achieving of these Action Items.

A management guideline for the capturing of social media records was formulated during the year to coincide with the launch of the EMRC's Facebook page in the 2019/2020 financial year.

A records destruction program was commenced during the year to dispose of records interpreted as being due for destruction.

Freedom of Information

The EMRC received one Freedom of Information application during the 2018/2019 financial year. This was a third party consultation matter that was referred to the EMRC by an external state government agency. No applications relating to the amendment of personal information were received.

A management guideline was drafted during the year to assist the EMRC in managing Freedom of Information Application matters, whether direct applications or third party consultation referrals.

Payments to Employees

12 EMRC employees were entitled to an annual salary of $100,000 or more.

EMPLOYEES' REMUNERATION	
SALARY RANGE $	No.
100,000 – 109,999	1
110,000 – 119,999	6
120,000 – 129,999	1
130,000 – 139,999	1
170,000 – 179,999	3
TOTAL:	12

Plan for the Future

Section 5.53(2)(e) of the *Local Government Act 1995* requires local governments to provide an overview of the 'plan for the future', including the major initiatives that are proposed to commence, or to continue, in the next financial year. Full details are contained within the EMRC's Corporate Business Plan 2019/2020 to 2023/2024.

KEY RESULT AREA 1: ENVIRONMENTAL SUSTAINABILITY

Red Hill Waste Management Facility

- Develop a Master Plan for the Red Hill Waste Management Facility
- Implement Leachate Project
- Construct Class III Leachate Pond
- Construct Class III cells
- Construct Class IV Cell (Stage 2)
- Construct storm water and siltation ponds
- Construct water storage dams
- Construct access roads to Lots 8,9 & 10
- Construct drainage diversion and earthworks infrastructure
- Investigate the feasibility of new waste processing facility
- Undertake Greenwaste audit

Transfer Stations

- Continue to operate transfer stations on behalf of member Councils

Hazelmere Resource Recovery Park

- Review and update Hazelmere Development Plan
- Construct and commission:
  - o Community Transfer Station
  - o Administration Building
  - o Community Reuse Store
  - o Site Workshop
  - o Weighbridges
  - o Wood Waste to Energy Plant
- Construct carpark, storage bunkers
- Investigate the feasibility of a Materials Recovery Facility

Resource Recovery

- Implement Council resolutions regarding the Resource Recovery tender
- Develop and implement programs to increase sales of Red Hill and Hazelmere by-products

Environmental Waste Operations

- Rehabilitate completed landfill cells
- Monitor environmental impacts from waste management activities
- Manage offsets program
- Transition the Environmental Management System for the Red Hill Waste Management Facility from ISO14001:2004 to ISO14001:2015

Waste Education

- Review and implement the Waste Education Strategy
- Continue with the waste education program
- Support WA Waste initiatives regarding:
  - o Container Deposit Scheme
  - o Illegal dumping
  - o Plastic bag ban

Environmental Projects

- Implement priority initiatives and progress regional environmental management under the global Sustainable Development Goals (SDGs) framework.
- Continue the Eastern Region Catchment Management Program
- Implement the Water Quality and Conservation Program
- Continue the Regional Climate Change Program
- Continue the ACER Program
- Review and implement the Swan and Helena Rivers Framework

KEY RESULT AREA 2: ECONOMIC DEVELOPMENT

- Implement the Regional Integrated Transport Strategy
- Implement the Regional Economic Development Strategy
- Continue the coordination, marketing and promotion of regional events

KEY RESULT AREA 3: GOOD GOVERNANCE

- Continue to implement the Regional Advocacy Strategy
- Continue to advocate for and promote the "Connect Perth's East City Deal" proposal

Annual Financial Report

For the year ended
30 June 2019

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

Statement by Chief Executive Officer

The attached financial report of the Eastern Metropolitan Regional Council for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Eastern Metropolitan Regional Council at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 21st day of November 2019.

Marcus J. Geisler
Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2019

BY PROGRAM	NOTE	ACTUAL 2018/2019 $	BUDGET 2018/2019 $	Restated ACTUAL 2017/2018 $
REVENUE				
Governance		58,080	179,532	28,559
General Purpose Funding		2,733,167	2,771,599	2,420,067
Community Amenities		38,650,193	40,809,527	35,794,282
Other Property and Services		1,069,454	988,515	1,108,756
TOTAL REVENUE		**42,510,894**	**44,749,173**	**39,351,664**
EXPENSES				
Governance		1,067,969	1,046,798	725,167
Community Amenities		30,370,473	33,091,686	24,087,427
Other Property and Services		2,816,598	3,596,708	3,283,678
TOTAL EXPENSES		**34,255,040**	**37,735,192**	**28,096,272**
INCREASE / (DECREASE)		**8,255,854**	**7,013,981**	**11,255,392**
DISPOSAL OF ASSETS				
Profit on Sale		0	70,297	0
Loss on Sale		(10,131)	0	(11,500)
PROFIT / (LOSS) ON DISPOSALS	22	**(10,131)**	**70,297**	**(11,500)**
FAIR VALUE ADJUSTMENTS TO FINANCIAL ASSETS				
General Purpose Funding		0	0	0
GAIN / (LOSS)		**0**	**0**	**0**
NET RESULT		**8,245,723**	**7,084,278**	**11,243,892**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Changes in Revaluation of Non-Current Assets		0	0	(341,649)
TOTAL OTHER COMPREHENSIVE INCOME		**0**	**0**	**(341,649)**
TOTAL COMPREHENSIVE INCOME		**8,245,723**	**7,084,278**	**10,902,243**

This statement is to be read in accordance with the attached notes to the financial report.

BY NATURE AND TYPE	NOTE	ACTUAL 2018/2019 $	BUDGET 2018/2019 $	Restated ACTUAL 2017/2018 $
REVENUE				
Fees and Charges	4	36,429,818	37,064,195	28,081,630
Grants, Subsidies and Contributions	5	1,522,191	1,647,218	1,783,424
Interest Earnings	2	2,719,271	2,771,599	2,416,358
Other Revenue	2	1,839,614	3,266,161	7,070,252
TOTAL REVENUE		**42,510,894**	**44,749,173**	**39,351,664**
EXPENSES				
Employee Costs		7,783,709	9,374,442	7,804,689
Materials and Contracts		4,601,752	8,907,604	4,705,008
Utility Expenses		338,184	345,118	357,516
Insurance Expenses		282,699	309,700	257,229
Other Expenditure	2	16,716,319	13,731,475	11,168,174
Depreciation Expenses on Non-Current Assets	2	4,532,377	5,066,853	3,803,656
TOTAL EXPENSES		**34,255,040**	**37,735,192**	**28,096,272**
INCREASE / (DECREASE)		**8,255,854**	**7,013,981**	**11,255,392**
DISPOSAL OF ASSETS				
Profit on Sale		0	70,297	0
Loss on Sale		(10,131)	0	(11,500)
PROFIT / (LOSS) ON DISPOSALS	22	**(10,131)**	**70,297**	**(11,500)**
FAIR VALUE ADJUSTMENTS TO FINANCIAL ASSETS				
Gain/(Loss)		0	0	0
GAIN / (LOSS)		**0**	**0**	**0**
NET RESULT		**8,245,723**	**7,084,278**	**11,243,892**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Changes in Revaluation of Non-Current Assets		0	0	(341,649)
TOTAL OTHER COMPREHENSIVE INCOME		**0**	**0**	**(341,649)**
TOTAL COMPREHENSIVE INCOME		**8,245,723**	**7,084,278**	**10,902,243**

This statement is to be read in accordance with the attached notes to the financial report.

STATEMENT OF FINANCIAL POSITION
For the year ended 30 June 2019

	NOTE	ACTUAL 2018/2019 $	Restated ACTUAL 2017/2018 $	ACTUAL 2016/2017 $
CURRENT ASSETS				
Cash and Cash Equivalents	10	35,998,764	42,180,201	41,599,929
Other Financial Assets	11	68,000,000	55,000,000	49,200,000
Trade and Other Receivables	6	3,620,310	3,666,740	3,633,350
Inventories	7	54,739	29,845	28,834
Other Assets	8	42,555	21,378	115,198
TOTAL CURRENT ASSETS	21	**107,716,368**	**100,898,164**	**94,577,311**
NON CURRENT ASSETS				
Property, Plant and Equipment	12	74,731,756	73,216,966	75,108,057
Infrastructure	13	24,734,783	21,957,193	19,393,424
TOTAL NON CURRENT ASSETS	21	**99,466,539**	**95,174,159**	**94,501,481**
TOTAL ASSETS	21	**207,182,907**	**196,072,323**	**189,078,792**
CURRENT LIABILITIES				
Trade and Other Payables	15	5,546,564	3,604,991	3,846,227
Provisions	16	1,629,324	1,541,191	1,438,690
TOTAL CURRENT LIABILITIES		**7,175,888**	**5,146,182**	**5,284,917**
NON CURRENT LIABILITIES				
Provisions	16	4,493,417	3,658,262	7,428,239
TOTAL NON CURRENT LIABILITIES		**4,493,417**	**3,658,262**	**7,428,239**
TOTAL LIABILITIES		**11,669,305**	**8,804,444**	**12,713,156**
NET ASSETS		**195,513,602**	**187,267,879**	**176,365,636**
EQUITY				
Retained Surplus		62,308,230	58,987,953	69,026,759
Reserves	17	91,958,292	86,979,194	65,431,736
Revaluation Surplus	14	41,247,080	41,300,732	41,907,141
TOTAL EQUITY		**195,513,602**	**187,267,879**	**176,365,636**

This statement is to be read in accordance with the attached notes to the financial report.

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2019

	NOTE	RETAINED SURPLUS $	RESERVES $	REVALUATION SURPLUS $	TOTAL EQUITY $
Balance as at 1 July 2017		**67,395,109**	**65,431,736**	**42,182,927**	**175,009,772**
Prior Period Adjustments:	32				
- Change in Accounting Policy		(385,189)	0	(275,786)	(660,975)
- Correction of Error		2,016,839	0	0	2,016,839
Restated Balance as at 1 July 2017		**69,026,759**	**65,431,736**	**41,907,141**	**176,365,636**
Net Result		11,243,892	0	0	11,243,892
Total Other Comprehensive Income		0	0	(341,649)	(341,649)
Revaluation Surplus Reversal	14	264,760	0	(264,760)	0
Transfer (from) / to Reserves		(21,547,458)	21,547,458	0	0
Restated Balance as at 30 June 2018		**58,987,953**	**86,979,194**	**41,300,732**	**187,267,879**
Net Result		8,245,723	0	0	8,245,723
Total Other Comprehensive Income		0	0	0	0
Revaluation Surplus Reversal	14	53,652	0	(53,652)	0
Transfer (from) / to Reserves		(4,979,098)	4,979,098	0	0
Balance as at 30 June 2019		**62,308,230**	**91,958,292**	**41,247,080**	**195,513,602**

This statement is to be read in accordance with the attached notes to the financial report.

STATEMENT OF CASH FLOWS
For the year ended 30 June 2019

	NOTE	ACTUAL 2018/2019 $	BUDGET 2018/2019 $	ACTUAL 2017/2018 $
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Fees and Charges		39,110,610	37,064,196	31,517,167
Grants, Subsidies and Contributions		1,522,191	1,647,218	1,783,424
Interest Earnings		3,060,946	2,771,599	2,230,656
Other Revenue		1,839,614	4,051,855	2,834,606
Total Receipts		**45,533,361**	**45,534,868**	**38,365,853**
Payments				
Employee Costs		(7,699,816)	(9,345,098)	(7,729,687)
Materials and Contracts		(4,184,610)	(8,907,604)	(6,020,161)
Utility Expenses		(338,184)	(345,118)	(357,516)
Insurance Expenses		(282,699)	(309,700)	(257,229)
Other Expenditure		(14,861,886)	(14,314,797)	(10,649,704)
Goods and Services Tax paid		(2,512,714)	0	(2,116,625)
Total Payments		**(29,879,909)**	**(33,222,317)**	**(27,130,922)**
NET CASH PROVIDED BY OPERATING ACTIVITIES	18(ii)	**15,653,452**	**12,312,551**	**11,234,931**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment		131,091	274,418	327,046
Payments for purchase of property, plant and equipment		(8,965,979)	(19,951,902)	(5,181,705)
NET CASH USED IN INVESTING ACTIVITIES		**(8,834,888)**	**(19,677,484)**	**(4,854,659)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Net Movement to Other Financial Assets		(13,000,000)	(5,800,000)	(5,800,000)
NET CASH PROVIDED BY FINANCING ACTIVITIES		**(13,000,000)**	**(5,800,000)**	**(5,800,000)**
SUMMARY OF CASH FLOWS				
Cash and cash equivalents at the beginning of the year		42,180,201	44,088,104	41,599,928
Net Increase/(Decrease) in Cash Held		(6,181,436)	(7,364,933)	580,273
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	18(i)	**35,998,764**	**36,723,171**	**42,180,201**

This statement is to be read in accordance with the attached notes to the financial report.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
For the year ended 30 June 2019

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations.

Except for cash flow information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The Local Government Reporting Entity

All funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

The significant accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise:

(a) Trust Funds

Any monies held in the Trust Fund, which Council may hold in a custodian role, are excluded from the Financial Statements.

The EMRC currently does not hold any trust fund monies for the year ended 30 June 2019.

(b) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts, where applicable, are included as short-term borrowings in current liabilities on the Statement of Financial Position.

The EMRC does not have any bank overdrafts for the year ended 30 June 2019.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Mandatory Requirements to Revalue Non-Current Assets

In accordance with *Local Government (Financial Management) Regulations 1996 r.17A(4),* the Council is required to revalue an asset, whenever the Council is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount and, in any event, within a period of at least 3 years but no more than 5 years after the day on which the asset was last valued or revalued. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions.

The EMRC has elected to undertake the asset revaluations on its assets on a 4 year rotational cycle commencing 2018/2019 (Year 1) as follows instead of 3 year cycle in previous years, or in the year when the Council is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount:

- Year 1 - *No revaluations to be undertaken;*
- Year 2 - Plant and Equipment, and Furniture and Fittings;
- Year 3 - Land and Buildings and Infrastructure; and
- Year 4 - Artworks.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above $5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believed this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Fixed Assets (continued)

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, artworks and work in progress which are not depreciated, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Major depreciation rates used for each class of depreciable asset are:

• Buildings	0.20 - 32.00% (based on components)
• Structures	
General	0.56 - 18.10%
Class III and IV Waste Cells	% of actual usage
• Plant	3.67 - 57.66%
• Furniture and fittings	5.97 - 33.33%
• Equipment	5.33 - 52.59%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income in the period in which they arise.

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

Expenditure on items of equipment under $5,000 are not capitalised. Rather, they are recorded on an asset inventory listing.

Land Under Control

In accordance with *Local Government (Financial Management) Regulations 1996, Reg.16(a),* the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government such as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

The Council does not have any Crown land which comes under this Regulation.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Fixed Assets (continued)

Land Under Roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective from 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the fact *Local Government (Financial Management) Regulations 1996, Reg.16 (a)(i)* prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, *Local Government (Financial Management) Regulations 1996, Reg.16(a)(i)* prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of *AASB 1051*, *Local Government (Financial Management) Regulations 1996, Reg.4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations 1996* prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

(d) Fair Value of Assets and Liabilities

When performing a revaluation, the Council uses a combination of both independent and management valuations using the following as a guide:

Fair value is the price that Council would receive to sell the asset or would have to pay to transfer the liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Fair Value of Assets and Liabilities

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation Techniques

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

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.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Fair Value of Assets and Liabilities

Cost Approach

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

Each valuation technique requires inputs which reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by *the Local Government (Financial Management) Regulations 1996* requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

(e) Intangible Assets

Easements

Regulation 16 of the *Local Government (Financial Management) Regulations 1996* requires easements to be recognised as assets. The EMRC does not have any easements.

(f) Rates

The EMRC does not levy rates. Accordingly rating information as required under the *Local Government (Financial Management) Regulations 1996* has not been presented in this financial report.

(g) Grants, Donations and Other Contributions

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 9. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the local government prior to the end of the financial year that are unpaid and arise when the Local Government becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition.

(i) Impairment

In accordance with Australian Accounting Standards, the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with *AASB 136 Impairment of Assets* and appropriate adjustments are made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. *AASB 116 Property, Plant and Equipment*) whereby an impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

(j) Revenue Recognition

Waste Services

Revenue from waste services is recognised when the waste is received.

Generation of Gas Services

Revenue from the generation of gas services is recognised on an accrual basis. Proceeds from the sale of Renewable Energy Certificates are only recognised when the certificates are sold.

Interest Income

Interest income is recognised on an accrual basis.

Sale of Goods and Disposal of Assets

Revenue from the sale of goods and disposal of other assets is recognised when the Council has passed control of the goods or other assets to the buyer.

Rendering of Services

Revenue from the provision of services is recognised on an accrual basis.

Royalties

Royalty revenue is recognised on an accrual basis.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

(l) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Statement of Financial Position are stated inclusive of applicable GST. The net amount of GST recoverable from, or payable to the ATO is included with receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(m) Provisions

Provisions are recognised when: The Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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

(n) Provision for Site Rehabilitation

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

Increments in the provision are calculated annually based on the change in the net present value of the future cash outflows of costs for site rehabilitation (unwinding of the discount rate).

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Provision for Site Rehabilitation (continued)

As per the independent engineers report from June 2015, the current value for the rehabilitation of the site has been calculated to be $6,647,080 and has been deemed sufficient for post closure management purposes. This value will be reviewed on a five yearly cycle.

The costs are measured using the best estimate of the amounts required and is reassessed internally on an annual basis with an independent review being undertaken on a five yearly cycle.

(o) Provision for Environmental Monitoring

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

Increments in the provision are calculated annually based on the change in the net present value of the future cash outflows of costs for environmental monitoring (unwinding of the discount rate).

As per the independent engineers report from June 2015, the current value for the environmental monitoring of the site has been calculated to be $3,716,900 and has been deemed sufficient for post closure management purposes. This value will be reviewed on a five yearly cycle.

The costs are measured using the best estimate of the amounts required and is reassessed internally on an annual basis with an independent review being undertaken on a five yearly cycle.

(p) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(q) Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Trade and Other Receivables

Trade and other receivables include amounts due from member Councils and non-members for unpaid fees and charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectable amounts (i.e. impairments).

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

Impairment and risk exposure information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25.

(s) Employee Entitlements

The provisions for employee benefits relate to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Short-term Employee Benefits

Provision is made for the Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

(ii) Other long-term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Employee Entitlements (continued)

(iii) Superannuation Fund

The Council contributes to the WA Local Government Superannuation Plan (LGSP) and other choice funds for qualifying employees as per statutory requirements (9.50% for 2018/2019). It also contributes to the LGSP and other choice funds for full scheme members (5% for 2018/2019). Contributions to defined contribution plans are recognised as an expense as they become payable.

(t) Rounding Off Amounts

All amounts shown in this annual financial report are rounded to the nearest dollar. As a result of rounding, some minor reconciliation discrepancies may be present in the disclosures to the financial report.

(u) Comparative Figures

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

(v) 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.

(w) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

The EMRC does not currently have any leases.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Other Financial Assets

(i) Other Financial Assets at Amortised Cost

The Council classifies financial assets at amortised cost if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cashflows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

(ii) Financial Assets at Fair Value through Profit and Loss

The Council classifies the following financial assets at fair value through profit and loss:

- Debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- Equity investments which the Council has not elected to recognise fair value gains and losses through other comprehensive income.

(iii) Impairment and Risk

Information regarding impairment and exposure to risk can be found at Note 25.

(y) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months.

Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Council's intentions to release for sale.

(z) Landfill Cells

There are three general components of cell construction:

- Cell excavation and development costs;
- Cell liner costs; and
- Cell capping costs.

All cell excavation and development costs and cell liner costs are capitalised and depreciated over the useful life of the cell based on the volumetric usage of the landfill cell air space during the year.

Cell capping costs are expensed as they occur as part of ongoing site rehabilitation.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(aa) New Accounting Standards and Interpretations for Application in Future Periods

The Australian Accounting Standards Board (AASB) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

Management's assessment of the new and amended pronouncements that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title and topic	Issued/ Compiled	Applicable (1)	Impact
(i) AASB 15 Revenue from Contracts with Customers.	December 2014	1 January 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Council has with those third parties it has dealings with. In accordance with the transition provisions, the Council will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. It may or may not be significant with unspent grants and contributions being the only transactions that will have any material effect. The Council is in the process of assessing the impact of this standard.

(1) Applicable to reporting periods commencing on or after the given date.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(aa) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and topic	Issued/ Compiled	Applicable (1)	Impact
(ii) AASB 16 Leases.	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. As currently the Council does not hold any leases this will not have any impact on the Council's financial statements.
(iii) AASB 1058 Income of Not-for-Profit Entities.	December 2016	1 January 2019	This standard is likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are: - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Council's operations. The Council is in the process of assessing the impact of this standard

(1) Applicable to reporting periods commencing on or after the given date.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(bb) Adoption of New and Revised Accounting Standards

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

- AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8).

  AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

  The Council applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies. In accordance with AASB 9.7.2.15, the Council has not restated the comparative information which continues to be reported under AASB 139.

  Given the nature of the financial assets of the Council, there were no financial instruments impacted as a result of the implementation of AASB 9.

  The assessment of the Council's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

  The classification and measurement requirements of AASB 9 did not have a significant impact on the Council. The following are the changes in the classification of the Council's financial assets:

  - Trade receivables and loans (i.e. Other debtors) classified as loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.

  The Council did not designate any financial assets as at fair value through profit and loss.

  Impairment:

  The adoption of AASB 9 has fundamentally changed the Council's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Council to recognise an allowance for ECL's for all financial assets not held at fair value through profit and loss. Upon adoption of AASB 9, the Council did not recognise any additional impairment on the Council's Trade receivables.

2. REVENUE AND EXPENSES

	ACTUAL 2018/2019 $	BUDGET 2018/2019	ACTUAL 2017/2018 $	Restated ACTUAL 2017/2018 $
Net Result				
The Net Result includes:				
(i) Crediting as Revenue:				
Interest Earnings				
Interest on funds held in Reserves	2,598,761	2,371,599	1,741,894	
Interest on Municipal Cash and Investments	120,510	400,000	674,464	
	2,719,271	**2,771,599**	**2,416,358**	
Other Revenue				
Sale of Products	1,520,386		2,006,994	
Gas Royalty Income	49,788		577,277	
Carbon Tax (Refer Note 16)	0		4,235,645	
Miscellaneous Income	269,440		250,336	
	1,839,614		**7,070,252**	
(ii) Charging as an Expense:				
Auditors Remuneration				
Audit of the Financial Report	31,000		29,320	
Audit and assurance of grant acquittals	600		600	
	31,600		**29,920**	
Depreciation and Amortisation Expense				
Buildings	109,659		109,791	109,747
Plant	1,674,774		2,054,270	2,010,257
Equipment	116,595		196,257	136,153
Furniture and Fittings	6,521		9,415	5,960
Structures - Landfill Cells	2,253,467		1,230,792	1,230,792
- Other	371,361		271,408	310,747
	4,532,377		**3,871,933**	**3,803,656**
Other Expenditure				
State Landfill levy	13,725,227		9,426,579	9,426,579
Other Expenses	2,991,092		1,480,654	1,741,595
	16,716,319		**10,907,233**	**11,168,174**

3. COMPONENT FUNCTIONS/ACTIVITIES

The activities relating to the Eastern Metropolitan Regional Council's components reported on in the Statement of Comprehensive Income are as follows:

EMRC MISSION STATEMENT

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

Governance

Objective:

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

Activities:

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.

General Purpose Funding

Objective:

To provide responsible and accountable financial management practices.

Activities:

Includes the activities relating to the management of the EMRC's investment portfolio, records interest revenue as well as other general purpose revenue.

Community Amenities

Objective:

To provide sustainable waste disposal, resource recovery and recycling operations and solutions in partnership with member Councils.

Activities:

Includes waste disposal, resource recovery and recycling operations undertaken at the Red Hill Waste Disposal Facility, the Hazelmere Resource Recovery Facility, Coppin and Mathieson Road transfer stations.

Other Property and Services

Objective:

To facilitate the sustainable economic development of the region together with the provision of responsible and accountable management of the EMRC.

Activities:

Includes activities and projects of the EMRC's Regional Services directorate, the operations of the Ascot Place activity and records the activities associated with public works overheads, plant operation, materials, salaries and wages.

4. FEES AND CHARGES SUMMARY BY PROGRAM

	ACTUAL 2018/2019 $	BUDGET 2018/2019 $	ACTUAL 2017/2018 $
Community Amenities	36,429,818	37,058,195	28,078,480
Other Property and Services	0	6,000	3,150
Total Statutory Fees and Charges	**36,429,818**	**37,064,195**	**28,081,630**

5. GRANT, SUBSIDY AND CONTRIBUTION REVENUE BY PROGRAM

	ACTUAL 2018/2019 $	BUDGET 2018/2019 $	ACTUAL 2017/2018 $
Governance	33,558	28,668	26,196
Community Amenities	589,198	801,035	807,208
Other Property and Services	899,435	817,515	950,020
Total Grant, Subsidy and Contribution Revenue	**1,522,191**	**1,647,218**	**1,783,424**

6. TRADE AND OTHER RECEIVABLES

Current	ACTUAL 2018/2019 $	ACTUAL 2017/2018 $
Sundry Debtors	2,734,375	2,032,014
Loan Receivable [1]	1,005,965	414,884
Other Debtors	14,486	27,588
GST Receivable	4,839	0
Accrued Interest Earnings	899,001	1,240,676
Allowance for Impairment of Receivables [2]	(1,038,356)	(48,422)
	3,620,310	**3,666,740**

[1] Loan Receivable is covered under a loan agreement on commercial terms with Anergy Australia Pty Ltd. The balance of this loan as at 30 June 2019 of $1,005,965 has been treated as a doubtful debt.

[2] Reconciliation of changes in the Allowance for Impairment of Receivables

	ACTUAL 2018/2019 $	ACTUAL 2017/2018 $
Balance at start of period	48,422	55,732
Doubtful debts expense	1,006,057	0
Amounts written off during the period	(6,494)	0
Impairment losses reversed during the period	(9,629)	(7,310)
Balance at end of period	**1,038,356**	**48,422**

7. INVENTORIES

Current	ACTUAL 2018/2019 $	ACTUAL 2017/2018 $
Distillate	48,691	25,314
Oils	6,048	4,531
	54,739	**29,845**

8. OTHER ASSETS

Current	ACTUAL 2018/2019 $	ACTUAL 2017/2018 $
Prepayment - Contract Expenses	0	2,387
Prepayment - General	33,067	8,767
Prepayment - Miscellaneous	9,488	10,224
	42,555	**21,378**

9. CONTROL OVER GRANTS/CONTRIBUTIONS

Conditions Over Grants/Contributions

Grant/Contribution	Function/Activity	Opening Balance [1] 1 July 2017 $	Received [2] 2017/18 $	Expended [3] 2017/18 $	Closing Balance 30 June 2018 $
Lighthouse Project	Governance	2,800	0	(2,800)	**0**
Metropolitan Local Government Youth Development Scholarship	Governance	10,000	0	(10,000)	**0**
20M Trees Program	Other Property and Services	7,690	5,300	(12,990)	**0**
Coordination of Community Led Projects	Other Property and Services	52,500	105,000	(105,000)	**52,500**
Healthy Wildlife Project	Other Property and Services	8,828	38,006	(46,834)	**0**
Water Quality Monitoring in the Lower Helena Sub Catchment	Other Property and Services	684	0	(684)	**0**
Community Capability Project	Other Property and Services	45,403	100,000	(79,874)	**65,529**
Keep Australia Beautiful Community Litter Program	Other Property and Services	1,740	0	0	**1,740**
Avon Descent	Other Property and Services	0	155,000	(155,000)	**0**
Enhancing Biodiversity SALP Project	Other Property and Services	0	3,039	(130)	**2,909**
Farm Dams Project	Other Property and Services	0	50,000	(42,001)	**7,999**
Lotterywest Bush Skills for Youth	Other Property and Services	0	3,155	(3,155)	**0**
		129,645	**459,500**	**(458,468)**	**130,677**

Conditions Over Grants/Contributions

Grant/Contribution	Function/Activity	Opening Balance [1] 1 July 2018 $	Received [2] 2018/19 $	Expended [3] 2018/19 $	Closing Balance 30 June 2019 $
Avon Descent	Other Property and Services	0	145,400	(145,400)	**0**
Keep Australia Beautiful Community Litter Program	Other Property and Services	1,740	0	0	**1,740**
Enhancing Biodiversity SALP Project	Other Property and Services	2,909	0	(2,909)	**0**
SALP 20 Year Celebration	Other Property and Services	0	800	(800)	**0**
Coordination of Community Led Projects	Other Property and Services	52,500	105,000	(105,000)	**52,500**
Community Capability Project	Other Property and Services	65,529	59,000	(81,858)	**42,671**
Farm Dams Project	Other Property and Services	7,999	42,926	(50,061)	**864**
Perth's Autumn Festival	Other Property and Services	0	12,000	(12,000)	**0**
Greenwaste Waste Stream Audits	Community Amenities	0	25,000	(25,000)	**0**
		130,677	**390,126**	**(423,028)**	**97,775**

Notes:

(1) Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

10. CASH AND CASH EQUIVALENTS

	Note	ACTUAL 2018/2019 $	ACTUAL 2017/2018 $
Cash and Cash Equivalents - Unrestricted	25	4,885,437	5,046,861
Cash and Cash Equivalents - Restricted	25	31,113,327	37,133,340
Total Cash and Cash Equivalents		35,998,764	42,180,201
Financial assets at amortised cost - term deposits	11	68,000,000	55,000,000
		103,998,764	**97,180,201**

The following restrictions have been imposed by regulations or other externally imposed requirements:

Plant and Equipment		1,937,863	3,383,664
Site Rehabilitation Red Hill - Post Closure		2,709,862	2,482,057
Future Development		20,180,980	16,089,599
Environmental Monitoring Red Hill		1,098,527	975,126
Environmental Insurance Red Hill		37,510	11,844
Risk Management		15,192	14,738
Class IV Cells Red Hill		602,871	589,575
Regional Development		312,587	328,109
Secondary Waste Processing		57,994,036	56,190,599
Class III Cells		6,031,536	5,929,276
Building Refurbishment (Ascot Place)		76,706	74,410
Long Service Leave		960,622	910,197
	17	91,958,292	86,979,194
Add movement in accrued interest		189,362	273,998
Add unspent grants	9	97,775	130,677
		92,245,429	**87,383,869**

11. OTHER FINANCIAL ASSETS

Current Assets

Financial assets at amortised cost - term deposits			
- Unrestricted	25	6,867,898	4,749,471
- Restricted	25	61,132,102	50,250,529
Total Financial assets at amortised cost		**68,000,000**	**55,000,000**

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

Movements in the carrying amount of each class of property, plant and equipment between the beginning and the end of the current financial year are reflected as follows:

	Note	Land	Buildings	Total Land & Buildings	Plant	Equipment	Furniture & Fittings	Artworks	Work in Progress	Total
		$	$	$	$	$	$	$	$	$
Balance at 1 July 2017		**50,570,000**	**7,485,440**	**58,055,440**	**12,083,390**	**669,838**	**16,142**	**145,040**	**4,620,754**	**75,590,604**
Prior Period Adjustment:	32									
- Change in Accounting Policy		0	(9,701)	**(9,701)**	(242,548)	(153,202)	(13,256)	(63,840)	0	**(482,547)**
Restated balance as at 1 July 2017		**50,570,000**	**7,475,739**	**58,045,739**	**11,840,842**	**516,636**	**2,886**	**81,200**	**4,620,754**	**75,108,057**
Additions		0	17,015	**17,015**	335,796	79,432	0	0	321,729	**753,972**
WIP - Transfers in/(out)		0	790	**790**	0	0	0	0	(790)	**0**
(Disposals)		0	0	**0**	(345,753)	(39,793)	0	(2,485)	0	**(388,031)**
Reclassification		0	0	**0**	0	(60,868)	60,868	0	0	**0**
Revaluation - increments/(decrements)		0	0	**0**	0	0	0	5,085	0	**5,085**
Depreciation expense		0	(109,747)	**(109,747)**	(2,010,257)	(136,153)	(5,960)	0	0	**(2,262,117)**
Restated balance as at 30 June 2018		**50,570,000**	**7,383,797**	**57,953,797**	**9,820,628**	**359,254**	**57,794**	**83,800**	**4,941,693**	**73,216,966**
Comprises:										
Gross Carrying Amount at 30 June 2018		50,570,000	7,493,544	**58,063,544**	13,894,893	595,986	69,985	83,800	4,941,693	**77,649,901**
Accumulated depreciation at 30 June 2018		0	(109,747)	**(109,747)**	(4,074,265)	(236,732)	(12,191)	0	0	**(4,432,935)**
Carrying amount at 30 June 2018		**50,570,000**	**7,383,797**	**57,953,797**	**9,820,628**	**359,254**	**57,794**	**83,800**	**4,941,693**	**73,216,966**
Additions		0	7,909	**7,909**	2,449,627	67,545	8,129	0	1,005,502	**3,538,712**
(Disposals)		0	0	**0**	(116,373)	0	0	0	0	**(116,373)**
Depreciation expense		0	(109,659)	**(109,659)**	(1,674,774)	(116,595)	(6,521)	0	0	**(1,907,549)**
Carrying amount at 30 June 2019		**50,570,000**	**7,282,047**	**57,852,047**	**10,479,108**	**310,204**	**59,402**	**83,800**	**5,947,195**	**74,731,756**
Comprises:										
Gross Carrying Amount at 30 June 2019		50,570,000	7,501,453	**58,071,453**	16,228,147	663,531	78,114	83,800	5,947,195	**81,072,240**
Accumulated depreciation at 30 June 2019		0	(219,406)	**(219,406)**	(5,749,039)	(353,327)	(18,712)	0	0	**(6,340,484)**
Carrying amount at 30 June 2019		**50,570,000**	**7,282,047**	**57,852,047**	**10,479,108**	**310,204**	**59,402**	**83,800**	**5,947,195**	**74,731,756**

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Furniture and Fittings, Plant and Equipment:

Both furniture and fittings and plant and equipment were revalued in 2016 as part of the mandatory requirements embodied in *Local Government (Financial Management) Regulations 1996, Reg.17A*.

Whilst the additions since that time are shown at cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. Thus the value is considered in accordance with *Local Government (Financial Management) Regulations 1996, Reg.17A (2)* which requires these assets to be shown at fair value.

They will next be revalued during the year ended 30 June 2020 in accordance with the mandatory asset measurement framework detailed in Note 1(c).

Land and Buildings:

Both land and buildings were revalued in 2017 as part of the mandatory requirements embodied in *Local Government (Financial Management) Regulations 1996, Reg.17A*.

Whilst the additions since that time are shown at cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. Thus the value is considered in accordance with *Local Government (Financial Management) Regulations 1996, Reg.17A (2)* which requires these assets to be shown at fair value.

They will next be revalued during the year ended 30 June 2021 in accordance with the mandatory asset measurement framework detailed in Note 1(c).

Artworks:

The EMRC's artworks were revalued at 30 June 2018 as part of the mandatory requirements embodied in *Local Government (Financial Management) Regulations 1996, Reg.17A*.

They will next be revalued during the year ended 30 June 2022 in accordance with the mandatory asset measurement framework detailed in Note 1(c).

13. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

Movements in the carrying amount of infrastructure between the beginning and the end of the current financial year are reflected as follows:

	Note	Landfill Cells	Other Structures	Post Closure Asset	Work in Progress	Total
		$	$	$	$	$
Balance at 1 July 2017		**7,907,302**	**7,014,800**	**0**	**2,784,319**	**17,706,421**
Prior Period Adjustment:	32					
- Change in Accounting Policy		0	(178,428)	0	0	**(178,428)**
- Correction of Error		0	0	1,865,431	0	**1,865,431**
Restated balance at 1 July 2017		**7,907,302**	**6,836,372**	**1,865,431**	**2,784,319**	**19,393,424**
Additions		0	199,113	0	4,228,621	**4,427,734**
WIP - Transfers in/(out)		0	1,030	0	(1,030)	**0**
(Disposals)		0	(1,247)	0	0	**(1,247)**
Revaluation - increments/(decrements)		0	(321,179)	0	0	**(321,179)**
Depreciation expense		(1,230,792)	(271,408)	(39,339)	0	**(1,541,539)**
Restated balance at 30 June 2018		**6,676,510**	**6,442,681**	**1,826,092**	**7,011,910**	**21,957,193**
Comprises:						
Gross Carrying Amount at 30 June 2018		6,676,510	6,442,681	1,865,431	7,011,910	**21,996,532**
Accumulated depreciation at 30 June 2018		0	0	(39,339)	0	**(39,339)**
Carrying amount at 30 June 2018		**6,676,510**	**6,442,681**	**1,826,092**	**7,011,910**	**21,957,193**
Additions		657,347	902,317	0	3,867,602	**5,427,266**
WIP - Transfers in/(out)		0	3,415,377	0	(3,415,377)	**0**
(Disposals)		0	(24,848)	0	0	**(24,848)**
Depreciation expense		(2,253,467)	(318,529)	(52,832)	0	**(2,624,828)**
Carrying amount at 30 June 2019		**5,080,391**	**10,416,997**	**1,773,260**	**7,464,135**	**24,734,783**
Comprises:						
Gross Carrying Amount at 30 June 2019		7,333,858	10,735,526	1,865,431	7,464,135	**27,398,950**
Accumulated depreciation at 30 June 2019		(2,253,467)	(318,529)	(92,171)	0	**(2,664,167)**
Carrying amount at 30 June 2019		**5,080,391**	**10,416,997**	**1,773,260**	**7,464,135**	**24,734,783**

13. INFRASTRUCTURE (Continued)

Infrastructure:

The EMRC's infrastructure assets were revalued at 30 June 2018 as part of the mandatory requirements embodied in *Local Government (Financial Management) Regulations 1996, Reg.17A*.

Whilst the additions since that time are shown at cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. Thus the value is considered in accordance with *Local Government (Financial Management) Regulations 1996, Reg.17A (2)* which requires these assets to be shown at fair value.

They will next be revalued during the year ended 30 June 2021 in accordance with the mandatory asset measurement framework detailed in Note 1(c).

14. REVALUATION SURPLUS

Revaluation surpluses have arisen as a result of the revaluation of the following classes of non-current assets:

	ACTUAL 2018/2019 $	ACTUAL 2017/2018 $	ACTUAL 2016/2017 $
Plant and Equipment			
Opening balance	4,264,966	4,529,712	5,834,206
Prior Period Adjustment - Change in Accounting Policy	0	0	(219,356)
Revaluation Increment/(decrement)	0	0	0
Revaluation writeback on disposals	(25,756)	(264,746)	(1,085,138)
Closing Balance	**4,239,210**	**4,264,966**	**4,529,712**
Land			
Opening balance	31,540,696	31,540,696	29,475,608
Revaluation Increment/(decrement)	0	0	2,065,088
Closing Balance	**31,540,696**	**31,540,696**	**31,540,696**
Buildings			
Opening balance	1,699,769	1,699,769	1,205,328
Prior Period Adjustment - Change in Accounting Policy	0	0	(11,245)
Revaluation Increment/(decrement)	0	0	537,547
Revaluation writeback on disposals	0	0	(31,861)
Closing Balance	**1,699,769**	**1,699,769**	**1,699,769**
Artworks			
Opening balance	14,164	11,564	25,807
Prior Period Adjustment - Change in Accounting Policy	0	(2,485)	(14,243)
Revaluation Increment/(decrement)	0	5,085	0
Revaluation writeback on disposals	0	0	0
Closing Balance	**14,164**	**14,164**	**11,564**
Infrastructure - Other Structures			
Opening balance	3,781,137	4,125,400	4,186,426
Prior Period Adjustment - Change in Accounting Policy	0	(23,026)	(30,942)
Revaluation Increment/(decrement)	0	(321,223)	0
Revaluation writeback on disposals	(27,896)	(14)	(30,084)
Closing Balance	**3,753,241**	**3,781,137**	**4,125,400**
Total Revaluation Surplus	**41,247,080**	**41,300,732**	**41,907,141**

Revaluation Surplus Summary			
Opening balance	41,300,732	41,907,141	40,727,375
Prior Period Adjustment - Change in Accounting Policy (Note 32)	0	(25,511)	(275,786)
Revaluation Increment/(decrement)	0	(316,138)	2,602,635
Revaluation writeback on disposals	(53,652)	(264,760)	(1,147,083)
Total Revaluation Surplus	**41,247,080**	**41,300,732**	**41,907,141**

15. TRADE AND OTHER PAYABLES

	ACTUAL 2018/2019 $	ACTUAL 2017/2018 $
Current		
Payroll Accruals	83,850	74,777
GST Liability	0	63,055
Sundry Creditors	5,462,714	3,467,159
	5,546,564	**3,604,991**

16. PROVISIONS

	ACTUAL 2018/2019 $	Restated ACTUAL 2017/2018 $	ACTUAL 2016/2017 $
Current Employee Benefits Related Provisions			
Employees Annual Leave	729,196	635,506	646,193
Employees Long Service Leave	688,230	706,392	604,636
Employment On-Costs	211,898	199,293	187,861
	1,629,324	**1,541,191**	**1,438,690**
Non-current Employee Benefits Related Provisions			
Employees Long Service Leave	91,057	104,482	128,421
Employment On-Costs	11,713	11,600	15,287
	102,770	**116,082**	**143,708**
Total Employee Benefits Provisions	**1,732,094**	**1,657,273**	**1,582,398**
Non-current Other Provisions			
Red Hill Landfill Site Post Closure Rehabilitation	2,859,912	2,312,726	1,994,248
Red Hill Landfill Environmental Monitoring	1,530,736	1,229,454	1,054,638
Carbon Pricing Tax	0	0	4,235,645
Total Other Provisions	**4,390,647**	**3,542,180**	**7,284,531**
Total Provisions	**6,122,741**	**5,199,453**	**8,866,929**
Analysis of total provisions:			
Current	1,629,324	1,541,191	1,438,690
Non-current	4,493,417	3,658,262	7,428,239
	6,122,741	**5,199,453**	**8,866,929**

	Note	Provision for Annual Leave $	Provision for Long Service Leave $	Provision for Employment On-Costs $	Provision for Site Rehabilitation $	Provision for Environmental Monitoring $	Provision for Carbon Pricing $	Total $
Opening balance as at 1 July 2017		**646,193**	**733,057**	**203,148**	**2,314,792**	**885,502**	**4,235,645**	**9,018,337**
Prior Period Adjustment	32							
- Correction of Error		0	0	0	(320,544)	169,136	0	**(151,408)**
Restated Balance as at 1 July 2017		**646,193**	**733,057**	**203,148**	**1,994,248**	**1,054,638**	**4,235,645**	**8,866,929**
Additional provisions made		526,068	133,970	11,432	318,478	174,816	0	**1,164,764**
Amounts used		(536,755)	(56,153)	(3,687)	0	0	0	**(596,595)**
Unused amount reversed		0	0	0	0	0	(4,235,645)	**(4,235,645)**
Restated Balance as at 1 July 2018		**635,506**	**810,874**	**210,893**	**2,312,726**	**1,229,454**	**0**	**5,199,453**
Additional provisions made		543,432	191,765	12,605	547,186	301,282	0	**1,596,270**
Amounts used		(449,742)	(223,352)	113	0	0	0	**(672,981)**
Balance as 30 June 2019		**729,196**	**779,287**	**223,611**	**2,859,912**	**1,530,736**	**0**	**6,122,741**

16. PROVISIONS (Continued)

Annual Leave Liabilities

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:

	2018/2019 $	2017/2018 $
Within 12 months of the end of the reporting period	573,815	498,688
More than 12 months after the end of the reporting period	155,381	136,818
	729,196	**635,506**

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

Long Service Leave Liabilities

Unconditional long service leave provisions are classified as current liabilities as the EMRC does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the EMRC has an unconditional right to defer settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018/2019 $	2017/2018 $
Within 12 months of the end of the reporting period	230,767	101,177
More than 12 months after the end of the reporting period	548,520	709,697
	779,287	**810,874**

The provision for long service leave is calculated at the present value as the EMRC does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

16. PROVISIONS (Continued)

Employment On-Cost Provision

The settlement of annual leave and long service leave liabilities give rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Employee Costs' in the Statement of Comprehensive Income. The related liability is included in 'Employment On-Costs' provision.

17. RESERVES

	ACTUAL 2018/2019 $	BUDGET 2018/2019 $	ACTUAL 2017/2018 $
(a) Plant and Equipment Reserve			
Opening balance	3,383,664	3,312,798	1,372,015
Transfer from retained surplus	1,806,797	3,884,207	2,134,690
Transfer to retained surplus	(3,356,987)	(6,861,076)	(157,381)
Interest	104,389	47,177	34,340
Closing Balance	**1,937,863**	**383,106**	**3,383,664**
(b) Site Rehabilitation Reserve - Post Closure			
Opening balance	2,482,057	2,491,398	2,314,792
Transfer from retained surplus	151,231	125,190	109,329
Transfer to retained surplus	0	0	0
Interest	76,574	66,954	57,936
Closing Balance	**2,709,862**	**2,683,542**	**2,482,057**
(c) Future Development Reserve			
Opening balance	16,089,599	16,138,460	6,238,460
Transfer from retained surplus	3,595,000	3,595,000	9,695,000
Transfer to retained surplus	0	0	0
Interest	496,381	594,382	156,139
Closing Balance	**20,180,980**	**20,327,842**	**16,089,599**
(d) Environmental Monitoring Reserve			
Opening balance	975,126	977,377	885,502
Transfer from retained surplus	93,317	77,183	67,461
Transfer to retained surplus	0	0	0
Interest	30,084	26,650	22,163
Closing Balance	**1,098,527**	**1,081,210**	**975,126**
(e) Environmental Insurance Reserve			
Opening balance	11,844	11,906	13,506
Transfer from retained surplus	45,000	45,000	40,000
Transfer to retained surplus	(19,700)	(44,100)	(42,000)
Interest	366	323	338
Closing Balance	**37,510**	**13,129**	**11,844**

17. RESERVES (Continued)

	ACTUAL 2018/2019 $	BUDGET 2018/2019 $	ACTUAL 2017/2018 $
(f) Risk Management Reserve			
Opening balance	14,738	14,778	14,377
Transfer from retained surplus	0	0	0
Transfer to retained surplus	0	0	0
Interest	454	388	361
Closing Balance	**15,192**	**15,166**	**14,738**
(g) Class IV Reserve			
Opening balance	589,575	593,464	563,778
Transfer from retained surplus	45,107	68,245	11,686
Transfer to retained surplus	(50,000)	(500,000)	0
Interest	18,189	9,583	14,111
Closing Balance	**602,871**	**171,292**	**589,575**
(h) Regional Development Reserve			
Opening balance	328,109	329,222	195,233
Transfer from retained surplus	250,000	660,000	580,000
Transfer to retained surplus	(275,645)	(598,252)	(452,010)
Interest	10,123	9,372	4,886
Closing Balance	**312,587**	**400,342**	**328,109**
(i) Secondary Waste Reserve			
Opening balance	56,190,599	56,498,092	48,550,081
Transfer from retained surplus	4,872,031	5,189,295	6,425,381
Transfer to retained surplus	(4,802,132)	(8,497,623)	0
Interest	1,733,538	1,429,157	1,215,137
Closing Balance	**57,994,036**	**54,618,921**	**56,190,599**
(j) Class III Reserve			
Opening balance	5,929,276	5,963,540	4,344,485
Transfer from retained surplus	1,576,941	2,873,756	1,676,259
Transfer to retained surplus	(1,657,605)	(2,261,222)	(200,204)
Interest	182,924	161,367	108,736
Closing Balance	**6,031,536**	**6,737,441**	**5,929,276**

17. RESERVES (Continued)

	ACTUAL 2018/2019 $	BUDGET 2018/2019 $	ACTUAL 2017/2018 $
(k) Building Refurbishment Reserve			
Opening balance	74,410	74,594	72,593
Transfer from retained surplus	0	0	0
Transfer to retained surplus	0	0	0
Interest	2,296	1,961	1,817
Closing Balance	**76,706**	**76,555**	**74,410**
(l) Long Service Leave Reserve			
Opening balance	910,197	916,500	866,914
Transfer from retained surplus	22,344	22,344	21,586
Transfer to retained surplus	0	0	0
Interest	28,081	24,285	21,697
Closing Balance	**960,622**	**963,129**	**910,197**
TOTAL RESERVES			
Opening balance	86,979,194	87,322,129	65,431,736
Transfer from retained surplus	12,457,769	16,540,220	20,761,392
Transfer to retained surplus	(10,162,069)	(18,762,273)	(851,595)
Interest	2,683,398	2,371,599	1,637,661
CLOSING BALANCE	**91,958,292**	**87,471,675**	**86,979,194**

All of the reserve accounts are supported by money and investments held in financial institutions and match the amount shown as restricted cash in Note 10 to this financial report.

17. RESERVES (Continued)

The purpose for which the Reserve funds are set aside are as follows and will be utilised in accordance with annual budgeted expenditure: -

Plant and Equipment Reserve (Ongoing Reserve)
This reserve was established to finance the replacement of major items of plant and equipment.

Site Rehabilitation Reserve - Post Closure (Ongoing Reserve)
This reserve was established to finance the rehabilitation of the Red Hill waste disposal site at time of decommissioning.

Future Development Reserve (Ongoing Reserve)
This reserve was established to finance future developments being undertaken by the EMRC. The reserve is also utilised to provide funds for projects that the EMRC is investigating and undertaking for the purpose of the long term future direction in the area of waste management for the benefit of the region

Class IV Reserve (Ongoing Reserve)
This reserve was established to finance the capping of the existing Class IV cells and the construction of future Class IV cells and associated works at the Red Hill waste disposal site.

Class III Reserve (Ongoing Reserve)
This reserve was established to finance the capping of the existing Class III cells and the construction of future Class III cells and associated works at the Red Hill waste disposal site.

Environmental Monitoring Reserve (Ongoing Reserve)
This reserve was established to provide funds for environmental monitoring after decommissioning of the Red Hill Waste disposal site.

Environmental Insurance Reserve (Ongoing Reserve)
This reserve was established to provide funds to enable the EMRC to immediately respond to the need for repairs to, or rectification of damage to the environment surrounding the Red Hill waste disposal site as a result of any incident not covered by the EMRC's existing insurance policies.

Risk Management Reserve (Ongoing Reserve)
This reserve was established to receive surpluses from the Risk Management Service and to fund future requirements of the service in subsequent financial years.

Secondary Waste Reserve (Anticipated date of Use - 2018/2019 to 2019/2020 financial years)
This reserve was established to accumulate and to make provision for Secondary Waste Treatment Technology in the future.

Regional Development Reserve (Ongoing Reserve)
This reserve was established to accumulate and provide funds to enable the EMRC to fund Regional Development activities.

Building Refurbishment Reserve (Ongoing Reserve)
This reserve was established to accumulate and provide funds for the refurbishment of the Ascot Place administration building.

Long Service Leave Reserve (Ongoing Reserve)
This reserve was established to accumulate and provide funds to enable the EMRC to fund staff long service leave.

18. NOTES TO THE STATEMENT OF CASH FLOWS

(i) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, the EMRC considers cash and cash equivalents to include cash on hand, cash at bank and term deposits. Cash at the end of the reporting period as shown in the Statement of Cash Flow is as follows:

	ACTUAL 2018/2019 $	BUDGET 2018/2019 $	ACTUAL 2017/2018 $
Cash and Cash Equivalents - Unrestricted	4,885,437	4,081,732	5,046,861
Cash and Cash Equivalents - Restricted	31,113,327	32,641,439	37,133,340
Total Cash and Cash Equivalents	**35,998,764**	**36,723,171**	**42,180,201**

(ii) Reconciliation of net cash provided by operating activities to Net Result

Net Result	8,245,723	7,084,278	11,243,892
Non-Cash Flows in Net Result			
Depreciation	4,532,377	5,066,853	3,803,656
Doubtful debts	1,006,057	0	0
(Profit)/Loss on sale of assets	10,131	(70,297)	11,500
Small Assets write off	0	0	24,977
Changes in Assets and Liabilities			
Increase/(Decrease) in provisions - Other	848,469	202,373	493,492
Increase/(Decrease) in provisions - Employee	74,821	29,344	74,875
Increase/(Decrease) in Sundry Creditors	1,999,789	0	(177,276)
Increase/(Decrease) in GST	(67,894)	0	(63,960)
Increase/(Decrease) in Other Revenue (Carbon Tax)	0	0	(4,235,645)
(Increase)/Decrease in accrued interest earnings	341,675	0	(185,701)
(Increase)/Decrease in Receivables	(1,291,624)	0	152,311
(Increase)/Decrease in Inventory	(24,894)	0	(1,011)
(Increase)/Decrease in Prepayments	(21,178)	0	93,821
Net cash from operating activities	**15,653,452**	**12,312,551**	**11,234,931**

(iii) Undrawn Borrowing Facilities

Credit Standby Arrangements

There were no bank overdraft facilities in place for the EMRC at balance date.

Credit Card Limits	43,000	43,000
Credit Utilised at Balance Date	(15,018)	(11,269)
Total amount of credit unutilised	**27,982**	**31,731**

19. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlements liability recognised and included in the financial report is as follows:

Provision for Employee Entitlements (Refer to Note 16)	ACTUAL 2018/2019 $	ACTUAL 2017/2018 $
- Current	1,629,324	1,541,191
- Non-current	102,770	116,082
Total Employee Entitlements	**1,732,094**	**1,657,273**

	ACTUAL FTE's 2018/2019	ACTUAL FTE's 2017/2018
Total number of (FTE) employees at end of financial year	**78**	**80**

20. COUNCILLORS FEES AND ALLOWANCES

The following fees, expenses and allowances were paid to council members and the Chairman:

	ACTUAL 2018/2019 $	BUDGET 2018/2019 $	ACTUAL 2017/2018 $
Councillors' meeting fees	115,005	116,730	115,005
Chairman's meeting fees	15,682	15,917	15,682
Deputy Councillors' meeting fees	3,068	12,580	1,888
Chairman's Local Government fee	19,864	20,162	19,864
Deputy Chairman's Local Government fee	4,966	5,040	4,966
	158,585	**170,429**	**157,405**

21. ASSETS CLASSIFIED BY TYPE AND LOCAL GOVERNMENT PROGRAM

	ACTUAL 2018/2019 $	Restated ACTUAL 2017/2018 $	ACTUAL 2016/2017 $
CURRENT ASSETS			
General Purpose Funding	17,506,578	17,028,635	30,347,825
Governance	1,241,881	1,273,344	1,123,650
Community Amenities	88,655,323	82,268,076	62,910,604
Economic Services	312,586	328,109	195,232
TOTAL CURRENT ASSETS	**107,716,368**	**100,898,164**	**94,577,311**
NON-CURRENT ASSETS			
Land			
Governance	5,450,000	5,450,000	5,450,000
Community Amenities	45,120,000	45,120,000	45,120,000
Buildings			
Governance	3,866,664	3,933,332	4,000,000
Community Amenities	3,415,383	3,450,465	3,475,739
Structures			
Governance	9,471	9,513	29,705
Community Amenities	17,261,177	14,935,770	16,579,400
Plant			
Governance	138,662	95,989	299,913
Community Amenities	10,340,446	9,724,639	11,540,928
Equipment			
Governance	164,326	184,749	275,512
Community Amenities	145,878	174,505	241,124
Furniture and Fittings			
Governance	143,202	141,594	84,086
Work In Progress			
Unclassified	13,411,330	11,953,603	7,405,074
TOTAL NON CURRENT ASSETS	**99,466,539**	**95,174,159**	**94,501,481**
TOTAL ASSETS	**207,182,907**	**196,072,323**	**189,078,792**

22. DISPOSAL OF ASSETS

	ACTUAL 2018/2019			BUDGET 2018/2019			ACTUAL 2017/2018		
	Net Book Value $	Sale Price $	Gain (Loss) $	Net Book Value $	Sale Price $	Gain (Loss) $	Net Book Value $	Sale Price $	Gain (Loss) $
Plant	116,373	131,091	14,718	204,121	274,418	70,297	334,523	327,046	(7,477)
Structues	24,849	0	(24,849)	0	0	0	1,247	0	(1,247)
Equipment	0	0	0	0	0	0	2,776	0	(2,776)
Total Assets Disposed	**141,222**	**131,091**	**(10,131)**	**204,121**	**274,418**	**70,297**	**338,546**	**327,046**	**(11,500)**

23. INFORMATION ON BORROWINGS

(a) Borrowings

The EMRC does not have any loans or borrowings.

(b) New Borrowings

There were no new borrowings during the 2018/2019 financial year.

(c) Unspent Loans

There were no unspent loans during the 2018/2019 financial year.

24. INTEREST IN THE EMRC

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

Member Council	2018/2019 %	2018/2019 $	Restated 2017/2018 %	Restated 2017/2018 $
Town of Bassendean	*4.29*	8,386,081	*4.27*	8,003,458
City of Bayswater	*18.60*	36,355,492	*18.86*	35,310,585
City of Belmont	*11.31*	22,117,430	*11.35*	21,261,371
City of Kalamunda	*16.06*	31,407,709	*16.30*	30,517,040
Shire of Mundaring	*10.67*	20,854,109	*10.69*	20,012,757
City of Swan	*39.07*	76,392,781	*38.53*	72,162,668
Total Equity	***100.00***	**195,513,602**	***100.00***	**187,267,879**

The EMRC participating Member Councils' interest distributions have been calculated in accordance with clause 9.4 of the Eastern Metropolitan Regional Council Establishment Agreement.

25. FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council 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 area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	Carrying Value 2018/2019 $	Carrying Value 2017/2018 $	Fair Value 2018/2019 $	Fair Value 2017/2018 $
Financial Assets				
Cash and cash equivalents	35,998,764	42,180,201	35,998,764	42,180,201
Financial assets at amortised costs:				
- Term deposits	68,000,000	55,000,000	68,000,000	55,000,000
- Receivables *	3,615,471	3,666,740	3,615,471	3,666,740
	107,614,235	**100,846,941**	**107,614,235**	**100,846,941**
Financial Liabilities				
Financial liabilities at amortised cost:				
- Payables *	5,546,564	3,541,936	5,546,564	3,541,936
	5,546,564	**3,541,936**	**5,546,564**	**3,541,936**

Fair value is determined as follows:

Cash and Cash Equivalents, Receivables, Payables - estimated to the carrying value which approximates net market value.

Financial Assets at Fair Value through profit and loss - based on market valuations and verified by independent financial advisors.

** The amount of receivables/payables excludes the GST recoverable from/payable to the ATO (statutory receivable/payable)*

25. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers. Council has an investment policy and the policy is subject to review by Council.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk - the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council seeks advice from an independent adviser before placing any cash and investments.

	2018/2019 $	2017/2018 $
Impact of a 10% movement in price of investments:		
- Equity	0	0
- Statement of Comprehensive Income	0	0
Impact of a 1% movement in interest rates on cash and investments:		
- Equity	14,953	16,768
- Statement of Comprehensive Income	14,953	16,768

(b) Receivables

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

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

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

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Ageing Analysis of Receivables

			Past due but not Impaired					
	Carrying Amount	Not Past due and not Impaired	Up to 1 month	1 - 3 Months	3 Months to 1 Year	1 - 5 Years	More than 5 Years	Impaired Receivables
	$	$	$	$	$	$	$	$
2018/2019								
Receivables *	2,609,506	2,250,872	306,808	19,436	0	0	0	32,391
Loan receivable	1,005,965	0	0	0	0	0	0	1,005,965
	3,615,471	**2,250,872**	**306,808**	**19,436**	**0**	**0**	**0**	**1,038,356**
2017/2018								
Receivables *	3,251,856	3,118,823	79,667	4,944	0	0	0	48,422
Loan receivable	414,884	414,884	0	0	0	0	0	0
	3,666,740	**3,533,707**	**79,667**	**4,944**	**0**	**0**	**0**	**48,422**

* *The amount of receivables excludes the GST recoverable from the ATO (statutory receivable)*

25. FINANCIAL RISK MANAGEMENT (Continued)

(d) Payables

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

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Table below:

	Due within 1 year $	Due between 1 & 5 years $	Due after 5 years $	Total contractual cash flows $	Carrying values $
2018/2019					
Payables *	5,546,564	0	0	5,546,564	5,546,564
	5,546,564	**0**	**0**	**5,546,564**	**5,546,564**
2017/2018					
Payables *	3,541,936	0	0	3,541,936	3,541,936
	3,541,936	**0**	**0**	**3,541,936**	**3,541,936**

** The amount of payables excludes the GST payable to the ATO (statutory payable)*

(e) Borrowings

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

Council does not have any borrowings or loans.

25. FINANCIAL RISK MANAGEMENT (Continued)

(f) Liquidity Risk and Interest Rate Exposure

The following table details the EMRC's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The interest rate exposure section analyses the carrying amounts of each item.

Interest Rate Exposure and Maturity Analysis of Financial Assets and Financial Liabilities

	Interest Rate Exposure						Maturity Dates			
	Weighted Average Effective Interest Rate	Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing	Nominal Amount	Up to 1 month	1 - 3 Months	3 Months to 1 Year	More than 1 Year
	%	$	$	$	$	$	$	$	$	$
2018/2019										
Financial Assets										
Cash and cash equivalents	2.05%	4,885,437	3,484,428	1,397,559	3,450	4,885,437	2,562,472	2,322,965	0	0
Restricted cash and cash equivalents	2.70%	31,113,327	31,015,552	97,775	0	31,113,327	10,436,292	20,677,035	0	0
Financial Assets at amortised cost										
Term Deposits - Unrestricted	2.70%	6,867,898	6,867,898	0	0	6,867,898	0	0	6,867,898	0
Term Deposits - Restricted	2.70%	61,132,102	61,132,102	0	0	61,132,102	0	0	61,132,102	0
Receivables *	-	2,609,506	0	0	2,609,506	2,609,506	2,609,506	0	0	0
Loan receivable	8.00%	1,005,965	1,005,965	0	0	1,005,965	0	0	1,005,965	0
		107,614,235	**103,505,945**	**1,495,334**	**2,612,956**	**107,614,235**	**15,608,270**	**23,000,000**	**69,005,965**	**0**
Financial Liabilities										
Payables *	-	5,546,564	0	0	5,546,564	5,546,564	5,546,564	0	0	0
		5,546,564	**0**	**0**	**5,546,564**	**5,546,564**	**5,546,564**	**0**	**0**	**0**
2017/2018										
Financial Assets										
Cash and cash equivalents	1.99%	5,046,861	3,497,337	1,546,074	3,450	5,046,861	2,413,064	2,633,797	0	0
Restricted cash and cash equivalents	2.64%	37,133,340	37,002,663	130,677	0	37,133,340	9,267,137	27,866,203	0	0
Financial Assets at amortised cost										
Term Deposits - Unrestricted	2.64%	4,749,471	4,749,471	0	0	4,749,471	0	0	4,749,471	0
Term Deposits - Restricted	2,64%	50,250,529	50,250,529	0	0	50,250,529	0	0	50,250,529	0
Receivables *	-	3,251,856	0	0	3,251,856	3,251,856	3,251,856	0	0	0
Loan receivable	8.00%	414,884	414,884	0	0	414,884	0	0	414,884	0
		100,846,941	**95,914,884**	**1,676,751**	**3,255,306**	**100,846,941**	**14,932,057**	**30,500,000**	**55,414,884**	**0**
Financial Liabilities										
Payables *	-	3,541,936	0	0	3,541,936	3,541,936	3,541,936	0	0	0
		3,541,936	**0**	**0**	**3,541,936**	**3,541,936**	**3,541,936**	**0**	**0**	**0**

** The amount of receivables/payables excludes the GST recoverable/payable from/to the ATO (statutory receivable/payable)*

26. COMMITMENTS FOR CAPITAL EXPENDITURE

	ACTUAL 2018/2019 $	ACTUAL 2017/2018 $
Commitments for the acquisition of assets contracted for at the reporting date but not recognised as liabilities:		
- Payable not longer than one year	4,158,188	2,381,392
Total Capital Commitments	**4,158,188**	**2,381,392**

27. CONTINGENT LIABILITIES

Contingent liabilities at balance date, not otherwise provided for in the financial statements, relate to an action by Lehman Brothers in the United States Bankruptcy Court.

On 9 May 2007 EMRC invested $450,000 into Federation notes.

On 30 Oct 2008, in common with hundreds of other investors in the Federation notes, this investment of $450,000 was fully repaid to the EMRC.

Subsequently Lehman Brothers Special Financing Inc. commenced an action in the United States Bankruptcy Court, Southern District of New York, No. 10 - 803547 applying for an order for all investors to repay the amounts paid.

It is the opinion of the attorney representing the EMRC in this action that the claim will not be decided until post 2021.

28. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events after the reporting period required to be included in the 2018/2019 Annual Financial Report.

29. FINANCIAL RATIOS

	ACTUAL 2018/2019	Restated ACTUAL 2017/2018	Restated ACTUAL 2016/2017
Liquidity Ratio			
Current Ratio [1] (Current Assets less Restricted Current Assets / Current Liabilities less Liabilities Associated with Restricted Assets)	2.40	3.07	6.19
Debt Ratio			
Debt Service Cover Ratio [2] (Operating Surplus before Interest and Depreciation Expenses / Principal and Interest Repayments)	Not Applicable	Not Applicable	Not Applicable
Coverage Ratio			
Own Source Revenue Coverage Ratio [3] (Own Source Operating Revenue / Operating Expense)	1.20	1.34	1.21
Financial Performance Ratio			
Operating Surplus Ratio [4] (Operating Revenue less Operating Expense / Own Source Operating Revenue)	0.20	0.30	0.24
Asset Management Ratio			
Asset Sustainability Ratio [5] (Capital Renewal and Replacement Expenditure / Depreciation Expense)	1.02	0.10	0.68
Asset Consumption Ratio [6] (Depreciated Replacement Cost of Depreciable Assets / Current Replacement Cost of Depreciable Assets)	0.81	0.85	0.80
Asset Renewal Funding Ratio [7] (NPV of planned Capital renewals over 10 years / NPV of required Capital expenditure over 10 years)	1.00	1.00	1.00

Notes

[1] This is a modified commercial ratio designed to focus on the liquidity position of the Council that has arisen from past year's transactions.

[2] This ratio is the measurement of Council's ability to repay its debt including lease payments.

[3] This ratio is the measurement of Council's ability to cover its costs through its own revenue efforts.

[4] This ratio is a measure of Council's ability to cover its operational costs and have revenues available for capital funding or other purposes.

[5] This ratio indicates whether Council is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.

[6] This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.

[7] This ratio is a measure of the ability of Council to fund its projected asset renewal / replacements in the future.

30. FAIR VALUE MEASUREMENT

The EMRC measures the following assets at fair value on a recurring basis after initial recognition:

- Financial Assets at fair value through profit or loss
- Land and buildings
- Plant
- Equipment
- Furniture and Fittings
- Artworks
- Infrastructure

The following table provides the fair values of the EMRC's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy [refer to Note 1(d)]:

Recurring Fair Value Measurements

		30 June 2019			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		$	**$**	**$**	**$**
Financial Assets	10	0	0	0	0
Total financial assets recognised at fair value on a recurring basis		**0**	**0**	**0**	**0**
Non-Financial Assets					
Land	12	0	50,570,000	0	50,570,000
Buildings	12	0	3,866,664	3,415,383	7,282,047
Plant	12	0	5,074,119	5,404,989	10,479,108
Equipment	12	0	310,204	0	310,204
Furniture and Fittings	12	0	59,402	0	59,402
Artworks	12	0	83,800	0	83,800
Infrastructure	13	0	0	17,270,648	17,270,648
Total non-financial assets recognised at fair value on a recurring basis		**0**	**59,964,189**	**26,091,020**	**86,055,209**

30. FAIR VALUE MEASUREMENT (Continued)

		30 June 2018 Restated			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		$	**$**	**$**	**$**
Financial Assets	10	0	0	0	0
Total financial assets recognised at fair value on a recurring basis		**0**	**0**	**0**	**0**
Non-Financial Assets					
Land	12	0	50,570,000	0	50,570,000
Buildings	12	0	3,923,675	3,460,122	7,383,797
Plant	12	0	4,182,184	5,638,444	9,820,628
Equipment	12	0	359,254	0	359,254
Furniture and Fittings	12	0	57,794	0	57,794
Artworks	12	0	83,800	0	83,800
Infrastructure	13	0	0	14,945,283	14,945,283
Total non-financial assets recognised at fair value on a recurring basis		**0**	**59,176,707**	**24,043,849**	**83,220,556**

(a) Transfers Policy

The policy of the EMRC is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period.

There were no transfers between level 2 and 3 during the current and previous year.

(b) Highest and Best Use

There were no assets valued where it was assumed that the highest and best use was other than their current use.

30. FAIR VALUE MEASUREMENT (Continued)

(c) Valuation techniques and Inputs used to derive fair values

The following table summarises valuation inputs and techniques used to determine the Fair value for each asset class.

Asset	Level of Valuation Input	Fair Value at 30 June 2019 $	Valuation Technique(s)	Inputs Used
Non-Financial Assets				
Land	2	32,880,000	Market approach	Price per square metre.
	2	17,690,000	Cost Approach	Price per square metre.
Buildings	3	3,415,383	Cost Approach	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
	2	3,866,664	Market and income approach	Rental yields and price per square metre.
Plant	2	5,074,119	Market approach	Make, size, year of manufacture and condition.
	3	5,404,989	Cost approach	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
Equipment	2	310,204	Market approach	Make, size, year of manufacture and condition.
Furniture and Fittings	2	59,402	Market approach	Make, size, year of manufacture and condition.
Artworks	2	83,800	Market approach	Estimated value expected to be realised.
Infrastructure	3	17,270,648	Cost approach	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
TOTAL		**86,055,209**		

30. FAIR VALUE MEASUREMENT (Continued)

(c) Valuation techniques and Inputs used to derive fair values (Continued)

Recurring fair value measurements

Land

Where there is directly comparable market evidence Level 2 valuation inputs were used to value land held in freehold title (investment and non-investment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Level 2 valuation inputs were used to value land held in freehold title (investment and noninvestment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

The land purchased in December 2012, Lot 8, 9 & 10 land parcels at Red Hill Waste Management Facility, was a strategically planned and prolonged acquisition over a period of several years. It was a closed negotiation and was not open to market participants. Market research and analysis was undertaken by the Valuers who have acknowledged that the cost of this land area equates to a land rate per hectare greater than analysis of nearby market evidence. The difference is a premium rate which Council paid to obtain the asset. AASB13 requires Fair Value of this land to be calibrated to the transactional cost. The Valuers have therefore adopted the Fair Value of this land at the purchase price as it provides calibration with actual price required for purchasing a land fill site.

Buildings

Level 2 valuation inputs

These were used to determine the fair value of a range of properties. This included the bulk of residential and commercial properties. The residential properties fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Commercial buildings have been generally derived using a combination of sales direct comparison approach and capitalisation of income approach. Fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach are rental yields and price per square metre.

Level 3 valuation inputs

The level of evidence used to support the critical assumptions of some commercial buildings was considered to be highly variable due to high levels of variability in the market for rental yields and future demand. As such the level of valuation input for these properties was considered level 3

30. FAIR VALUE MEASUREMENT (Continued)

(c) Valuation techniques and Inputs used to derive fair values (Continued)

Recurring fair value measurements

Artworks

Valuation inputs and techniques used to determine the fair value for all Art work Assets have been based on Level 2 inputs - Market Based.

It has been determined that there is an active market for the Art Work Assets and hence the 'market approach' has been adopted.

Level 2 valuation inputs

Market (Direct Comparison) - This has been applied and fair value assessed on the basis of the estimated amount which the interest in each item of Art Work valued might reasonably be expected to realise on the date of valuation in an exchange between market participants given highest and best use or highest and best alternative use. This was determined by comparison to recent sales of Art work with similar characteristics. This was then adjusted to reflect conditions and comparability. As this was based on observable evidence they have been classified as Level 2.

Infrastructure

Road, Equipment and Civil Assets

All road, equipment and civil assets were valued using the cost approach.

The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Eastern Metropolitan Regional Council's own engineers, asset management and finance staff. The results of the valuation were further evaluated by confirmation against Eastern Metropolitan Regional Council's own understanding of the assets and the level of remaining service potential.

Plant

Plant assets have generally been derived from comparable sales and relevant industry market price reference guides and have been classified as being valued at level 2. The most significant inputs into this valuation approach are the make, size, year of manufacture and condition.

Some items of plant and contents however are unique in design or there was insufficient observable market evidence to support the valuation. As a result these assets have been valued using the cost approach. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and determining the Fair Value for each component based on the Remaining Useful Life (RUL) in proportion to the Useful Life after adjusting for any Residual Value.

Equipment, Furniture and Fittings

The Council acquires its furniture and equipment at arm's length from approved suppliers. These acquisitions are recorded at cost and any accumulated depreciation reflects the usage of service potential. It is considered that the recorded written down values approximate the fair value of furniture and fittings.

30. FAIR VALUE MEASUREMENT (Continued)

(d) Valuation processes

The EMRC engages external, independent and qualified valuers to determine the fair value of the Council's land, buildings, plant, equipment, infrastructure, artworks and furniture and fittings on a regular basis in line with Regulation 17A(4) of the *Local Government (Financial Management) Regulations 1996.*

There were no revaluations undertaken for any class of assets during the 2018/2019 financial year.

31. RELATED PARTY TRANSACTIONS

Key Management Personal (KMP) Compensation Disclosure

The total remuneration for KMP of the Council during the year are as follows:

	2018/2019 $	2017/2018 $
Short-term employee benefits	701,934	607,911
Post-employment benefits	88,569	96,146
Other long term benefits	48,635	71,741
Termination benefits	0	0
	839,138	**775,798**

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect of fees and benefits paid to elected members which may be found at Note 20.

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service benefits 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).

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 elected member, are considered key management personnel.

ii 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.

31. RELATED PARTY TRANSACTIONS (Continued)

Related Parties (Continued)

Transactions with related parties

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2018/2019 $	2017/2018 $
Member Councils:		
Sale of goods and services	27,782,087	25,372,410
Purchase of goods and services	0	0
Amounts outstanding from related parties:		
Trade and other receivables	1,945,340	1,419,667

32. PRIOR PERIOD ADJUSTMENTS

Change in Accounting Policy

Paragraph 17A(5) was inserted into the *Local Government (Financial Management) Regulations 1996* and was gazetted on 26 June 2018. It became effective from the day after the gazettal date.

The regulation stated an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under $5,000.

The adoption of the regulation constitutes a change in accounting policy.

The Council previously included assets with a fair value of under $5,000 at the time of acquisition within the assets of the Council.

During the year assets with a fair value at the date of acquisition of under $5,000 and purchased prior to 30 June 2018 have been excluded from the assets of the Council along with those assets acquired during the year ended 30 June 2019 with a fair value of under $5,000 which were previously capitalised.

The Council has retrospectively adjusted prior year balances by restating each of the financial statement line items for the periods as outlined in the table below.

Correction of Error

In 2015 an independent review was undertaken of the post closure costs to landfill cells/sites to assess the adequacy of the provision. This was subject to a report submitted to Council on 18 June 2015, where it was reported that the current funds in the post closure provisions were below the costs identified in the independent review. It was also reported that further reviews to assess the sufficiency of the post closure costs would be undertaken on a periodic basis of approximately every five (5) years or sooner subject to material changes in operational circumstances.

The process of calculating the provisions was amended in order to accumulate funds and provide for the value calculated that would be required at the end of the life of the site, utilising an escalation future value, amortised over the useful life (based on the number of available free tonnage airspace remaining against the tonnage utilised each year).

The provisions relating to Landfill Sites are accounted for under the following accounting standards:

- AASB 116 - Property, Plant and Equipment;
- AASB 136 - Impairment of Assets: and
- AASB 137 - Provisions, Contingent Liabilities and Contingent Assets.

A recalculation of the Site Rehabilitation and the Environmental Monitoring post closure provisions has subsequently been undertaken in order to comply with the appropriate accounting standards and to determine the net present value of the future cash outflows of costs, determined on a discounted basis as at 30 June 2015.

The provisions were corrected and a corresponding post closure asset was created to be amortised over the remaining life of the site.

Increments in the provisions are calculated annually based on the change in the net present value.

The error has been corrected by restating each of the financial statement line items for the periods as outlined in the table below.

32. PRIOR PERIOD ADJUSTMENTS (Continued)

Statement of Financial Position (Extract)	Previously Reported 30 June 2018 $	Change in Accounting Policy Increase/ (Decrease) $	Correction of Error Increase/ (Decrease) $	30 June 2018 (Restated) $	Previously Reported 30 June 2017 $	Change in Accounting Policy Increase/ (Decrease) $	Correction of Error Increase/ (Decrease) $	30 June 2017 (Restated) $
Total Current Assets	**100,898,164**	**0**	**0**	**100,898,164**	**94,577,311**	**0**	**0**	**94,577,311**
Non-Current Assets								
Property, plant and equipment	73,642,629	(425,663)	0	73,216,966	75,590,604	(482,547)	0	75,108,057
Infrastructure	20,309,485	(178,428)	1,826,136	21,957,193	17,706,421	(178,428)	1,865,431	19,393,424
Total Non-Current Assets	**93,952,114**	**(604,091)**	**1,826,136**	**95,174,159**	**93,297,025**	**(660,975)**	**1,865,431**	**94,501,481**
Total Assets	**194,850,278**	**(604,091)**	**1,826,136**	**196,072,323**	**187,874,336**	**(660,975)**	**1,865,431**	**189,078,792**
Total Current Liabilities	**5,146,182**	**0**	**0**	**5,146,182**	**5,284,917**	**0**	**0**	**5,284,917**
Non-Current Liabilities								
Non-Current Provisions	3,573,905	0	84,357	3,658,262	7,579,647	0	(151,408)	7,428,239
Total Non-Current Liabilities	**3,573,905**	**0**	**84,357**	**3,658,262**	**7,579,647**	**0**	**(151,408)**	**7,428,239**
Total Liabilities	**8,720,087**	**0**	**84,357**	**8,804,444**	**12,864,564**	**0**	**(151,408)**	**12,713,156**
NET ASSETS	**186,130,191**	**(604,091)**	**1,741,779**	**187,267,879**	**175,009,772**	**(660,975)**	**2,016,839**	**176,365,636**
Equity								
Retained Surplus	57,548,968	(302,794)	1,741,779	58,987,953	67,395,109	(385,189)	2,016,839	69,026,759
Reserves	86,979,194	0	0	86,979,194	65,431,736	0	0	65,431,736
Revaluation Surplus	41,602,029	(301,297)	0	41,300,732	42,182,927	(275,786)	0	41,907,141
TOTAL EQUITY	**186,130,191**	**(604,091)**	**1,741,779**	**187,267,879**	**175,009,772**	**(660,975)**	**2,016,839**	**176,365,636**

32. PRIOR PERIOD ADJUSTMENTS (Continued)

Statement of Comprehensive Income (Extract)	30 June 2018 $	Change in Accounting Policy Increase/ (Decrease) $	Correction of Error Increase/ (Decrease) $	30 June 2018 (Restated) $
Total Revenue	**39,351,664**	**0**	**0**	**39,351,664**
Expenses				
Employee Costs	7,804,689	0	0	7,804,689
Materials and Contracts	4,705,008	0	0	4,705,008
Utility Expenses	357,516	0	0	357,516
Insurance Expenses	257,229	0	0	257,229
Other Expenditure	10,907,233	25,221	235,720	11,168,174
Depreciation Expenses on Non-Current Assets	3,871,933	(107,616)	39,339	3,803,656
Total Expenses	**27,903,608**	**(82,395)**	**275,059**	**28,096,272**
Sub Total Revenue less Expenses	**11,448,056**	**82,395**	**(275,059)**	**11,255,392**
Profit / (Loss) on Disposal of Assets	**(11,500)**	**0**	**0**	**(11,500)**
Net Result	**11,436,556**	**82,395**	**(275,059)**	**11,243,892**
Other Comprehensive Income				
Changes in Revaluation of Non-Current Assets	(316,138)	(25,511)	0	(341,649)
Total Other Comprehensive Income	**(316,138)**	**(25,511)**	**0**	**(341,649)**
TOTAL COMPREHENSIVE INCOME	**11,120,418**	**56,884**	**(275,059)**	**10,902,243**

33. NET CURRENT ASSET POSITION

The net current asset position balance carried forward from the previous financial year after adjustment for Restricted Assets for the purpose of the 2018/2019 budget was $9,005,091.

The actual net current asset position balance shown in the audited financial report as at 30 June 2018 and after adjustment for Restricted Assets was $8,498,789.

Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Eastern Metropolitan Regional Council

Report on the Audit of the Financial Report

Opinion
I have audited the annual financial report of the Eastern Metropolitan Regional Council which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Eastern Metropolitan Regional Council:
(i) is based on proper accounts and records; and
(ii) fairly represents, in all material respects, the results of the operations of the Council for the year ended 30 June 2019 and its financial position at the end of that period 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 of my report. I am independent of the Council in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting
I draw attention to Note 1 to the annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Council's annual financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Council for the Financial Report
The Chief Executive Officer (CEO) of the Council is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of an annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual 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 and 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.

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Auditor's Responsibility for the Audit of the Financial Report
The objectives of my audit are to obtain reasonable assurance about whether the annual 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 annual financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.

- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.

- Evaluate the overall presentation, structure and content of the annual financial report, including the disclosures, and whether the annual financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements
In accordance with the Local Government (Audit) Regulations 1996 I report that:
(i) All required information and explanations were obtained by me.
(ii) All audit procedures were satisfactorily completed.
(iii) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter
The financial ratios for 2017 in Note 29 of the annual financial report were audited by another auditor when performing their audit of the Council for the year ending 30 June 2017. The auditor expressed an unmodified opinion on the annual financial report for that year.

Matters Relating to the Electronic Publication of the Audited Financial Report
This auditor's report relates to the annual financial report of the Eastern Metropolitan Regional Council for the year ended 30 June 2019 included 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 annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.

SANDRA LABUSCHAGNE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
25 November 2019

Eastern Metropolitan Regional Council

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