



MINUTES

Ordinary Meeting of Council

20 May 2010

ORDINARY MEETING OF COUNCIL

MINUTES

20 May 2010

(REF: COMMITTEES-10622)

An Ordinary Meeting of Council was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 20 May 2010**. The meeting commenced at **6.00pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 6.00pm and welcomed Mr Johan Le Roux, Acting Director Waste Services and Ms Naomi Rakela, Manager Environmental Services to the meeting.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Councillor Attendance

Cr Graham Pittaway (Chairman)	EMRC Member	City of Bayswater
Cr John Gangell	EMRC Member	Town of Bassendean
Cr Gerry Pule	EMRC Member	Town of Bassendean
Cr Alan Radford	EMRC Member	City of Bayswater
Cr Glenys Godfrey	EMRC Member	City of Belmont
Cr Janet Powell	EMRC Member	City of Belmont
Cr Don McKechnie	EMRC Member	Shire of Kalamunda
Cr Frank Lindsey	EMRC Member	Shire of Kalamunda
Cr Tony Cuccaro (Deputy Chairman)	EMRC Member	Shire of Mundaring
Cr Alan Pilgrim	EMRC Member	Shire of Mundaring
Cr David Färdig	EMRC Member	City of Swan

Apologies

Cr Charlie Zannino	EMRC Member	City of Swan
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EMRC Officers

Mr Peter Schneider	Chief Executive Officer
Mr Johan Le Roux	Acting Director Waste Services
Ms Robyn O'Callaghan	Director Corporate Services
Ms Prapti Mehta	Manager Organisational Development
Ms Naomi Rakela	Manager Environmental Services
Ms Theresa Eckstein	Executive Assistant to Chief Executive Officer
Ms Mary-Ann Winnett	Personal Assistant to Director Corporate Services (Minutes)
Ms Annie Hughes-d'Aeth	Administration Support Officer

EMRC Observers

Mr Steve Fitzpatrick	Manager Project Development
Mr David Ameduri	Manager Financial Services
Ms Terri-Ann Ashton	Manager Administration and Compliance

Observers

Mr Bob Jarvis	Chief Executive Officer	Town of Bassendean
Mr Doug Pearson	Director Technical Services	City of Bayswater
Mr Ric Lutey	Director Technical Services	City of Belmont

Guests

Mr John King	Cardno
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Visitors

Mr Ian Walters
Mr Ron Snelgar



3 DISCLOSURE OF INTERESTS

3.1 PRAPTI MEHTA – MANAGER ORGANISATIONAL DEVELOPMENT – INTERESTS AFFECTING IMPARTIALITY:

Item: 19.2
Subject: Confidential Report Item 13.1 of the Chief Executive Officer's Performance Review Committee for Selection of Facilitator – Chief Executive Officer's Performance Review Process
Nature of Interest: EMRC Code of Conduct 1.3(a). Reporting relationship to the CEO.

3.2 PETER B. SCHNEIDER – CHIEF EXECUTIVE OFFICER – INTERESTS AFFECTING IMPARTIALITY:

Item: 19.2
Subject: Confidential Report Item 13.1 of the Chief Executive Officer's Performance Review Committee for Selection of Facilitator – Chief Executive Officer's Performance Review Process
Nature of Interest: Subject matter of the report directly relates to the Chief Executive Officer.

4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

4.1 FREE E-WASTE RECYCLING WEEK-END

A Free E-Waste Recycling Weekend will be held on 12 and 13 June 2010. The drop off point is the City of Swan Operations Centre, Corner Bishop Road and Great Northern Highway. For more information visit www.wastenet.net.au.

4.2 GAVIN WATTERS MEMORIAL

The Chairman advised that he had suggested to the CEO that he might like to look at an appropriate memorial in recognition of the significant contribution of the former CEO, Mr Gavin Watters (deceased). In consultation with operational staff, it has been proposed to name the new main road within the Red Hill Waste Management Facility "Watters Road". A report covering this proposal will be referred to a future Council meeting for endorsement. The Chairman stated that Mr Watters had made a significant contribution to the EMRC and naming a road was one way of recognising this but there could be additional memorials and any other suggestions were welcome.

4.3 AUSTRALIAN COUNCIL OF LOCAL GOVERNMENT MEETING IN CANBERRA ON THE 17 AND 18 JUNE 2010

The Chairman reminded Councillors who are attending the Australian Council of Local Government meeting in Canberra on the 17 and 18 June 2010 that it coincides with the next EMRC Council meeting so Members may wish to advise deputies, otherwise Council may have difficulty establishing a quorum. The Chairman advised that the CEO and himself would be available for the next Ordinary Meeting of Council being held on 17 June 2010.



5 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

5.1 RESPONSE TO QUESTIONS FROM MR RON SNELGAR

Question 1: In relation to the investment by Bassendean Town Council in EMRC.
In 1999, the Town of Bassendean's investment in EMRC was 4.684% of the total equity.
In 2007 it was 4.877%
In 2008 it was 4.806%
In 2009 it was 4.684%

As you can see the percentage interest in 1999 is exactly the same as 2009. Can you explain the apparent coincidence?

Can you advise the formula used to calculate the percentage interest in EMRC?

Response: The formula that is used to calculate each member Council's investment in the EMRC is outlined in the Establishment Agreement. The agreement outlines that each member Council's portion of the net assets of the EMRC are divided amongst the member Councils in the same proportion as the population of each of the member councils.

It is, in fact, a coincidence that in 1999 and 2009 that the percentages were the same as outlined below:

	2009	1999
<i>Town of Bassendean Population</i>	14,233	14,041
<i>Regional Population</i>	303,893	258,728
<i>% Share Net Assets (after Western Metropolitan Regional Council's share)</i>	100%	86.32%
<i>% Share Net Assets</i>	4.684%	4.684%

Question 2: Could you please supply me with a copy of a detailed schedule of Investments by EMRC at 30 June 2007, 30 June 2008 and 30 June 2009.

Response: Council has had legal advice that the disclosure of such information should not be provided on the basis that it is subject to legal professional privilege.

The legal professional privilege arises as the EMRC, like many Councils, is considering litigation relating to its investments.

In addition, the information requested is outside of the current investment policy/guidelines, which is currently subject to review. If passed, the revised policy will give greater disclosure, albeit that it will still be subject to legal professional privilege until otherwise advised.

5.2 RESPONSE TO QUESTIONS FROM MR IAN WALTERS

Question 1: In relation to EMRC Investment Policy.

Mr Walters stated that EMRC's response to his question at the Ordinary Meeting of Council held on 18 February 2010 regarding EMRC's Investment Policy did not answer the question.

Mr Walters quoted the following from EMRC's letter to him:

"The Investment Committee has raised guidelines in relation to the EMRC's investments being:

1. The EMRC spread the funds up to \$1m to banks covered by the \$1M guarantee."

How can the EMRC invest in banks covered by the \$1M guarantee when such a guarantee facility no longer exists?



Item 5 continued

Response: As advised by the Chief Executive Officer at the meeting on the 22 April 2010 the Australian Government Guarantee Scheme covering deposits up to \$1m still exists and will remain in place until October 2011.

Further information of the Australian Government Guarantee can be obtained by contacting:

The Scheme Administrator
Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding
C/- The Secretary
Reserve Bank of Australia
GPO Box 5367
SYDNEY NSW 2001

Phone: 1800 013 806
www.guaranteescheme.gov.au/

Question 2: In reality and in view of your advice by the way of EMRC letter dated 16 April 2010, it is apparent in the absence of evidence to the contrary, one has to draw the conclusion that the current Investment Policy is inadequate.

Would you please confirm you share this opinion. If not, please advise the facts to support your contrary view.

Response: The EMRC does not share this opinion and as previously stated the EMRC is operating under guidelines provided by the Investment Committee and is presently reviewing its investment policy in accordance with the requirement under the local government act.

Question 3: In relation to conduct of a female councilor at EMRC's Ordinary Meeting of Council held at the City of Belmont on 18 February 2010.

Bearing in mind the conditions of EMRC's Code of Conduct, why was the female Councillor permitted to interject whilst he was speaking?

Response: This question was responded to by the Chairman at the meeting, he stated that he had not heard the interjection at the Ordinary Council Meeting held on 18 February 2010 but apologised if it was out of order.

6 PUBLIC QUESTION TIME

6.1 QUESTIONS FROM MR RON SNELGAR

Question 1: In the CEO's Delegated Payments Lists would it be possible, in the interest of transparency, to show details of the payments next to the amounts paid.

Response: The CEO advised the question would be taken on notice.

Question 2: With regard to the \$22,399 expended on the "Annual Dinner" on 20 February 2010, would you please advise if this should be stated as "Bi-Annual Dinner"? Item 4.4 of the minutes of Ordinary Council Meeting held 3 December 2009, states as follows:-

"The EMRC Annual Dinner will be held on Saturday, 20 February 2010 at Mulberry on Swan"

Response: The Chairman advised that Council decides whether the dinner would be an annual or bi-annual dinner.

Question 3: I have not received a response to the questions raised at OCM – 22 April 2010. When do you anticipate a response?



Item 6 continued

Response: The CEO advised that the letters in response to Public Question Time at the Ordinary Meeting of Council from 22 April 2010 had been posted out earlier in the week.

Question 4: Could you please rectify the link on your website to Council Minutes of 18 February 2010, as the "file extensions" for Part 1, 2 & 3 are not in PDF format.

Response: Yes

6.2 QUESTIONS FROM MR IAN WALTERS

Question 1: Does the Council have an Investment Advisor to assist placing investments?

Response: Yes

Question 2: Thank you for confirming the Council uses the services of an investment advisor.

Mr Chairman can you please advise –

- Criteria for appointment
- Basis of Fee
- Qualifications
- Was the position advertised
- How was the selection process carried out and by whom
- Detail of prior involvement with the Council, if any.

Response: Question taken on notice.

Question 3: Mr Chairman, prior to the Investment Committee Meeting 6 May 2010 is it correct that the prior meeting was held March 2009 some 14 months ago during which time the Global Imbalances took place in financial markets.

Response: Yes

Question 4: Mr Chairman in light of world economic circumstances during this period do you consider such in-action appropriate.

Response: As stated to previous questions to Mr Walters the IC was established to deal with problems with investments and all investments have been placed in term deposits and matched to the cash flow of the organisation and there is no need to go outside the guidelines of the IC.

Discussion ensued and Cr Cuccaro raised a point of order, stating that the issue was being debated now. The Chairman agreed and asked if there were any further questions. There were none.

7 APPLICATION FOR LEAVE OF ABSENCE

7.1 CRS DAVID FÄRDIG, DON MCKECHNIE, GERRY PULE AND GLENYS GODFREY - LEAVE OF ABSENCE

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR POWELL

THAT COUNCIL APPROVE APPLICATION FOR LEAVE OF ABSENCE FOR CR FÄRDIG FROM 2 JUNE 2010 TO 9 JUNE 2010, INCLUSIVE AND CRS MCKECHNIE, PULE AND GODFREY FROM 14 JUNE 2010 TO 19 JUNE 2010, INCLUSIVE.

CARRIED UNANIMOUSLY



8 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil

9 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

9.1 MINUTES OF ORDINARY MEETING OF COUNCIL MEETING HELD ON 22 APRIL 2010

That the minutes of the Ordinary Meeting of Council held on 22 April 2010 which have been distributed, be confirmed.

COUNCIL RESOLUTION

MOVED CR PULE

SECONDED CR GODFREY

THAT THE MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD ON 22 APRIL 2010 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

10 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

10.1 QUESTIONS BY CR LINDSEY

Chairman advised that Cr Lindsey has submitted questions but as they were of a confidential nature they would be discussed behind closed doors at item 19.3.

11 QUESTIONS WITHOUT NOTICE

11.1 FREE E-WASTE RECYCLING WEEK-END

Cr Gangell referred to item 4.1 Free E-Waste Recycling Week-End on 12-13 June 2010 and asked if all member Councils had a drop off point on the same weekend. The CEO advised that the item related to e-waste only and was sponsored by Apple and it was held at the same location as last year. Cr Gangell thought the EMRC had had a drop-off point previously and asked if this was correct. The Manager Project Development advised that residents had been allowed to drop off e-waste at previous Household Hazardous Waste (HHW) collection dates but this had been discontinued late last year due to the costs and logistics involved.

Cr Gangell said that he believed it was an ongoing issue and there should be a permanent drop-off for e-waste and asked if it was possible to re-examine the issue. The CEO advised that the previous report to Council on this issue would be distributed to Cr Gangell.



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

NOTE: Section 5.23(2) of the Local Government Act 1995, details a number of matters upon which Council may discuss and make decisions without members of the public being present. These matters include: matters affecting employees; personal affairs of any person; contractual matters; legal advice; commercial-in-confidence matters; security matters; among others.

The following report items are covered in section 19 of this agenda:

- 12.1 ITEM 18.1 OF THE INVESTMENT COMMITTEE MINUTES - INVESTMENT COMMITTEE UPDATE APRIL 2010
- 12.2 ITEM 13.1 OF THE CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW COMMITTEE MINUTES - SELECTION OF FACILITATOR – CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW PROCESS

13 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



14 REPORTS OF OFFICERS

QUESTIONS

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

RECOMMENDATION

That with the exception of items, which are to be withdrawn and dealt with separately, the recommendations in the Officers Reports (Section 14) be adopted.

Cr Godfrey referred to page 11 of the Agenda – Department of Environment and Conservation and asked for an explanation of the \$1.2M. The Director Corporate Services advised that it was the January-March quarterly payment for the landfill levy.

Cr Pule referred to the List of Accounts Paid During the Month of April 2010 and asked for an explanation for why some Councillors had been listed with their proper title and others had been listed without the title and asked if they could all be listed in the same way with their titles. The CEO advised that the names had been listed the way each Councillor had provided their account details.

Cr McKechnie referred to page 14 of the Agenda – WBC – Corporate Master Card – Enad Zraid and asked why the expense was so high for this card. The CEO advised that Mr Zraid was EMRC's purchasing officer.

Cr Pule referred to page 40 of the Agenda – The Orange Route (Perth to Adelaide Highway) and asked if the Perth to Darwin Highway was included as an issue. The CEO advised that it wasn't but had been included in the Regional Integrated Transport Strategy.

Cr McKechnie referred to page 18 of the Agenda – Year to Date Salary expenses and asked if the expenses were down \$69,681 because a Project Development Assistant had not been employed, if that was the actual salary for that position and what work the officer would have been expected to undertake. The CEO advised that the amount would not be the full salary and the work was related to the Resource Recovery Project (RRP).

Cr McKechnie referred to page 18 of the Agenda – Unrealised Gains from the Change in Fair Value of Investments for the period ended 31 March 2010 and asked where that value was taken from. The CEO advised that he would take the question on notice.

Cr McKechnie asked if Council had been provided with the book values on EMRC's investments yet. The CEO advised that the EMRC received a monthly valuation.

Cr McKechnie asked how many progress payments had been made in relation to the Ascot Place Administration Building upgrade. The Director Corporate Services advised that 2-3 progress payments had been made and it was not expected to exceed the budgeted amount.

Cr McKechnie referred to page 19 of the Agenda – Statement of Cash and Investments and asked if the \$6.4M of cash and investments in the Municipal Fund and the Restricted Assets of \$20.8M was net of unrealised losses and whether it was a cash backed amount. The CEO advised that the \$6.4M was cash. The CEO referred to page 30 of the Agenda and advised that the Cash and Investments had been split into Municipal Cash and Investments and Restricted Cash and Investments and they were the reserves but the unrealised loss/gain is deducted from the total. In response to Cr McKechnie's query on whether this showed where the funds were invested the CEO advised that it doesn't show where the money has been placed it just shows how it's been allocated between the reserves and cash.

Cr Pule referred to page 19 of the Agenda – Restricted Investments – Unrealised Loss/Gain and asked if they would remain as an unrealised loss. The Director Corporate Services advised that when the investments were sold they became realised.



Item 14 continued

Cr Pule referred to page 17 of the Agenda – Class III and Class IV cell tonnages and noted that the Class III tonnages were down and the Class IV tonnages were up. Cr Pule noted that there was a considerable discrepancy on budgeted expectations and asked if this was indicative of the trend that high tonnages would go to Class IV rather than Class III. The CEO advised that a large portion of the Class IV tonnages came from the Midland Redevelopment Authority and was not expected to continue in 2010/2011. Class III tonnages were expected to remain in decline for 2010/2011.

Cr Lindsey referred to page 53 of the Agenda – Strategy 1.2.4 Provide a Waste Management Advisory Service and asked if it was something the EMRC currently provided or expected to provide for the future. The CEO advised that it was something the EMRC had provided over the years to member Councils, other Councils and organisations.

Cr Lindsey referred to page 54 of the Agenda – Strategy 1.5.2 Implement Water Campaign Programme and asked what the programme was. The Manager Environmental Services advised that the water campaign was run through the International Council for Local Environmental Initiatives (ICLEI) and the EMRC worked with the member Councils and went through five (5) milestones for corporate and community use of water and were benchmarking to reduce water use.

COUNCIL RESOLUTION

MOVED CR PULE

SECONDED CR LINDSEY

THAT THE RECOMMENDATIONS IN THE OFFICERS REPORTS (SECTION 14) BE ADOPTED.

CARRIED UNANIMOUSLY



14 REPORTS OF OFFICERS

14.1 LIST OF ACCOUNTS PAID DURING THE MONTH OF APRIL 2010

REFERENCE: COMMITTEES-10883

PURPOSE OF REPORT

The purpose of this report is to present to Council a list of accounts paid under the Chief Executive Officer's delegated authority during the month of April 2010 for noting.

KEY ISSUES AND RECOMMENDATION(S)

- As per the requirements of the Local Government (Financial Management) Regulations 1996 (Clause 13 (1)) the list of accounts paid during the month April 2010 is provided for noting.

Recommendation(s)

That Council notes the CEO's list of accounts for April 2010 paid under delegated power in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, as attached to this report totalling \$4,309,628.84.

SOURCE OF REPORT

Director Corporate Services
 Manager Financial Services

BACKGROUND

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

REPORT

The table below summarises the payments drawn on the funds during the month of April 2010. A list detailing the payments made is appended as an attachment to this report.

Municipal Fund	EFT Payments:	16056 – 16334	
	Cheque Payments:	218717 - 218744	
	Payroll EFT:	PAY-21 & PAY-22	
	DIRECT DEBITS		
	- Bank Charges:	1*APR10	
	- Other:	398 - 405	\$4,309,628.84
	LESS		
	Cancelled EFTs and Cheques	Nil	Nil
Trust Fund	Not Applicable		Nil
Total			\$4,309,628.84



Item 14.1 continued

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 – Good Governance

- 4.5 To provide responsible and accountable governance and management of the EMRC; and
- 4.6 To continue to improve financial and asset management practices.

FINANCIAL IMPLICATIONS

As contained within the report.

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

CEO's Delegated Payments List for the month of April 2010 (Ref: Committees-10897)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council notes the CEO's list of accounts for April 2010 paid under delegated power in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, as attached to this report totalling \$4,309,628.84.

COUNCIL RESOLUTION

MOVED CR PULE

SECONDED CR LINDSEY

THAT COUNCIL NOTES THE CEO'S LIST OF ACCOUNT FOR APRIL 2010 PAID UNDER DELEGATED POWER IN ACCORDANCE WITH REGULATION 13(1) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996, AS ATTACHED TO THIS REPORT TOTALLING \$4,309,628.84.

CARRIED UNANIMOUSLY



Eastern Metropolitan Regional Council

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**CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF APRIL 2010**

User: Le Truong

Cheque /EFT No	Date	Payee	Amount
EFT16056	09/04/2010	COMMAND-A-COM AUSTRALIA PTY LTD	330.00
EFT16057	09/04/2010	CR ALAN RADFORD	1,750.00
EFT16058	09/04/2010	CR GRAHAM PITTAWAY OAM	5,000.00
EFT16059	09/04/2010	GLENYS GODFREY	1,750.00
EFT16060	09/04/2010	KEYWEST LOCK SERVICE	1,496.00
EFT16061	09/04/2010	PRIME HEALTH GROUP LTD	88.00
EFT16062	09/04/2010	AIR FILTER DRY CLEAN SYSTEMS PTY LTD	380.66
EFT16063	09/04/2010	BOFFINS BOOKSHOP	96.46
EFT16064	09/04/2010	BOYA EQUIPMENT	13.58
EFT16065	09/04/2010	BUNNINGS BUILDING SUPPLIES PTY LTD	136.12
EFT16066	09/04/2010	CHAMBERLAIN AUTO ELECTRICS	299.28
EFT16067	09/04/2010	CHEMISTRY CENTRE (WA)	5,010.50
EFT16068	09/04/2010	CJD EQUIPMENT PTY LTD	1,109.23
EFT16069	09/04/2010	CORPORATE EXPRESS AUSTRALIA LTD	316.01
EFT16070	09/04/2010	CR CHARLIE ZANNINO	1,750.00
EFT16071	09/04/2010	CR DON MCKECHNIE	1,750.00
EFT16072	09/04/2010	CR GERRY PULE	1,750.00
EFT16073	09/04/2010	CR SAM PIANTADOSI JP	1,750.00
EFT16074	09/04/2010	DAVID BROADWAY	525.00
EFT16075	09/04/2010	DAVID FARDIG	1,750.00
EFT16076	09/04/2010	DC COMPUTERS	665.83
EFT16077	09/04/2010	DIRECT OFFICE FURNITURE	330.00
EFT16078	09/04/2010	IMPRINT PLASTIC	25.30
EFT16079	09/04/2010	KIRTON & DURACK ENGINEERING & CONSULTANCY SERVICES	3,291.75
EFT16080	09/04/2010	KLB SYSTEMS	2,442.00
EFT16081	09/04/2010	MAKE TRACKS WA PTY LTD	2,482.00
EFT16082	09/04/2010	MIDLAND TOYOTA	211.90
EFT16083	09/04/2010	MJ & AR BAMFORD	4,837.36
EFT16084	09/04/2010	MOTORCHARGE PTY LTD	9,094.52
EFT16085	09/04/2010	NEVERFAIL SPRINGWATER	316.10
EFT16086	09/04/2010	NEVILLE REFRIGERATION	1,551.00
EFT16087	09/04/2010	OWEN CONSULTING	3,960.00
EFT16088	09/04/2010	PRAPTI MEHTA	246.51
EFT16089	09/04/2010	RECLAIM COLLECTIONS T/A TYRE WASTE (WA)	193.40
EFT16090	09/04/2010	SAI GLOBAL LIMITED	195.54
EFT16091	09/04/2010	TELSTRA - A/C 335 6242 598 - MOBILE PHONES	3,485.27
EFT16092	09/04/2010	TRANSLATION HOUSE	1,155.00
EFT16093	09/04/2010	UNIQUE WASTE MANAGEMENT SERVICES	5,852.00
EFT16094	09/04/2010	WESTRAC EQUIPMENT PTY LTD	893.64
EFT16095	09/04/2010	WREN OIL	16.50
EFT16096	16/04/2010	ALL DAY CONTRACTING	37,657.95
EFT16097	16/04/2010	IPING PTY LTD	1,128.80
EFT16098	16/04/2010	KEYWEST LOCK SERVICE	1,100.00
EFT16099	16/04/2010	AIR FILTER DRY CLEAN SYSTEMS PTY LTD	531.31
EFT16100	16/04/2010	ANALYTICAL REFERENCE LABORATORY	297.00
EFT16101	16/04/2010	ANIMAL PEST MANAGEMENT SERVICES	528.00
EFT16102	16/04/2010	ASTAR HARDWARE DISTRIBUTION	523.05
EFT16103	16/04/2010	AUST-WEIGH	4,400.00
EFT16104	16/04/2010	AUSTRALIAN LABORATORY SERVICES PTY LTD	261.80
EFT16105	16/04/2010	BEAUMONDE CATERING	2,527.88
EFT16106	16/04/2010	BLACK DIAMOND PROTECTION	1,224.30

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EFT16107	16/04/2010	BP GIDGEGANNUP	20.50
EFT16108	16/04/2010	CARDNO (WA) PTY LTD	24,978.24
EFT16109	16/04/2010	CJD EQUIPMENT PTY LTD	2,515.60
EFT16110	16/04/2010	CMA RECYCLING PTY LTD	1,157.86
EFT16111	16/04/2010	COMSYNC CONSULTING PTY LTD	3,432.00
EFT16112	16/04/2010	CORPORATE EXPRESS AUSTRALIA LTD	328.90
EFT16113	16/04/2010	COUNCIL JOBS	220.00
EFT16114	16/04/2010	CROMMELINS AUSTRALIA	1,515.75
EFT16115	16/04/2010	CROSSLAND & HARDY PTY LTD	6,730.96
EFT16116	16/04/2010	EUROPCAR AUSTRALIA	143.21
EFT16117	16/04/2010	FILTERS PLUS	161.70
EFT16118	16/04/2010	FUJI XEROX AUSTRALIA PTY LTD	23,325.37
EFT16119	16/04/2010	GOURMET INDULGENCE	282.50
EFT16120	16/04/2010	HILLS FRESH	70.00
EFT16121	16/04/2010	JAYCOURT NOMINEES PTY LTD T/A BARFIELD MECHANICAL SERVICES	464.54
EFT16122	16/04/2010	JOHN HUGHES MITSUBISHI	25,377.40
EFT16123	16/04/2010	LANDMARK OPERATIONS LIMITED	143.72
EFT16124	16/04/2010	LIZ PATTISON PTY LTD	3,099.25
EFT16125	16/04/2010	LYONS AIRCONDITIONING SERVICES	612.95
EFT16126	16/04/2010	MACHINERY WAREHOUSE	149.00
EFT16127	16/04/2010	MAIL PLUS PERTH	409.20
EFT16128	16/04/2010	MAJOR MOTORS PTY LTD	1,928.44
EFT16129	16/04/2010	MEHMET SHENAYE	900.00
EFT16130	16/04/2010	MEMO COMMUNICATIONS COMPANY PTY LTD	324.50
EFT16131	16/04/2010	MIDLAND TOYOTA	436.80
EFT16132	16/04/2010	NATIONAL CENTRE FOR GROUNDWATER RESEARCH AND TRAINING	1,940.00
EFT16133	16/04/2010	NEVERFAIL SPRINGWATER	314.45
EFT16134	16/04/2010	NEVERFAIL SPRINGWATER LTD - HAZELMERE	36.05
EFT16135	16/04/2010	ONE STOP ELECTRICAL PTY LTD	138.80
EFT16136	16/04/2010	PERTH RADIATOR CENTRE	150.00
EFT16137	16/04/2010	RENTOKIL INITIAL PTY LTD	536.80
EFT16138	16/04/2010	SHUGS ELECTRICAL	8,320.40
EFT16139	16/04/2010	SIGNATURE SECURITY GROUP	157.15
EFT16140	16/04/2010	SNAP PRINTING	506.75
EFT16141	16/04/2010	SOUTHERN METROPOLITAN REGIONAL COUNCIL	469.90
EFT16142	16/04/2010	TELSTRA - A/C 031 1799 300 - LAND CARE CENTRE	57.89
EFT16143	16/04/2010	TELSTRA - A/C 246 2455 400 - RH SECURITY MONITOR	38.50
EFT16144	16/04/2010	TELSTRA - A/C 295 7816 000 - RED HILL	624.10
EFT16145	16/04/2010	TENDERLINK.com PTY LTD	165.00
EFT16146	16/04/2010	TOTALLY WORKWEAR MIDLAND	796.49
EFT16147	16/04/2010	TRANSLATION HOUSE	1,932.70
EFT16148	16/04/2010	TRANSPACIFIC CLEANAWAY LTD	51.70
EFT16149	16/04/2010	VERTICAL TELECOM WA PTY LTD (VERTEL)	903.38
EFT16150	16/04/2010	WA MACHINERY GLASS	770.00
EFT16151	16/04/2010	WESTERN AUSTRALIAN LOCAL GOVERNMENT	24,234.75
EFT16152	16/04/2010	WESTERN RESOURCE RECOVERY PTY LTD	909.92
EFT16153	16/04/2010	WESTRAC EQUIPMENT PTY LTD	762.36
EFT16154	16/04/2010	ALL DAY CONTRACTING	73,103.09
EFT16155	16/04/2010	BP AUSTRALIA LIMITED	65,517.35
EFT16156	16/04/2010	PAYG PAYMENTS	51,827.90



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EFT16157	23/04/2010	AIR-MET SCIENTIFIC PTY LTD	636.90
EFT16158	23/04/2010	AUSTRALIAN INSTITUTE OF MANAGEMENT - AIM	1,680.00
EFT16159	23/04/2010	A.T. MILK SUPPLY	55.50
EFT16160	23/04/2010	ACCESS INDUSTRIAL TYRES	176.00
EFT16161	23/04/2010	AIR FILTER DRY CLEAN SYSTEMS PTY LTD	293.43
EFT16162	23/04/2010	ALLFORKS AUSTRALIA	132.02
EFT16163	23/04/2010	ANALYTICAL REFERENCE LABORATORY	60.50
EFT16164	23/04/2010	ARCHER GROUP PTY LTD T/A ARCHER IMAGERY	880.00
EFT16165	23/04/2010	AUST GUARD	165.00
EFT16166	23/04/2010	AUSTRALIA POST - RED HILL	188.99
EFT16167	23/04/2010	B&J CATALANO PTY LTD	708.83
EFT16168	23/04/2010	BATTERY WORLD	378.00
EFT16169	23/04/2010	BLACK DIAMOND PROTECTION	3,936.09
EFT16170	23/04/2010	BOBCAT ATTACH	2,026.20
EFT16171	23/04/2010	BT EQUIPMENT PTY LTD	795.74
EFT16172	23/04/2010	BUNNINGS BUILDING SUPPLIES PTY LTD	155.52
EFT16173	23/04/2010	CARDNO (WA) PTY LTD	32,435.71
EFT16174	23/04/2010	CARDNO BSD MEINHARDT JOINT VENTURE	48,667.11
EFT16175	23/04/2010	CARPENTRY, HOUSE AND YARD MAINTENANCE	420.00
EFT16176	23/04/2010	CECK PTY LTD	948,483.40
EFT16177	23/04/2010	CHAMBERLAIN AUTO ELECTRICS	1,371.70
EFT16178	23/04/2010	CMS EVENTS	1,375.00
EFT16179	23/04/2010	COMPU-STOR	696.38
EFT16180	23/04/2010	CONCEPT AUDIO VISUAL	3,905.00
EFT16181	23/04/2010	CORPORATE EXPRESS AUSTRALIA LTD	341.36
EFT16182	23/04/2010	COVENTRYS	254.85
EFT16183	23/04/2010	DUN & BRADSTREET PTY LTD	103.80
EFT16184	23/04/2010	ERBEAC INC	1,113.80
EFT16185	23/04/2010	EXPO DOCUMENT COPY CENTRE (WA) PTY LTD	1,284.80
EFT16186	23/04/2010	FILTERS PLUS	190.58
EFT16187	23/04/2010	FUELQUIP (AUSTRALIA) PTY LTD	2,040.98
EFT16188	23/04/2010	GLOBAL EMISSIONS MANAGEMENT SOLUTIONS LTD	1,299.00
EFT16189	23/04/2010	GOODCHILD ENTERPRISES	361.90
EFT16190	23/04/2010	GRACE REMOVALS GROUP	17,811.20
EFT16191	23/04/2010	GUILDFORD LANDING FUNCTION CENTRE	360.00
EFT16192	23/04/2010	HAYS SPECIALIST RECRUITMENT	3,907.73
EFT16193	23/04/2010	HIGHWAY MOTOR TRIMMERS	359.70
EFT16194	23/04/2010	HILLS FRESH	70.00
EFT16195	23/04/2010	IMPRINT PLASTIC	25.30
EFT16196	23/04/2010	JOHN HUGHES MITSUBISHI	26,025.85
EFT16197	23/04/2010	JOYCE EARTHMOVING PTY LTD	16,500.00
EFT16198	23/04/2010	KELLY SERVICES (AUSTRALIA) LTD	4,591.52
EFT16199	23/04/2010	LANDFILL GAS & POWER PTY LTD	2,559.06
EFT16200	23/04/2010	LINFOX ARMAGUARD PTY LTD	396.05
EFT16201	23/04/2010	LYONS AIRCONDITIONING SERVICES	2,032.36
EFT16202	23/04/2010	MAJOR MOTORS PTY LTD	550.09
EFT16203	23/04/2010	MAKE TRACKS WA PTY LTD	2,472.00
EFT16204	23/04/2010	MAYLANDS SPORTS & RECREATION CLUB	215.00
EFT16205	23/04/2010	MJ & AR BAMFORD	16,444.56
EFT16206	23/04/2010	MORLEY GENERAL CLEANING SERVICE	2,376.00
EFT16207	23/04/2010	MUNDARING CRANE TRUCK HIRE	264.00
EFT16208	23/04/2010	NEVERFAIL SPRINGWATER	152.95

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EFT16209	23/04/2010	OAKS LIQUOR	199.94
EFT16210	23/04/2010	OAKVALE CAPITAL LTD	2,333.49
EFT16211	23/04/2010	PENNANT HOUSE	2,657.60
EFT16212	23/04/2010	Q3 PTY LTD TRADING AS Q3 ARCHITECTURE	6,600.00
EFT16213	23/04/2010	RECLAIM COLLECTIONS T/A TYRE WASTE (WA)	860.65
EFT16214	23/04/2010	RED 11 PTY LTD	10,919.42
EFT16215	23/04/2010	RELIANCE CONSULTING P/L	1,056.00
EFT16216	23/04/2010	ROSS HUMAN DIRECTIONS	4,212.72
EFT16217	23/04/2010	SEEK LIMITED	1,034.00
EFT16218	23/04/2010	SKIPPER TRUCKS	1,687.64
EFT16219	23/04/2010	SLEEP'S TRANSPORT T/A KOKEBY CONCRETE	17,050.00
EFT16220	23/04/2010	SPUDS GARDENING SERVICES	2,792.00
EFT16221	23/04/2010	ST JOHN AMBULANCE ASSOCIATION	286.60
EFT16222	23/04/2010	STEVENSON CONSULTING	4,488.00
EFT16223	23/04/2010	TELSTRA - A/C 163 4688 200 - HAZELMERE	111.93
EFT16224	23/04/2010	TELSTRA - A/C 3356 2426 14 (MOBILE DATA)	178.00
EFT16225	23/04/2010	TENDERLINK.com PTY LTD	330.00
EFT16226	23/04/2010	THE UTESHED	315.00
EFT16227	23/04/2010	TOM NEVES, TRANQUIL GARDENS	1,404.98
EFT16228	23/04/2010	TOTALLY WORKWEAR MIDLAND	354.65
EFT16229	23/04/2010	TRANSPACIFIC CLEANAWAY LTD	116.70
EFT16230	23/04/2010	ULTIMO CATERING	2,125.90
EFT16231	23/04/2010	UNIQUE WASTE MANAGEMENT SERVICES	11,632.50
EFT16232	23/04/2010	WEBTRACK PTY LTD T/A MOBILE PHONE INSTALLATIONS AUSTRALIA	419.00
EFT16233	23/04/2010	WESTRAC EQUIPMENT PTY LTD	1,295.60
EFT16234	23/04/2010	WREN OIL	16.50
EFT16235	23/04/2010	DEPARTMENT OF ENVIRONMENT AND CONSERVATION	1,208,108.45
EFT16236	23/04/2010	ELITE-TECH IT	505.00
EFT16237	23/04/2010	LANDFILL GAS & POWER PTY LTD	2,680.97
EFT16238	23/04/2010	LEFKAPHA P/L T/A CENTRE FORD	31,703.35
EFT16239	23/04/2010	PERTH REGION NRM INC	11,000.00
EFT16240	23/04/2010	TELSTRA - A/C 148 4710 000 - ASCOT PLACE	1,752.31
EFT16241	23/04/2010	TELSTRA - A/C 246 2455 400 - RH SECURITY MONITOR	38.50
EFT16242	27/04/2010	DEPUTY COMMISSIONER OF TAXATION	260,922.00
EFT16243	30/04/2010	CHILD SUPPORT	491.84
EFT16244	30/04/2010	WALGS PLAN	63,650.74
EFT16245	30/04/2010	AIR-MET SCIENTIFIC PTY LTD	3,355.00
EFT16246	30/04/2010	ALL DAY CONTRACTING	18,554.32
EFT16247	30/04/2010	AUSTRALIAN INSTITUTE OF MANAGEMENT - AIM	36.02
EFT16248	30/04/2010	360 RECYCLING PTY LTD	110.00
EFT16249	30/04/2010	A TEAM PRINTING	660.00
EFT16250	30/04/2010	ABOUT BIKE HIRE	1,485.00
EFT16251	30/04/2010	ACCESS INDUSTRIAL TYRES	3,661.11
EFT16252	30/04/2010	ACID SOIL, WATER AND WASTE MANAGEMENT PTY LTD	5,401.44
EFT16253	30/04/2010	AIR FILTER DRY CLEAN SYSTEMS PTY LTD	487.68
EFT16254	30/04/2010	AIRWELL PUMPS PTY LTD	3,892.81
EFT16255	30/04/2010	ARCHER GROUP PTY LTD T/A ARCHER IMAGERY	880.00
EFT16256	30/04/2010	AUSSIE CRATES WA PTY LTD	126.50
EFT16257	30/04/2010	AUSTRACLEAR LIMITED	57.51
EFT16258	30/04/2010	B&J CATALANO PTY LTD	183.70
EFT16259	30/04/2010	BLACK DIAMOND PROTECTION	2,827.83

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EFT16260	30/04/2010	BRING COURIERS	1,128.95
EFT16261	30/04/2010	BT EQUIPMENT PTY LTD	4,455.60
EFT16262	30/04/2010	CABCHARGE	50.60
EFT16263	30/04/2010	CARDNO (WA) PTY LTD	8,439.74
EFT16264	30/04/2010	CHAMBERLAIN AUTO ELECTRICS	301.01
EFT16265	30/04/2010	CHIDLOW WATER CARRIERS	510.00
EFT16266	30/04/2010	CJD EQUIPMENT PTY LTD	5,218.01
EFT16267	30/04/2010	COMMAND-A-COM AUSTRALIA PTY LTD	862.40
EFT16268	30/04/2010	COMSPARK	1,848.00
EFT16269	30/04/2010	COMSYNC CONSULTING PTY LTD	1,144.00
EFT16270	30/04/2010	CROSSLAND & HARDY PTY LTD	673.75
EFT16271	30/04/2010	DATA 3 PERTH	65.85
EFT16272	30/04/2010	DEPT OF AGRICULTURE, FISHERIES & FORESTRY AUST QUARANTINE &	215.00
EFT16273	30/04/2010	DEVLYN CONSTRUCTIONS PTY LTD	333,812.06
EFT16274	30/04/2010	DIRECT TRADES SUPPLY	2,274.53
EFT16275	30/04/2010	ECOSAVE PTY LTD	40,777.00
EFT16276	30/04/2010	EMERSON NETWORK POWER AUSTRALIA PTY LTD	5,544.00
EFT16277	30/04/2010	FAIRFAX RADIO NETWORK PTY LTD	8,877.00
EFT16278	30/04/2010	FILTERS PLUS	108.90
EFT16279	30/04/2010	FOUNDATION PUMP SERVICES	3,213.76
EFT16280	30/04/2010	FUJI XEROX AUSTRALIA PTY LTD	4.65
EFT16281	30/04/2010	GOURMET INDULGENCE	951.50
EFT16282	30/04/2010	GRA EVERINGHAM PTY LTD	5,500.00
EFT16283	30/04/2010	HECS FIRE	2,063.60
EFT16284	30/04/2010	HIGHWAY MOTOR TRIMMERS	687.50
EFT16285	30/04/2010	INDEPTH CREATIVE	4,488.00
EFT16286	30/04/2010	INTEWORK INC	765.47
EFT16287	30/04/2010	KELLY SERVICES (AUSTRALIA) LTD	969.55
EFT16288	30/04/2010	KOMATSU AUSTRALIA P/L	6,401.16
EFT16289	30/04/2010	MAJOR MOTORS PTY LTD	10,358.75
EFT16290	30/04/2010	MALCOLM THOMPSON PUMPS PTY LTD	2,481.60
EFT16291	30/04/2010	MS N RAKELA	144.30
EFT16292	30/04/2010	MUNDARING TYRE CENTRE	445.00
EFT16293	30/04/2010	NEVERFAIL SPRINGWATER	105.80
EFT16294	30/04/2010	NEVILLE REFRIGERATION	594.00
EFT16295	30/04/2010	ON SITE RENTALS PTY LTD	239.25
EFT16296	30/04/2010	PRESTIGE PUMP RENTALS	9,014.50
EFT16297	30/04/2010	Parkerville Cartage Pty Ltd	21,824.00
EFT16298	30/04/2010	RADIO PERTH PTY LTD	6,732.00
EFT16299	30/04/2010	RHONDA HARDY	355.00
EFT16300	30/04/2010	ROBYN O'CALLAGHAN	138.00
EFT16301	30/04/2010	ROSS HUMAN DIRECTIONS	1,186.68
EFT16302	30/04/2010	RUDD INDUSTRIAL AND FARM SUPPLIES	251.70
EFT16303	30/04/2010	RUPINDER SINGH	1,535.00
EFT16304	30/04/2010	SCRD HOLDINGS P/L T/A SECURE COMPUTER RECYLING & DISPOSAL	7,910.64
EFT16305	30/04/2010	SKIPPER TRUCKS	550.00
EFT16306	30/04/2010	SMARTSTREAM TECHNOLOGY	1,210.00
EFT16307	30/04/2010	SNAP PRINTING	1,655.18
EFT16308	30/04/2010	SPUDS GARDENING SERVICES	12,850.00
EFT16309	30/04/2010	SWAN SURPLUS STORES	798.60



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EFT16310	30/04/2010	TELSTRA - A/C 008 2879 300 - SECONDARY WASTE PRJ	168.14
EFT16311	30/04/2010	TELSTRA - A/C 256 0950 500 - ASCOT PLACE LIFT	77.00
EFT16312	30/04/2010	THE UTESHED	470.00
EFT16313	30/04/2010	ULTIMO CATERING	1,045.10
EFT16314	30/04/2010	UNIQUE WASTE MANAGEMENT SERVICES	3,872.00
EFT16315	30/04/2010	VISY RECYCLING	117.25
EFT16316	30/04/2010	VOLICH WASTE CONTRACTORS PTY LTD	44.00
EFT16317	30/04/2010	WESTRAC EQUIPMENT PTY LTD	174.70
EFT16318	30/04/2010	WREN OIL	16.50
EFT16319	30/04/2010	WUNDERWY FARMING	1,072.50
EFT16320	30/04/2010	WURTH AUSTRALIA PTY LTD	236.13
EFT16321	30/04/2010	YOUNGS HOLDEN	436.68
EFT16322	30/04/2010	BOSS PTY LTD T/A TRISSET BUSINESS FORMS	2,398.00
EFT16323	30/04/2010	C4 CONCEPTS	396.00
EFT16324	30/04/2010	CITY SUBARU	29,780.75
EFT16325	30/04/2010	COMMAND-A-COM AUSTRALIA PTY LTD	489.50
EFT16326	30/04/2010	ELEMENT HYDROGRAPHIC SOLUTIONS	1,474.00
EFT16327	30/04/2010	ISS WASHROOM SERVICES	113.66
EFT16328	30/04/2010	LEFKAPHA P/L T/A CENTRE FORD	239.35
EFT16329	30/04/2010	MARSMEN PLUMBING	240.09
EFT16330	30/04/2010	NEVERFAIL SPRINGWATER	131.90
EFT16331	30/04/2010	PAYG PAYMENTS	46,701.30
EFT16332	30/04/2010	SEEK LIMITED	1,034.00
EFT16333	30/04/2010	ULTIMO CATERING	865.95
EFT16334	30/04/2010	UNIQUE WASTE MANAGEMENT SERVICES	660.00
218717	09/04/2010	CR TONY CUCCARO	2,125.00
218718	09/04/2010	FRANK LINDSEY	1,750.00
218719	09/04/2010	JANET POWELL	1,750.00
218720	09/04/2010	NOREEN TOWNSEND	140.00
218721	09/04/2010	UNISUPER FOR ALAN PILGRIM	1,750.00
218722	16/04/2010	HUTCHISON 3G AUSTRALIA PTY LTD	107.00
218723	23/04/2010	AIM UWA BUSINESS SCHOOL ALLIANCE	14,912.04
218724	23/04/2010	EMRC PETTY CASH - HAZELMERE	197.05
218725	23/04/2010	EMRC PETTY CASH - REDHILL	314.90
218726	30/04/2010	GENERATIONS PERSONAL SUPERANNUATION PLAN	376.88
218727	30/04/2010	MASTERSUPER	851.54
218728	30/04/2010	WESTSCHEME	973.96
218729	30/04/2010	ANZ SUPER ADVANTAGE	325.33
218730	30/04/2010	ASGARD ELEMENTS SUPER ACCOUNT	315.84
218731	30/04/2010	AUSTRALIAN SUPER	484.62
218732	30/04/2010	AXA AUSTRALIA (RETIREMENT BOND)	335.30
218733	30/04/2010	BT BUSINESS SUPER	701.78
218734	30/04/2010	BT LIFETIME - PERSONAL SUPER	360.86
218735	30/04/2010	CBUS INDUSTRY SUPER	323.39
218736	30/04/2010	EMRC PETTY CASH - BELMONT	1,002.20
218737	30/04/2010	IOOF INVESTMENT MANAGEMENT	195.38
218738	30/04/2010	MTAA SUPERANNUATION FUND	142.53
218739	30/04/2010	NORWICH UNION LIFE INSURANCE SOCIETY	452.27
218740	30/04/2010	RETAIL EMPLOYEES SUPERANNUATION TRUST	228.57
218741	30/04/2010	THE INDUSTRY SUPERANNUATION FUND	285.06
218742	30/04/2010	UNISUPER LIMITED	346.76
218743	30/04/2010	WATER CORPORATION	385.60



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218744	30/04/2010	ZURICH AUSTRALIAN SUPERANNUATION	306.33
398	14/04/2010	FICHTNER GMBH & CO. KG	13,089.01
399	27/04/2010	WBC - CORPORATE MASTERCARD - P SCHNEIDER	29.45
400	27/04/2010	WBC - CORPORATE MASTER CARD - D AMEDURI	818.15
401	27/04/2010	WBC - CORPORATE MASTER CARD - ENAD ZRAID	7,717.02
402	27/04/2010	WBC - CORPORATE MASTER CARD - R MEDBURY	13.25
403	27/04/2010	WBC - CORPORATE MASTER CARD - S FITZPATRICK	1,329.21
404	27/04/2010	WBC - CORPORATE MASTERCARD - ADAM JOHNSON	1,562.35
405	27/04/2010	WBC - CORPORATE MASTERCARD - RHONDA HARDY	13.25
PAY-21	13/04/2010	PAYROLL F/E 13/4/10	175,399.33
PAY-22	27/04/2010	PAYROLL F/E 27/4/10	160,697.21
1*APR10	01/04/2010	BANK CHARGES B/S 1346 - 1352	1,285.60
SUBTOTAL			<u>4,309,628.84</u>
LESS CANCELLED CHEQUES & EFTs			NIL
TOTAL			<u>4,309,628.84</u>

REPORT TOTALS

TOTAL

Bank Code	Bank Name	
1	EMRC - Municipal Fund	4,309,628.84
TOTAL		4,309,628.84



14.2 FINANCIAL REPORT FOR PERIOD ENDED 31 MARCH 2010

REFERENCE: COMMITTEES-10885

PURPOSE OF REPORT

The purpose of this report is to provide Council with an overview of the Eastern Metropolitan Regional Council's (EMRC's) financial performance for the period ended 31 March 2010.

KEY ISSUES AND RECOMMENDATION(S)

Significant year to date budget variances greater than 10% or \$10,000, whichever is the greater, within each nature and type category on the Statement of Financial Activity as at 31 March 2010 have been identified and are reported on in the body of the report.

Recommendation(s)

That the Income Statement, Capital Expenditure Statement, Balance Sheet and the Statement of Cash and Investments for the period ended 31 March 2010 be received.

SOURCE OF REPORT

Director Corporate Services
Manager Financial Services

BACKGROUND

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

The 2009/2010 Budget was presented in a format that separated operating income and expenditure from other revenue and expenses to provide improved disclosure of Council's underlying operating result.

The financial summaries attached to this report provide an overview of year to date budget performance for operating activities and capital works. Also included are end of year forecasts by nature and type for operating activities and end of year forecasts for each capital works project. These forecasts are reviewed periodically in order to provide an accurate forecast end of year result.

The initial forecast review for 2009/2010 was undertaken during November 2009 and was based on the financial performance to the period ended 30 November 2009. A subsequent forecast review was undertaken during March 2010 and was based on the financial performance to the period ended 28 February 2010. This later review is the subject of the Half Year Budget Review 2009/2010 report submitted to the Audit Committee meeting held on 8 April 2010 (refer Audit Committee Meeting item 12.2).

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

REPORT

Outlined below are financial summaries for the period ended 31 March 2010. Where possible the year to date monthly budget allocations have been reviewed in order to match the appropriate timing for the various projects budgeted to be undertaken. This will provide a better comparison between the year to date actual and year to date budget figures.



Item 14.2 continued

Income Statement - Nature and Type (refer Attachment 1)

The operating result from normal activities as at 31 March 2010 is a favourable variance of \$377,870. The following information is provided on key aspects of Council's year to date financial performance. It should be noted that the end of year variances will not be reported as part of this report as these have been addressed as part of the Half Year Budget Review 2009/2010 report submitted to the Audit Committee meeting held on 8 April 2010 (refer Audit Committee Meeting item 12.2):

<u>Operating Income</u>	<i>Year to Date</i>	A favourable variance of \$335,773 (1.97%).
	<i>End of Year Forecast</i>	A favourable variance of 2,272,378 (9.78%).

Operating Income variances previously reported to Council:

1. Year to date Contributions of \$651,561 are inclusive of the following unbudgeted funds totalling \$126,844:
 - Perth Solar City project - \$90,000 carried forward from the 2008/2009 financial year.
 - Regional Water Campaign - \$11,844.
 - Regional Tourism Development - \$5,000.
 - Regional Cycling Tourism Opportunities - \$20,000.

Contribution income for other budgeted projects is invoiced throughout the year based on project timings.

2. Year to date Operating Grants are \$369,896 below the year to date budget provision of \$1,192,328. This variation relates primarily to the timing of grants for the Perth Solar Cities project yet to be invoiced and received (year to date budget of \$300,000). This grant is linked to contractor payments for which nil expenditure has been incurred to date. Funds not utilised in this financial year will be carried forward into the 2010/2011 financial year.

Other variations include grants for the Travel Smart and Regional Cycle Plan for which submissions outcomes are still currently pending (approximately \$50,000).

3. Year to date Other income is \$120,012 above the year to date budget provision of \$551,727. The significant item associated with this relates to an additional rebate of approximately \$104,000 received in relation to the fuel rebate scheme. As a result of the broadening of plant and fuel categories and classifications the EMRC was able to claim fuel rebates retrospectively from 1 July 2008.

There were no further significant Operating Income variances as at 31 March 2010.

<u>Operating Expenditure</u>	<i>Year to Date</i>	An unfavourable variance of \$42,097 (0.28%).
	<i>End of Year Forecast</i>	An unfavourable variance of \$2,707,762 (12.22%).



Item 14.2 continued

Operating Expenditure variances previously reported to Council:

1. Year to date Contract expenses are \$852,451 below the year to date budget provisions due predominantly to the timing of various projects together with the timing of expenditure and payments relating to various projects. It also relates to the delay of various activities that will be carried forward into the 2010/2011 financial year. Major variations below the year to date budget include Manage Woodwaste project (\$101,948), Operate and Maintain Plant (\$77,000), Implementation of Perth Solar City Living Smart program and demonstration projects (\$433,501), various Regional Development projects (\$160,038) and various Corporate Services activities (\$307,591) including Repairs to the Administration building, Strategic Planning Research, Special projects and IT Consulting and software fees.

These amounts are partially off-set by expenditure greater than the year to date budget in the following activities:

- Operate and maintain storm water system at the Red Hill Waste disposal facility (\$127,944),
 - Manage Greenwaste mulching & composting (\$57,006),
2. Year to date Materials expenses are \$120,298 below the year to date budget provision of \$558,767. Significant variations include Catering/Food/Beverage expenses which are \$28,665 lower than the year to date budget provision of \$162,566 and Material Expenses - General which is \$76,855 lower than the year to date budget provision of \$231,063.

These variations are the cumulative values applicable to numerous accounts across all sections of the organisation and are based on the timing of various projects and activities yet to be undertaken as well as a general reduction of expenditure to date. The relocation to alternative premises during the renovation of the Ascot Place administration office has contributed to this with less meetings, functions and training courses being held during this period.

2. Insurance expenses exceed the year to date budget by \$32,765 (22.27%). This variation relates principally to an additional premium of \$8,281 payable for the new landfill compactor and an additional plant and motor vehicles premium adjustment of \$10,142. The premium adjustment relates to the year end valuation adjustment on plant and vehicles insured in 2008/2009. This was not invoiced until this financial year. This amount is marginally off-set by a good driving rebate of \$5,800 received from the insurance company. The balance of the variation relates to higher than budgeted insurance premiums for 2009/2010 (approximately \$15,000).
3. Year to date Depreciation Expenses of \$2,108,799 is \$367,471 greater than the year to date budget provision of \$1,741,328. Significant variations include the following:
 - Higher Class IV Cell Usage costs of approximately \$99,500 as a result of higher Class IV tonnages received to date.
 - Lower Class III Cell Usage costs of approximately \$108,000 as a result of lower Class III tonnages received to date.
 - Depreciation for new plant together with additional provisions relating to the Class III and Class IV Leachate ponds, Red Hill roads, Red Hill Green waste processing area, Hazelmere Hardstand and Road and Class IV Cell usage.
4. Year to date Miscellaneous Expenses of \$3,401,175 is \$712,374 higher than the year to date budget provision of \$2,688,801. The major variation relates to the accrual value and additional payment of the landfill levy as a result of the increase from \$8.00 per tonne to \$28.00 per tonne effective from 1 January 2010. This is partially offset by additional User Charges Income of \$470,830 generated as a result of the increase in the landfill levy as outlined above. The expense isn't fully offset as the tonnages received to date are less than budgeted as previously reported to Council.



Item 14.2 continued

The Class III tonnages have been forecast to be below the budgeted tonnages by approximately 37,000 tonnes. This is partially offset by additional Class IV tonnages which have been forecast to be approximately 12,000 tonnes above the budget provision as at year end.

There were no further significant Operating Expenditure variances as at 31 March 2010.

<u>* Other Revenues and Expenses (Net)</u>	<i>Year to Date</i>	A favourable variance of \$300,415 (8.64%).
	<i>End of Year Forecast</i>	An unfavourable variance of \$38,281 (0.77%).

** Note: This sections also includes Unrealised Gain/Loss from change in fair value of Investments*

Other Revenues and Expenses variances previously reported to Council:

1. Year to date Proceeds from Sale of Assets are \$152,289 (31.85%) below the year to date budget provision of \$478,184. This relates specifically to the timing on the disposal by auction of fleet vehicles due for change over.
2. Year to date Salary expenses are \$69,681 (32.75%) below the year to date budget provision of \$212,771. This variation relates principally to the salary expenses for a Project Development Assistant position which is yet to be filled.
3. Year to date Carrying Amount of Assets Disposed Of is \$110,640 (30.41%) below the year to date budget provision of \$363,806. This relates specifically to the timing on the disposal by auction of fleet vehicles due for change over.
4. The Unrealised Gains from the Change in Fair Value of Investments for the period ending 31 March 2010 is an unrealised gain of \$575,974.

Unrealised gains or losses represent a fair market value measurement of the financial instruments during the period in which they are held, i.e. marked to market. It should be noted that actual gains or losses on financial instruments will not be realised until such time as the individual investments are sold.

There were no further significant Other Revenues and Expenses variances as 31 March 2010.

Capital Expenditure Statement (refer Attachment 2)

<u>Capital Expenditure</u>	<i>Year to Date</i>	A favourable variance of \$1,147,573 (16.8%)
	<i>End of Year Forecast</i>	A favourable variance of \$439,435 (4.3%).

Capital Expenditure variances:

A favourable variance of \$1,147,573 exists as at 31 March 2010 when comparing to the year to date budget provision of \$6,829,810. The year to date budget provisions are used as a guide only as expenditure of a capital nature is undertaken as and when required.



Item 14.2 continued

Significant Capital Expenditure items to 31 March 2010 include Red Hill Waste Disposal site plant purchases totalling \$1,338,487 including the purchase of a landfill compactor valued at \$1,034,000, costs to date totalling \$2,271,103 for the construction of the Class III landfill cell - Farm Stage 1, Ascot Place vehicle purchases totalling \$356,225 and Ascot Place administration upgrade costs to date of \$997,418.

Balance Sheet (refer Attachment 3)

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

It has been forecast that Total Equity as at 30 June 2010 will be below the original budget estimate of \$52,085,545 by \$473,664. This variation reflects the reduction in forecast profits in 2009/2010.

Statement of Cash and Investments (refer Attachment 4)

The level of cash and investments in the Municipal fund as at 31 March 2010 is \$6,479,422 and Restricted Assets amount to \$20,850,936. This figure is net of cumulative unrealised losses of \$6,854,701 which have been provided for in this amount.

The total level of cash and investments as at 31 March 2010 is \$27,330,358.

The net movement for the month is a decrease of \$276,739.

The Forecast for 2009/2010 represents the expected balances for the Municipal and Reserve funds as at the end of the financial year.

The year to date actual Municipal cash and Investments reflects the current balance to date and is dependent on the timing of payments made and income received. It should also be noted that the transfers to and from the Reserve funds are undertaken as at the end of the financial year. This will reduce the Municipal fund Cash and Investments balance to budget expectations.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 4 - Good Governance

- 4.5 To provide responsible and accountable governance and management of the EMRC; and
- 4.6 To continue to improve financial and asset management practices.

FINANCIAL IMPLICATIONS

As outlined in the attached financial reports.

SUSTAINABILITY IMPLICATIONS

Nil

ATTACHMENT(S)

1. Income Statement by Nature and Type (Ref: Committees-10919)
2. Capital Expenditure Statement (Ref: Committees-10920)
3. Balance Sheet (Ref: Committees-10921)
4. Statement of Cash and Investments (Ref: Committees-10922)



Item 14.2 continued

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the Income Statement, Capital Expenditure Statement, Balance Sheet and the Statement of Cash and Investments for the period ended 31 March 2010 be received.

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR LINDSEY

THAT THE INCOME STATEMENT, CAPITAL EXPENDITURE STATEMENT, BALANCE SHEET AND THE STATEMENT OF CASH AND INVESTMENTS FOR THE PERIOD ENDED 31 MARCH 2010 BE RECEIVED.

CARRIED UNANIMOUSLY



INCOME STATEMENT Nature and Type

Year to Date			MARCH 2010		Full Year			
Actual	Budget	Variance		Current Budget	Forecast Change	End of Year Forecast		
Operating Income								
(\$14,117,630)	(\$13,646,800)	\$470,830	(F)	User Charges	(\$18,290,615)	(\$2,129,032)	(F)	(\$20,419,647)
(\$219,321)	(\$234,565)	(\$15,244)	(U)	Special Charges	(\$329,849)	\$19,622	(U)	(\$310,227)
(\$651,561)	(\$525,590)	\$125,971	(F)	Contributions	(\$525,590)	(\$137,814)	(F)	(\$663,404)
(\$822,432)	(\$1,192,328)	(\$369,896)	(U)	Operating Grants	(\$2,267,833)	\$173,086	(U)	(\$2,094,747)
(\$328,607)	(\$331,480)	(\$2,873)	(U)	Interest Municipal Cash Investments	(\$225,500)	(\$151,300)	(F)	(\$376,800)
(\$603,534)	(\$596,561)	\$6,973	(F)	Reimbursements	(\$861,492)	\$87,196	(U)	(\$774,296)
(\$671,739)	(\$551,727)	\$120,012	(F)	Other	(\$735,676)	(\$134,137)	(F)	(\$869,813)
(\$17,414,824)	(\$17,079,051)	\$335,773	(F)	Total Operating Income	(\$23,236,556)	(\$2,272,378)	(F)	(\$25,508,934)
Operating Expenditure								
\$5,037,214	\$5,172,519	\$135,305	(F)	Salary Expenses	\$6,990,481	(\$77,880)	(F)	\$6,912,601
\$3,366,890	\$4,219,341	\$852,451	(F)	Contract Expenses	\$6,706,998	\$40,698	(U)	\$6,747,696
\$438,469	\$558,767	\$120,298	(F)	Material Expenses	\$1,156,845	(\$225,146)	(F)	\$931,699
\$80,478	\$70,986	(\$9,492)	(U)	Utility Expenses	\$90,950	\$7,722	(U)	\$98,672
\$481,597	\$532,096	\$50,499	(F)	Fuel Expenses	\$760,165	(\$24,115)	(F)	\$736,050
\$10,008	\$9,522	(\$486)	(U)	Finance Fees and Interest Expenses	\$12,700	\$200	(U)	\$12,900
\$179,918	\$147,153	(\$32,765)	(U)	Insurance Expenses	\$149,612	\$40,612	(U)	\$190,224
\$2,108,799	\$1,741,328	(\$367,471)	(U)	Depreciation Expenses	\$2,469,964	\$686,850	(U)	\$3,156,814
\$3,401,175	\$2,688,801	(\$712,374)	(U)	Miscellaneous Expenses	\$3,729,788	\$2,270,208	(U)	\$5,999,996
\$0	\$0	\$0	(F)	Provision Expenses	\$135,184	\$0	(F)	\$135,184
(\$42,603)	(\$36,471)	\$6,132	(F)	Costs Allocated	(\$47,383)	(\$11,387)	(F)	(\$58,770)
\$15,061,945	\$15,104,042	\$42,097	(F)	Total Operating Expenditure	\$22,155,305	\$2,707,762	(U)	\$24,863,067
(\$2,352,879)	(\$1,975,009)	\$377,870	(F)	OPERATING RESULT FROM NORMAL ACTIVITIES	(\$1,081,251)	\$435,384	(U)	(\$645,867)
Surplus	Surplus				Surplus			Surplus

Notes:

1. User Charges - include member Councils, WMRC and casual users pertaining to waste, risk management and environmental services fees and charges;
2. Special Charges - Waste Education Levy;
3. Contributions - member Councils' contributions to projects and services;
4. Operating Grants - grant income predominately from government agencies; and
5. Miscellaneous Expenses - includes Landfill Levy as the major component.

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

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

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



INCOME STATEMENT Nature and Type

Year to Date

MARCH 2010

Full Year

Actual	Budget	Variance		Current Budget	Forecast Change	End of Year Forecast
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Other Revenues

(\$3,224,373)	(\$3,423,546)	(\$199,173)	(U)	Secondary Waste Charge	(\$4,888,756)	\$476,075	(U)	(\$4,412,681)
(\$70,164)	(\$70,272)	(\$108)	(U)	Operating Grants	(\$70,272)	\$108	(U)	(\$70,164)
(\$656,758)	(\$729,001)	(\$72,243)	(U)	Interest Restricted Cash Investments	(\$1,100,000)	\$120,300	(U)	(\$979,700)
(\$1,752)	(\$36)	\$1,716	(F)	Reimbursements	(\$50)	(\$3,400)	(F)	(\$3,450)
(\$325,895)	(\$478,184)	(\$152,289)	(U)	Proceeds from Sale of Assets	(\$663,002)	(\$8,078)	(F)	(\$671,080)
(\$4,278,942)	(\$4,701,039)	(\$422,097)	(U)	Total Other Revenues	(\$6,722,080)	\$585,005	(U)	(\$6,137,075)

Other Expenses

\$143,090	\$212,771	\$69,681	(F)	Salary Expenses	\$293,403	(\$89,312)	(F)	\$204,091
\$538,333	\$511,736	(\$26,597)	(U)	Contract Expenses	\$686,250	\$66,381	(U)	\$752,631
\$27,040	\$17,197	(\$9,843)	(U)	Material Expenses	\$24,350	\$12,676	(U)	\$37,026
\$2,269	\$2,394	\$125	(F)	Utility Expenses	\$3,200	\$0	(F)	\$3,200
\$2,281	\$2,400	\$119	(F)	Insurance Expenses	\$2,400	(\$118)	(F)	\$2,282
\$1,664	\$1,212	(\$452)	(U)	Depreciation Expenses	\$1,820	\$928	(U)	\$2,748
\$66,158	\$70,231	\$4,073	(F)	Miscellaneous Expenses	\$94,300	\$791	(U)	\$95,091
\$253,166	\$363,806	\$110,640	(F)	Carrying Amount of Assets Disposed Of	\$620,509	(\$10,060)	(F)	\$610,449
\$42,603	\$41,395	(\$1,208)	(U)	Costs Allocated	\$41,883	\$16,387	(U)	\$58,270
\$1,076,604	\$1,223,142	\$146,538	(F)	Total Other Expenses	\$1,768,115	(\$2,327)	(F)	\$1,765,788

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

(\$575,974)	\$0	\$575,974	(F)	Unrealised (Gain)/Loss	\$0	(\$544,397)	(F)	(\$544,397)
(\$575,974)	\$0	\$575,974	(F)	Total Unrealised (Gain)/Loss	\$0	(\$544,397)	(F)	(\$544,397)

(\$3,778,312)	(\$3,477,897)	\$300,415	(F)	OPERATING RESULT FROM OTHER ACTIVITIES	(\$4,953,965)	\$38,281	(U)	(\$4,915,684)
Surplus	Surplus				Surplus			Surplus

(\$6,131,191)	(\$5,452,906)	\$678,285	(F)	CHANGE IN NET ASSETS FROM OPERATIONS	(\$6,035,216)	\$473,665	(U)	(\$5,561,551)
Surplus	Surplus				Surplus			Surplus



CAPITAL EXPENDITURE STATEMENT

MARCH 2010

Full Year

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation	Current Budget	Forecast Change	End of Year Forecast	
Actual	Budget	Variance						
Governance and Corporate Services								
\$356,225	\$371,324	(\$15,099) (F)	\$29,288	Purchase Vehicles - Ascot Place (24440/00)	\$556,988	(\$11,398) (F)	\$545,590	
\$15,128	\$41,332	(\$26,204) (F)	\$21,106	Purchase Office Equipment - Corporate Services (24510/01)	\$62,000	(\$22,000) (F)	\$40,000	
\$5,697	\$55,000	(\$49,303) (F)	\$450	Purchase Information Technology PC's and Printers (24550/00)	\$82,500	(\$12,500) (F)	\$70,000	
\$38,386	\$99,000	(\$60,614) (F)	\$0	Purchase Network Communication Equipment (24560/00)	\$148,500	\$0 (F)	\$148,500	
\$35,593	\$88,666	(\$53,073) (F)	\$9,927	Purchase Information Technology Servers (24570/00)	\$133,000	\$0 (F)	\$133,000	
\$1,766	\$10,666	(\$8,900) (F)	\$446	Purchase PABX/Telephone Equipment (24580/00)	\$16,000	\$0 (F)	\$16,000	
\$1,445	\$1,332	\$113 (U)	\$0	Purchase/ Replace other Equipment - Ascot Place (24590/01)	\$2,000	\$0 (F)	\$2,000	
\$0	\$6,666	(\$6,666) (F)	\$0	Purchase Office Furniture and Fittings - Corporate Services (24610/01)	\$10,000	\$0 (F)	\$10,000	
\$4,727	\$8,000	(\$3,273) (F)	\$5,727	Purchase Art Works (24620/00)	\$12,000	\$0 (F)	\$12,000	
\$291	\$1,332	(\$1,041) (F)	\$0	Purchase/ Replace Miscellaneous Furniture and Equipment-Ascot Place (24690/00)	\$2,000	\$0 (F)	\$2,000	
\$3,220	\$0	\$3,220 (U)	\$0	Upgrade Landscaping - Ascot Place (25140/01)	\$0	\$20,000 (U)	\$20,000	
\$997,418	\$585,500	\$411,918 (U)	\$630,856	Upgrade Administration Building - Ascot Place (25240/01)	\$839,000	\$826,000 (U)	\$1,665,000	
\$15,340	\$156,500	(\$141,160) (F)	\$0	Upgrade Air Conditioning Equipment - Ascot Place (25240/02)	\$227,000	(\$208,449) (F)	\$18,551	
\$0	\$7,497	(\$7,497) (F)	\$0	Upgrade Security Equipment - Ascot Place (25530/01)	\$10,000	\$10,000 (U)	\$20,000	
\$1,475,237	\$1,432,815	\$42,422 (U)	\$697,800		\$2,100,988	\$601,653 (U)	\$2,702,641	

CAPITAL EXPENDITURE STATEMENT

MARCH 2010

Full Year

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation	Current Budget	Forecast Change	End of Year Forecast
Actual	Budget	Variance					
Environmental Services							
\$0	\$1,332	(\$1,332) (F)	\$0	Purchase Office Equipment - Environmental Services (24510/05)	\$2,000	\$0 (F)	\$2,000
\$0	\$1,000	(\$1,000) (F)	\$0	Purchase Office Furniture and Fittings - Environmental Services (24610/05)	\$1,500	\$0 (F)	\$1,500
\$0	\$2,332	(\$2,332) (F)	\$0		\$3,500	\$0 (F)	\$3,500
Regional Development							
\$574	\$1,000	(\$426) (F)	\$0	Purchase Office Equipment - Regional Development (24510/04)	\$1,500	\$0 (F)	\$1,500
\$0	\$0	\$0 (F)	\$2,416	Purchase Other Equipment - Regional Development (24590/08)	\$0	\$3,430 (U)	\$3,430
\$0	\$1,000	(\$1,000) (F)	\$0	Purchase Office Furniture and Fittings - Regional Development (24610/04)	\$1,500	\$0 (F)	\$1,500
\$574	\$2,000	(\$1,426) (F)	\$2,416		\$3,000	\$3,430 (U)	\$6,430
Risk Management							
\$0	\$332	(\$332) (F)	\$0	Purchase Office Equipment - Risk Management (24510/06)	\$500	\$0 (F)	\$500
\$0	\$332	(\$332) (F)	\$0	Purchase Office Furniture and Fittings - Risk Management (24610/06)	\$500	\$0 (F)	\$500
\$0	\$664	(\$664) (F)	\$0		\$1,000	\$0 (F)	\$1,000
Resource Recovery							
\$0	\$666	(\$666) (F)	\$0	Purchase Office Equipment - Resource Recovery (24510/07)	\$1,000	\$0 (F)	\$1,000
\$5,497	\$666	\$4,831 (U)	\$0	Purchase Other Equipment - Resource Recovery (24590/07)	\$1,000	\$5,000 (U)	\$6,000
\$772	\$1,000	(\$228) (F)	\$0	Purchase Office Furniture and Fittings - Resource Recovery (24610/07)	\$1,500	\$0 (F)	\$1,500
\$6,269	\$2,332	\$3,937 (U)	\$0		\$3,500	\$5,000 (U)	\$8,500



CAPITAL EXPENDITURE STATEMENT

MARCH 2010

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation	Full Year			
Actual	Budget	Variance			Current Budget	Forecast Change	End of Year Forecast	
Waste Management								
\$6,968	\$2,500	\$4,468 (U)	\$7,564	Construct Waste Management Facility Buildings - Red Hill Landfill Facility (24250/01)	\$5,000	(\$5,000)	(F)	\$0
(\$2,761)	\$50,036	(\$52,797) (F)	\$0	Construct Waste Management Facility Buildings - Hazelmere (24250/02)	\$50,050	\$0	(F)	\$50,050
\$0	\$0	\$0 (F)	\$0	Investigate and Design Number 3 Workshop - Redhill Landfill Facility (24259/01)	\$60,000	\$0	(F)	\$60,000
\$10,973	\$37,494	(\$26,522) (F)	\$1,909	Construct Waste Management Facility Buildings - Other - Hazelmere (24259/02)	\$50,000	\$0	(F)	\$50,000
\$2,271,103	\$2,644,423	(\$373,320) (F)	\$455,347	Construct Class III Cell Farm Stage 1 - Red Hill Landfill Facility (24310/08)	\$3,420,268	(\$318,268)	(F)	\$3,102,000
\$0	\$0	\$0 (F)	\$0	Investigate and Design Class III Cell Farm Stage 2 - Redhill Landfill Facility (24310/09)	\$5,000	(\$5,000)	(F)	\$0
\$9,993	\$2,000	\$7,993 (U)	\$0	Investigate and Design Class III Cell Farm Stage 3 - Redhill Landfill Facility (24310/10)	\$8,500	\$0	(F)	\$8,500
\$187,863	\$220,000	(\$32,137) (F)	\$97,363	Construct Class III Leachate Pond - Red Hill Landfill Facility (24320/01)	\$330,000	\$100,000	(U)	\$430,000
\$0	\$0	\$0 (F)	\$0	Construct Siltation Ponds - Red Hill Landfill Facility (24350/00)	\$46,000	(\$46,000)	(F)	\$0
\$6,916	\$7,000	(\$84) (F)	\$0	Construct Roads / Carparks - Red Hill Landfill Facility (24370/00)	\$111,120	(\$101,120)	(F)	\$10,000
\$0	\$0	\$0 (F)	\$71,850	Construct Water Storage Dams - Red Hill Landfill Facility (24393/00)	\$580,000	(\$500,000)	(F)	\$80,000
\$890	\$0	\$890 (U)	\$0	Construct Water Storage Dams/Tanks - Hazelmere (24393/01)	\$0	\$979	(U)	\$979
\$8,578	\$12,600	(\$4,022) (F)	\$0	Construct Perimeter Fencing - Red Hill Landfill Facility (24394/00)	\$12,600	\$0	(F)	\$12,600



CAPITAL EXPENDITURE STATEMENT

MARCH 2010

Full Year

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation	Current Budget	Forecast Change	End of Year Forecast
Actual	Budget	Variance					
Waste Management							
\$2,210	\$0	\$2,210 (U)	\$0	Construct Hardstand and Road - Hazelmere (24395/01)	\$0	\$3,100 (U)	\$3,100
\$0	\$14,994	(\$14,994) (F)	\$0	Construct Monitoring Bores - Red Hill Landfill Facility (24396/00)	\$20,000	\$0 (F)	\$20,000
\$1,573	\$3,744	(\$2,171) (F)	\$3,286	Construct Perimeter Bunds - Red Hill Landfill Facility (24397/00)	\$5,000	\$10,000 (U)	\$15,000
\$1,338,487	\$1,816,500	(\$478,013) (F)	\$1,047,804	Purchase / Replace Plant - Red Hill Landfill Facility (24410/00)	\$2,567,000	(\$181,063) (F)	\$2,385,937
\$47,175	\$189,266	(\$142,091) (F)	\$0	Purchase / Replace Plant - Hazelmere (24410/01)	\$283,900	\$0 (F)	\$283,900
\$112,512	\$145,369	(\$32,857) (F)	\$26,464	Purchase / Replace Minor Plant and Equipment-Red Hill Landfill Facility (24420/00)	\$178,400	(\$519) (F)	\$177,881
\$23,742	\$16,586	\$7,156 (U)	\$1,727	Purchase / Replace Minor Plant and Equipment - Hazelmere (24420/02)	\$24,880	\$0 (F)	\$24,880
\$115,005	\$95,356	\$19,649 (U)	\$67,217	Purchase / Replace Vehicles - Red Hill Landfill Facility (24430/00)	\$117,884	\$54,982 (U)	\$172,866
\$445	\$332	\$113 (U)	\$0	Purchase / Replace Office Equipment - Engineering / Waste Management (24510/02)	\$500	\$0 (F)	\$500
\$8,649	\$9,000	(\$351) (F)	\$0	Purchase / Replace Office Equipment - Red Hill Landfill Facility (24510/08)	\$9,000	\$0 (F)	\$9,000
\$0	\$400	(\$400) (F)	\$0	Purchase Fire Fighting System/Equipment - Hazelmere (24520/07)	\$600	\$0 (F)	\$600
\$0	\$4,000	(\$4,000) (F)	\$0	Purchase / Replace Fire Fighting Equipment - Red Hill Landfill Facility (24520/08)	\$6,000	(\$6,000) (F)	\$0
\$0	\$5,000	(\$5,000) (F)	\$0	Purchase / Replace Security System - Red Hill Waste Management Facility (24530/08)	\$7,900	(\$3,000) (F)	\$4,900
\$17,543	\$19,110	(\$1,567) (F)	\$5,327	Purchase / Replace Other Equipment - Red Hill Landfill Facility (24590/00)	\$35,650	\$0 (F)	\$35,650

CAPITAL EXPENDITURE STATEMENT

MARCH 2010

Full Year

Year to Date			On Order	(F) = Favourable variation (U) = Unfavourable variation	Current Budget	Forecast Change	End of Year Forecast
Actual	Budget	Variance					
Waste Management							
\$18,174	\$17,666	\$508 (U)		\$0 Purchase / Replace Miscellaneous Plant & Equipment - Hazelmere (24590/02)	\$26,500	(\$720) (F)	\$25,780
\$2,307	\$1,800	\$507 (U)		\$0 Purchase/Replace Other Equipment - Engineering and Waste Management (24590/03)	\$2,700	\$0 (F)	\$2,700
\$9,700	\$19,509	(\$9,809) (F)		\$0 Purchase Other Equipment - Waste Education Fluorescent Light Recycling Grant (24590/04)	\$19,509	(\$9,809) (F)	\$9,700
\$1,460	\$1,600	(\$140) (F)		\$0 Purchase Office Furniture and Fittings-Engineering and Waste Management (24610/03)	\$2,400	\$0 (F)	\$2,400
\$0	\$500	(\$500) (F)		\$0 Purchase / Replace Office Furniture and Fittings - Red Hill Landfill Facility (24610/08)	\$1,000	\$0 (F)	\$1,000
\$655	\$0	\$655 (U)		\$0 Purchase Office Furniture and Fittings-Hazelmere (24610/10)	\$0	\$720 (U)	\$720
\$0	\$8,829	(\$8,829) (F)		\$0 Purchase Miscellaneous Furniture and Fittings - Red Hill Education Programme (24690/01)	\$12,000	(\$1,500) (F)	\$10,500
\$0	\$20,706	(\$20,706) (F)	\$9,818	Refurbish Environmental Education Centre - Redhill Landfill Facility (25253/00)	\$32,300	(\$16,300) (F)	\$16,000
\$0	\$10,747	(\$10,747) (F)		\$0 Refurbish Waste Transfer Station Building - Red Hill Landfill Facility (25259/01)	\$25,000	(\$25,000) (F)	\$0
\$0	\$12,000	(\$12,000) (F)		\$0 Refurbish Plant - Red Hill Landfill Facility (25410/00)	\$24,000	\$0 (F)	\$24,000
\$0	\$600	(\$600) (F)		\$0 Refurbish Minor Plant - Red Hill Landfill Facility (25420/00)	\$1,200	\$0 (F)	\$1,200
\$4,200,158	\$5,389,667	(\$1,189,509) (F)	\$1,795,677		\$8,081,861	(\$1,049,518) (F)	\$7,032,343

\$5,682,237	\$6,829,810	(\$1,147,573) (F)	\$2,495,894	TOTAL CAPITAL EXPENDITURE	\$10,193,849	(\$439,435) (F)	\$9,754,414
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BALANCE SHEET

MARCH 2010

Actual 2008/2009	Actual Year to Date		Full Year		
			Current Budget 2009/2010	Forecast Change	Forecast 2009/2010
		(F) = Favourable variation (U) = Unfavourable variation			
Current Assets					
\$1,921,192	\$2,587,103	Cash and Cash Equivalents	\$1,388,143	\$2,571,077 (F)	\$3,959,220
\$22,205,947	\$24,743,255	Investments	\$21,840,922	(\$1,927,588) (U)	\$19,913,334
\$2,255,656	\$2,455,949	Trade and Other Receivables	\$2,255,656	\$0 (F)	\$2,255,656
\$30,680	\$29,411	Inventories	\$30,680	\$0 (F)	\$30,680
\$50,881	\$133,098	Other Assets	\$50,881	\$0 (F)	\$50,881
\$0	\$0	Current Assets Other	\$0	\$0 (F)	\$0
\$26,464,356	\$29,948,817	Total Current Assets	\$25,566,282	\$643,489 (F)	\$26,209,771
Current Liabilities					
\$0	\$0	Bank Overdraft	\$0	\$0 (F)	\$0
\$1,762,406	\$2,434,284	Trade and Other Payables	\$1,762,406	\$0 (F)	\$1,762,406
\$902,420	\$902,420	Provisions	\$935,503	\$0 (F)	\$935,503
\$0	\$0	Borrowings - Current Portion	\$0	\$0 (F)	\$0
\$0	\$0	Liabilities Other	\$0	\$0 (F)	\$0
\$2,664,826	\$3,336,704	Total Current Liabilities	\$2,697,909	\$0 (F)	\$2,697,909
\$23,799,530	\$26,612,113	Net Current Assets	\$22,868,373	\$643,489 (F)	\$23,511,862



BALANCE SHEET

MARCH 2010

Actual 2008/2009	Actual Year to Date		Full Year		
			Current Budget 2009/2010	Forecast Change	Forecast 2009/2010
		(F) = Favourable variation (U) = Unfavourable variation			
Non Current Assets					
\$7,639,917	\$7,639,917	Property Plant and Equipment	\$7,639,917	\$20,000 (F)	\$7,659,917
\$2,509,418	\$2,436,978	Buildings	\$3,665,218	\$552,664 (F)	\$4,217,882
\$9,043,150	\$8,034,822	Structures	\$12,249,184	(\$940,659) (U)	\$11,308,525
\$3,995,921	\$4,446,406	Plant	\$6,275,064	(\$693,439) (U)	\$5,581,625
\$249,758	\$308,250	Equipment	\$684,737	(\$56,252) (U)	\$628,485
\$96,629	\$89,255	Furniture and Fittings	\$122,229	\$533 (F)	\$122,762
\$33,904	\$3,931,677	Work in Progress	\$33,904	\$0 (F)	\$33,904
\$0	\$0	Investments - Non Current	\$0	\$0 (F)	\$0
\$0	\$0	Non Current Assets Other	\$0	\$0 (F)	\$0
\$23,568,696	\$26,887,304	Total Non Current Assets	\$30,670,252	(\$1,117,153) (U)	\$29,553,099
Non Current Liabilities					
\$1,317,897	\$1,317,897	Provisions	\$1,453,081	\$0 (F)	\$1,453,081
\$0	\$0	Borrowings - Long Term Portion	\$0	\$0 (F)	\$0
\$0	\$0	Non Current Liabilities Other	\$0	\$0 (F)	\$0
\$1,317,897	\$1,317,897	Total Non Current Liabilities	\$1,453,081	\$0 (F)	\$1,453,081
Equity					
\$19,513,931	\$19,513,931	Accumulated Surplus/Deficit	\$25,015,132	\$473,664 (U)	\$24,541,468
\$0	\$0	AAS27 Adjustments	\$0	\$0 (F)	\$0
\$0	\$0	Asset Revaluation Reserve	\$0	\$0 (F)	\$0
\$26,536,398	\$26,536,398	Cash Backed Reserves	\$27,070,412	\$0 (F)	\$27,070,412
\$46,050,330	\$46,050,330	Total Equity	\$52,085,545	\$473,664 (U)	\$51,611,881
\$0	\$6,131,190	Net change in assets from operations	\$0	\$0	\$0

Note : A negative value in the Forecast Change column of the Equity section results in a favourable increase in the equity position of the organisation.



CASH AND INVESTMENTS

MARCH 2010

Actual 2008/2009	YTD Actual 2009/2010		(F) = Favourable variation (U) = Unfavourable variation	Full Year		
				Current Budget 2009/2010	Forecast Change	Forecast 2009/2010
Municipal Cash and Investments						
1,917,892	2,583,803	Cash at Bank - Municipal Fund 01001/00		1,384,843	2,571,077 (F)	3,955,920
1,250	1,250	Cash on Hand - Ascot Place 01019/00		1,250	0 (F)	1,250
600	600	Cash on Hand - Walliston/Mathieson & Coppin Road Transfer Stations 01019/01		600	0 (F)	600
1,450	1,450	Cash on Hand - Red Hill / Hazelmere 01019/02		1,450	0 (F)	1,450
2,587,743	3,892,319	Investments - Municipal Fund 02021/00		1,443,243	151,300 (F)	1,594,543
4,508,935	6,479,422	Total Municipal Cash		2,831,386	2,722,377 (F)	5,553,763
Restricted Cash and Investments						
776,748	795,484	Restricted Investments - Plant and Equipment 02022/01		37,738	78,798 (F)	116,536
2,635,734	2,703,631	Restricted Investments - Site Rehabilitation Red Hill 02022/02		2,624,172	57,800 (F)	2,681,972
2,946,239	3,017,304	Restricted Investments - Future Development 02022/03		1,516,139	(1,013,100) (U)	503,039
281,405	288,193	Restricted Investments - Environmental Monitoring Red Hill 02022/04		292,905	(1,250) (U)	291,655
238,367	244,117	Restricted Investments - Environmental Insurance Red Hill 02022/05		223,411	(1,050) (U)	222,361
10,522	10,776	Restricted Investments - Risk Management 02022/06		10,952	(50) (U)	10,902
87,232	89,336	Restricted Investments - Class IV Cells Red Hill 02022/07		137,809	140,777 (F)	278,586
412,501	422,450	Restricted Investments - Regional Development 02022/08		55,706	100,452 (F)	156,158
16,080,560	16,468,434	Restricted Investments - Secondary Waste Processing 02022/09		21,772,232	(2,164,159) (U)	19,608,073
3,013,965	3,086,664	Restricted Investments - Class III Cells 02022/10		544,024	180,997 (F)	725,021
53,125	54,407	Restricted Investments - Building Refurbishment (Ascot Place) 02022/11		55,325	(250) (U)	55,075
(7,430,675)	(6,854,701)	Restricted Investments - Unrealised Loss/Gain on Investments 02022/20		(7,430,675)	544,397 (F)	(6,886,278)
512,481	524,842	Restricted Investments - Long Service Leave 02022/90		557,941	(2,250) (U)	555,691
19,618,204	20,850,936	Total Restricted Cash		20,397,679	(2,078,888) (U)	18,318,791
24,127,139	27,330,358	TOTAL CASH AND INVESTMENTS		23,229,065	643,489 (F)	23,872,554

The Cash at Bank - Municipal Fund represents the balance on the last day of the relevant month. Any portion of the balance available for investment is transferred into the Investment - Municipal Fund account in the following period. Funds held in the Cash at Bank - Municipal Fund continue to accrue interest as per the Westpac commercial rates.



14.3 DRAFT STRATEGIC PLAN FOR THE FUTURE 2008/09-2013/14

REFERENCE: COMMITTEES-10821

PURPOSE OF REPORT

To seek Council approval to release EMRC's draft Strategic Plan 2008/09 to 2013/14 for public distribution and comment as required under the Local Government Act 1995.

KEY ISSUES AND RECOMMENDATION(S)

- EMRC's *Strategic Plan for the Future 2008/09 to 2013/14* ("Strategic Plan for the Future") was adopted by Council at their meeting held on 21 August 2008.
- The Strategic Plan for the Future was adopted under the requirements of section 5.56 of the *Local Government Act 1995* and associated regulations 19C & 19D of the *Local Government (Administration) Regulations 1996*.
- A requirement of these regulations is to ensure that the Strategic Plan for the Future is reviewed biennially.
- A strategic planning workshop was held on 11 March 2010.
- A draft *Strategic Plan for the Future 2008/09 to 2013/14* has been prepared (Attachment 2) as a result of the discussion during the workshop.
- A number of priorities were identified, during the workshop, and further reports will be presented to Council providing information on how the projects will be implemented and resourced.
- Under the requirements of s5.56 of the Local Government Act 1995, and regulations 19C and 19D (Local Government Administration Regulations 1996) a 'plan for the future' is to be prepared with the involvement of the electors and ratepayers of the district.
- It is proposed to make the draft *Strategic Plan for the Future 2008/09 to 2013/14* available for public inspection for a period of 21 days (26 May to 23 June 2010).
- Following the public consultation period, Council will be requested to consider all comments prior to adoption of the *Strategic Plan for the Future 2008/09 to 2013/14*.

Recommendation(s)

That:

1. Council endorse the draft *Strategic Plan for the Future 2008/09 to 2013/14* forming Attachment 2 to this report.
2. Council endorse a 21 day public consultation period on the draft *Strategic Plan for the Future 2008/09 to 2013/14*.

SOURCE OF REPORT

Chief Executive Officer
 Manager Organisational Development

BACKGROUND

EMRC's *Strategic Plan for the Future 2008/09 to 2013/14* ("Strategic Plan for the Future") was adopted by Council at their meeting held on 21 August 2008 when it was resolved:



Item 14.3 continued

“THAT COUNCIL BY AN ABSOLUTE MAJORITY, IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.56 OF THE LOCAL GOVERNMENT ACT 1995, ADOPT THE STRATEGIC PLAN FOR THE FUTURE 2008/09 TO 2013/14 FORMING ATTACHMENT 1 TO THIS REPORT”.

The Strategic Plan for the Future was adopted under the requirements of section 5.56 of the *Local Government Act 1995* and associated regulations 19C & 19D of the *Local Government (Administration) Regulations 1996*. A requirement of these regulations is to ensure that the Strategic Plan for the Future is reviewed biennially. Council may modify the plan and may also extend the period of the plan. Council must also ensure that the community has been consulted prior to adopting any modifications to the document.

At the Council meeting held on 3 December 2010, Council considered a report, which recommended that a minor review of the Strategic Plan for the Future be undertaken at a workshop to be organised in March 2010. Accordingly it was resolved:

“THAT COUNCIL SUPPORT A STRATEGIC PLANNING WORKSHOP IN MARCH 2010 AS OUTLINED WITHIN THIS REPORT”.

REPORT

A workshop was held on 11th March 2010, to carry out a minor review of the Strategic Plan for the Future. EMRC Councillors and Deputy Councillors, member Council Chief Executive Officers and EMRC staff attended the workshop. Dr Liz Pattison facilitated the workshop.

Council Workshop – Thursday 11 March 2010

The Workshop commenced with a presentation – *Projections, challenges and opportunities for Waste Management*. This presentation, by the Director Waste Services, focussed on the importance of long-term planning of waste management, and some of the projects and studies that are required to inform future direction and associated funding strategies.

Following this Dr. Liz Pattison facilitated discussion on the four Key Result Areas with view to discuss:

- Major Issues and Challenges;
- Review of proposed amendments to Objectives and Strategies (as recommended by EMRC’s Executive Team); and
- Identification of any other changes required.

Four priorities were identified as a result of the presentation and strategic discussion. It is to be noted that further reports will be presented to Council providing information on how the projects will be implemented and resourced:

1. Develop discussion papers on:

- The closure and replacement of the Red Hill landfill site;
- Greenhouse gas abatement strategy;
- Red Hill airspace strategy; and
- Red Hill Pricing strategy.



Item 14.3 continued

2. Review the Red Hill development Plan
3. Investigate EMRC's role in Regional Planning
4. Provide regular progress reports to Council regarding implementation of the Strategic Plan for the Future.

A report summarising the outcomes of the 11 March 2010 has been prepared by the facilitator Dr Liz Pattison and is at Attachment 1 to this report.

The draft Strategic Plan for the Future 2008/09 to 2013/14, which reflects the amendments agreed to by the workshop participants is at Attachment 2 to this report.

Public Consultation

Under the requirements of section 5.56 of the Local Government Act 1995 and associated Administration Regulations 19C & 19D the EMRC is to ensure that its ratepayers and electors are consulted during development of the 'plan for the future'.

Accordingly it is proposed to make the draft *Strategic Plan for the Future 2008/09 to 2013/14* available for a period of 21 days to enable electors and ratepayers of the Eastern Region to make submissions in relation to the draft Plan. It is proposed to place an advertisement in the West Australian Newspaper informing members of the public that the EMRC's *Strategic Plan for the Future 2008/09 to 2013/14* will be available for inspection for a period of 21 days (26 May to 23 June 2010).

Council will be provided with all submissions with the request that these be considered prior to the adoption of the draft *Strategic Plan for the Future 2008/09 to 2013/14*.

STRATEGIC/POLICY IMPLICATIONS

The draft *Strategic Plan for the Future 2008/09 to 2013/14* will be the basis for planning projects and activities, and development of the annual budget up to 2013/14.

FINANCIAL IMPLICATIONS

The costs associated with development of the draft *Strategic Plan for the Future 2008/09 to 2013/14* totalled \$5,418.54 and were provided for in the budget.

SUSTAINABILITY IMPLICATIONS

The draft *Strategic Plan for the Future 2008/09-2013/14* is designed to deliver sustainable outcomes for Perth's Eastern Region.



Item 14.3 continued

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean City of Bayswater City of Belmont Shire of Kalamunda Shire of Mundaring City of Swan	} EMRC will continue to develop and provide products and services in partnership with member Councils through implementation of the <i>Strategic Plan for the Future 2008/09 to 2013/14</i> .

ATTACHMENT(S)

1. Workshop Report – Dr Liz Pattison (Ref: Committees–10887)
2. Draft Strategic Plan for the Future 2008/09 to 2013/14 (Ref: Committees-10888)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That:

1. Council endorse the draft *Strategic Plan for the Future 2008/09 to 2013/14* forming Attachment 2 to this report.
2. Council endorse a 21 day public consultation period on the draft *Strategic Plan for the Future 2008/09 to 2013/14*.

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR LINDSEY

THAT:

1. COUNCIL ENDORSE THE DRAFT *STRATEGIC PLAN FOR THE FUTURE 2008/09 TO 2013/14* FORMING ATTACHMENT 2 TO THIS REPORT.
2. COUNCIL ENDORSE A 21 DAY PUBLIC CONSULTATION PERIOD ON THE DRAFT STRATEGIC PLAN FOR THE FUTURE 2008/09 TO 2013/14.

CARRIED UNANIMOUSLY



**Strategic Plan for the Future 2008/9 – 2013/14
MINOR REVIEW**

Report of the Strategic Planning Workshop
11th March 2010

Prepared by Dr Liz Pattison, Facilitator
12th March 2010

Introduction

A workshop was held with member Councils on 11th March 2010 to carry out a Minor Review of EMRC's Strategic Plan for the Future 2008/09 to 2013/14.

The workshop focused on the four Key Result Areas of the Strategic Plan:

- Environmental Sustainability
- Social Opportunities
- Economic Development
- Good Governance

The discussion for each Key Result Area covered:

- Major Issues and Challenges
- Review of proposed amendments to Objectives and Strategies
- Identification of any other changes required

Outcomes are presented below. All proposed amendments were accepted unless recorded otherwise.

1. Key Result Area 1: Environmental Sustainability

1.1 Major Issues and Challenges

- Repercussions if we do not achieve environmental sustainability, including health, food, etc.
- Climate change implications including the impact of supercells / storms, costs of repairing damage and implications for people, infrastructure and facilities.
- The impact of population growth on services and the environment.
- Sustainable water supply for Western Australia given the booming economy and population growth.
- Renewable energy issues including fuels costs, transportation issues / distance transported, and emerging renewable energy methods.
- The importance of selection of the resource recovery unit.
- The challenge of EMRC decisions, i.e. status quo or other options, in terms of waste, the environment and sustainability.
- Increasing energy costs.
- The cost of environmental sustainability on ratepayers.
- The cost of government legislation.

1.2 Strategic Plan Review

a) The aim “to facilitate the sustainable use and development of resources”.

Review the wording. The aim is broader than “resources”.

b) Future Direction of Waste Management

Develop discussion papers for Councils on the closure and replacement of the landfill site.

c) 1.2.2 – Accept recommended change

d) Objective 1.3: To provide resource recovery and recycling solutions in partnership with member Councils

Continue to provide information on the performance of other secondary waste facilities including KPS and stakeholder / user satisfaction.

e) Strategy 1.5.1: Implement Eastern Hills Catchment Management Program

Change “implement” to “continue”.

f) Strategy 1.5.3 & 1.5.4

Merge

g) Strategy 1.6.2: Implement the ACEr Program

Discussion:

The benefits to member Councils resulting from the EMRC providing a central reporting instrument were queried and clarified.

h) Strategy 1.6.3: Develop and implement the Regional Climate Change Adaption Action Plan 2009-2013

Change from “Develop and implement” to “Implement”.

2. Key Result Area 2: Social Opportunities

2.1 Major Issues and Challenges

- Changing demographics and population growth.
- Linking tourism infrastructure (e.g. Belmont accommodation) and tourism product (e.g. Swan Valley) in a sustainable way.
- The need to be more proactive in reporting and decision-making in relation to tourism.

In addition, questions were raised as to whether tourism infrastructure and product development is a role of the EMRC, given:

- The diversity of Councils in relation to tourism; and
- That some Council give higher priority and investment to tourism, versus private investment that occurs in other areas (i.e. not an even spread);

and the role of the EMRC versus individual Council initiatives from a perspective of value for money.

In response the discussion emphasised:

- The importance of maintaining a true regional plan to attract tourists to the region and maximise tourism spend.
- The aim to take a regional approach to complement Council's individual initiatives, e.g. advertising regionally; the regional calendar of events (which is now online and interactive).
- The importance of linking together in a regional approach to tourism given the decline in tourism because of the economic crisis.
- The importance of a regional approach to enable access to grants, e.g. Lotterywest.
- The focus on leveraging major regional events and ensuring they are of a high standard, e.g. the Autumn Festival and Avon Descent, while recognising that there will also be individual Council-run events such as the Truffle Festival.

In conclusion it was recognised that consultation with Councils has led to development of a draft regional tourism plan which will come before Council in the near future. The plan confirms the regional approach and mutual benefits.

2.2 Strategic Plan Review

a) Objective 2.1 - To facilitate regional tourism activities and research

It was confirmed that tourism development would include research. Change to "To facilitate regional tourism development"

b) Strategy 2.1.2 – Facilitate regional tourism projects

Recommendation accepted. Delete plan – replace with Strategy.

c) Strategies 2.1.1 – Support regional visitor servicing projects & 2.1.5 – Develop and promote Perth's Eastern Region as a Tourism destination

It was confirmed that visitor servicing projects are now part of the overall tourism strategy. Accept the recommendation to merge the two strategies and reword to "Promote Perth's Eastern Region as a tourism destination"

d) Strategy 2.1.4 & 2.1.6 – Recommendation accepted – Delete Strategies

e) Strategy 2.1.7 – Develop and implement event evaluation research

Reword to "Undertake tourism research"

f) Strategy 2.1.2: Facilitate regional tourism projects

g) Strategy 2.2.1: Facilitate initiatives to enhance Indigenous Reconciliation

Change "reconciliation" to "engagement".

h) Strategy 2.2.2: Develop and promote events

Reword to "Develop and promote regional events".

3. Key Result Area 3: Economic Development

3.1 Major Issues and Challenges

- Balancing residential growth and amenity with industrial and economic activity needs.
- The need to think more regionally about Planning (especially because of the introduction of Development Assessment Panels, DAPs, and the government's focus on economic development in north and south regions).
- The lack of, and state of, infrastructure especially roads.
- Capacity of main roads to handle traffic volumes, e.g. Great Eastern Highway. People will take alternative routes.
- The Orange Route (Perth to Adelaide Highway).
- Rising costs of infrastructure, including impacts of the booming economy and resource projects.
- Peak oil and impact on costs.
- Technology issues, especially broadband.
- Lack of industrial land.
- Money supply issues and difficulties for commercial borrowing.
- Public transport limitations in outer Councils.
- Skills shortages in general and related to boom times. (The next mining boom is around the corner.)
- Self-containment.
- Limited youth opportunities, especially in the hills area, and the need to move away.
- Lack of employers prepared to pay a decent wage.
- Issues of achieving government funding, including grants.

3.2 Strategic Plan Review

a) New Strategy

Investigate EMRC's role in Regional Planning processes. (This will need to be considered as a separate Key Result Area, in the future. At the moment it is a research project.)

b) Strategy 3.2.2: Develop a Regional Youth Employment and Education Strategy

Reword as "Investigate the need for a Regional Youth Employment and Education Strategy".

c) Strategy 3.3.2: Support Development of Industry Capability and Clustering Project

Reword "Facilitate development of industry clusters"

d) Strategy 3.3.6 – Implement research on regional industry trends

Delete

e) MOVE 3.4 to KRA 4 and make this the first Objective

4. Key Result Area 4: Good Governance

4.1 Major Issues and Challenges

- Changing legislation and the environment in which it is being changed, including Planning, Waste Management, etc.
- Political agendas, including the Local Government Reform Agenda.
- Managing and mitigating risk.
- Governance structure, i.e. the differences in roles and responsibilities as a regional Council versus an individual Council. (We need to be at our very best).
- The governance structure of the EMRC.
- Understanding what is corporate governance.
- Long term financial viability of the EMRC.
- Monitoring the effectiveness of the EMRC.
- Staffing issues, especially in boom times.
- Not having a headquarters at the moment.

The issue of “six Councils with diverse opinions” was also mentioned. An alternative view was that this does not belong under Good Governance.

4.2 Strategic Plan Review

a) Structure of the Key Result Area

Note that some of the Objectives and Strategies are about service delivery and not “Good Governance”. This will need to be reviewed at a later stage and moved to another Key Result Area?

b) Strategy 3.4.1: Manage Five Year Strategic Financial Plan

c) Strategy 3.6.1: Manage EMRC’s grant accounting and acquittal process.

Record as “completed”.

d) All other minor changes accepted

3.4.5, 3.4.6, 4.3.4, 4.7.1, 4.8.2

e) Legislative Constraints

Discuss current legislative constraints inhibiting or enabling expansion of EMRC’s roles (e.g. Waste, Shared Services) and in the context of Local Government Reform Process to determine if we can expand legitimately.

f) Reporting

Review reporting to Council regarding Strategic Plan implementation progress, including KPIs, timelines, costs and links to the budget.

Workshop Attendees

City of Bayswater	Cr Graham Pittaway (Chairman) Cr Alan Radford Ms Francesca Lefante (CEO)
Town of Bassendean	Cr Gerry Pule
City of Belmont	Cr Glenys Godfrey Cr Janet Powell Cr Phil Marks (Deputy) Mr Stuart Cole (CEO)
Shire of Kalamunda	Cr Don McKechnie Cr Frank Lindsey Cr Noreen Townsend (Deputy) Mr James Trial (CEO)
Shire of Mundaring	Cr Tony Cuccaro (Deputy Chairman) Cr Alan Pilgrim Mr Jonathan Throssel (CEO)
City of Swan	Cr David Färdig Cr Charlie Zannino Cr Kevin Bailey (Deputy) Mr Mike Foley (CEO)
EMRC	Mr Peter Schneider (CEO) Ms Rhonda Hardy Mr Adam Johnson Ms Robyn O'Callaghan Mrs Prapti Mehta Mr Stephen Fitzpatrick
Consultant	Dr Liz Patterson

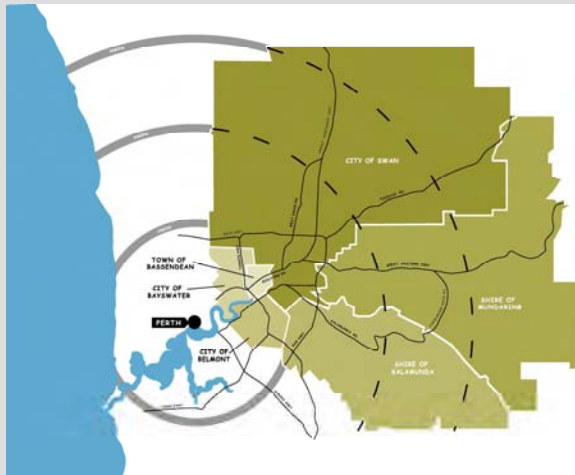


Strategic Plan for the Future

2008/09 to 2013/14

Who we are

The Town of Bassendean, City of Bayswater, City of Belmont, Shire of Kalamunda, Shire of Mundaring and City of Swan are six local government located in Perth's Eastern Region. Together, they have established the Eastern Metropolitan Regional Council (EMRC) with a focus on making the region a great place to live, work, play and do business



Perth's Eastern Region stretches from the edge of the Perth CBD, along the Swan River through urban residential, commercial and industrial areas to the scenic Swan Valley and into the forests and prime agricultural land in the Darling Ranges.

Covering approximately one third of the Perth metropolitan area, the region is home to a number of diverse cultural backgrounds. With a population of over 300,000 people and population growth forecast to be around 8% per annum over the next 10 years; it is also one of the fastest growing regions in Western Australia.

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

Focus on Partnerships

EMRC is focused on the development of strong partnerships with its stakeholders in development of projects and initiatives for the benefit of the region. EMRC and the six member Councils, together form an economic, social and environmental collaborative force, with the strength to achieve real outcomes for the community in Perth's Eastern Region.

With over 25 years experience working collaboratively with its member Councils, businesses and the community, EMRC is well positioned to partner with all levels of government and take a lead role in future initiatives.



The *Strategic Plan for the Future 2008/09 to 2013/14* was adopted in 2008 following a series of workshops when Council explored the major emerging factors that are likely to impact on the region over the next ten years. A number of key strategies were developed as a result of this to ensure that we were prepared to meet the many challenges confronting us.

The *Strategic Plan for the Future 2008/09 to 2013/14* was reviewed by Council in March 2010 to ensure that it continues to remain strategically focussed and meets the needs of the region. It is our blueprint for the future and has been developed to ensure that we are able to successfully achieve our Vision.

CR GRAHAM PITTAWAY OAM
Chairman

MR PETER B. SCHNEIDER
Chief Executive Officer



OUR VISION - describes what we aspire to achieve for stakeholders

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 - defines our purpose

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

OUR VALUES - describe what we believe in and how we will operate

Excellence: *Striving for excellence through the development of quality and continuous improvement*

Recognition: *Valuing staff in a supportive environment that focuses on their wellbeing*

Innovation: *Focus on innovative approaches in projects and service delivery*

Responsiveness: *Dynamic and flexible service delivery*

Integrity: *Accountability and consistency in all that we do*

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



Through this Strategic Plan for the Future 2008/09 to 2013/14, the EMRC will continue to focus on meeting the needs of current and future generations through integration of environmental sustainability, social opportunities and economic development. Underpinning this is the efficient management of the organisation and we will do this through the provision of good governance.

Stakeholders

The EMRC will also focus on partnering with stakeholders in delivering sustainable outcomes for Perth's Eastern Region. Our stakeholders are:

Primary Stakeholders

- EMRC & Member Council Elected Members
- EMRC & Member Council Staff

Secondary Stakeholders

- Federal Government Agencies
- State Government Agencies
- Non-Government Agencies
- Politicians
- Regional Business Groups
- Regional Community & Reference Groups

Tertiary Stakeholders

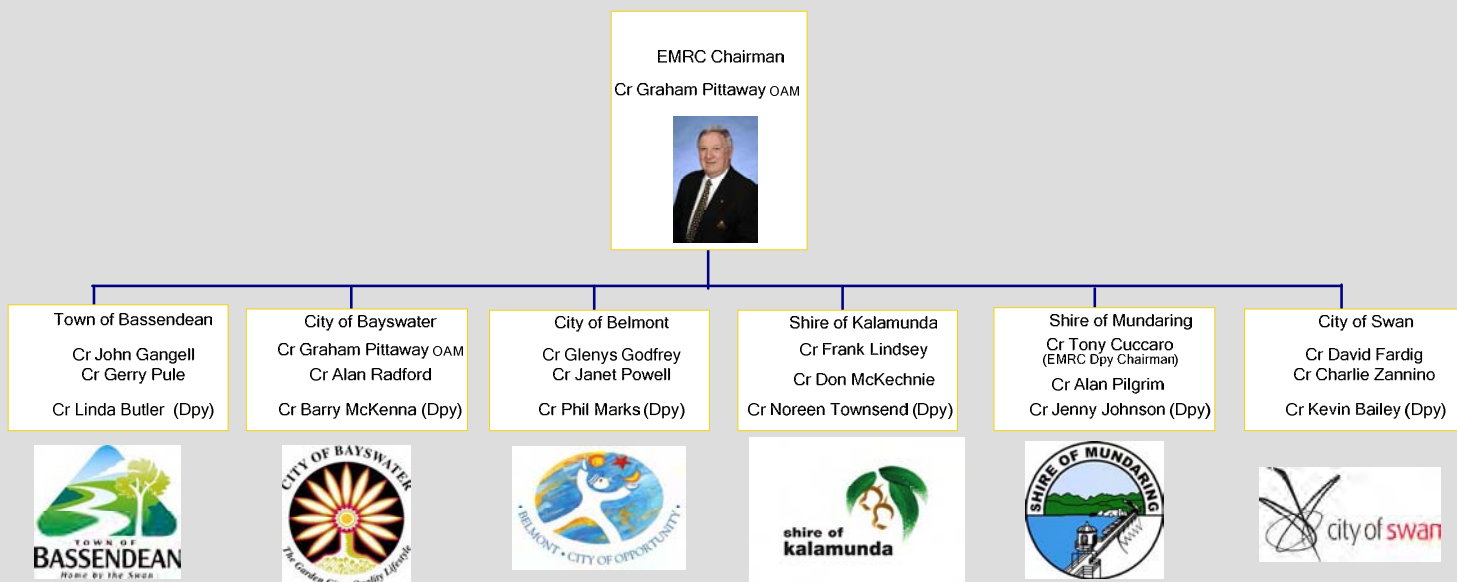
- Customers and Clients
- Visitors and Tourists
- Investors
- Businesses
- Regional Volunteers
- Regional Residents



The EMRC, constituted under the Local Government Act (1995), comprises the Member Councils of the Town of Bassendean, Cities of Bayswater, Belmont and Swan and the Shires of Mundaring and Kalamunda.

All Member Councils approved an Establishment Agreement in 1998, replacing the Constitution on which the EMRC was founded in 1983. The EMRC Establishment Agreement provides for each participant Council to appoint two elected members to be members of the Regional Council and one member to deputise for those members when either one of them is not available.

The following elected EMRC Councillors' terms end in October 2011.





The EMRC Council has established six committees to assist in decision making.

Audit Committee (AC)

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

Chief Executive Officers Advisory Committee (CEOAC)

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

Chief Executive Officer Performance Review Committee (CEOPRC)

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

Investment Committee (IC)

The Investment Committee comprises of Council members only. The purpose of the committee is to deal with matters related to EMRC's Management of Investment Policy.

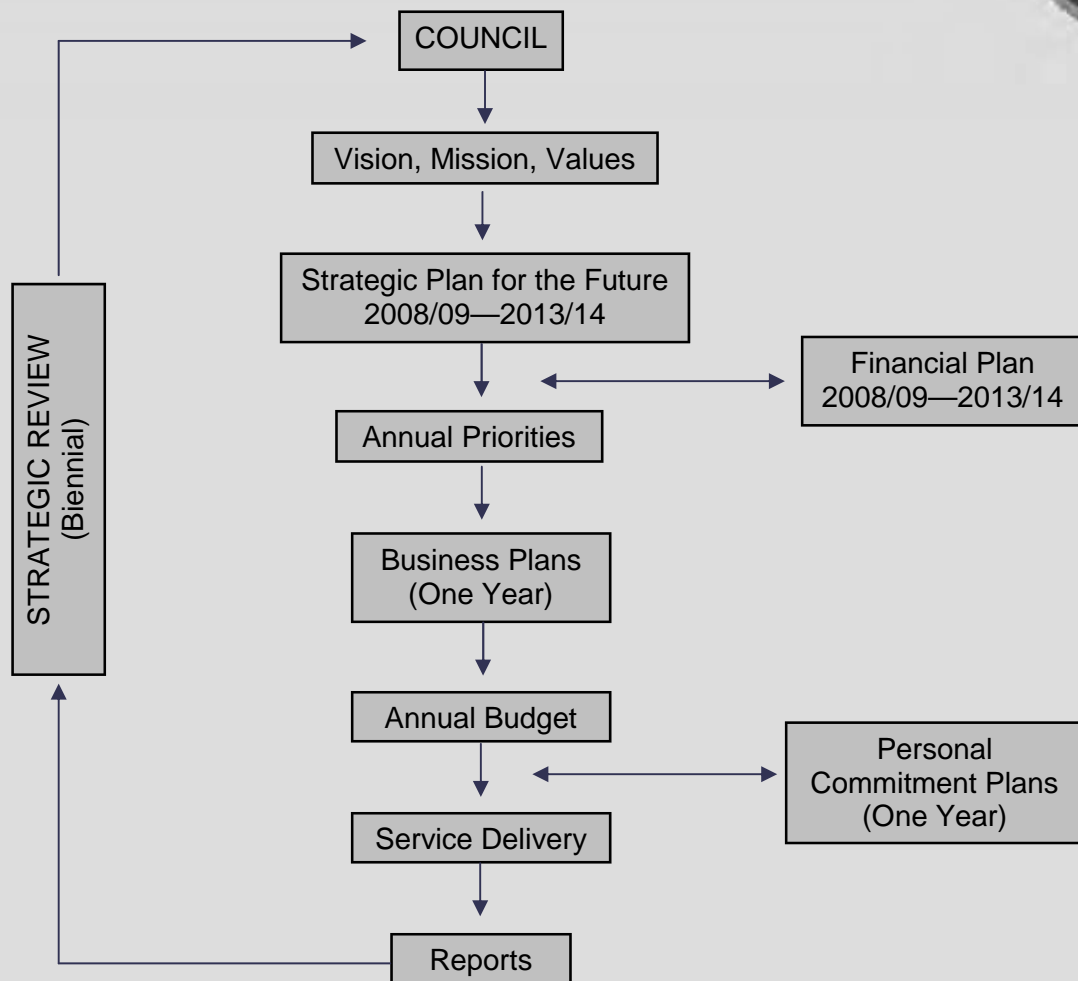
Resource Recovery Committee (RRC)

The Resource Recovery Committee is comprised of the members of the Technical Advisory Committee and a Councillor from each member Council. The committee meets to review and progress resource recovery activities for the region.

Technical Advisory Committee (TAC)

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

Implementing the Strategic Plan



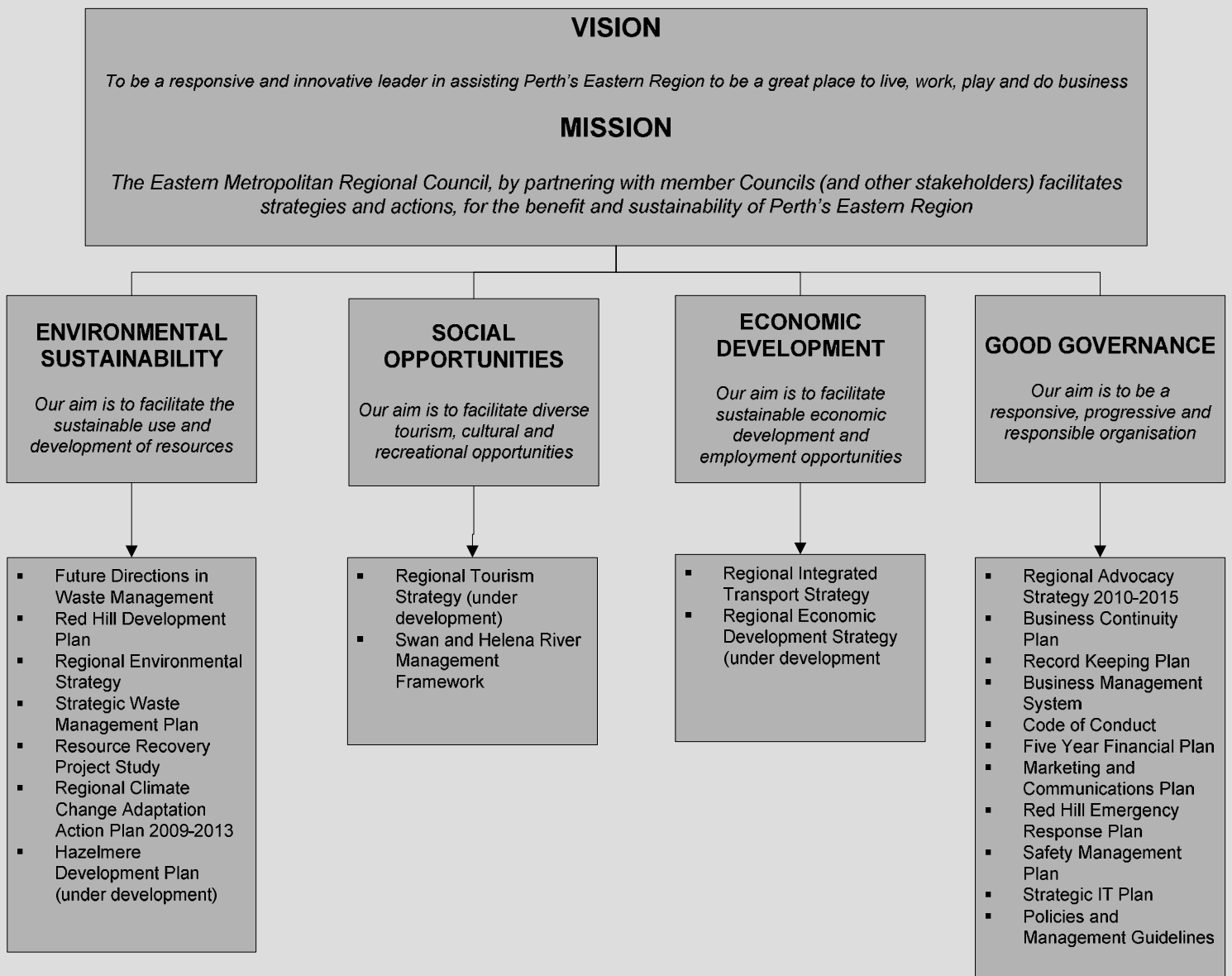
The above diagram illustrates how our strategic planning assists us in delivery of projects, programmes and services.

The Strategic Plan for the Future 2008/09 – 2013/14 is a five-year rolling plan which is developed in collaboration with key stakeholders. It is linked to our five-year financial plan and is the basis for planning our activities. Each year the Council and EMRC staff identify Annual Priorities and these are used to develop annual Business Plans and the Annual Budget. Staff also develop annual Personal Commitment Plans which provide them with clarity on current priorities.

In commitment to continuous improvement the EMRC provides regular reports on performance to the Council and produces an Annual Report at the end of each financial year. The EMRC also reviews the Strategic Plan for the Future biennially to ensure that we remain focussed on meeting regional needs.



EMRC's planning framework ensures that services and programmes are aligned to strategic priorities. EMRC has developed a number of high level plans. These strategic documents guide development of action plans which are used to inform business plan and annual budget development.



KEY RESULT AREA 1: ENVIRONMENTAL SUSTAINABILITY

Our aim is to facilitate the sustainable use and development of resources



OBJECTIVES	STRATEGIES
<p>1.1 To provide sustainable waste disposal operations</p>	<p>1.1.1 Develop waste diversion programmes</p> <p>1.1.2 Minimise the environmental impact of waste management operations</p> <p>1.1.3 Provide a waste disposal service at Red Hill Waste Management Facility</p> <p>1.1.4 Develop Hazelmere Resource Recovery Park</p>
<p>1.2 To improve regional waste management</p>	<p>1.2.1 Collect problematic waste in the region</p> <p>1.2.2 Develop and implement a waste education programme</p> <p>1.2.3 Operate Member Councils' waste transfer stations where applicable</p> <p>1.2.4 Provide a Waste Management Advisory Service</p>
<p>1.3 To provide resource recovery and recycling solutions in partnership with member Councils</p>	<p>1.3.1 Develop resource recovery products</p> <p>1.3.2 Establish Resource Recovery Park/Resource Recovery Facility</p> <p>1.3.3 Promote awareness of Resource Recovery Project</p>



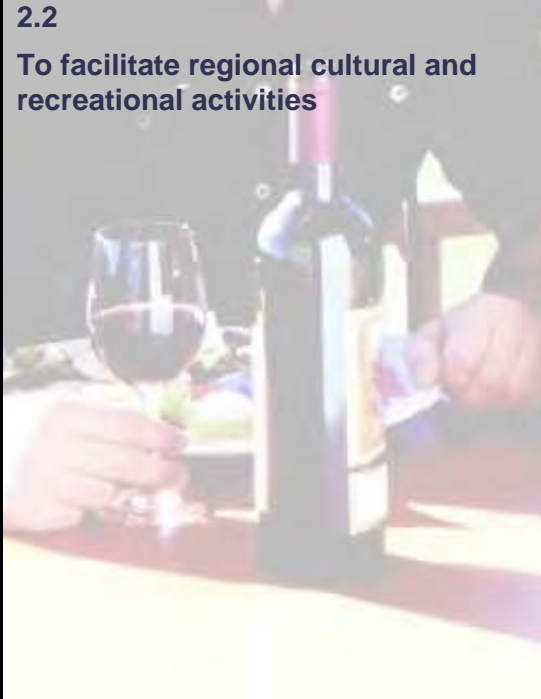

KEY RESULT AREA 1: ENVIRONMENTAL SUSTAINABILITY

Our aim is to facilitate the sustainable use and development of resources

OBJECTIVES	STRATEGIES
<p>1.4 To investigate leading edge waste management practices</p>	<p>1.4.1 Develop a clearer understanding of available resource recovery technologies</p> <p>1.4.2 Undertake research into Integrated Waste Management</p> <p>1.4.3 Provide leadership in the development of waste policy and practices</p>
<p>1.5 To contribute towards improved regional air, water and land quality and regional biodiversity conservation</p>	<p>1.5.1 Continue the Eastern Hills Catchment Management Programme</p> <p>1.5.2 Implement Water Campaign Programme</p> <p>1.5.3 Develop and implement regional environmental projects and services</p>
<p>1.6 To address climate change issues within the region</p>	<p>1.6.1 Implement the Perth Solar City Project</p> <p>1.6.2 Implement the ACEr Programme</p> <p>1.6.3 Implement the Regional Climate Change Adaption Action Plan 2009 - 2013</p>

KEY RESULT AREA 2: SOCIAL OPPORTUNITIES

Our aim is to facilitate diverse tourism, cultural and recreational opportunities

OBJECTIVES	STRATEGIES
<p>2.1 To facilitate regional tourism development</p> 	<p>2.1.1 Promote Perth's Eastern Region as a tourism destination</p> <p>2.1.2 Implement the Regional Tourism Strategy</p> <p>2.1.3 Undertake tourism research</p> <p>2.1.4 Facilitate tourism infrastructure and product development</p> 
<p>2.2 To facilitate regional cultural and recreational activities</p> 	<p>2.2.1 Facilitate initiatives to enhance Indigenous engagement</p> <p>2.2.2 Develop and promote regional events</p> 

KEY RESULT AREA 3: ECONOMIC DEVELOPMENT

Our aim is to facilitate sustainable economic development and employment opportunities



OBJECTIVES	STRATEGIES
<p>3.1 To facilitate increased investment in regional infrastructure</p>	<p>3.1.1 Facilitate implementation of the Regional Integrated Transport Strategy 2010-2015</p>
<p>3.2 To support the development of regional education and training opportunities</p>	<p>3.2.1 Investigate the need for a Regional Youth Employment and Education Strategy</p>
<p>3.3 To facilitate regional economic development activities</p>	<p>3.3.1 Support local Chambers of Commerce within the region</p> <p>3.3.2 Facilitate development of industry clusters</p> <p>3.3.3 Facilitate implementation of Swan & Helena River Management Framework</p> <p>3.3.4 Market Perth's Eastern Region as an attractive investment destination</p> <p>3.3.5 Develop and implement Regional Economic Development Strategy</p> <p>3.3.6 Identify and investigate new regional development project opportunities</p>

KEY RESULT AREA 4: GOOD GOVERNANCE

Our aim is to be a responsive, progressive and responsible organisation

OBJECTIVES	STRATEGIES
<p>4.1 To improve Member Council and EMRC financial viability</p>	<p>4.1.1 Manage the Five Year Strategic Financial Plan</p> <p>4.1.2 Review waste disposal fees and charges</p> <p>4.1.3 Assess the future requirements for EMRC's Secondary Waste Charge</p> <p>4.1.4 Optimise resources and operating costs</p> <p>4.1.5 Assess and manage risk</p> <p>4.1.6 Undertake research into Shared Services/Bureau Services</p>
<p>4.2 To provide advice and advocacy on issues affecting Perth's Eastern Region</p>	<p>4.2.1 Implement the Regional Advocacy Strategy 2010-2015</p> <p>4.2.2 Participate in consultative groups regarding Federal and State Government policies and regulations</p>

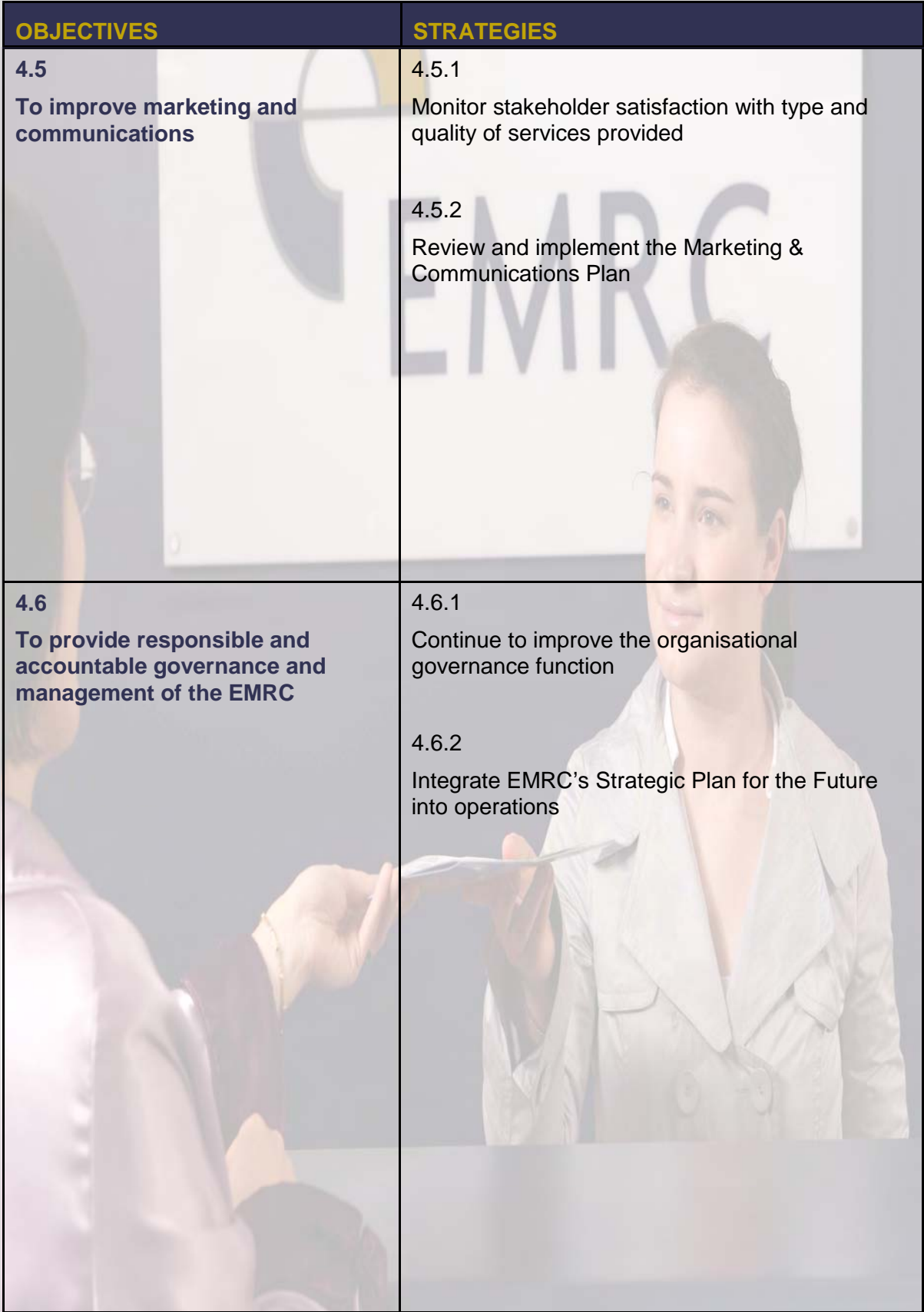
KEY RESULT AREA 4: GOOD GOVERNANCE

Our aim is to be a responsive, progressive and responsible organisation

OBJECTIVES	STRATEGIES
<p>4.3 To provide a consultancy and training service</p>	<p>4.3.1 Provide a training service to EMRC, Member Councils and External Organisations</p> <p>4.3.2 Provide a consultancy service to EMRC, Member Councils and External Organisations</p>
<p>4.4 To manage partnerships and relationships with stakeholders</p>	<p>4.4.1 Continue to foster and enhance relationships with Member Councils and stakeholders</p> <p>4.4.2 Develop and support key sponsorship programmes and opportunities</p> <p>4.4.3 Coordinate applications to key industry award programmes</p> <p>4.4.4 Continue to improve supplier and contract management practices</p>

KEY RESULT AREA 4: GOOD GOVERNANCE

Our aim is to be a responsive, progressive and responsible organisation



OBJECTIVES	STRATEGIES
<p>4.5 To improve marketing and communications</p>	<p>4.5.1 Monitor stakeholder satisfaction with type and quality of services provided</p> <p>4.5.2 Review and implement the Marketing & Communications Plan</p>
<p>4.6 To provide responsible and accountable governance and management of the EMRC</p>	<p>4.6.1 Continue to improve the organisational governance function</p> <p>4.6.2 Integrate EMRC's Strategic Plan for the Future into operations</p>

KEY RESULT AREA 4: GOOD GOVERNANCE

Our aim is to be a responsive, progressive and responsible organisation

OBJECTIVES	STRATEGIES
<p>4.7 To continue to improve financial and asset management practices</p>	<p>4.7.1 Manage EMRC's grant accounting and acquittal process</p> <p>4.7.2 Develop asset management plans for key asset categories</p> <p>4.7.3 Manage EMRC's facilities and assets</p> <p>4.7.4 Manage EMRC's major and minor plant</p>
<p>4.8 To continue to improve information management practices</p>	<p>4.8.1 Develop and implement a Strategic IT Plan</p> <p>4.8.2 Administer electronic document management and record keeping</p>
<p>4.9 To improve organisational culture, health, welfare and safety</p>	<p>4.9.1 Facilitate continuous improvement programmes</p> <p>4.9.2 Reduce the risk of workplace related accidents and disease</p>

Document	Description
Business Continuity Plan	This Plan outlines the key steps to be taken by the EMRC to respond to and recover from a disaster.
Code of Conduct	The Code of Conduct provides members and employees with consistent guidelines for an acceptable standard of professional conduct.
Council Policies	Council Policies are developed to guide the EMRC Council.
Establishment Agreement	This document was signed by all EMRC member Councils in 1998 replacing the Constitution on which the EMRC was founded in 1983.
Five-Year Financial Plan	This financial plan complements the Strategic Plan for the Future.
Local Government Act 1995	The EMRC operates under the Local Government Act and associated regulations.
Management Guidelines	Management Guidelines are developed to guide EMRC staff.
Marketing & Communications Plan	This document outlines the marketing and communications activities to assist the organisation in achieving strategic objectives.
Minutes and Agendas	These are records of Council and Committee meetings.
New Direction in Waste Management	This study was prepared to consider waste management options following the completion of Red Hill Waste Management Facility.
Red Hill Development Plan	The Red Hill Development Plan indicates infrastructure requirements for the ongoing development of the Red Hill Waste Management Facility.
Red Hill Emergency Response Plan	The Red Hill Emergency Response Plan has been produced to help protect staff, contractors, and customers who may be within the Red Hill Waste Management Facility at any given time.
Regional Advocacy Strategy	The aim of the Regional Advocacy Program is to build capacity within EMRC and its member Councils to attract an increased share of benefits and services to Perth's Eastern Region through a framework that delivers effective regional advocacy campaigns.
Regional Economic Development Strategy (under development)	This strategy is being developed to support sustainable economic growth, increased investment and industry attraction within Perth's Eastern Region.
Regional Environmental Strategy	The Regional Environmental Strategy (RES) has been developed to ensure a sustainable approach for the future development, protection and management of Perth's Eastern Region.
Regional Integrated Transport Strategy (RITS)	This study was undertaken to ensure that transport planning, actions and investment within the region are integrated.
Regional Planning Study	This collaborative study identifies key issues and priorities related to regional planning.
Regional Tourism Strategy (under development)	The Regional Tourism Strategy will be used to develop Perth's Eastern Region as a sustainable tourism destination through regional activities facilitated by the EMRC in collaboration with member Councils
Resource Recovery Project Study	This study investigates the introduction of resource recovery to the region.
Safety Management Plan	This plan provides a framework for protection of EMRC staff and property, and other people who may interface with EMRC operations.
Stakeholder Perception Survey Reports	The EMRC surveys stakeholders biennially to collect information on stakeholder perceptions.
Strategic IT Plan	This document outlines the IT infrastructure requirements for the EMRC.



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Website: www.emrc.org.au



14.4 APPOINTMENT OF MEMBERS TO THE AUDIT COMMITTEE (AC)

REFERENCE: COMMITTEES-10933

PURPOSE OF REPORT

The purpose of this report is to appoint a member from the Town of Bassendean to the Audit Committee (AC).

KEY ISSUES AND RECOMMENDATION(S)

- Audit Committee members were appointed on 29 October 2009, however due to the passing of Cr Piantadosi there is a need to appoint a replacement member from the Town of Bassendean members to the Committee.

Recommendation(s)

That Council by absolute majority, in accordance with section 5.10 of the Local Government Act 1995, appoints Cr Gerry Pule as a member and Cr John Gangell as a deputy member to the Audit Committee.

SOURCE OF REPORT

Director Corporate Services
Manager Administration & Compliance

BACKGROUND

Audit Committee:

Established: 19 May 2005.

Membership: The Membership of the Committee is comprised of one (1) Councillor from each member Council.

Meetings: The Committee meets as required at the discretion of the Chairman of the Committee at least three (3) times per year to coincide with approval of the strategic and annual plans, the annual budget and the auditor's report on the annual financial report.

Terms of Reference: Objectives -
The primary objective of the Audit Committee is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of controls and facilitating the organisation's ethical development.

REPORT

At a Special Meeting of Council held on 29 October 2009, Cr Sam Piantadosi from Town of Bassendean was appointed as member of the Audit Committee with Cr Gerry Pule as the deputy member.

Sadly Cr Piantadosi passed away earlier this year creating a need to appoint a replacement member and deputy member to the Audit Committee from the Town of Bassendean.

The delegates from the Town of Bassendean have agreed that Cr Pule will be the nominated member of the Audit Committee with Cr Gangell being the deputy member.



Item 14.4 continued

STRATEGIC/POLICY IMPLICATIONS

Council Policy 2.1 provides for the establishment of an Audit Committee.

Key Result Area 4: Good Governance:

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

FINANCIAL IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

Nil

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That Council by absolute majority, in accordance with section 5.10 of the Local Government Act 1995, appoints Cr Gerry Pule as a member and Cr John Gangell as a deputy member to the Audit Committee.

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR LINDSEY

THAT COUNCIL BY ABSOLUTE MAJORITY, IN ACCORDANCE WITH SECTION 5.10 OF THE LOCAL GOVERNMENT ACT 1995, APPOINTS CR GERRY PULE AS A MEMBER AND CR JOHN GANGELL AS A DEPUTY MEMBER TO THE AUDIT COMMITTEE.

CARRIED UNANIMOUSLY



**15.2 INVESTMENT COMMITTEE MEETING HELD 6 MAY 2010
(REFER TO MINUTES OF COMMITTEE - PINK PAGES)
REFERENCE: COMMITTEES-10556**

The minutes of the Investment Committee meeting held on **6 May 2010** accompany and form part of this agenda – (refer to mauve section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invited general questions from members on the report of the Investment Committee however any questions relating to the confidential reports will be dealt with under sections 19.1 of the agenda "Confidential Items."

RECOMMENDATION(S)

That with the exception of items, which are to be withdrawn and dealt with separately, the recommendations in the Investment Committee report (Section 15.2) be adopted.

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR RADFORD

THAT THE RECOMMENDATIONS IN THE INVESTMENT COMMITTEE REPORT (SECTION 15.2) BE ADOPTED.

**CARRIED 10/1
Cr McKechnie against**

RESOURCE RECOVERY COMMITTEE

MINUTES

6 May 2010

(REF: COMMITTEES-10816)

A meeting of the Resource Recovery Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 6 May 2010**. The meeting commenced at **5.01pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 5.01pm.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Committee Members

Cr Tony Cuccaro (Chairman)	EMRC Member	Shire of Mundaring
Cr Gerry Pule	EMRC Member	Town of Bassendean
Cr Alan Radford	EMRC Member	City of Bayswater
Cr Glenys Godfrey (<i>from 5.46pm</i>)	EMRC Member	City of Belmont
Cr Frank Lindsey (Deputy Chairman)	EMRC Member	Shire of Kalamunda
Cr David Färdig	EMRC Member	City of Swan
Mr Simon Stewert-Dawkins	Director Operational Services	Town of Bassendean
Mr Doug Pearson	Director Technical Services	City of Bayswater
Mr Ric Lutey	Director Technical Services	City of Belmont
Mr Shane Purdy	Director Infrastructure Services	Shire of Mundaring
Mr Jim Coten	Executive Manager Operations	City of Swan
Mr Peter Schneider	Chief Executive Officer	EMRC

Deputy Committee Members - Observers

Cr Graham Pittaway	EMRC Member	City of Bayswater
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EMRC Officers

Mr Stephen Fitzpatrick	Manager, Project Development
Mr Adam Johnson	Director Waste Services
Ms Mary-Ann Winnett	Personal Assistant to the Director Corporate Services (Minutes)

Visitors

Mr John King	Cardno
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3 DISCLOSURE OF INTERESTS

Nil

4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

The Chairman advised that he had attended a meeting with the Chairman of the Environmental Protection Authority (EPA), staff of the office of the EPA, the EMRC CEO and Manager Project Development regarding the Resource Recovery Project (RRP). The primary purpose of this meeting was to advise the EPA Chairman of the outcomes of the visits to reference facilities in January.



9 REPORT OF OFFICERS

9.1 PREFERRED RESOURCE RECOVERY FACILITY OPTIONS REPORT

REFERENCE: COMMITTEES-10810

PURPOSE OF REPORT

To advise Council of the progress of the assessment of the various options for the Resource Recovery Facility, including the technologies, sites, ownership models and bin collection systems.

KEY ISSUES AND RECOMMENDATION(S)

- Information gained from the reference facility visits in January 2010 together with input from representatives of consultants Fichtner GmbH & Co has been used to review the risk adjusted financial modelling of the contract and technology options for the Resource Recovery Facility (RRF).
- Member Council briefings on the outcomes from the reference facility visits and the financial implications for the member Councils have been completed where requested.
- 5 of the six member Councils have written to the EMRC confirming their agreement to proceed to the next stage of the project, ie commencement of the environmental and planning approvals phase. Feedback from the sixth Council is expected soon.
- The preliminary recommendations of the Resource Recovery Committee from September 2009 have been reviewed.
- Briefings of various resident and ratepayer groups have been held and are ongoing; project information is being disseminated via community newspaper columns, the project website and brochures.
- Preliminary work has commenced on the planning for the development of a Community Partnership Agreement.
- The next step, subject to Council approval, is to commence the environmental and planning approval process.

Recommendation(s):

That:

1. The following options are confirmed as the preferred options for the Resource Recovery Facility:
 - a) Red Hill Waste Management Facility is the preferred site for the RRF.
 - b) The Design & Construct contract ownership model is preferred to a Build Own Operate contract model at this stage of the project.
 - c) The RRF technology options include anaerobic digestion, gasification, pyrolysis and combustion. Plasma technology will only be considered if it is an integral part of one of these technologies.
 - d) A third bin for household organic waste collection be considered in conjunction with anaerobic digestion technology, otherwise a two bin system is recommended for the thermal technology options.
2. Council proceeds with the environmental and planning approvals task for the Resource Recovery Project based on the preferred site and technology options.

SOURCE OF REPORT

Manager Project Development



Item 9.1 continued

BACKGROUND

On 30 April 2009, Council resolved to proceed with the Expression of Interest process.

At the 27 August 2009 meeting of Council it was resolved:

- "1. THE FOLLOWING RESPONDENTS TO THE EXPRESSION OF INTEREST ARE LISTED AS ACCEPTABLE TENDERERS:
 - A. ENERGOS AS;
 - B. EVERGREEN ENERGY CORPORATION PTY LTD;
 - C. GRD MINPROC LIMITED;
 - D. MOLTONI ENERGY PTY LTD;
 - E. SITA ENVIRONMENTAL SOLUTIONS;
 - F. TRANSPACIFIC CLEANAWAY LIMITED; AND
 - G. WSN ENVIRONMENTAL SOLUTIONS.
2. THE FOLLOWING RESPONDENTS TO THE EXPRESSION OF INTEREST ARE NOT LISTED AS ACCEPTABLE TENDERERS:
 - A. ANAECO LIMITED; AND
 - B. THIESS SERVICES PTY LTD.
3. THE RESPONDENTS TO EXPRESSION OF INTEREST 2009-10 BE ADVISED OF THE OUTCOME OF THE ASSESSMENT.
4. THE ATTACHMENT REMAINS CONFIDENTIAL AND BE CERTIFIED BY THE ACTING CHIEF EXECUTIVE OFFICER AND THE EMRC CHAIRMAN.
5. THE TENDER EVALUATION COMMITTEE BE ACKNOWLEDGED FOR THE SIGNIFICANT EFFORT PUT INTO EVALUATING THE EOI SUBMISSIONS."

On 24 September 2009, Council resolved that:

- "1. THE FOLLOWING PRELIMINARY RECOMMENDATIONS OF THE RESOURCE RECOVERY COMMITTEE FORM THE BASIS OF CONSULTATION BETWEEN THE EMRC AND THE MEMBER COUNCILS AND THE COMMUNITY WITH THE INTENTION OF REPORTING BACK TO COUNCIL IN APPROXIMATELY MARCH 2010 WITH A FINAL RECOMMENDATION.
 - A RED HILL WASTE MANAGEMENT FACILITY IS THE PREFERRED SITE FOR THE RRF BASED ON ENVIRONMENTAL, ECONOMIC AND PLANNING CONSIDERATIONS, COMMUNITY RESEARCH AND THE POTENTIAL VALUE OF THE EMRC HAZELMERE SITE AS A RESOURCE RECOVERY PARK.
 - B THE DESIGN & CONSTRUCT CONTRACT OWNERSHIP MODEL IS PREFERRED TO A BUILD OWN OPERATE CONTRACT MODEL.
 - C THE RRF TECHNOLOGY OPTIONS INCLUDING ANAEROBIC DIGESTION, GASIFICATION AND PYROLYSIS ARE RANKED HIGHER THAN COMBUSTION AND PLASMA AT THIS STAGE BUT MORE INFORMATION IS REQUIRED BEFORE A FINAL PREFERENCE CAN BE DETERMINED.
 - D A THIRD BIN FOR HOUSEHOLD ORGANIC WASTE COLLECTION IS CONSIDERED IN CONJUNCTION WITH ANAEROBIC DIGESTION TECHNOLOGY."



Item 9.1 continued

Further, on 4 December 2009, Council resolved that:

- "1. COUNCIL APPROVE A VISIT TO EASTERN STATES AND OVERSEAS RESOURCE RECOVERY REFERENCE FACILITIES TO BE UNDERTAKEN BY THE CHAIRMAN, RESOURCE RECOVERY COMMITTEE, MR JOHN KING, PROJECT DIRECTOR FOR CARDNO LIMITED AND THE MANAGER PROJECT DEVELOPMENT.
2. INFORMATION GAINED FROM THE VISIT BE REPORTED TO THE RRC AND COUNCIL IN EARLY 2010 AS PART OF THE FINAL RECOMMENDATION ON THE PREFERRED RESOURCE RECOVERY FACILITY OPTIONS."

On 22 April 2010, Council resolved in relation to the reference facility visits that:

- "1. THE REPORT BE RECEIVED.
2. INFORMATION GAINED FROM THE RESOURCE RECOVERY FACILITY VISITS BE APPLIED TO THE ANALYSIS OF THE PROJECT OPTIONS ON TECHNOLOGY, CONTRACT MODEL AND BIN COLLECTION SYSTEM.
3. THAT THE ATTACHMENT TO THIS REPORT REMAIN CONFIDENTIAL AND BE CERTIFIED BY THE CHIEF EXECUTIVE OFFICER AND CHAIRMAN."

REPORT

Preferred Site for the RRF

The preliminary recommendation of Council was that the RRF should be located at Red Hill, based on environmental, economic and planning considerations, community research and the potential value of the EMRC Hazelmere property as a Resource Recovery Park.

Community engagement undertaken with the Red Hill and Hazelmere communities has not changed this view. Further work is required to determine the optimal siting of the RRF at the Red Hill Waste Disposal Facility and ongoing community engagement will include the development of a Community Partnership Agreement to address issues including performance criteria and amenity impacts.

Therefore, Red Hill Waste Management Disposal Facility is recommended as the preferred site for an RRF.

Contract Model and Facility Ownership

The preliminary recommendation to Council on the contract model and facility ownership was that, providing a comprehensive, but achievable risk mitigation strategy is adopted by the EMRC, a Design and Construct contract, with the EMRC retaining ownership of the RRF, would provide best value to the EMRC and the member Councils.

Financial implications for member Councils of the various technology options and the two contract model options was provided to member Councils in February 2010 as a confidential report. This analysis included potential guarantees required by the member Councils under both contract models and the impact on the processing costs per tonne of the use of the Secondary Waste Treatment Reserve to offset borrowings in the case of the D&C contract model.

No change to the recommendation on the preferred contract model and facility ownership is suggested at this stage but this should be reconsidered prior to the call for tenders.

Therefore, the Design & Construct contract ownership model is preferred to a Build Own Operate contract model at this stage of the project.



Item 9.1 continued

Technologies

Further research on the costs and the operational risks of the five technology options has been undertaken and a risk adjusted financial model has been developed, the results of which were presented to member Councils in February to April. This involved use of the Infrastructure Australia risk model, input from the January 2010 reference facility visits and feedback from Fichtner GmbH who reviewed the risk adjusted financial model.

The Multi Criteria analysis performed previously to rank the technologies has not been updated at this stage and this will be left until the environmental evaluation is completed.

As discussed in the report on the reference facility visits (Report item 9.2 Resource Recovery Committee, 22 April 2010), anaerobic digestion, gasification and combustion technologies are technically suitable for the EMRC project. Pyrolysis and plasma technologies processing Municipal Solid Waste (MSW) have not yet been observed by the EMRC but there are commercial scale examples of these technologies. Information gained from the reference facility visits in January 2010 was that plasma technology appears to have better application in the treatment of hazardous wastes, the polishing of synthesis gas in gasification and pyrolysis technologies and as an add on to a combustion process to melt the ashes and produce an inert residue suitable for other uses. There are also doubts about the net energy yields from a plasma facility as the primary means of treatment of MSW. Therefore it is suggested that the plasma technology option be excluded from further consideration as an MSW technology option, unless it is an integral part of one of the other technology options. It is suggested that pyrolysis technology remains in the mix of options at least for the duration of the environmental assessment phase of the project, if sufficient data can be obtained to carry out this assessment.

The capacity of the proposed RRF for particular technologies will have to be specified in the environmental referral document, allowing for future expansion of the facility. This will be based on the capacity ranges specified in the EOI documentation.

Therefore it is recommended that the RRF technology options include anaerobic digestion, gasification, pyrolysis and combustion. Plasma technology will only be considered if it is an integral part of one of these technologies.

Bin Collection System

The preliminary recommendation to Council was that consideration be given to implementing a three bin collection system (where the third bin is an organics bin for food and green waste) if anaerobic digestion technology is used for the RRF, otherwise a two bin system is recommended for the thermal technology options.

A variation of the recommended three bin system is the three bin system used in Councils contracted to WSN Environmental's Jack's Gully facility in Sydney, where the third bin is for greenwaste only. The success of this system is still being monitored and was inspected in January 2010 as part of the RRF reference site visits.

Therefore, it is recommended that a third bin for household organic waste collection be considered in conjunction with anaerobic digestion technology, otherwise a two bin system is recommended for the thermal technology options.

Preferred Options

In summary, the preferred options on the RRF site, technologies, contract ownership model and bin collection systems are as follows:



Item 9.1 continued

Options	Preferred Option
RRF Site	Red Hill Waste Management Facility
RRF Technologies	1. Anaerobic Digestion 2. Gasification 3. Pyrolysis 4. Combustion Plasma technology will only be considered if it is an integral part of one of these technologies.
RRF Contract Ownership Model	Design & Construct (at this stage of the project)
Bin Collection System	Three bin system for Anaerobic Digestion technology, otherwise a two bin system is recommended for the thermal technology options.

Preliminary Meeting with EPA Chairman

The Chairman of the Resource Recovery Committee, EMRC CEO, Manager Project Development and Mr John King (Cardno) met with the Chairman of the EPA and some of his assessment staff on 13 January 2010, prior to departing on the overseas reference facility visits.

The EPA Chairman, Mr Paul Vogel advised that the Authority would be able to assess a proposal with more than one technology option and that the impact assessment would need to be based on proven processes and there would be a peer review process as part of their assessment. Mr Vogel noted that a final decision on whether the project could proceed would be up to the Minister for Environment.

A further meeting with the EPA Chairman is scheduled in May to debrief him on the outcome of the January 2010 reference facility visits.

Member Council and Community Engagement

The project team has provided presentations to five of the member Councils as follows:

Member Council	Briefing of Councillors
Town of Bassendean	2 March 2010
City of Bayswater	9 March 2010
City of Belmont	10 March 2010
Shire of Mundaring	15 March 2010
City of Swan	29 March 2010

The Shire of Kalamunda advised that they did not require a briefing of councillors and were amenable to dealing with the matter by an exchange of letters.

The Town of Bassendean, the Cities of Bayswater, Belmont, Swan and the Shire of Mundaring have confirmed their agreement to proceed to the next stage of the project. Advice from the Shire of Kalamunda is expected soon.

There will be ongoing engagement with the member Councils over the next phase of the project to brief councillors on the environmental and planning approval progress and to address other relevant project matters. There will also be ongoing community engagement throughout the environmental approval phase including the development of a Community Partnership Agreement with a taskforce selected from the community around the preferred site plus representatives from other Councils (refer RRC report item 9.2). The programme identified in report item 9.4 of the 13 August 2009 RRC agenda has been updated and is included below.



Item 9.1 continued

Communication and Community Engagement Plan

It is also proposed that future communication and community engagement activities will be planned and executed to support the RRF Project. The table below provides a brief description of the activities proposed during five key phases.

PHASE	EXPECTED TIMEFRAME	PROPOSED ACTIVITIES
Phase One EOI process and evaluation, stakeholder consultation.	Aug 2009 to April 2010	<ul style="list-style-type: none"> ▪ Formal reports to Committees and Council ▪ Briefing sessions and presentations to Council, Committees, member Councils and politicians, Community groups ▪ Periodic local newspaper columns, as required ▪ Project updates on the EMRC and R-Gang websites and EMRC newsletter ▪ Ongoing waste education initiatives
Phase Two Environmental Planning Approvals	May 2010 to Dec 2011	Phase One activities plus: <ul style="list-style-type: none"> ▪ Public information sessions and displays ▪ Formation of a Community Engagement Advisory Group comprising of community members in the vicinity of the site selected for the RRF plus others from the region. This group will partner with the EMRC in development of a Community Partnership Agreement. (this will be the subject of a separate report to Council) ▪ Annual project update to households via letterbox drop.
Phase Three Tender process and evaluation	Dec 2011 to Nov 2012	Phase One activities plus: <ul style="list-style-type: none"> ▪ Annual project update via letterbox as detailed within Phase Two above
Phase Four Construction and wet commissioning	Dec 2012 to Sept 2014	Phase One activities plus: <ul style="list-style-type: none"> ▪ Annual project update via letterbox as detailed within Phase Two above ▪ Increased Waste Education activities if new waste management behaviour is required (separate project plan required).
Phase Five Full operation and launch	Oct 2014 onwards	Phase One activities plus: <ul style="list-style-type: none"> ▪ Public launch event/Open Day ▪ Media relations



Item 9.1 continued

It is proposed that a detailed Communication Plan will be developed at each Phase and will be presented to the Council for endorsement prior to any activities being undertaken.

Next Steps

Subject to Council approval, the environmental approval phase will be initiated in June 2010. This will involve preparation of a referral document to the EPA, briefing of the EPA on the proposal and agreement to a timetable for assessment. Planning approval requirements will also be reviewed as part of this process.

STRATEGIC/POLICY IMPLICATIONS

The Resource Recovery Project contributes to Key Result Area 1 - Environmental Sustainability of EMRC's Strategic Plan for the Future, specifically Objective 1.3:

To provide resource recovery and recycling solutions in partnership with member Councils.
 Key Result Area 1 – Environmental Sustainability

- 1.3 To provide resource recovery and recycling solutions in partnership with member Councils

FINANCIAL IMPLICATIONS

The cost of using consultants Cardno for the next phase of the project – Task 15 – Environmental Approvals and Task 16 – Seek Town planning Approvals is budgeted at \$215,000 which will be spread over the 2009/2010 and 2010/2011 budgets under – Resource Recovery – Implement Resource Recovery Project Plan.

SUSTAINABILITY IMPLICATIONS

The Resource Recovery Facility will contribute toward minimising the environmental impact of waste by facilitating the sustainable use and development of resources.

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

Nil

VOTING REQUIREMENT

Simple Majority



Item 9.1 continued

RECOMMENDATION(S)

That:

1. The following options are confirmed as the preferred options for the Resource Recovery Facility:
 - a) Red Hill Waste Management Facility is the preferred site for the RRF.
 - b) The Design & Construct contract ownership model is preferred to a Build Own Operate contract model at this stage of the project.
 - c) The RRF technology options include anaerobic digestion, gasification, pyrolysis and combustion. Plasma technology will only be considered if it is an integral part of one of these technologies.
 - d) A third bin for household organic waste collection be considered in conjunction with anaerobic digestion technology, otherwise a two bin system is recommended for the thermal technology options.
2. Council proceeds with the environmental and planning approvals task for the Resource Recovery Project based on the preferred site and technology options.

Discussion ensued

Cr Lindsey stated that he had had informal discussions with the CEO and the Manager Project Development where he outlined his concerns that all other landfills in the metropolitan area were filling up and the EMRC could find itself in the position that Red Hill would be the only Perth metropolitan landfill by the time of the commissioning of the Resource Recovery Facility (RRF) around 2014. Cr Lindsey asked if it was possible to mine the landfill site at Red Hill and whether it had been done successfully elsewhere. The Manager Project Development advised that there had been a small amount of landfill mining undertaken in WA but he was not sure about other States. The Director Waste Services advised that some overseas sites had been dug out but not usually for landfill and it was usually more cost effective to build a new landfill.

ALTERNATIVE RECOMMENDATION

Cr Färdig moved the following alternative recommendation. Cr Pule seconded the motion.

“That:

1. The following options are confirmed as the preferred options for the Resource Recovery Facility:
 - a) Red Hill Waste Management Facility is the preferred site for the RRF.
 - b) The Design & Construct contract ownership model is preferred to a Build Own Operate contract model at this stage of the project.
 - c) The RRF technology options include anaerobic digestion, gasification, pyrolysis and combustion. Plasma technology will only be considered if it is an integral part of one of these technologies.
 - d) A two bin system is recommended for either anaerobic digestion or thermal technology options.
2. Council proceeds with the environmental and planning approvals task for the Resource Recovery Project based on the preferred site and technology options.”



Item 9.1 continued

Cr Färdig advised that the only change to the original recommendation was that all the words in point 1. d) prior to "A two bin collection system is recommended for either anaerobic digestion or thermal technology options." had been deleted. Cr Färdig stated that if a three bin collection system was used the City of Swan would need to purchase four (4) new trucks and additional staff. The City of Swan's preference was to recommend a two (2) bin collection system as it was felt that the analysis process may not have taken into account the cost to the City of Swan of purchasing new trucks or hiring new staff. Mr King advised that the modelling in the task 10 report had considered the costs of the rubbish run, the capital required for purchasing new trucks and bins and had included the cost of the staff and operation of the trucks but what hadn't been allowed for in the study at this stage was the possible use of Reserve funds for capital costs.

The Manager Project Development explained that the original recommendation 1 d) was for a third bin to be considered with anaerobic digestion technology but otherwise a two bin collection system was recommended for the thermal technology options so it wasn't locking the member Councils into a three (3) bin collection system. The original recommendation had been based on research undertaken by Cardno on bin collection systems which demonstrated that there were advantages with a three (3) bin collection system as the best compost was produced from source separated organics and the RRF capital cost was reduced compared to a two (2) bin collection system (for anaerobic digestion technology).

Mr King stated that Cardno was not recommending that the EMRC locks in a three (3) bin collection system as there were a number of issues to be considered such as community education, uniformity, size of the facility, capacity of the plant and separation facilities within the plant. The cost of the facility would be significantly cheaper under a three (3) bin collection system but the matter needed to be resolved as a group and allow time to assess the technologies without locking in either bin collection system.

Mr Lutey advised that the issues for the City of Swan weren't any different to any other member Councils as the costs of purchasing and depreciation of trucks was built into the collection fees.

Cr Radford stated that the EMRC was not in a position to recommend a two (2) bin collection system just yet so he was happy to move the original recommendation as it was not locking the EMRC into either bin collection system and it was best to move on to the next stage before making a final decision.

Cr Färdig stated the City of Swan did not believe a three bin system would be viable for its operations but appreciated the decision could be reviewed later on in the project.

ALTERNATIVE RECOMMENDATION

MOVED CR FÄRDIG

SECONDED CR PULE

"That:

1. The following options are confirmed as the preferred options for the Resource Recovery Facility:
 - a) Red Hill Waste Management Facility is the preferred site for the RRF.
 - b) The Design & Construct contract ownership model is preferred to a Build Own Operate contract model at this stage of the project.
 - c) The RRF technology options include anaerobic digestion, gasification, pyrolysis and combustion. Plasma technology will only be considered if it is an integral part of one of these technologies.
 - d) A two bin system is recommended for either anaerobic digestion or thermal technology options.
2. Council proceeds with the environmental and planning approvals task for the Resource Recovery Project based on the preferred site and technology options."

MOTION LOST 2/9



Item 9.1 continued

DEFERRED MOTION

Cr Lindsey moved that this item be deferred to the next Ordinary Meeting of Council.

The CEO advised that the effect of the officer recommendation was that Council would need to consider the motion anyway on 20 May 2010.

The Chairman reiterated the CEO's views and stated that it would be best to put a recommendation up to Council.

There was no seconder and the motion lapsed.

Cr Färdig moved the original motion and this was seconded by Cr Pule.

The Manager Project Development referred to recommendation 1. b) and explained that the reason for the slight change of wording in the recommendation to that stated in earlier reports was that it allowed for reconsideration of the contract ownership model before going to tender. The Manager Project Development also pointed out that the plasma technology would only be considered if it was an integral part of the preferred technology options specified in recommendation 1. c).

Cr Godfrey entered the meeting at 5.46pm.

Mr Purdy stated that he shared the same concerns as the other member Councils and noted that as Mr King had said that no options were being ruled out yet.

RRC RECOMMENDATION(S)

MOVED CR FÄRDIG

SECONDED CR PULE

That:

1. The following options are confirmed as the preferred options for the Resource Recovery Facility:
 - a) Red Hill Waste Management Facility is the preferred site for the RRF.
 - b) The Design & Construct contract ownership model is preferred to a Build Own Operate contract model at this stage of the project.
 - c) The RRF technology options include anaerobic digestion, gasification, pyrolysis and combustion. Plasma technology will only be considered if it is an integral part of one of these technologies.
 - d) A third bin for household organic waste collection be considered in conjunction with anaerobic digestion technology, otherwise a two bin system is recommended for the thermal technology options.
2. Council proceeds with the environmental and planning approvals task for the Resource Recovery Project based on the preferred site and technology options.

CARRIED UNANIMOUSLY



Item 9.1 continued

COUNCIL RESOLUTION(S)

MOVED CR GODFREY

SECONDED CR PULE

THAT:

1. THE FOLLOWING OPTIONS ARE CONFIRMED AS THE PREFERRED OPTIONS FOR THE RESOURCE RECOVERY FACILITY:
 - A) RED HILL WASTE MANAGEMENT FACILITY IS THE PREFERRED SITE FOR THE RRF.
 - B) THE DESIGN & CONSTRUCT CONTRACT OWNERSHIP MODEL IS PREFERRED TO A BUILD OWN OPERATE CONTRACT MODEL AT THIS STAGE OF THE PROJECT.
 - C) THE RRF TECHNOLOGY OPTIONS INCLUDE ANAEROBIC DIGESTION, GASIFICATION, PYROLYSIS AND COMBUSTION. PLASMA TECHNOLOGY WILL ONLY BE CONSIDERED IF IT IS AN INTEGRAL PART OF ONE OF THESE TECHNOLOGIES.
 - D) A THIRD BIN FOR HOUSEHOLD ORGANIC WASTE COLLECTION BE CONSIDERED IN CONJUNCTION WITH ANAEROBIC DIGESTION TECHNOLOGY, OTHERWISE A TWO BIN SYSTEM IS RECOMMENDED FOR THE THERMAL TECHNOLOGY OPTIONS.
2. COUNCIL PROCEEDS WITH THE ENVIRONMENTAL AND PLANNING APPROVALS TASK FOR THE RESOURCE RECOVERY PROJECT BASED ON THE PREFERRED SITE AND TECHNOLOGY OPTIONS.

CARRIED UNANIMOUSLY



9.2 PROGRESS REPORT ON COMMUNITY ENGAGEMENT PLAN – RESOURCE RECOVERY PROJECT

REFERENCE: COMMITTEES-10811

PURPOSE OF REPORT

To outline community engagement activities undertaken between 1 September 2009 and 30 April 2010 and to provide information to Council on future community engagement needs.

KEY ISSUES AND RECOMMENDATION(S)

- A community education phase has been carried out in the last 9 months by a dedicated Community Engagement Officer who has been employed since October 2009.
- The focus of this education phase was to inform residents about the various technology options and their implications.
- Feedback gathered from various sources including email, phone and direct feedback at community briefings has highlighted that further education needs to be undertaken.
- The feedback from some stakeholder groups has highlighted concerns over thermal technologies and their consideration as an option for the planned resource recovery facility.
- In the hills localities close to the Red Hill Waste Management Facility, there is concern that EMRC is “pushing” for a thermal technology.
- Residents have stated their main concerns as health and environmental including potential pollution of water, air and pasture and expressed strong concerns over emissions from thermal technologies.
- The EMRC organised presentations by two visiting eminent United States practitioners in the area of waste to energy, Professor Nickolas Themelis and Ms Robin Davidov on 22 and 23 April 2010. The presentations were well attended and appreciated by council and community attendees. Further presentations are planned on anaerobic digestion technology.
- One of the key issues in promoting resource recovery is the lack of general community knowledge. Community engagement has indicated that residents are focussed primarily on recycling and there needs to be an attitudinal shift to think of waste as a commodity with a real value, both economically and environmentally.
- The next phase in community engagement will be the development of a Community Partnership Agreement for which a process has been outlined. This will identify the community expectations in relation to the development and operation of the Resource Recovery Facility and will also provide an opportunity for input on the technology evaluation criteria.

Recommendation

That Council note the progress of the Resource Recovery Project community engagement and endorse the next stage of community involvement, namely the formation of a Community Taskforce and development of a Community Partnership Agreement.

SOURCE OF REPORT

Manager Project Development
 Community Engagement Officer



Item 9.2 continued

BACKGROUND

Community engagement on the Resource Recovery project has been undertaken since 2004 when it was announced that EMRC was considering an alternative facility to treat growing volumes of residential waste throughout the region. Previous reports have outlined community engagement undertaken between 2004 to 2009. (Report item 9.2, RRC meeting 13 August 2009).

However in order to understand the rationale for the activities undertaken in the last 9 month period it is important to take into account results of the formal market research that was undertaken by Paterson Market Research on behalf of EMRC in mid-2009.

Primarily, the research explored two main themes:

1. What people in the region thought about the five technology options under consideration
2. The choice of sites for the proposed facility being either at Red Hill or Hazelmere

In summary, the 2009 research findings showed that residents in Perth's Eastern Region had a higher preference for anaerobic digestion as the technology choice for the resource recovery facility compared to the thermal options and that Red Hill would be the preferred site. These research results were made available to the community in the form of a fact sheet.

More importantly, the research demonstrated that residents were focused almost exclusively on improvements in recycling and waste minimisation. In order to secure community support for an alternative waste treatment technology, it was decided that EMRC needed to undertake a community education phase to move stakeholders past the recycling stage of waste management and to focus on recovery which, for most residents, is a new concept.

REPORT

The communication and community engagement activities undertaken on the Resource Recovery Project over the last 9 months and future planned activities are detailed below.

Communication and Engagement Activities – August 2009 to April 2010

This phase commenced in August 2009 after completion of the Expressions of Interest (EOI) process. A number of activities were carried out as detailed below:

- A comprehensive brochure providing an overview of the resource recovery facility (RRF) project was distributed to 42,500 residences in Perth's Eastern Region in September 2009. Another 42,000 were distributed throughout the region in November. The brochure was also delivered to businesses in selected areas. It was decided by EMRC Council that the brochure would be distributed to residents in Kalamunda, Mundaring, Bassendean and sections of the City of Swan including the Swan Valley.

The brochure was also mailed to residents and ratepayer groups throughout the Region and provided to attendees at project briefings in the Region. Topics outlined in the brochure include: benefits of resource recovery, site and technology options for the planned RRF, environmental and health impacts, costs, timeline and planned community involvement.

- Invitations for project briefings were extended to all resident and ratepayer associations as well as other local interest and representative groups throughout the EMRC region. There was only a small response and the EMRC has provided project briefings to all those groups who accepted the invitation including the Gidgegannup Progress Association, Eastern Hills Progress & Ratepayers Group, Hazelmere Ratepayers Association, Hills Climate Action Group and the Swan Valley Ratepayers and Residents Group. Invitations were also extended to the region's business and commerce groups but no responses were received.



Item 9.2 continued

- These briefings have been well received and showed the commitment of the EMRC at a senior level. Feedback has been mostly positive but concerns about the types of waste to be processed by an RRF, emissions, environmental issues, and technology types have been raised. In the hills localities close to the Red Hill Waste Management Facility, concerns have been expressed that the EMRC is “pushing” for a thermal technology option.
- A week-long display was held at Midland Gate Shopping centre during its special "Green Week" event from 16-21 November 2009. A static display system was erected at Mundaring Shopping Centre adjacent to Woolworths from December 16-19, 2009. Both displays were staffed by the Community Engagement Officer, Manager Project Development and the waste education team at advertised times. The same display system was erected at Belmont Forum Shopping Centre on March 18th and staffed by the Community Engagement Officer and Belmont Mayor, Glenys Godfrey.
- Updates were published in local community papers. Topics have included general project information, preliminary recommendations on site, technology and ownership/operator options. The most recent update outlines possible emissions from thermal technologies as well as anaerobic digestion. The latest update is in production and is focusing on the Community Partnership Agreement which will be established once Council has decided the chosen site for the RRF.
- The Waste Management Community Reference Group has provided regular and ongoing input into the resource recovery project and waste education initiatives.
- Community members residing near the Red Hill Waste Management Facility have also provided direct feedback on the planned facility through the Red Hill Community Liaison Group.
- Other mechanisms for direct community feedback include the new EMRC corporate website which contains in-depth and up to date information as well as a dedicated project email address; resourcerecovery@emrc.org.au
- A presentation on Waste to Energy was held at EMRC's premises on 22 and 23 April 2010. Two visiting experts on thermal technologies from the United States, Professor Themelis from Columbia University and Ms Robin Davidov, Executive Director Northeast Maryland Waste Disposal Authority outlined the case for waste to energy technologies and also provided a forum for councillors, council staff and community members to ask questions directly. Approximately 55 attended the presentation on 23 April 2010 and copies of the presentations were made available to all attendees on a CD. Positive feedback was received from both community and council attendees after both presentations.

Future community engagement activities

Subject to EMRC Council agreeing to progress the resource recovery facility project to the environmental and planning approval stage then the next phase of community engagement can begin.

This stage is known as the Community Involvement phase and involves implementing a formal mechanism for local community members who live within Perth's Eastern Region to have input into certain aspects of the project as well as an avenue for providing feedback.

This participation will be driven by the mechanism of a Community Taskforce (CTF) which will meet regularly to produce a Community Partnership Agreement (CPA). The CPA is a document that identifies community expectations in relation to the development and operation of the facility. In broad terms it is a tool that defines the terms under which the community can have input to the project. The CPA needs to be completed before the tendering phase of the project to enable recommendations to be considered for input into the tender documentation.

A draft paper outlining the process for the development of a CPA is attached (see Attachment to Item 9.2).

Initially the CTF will work on developing a joint vision, goals and objectives for the CPA. There will be selection criteria for membership of the taskforce and it will include residents from across the Region as well as those who live in close proximity to the chosen site of the planned facility.



Item 9.2 continued

The CTF will then work on creating the Community Partnership Agreement. This would include identification of values to be protected; outcomes the facility should deliver to protect those values; actions the operator should be asked or required to take in relation to the outcomes identified; and how the community will be kept informed about adherence to the CPA.

In parallel with development of the CPA, there will also be another formal mechanism for the Region's residents, through the CTF, to guide the evaluation criteria for technology selection. A similar process to this was used in the 2005 and 2006 regional workshops whereby workshop participants received a set of draft technology, environmental and social evaluation criteria for comment. Participant feedback was incorporated into an amended set of criteria used for the EOI process.

As referred to in the draft outline of the CPA process (see Attachment to Item 9.2), it is proposed that the CTF will be involved in providing comment on the tender evaluation criteria, including consideration of whether the evaluation criteria are adequate, whether the weighting of the criteria reflects current community views and whether new evaluation criteria need to be added. It is anticipated that this may address some of the concerns raised by the community about not having a say on the technology choice for the RRF.

STRATEGIC/POLICY IMPLICATIONS

The Resource Recovery Project contributes to:

Key Result Area 1 – Environmental Sustainability:

Objective 1.3: *To provide resource recovery and recycling solutions in partnership with member Councils*

Key Result Area 4 – Good Governance

Objective 4.3: *To manage partnership and relationships with stakeholders*

FINANCIAL IMPLICATIONS

The 2009/2010 Budget under - Resource Recovery – Conduct Resource Recovery Community Consultation and Undertake Community Consultation (Task 3) provides an allowance of \$81,000 for community engagement which includes the recent market research.

SUSTAINABILITY IMPLICATIONS

The Resource Recovery Facility will contribute toward minimising the environmental impact of waste by facilitating the sustainable use and development of resources.

MEMBER COUNCIL IMPLICATIONS

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



Item 9.2 continued

ATTACHMENT(S)

Building Community Involvement in the RRF Project and Creating a Partnership Agreement between the EMRC and its Community (Ref: Committees-10864).

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council note the progress of the Resource Recovery Project community engagement and endorse the next stage of community involvement, namely the formation of a Community Taskforce and development of a Community Partnership Agreement.

Discussion ensued

Cr Pule asked for a more detailed explanation of the Community Partnership Agreement (CPA). The Manager Project Development advised that the CPA was a process that was being modelled on the Mindarie Regional Council's (MRC's) CPA and the objective of the CPA was to identify the issues of concern to the community around the proposed site in relation to the construction and operation of the Resource Recovery (RRF) and would relate to issues such as noise, vehicles and emissions but would not include requirements that would be in excess of what would come from the environmental approval process. The task force would meet over the next 12 months and develop the CPA, the outcomes from which would be made known to the wider community. There would be an opportunity for input and links to other groups within the community during this process.

Cr Pule thanked the Manager Project Development for the comprehensive explanation and reiterated the importance of community involvement to enable them to raise issues of concern and he was delighted to see the Community Partnership Agreement (CPA) coming into place.

RRC RECOMMENDATION(S)

MOVED CR PULE

SECONDED CR RADFORD

That Council note the progress of the Resource Recovery Project community engagement and endorse the next stage of community involvement, namely the formation of a Community Taskforce and development of a Community Partnership Agreement.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR GODFREY

SECONDED CR PULE

THAT COUNCIL NOTE THE PROGRESS OF THE RESOURCE RECOVERY PROJECT COMMUNITY ENGAGEMENT AND ENDORSE THE NEXT STAGE OF COMMUNITY INVOLVEMENT, NAMELY THE FORMATION OF A COMMUNITY TASKFORCE AND DEVELOPMENT OF A COMMUNITY PARTNERSHIP AGREEMENT.

CARRIED UNANIMOUSLY

BUILDING COMMUNITY INVOLVEMENT IN THE RRF PROJECT AND CREATING A PARTNERSHIP AGREEMENT BETWEEN THE EMRC AND ITS COMMUNITY

At this stage in the Resource Recovery Project there are two significant opportunities for community involvement. The first is the joint development with the community of a Community Partnership Agreement (CPA) which is a document that identifies community expectations in relation to the development and operation of the facility. In broad terms it is a tool that enables community support to be achieved for the project. To be successful it needs to:

- Clarify and be built on community values and expectations
- Set reasonable performance criteria
- Build confidence that the parameters for the development and operation of the facility are known and have been listened to.

The CPA recognises that the EMRC and its community are working jointly towards building and operating a RRF which is well-managed, environmentally responsible, which deals effectively with the waste it processes and which has no negative impact on the amenity of the local community.

The second significant opportunity for community involvement relates to the tender evaluation criteria, particularly to the technology assessment criteria. In acknowledgement of the community's concern that they have little understanding of how key decisions about the project will be made, specifically the decision about technology, the EMRC proposes to offer the community some involvement in the process of setting the Tender Evaluation Criteria (TEC). In the process of setting tender evaluation criteria, the community will be able to learn more about the technologies under consideration.

How will the CPA and TEC be developed?

The work of developing the CPA and providing input into the TEC will be undertaken on the community's behalf by a Community Task Force created for this sole purpose. The Community Task Force operates as a process within a wider community process. The discussion and development happens within the Community Task Force, but is informed by input from outside the CTF, and is subject to final community sign-off.

A key role of group members is to be a conduit of information from the community into the process. A key requirement is an interest in the project and its outcome.

It is proposed that the CTF work on both projects in turn, starting with development of the Tender Evaluation Criteria and then moving on to development of the CPA. For each project, the group would work to a process across a specified number of meetings, each meeting a month apart. Prior to each meeting, input would be sought from the community, and after each meeting the group's progress would be reported together with an invitation for input relevant to the aspects to be covered at the next meeting. As both projects require broad community sign-off, the final drafts of both would be put out to the community for comment. In addition, the CPA would be validated across the whole EMRC community through market research as a final step.

When will the TEC and CPA be developed?

Both projects need to be completed before the tendering phase of the project to enable relevant matters to be considered for input into the tender documentation. Work cannot commence on developing the CPA until the site for the facility has been decided. As the decision on siting of the facility is likely to be made in April – June 2010, both projects should be ready for implementation soon after.

Proposed compilation of the Community Task Force

WMCRG (4 representatives), Red Hill CLG (4 representatives), the EMRC (2 representatives) and an independent facilitator.

Criteria to be addressed in the nomination include:

- Agreement to commit the required time (4 meetings envisaged over 4 months to develop CPA; preparation time for meetings; and 1 or 2 meetings later in the process – 9-month process overall);
- Demonstrated links into the community so ideas can be canvassed and feedback sought;
- Agreement to work constructively with the process; and
- (for Red Hill members) Proximity to the facility.

It is envisaged that two of the four Red Hill representatives would live within 1km of the facility; the other two would consider themselves 'locals' but live further than 1km from the facility.

Terms of reference to include:

- Short-term life of the CTF, for the duration of development of the CPA (total duration approximately 9 months);
- A stated aim of the CTF is to provide an opportunity for all parties to work together and to establish a working relationship;
- The role of the CTF is not to define the technology to be used;
- The role of the CTF is not to determine the Contractor.

What the Community Task Force will work on

The TEC

The scope of this work covers working with the existing criteria (developed through the two regional workshops conducted in 2005 and 2006) to determine:

- Whether the existing tender evaluation criteria are sufficient;
- Whether the weighting reflects current community views on the relative importance of the tender evaluation criteria;
- Whether new evaluation criteria need to be added.

The CPA

Work on the CPA will start with development of a joint vision, goals and objectives for the CPA.

The CTF will then work on creating the Community Partnership Agreement. This would include identification of values to be protected; outcomes the facility should deliver to protect those values; actions the operator should be asked or required to take in relation to the outcomes identified; and how the community will be kept informed about adherence to the CPA

Suggested timeline

Timing	Steps in the process
Now until April 2010	Finalise the parameters for both projects
After siting decision has been made – May/July	Canvass the community – local and regional -- for input prior to the process starting
July 2010	Create the Community Task Force and promote the process, particularly how to contribute information and ideas for CTF consideration.
August 2010	First meeting of the Community Task Force to work with TEC -- info flow to community following meeting; input requested for next mtg.
September 2010	Second meeting of the Community Task Force to work with TEC - - info flow to community following meeting; input requested for next mtg.
October 2010	Review process with the broader community – draft TEC finalised and issued for public comment
November 2010	Community Task Force considers the comments received and amends document as required.
February 2011	First meeting of the Community Task Force to deal with CPA – info flow to community following meeting; input requested for next mtg.
March 2011	Second meeting of the Community Task Force to deal with CPA – draft CPA finalised and issued for public comment

April 2011	Third meeting of the Community Task Force to deal with CPA – draft CPA finalised and issued for public comment
May 2011	Fourth meeting of the Community Task Force to deal with CPA – draft CPA finalised and issued for public comment
June 2011	Community Task Force considers the comments received and amends document as required.
July 2011	Market research is undertaken to validate the CPA with the community at large: Community Task Force finalises the document
August 2011	TEC and CPA documents go to EMRC for endorsement
October/November 2011	Documents included in tender process

Core Participation Values that this process is based on (www.iap2.org)

1. Public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process.
2. Public participation includes the promise that the public's contribution will influence the decision.
3. Public participation promotes sustainable decisions by recognizing and communicating the needs and interests of all participants, including decision makers.
4. Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision.
5. Public participation seeks input from participants in designing how they participate.
6. Public participation provides participants with the information they need to participate in a meaningful way.
7. Public participation communicates to participants how their input affected the decision.

April 21st 2010.



10 CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

Nil

11 GENERAL BUSINESS

The Chairman, on behalf of the Committee, acknowledged the Director Waste Services for his contribution over the past four years and wished him well in his new position.

12 FUTURE MEETINGS OF THE RESOURCE RECOVERY COMMITTEE

The next meeting of the Resource Recovery Committee will be held on **Thursday, 3 June 2010** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 5.00pm.

The Manager Project Development advised that the EMRC was considering organising a visit to the Neerabup composting facility for the Committee and if the June 2010 meeting was not required it would be a good opportunity to use this date to visit the site. The CEO suggested that the decision be made closer to the next Ordinary Meeting of Council being held on 20 May 2010.

Cr Färdig advised that he would not be available from 2-9 June 2010.

Future Meetings 2010

Thursday	3 June	at	EMRC Administration Office
Thursday	8 July (if required)	at	EMRC Administration Office
Thursday	5 August	at	EMRC Administration Office
Thursday	9 September (if required)	at	EMRC Administration Office
Thursday	7 October	at	EMRC Administration Office
Thursday	18 November (if required)	at	EMRC Administration Office

13 DECLARATION OF CLOSURE OF MEETING

There being no further business, the Chairman closed the meeting at 6.00pm.



**15.2 INVESTMENT COMMITTEE MEETING HELD 6 MAY 2010
(REFER TO MINUTES OF COMMITTEE - PINK PAGES)
REFERENCE: COMMITTEES-10556**

The minutes of the Investment Committee meeting held on **6 May 2010** accompany and form part of this agenda – (refer to mauve section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invited general questions from members on the report of the Investment Committee however any questions relating to the confidential reports will be dealt with under sections 19.1 of the agenda "Confidential Items."

RECOMMENDATION(S)

That with the exception of items, which are to be withdrawn and dealt with separately, the recommendations in the Investment Committee report (Section 15.2) be adopted.

COUNCIL RESOLUTION(S)

MOVED CR PULE

SECONDED CR RADFORD

THAT THE RECOMMENDATIONS IN THE INVESTMENT COMMITTEE REPORT (SECTION 15.2) BE ADOPTED.

**CARRIED 10/1
Cr McKechnie against**

INVESTMENT COMMITTEE

MINUTES

6 May 2010

(REF: COMMITTEES-10556)

A meeting of the Investment Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Tuesday, 6 May 2010**. The meeting commenced at **6.32pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The CEO opened the meeting at 6.32pm.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Councillor Attendance

Cr Gerry Pule	EMRC Member	Town of Bassendean
Cr Alan Radford	EMRC Member	City of Bayswater
Cr Don McKechnie	EMRC Member	Shire of Kalamunda
Cr Alan Pilgrim	EMRC Member	Shire of Mundaring

EMRC Officers

Mr Peter Schneider	Chief Executive Officer
Ms Robyn O'Callaghan	Director Corporate Services
Mr David Ameduri	Manager Financial Services
Ms Terri-Ann Ashton (<i>to 6.35pm</i>)	Manager Administration and Compliance
Ms Mary-Ann Winnett	Personal Assistant to Director, Corporate Services (Minutes)

Observers

Cr Graham Pittaway	EMRC Member	City of Bayswater
Cr Frank Lindsey	EMRC Member	Shire of Kalamunda

Guests

Mr Haydn Robinson	Haydn Robinson Barrister and Solicitor
Mr Ross Atkinson (<i>to 8.29pm</i>)	Oakvale Capital

Visitors

Mr Ian Walters

3 DISCLOSURE OF INTERESTS

Nil



4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION ELECTION OF A CHAIRMAN AND DEPUTY CHAIRMAN OF THE INVESTMENT COMMITTEE (IC)

4.1 ELECTION OF A CHAIRMAN OF THE INVESTMENT COMMITTEE (IC)

REFERENCE: COMMITTEES-10557

PURPOSE OF REPORT

To provide for an election to be conducted for the office of Chairman of the Investment Committee (IC).

KEY ISSUES AND RECOMMENDATION(S)

- It is a statutory requirement that a Committee elects a Chairman at the first meeting of the IC.

Recommendation(s)

That the members of the Investment Committee elect a Chairman by secret ballot.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

A Special Meeting of Council was held on Thursday 29 October 2009. The purpose of the meeting was to elect the EMRC Chairman and Deputy Chairman and appoint members to the EMRC Committees.

IC MEMBERS 2009-2011

The following IC members were appointed to the IC at the Special Meeting of Council held on 29 October 2009.

EMRC Member	Cr Sam Piantadosi	Town of Bassendean
EMRC Member	Cr Don McKechnie	Shire of Kalamunda
EMRC Member	Cr Alan Pilgrim	Shire of Mundaring

Due to the untimely passing of Cr Piantadosi, the committee numbers fell below the statutory minimum, therefore at the Council meeting held on 22 April 2010 nominations for additional members were conducted with Crs Pule and Radford being appointed.

In accordance with section 5.12(1) of the Local Government Act 1995, the members of a committee are to elect a presiding member from amongst themselves in accordance with Schedule 2.3, Division 1.

It is a requirement of Schedule 2.3 of the Local Government Act 1995 (the Act) that the election is conducted by the Chief Executive Officer and the nominations for the Office are to be given to the Chief Executive Officer in writing before the meeting or during the meeting before the close of nominations. Furthermore, if a member is nominated by another member the Chief Executive Officer is not to accept the nomination unless the nominee has advised the Chief Executive Officer, orally or in writing, that he or she is willing to be nominated for the Office. Members are to vote on the matter by secret ballot.

The procedure outlined in Schedule 2.3 of the Act will be followed if there is an equality of votes.



Item 4.1 continued

REPORT

The Chief Executive Officer will preside at the meeting until the office of Chairman is filled.

The following material accompanies the agenda for this meeting as a means of assisting members of the Committee to nominate themselves or another member for the Office of Chairman of the IC.

1. A blank nomination form for the Office of Chairman of the IC, nominate oneself
2. A blank nomination form for the Office of Chairman of the IC, nominate another
3. A blank ballot paper for Election of Chairman of the IC

Ballot papers will be made available prior to voting.

The completed nomination forms are to be given to the Chief Executive Officer of the EMRC before the meeting or when the Chief Executive Officer calls for them when dealing with this item at the meeting.

STRATEGIC/POLICY IMPLICATIONS

Election of a Chairman is a statutory requirement.

FINANCIAL IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

1. A blank nomination form for the Office of Chairman of the IC, nominate oneself (Ref: Committees-10664)
2. A blank nomination form for the Office of Chairman of the IC, nominate another (Ref: Committees-10664)
3. Ballot Paper – Election of IC Chairman (Ref: Committees-10662)

VOTING REQUIREMENT

Secret Ballot by Investment Committee Members.



Item 4.1 continued

RECOMMENDATION(S)

That the members of the Investment Committee elect a Chairman.

The Chief Executive Officer advised that he had received no nominations for the Office of Chairman of the IC prior to the meeting and called for nominations. Cr McKechnie nominated Cr Radford who accepted the nomination.

No further nominations were received.

ANNOUNCEMENT: OF THE OFFICE OF CHAIRMAN

There being no further nominations Cr Radford was declared Chairman of the Investment Committee unopposed for the term commencing 6 May 2010 until 2011.

The Chief Executive Officer vacated the Chair at 6.33pm.

At 6.33pm, Cr Alan Radford took the Chair.



Nomination for Chairman of the Investment Committee

To the Chief Executive Officer

**I hereby nominate myself, _____ for the position of
Chairman of the Eastern Metropolitan Regional Council Investment Committee
for the term of Office commencing on the date of the election and continuing
until terminated in accordance with the provisions of the Local Government Act
1995.**

Signed: _____

Date: _____



Nomination for Chairman of the Investment Committee

To the Chief Executive Officer

I hereby nominate myself, _____ for the position of Chairman of the Eastern Metropolitan Regional Council Investment Committee for the term of Office commencing on the date of the election and continuing until terminated in accordance with the provisions of the Local Government Act 1995.

Signed: _____

Date: _____



**Eastern Metropolitan Regional Council
IC Thursday 6 May 2010**

**BALLOT PAPER FOR THE
ELECTION OF THE IC CHAIRMAN**

HOW TO VOTE

Place a tick in the box next to the candidate you want to elect.

Do not make any other marks on the ballot paper.

Lastname, Firstname

Lastname, Firstname

Lastname, Firstname



4.2 ELECTION OF A DEPUTY CHAIRMAN OF THE INVESTMENT COMMITTEE (IC)

REFERENCE: COMMITTEES-10558

PURPOSE OF REPORT

To provide for an election to be conducted for the office of Deputy Chairman of the Investment Committee (IC).

KEY ISSUES AND RECOMMENDATION(S)

- In accordance with section 5.12 (2) of the Local Government Act 1995, the members of a committee may elect a deputy presiding member from amongst themselves.

Recommendation(s)

That the members of the Investment Committee elect a Deputy Chairman by secret ballot.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

A Special Meeting of Council was held on Thursday 29 October 2009. The purpose of the meeting was to elect the EMRC Chairman and Deputy Chairman and appoint members to the EMRC Committees.

IC MEMBERS 2009-2011

The following IC members were appointed to the IC at the Special Meeting of Council held on 29 October 2009.

EMRC Member	Cr Sam Piantadosi	Town of Bassendean
EMRC Member	Cr Don McKechnie	Shire of Kalamunda
EMRC Member	Cr Alan Pilgrim	Shire of Mundaring

Due to the untimely passing of Cr Piantadosi, the committee numbers fell below the statutory minimum, therefore at the Council meeting held on 22 April 2010 nominations for additional members were conducted with Crs Pule and Radford being appointed.

In accordance with section 5.12 (2) of the Local Government Act 1995, the members of a committee may elect a deputy presiding member from amongst themselves.

It is a requirement of Schedule 2.3 of the Local Government Act 1995 (the Act) that the election is conducted by the Chairman and the nominations for the Office are to be given to the Chairman in writing before the meeting or during the meeting before the close of nominations. Furthermore, if a member is nominated by another member, the Chairman is not to accept the nomination unless the nominee has advised the Chairman, orally or in writing, that he or she is willing to be nominated for the Office. Members are to vote on the matter by secret ballot.

The procedure outlined in Schedule 2.3 of the Act will be followed if there is an equality of votes.



Item 4.2 continued

REPORT

The following material accompanies the agenda for this meeting as a means of assisting members of the Committee to nominate themselves or another member for the Office of Deputy Chairman of the IC.

1. A blank nomination form for the Office of Deputy Chairman of the IC, nominate oneself
2. A blank nomination form for the Office of Deputy Chairman of the IC, nominate another
3. A blank ballot paper for Election of Deputy Chairman of the IC

Ballot papers will be made available prior to voting.

The completed nomination forms are to be given to the Chairman before the meeting or when the Chairman calls for them when dealing with this item at the meeting.

STRATEGIC/POLICY IMPLICATIONS

Election of a Deputy Chairman is permissible in accordance with section 5.12 (2) of the Local Government Act 1995.

FINANCIAL IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Nil

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

1. A blank nomination form for the Office of Deputy Chairman of the IC, nominate oneself (Ref: Committees-10665)
2. A blank nomination form for the Office of Deputy Chairman of the IC, nominate another (Ref: Committees-10665)
3. Ballot Paper – Election of IC Deputy Chairman (Ref: Committees-10663)

VOTING REQUIREMENT

Secret Ballot by IC Members.



Item 4.2 continued

RECOMMENDATION(S)

That the members of the Investment Committee elect a Deputy Chairman by secret ballot.

The Chairman advised that he had received no nominations for the Office of Deputy Chairman of the IC prior to the meeting and called for nominations. Cr McKechnie nominated himself.

No further nominations were received.

ANNOUNCEMENT: OF THE OFFICE OF DEPUTY CHAIRMAN

There being no other nominations Cr Don McKechnie was declared Deputy Chairman of the Investment Committee for the term commencing 6 May 2010 until 2011.



Nomination for Deputy Chairman

To the Chief Executive Officer

I hereby nominate _____ for the position of Deputy Chairman of the Eastern Metropolitan Regional Council Investment Committee for the term of Office commencing on the date of the election and continuing until the next ordinary elections day and/or other circumstances occur in accordance with section 5.11 of the Local Government Act 1995.

Signed: _____

Date: _____

*I _____ hereby certify that I accept the above nomination to the position of Deputy Chairman of the Eastern Metropolitan Regional Council Investment Committee.

Signed: _____

Date: _____

*This certificate is to be completed when a Representative is nominated by another Representative.



Nomination for Deputy Chairman

To the Chief Executive Officer

I hereby nominate myself, _____ for the position of Deputy Chairman of the Eastern Metropolitan Regional Council Investment Committee for the term of Office commencing on the date of the election and continuing until the next ordinary elections day and/or other circumstances occur in accordance with section 5.11 of the Local Government Act 1995.

Signed: _____

Date: _____



**Eastern Metropolitan Regional Council
IC Thursday 6 May 2010**

**BALLOT PAPER FOR THE
ELECTION OF THE IC DEPUTY CHAIRMAN**

HOW TO VOTE

Place a tick in the box next to the candidate you want to elect.

Do not make any other marks on the ballot paper.

Lastname, Firstname

Lastname, Firstname

Lastname, Firstname



5 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

6 PUBLIC QUESTION TIME

Nil

7 APPLICATION FOR LEAVE OF ABSENCE

Nil

8 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil

9 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

9.1 MINUTES OF THE INVESTMENT COMMITTEE MEETING HELD 19 MARCH 2009

That the minutes of the Investment Committee meeting held on 19 March 2009 which have been distributed, be confirmed.

INVESTMENT COMMITTEE RESOLUTION(S)

MOVED CR MCKECHNIE SECONDED CR PULE

THAT THE MINUTES OF THE INVESTMENT COMMITTEE MEETING HELD ON 19 MARCH 2009 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

10 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

11 QUESTIONS WITHOUT NOTICE

Nil



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

NOTE: Section 5.23(2) of the Local Government Act 1995, details a number of matters upon which Council may discuss and make decisions without members of the public being present. These matters include: matters affecting employees; personal affairs of any person; contractual matters; legal advice; commercial-in-confidence matters; security matters; among others.

The following report item is covered in section 18 of this agenda:

12.1 INVESTMENT COMMITTEE UPDATE APRIL 2010

13 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



14 REPORTS OF OFFICERS

14.1 INVESTMENT POLICY REVIEW

REFERENCE: COMMITTEES-10616

PURPOSE OF REPORT

The purpose of this report is to seek endorsement from the Investment Committee on revised Council Policy 3.5 Management of Investments.

KEY ISSUES AND RECOMMENDATION(S)

- Council Policy 3.5 Management of Investments was last reported to Council in September 2008 and referred to the Investment Committee.
- The policy is due for review within 12 months of the ordinary local government elections held in October 2009.
- Direction is being sought from the Investment Committee to assist in reviewing the policy which will be referred to Council for adoption once finalised.

Recommendation(s)

That the Investment Committee recommends the revised EMRC Policy 3.5 Management of Investments forming attachment 3 to this report to Council for adoption.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

The Council referred its existing Management of Investment Policy 3.5 (attachment 1) to the Investment Committee when it was reported to Council in September 2008.

In February 2008 the Department of Local Government and Regional Development (the Department) issued Local Government Guideline 19 - Investment Policy, intended to be a "best practice guide" to assist local governments in developing their own investment policy (attachment 2).

On the 2 December 2008 the Investment Committee issued guidelines and resolved that:

1. *THE EMRC SPREAD THE FUNDS UP TO \$1M TO BANKS COVERED BY THE \$1M GUARANTEE.*
2. *LIMIT ADDITIONAL FUNDS TO THE BIG 4 BANKS AND NOT PURCHASE THE .7% GUARANTEE, HOWEVER IF EMRC OFFICERS CONSIDER THIS NEEDS TO CHANGE THE OFFICERS BE AUTHORISED TO SECURE THE .7% GOVERNMENT INVESTMENT GUARANTEE."*
3. *THE ESTABLISHED FLOATING RATE NOTES ABOVE \$1M BE SECURED BY THE .7% GOVERNMENT INVESTMENT GUARANTEE."*

Please note that the option to purchase the Government Guarantee above the \$1m will no longer be available from the 31 March 2010.



Item 14.1 continued

REPORT

The existing policy has been reviewed with reference to the:

- The West Australian Department of Local Government and Regional Development Guideline 19 - Investment Policy;
- The News South Wales Department of Local Government Investment Policy Guideline (May 2009); and
- Input from CPG (independent investment advisors) on the IC instructions of 4 September 2008.

In addition the policy has been reviewed by a second independent consultant, Oakvale Capital Limited and their comments have been included in the reviewed policy (attachment 3).

The purpose of the policy is to manage the investment of EMRC's surplus funds at the most favourable rate of return whilst ensuring prudent consideration of risk and security for the investment type and that liquidity requirements are being met.

The policy outlines the overriding guidelines and sets out requirements in relation to:

- Ethics and Conflicts of Interest;
- Delegation of Authority;
- Approved Investments;
- Prohibited Investments;
- Risk Management Guidelines;
- Measurement;
- Procedures;
- Reporting; and
- Investment Advisors.

Furthermore the revised policy specifically addresses EMRC's investment strategy during the interim period of the Federal Government's Guarantee (to October 2011).

The policy has also been referred to EMRC's solicitor for a review of compliance related matters.

STRATEGIC/POLICY IMPLICATIONS

Accords with strategy 3.4 "To improve member council and EMRC financial viability."

FINANCIAL IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Has future economic sustainability implications.



Item 14.1 continued

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

1. Original Management of Investment Policy 3.5 (Ref: Committees-10617)
2. Local Government Guideline 19 - Investment Policy (Ref: Committees-10618)
3. Revised Management of Investment Policy 3.5 (Ref: Committees-10870)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the Investment Committee recommends the revised EMRC Policy 3.5 Management of Investments forming attachment 3 to this report to Council for adoption.

Crs Pilgrim and Radford moved and seconded the recommendation respectively.

Discussion ensued

The CEO introduced the report and invited the Director Corporate Services her to expand.

The Director Corporate Services referred to the revised investment policy, commencing on page 48 of the agenda, and stated that guidelines from the Department of Local Government and Regional Development (DLGRD), NSW investment guidelines, feedback from EMRC's investment advisors and legal representative had been considered during the review. The Director Corporate Services summarised the changes made to the investment policy and stated that it also covered the situation whilst the Federal Government Guarantee was still in place (until October 2011).

In response to Cr McKechnie's query on whether the guidelines were from WALGA the CEO clarified that the guidelines were from the DLGRD.

In response to Cr McKechnie's query on whether the EMRC was still referencing Standard & Poor's, and Fitch ratings the CEO advised that the rating agencies had reviewed the way they rated CDO's and they were still the best world-wide organisations to rate those products.

Cr McKechnie asked if the EMRC was taking advice from consultants again. The CEO advised that the EMRC currently has an advisor but the EMRC determines where to place funds based on the advisor's advice rather than the advisor placing funds per the previous arrangement with Grange/Lehman.



Item 14.1 continued

Cr McKechnie stated that he would like to keep the current investment policy/guidelines in place until October 2011.

Cr McKechnie foreshadowed that if the recommendation was lost he would move an alternative motion to defer adoption of an investment policy and organise a time prior to October 2011 to review the policy as he felt there were areas of the investment policy that needed further revision.

Cr Pilgrim advised that he had moved the recommendation because the new policy was actually improving the process but he was happy to discuss reasons for not proceeding with the recommendation to submit the revised investment policy to Council for adoption.

In response to Cr Pilgrim's request for any officer comment on the process the CEO advised that the full Council had set up the IC to look at issues such as the revision of the investment policy before submitting it to Council for adoption. He advised that the previous Council had expected that the IC would get to a position where they were happy with the investment policy to be considered by Council so the CEO's preference was that if the IC was not happy with the revised policy that they should get it to their satisfaction before submitting it to Council.

Cr Pilgrim, with the agreement of the seconder, withdrew his motion.

After considerable discussion the Committee agreed that the following dot points be referred to the CEO for revision and then be brought back to the Committee before being submitted to Council for adoption:

- Section 8 – review the timing of investment reports to Council; and
- Section 9 – consideration be given to Council confirming the appointment of the investment advisors as recommended by the CEO.

Cr McKechnie moved that the above comments on the investment policy be submitted to the CEO and then be submitted to the Investment Committee for review. This was seconded by Cr Pule.

Cr Pilgrim moved an amendment that the changes outlined above be tracked and submitted to Council.

AMENDMENT

Crs McKechnie and Pule, the mover and seconder respectively agreed to the amendment.

The substantive motion included the amendment.

IC RESOLUTION(S)

MOVED CR MCKECHNIE SECONDED CR PULE

THAT THE REVISED POLICY BE AMENDED TAKING INTO CONSIDERATION COMMENTS BY THE COMMITTEE ON SECTIONS 8 AND 9 AND BE SUBMITTED TO COUNCIL.

CARRIED UNANIMOUSLY

**ORIGINAL**

3.5 Management of Investments Policy

STRATEGIC PLAN OBJECTIVE

3.4 To improve member Council and EMRC financial viability

PURPOSE

To establish a policy to ensure control over investments of the EMRC.

LEGISLATION

Local Government Act 1995 Section 6.14
Local Government (Financial Management) Regulations 1996 Regulation 19
Trustees Act 1962 – Part III

POLICY STATEMENT

1. Quotations on Investments

Quotations shall be obtained from authorised institutions whenever an investment is proposed or due for rollover. The best quotes on the day will be successful after allowing for administration and banking costs, as well as having regard to the guidelines listed below.

2. Diversification/Credit Risk

(i) Diversification/Credit risk

At least 50% of Councils investment portfolio shall be in the form of bank deposits/securities.

The amount invested with any one financial institution or managed fund should not exceed the following percentages of average annual funds invested. When placing investments, consideration should be given to the relationship between credit rating and interest rate.



*Long Term Rating (Standard & Poors)	**Short Term Rating (Standard & Poors)	Direct <u>Investments</u> Maximum % with any one institution	Managed <u>Funds</u> Maximum % with any one institution	Maximum % of Total Portfolio
AAA Category	A1+	40%	45%	100%
AA Category	A1+	40%	45%	90%
A Category	A1	15%	30%	80%
BBB Category	A2	10%	n/a	15%

*Long term rating is:

AAA to AAA-	An extremely strong capacity to repay.
AA+ to AA-	A very strong capacity to repay.
A+ to A-	A strong capacity to repay.
BBB+ to BBB-	An adequate capacity to repay.

**Short term (0-365 days) rating (as defined by Standard and Poors Australian Ratings) is:

A1+	Extremely strong degree of safety regarding timely payment.
A1	A strong degree of safety for timely payment.
A2	A satisfactory capacity for timely payment.

(ii) **Credit Ratings Decline**

If any of the funds/securities are down graded such that they no longer fall within the EMRC's investment policy guidelines, they will be divested as soon as is practicable.

3. Liquidity

- a) The investment portfolio will be structured in such a manner as to provide for funds to be readily available to meet all of Councils day-to-day cash flow requirements, without penalty.
- b) Investment maturities shall be monitored and analysed at least monthly.

4. Reporting

- a) A periodic report will be provided to Council, detailing the investment portfolio as follows:-
 - The amount invested with each financial institution and fund manager.
 - The interest rates applicable.
 - The maturity dates.
 - Percentage of Council's total investment portfolio held by each financial institution/fund manager.
 - Investment income earned versus budget.
- b) Certificates will be obtained from financial institutions and fund managers confirming the amounts of each investment held on Council's behalf at 30 June each year.



5. Authorised Investments

All investments will be made in terms of those authorised under Section 6.14 of the Local Government Act 1995, i.e.

- a) in accordance with Part III of the Trustees Act 1962, or
- b) in an investment approved by the Minister on the advice and recommendation of the Treasurer.

6. Delegation of Authority

The Chief Executive Officer has authority to invest funds within the above guidelines.

FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 29 June 2000
2. 27 July 2000
3. 02 May 2002
4. 17 June 2004
5. 23 February 2006
6. 18 September 2008

Next Review

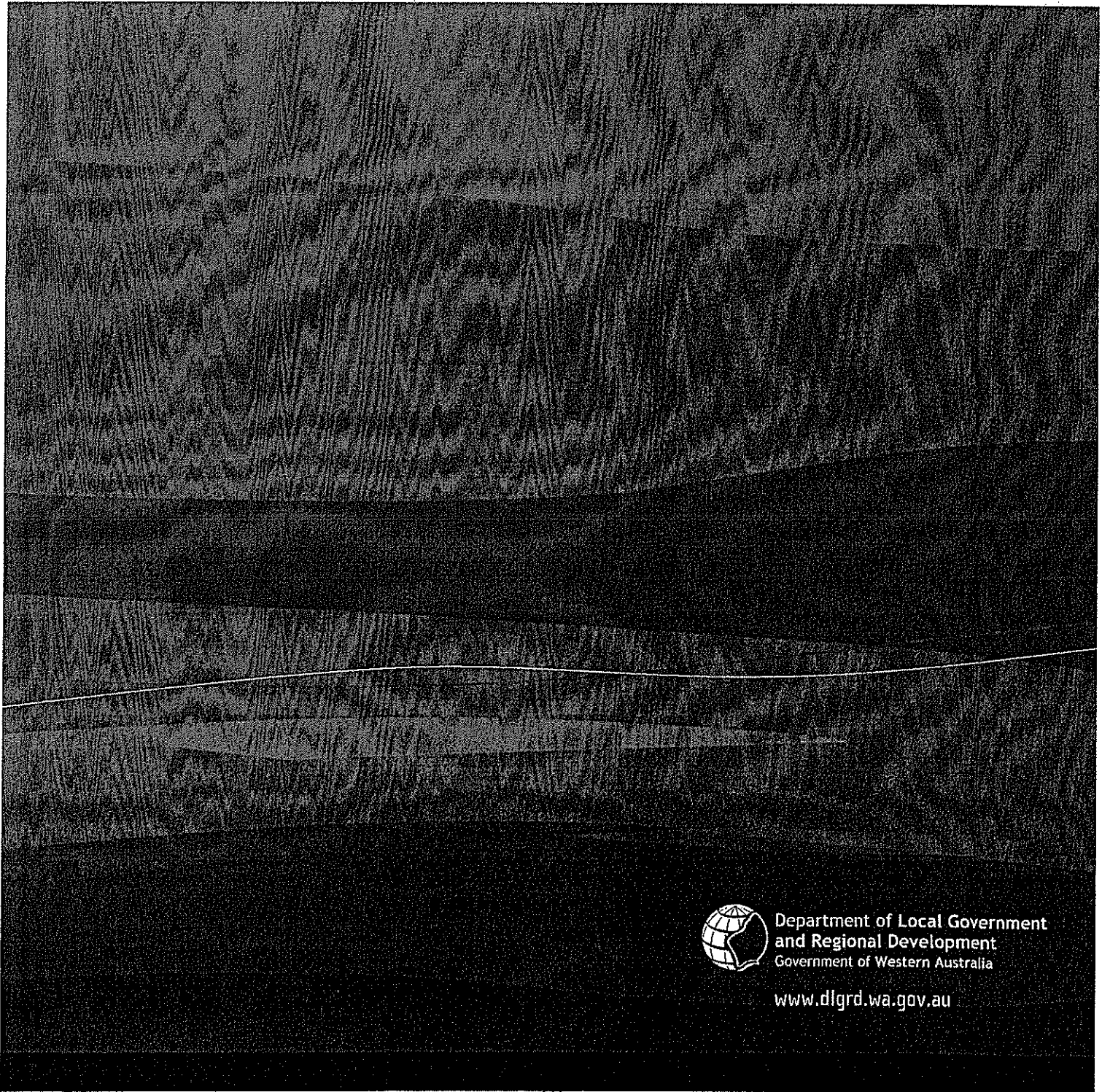
Following the Ordinary Elections in 2009

Responsible Unit

Governance and Corporate Services

Investment Policy

Local Government Operational Guidelines - Number 19 February 2008



Department of Local Government
and Regional Development
Government of Western Australia

www.dlgrd.wa.gov.au

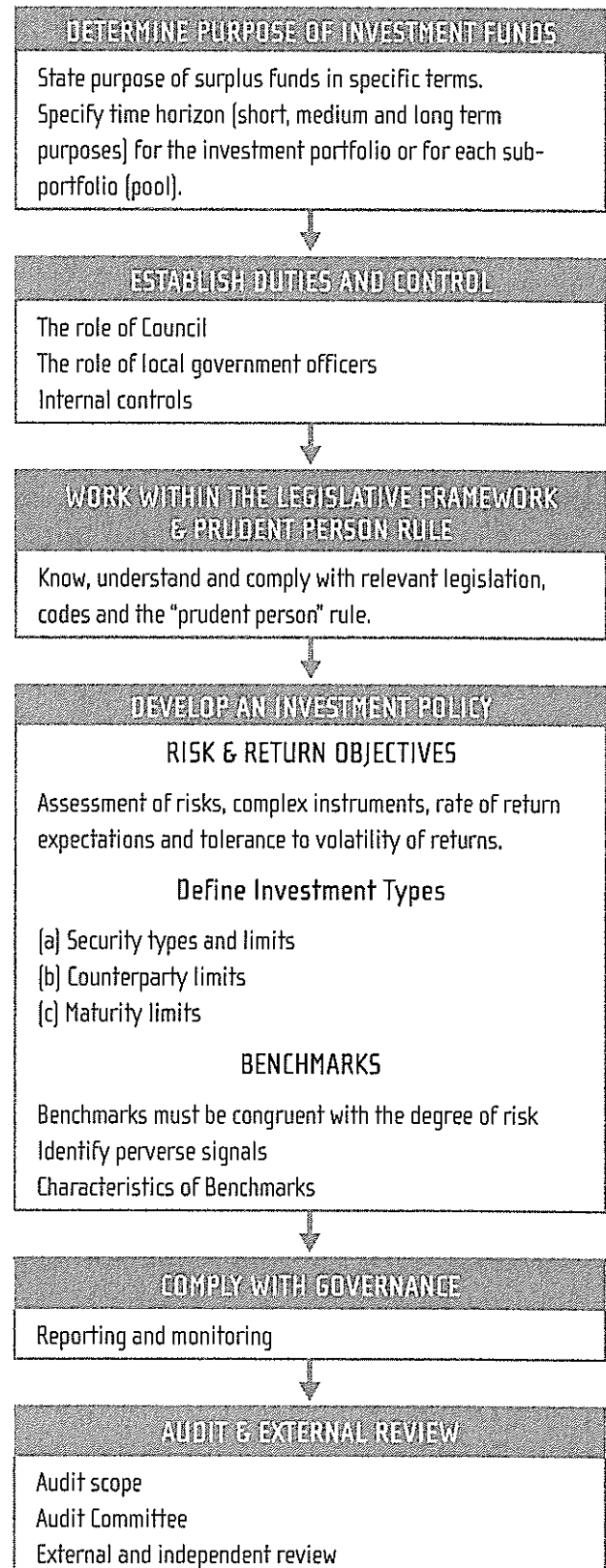
Executive Summary

This Guideline is intended as a “best practice guide” for local governments involved in investment activities. It examines the process of constructing a robust investment policy and identifies the key issues that should be addressed by a local government when engaging in the investing of surplus funds. These are:

- purpose or specific objective for investing surplus funds;
- duties and obligations of the council and officers;
- requirement for internal control procedures;
- compliance with legislation including the *Local Government Act 1995 and Regulations*, the *Trustees Act 1962* (Prudent Person Rule) and Australian Accounting Standards;
- proper reporting and monitoring procedures;
- consideration of risk and return objectives, defined investment parameters and established benchmarks;
- recognising and being aware of market risk, maturity risk, liquidity risk, leverage risk and credit risk;
- an awareness of “deadweight costs” or a leakage of value every time an investment passes through the various financial intermediaries; and
- functions of External Auditor, Audit Committee and Independent Review.

This Guideline also includes a Sample Investment Policy, a detailed description of the different types of risk, a Sample Monthly Investment Summary, and an Investment Checklist to assist local governments in constructing their own reporting style.

The following chart identifies the key issues for a local government to consider when investing.



Glossary of terms used in this guideline

ADI

Authorised Deposit-Taking Institutions (ADI) are corporations that are authorised under the *Banking Act 1959* to take deposits from customers.

Currency risk

Currency risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in foreign exchange rates.

Credit Risk

Credit risk is the risk of loss to an investor due to counterparties failure to pay the interest and/or repay principal of an investment.

Counterparty

Counterparty is both a legal and financial term that refers to the other individual or institution to an agreement or contract.

Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in market interest rates.

Investment Portfolio

A collection of investments.

Liquidity Risk

Liquidity risk is the risk an investor is unable to realise at a fair price within a timely period.

Leverage Risk

Leverage risk is the magnification of an investor's risk and return that occurs when the investor takes on financial leverage through an investment product.

Market Risk

Market Risk is the risk that the fair value or future cash flows of an investment will fluctuate due to changes in market prices.

Maturity Risk

Maturity Risk is the risk relating to the length of term to maturity of the investment. The larger the term, the greater the length of exposure.

OTC – Over the Counter

Over the Counter Markets ("OTC") can generally be described as markets where financial instruments are exchanged directly between two parties rather than through the mechanism of an organised market or centralised exchange.

Par Value

The maturity value or face value of a security that an issuer agrees to pay on maturity.

Preservation of Capital

Preservation of capital refers to an investment strategy with the primary goal of preventing losses in an investment portfolio's total value.

Risk Aversion

Risk aversion is the reluctance of an individual to invest in a product with a higher risk compared to a product with lower risk, but possibly lower returns.

Rating Agencies

Credit Rating Agencies such as Standard and Poor's (S&P), Moody's and Fitch are professional organisations that provide opinion on the general credit worthiness of an obligor with respect to particular debt security or other financial obligations. Credit ratings are based, in varying degrees, on the following considerations:

- Likelihood of payment;
- Nature and provisions of the obligation;
- Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganisation or other laws affecting creditor rights.

Speculative

A speculative deal involves deliberately taking a higher risk, in the hope of making an extraordinary gain.

Vanilla Instrument/Transaction

A vanilla instrument is a straightforward one. These are the most basic or standard versions of a financial instrument and can be contrasted with its opposite, an exotic instrument, which alters the components of a traditional financial instrument, resulting in a more complex security. Structured products are therefore clearly not vanilla instruments. Vanilla instruments are generally also traded in more liquid markets according to more or less standardised contracts and market conventions.

Yield

The annual rate of return on an investment.

1. INTRODUCTION

1. This guideline is designed to identify key issues in constructing an investment policy for local government. An investment policy provides guidance for those undertaking the investment process. Without an approved investment policy, the investment officers may make investment decisions that are not in accordance with the objectives, practices or acceptable risk intended by the local government.

2. An investment policy is a governing document that communicates an organisation's:

- investment philosophy and strategy;
- overall risk philosophy;
- investment objectives and expectations;
- delineation of roles for those involved in the investment process; and
- requirements for compliance with the policy's goals and procedures.

2. PURPOSE OF INVESTMENTS

3. Prior to the development of an investment policy, local government should consider each of its purposes, or specific uses for investing surplus funds. For example, a pool of funds may be continually preserved to provide immediate liquidity for ongoing operational expenses, while other pools of funds are retained to carry out specific future infrastructure projects.

4. A clear and explicit statement of each investment purpose assists to identify the risk profile of the local government and align risk and return expectations with the specific purposes for the investment funds. It thus forms a framework for the development of the investment policy and guides the manner in which funds should be invested. The purposes for which the investments are held will define limits on the maturity profile¹, give guidance to the liquidity requirements and also provide direction to the selection of appropriate investment instruments for each investment pool.

5. A statement of investment purposes also provides accessible information to constituents about the nature and expectation of the investment portfolio and its components or sub-portfolios if these serve different purposes. It serves a useful function in assisting in the governance of the investment policy and helps to ensure that the audit and external review process form a judgement as to whether or not the policy is aligned with the overarching purposes for surplus funds.

3. DUTIES AND CONTROLS

3.1 Duties and Responsibilities of Local Government Officers

6. An investment policy will articulate the duties and obligations of responsible officers of local government. This is necessary to obligate officers, with respect to their investment duties, to do so with care, skill, prudence and diligence that a prudent person would exercise. The principle of acting prudently is referred to under section 4.4 of this guideline.

7. The responsible officers should provide regular reports to Council on the performance and value of the investment portfolio supported by independent advice when required on new financial products and the valuation of the portfolio.

8. When selecting investments and weighing up relevant factors in relation to products, an officer should consider the diversification, appropriateness, risk and anticipated return, and assess the performance of the financial product.

3.2 Duties and Responsibilities of Council

9. An investment policy sets out the objectives of Council for the allocation of the resources of a local government.

10. Responsibility for control and operation of the local government's affairs, the allocation of resources and determination of policies rests with Council.

¹ For example, if funds are invested for the purpose of carrying out an infrastructure project and are required within the next twelve months this provides a limit to the term of the investment.

11. The role of Council is determined by legislation and includes:
- directing and controlling the local government's affairs;
 - being responsible for the performance of the local government's functions;
 - overseeing the allocation of the local government's finances and resources; and
 - determining the local government's policies.
12. Council should be satisfied that responsible officers have complied with the investment policy and based its decisions on informed reports.

3.3 Internal Control

13. Internal control encompasses the policies, processes, tasks, behaviour and other aspects of a local government that taken together:
- facilitate the effective and efficient operation by enabling it to respond to significant operational, financial and other risks to achieve the local government's objectives including the safeguarding of assets and inappropriate use or loss of the assets;
 - provides quality of internal and external reporting; and
 - ensures compliance with legislation and internal policies.
14. Under Regulation 19 of the *Local Government (Financial Management) Regulations 1996* ("the Regulation"), a local government is to establish and document internal control procedures to be followed by employees to ensure control over investments.
15. Separation of duties forms a critical component in the management and security of the investment portfolio. Well defined controls for the management of investments should include the separation of functions for approved authority, execution of transactions and reporting.
16. The purpose for the separation of duties is to reduce the risk of potential loss and misappropriation of an organisation's funds.

17. There should be proper procedures and controls in place for the placement and redemption of investments, the receipt of income and regular valuations of the investment portfolio.

4. LEGISLATIVE FRAMEWORK

18. The framework used for the establishment of an investment policy and the measurement and disclosure of investments is prescribed by legislation and includes the:
- *Local Government Act 1995*;
 - *Local Government (Financial Management) Regulations 1996*;
 - *Trustees Act 1962*; and
 - Australian Accounting Standards.
19. An investment policy should be amended so as to remain current whenever relevant legislation is enacted.
- 4.1 Local Government Act 1995
20. Section 6.14 of the *Local Government Act 1995* ("the Act") provides that "subject to regulations, money held in the municipal fund or the trust fund of a local government that is not, for the time being, required by a local government for any other purpose may be invested in accordance with "Part III of the *Trustees Act 1962*" (*Trustees Act*)".
- 4.2 Local Government (Financial Management) Regulations 1996
21. Regulation 19 of the *Local Government (Financial Management) Regulations 1996* states a local government is to "establish and document internal control procedures to be followed by employees to ensure control over investments".
22. Regulation 28 and Regulation 49 prescribe the disclosure requirements for investment in the Annual Budget and the Annual Financial Report respectively. Additional disclosure requirements are also provided under the Australian Accounting Standards.

23. As part of the reporting requirement under Regulation 34 Financial Activity Statement Report, each local government is to include in its monthly statement of financial activity any supporting information considered relevant by the local government. This should include a monthly investment summary² to ensure the performance of the investment portfolio is in accordance with anticipated returns and complies with the investment policy.

4.3 Trustees Act 1962

24. Section 17 of the *Trustees Act 1962*, states "a trustee may, unless expressly prohibited by the instrument creating the trust –

(a) invest trust funds in any form of investment; and

(b) at any time, vary an investment or realise an investment of trust funds and reinvest money resulting from the realisation in any form of investment".

25. Section 18(b) of the *Trustees Act 1962* includes a requirement to "exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons".

26. Section 20 (1)(a) – (o)³ of the *Trustees Act 1962* includes a list of factors to be taken into account by the investor "so far as they are appropriate to the circumstances of the trust" including (i) the risk of capital or income loss or depreciation (*Trustees Act* s20 (1)(e)); and (ii) the liquidity and marketability of the proposed investment during and on the determination of the term of the proposed investment (*Trustees Act* s20 (1)(j)).

4.4 Prudent Person Rule

27. The "Prudent Person Rule" is derived by legislation and under case law to obligate the trustee to exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.

28. The concept of "prudent person" or "prudent investor" is similar in nature in tort law to a reasonable person by attempting to create an objective standard of behaviour.

29. A local government officer must act with the care, prudence, skill and diligence that a prudent person acting in like capacity under similar circumstances would act.

30. Acting prudently applies to selecting investments, and requires an individual to consider diversification, appropriateness of the product, risk and anticipated return, liquidity, independent financial advice and to have a clear understanding of the product. The objective is to observe how a person of prudence, discretion and intelligence manages their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds.

31. The *Trustees Act 1962* also allows a trustee to obtain "independent and impartial advice reasonably required for the investment of trust funds" (*Trustees Act* s 20(2)(a)). The cost of doing so may be recovered from the trust funds (*Trustees Act* s20 (2) (b)). The purpose is to allow a trustee to obtain appropriate 'expert' advice where required for the 'proper' discharge of the *Trustees Act Pt III* obligations.

4.5 Australian Accounting Standards

32. AASB 132 – Financial Instruments: Disclosure and Presentation

AASB132 prescribes the financial reporting requirements for financial instruments and the requirements for disclosure in financial reports of information concerning financial instruments. Paragraphs 51–95 of the Standard, however, has been superseded by AASB 7.

33. AASB 7 – Financial Instruments: Disclosures

This Standard came into operation in 1 January 2007 and supersedes the disclosure requirements in AASB 132 paragraphs 51 – 95. AASB 7 has broadened the scope of financial instruments and requires more extensive balance sheet and income statement disclosures.

² See section 6.1 Reporting

³ See Appendix E –Section 20 (1) *Trustees Act 1962*

34. AASB 139 – Financial Instruments: Recognition and Measurement

AASB139 prescribes the recognition and measurement requirements for financial instruments in financial reports.

35. AASB 136 – Impairment of Assets

Paragraph 126 prescribes the disclosure requirement for impairment losses. An impairment loss occurs when an asset's book value exceeds the amount able to be recovered through the use or sale of the asset.

36. For the current version of the above Standards, go to website <http://www.aasb.com.au>.

5. INVESTMENT POLICY

5.1 Introduction

37. An investment policy is a document designed to provide guidance on various matters to be considered when investing surplus monies required for the future.

38. The decision to use a particular approach on how a local government structures its policy will depend on the particular circumstances of each local government. This includes an assessment of the scale of funds under management, safeguards in place to manage the investment portfolio, the level of risk aversion⁴, the capability of management, systems capacity, internal procedures and controls to protect the investment and operational risk.

39. At a minimum, a local government investment policy should:

- include the investment objectives of the local government;
- define the risk aversion of the local government;
- preserve capital, provide liquidity and return the anticipated returns for the investment portfolio;
- comply with legislative requirements;
- prohibit the purchase of speculative⁵ financial instruments;

- prohibit the use of leveraging of an investment portfolio;
- prohibit the use of the investment portfolio for speculation;
- specify an acceptable instrument list;
- require investments of the local government to be regularly re-valued to reflect prevailing market prices;
- include independent financial assessments of the value of the investment portfolio for Council;
- require investments that are downgraded to below an acceptable rating benchmark to be liquidated;
- require the status and performance of a local government's investment portfolio to be reported monthly to Council;
- where applicable, document the process to choose an external investment manager.

5.2 Risk and Return Objectives

40. Starting with a clear concept as to the purpose for investing the funds and then formulating clear and explicit investment objectives will ensure consistency in the development of a policy. This will guide informed decisions in regard to setting return objectives within acceptable risk parameters.

5.2.1 Assessment of Risks

41. All investments entail some risk. Generally, the higher the expected rate of return of an investment, the higher the risk and the greater the variability of returns. It is important that a local government recognises all risks in its investments and effectively communicates its understanding of, and tolerance to, its risk exposures in an investment policy.

⁴ Risk aversion is the willingness to forgo possible higher returns in exchange for a lower risk.

⁵ Instruments that have a higher element of risk.

42. Examples of the more common types of risk that local government should be aware of include, but are not limited to:

- Market Risk;
- Maturity Risk;
- Liquidity Risk;
- Credit Risk; and
- Leverage Risk.

Refer to Appendix C for an expanded discussion on these risks and how they impact on the value of a portfolio.

5.2.2 Complex and Structured Instruments Increase Risk

43. Complex and structured instruments can obscure their true risk characteristics, hiding a multiple of different types of risk. These products may incorporate embedded options or have contingent payoffs, there may be exposure to multiple counterparties, and they may be highly leveraged. Due to the difficulty in understanding, determining and quantifying the true risks associated with these instruments, the expected return of these products may not be sufficient or commensurate with their higher risk. If the risk and price of an instrument cannot be reliably measured it should not be considered acceptable for inclusion in an investment portfolio.

44. Also, complex and structured instruments can incur very large leakage in value due to issues such as:

- Products passing through a chain of intermediaries and several levels of structuring with fees being incurred at each step;
- The complexity involved and associated overheads such as the additional time and effort required to package and distribute the deal;
- These products are often traded as Over The Counter ("OTC") products with limited secondary markets and poor liquidity;
- Non standardised products that lack well established market conventions;

- Large buy/sell spreads due to limited liquidity; and
- Large financial institutions will have greater expertise in assessing the true risks of complex products and thus have significant pricing advantages in transacting in such instruments.

45. Complex financial instruments do not fit within the context of risk aversion and therefore are not congruent with a conservative appetite for risk.

Refer to Appendix C for an expanded discussion of complex and structured products.

5.2.3 Rate of Return Expectations

46. The investment policy will need to specify what the expectations are in regard to the return to be achieved by the investments. These expectations will need to be tempered by the amount of risk that the local government is willing to face.

47. A solid foundation for sound investment strategies is to *prima facie* disregard any perception that any financial instrument or asset class can provide an enhanced return without a substantive increase in risk. The adage that greater returns are only achievable at the cost of greater risk invariably applies in highly-traded and well-understood financial markets. In the absence of market distortion, such as an incorrect price, it is not possible to earn a higher return without incurring a commensurately higher level of risk.

5.2.4 Tolerance to Volatility of Returns

48. The riskiness of an investment is often equated to the notion of how likely or probable there will be a loss of capital. It is incorrect to simply gauge the riskiness of an investment by the likelihood of capital loss as this ignores the contribution of earnings to the return of the investment portfolio. As the time period over which the investment is held grows, the contribution of earnings becomes proportionately greater and can be of more significance than preservation of capital. It is the preservation and growth in value of the investment portfolio that matters.

49. The investment policy will need to be very clear in regard to both:

- The tolerance to capital loss; and
- The tolerance or degree to which a loss in the value of the investment portfolio can be accepted.

50. This information will then guide decisions about which instruments and which counterparties can be included within the investment portfolio.

Refer to Appendix C for further discussion of the importance of regular market valuations for an investment portfolio.

5.3 Defining Investment Types

51. Having specified the purpose, objectives and expectations in regard to investment returns and tolerance for risk, the local government is then in a good position to consider the range and allocation for the investment assets.

52. The range and allocation, or limits, of investments should also aim to produce a well diversified portfolio. Diversification is a risk management technique that involves spreading investments both between different asset classes and within an asset class. The risk of the resulting investment portfolio will be reduced without necessarily reducing return. Portfolio risk is smoothed as the strong performance of some investments offsets the poor performance of others.

5.3.1 Security Types and Limits

53. The types of assets in an investment portfolio can have very different risk characteristics that will need careful evaluation as to suitability. The investment policy should specify an acceptable range of instruments based on the risk appetite of the local government, the various different ways that risk can arise and recognition that the full risk implications inherent in some products are not always transparent.

54. The investment policy should also specify maximum and minimum investment limits for acceptable security types to ensure diversification between investment classes. The degree of diversification benefit between two investment classes is dependent on the strength and direction of the relationship between them, as measured by correlation.

55. While diversification between investment classes is important, it should be performed within the constraints of acceptable security types. That is, the risk of all assets included in the investment portfolio should be known, measurable and acceptable to the local government.

5.3.2 Counterparty Limits Manage Credit Exposures

56. The purpose of diversification of counterparties is to ensure that no single counterparty would undermine the capital preservation objective of the portfolio. An investment policy should outline diversification requirements and avoid high concentrations to any one issue, issuer, industry or geographic area.

57. Grouping or categorizing counterparties based on broad external characteristics or credit ratings and ignoring risk may result in the inappropriate allocation of limits. For example, despite being monitored by the Australian Prudential Regulatory Authority (APRA), Authorised Deposit Taking Institutions (ADIs⁶) are comprised of a large number of entities that may not all share the same credit risk.

58. Not only is there diversity in the credit quality of the institutions within this group, there are also differences in the nature and characteristics of the instruments issued by the institutions. For example, the senior debt instrument of a major bank will be very different to a sub-ordinated debt instrument of a regional bank. Again ratings may help but will not give a full reflection of risk on their own⁷. It is necessary to examine all the risk characteristics of the instruments such as liquidity, maturity, the degree of options and other structuring embedded in the instrument and so on.

⁶ Authorised Deposit-Taking Institutions (ADI) – corporations that are authorised under the *Banking Act 1959* to take deposits from customers.

⁷ As an example, care should be taken to look at the rating of the debt instrument not the issuer. While a particular entity may have a rating it can issue a debt instrument that is not rated.

59. In order to set minimum standards for the credit quality of counterparties and ensure diversification of credit exposures, the investment policy should provide a list of acceptable counterparties and appropriate investment limits. Limits may be set for individual counterparties or counterparty categories.
60. Investment counterparties should be defined by prescribing the types of institutions acceptable to the local government and, for each, minimum credit rating requirements. Entities without a credit rating should not be considered an acceptable counterparty.
61. While explicit reliance will be placed on credit ratings, on their own they may not adequately describe credit risk for the purpose of setting limits. The local government should also consider:
- The type of institution within a credit rating band. For example, the four major Australian banks, ANZ Bank, Commonwealth Bank of Australia, National Australia Bank and Westpac Bank, may be allocated higher limits than similarly rated institutions because of the significant share they have of the Australian market and financial market activity;
 - The types of credit rating applicable in the investment policy. That is, are rating types such as long-term senior unsecured debt ratings and structured issue ratings considered the same for the purpose of setting limits in the investment policy;
 - Limits for related counterparties. Exposures for related counterparties (i.e., those with parent/subsidiary relationship, common parent or guarantee from the parent) should be aggregated for counterparty investment limits; and
 - Capitalisation restrictions limiting investments to the lesser of an approved proportion of a counterparty's capital funds or the limit prescribed by the policy for its rating and type.
- 5.3.3 Maturity Limits
62. The investment policy should also specify maturity limits to ensure credit exposure and liquidity risk are maintained within the risk tolerance of the local government.
63. The risk of default of an investment increases with its term to maturity. Separate maturity limits may be required for different types of investment securities and different counterparty categories according to their inherent risk. For example, the investment policy may prescribe a maturity limit of ten years for Australian Commonwealth Government securities, while setting a maturity limit of three years for an A/A2 rated bank.
64. In setting maturity limits, the full exposure of the local government is the length of time until it is entitled to regain full control of the invested funds. If option features are included in the investment product, the counterparty may have the ability to lengthen the investment contract with the local government. The investment policy should be clearly worded so maturity limits are applied to the actual maturity of investment products and are not applied to option call or put dates or interest rate reset dates.
65. Liquidity requirements should also be reflected in the investment policy maturity limits. Sufficient funds should be invested in short-term investment securities to meet the cash flow requirements of the local government.
- 5.4 Benchmarks
66. An appropriate benchmark is the starting point for evaluating investment outcomes against investment objectives. The benchmark communicates important information on how well investments are matched to risk and return expectations of the local government and helps to ensure that expectations are reasonable.
- 5.4.1 Benchmark Must be Congruent with the Degree of Risk
67. The benchmark must encompass both risk and return. A good benchmark does not consider performance in isolation but is concerned with maximising return for a level of risk acceptable to the local government. The benchmark must therefore be constructed to reflect the "neutral" position of the local government, incorporating its risk tolerance and any critical requirements of the investment policy such as maturity structure, appropriate allocations to investment classes and liquidity requirements. In the absence of comparison to the neutral position, it will be impossible to assess how much extra return is earned for the level of risk undertaken.

5.4.1 Benchmarks Can Send Perverse Signals

68. Great care should be taken in setting benchmarks as arbitrary performance hurdle rates can have a perverse impact. Setting inappropriate benchmarks and performance hurdles will send incorrect signals about the types of investments that should be included in an investment portfolio and can encourage risk taking behaviour that is not in line with the investment objectives stipulated.
69. Setting benchmarks that do not reflect the risk in the class of instruments to be held within an investment portfolio can lead to potentially distorting behaviour. Take, for example, a performance target of 0.50% above a bank bill index. Now consider what is required to achieve this target. Quite clearly it will require the injection of quite a degree of risk into the portfolio. It is not possible to achieve the additional return with the instruments that form the benchmark and thus the benchmark will force investments in instruments that fall outside the benchmark. Setting performance hurdles above an accurate benchmark will force additional risk taking if the benchmark is to be met.

5.4.3 Characteristics of a Benchmark

70. The characteristics of a good investment benchmark are as follows⁸:
- Representative of investment asset class or mandate;
 - Investable;
 - Constructed in an objective manner;
 - Formulated from publicly available information;
 - Acceptable to local government as the neutral position; and
 - Consistent with underlying investor status (for example, time horizon).

71. The benchmark will generally be constructed from one, or a combination, of⁹:
- A well-recognised published index;
 - A tailored composite of assets or indices; or
 - A peer group ("universe") of similar funds or portfolios.
72. While published indices are preferred, the constructed benchmark must be consistent with the investment asset. For example, it is not adequate to benchmark investment returns against the returns on a short-term bank bill index when the risk characteristics of the investment portfolio differ dramatically. For investment assets with unique or structured elements, a widely recognised comparable index is unlikely to exist. It will be necessary to set the benchmark as a universe benchmark or a target return level relative to an index (or composite) with an acceptable level of variation around that target as a proxy risk measure. Difficulties arise as there is no established oversight process for determining whether the universe or variation measure accurately represents the risk of the investment asset.
73. Benchmarks can be misused. Poorly constructed benchmarks can undermine the effectiveness of investment objectives. If an appropriate benchmark cannot be constructed for a particular investment asset, it is unlikely to be suitable for local government investment objectives.

See Appendix A for an example of a local government investment policy and Appendix B is a checklist of questions to be asked when making investment decisions.

⁸ AIMR Benchmark and Performance Attribution Subcommittee Report, 1998

⁹ AIMR Benchmark and Performance Attribution Subcommittee Report, 1998

6 GOVERNANCE

74. Corporate governance for the local government involves ensuring that the actions of the local government are directed at securing the best outcomes for its residents and ratepayers. Good governance strengthens credibility and confidence. In order for a Council to fulfil its statutory duties¹⁰ it needs to ensure there are proper policies and procedures in place to safeguard a local government's resources.
75. A central tenant of good corporate governance is the role of the Council in the protection of the interest of the residents and ratepayers. It is essential that the Council monitors the pursuit of self interest by corporate insiders and ensures that management and other corporate insiders do not pursue pet projects to the detriment of the organisation. This stewardship also encompasses guarding against the incentives of other "non-equity" shareholders such as banks, advisors and others.
76. Good governance is about ensuring that the appropriate checks and balances are in place. Councils must have in place robust and transparent financial governance policies and procedures directed to the oversight of the financial management responsibilities identified in the investment policy.
77. Paramount to good governance is the independence of the Council. The Council must remain vigilant to ensure that it does not become a "corporate insider".

6.1 Reporting

78. Council has a responsibility to measure the performance of its investments and to report its position to its residents and ratepayers. All reporting must be transparent to both the Council and the residents and ratepayers and must comply with the legislative requirements outlined¹¹.
79. Monthly reporting of investment activity should include, but not be limited to, the following:
- a list of securities by maturity date;
 - the percentage of the portfolio held by investment type and by counterparty¹²;
 - the value of the investment portfolio;

- reporting on investment category and disclosure of market value, par value and maturity dates;
- where applicable, the comparison of performance against anticipated return and reference against benchmarks; and,
- a note on compliance with investment policy or explanation of breaches.

See Appendix F for a sample monthly investment report.

6.2 Monitoring

80. Constant review and monitoring of investment portfolios help to ensure the Council's intended outcome can be achieved. The following are the principal goals of monitoring an investment's performance and should extend to the content of the reporting.
- assess the extent to which each individual or pooled investment objectives are being achieved;
 - monitor exposures against acceptable benchmarks by investment type, counterparty, credit rating and by investment maturity;
 - monitor the movements in market values for valuation purposes;
 - certify that investments are in accordance with Council policy and legislative requirements;
 - compare the performance of the appointed managers against the performance of other relevant professional managers and market related indices; and
 - continually assess the ability of each manager and their investment portfolio to successfully meet each investment objective.
81. Monitoring is not limited to the above and may extend to the undertaking of a review of the local government's own performance in respect of its governance of its investment portfolio.
82. Council and/or responsible officers should review the investment strategy with an independent investment adviser at least once a year. An annual review allows Council to reassess its position and revise its strategy.

¹⁰ See Section 3 Duties and Controls.

¹¹ See Section 4 Legislative Framework

¹² Other parties in the agreement or contract

7 AUDIT AND EXTERNAL REVIEW

7.1 Audit Scope

83. The scope of the external audit is prescribed by legislation and is principally a review of the annual financial statements. It does not include reviews of accounting systems and procedures, internal control and Council policies.
84. Legislation requires the auditor to form an opinion on whether:
- The accounts are properly kept; and
 - The annual financial report:
 - complies with the requirements of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996*, and applicable Australian Accounting Standards;
 - is prepared in accordance with the financial records; and
 - represents fairly the results of the operations of the local government and its financial position at 30 June.
85. The auditor is to prepare a report on the audit and give an opinion on:
- the financial position of the local government; and
 - the results of the operations of the local government.
86. Where it is considered appropriate to do so, the auditor is to prepare a management report to accompany the auditors report.
87. The minimum audit requirement prescribed by legislation may be extended to include other matters recommended by the audit committee and adopted by Council.
89. The committee does not have any executive powers or authority to implement actions in areas over which the CEO has legislative authority and does not have any delegated financial responsibility. The committee does not have any day to day management functions and cannot involve itself in management processes or procedures.
90. Reports from the audit committee are designed to assist Council in discharging its legislative responsibility for determining policy and overseeing the allocation of a local government's finances and resources.
91. The audit committee may review the scope of the audit and extend this scope to include, for example:
- a review of accounting procedures and controls;
 - an assessment of risk;
 - a review of Council policies;
 - an assessment of compliance with legislation and audit of the annual compliance return.
- ### 7.3 External Independent Review
92. A well constructed investment policy with clear objectives will facilitate an external review. The review should act as an intermediary to confirm that the investments explicitly align with the investment policy.
93. Local government officers should ensure that before new investments are made they establish whether a product complies with the investment policy and where necessary obtain independent financial advice in writing on the nature and risk of the financial product.
94. New investments and regular valuations of the investment portfolio should be undertaken by independent financial experts that do not deal with or have a conflict of interest when they provide financial advice. This may be stipulated in the engagement letter appointing the financial advisor.
95. Regular reviews should be undertaken by an independent financial advisor on the performance and value of the investment portfolio and conformity with the investment policy. Reports should be prepared and sent to the audit committee and Council if required under the audit scope.

7.2 Audit Committee

88. Local governments are required by the Act to have an audit committee. The committee is a formally appointed committee of Council with the primary responsibility for reviewing the scope of the audit, undertaking the selection process of the external auditor and to liaise with the auditor on the performance and management of a local government's financial affairs.

Appendix A – Sample Investment Policy

Objectives

To invest the local government's surplus funds, with consideration of risk and at the most favourable rate of interest available to it at the time, for that investment type, while ensuring that its liquidity requirements are being met.

While exercising the power to invest, consideration is to be given in preservation of capital, liquidity, and the return of investment.

- Preservation of capital is the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.
- The investment portfolio will ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.
- The investment is expected to achieve a predetermined market average rate of return that takes into account the Council's risk tolerance. Any additional return target set by Council will also consider the risk limitation and prudent investment principles.

Legislative Requirements

All investments are to comply with the following:

- *Local Government Act 1995* – Section 6.14;
- *The Trustees Act 1962* – Part III Investments;
- *Local Government (Financial Management) Regulations 1996* – Regulation 19, Regulation 28, and Regulation 49
- Australian Accounting Standards

Delegation of Authority

Authority for implementation of the Investment Policy is delegated by Council to the CEO in accordance with the *Local Government Act 1995*. The CEO may in turn delegate the day-to-day management of Council's Investment to senior staff or Chief Financial Officer subject to regular reviews.

Prudent Person Standard

The investment will be managed with the care, diligence and skill that a prudent person would exercise. Officers are to manage the investment portfolios to safeguard the portfolios in accordance with the spirit of this Investment Policy, and not for speculative purposes.

Ethics and Conflicts of Interest

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

Approved Investments

Without approvals from Council, investments are limited to:

- State/Commonwealth Government Bonds;
- Interest bearing deposits;
- Bank accepted/endorsed bank bills;
- Commercial paper;
- Bank negotiable Certificate of Deposits; and
- Managed Funds with a minimum long term Standard & Poor (S&P) rating of "A" and short term rating of "A2".

Prohibited Investments

This investment policy prohibits any investment carried out for speculative purposes including:

- Derivative based instruments;
- Principal only investments or securities that provide potentially nil or negative cash flow; and
- Stand alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind.

This policy also prohibits the use of leveraging (borrowing to invest) of an investment.

Risk Management Guidelines

Investments obtained are to comply with three key criteria relating to:

- a) Portfolio Credit Framework: limit overall credit exposure of the portfolio
- b) Counterparty Credit Framework: limit exposure to individual counterparties/institutions
- c) Term to Maturity Framework: limits based upon maturity of securities.

a) Overall Portfolio Limits

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

SEF Long Term Rating	SEF Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1+	100%	100%
AA	A-1	100%	100%
A	A-2	60%	80%

b) Counterparty Credit Framework

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

SEF Long Term Rating	SEF Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1+	45%	50%
AA	A-1	35%	45%
A	A-2	20%	40%

If any of the local government investments are downgraded such that they no longer fall within the investment policy, they will be divested as soon as practicable.

Investments fixed for greater than 12 months are to be approved by Council and reviewed on a regular term and invested for no longer than 5 years.

c) Term to Maturity Framework

The investment portfolio is to be invested within the following maturity constraints:

Overall Portfolio Term to Maturity Limits	
Portfolio % < 1 year	100 Max; 40% Min
Portfolio % > 1 year	60%
Portfolio % > 3 year	35%
Portfolio % > 5 year	25%
Individual Investment Maturity Limits	
ADI	5 years
Non ADI	3 years

Investment Advisor

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

Measurement

The investment return for the portfolio is to be regularly reviewed by an independent financial advisor by assessing the market value of the portfolio. The market value is to be assessed at least once a month to coincide with monthly reporting.

Benchmarking

Performance benchmarks need to be established.

Investment	Performance Benchmark
Cash	Cash Rate
Enhanced/Direct Investments	UBSWA Bank Bill
Diversified Funds	CPI + appropriate margin over rolling 3 year periods (depending upon composition of fund)

Reporting and Review

A monthly report will be provided to Council in support of the monthly statement of activity. The report will detail the investment portfolio in terms of performance, percentage exposure of total portfolio, maturity date and changes in market value.

An Investment Strategy will run in conjunction with the investment policy. The investment strategy will be reviewed with an independent investment adviser every six months with a more formal review once a year. The Strategy will outline:

- Council's cash flow expectations;
- Optimal target allocation of investment types, credit rating exposure, and term to maturity exposure and;
- Appropriateness of overall investment types for Council's portfolio.

This Investment Policy will be reviewed at least once a year or as required in the event of legislative changes.

Documentary evidence must be held for each investment and details thereof maintained in an investment Register.

Certificates must be obtained from the financial institutions confirming the amounts of investments held on the Council's behalf as at 30 June each year and reconciled to the Investment Register.

Appendix B – Investment Policy Check List

This check list provides a series of questions to be considered by local government officers responsible for the investment activity. It is intended to act as a comprehensive but not all-inclusive guide.

This check list is comprised of three components:

Part A - General Products Check List

General questions to consider when investing in simple or 'vanilla' products that are straight forward such as bank deposit, commercial paper, bills of exchange, bonds, promissory notes etc.

Part B - Structured Products Check List

Additional questions to consider when investing in pre-packaged products that bundle different investment instruments together. These products are more complex in nature compared to the 'vanilla' products. Be aware that a structured product could contain credit derivatives, options, and swaps, together with more simple instruments.

Part C - Investment Policy Check List

Include general items that should be incorporated into your local government's investment policy.

Part A - General Products

1) Have you found out how the funds will be invested, how will it generate returns and how will these be paid to the local government? (Could you describe to others how this product works?)

Yes No

2) Are you clear on the conditions associated with this type of investment and their level of risk?

Yes No

3) Does the investment meet the council's financial objective and complies with its investment policy?

Yes No

4) Are your product issuers licensed by the Australian Security and Investment Commission?

Yes No

5) Do you know if/how the investment may be affected by a major shift in the economy and market sentiment?

Yes No

6) Could the investment be liquidated in a timely manner without loss or penalty?

i.e. can the local government quickly get its money back out of this product if it needs to? Are there any fees to get out early?

Yes No

Note: If you answered No to any of the above questions, do your research and consult your financial adviser. If necessary, review your investment decision.

Part B - Structured Products

In addition to the general items, below are some additional questions that need to be considered when dealing with structured products.

1) Do you thoroughly understand this product?

Yes No

Structured products may have embedded risks that are not readily evident such as embedded derivatives, options, formulas or other contingent payoffs.

2) If you are exposed to derivatives, do you understand (can you explain) how derivatives are used?

Yes No

3) For a product that contains more than one instrument, do you fully understand the nature of the risk in all the instruments?

Yes No

4) Have you assessed and documented these risks?

Yes No

In addition to market risk (the potential movement in price), there are many other risks that are often not readily apparent including pricing risk, liquidity risk, credit risk and maturity risk.

5) Do you understand the degree of leverage in the product and the impact of this on your risk exposure?

Yes No

Many derivatives and structured products have significant leverage to risk. You should know your tolerance and your exposure before engaging in any structured products.

6) Have you assessed and documented the pricing of the investment product?

Yes No

Do you understand how products are priced? Can you get a similar price from a number of different sources? Can you get a firm price at which you can actually transact? How often can you get a firm or live price?

7) Have you assessed and documented the liquidity of the product?

Yes No

How quickly can you sell the product at a market price? Is there a ready market to sell this product to another party?

8) Have you obtained and documented independent advice?

Yes No

Ensure you seek independent advice. Advice from the bank or firm that sells you a product is not independent. Get as much advice as necessary until you are satisfied that you fully understand the risks.

Be aware of any equivocal advice and evaluate on the basis of what an advisor is prepared to commit to in writing.

9) Have you assessed and documented ratings from rating agencies?

Yes No

Ratings are not a sufficient guide for a full and thorough risk assessment. Ratings issued by rating agencies for different types of assets have different meanings. They do not inform the user about the possibility and impact of a change in rating.

Part C - Investment Policy Check List

Have you included the following as part of your investment policy?

1) Clearly stipulated the investment objective.

Yes No

2) Specify the level of risk the Council is prepared to accept.

Yes No

3) Prohibit the i) purchase of speculative financial instruments & ii) use of leveraging of an investment portfolio.

Yes No

4) Identified the legislative requirements.

Yes No

5) List the allowable investments and/or prohibited investments. .

Yes No

6) Specify investment parameters including the overall portfolio limits, counterparty credit framework and term to maturity framework.

Yes No

7) Require independent valuation of investments in order to reflect the current market prices.

Yes No

8) Require investments that are downgraded to below an acceptable rating benchmark to be liquidated.

Yes No

9) State the appropriate benchmarks for evaluating investment performance.

Yes No

10) Require a monthly report of the status and performance of investment portfolio.

Yes No

11) Require independent financial assessments of the value of the investment portfolio.

Yes No

Appendix C – Risk And The Value Of An Investment Portfolio

All investments entail some risk. Generally, the higher the expected rate of return of an investment, the higher the risk and the greater the variability of returns. It is important that a local government recognises all risks¹³ in its investments and effectively communicates its understanding of, and tolerance to, its risk exposures in an investment policy. The following discussion provides a sound background to understanding the nature of the risk exposures that need to be recognised in the development of sound investment guidelines.

Risk Arises in Many and Diverse Ways

It is important to recognise that risk arises in many ways, not simply market risk, and to be cognizant with at least the following risks.¹⁴

Market Risk

One of the most prominent exposures recognised by local governments is the exposure to market risk. More specifically, the exposure resulting from the changes in market prices, which includes changes in interest rates, currency and other prices (for example, commodity prices).

Maturity Risk

Term to maturity impacts the investment's exposure in two ways: through maturity risk and liquidity risk.

Maturity risk identifies the impact of maturity on the valuation of the investment. The longer term to maturity the greater the length of exposure.

The other aspect of maturity risk is the impact of term to maturity on the valuation of an investment. That is, an increase in term to maturity leads to an increase in the impact of changes in market prices on the present value of the investment.

Both of the above effects are important and both need to be considered when assessing the impact of the term to maturity on the risk exposure to an investment.

Liquidity Risk

Liquidity risk usually arises if there is a lack of market depth for the investment; for example, the investment has unique or structured elements, is traded in low-volume or non-standardised markets or is not regularly priced by independent market dealers. Standardised instruments in well-traded markets will reduce the exposure to liquidity risk.

However, investing solely in liquid assets is not enough as liquidity risk may also be caused by a market disturbance that leads to a "flight for quality" - an environment where a rapid decline in demand for low credit quality instruments exists. As a result an investor may be affected by credit spread risk where a decline in the perception of the credit worthiness of a particular sector or class of instruments leads to a fall in the value of the corresponding class of investments.

Leverage Risk

Another exposure that is not often readily apparent but still needs consideration is the effect of leverage on an investment. Leverage increases the potential return of an investment, but also increases the potential loss as an increase in leverage has a multiplicative effect on the exposure. Leverage risk usually arises through investment in structured products or derivatives, which can potentially be used to create leveraged positions where the exposures obtained are greater than the value of assets required to support them.

Complex and Structured Instruments Increase Risk
Straightforward financial instruments are referred to as "vanilla instruments". These are the most basic or standard version of a financial instrument and can be contrasted with "exotic instruments", which alter the components of a traditional financial instrument, resulting in more complex securities.

¹³ While some common risks are defined in the Glossary to this guideline, this list is not exhaustive.

¹⁴ This section does not purport to be a fully comprehensive inventory of all risks, rather it is intended to convey that risk can arise in many guises and is not necessarily transparent.

There are significant benefits in transacting in vanilla instruments. As these instruments are more transparent, generally well-established, more readily understood and financially less complicated the risks are more easily assessed. Vanilla instruments are generally traded in liquid markets, with standardised contracts and conventions. Independent and fair market values are readily available and instruments are more readily traded in times of market stress¹⁵.

Structured products combine elements of vanilla products. Bundling a number of characteristics into an investment product usually heightens risk and reduces transparency. This obscurity can mask elements of risk and make it difficult to assess the true risk in the product. It is also often difficult to ascertain independent and fair market values due to the uniqueness of products and thin market trading.

Consequently, it can be difficult to assess whether such investments meet risk and return objectives. If the risk and price of an asset cannot be reliably measured it should not be considered an acceptable security type for inclusion in an investment portfolio.

Some examples of structured products include investment products with embedded formulae¹⁶, payoffs contingent on other underlying instruments or events, or exposure to multiple counterparties. Embedded formulae, contingent payoffs and multiple exposures will often act to leverage the exposure to risk. While these products can offer enhanced returns, local government should recognise that the risk may be leveraged and assess the potential downside against its risk tolerance.

Local governments should also consider option features that may be packaged within a complex product and the distinction between purchasing and selling an option¹⁷.

The purchase of an option entails the payment of a premium to cover a specified exposure. Once the premium is paid there is no further obligation on behalf of the buyer. In contrast, the seller of an option receives a premium in return for covering a specified exposure. The potential obligation can be unlimited. Thus the sale of options does not have a place in an investment portfolio.

While a single risk measure is easier to understand than a multi-dimensional measure, the reality is that risk cannot be adequately captured in a single measure such as a credit rating. Ratings need to be supplemented by other risk measures that portray a true picture of the prospect of loss, in all its manifestations, including extreme or tail events.¹⁸ In complex products the risk of tail events can be several times greater than for a similarly rated bond or loan.

Complex financial instruments do not fit within the context of risk aversion and therefore are not congruent with a conservative appetite for risk.

Deadweight Costs

The major consideration in the evaluation of any candidate security is that the return is sufficient and commensurate with the risk of the security. Each time that fees are deducted as investment products pass through the various financial intermediaries there is a leakage of value or "deadweight costs". These deadweight costs subtract from the return you receive so that you may well end up not being adequately compensated for the level of risk that is being passed through to you.

¹⁵ Liquid instruments will generally trade in markets having greater depth or "liquidity". The benefits of more observable prices and sufficient trading volume also translate into a lower buy/sell spread (the difference between buying and selling prices).

¹⁶ While perhaps not readily apparent, embedded formulae will significantly alter the risk.

¹⁷ These comments also apply generally to option products not only when they are packaged within another instrument. However, when packaged within other features of a product the option can be overlooked.

¹⁸ Tail events are the low-probability or rare events that occur at the extremes of a distribution, that is, away from the mean or median events.

Complex instruments and structured products can incur very large leakage in value because of issues such as:

- Products passing through a chain of intermediaries and several levels of structuring with fees being incurred at each step;
- The complexity involved and associated overheads such as the additional time and effort required to package and distribute the deal;
- These products are often traded as Over The Counter ("OTC") products with limited secondary markets;
- Non-standardised products that lack well-established market convention; and
- Large buy/sell spreads due to limited liquidity.

Significant leakage of value through fees may mean the final investor's return is not sufficient and commensurate with the risk of the security. It is essential to check the levels of fees that will be incurred on each investment.

Pricing Advantages

The fair price of a security can be considered to be the price that will earn just enough to cover the additional risk of the security¹⁹. If priced correctly the expected return of an investment will fully reflect the amount of risk in the investment. For standardised instruments trading in highly-liquid markets the fair price will be uncontentious and readily observable.

As the instruments become more complex and less liquid, determining the fair price becomes increasingly difficult. Furthermore, to the extent that uncertainty exists in determining this price it can be expected that the financial institution structuring the product will incorporate this uncertainty into the price.

Large financial institutions will also be better placed to assess the riskiness of complex financial instruments and thus have significant pricing advantages in these products.

Put simply, there is no basis for an assumption that the price paid for a product will more than compensate for the risk in the product. If anything, especially in regard to structured, opaque or complex instruments it is quite likely that the converse will be true.

¹⁹ The additional earning as compared to investing in a "risk free" asset will fully compensate for the risk in the security.

Market Value

An essential requirement for establishing the validity and credibility of an asset in an investment portfolio is the ability to measure its value.

The Australian Accounting Standards prescribe the reporting and valuation requirements for financial instruments.

The value of a financial instrument is initially recognised at its fair value plus any related transaction costs. Fair value can be established from quoted prices in an active market.

For standardised instruments trading in highly liquid markets there is usually little difficulty in determining a good indication of fair value. For these instruments the market price will be transparent and readily determinable. The costs involved in regular valuations will also be relatively small.

Caution must be exercised in valuing those instruments that are thinly traded, and where reliable market estimates are not readily available. The problem of obtaining good estimates of fair value becomes increasingly complicated for non-standardised instruments and particularly difficult (and costly) in the case of complex financial instruments. Similarly, if the instruments are not traded in regular markets the illiquidity will make fair valuation difficult. For example, for instruments sold in OTC Markets²⁰ the only price available may be from the counterparty that sold the instrument in the first place.

²⁰ Over the Counter Markets ("OTC") can generally be described as markets where financial instruments are exchanged directly between two parties rather than through the mechanism of an organised market or centralised exchange.

Appendix D – Ratings Agencies' Credit Ratings

The table below details three ratings agencies' credit ratings for short and long term investments. It includes a grade explanation for each credit rating

Short Term Debt/Commercial Paper Ratings			
Grade	Moody's	S&P	Fitch
Superior	P-1	A1+	F1+
		A1	F1
Strong	P-2	A2	F2
Acceptance	P-3	A3	F3
Long Term Debt and Individual Security Ratings			
Grade	Moody's	S&P	Fitch
Highest Quality	Aaa	AAA	AAA
High Quality	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
Above Average Quality	A1	A+	A+
	A2	A	A
	A3	A-	A-
Average Quality	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
Investment Grade			
Speculative	B1	BB+	BB+
	B2	BB	BB
	B3	BB-	BB-
Poor	Caa	CCC+	CCC
	Ca	CCC	
	C	CCC-	
		CC	CC
Default	-	D	DD
			DD
			D

Appendix E –Section 20 *Trustees Act 1962*

Section 20 (1) of the *Trustees Act 1962* states "without limiting the matters that a trustee may take into account when exercising a power of investment, a trustee shall, so far as they are appropriate to the circumstances of the trust, have regard to:

- a) the purposes of the trust and the needs and circumstances of the beneficiaries;
- b) the desirability of diversifying trust investments;
- c) the nature of and risk associated with existing trust investments and other trust property;
- d) the need to maintain the real value of the capital or income of the trust;
- e) the risk of capital or income loss or depreciation;
- f) the potential for capital appreciation;
- g) the likely income return and the timing of income return;
- h) the length of the term of the proposed investment;
- i) the probable duration of the trust;
- j) the liquidity and marketability of the proposed investment during, and on the determination of, the term of the proposed investment;
- k) the aggregate value of the trust estate;
- l) the effect of the proposed investment in relation to the tax liability of the trust;
- m) the likelihood of inflation affecting the value of the proposed investment or other trust property;
- n) the costs (including commissions, fees, charges and duties payable) of making the proposed investment; and
- o) the results of a review of existing trust investments.

Appendix F – Sample Monthly Investment Summary Report To Council

Part (A)

Summary

Through the use of a variety of investment products, Council has been able to obtain investment returns comparable to the benchmark established by Council. This was achieved with a high quality, low risk investment portfolio.

Background

The investment policy requires Council to review the performance of its investment on a monthly basis. In accordance with the policy, a report of investments is presented to Council, which provides a summary of investments.

This report provides a summary of investment movement (See Report Part B) of the past month, to determine if the investment strategy met the objective of Council, in terms of maximising investment returns and maintaining an acceptable level of risk.

Report

During the year, Council funds were invested in six products, which have been rated by Standard and Poor's as follows.

Investments	
ADI issued	S&P Ratings
Security 1	AA-
Security 2	AAA+
Security 3	AA+
Security 4	AAA
Non – ADI Issued	
SecA	A
SecB	AAA

ADI Authorised Deposit-Taking Institution*

At all times during the year the designated investment exposure limits were adhered to.

Performance

The attached Summary of Portfolio Movement identifies Council's investment type, term to maturity, volume held, percentage to total portfolio, monthly price and monthly variation.

The portfolio comprised of four ADI issued interest bearing securities and two Non-ADI issued securities. The total portfolio returns in September were positive overall. There were 2,100,000 units held at a market value of \$2,221,958. Total monthly gain was \$35,479, representing a 1.6% increase in market value compare to the previous month. This is higher than the 0.53% UBSWA bank bill benchmark performance in September.

Monthly Economic Update

Australian and US government bond yields rose in September as investors viewed the Fed's bigger than expected 50 basis point cut to 4.75% as likely to prevent the US economy from sliding into recession. US economic reading during September were predominately soft, notably the August reading of housing starts, new home sales and existing home sales. August non-farm payrolls also surprised on the weak side of market expectations showing a small fall and calling into question whether consumption spending would hold up given weak housing activity and soft employment.

In contrast, Australian economic readings were predominantly strong through September with very strong August employment and July retail sales and international trade. The Reserve Bank held its cash rate at 6.5% but further liquidity hoarding saw the 90 day bank bill yield push up to 7.1% early in the month. While short-term money market rates came below 7.0% later in the month.

Recommendations

That the report be received.

Part (B)

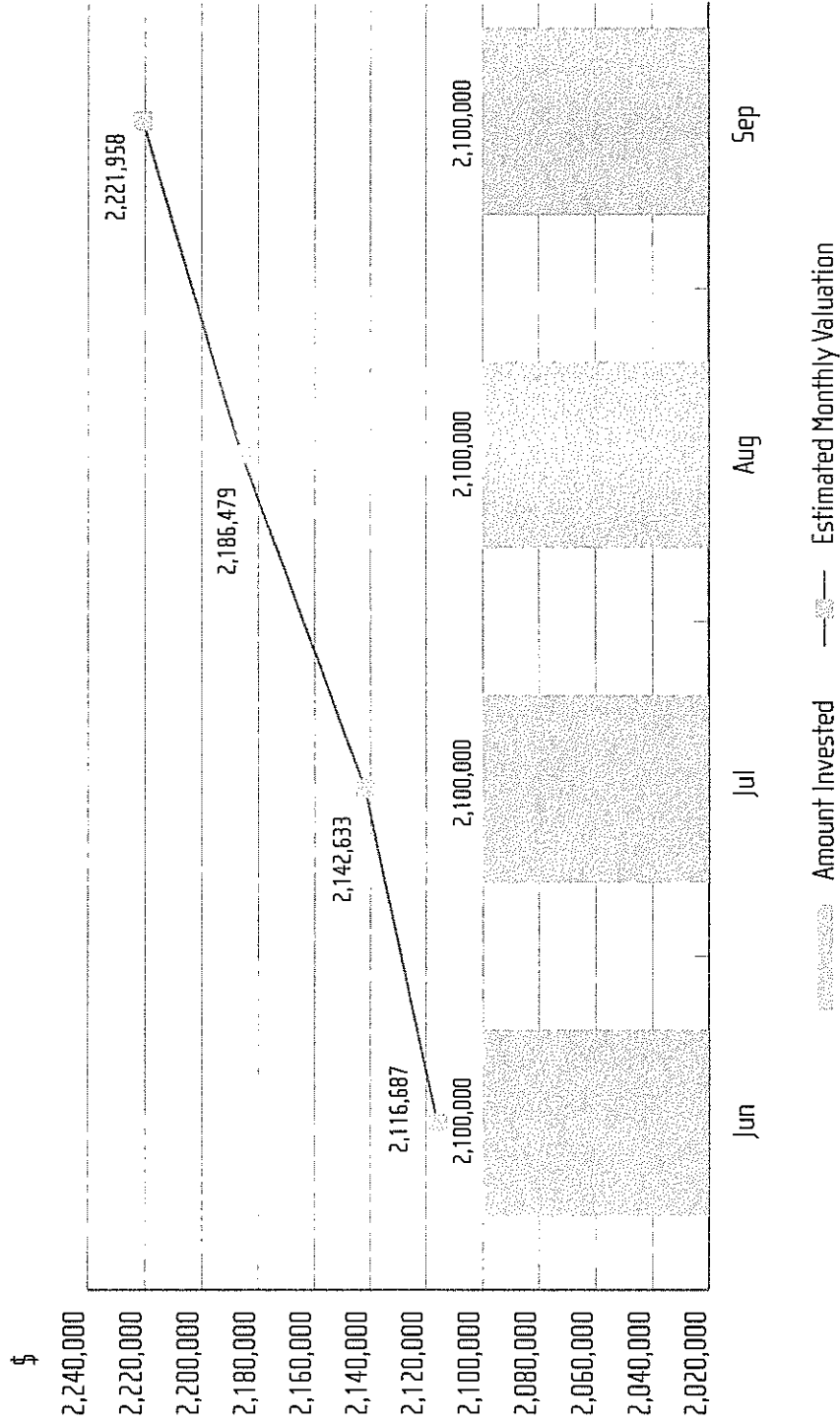
ROYAL GOVERNMENT OF CANADA

Portfolio Valuation - Market Value Summary of Portfolio Movement 30 June 20XX to 31 August 20XX

Security Description	Credit Rating	Maturity / Conversion	Volume Held	% of total portfolio	Jun		Jul		Aug		Sep		Monthly Var'n	Market Value	Monthly Var'n
					Unit Price	Unit Price	Unit Price	Unit Price	Market Value	Market Value	Market Value	Market Value			
ADI's Issued Interest Bearing Securities															
Security 1	AA-	20/10/20XX	50,000	2%	100.0%	101.2%	105.4%	104.3%	(1.1%)	\$50,000	\$50,617	\$52,683	\$52,128	-\$555	
Security 2	AAA+	2/04/20XX	750,000	36%	100.9%	101.4%	106.7%	109.3%	2.6%	\$757,065	\$760,613	\$800,145	\$819,750	\$19,605	
Security 3	AA+	17/07/20XX	250,000	12%	102.3%	100.6%	101.1%	103.3%	2.1%	\$255,768	\$251,473	\$252,815	\$258,140	\$5,325	
Security 4	AAA	27/06/20XX	500,000	24%	100.1%	103.4%	102.5%	104.0%	1.4%	\$500,260	\$516,770	\$512,730	\$519,940	\$7,210	
ADI's Issued Interest Bearing Securities Total			1,550,000	74%	100.8%	101.9%	104.4%	106.4%		\$1,563,093	\$1,579,472	\$1,618,373	\$1,649,358	\$31,586	
Non - ADI's Issued Interest Bearing Securities															
SecA	A	20/03/20XX	50,000	2%	100.2%	101.3%	103.2%	102.0%	-1.2%	\$50,094	\$50,661	\$51,606	\$51,000	-\$606	
SecB	AAA	27/02/20XX	500,000	24%	100.7%	102.5%	103.3%	104.2%	0.9%	\$503,500	\$512,500	\$516,500	\$521,000	\$4,500	
Non ADI's Issued Interest Bearing Securities Total			550,000	26%	100.7%	102.4%	103.3%	104.0%		\$553,594	\$563,161	\$568,106	\$572,000	\$3,894	
Total Securities Held			2,100,000	100%	2,100,000	2,100,000	2,100,000	2,100,000		2,116,687	2,142,633	2,186,479	2,221,958	35,479	
Cash and Accruals															
Disposals										0	0	0	0	0	
Expenses Payable (Management Fees)										(500)	(500)	(500)	(500)	(500)	
Expenses Payable										0	0	0	0	0	
Cash and Accruals Total										(500)	(500)	(500)	(500)	0	
Portfolio Total										2,116,187	2,142,133	2,185,979	2,221,458	35,479	
Withdrawals (Current Month)															
										0	0	0	0	0	
Monthly Movement Gain / (Loss)															
														35,479	

NOTE: Market Value is a mid range estimate and might not represent actual value

Investment Summary





Department of Local Government
and Regional Development
Government of Western Australia

www.dlgrd.wa.gov.au

FURTHER INFORMATION

For more information about this and other guidelines, contact the Local Government Support and Development Branch of the Department of Local Government and Regional Development on:

Tel: (08) 9217 1500

Fax: (08) 9217 1555

Freecall: 1800 620 511 (Country Only)

These guidelines are also available on the Department's website at www.dlgrd.wa.gov.au

ABOUT THE GUIDELINE SERIES

This document and others in the series are intended as a guide to good practice and should not be taken as a compliance requirement. The content is based on Departmental officers' knowledge, understanding, observation of, and appropriate consultation on contemporary good practice in local government. Guidelines may also involve the Department's views on the intent and interpretation of relevant legislation.

All guidelines are subject to review, amendment and re-publishing as required. Therefore, comments on any aspect of the guideline are welcome. Advice of methods of improvement in the area of the guideline topic that can be reported to other local governments will be especially beneficial.

The Department would like to thank the Western Australian Treasury Corporation (WATC) for their assistance and contribution in the development of this guideline.

**REVISED**

3.5 Management of Investments Policy

STRATEGIC PLAN OBJECTIVE

3.4 To improve member Council and East Metropolitan Regional Council (EMRC) financial viability.

PURPOSE

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

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

Establish guidelines to ensure investments:

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

LEGISLATION

Local Government Act 1995 Section 6.14
Local Government (Financial Management) Regulations 1996 Regulations 19, 28 and 49
Trustees Act 1962 – Part III Investments
Australian Accounting Standards

POLICY STATEMENT

1. Ethics and Conflicts of Interest

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

2. Delegation of Authority

Authority for implementation of the Investment Policy is delegated by Council to the CEO in accordance with the Local Government Act 1995. The CEO may in turn delegate the day-to-day management of Council's Investment to the Director, Corporate Services.



3. Approved Investments

Without approvals from Council, new investments are limited to:

- Commonwealth/State/Territory or Local Government Bonds;
- Interest bearing deposits and securities issued by Australian authorised deposit-taking institutions (ADIs) as authorised by the Australian Prudential and Regulatory Authority (APRA) and with a Standard & Poors (or its equivalent) credit rating of A-2 (short term) or A (long term) or higher (subject to overall limits);
- Bank accepted/endorsed bank bills, guaranteed by Australian authorised deposit-taking institutions (ADI's);
- Bank negotiable Certificate of Deposits; and
- Managed Funds with a minimum long term Standard & Poor (S&P) rating of "A" and short term rating of "A-2".

4. Prohibited Investments

This investment policy prohibits but is not limited to any investment carried out for speculative purposes including:

- Derivative based instruments;
- Principal only investments or securities that provide potentially nil or negative cash flow; and
- Stand alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind.

This policy also prohibits the use of leveraging (borrowing to invest) of an investment.

5. Risk Management Guidelines

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

- Preservation of Capital – the requirement for preventing losses in an investment portfolio's total value;
- Diversification – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market;
- Market Risk - the risk that the fair value or future cash flows of an investment will fluctuate due to changes in market prices;
- Liquidity Risk - the risk an investor is unable to redeem the investment at a fair price within a timely period;
- Maturity Risk - the risk relating to the length of term to maturity of the investment. The larger the term, the greater the length of exposure and risk to market volatilities; and
- Leveraging Risk - the magnification of an investor's risk and return that occurs when the investor takes on financial leverage through an investment product.



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

a. Overall Portfolio Limits

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

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1 +	100%	100%
AA	A-1	100%	100%
A	A-2	60%	80%

b. Counterparty Credit Framework

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

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum %	Managed Funds Maximum %
AAA	A-1+	45%	50%
AA	A-1	35%	45%
A	A-2	20%	40%

c. Term to Maturity Framework

The investment portfolio is to be invested within the following maturity constraints:

Overall Portfolio Term to Maturity Limits		
	Min	Max
Portfolio % < 1year	40%	100%
Portfolio % > 1year	0%	60%
Portfolio % > 3year	0%	35%
Portfolio % > 5year	0%	25%

Individual Investment Maturity Limits	
Maximum term to maturity limit of all investments	5 years

6. Measurement

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



7. Procedures

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

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

8. Reporting

A periodic report will be provided to Council, detailing the investment portfolio as follows:

- The amount invested with each financial institution and fund manager;
- The interest rates applicable;
- The maturity dates;
- Percentage of Council's total investment portfolio held by each financial institution/fund manager; and
- Investment income earned versus budget.

9. Investment Advisor

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

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

10. Investment Strategy

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

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

Given the Federal Government Guarantee on retail deposits up to \$1 million with Australian Authorised Deposit Taking Institutions (ADIs) until 11th October 2011, any investment in such institutions to this date shall be considered to be AAA or A-1+ rated in line with the Federal Government's credit rating.

The investment strategy employed over the period of the Federal Government Guarantee that complies with relevant legislation would be:

1. Invest funds in Australian ADI's up to \$1 million covered by the guarantee
2. Limit additional funds to the specified banks listed below from the 31st March 2010
3. Investment terms not to exceed 5 years.

Specified banks; National Australia Bank, Bankwest, Westpac, St George, Commonwealth Bank, and ANZ.



FINANCIAL CONSIDERATIONS

Nil

Adopted/Reviewed by Council

1. 29 June 2000
2. 27 July 2000
3. 02 May 2002
4. 17 June 2004
5. 23 February 2006
6. 18 September 2008 (reported to Council and referred to Investment Committee)
7. 22 April 2010

Next Review

Following the Ordinary Elections in 2011

Responsible Unit

Governance and Corporate Services



Item 18 continued

IC RESOLUTION(S)

MOVED CR PULE

SECONDED CR PILGRIM

THAT:

1. THE REPORT BE NOTED.
2. THE REPORT AND ATTACHMENTS REMAIN CONFIDENTIAL AND BE CERTIFIED BY THE CEO AND CHAIRMAN.

CARRIED UNANIMOUSLY

19 FUTURE MEETINGS OF THE INVESTMENT COMMITTEE

The Investment Committee will meet as required.

20 DECLARATION OF CLOSURE OF MEETING

There being no further business, the meeting was closed at 9.35pm.



**15.3 CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW COMMITTEE MEETING HELD
13 MAY 2010
(REFER TO MINUTES OF COMMITTEE - MAUVE PAGES)
REFERENCE: COMMITTEES-10849**

The minutes of the Chief Executive Officer Performance Review Committee meeting held on **13 May 2010** accompany and form part of this agenda – (refer to mauve section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invited general questions from members on the report of the Chief Executive Officer Performance Review Committee. Any questions relating to the confidential report will be dealt with under section 19.2 of the agenda "Confidential Items."

RECOMMENDATION(S)

That the minutes of the Chief Executive Officer Performance Review Committee meeting held 13 May 2010 be noted.

In response to Cr Gangell's query on whether this item related to the CEO's performance the CEO reminded Council that he had declared an interest in this item but it was the beginning of the process of the CEO's performance review. In response to Cr Gangell's query on why the full Council wasn't part of the review, the CEO advised that the Chief Executive Officer's Performance Review Committee had been established by Council to undertake the review but the CEOPRC did not have a decision making ability so CEOPRC recommendations were brought to Council to resolve.

Cr McKechnie stated that he would like to see the process completely restructured and asked when would be the appropriate time to raise the issue. The Chairman advised that the appropriate time would be at Committee level when the facilitator had been engaged. The CEO advised that the contents that Cr McKechnie was referring to related to the confidential section of the Agenda so it was not appropriate to discuss until Council was behind closed doors.

COUNCIL RESOLUTION(S)

MOVED CR GODFREY SECONDED CR POWELL

THAT THE MINUTES OF THE CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW COMMITTEE MEETING HELD 13 MAY 2010 BE NOTED.

CARRIED UNANIMOUSLY

CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW COMMITTEE (CEOPRC)**MINUTES****13 May 2010****(Ref: COMMITTEES-10850)**

A meeting of the Chief Executive Officer Performance Review Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 13 May 2010**. The meeting commenced at **5:30pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 5:30pm.

2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

Councillor Attendance

Cr Gerry Pule (Chairman)	EMRC Member	Town of Bassendean
Cr Graham Pittaway	EMRC Member	City of Bayswater
Cr Janet Powell (Deputy Chairman)	EMRC Member	City of Belmont
Cr Don McKechnie	EMRC Member	Shire of Kalamunda
Cr Tony Cuccaro	EMRC Member	Shire of Mundaring
Cr David Färdig	EMRC Member	City of Swan

Apologies

Nil

EMRC Officers

Mr Peter Schneider	Chief Executive Officer
Ms Prapti Mehta	Manager Organisational Development
Ms Theresa Eckstein	Executive Assistant to CEO (Minutes)

Cr Färdig advised of his leave of absence from 2 to 9 June 2010.

3 DISCLOSURE OF INTERESTS

At the invitation of the Chairman, the Chief Executive Officer advised the following disclosures of interest.

3.1 PRAPTI MEHTA – MANAGER ORGANISATIONAL DEVELOPMENT – INTERESTS AFFECTING IMPARTIALITY:

Item:	13.1
Subject:	Confidential Item 13.1 - Selection of Facilitator – Chief Executive Officer's Performance Review Process
Nature of Interest:	Disclosure of Interests Affecting Impartiality, EMRC Code of Conduct 1.3(a). Due to reporting relationship to the CEO

3.2 PETER SCHNEIDER – CHIEF EXECUTIVE OFFICER – INTERESTS AFFECTING IMPARTIALITY:

Item:	13.1
Subject:	Confidential Item 13.1 - Confidential Item 13.1 - Selection of Facilitator – Chief Executive Officer's Performance Review Process
Nature of Interest:	Disclosure of Interests Affecting Impartiality, EMRC Code of Conduct 1.3(a). Directly applies to the CEO

4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

Nil



5 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

5.1 MINUTES OF THE CEOPRC MEETING HELD 15 APRIL 2010

REFERENCE: COMMITTEES-10638

That the minutes of the Chief Executive Officer Performance Review Committee meeting held on 15 April 2010 which have been distributed, be confirmed.

CEOPRC RESOLUTION(S)

MOVED CR MCKECHNIE SECONDED CR POWELL

THAT THE MINUTES OF THE CHIEF EXECUTIVE OFFICERS PERFORMANCE REVIEW COMMITTEE MEETING HELD ON 15 APRIL 2010 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

6 PRESENTATIONS

Nil

7 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

8 QUESTIONS WITHOUT NOTICE

Nil

9 ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

NOTE: Section 5.23(2) of the Local Government Act 1995, details a number of matters upon which Council may discuss and make decisions without members of the public being present. These matters include: matters affecting employees; personal affairs of any person; contractual matters; legal advice; commercial-in-confidence matters; security matters; among others.

The following report items are covered in section 13 of this agenda.

9.1 SELECTION OF FACILITATOR – CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW PROCESS

10 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil

11 REPORTS OF OFFICERS

Nil

12 REPORTS OF DELEGATES

Nil



**13 CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC
RECOMMENDATION (Closing meeting to the public)**

That the meeting be closed to members of the public in accordance with Section 5.23 (2) (a), (b), (c) and (e) of the Local Government Act for the purpose of dealing with matters of a confidential nature.

CEOPRC RESOLUTION(S)

MOVED CR CUCCARO SECONDED CR POWELL

THAT THE MEETING BE CLOSED TO MEMBERS OF THE PUBLIC IN ACCORDANCE WITH SECTION 5.23 (2) (A) & (C) OF THE LOCAL GOVERNMENT ACT FOR THE PURPOSE OF DEALING WITH MATTERS OF A CONFIDENTIAL NATURE.

CARRIED UNANIMOUSLY

The meeting was closed to the public at 5:35pm.

**13.1 SELECTION OF FACILITATOR – CHIEF EXECUTIVE OFFICER’S PERFORMANCE REVIEW
PROCESS**

REFERENCE: COMMITTEES-10849

See Confidential Item circulated with the Agenda under Separate Cover.

Item 13.3 was discussed by the committee.

See recommendations and resolutions following meeting re-opening.

RECOMMENDATION [Meeting re-opened to the public]

That the meeting be re-opened, the public be invited to return to the meeting and the recommendations passed behind closed doors be recorded.

CEOPRC RESOLUTION(S)

MOVED CR CUCCARO SECONDED CR PITTAWAY

THAT THE MEETING BE RE-OPENED, THE PUBLIC BE INVITED TO RETURN TO THE MEETING AND THE RECOMMENDATIONS PASSED BEHIND CLOSED DOORS BE RECORDED.

CARRIED UNANIMOUSLY



Recording of the resolutions passed behind closed doors, namely:

13.1 SELECTION OF FACILITATOR – CHIEF EXECUTIVE OFFICER’S PERFORMANCE REVIEW PROCESS

REFERENCE: COMMITTEES-10849

CEOPRC RESOLUTION(S)

MOVED CR CUCCARO

SECONDED CR PITTAWAY

THAT COUNCIL AWARD THE CONSULTANCY FOR FACILITATING THE CHIEF EXECUTIVE OFFICER’S PERFORMANCE REVIEW TO MR JOHN PHILLIPS FROM WORKPLACE SOLUTIONS, WALGA.

CARRIED UNANIMOUSLY

The meeting was reopened to the public at 5:40pm.



14 GENERAL BUSINESS

Nil

15 FUTURE MEETINGS OF THE CEOPRC

The next meeting of the Chief Executive Officer Performance Review Committee will be held on **Thursday, 10 June 2010** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at **5:30pm**.

16 DECLARATION OF CLOSURE OF MEETING

There being no further business the meeting was closed at 5:45pm.



16 REPORTS OF DELEGATES

Nil

17 MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

18 NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE CHAIRMAN OR PERSON PRESIDING OR BY DECISION OF MEETING

18.1 ITEM 12 FUTURE MEETINGS OF THE RESOURCE RECOVERY COMMITTEE

The Chairman advised that, as had been noted in the RRC Minutes of 6 May 2010 at **Item 12 Future Meetings of the Resource Recovery Committee**, consideration was being given to organising a visit to the Neerabup composting facility for the Committee if the June 2010 meeting was not required.

The CEO explained that as Council had passed the RRC recommendation at **Item 9.1 Preferred Resource Recovery Facility Options Report** of the above mentioned RRC Minutes, the 3 June 2010 meeting would not be required and as it was not listed as an "if required" meeting it needed a Council resolution to cancel the meeting.

COUNCIL RESOLUTION

MOVED CR GODFREY SECONDED CR LINDSEY

THAT THE RESOURCE RECOVERY COMMITTEE MEETING SCHEDULED FOR 3 JUNE 2010 IS NOT REQUIRED.

CARRIED UNANIMOUSLY

19 CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

RECOMMENDATION (Closing meeting to the public)

That with the exception of, the meeting be closed to members of the public in accordance with Section 5.23 (2) (c) of the Local Government Act for the purpose of dealing with matters of a confidential nature.

COUNCIL RESOLUTION

MOVED CR GODFREY SECONDED CR LINDSEY

THAT WITH THE EXECEPTION OF THE CHIEF EXECUTIVE OFFICER AND THE PERSONAL ASSISTANT TO THE DIRECTOR CORPORATE SERVICES, THE MEETING BE CLOSED TO MEMBERS OF THE PUBLIC IN ACCORDANCE WITH SECTION 5.23 (2) (C) OF THE LOCAL GOVERNMENT ACT FOR THE PURPOSE OF DEALING WITH MATTERS OF A CONFIDENTIAL NATURE.

CARRIED 11/1



Item 19 continued

The doors of the meeting were closed at 6.51pm and members of the public departed the Council Chambers.

The Chief Executive Officer, and Personal Assistant to the Director Corporate Services remained in the Council Chambers.

19.1 ITEM 18.1 OF THE INVESTMENT COMMITTEE MINUTES - INVESTMENT COMMITTEE UPDATE APRIL 2010

REFERENCE: COMMITTEES-10898

The Council considered the Confidential Item circulated with the Agenda under Separate Cover.

19.2 ITEM 13.1 OF THE CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW COMMITTEE MINUTES - SELECTION OF FACILITATOR – CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW PROCESS

REFERENCE: COMMITTEES-10939

The Council considered the Confidential Item circulated with the Agenda under Separate Cover.

19.3 QUESTIONS ON NOTICE BY CR FRANK LINDSEY FOR THE 20 MAY 2010 COUNCIL MEETING

REF: COMMITTEES-10970

POST MEETING NOTE

The Questions on Notice by Cr Lindsey were provided to Council immediately prior to the meeting but as they were of a confidential nature they were discussed behind closed doors.

RECOMMENDATION [Meeting re-opened to the public]

That the meeting be re-opened, the public be invited to return to the meeting and the resolutions passed behind closed doors be recorded.

COUNCIL RESOLUTION

MOVED CR GODFREY SECONDED CR FÄRDIG

THAT THE MEETING BE RE-OPENED, THE PUBLIC BE INVITED TO RETURN TO THE MEETING AND THE RESOLUTIONS PASSED BEHIND CLOSED DOORS BE RECORDED.

CARRIED UNANIMOUSLY

Members of the public returned to Council Chambers at 7.26pm.



Item 19 continued

Recording of the resolutions passed behind closed doors, namely:

19.1 ITEM 18.1 OF THE INVESTMENT COMMITTEE MINUTES - INVESTMENT COMMITTEE UPDATE APRIL 2010

REFERENCE: COMMITTEES-10898

POST MEETING NOTE

There were no resolutions passed behind closed doors on this item.

19.2 ITEM 13.1 OF THE CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW COMMITTEE MINUTES - SELECTION OF FACILITATOR – CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW PROCESS

REFERENCE: COMMITTEES-10849

MOVED CR FÄRDIG

SECONDED CR RADFORD

THAT COUNCIL AWARD THE CONSULTANCY FOR FACILITATING THE CHIEF EXECUTIVE OFFICER'S PERFORMANCE REVIEW TO MR JOHN PHILLIPS FROM WORKPLACE SOLUTIONS, WALGA.

CARRIED UNANIMOUSLY

19.3 QUESTIONS ON NOTICE BY CR FRANK LINDSEY FOR THE 20 MAY 2010 COUNCIL MEETING

REF: COMMITTEES-10970

POST MEETING NOTE

There were no resolutions passed behind closed doors on this item.

20 FUTURE MEETINGS OF COUNCIL

The next meeting of Council will be held on **Thursday 17 June 2010** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 6.00pm.

Future Meetings 2010

Thursday	17 June	at	EMRC Administration Office
Thursday	22 July (if required)	at	EMRC Administration Office
Thursday	19 August	at	EMRC Administration Office
Thursday	23 September (if required)	at	EMRC Administration Office
Thursday	21 October	at	EMRC Administration Office
Thursday	2 December	at	EMRC Administration Office
January 2011 (recess)			

In response to Cr Pule's query on whether there would be a Council meeting on 17 June 2010, the Chairman confirmed that there would be.



21 DECLARATION OF CLOSURE OF MEETING

There being no further business, the meeting was closed at 7.34pm.
