



*WASTE DISPOSAL AUTHORITY*  
Established 1<sup>st</sup> January 1990

**DRAFT  
BUDGET**

**FOR**

**YEAR ENDING 30 JUNE 2017**

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## Executive Introduction

The 2016/17 draft budget has been prepared with regard to the following assumptions and estimates:

1. Inflation 1.75% (WALGA Local Government Economic Briefing 20 May 2016).
2. Increases in wages as per the workforce plan range from 1.5% to 4.17%. There will be no increase in FTE's. There is a total of 17.0 FTE's in the 2016/17 budget.
3. Interest earnings are based on an average 2.85% on investments.
4. Councillor meeting attendance fees remain at the minimum fee of \$88 per Ordinary Meeting, and the Chairman's fee per meeting at \$176.
5. Fees and Charges of \$3.330 million based on no increase in the co-mingled and green waste tonnage rate, a 3.2% Organic Waste increase and a 2.1% Clean Green waste increase (as per the agenda item presented at the May 26, 2016 Ordinary meeting of Council). This represents a 1.2% increase in revenue over the 2015/16 year.
6. An operating surplus of \$161K which includes expenditure of \$434K for Stanley Road rehabilitation.
7. The draft budget statements contain a forecast to 30 June 2016 and a column (shaded grey) for the 2016/17 budget.
8. The following capital expenditure totalling \$2.64M will be funded by Reserves (\$2.109M), Asset Sales (\$155K) and Municipal Funds (\$376K).

Asset Description	Stanley Road	Organics	Waste Education
Office Equipment	\$ 8K		
Administration Building (carried forward)	\$ 150K		
Staff Amenities Building Replacement	\$ 45K		
Project Officer Vehicle Replacement	\$ 31K		
D8T Track Type Dozer	\$ 490K		
Replace Landfill Compactor	\$ 825K		
Minor Plant (test and Tag Equipment, etc)	\$ 8K		
Amenities Upgrade (Waste Transfer Station)	\$ 10K		
Replace i30 with Dual Cab			\$ 31K
New Land Site		\$ 1.0M	
Steam Operated Weed Killer		\$ 6K	
Concrete Bunkers (carried forward)		\$ 36K	
<b>TOTALS</b>	<b>\$1.567M</b>	<b>\$1.042M</b>	<b>\$ 31K</b>

9. Transfers to and from Reserves:

	To	To	From	Balance 30/6/17
<b>RESERVE</b>	<b>Interest</b>	<b>Ex Muni Funds</b>	<b>Capital</b>	
Plant & Infrastructure	\$ 7K	\$350K	\$ 185K	\$ 516K
Site Post Closure Rehabilitation	\$ 102K		\$ 924K	\$2.882M
Waste Minimisation	\$ 21K	\$ 81K		\$ 806K
Stanley Road Lined Cell Construction Reserve	\$ 15K			\$ 542K
Land Acquisition and Investigation Reserve	\$ 22K		\$1.0M	\$ 28K
<b>TOTALS</b>	<b>\$ 167K</b>	<b>\$ 431K</b>	<b>\$2.109M</b>	<b>\$4.774M</b>

## **BUDGET CERTIFICATION**

### **THE BUNBURY-HARVEY REGIONAL COUNCIL COMPILED THE ANNUAL BUDGET ACCORDING TO SECTION 6.2 OF THE LOCAL GOVERNMENT ACT 1995**

I hereby certify that the budget for the -

Municipal Fund and the following Reserve Accounts:

- Plant and Infrastructure Reserve
- Site (Post Closure) Rehabilitation Reserve
- Waste Minimisation and Environmental Protection Reserve
- Banksia Road Construction Reserve
- Stanley Road Lined Cell Construction Reserve
- Site Acquisition and Investigation Reserve

for the Bunbury-Harvey Regional Council for the 2016/17 financial year were adopted by the Council at the Ordinary Meeting held on 28 July 2016.

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J Jones  
**CHAIRMAN**

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T Battersby  
**CHIEF EXECUTIVE OFFICER**



**BUNBURY - HARVEY**  
**Regional Council**

**WASTE DISPOSAL AUTHORITY**

Established 1<sup>st</sup> January 1990

**SCHEDULE OF CONSTITUENT COUNCILS:**

**CITY OF BUNBURY**



**SHIRE OF HARVEY**



# **BUNBURY - HARVEY REGIONAL COUNCIL**

## **ELECTED MEMBERS AND EXECUTIVE STAFF**

### **CHAIRMAN:**

Cr J Jones

### **LOCAL AUTHORITY**

City of Bunbury

### **COUNCIL MEMBERS:**

Cr J De San Miguel                      City of Bunbury

Cr W Adams                                Shire of Harvey

Cr P Monagle                              Shire of Harvey

Cr M Cook                                  City of Bunbury

### **REPRESENTATIVES:**

Mr Michael Parker                      Chief Executive Officer - Shire of Harvey

### **CHIEF EXECUTIVE OFFICER:**

Mr Tony Battersby

### **ACCOUNTANT:**

Mr Chris Welham                        City of Bunbury

### **AUDITORS:**

Grant Thornton

### **PRINCIPAL PLACE OF BUSINESS:**

Waste Disposal Site: Lot 45 Stanley Road, Australind WA 6233.

Administration: Lot 5 Carmody Place, Railway Station Complex, Bunbury WA 6230

Postal address: Bunbury Harvey Regional Council, P. O. Box 21, Bunbury, WA 6231.

### **VISION STATEMENT:**

To be a leader in the development, implementation, and maintenance of innovative and sustainable waste reduction, recycling and collections services while managing waste facilities with best practice standards with an engaged community.

**STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30th JUNE 2017**

	NOTE	2016/17	2015/16		
		BUDGET	ORIGINAL BUDGET	REVISED BUDGET	FORECAST
<b>REVENUE</b>	2				
Governance		111,560	108,868	108,868	112,368
Community Amenities		3,464,165	3,928,807	3,531,157	3,068,847
General Purpose Funding	10	189,193	152,033	213,233	193,995
<b>Total Operating Revenue</b>		<b>3,764,918</b>	<b>4,189,708</b>	<b>3,853,258</b>	<b>3,375,210</b>
<b>EXPENSES</b>	2				
Governance		(618,842)	(449,480)	(484,814)	(490,860)
Community Amenities		(2,984,821)	(4,076,698)	(2,679,431)	(2,604,111)
<b>Total Operating Expenses</b>		<b>(3,603,663)</b>	<b>(4,526,178)</b>	<b>(3,164,245)</b>	<b>(3,094,971)</b>
		<b>161,255</b>	<b>(336,470)</b>	<b>689,013</b>	<b>280,239</b>
<b>Non-Operating Grants, Subsidies and Contributions</b>					
Community Amenities	15(d),18	-	211,200	211,200	211,200
<b>Profit/(Loss) on Disposal of Assets</b>					
Community Amenities	4	(21,786)	-	-	-
<b>NET RESULT</b>		<b>139,469</b>	<b>(125,270)</b>	<b>900,213</b>	<b>491,439</b>
Other Comprehensive Income		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>139,469</b>	<b>(125,270)</b>	<b>900,213</b>	<b>491,439</b>

**Notes:**

All fair value adjustments relating to measurement of financial assets at fair value through profit or loss and (if any) changes on revaluation of non-current assets are impacted upon by external forces and is not able to be reliably estimated at time of budget adoption.

Fair value adjustments relating to the remeasurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated in all instances, any changes in revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

Community Amenities expenditure includes \$433,669 budgeted for 2016/17 for site rehabilitation at Stanley Road.

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

**STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30th JUNE 2017**

	NOTE	2016/17 BUDGET	2015/16		
			ORIGINAL BUDGET	REVISED BUDGET	FORECAST
<b>REVENUE</b>					
Fees and Charges	15(a)	3,329,103	3,796,607	3,382,007	2,915,834
Interest Earnings	10	189,193	152,033	213,233	193,995
Operating Grants, Subsidies and Contributions	15(b)	111,560	108,868	108,868	112,368
Other Revenue	15(c)	135,062	132,200	149,150	153,013
<b>Total Operating Revenue</b>		<b>3,764,918</b>	<b>4,189,708</b>	<b>3,853,258</b>	<b>3,375,210</b>
<b>EXPENSES</b>					
Employee Costs		(1,501,085)	(1,408,094)	(1,260,779)	(1,389,414)
Material and Contracts		(1,322,266)	(2,295,180)	(1,101,063)	(942,595)
Utility Charges		(3,410)	(9,795)	(9,795)	(3,352)
Depreciation on non-current assets	3	(435,009)	(494,655)	(441,153)	(419,057)
Insurance		(45,958)	(40,332)	(42,632)	(41,384)
Other Expenditure		(295,935)	(278,122)	(308,823)	(299,169)
<b>Total Operating Expenses</b>		<b>(3,603,663)</b>	<b>(4,526,178)</b>	<b>(3,164,245)</b>	<b>(3,094,971)</b>
		<b>161,255</b>	<b>(336,470)</b>	<b>689,013</b>	<b>280,239</b>
Non-Operating Grants, Subsidies and Contributions	15(d),18	-	211,200	211,200	211,200
Profit on Asset Disposals	4	6,827	-	-	-
Loss on Asset Disposals	4	(28,613)	-	-	-
<b>NET RESULT</b>		<b>139,469</b>	<b>(125,270)</b>	<b>900,213</b>	<b>491,439</b>
Other Comprehensive Income		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>139,469</b>	<b>(125,270)</b>	<b>900,213</b>	<b>491,439</b>

**Notes:**

All fair value adjustments relating to measurement of financial assets at fair value through profit or loss and (if any) changes on revaluation of non-current assets are impacted upon by external forces and is not able to be reliably estimated at time of budget adoption.

Fair value adjustments relating to the remeasurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated in all instances, any changes in revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

Materials and Contracts expenditure includes \$433,669 budgeted for 2016/17 for site rehabilitation at Stanley Road.

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



**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 30th JUNE 2017**

	NOTE	2016/17	2015/16		
		BUDGET	ORIGINAL BUDGET	REVISED BUDGET	FORECAST
<b><u>CURRENT ASSETS</u></b>					
Cash and Cash Equivalents	5,11(a)	5,265,279	6,282,413	7,303,921	7,130,783
Trade and Other Receivables	6	300,000	332,007	332,007	274,145
Inventories		2,000	2,000	2,000	1,960
<b>Total Current Assets</b>		<b>5,567,279</b>	<b>6,616,420</b>	<b>7,637,928</b>	<b>7,406,888</b>
<b><u>NON CURRENT ASSETS</u></b>					
Property, Plant & Equipment	7(a)	4,353,757	2,569,654	2,504,556	2,324,260
Infrastructure	7(b)	745,364	766,857	815,826	746,912
<b>Total Non Current Assets</b>		<b>5,099,121</b>	<b>3,336,511</b>	<b>3,320,382</b>	<b>3,071,172</b>
<b><u>TOTAL ASSETS</u></b>		<b>10,666,400</b>	<b>9,952,931</b>	<b>10,958,310</b>	<b>10,478,060</b>
<b><u>CURRENT LIABILITIES</u></b>					
Trade and Other Payables	8(a)	202,879	189,500	189,500	153,952
Provisions	8(b)	148,826	161,839	161,839	148,882
<b>Total Current Liabilities</b>		<b>351,705</b>	<b>351,339</b>	<b>351,339</b>	<b>302,834</b>
<b><u>NON CURRENT LIABILITIES</u></b>					
Provision - Long Service Leave		35,436	30,747	30,747	35,436
<b>Total Non Current Liabilities</b>		<b>35,436</b>	<b>30,747</b>	<b>30,747</b>	<b>35,436</b>
<b><u>TOTAL LIABILITIES</u></b>		<b>387,141</b>	<b>382,086</b>	<b>382,086</b>	<b>338,270</b>
<b>NET ASSETS</b>		<b>10,279,259</b>	<b>9,570,845</b>	<b>10,576,224</b>	<b>10,139,790</b>
<b>EQUITY</b>					
Retained Surplus		5,311,896	3,534,795	3,561,155	3,661,824
Reserves - Cash Backed	12	4,763,283	5,848,084	6,810,989	6,273,886
Revaluation Surplus		204,080	187,966	204,080	204,080
<b>TOTAL EQUITY</b>		<b>10,279,259</b>	<b>9,570,845</b>	<b>10,576,224</b>	<b>10,139,790</b>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30th JUNE 2017**

	NOTE	2016/17	2015/16	
		BUDGET	ORIGINAL BUDGET	FORECAST
		\$	\$	\$
<b>RETAINED SURPLUS</b>				
Balance at beginning of year		3,661,824	4,824,715	4,725,459
Net Result		139,469	(125,270)	491,439
Transfer from Reserves	14	2,108,969	1,046,503	775,146
Transfer to Reserves	13	(598,366)	(2,211,153)	(2,330,220)
<b>Balance at end of year</b>		<b>5,311,896</b>	<b>3,534,795</b>	<b>3,661,824</b>
<b>RESERVES</b>				
	12			
Balance at beginning of year		6,273,886	4,683,434	4,718,812
Transfers from Retained Surplus	13	598,366	2,211,153	2,330,220
Transfers to Retained Surplus	14	(2,108,969)	(1,046,503)	(775,146)
<b>Balance at end of year</b>		<b>4,763,283</b>	<b>5,848,084</b>	<b>6,273,886</b>
<b>REVALUATION SURPLUS</b>				
Balance at beginning of year		204,080	187,966	204,080
Transfers from Retained Surplus		-	-	-
Transfers to Retained Surplus		-	-	-
		<b>204,080</b>	<b>187,966</b>	<b>204,080</b>
<b>TOTAL EQUITY</b>		<b>10,279,259</b>	<b>9,570,845</b>	<b>10,139,790</b>
<b>EQUITY IN JOINT VENTURE</b>				
City of Bunbury	89.60%	9,210,216	8,575,477	9,085,252
Shire of Harvey	10.40%	1,069,043	995,368	1,054,538
<b>TOTAL EQUITY</b>		<b>10,279,259</b>	<b>9,570,845</b>	<b>10,139,790</b>

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30th JUNE 2017**

	NOTE	2016/17	2015/16	
		BUDGET	BUDGET	FORECAST
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<i>Receipts</i>				
Fees and Charges		3,271,241	3,796,607	3,057,143
Interest Earnings		221,200	138,989	170,847
Contributions		133,560	129,068	145,337
Other Revenue		113,062	112,000	120,044
		<b>3,739,063</b>	<b>4,176,664</b>	<b>3,493,371</b>
<i>Payments</i>				
Employee Costs		(1,501,141)	(1,382,807)	(1,369,324)
Materials and Contracts		(1,273,379)	(2,285,915)	(1,143,518)
Utility Charges		(3,410)	(9,795)	(3,352)
Insurance		(45,958)	(40,332)	(41,384)
Other		(295,935)	(278,121)	(299,168)
		<b>(3,119,823)</b>	<b>(3,996,970)</b>	<b>(2,856,746)</b>
<b>Net Cash Provided by (used in) Operating Activities</b>	11(b)	<b>619,240</b>	<b>179,694</b>	<b>636,625</b>
<b>Cash flows from Investing Activities</b>				
Purchase of Property, Plant and Equipment	16	(2,604,100)	(872,300)	(526,814)
Purchase and Construction of Infrastructure		(35,644)	(155,000)	(119,766)
Non-Operating Grants, Subsidies and Contributions	15(d),18	-	211,200	211,200
Proceeds from Sale of Plant and Equipment	4	155,000	-	-
<b>Amount attributable to Investing Activities</b>		<b>(2,484,744)</b>	<b>(816,100)</b>	<b>(435,380)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(1,865,504)</b>	<b>(636,406)</b>	<b>201,245</b>
Cash at Beginning of Year		7,130,783	6,918,819	6,929,538
<b>Cash and Cash Equivalents at End of Year</b>	5	<b>5,265,279</b>	<b>6,282,413</b>	<b>7,130,783</b>

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

**FEE SETTING STATEMENT  
FOR THE YEAR ENDED 30th JUNE 2017**

	NOTE	2016/17	2015/16	
		BUDGET	BUDGET	FORECAST
		\$	\$	\$
Net Current Assets at start of Financial Year	11(c)	830,168	2,224,855	2,122,805
<b>Revenue from Operating Activities (Excluding Fees &amp; Charges)</b>				
Interest Earnings	10	189,193	152,033	193,995
Profit On Disposal of Asset	4	6,827	-	-
Contributions	15(b)	111,560	108,868	112,368
Other Revenue	15(c)	135,062	132,200	153,013
		<b>442,642</b>	<b>393,101</b>	<b>459,376</b>
<b>Expenditure from Operating Activities</b>				
Employee Costs		(1,501,085)	(1,408,094)	(1,389,414)
Material and Contracts		(1,322,266)	(2,295,180)	(942,595)
Utility Charges		(3,410)	(9,795)	(3,352)
Depreciation	3	(435,009)	(494,655)	(419,057)
Insurance		(45,958)	(40,332)	(41,384)
Other		(324,548)	(278,122)	(299,169)
		<b>(3,632,276)</b>	<b>(4,526,178)</b>	<b>(3,094,971)</b>
<b>Net Result Excluding Fees and Charges</b>		<b>(3,189,634)</b>	<b>(4,133,077)</b>	<b>(2,635,595)</b>
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Operating Activities excluded from Budget</b>				
Depreciation on Assets	3	435,009	494,655	419,057
(Profit)/Loss on Sale of Assets		21,786	-	-
Movement in Employee Benefit Provisions		-	14,706	(1,480)
<b>Amount attributable to Operating Activities</b>		<b>(1,902,671)</b>	<b>(1,398,861)</b>	<b>(95,213)</b>
<b>Investing Activities</b>				
Non-Operating Grants, Subsidies and Contributions	15(d),18	-	211,200	211,200
Purchase of Property, Plant and Equipment	16	(2,604,100)	(872,300)	(526,814)
Purchase and construction of Infrastructure		(35,644)	(155,000)	(119,766)
Proceeds from Disposal of Assets	4	155,000	-	-
<b>Amount attributable to Investing Activities</b>		<b>(2,484,744)</b>	<b>(816,100)</b>	<b>(435,380)</b>
<b>Financing Activities</b>				
Transfer to cash backed Reserves (Restricted Assets)	13	(598,366)	(2,211,153)	(2,330,220)
Transfer from cash backed Reserves (Restricted Assets)	14	2,108,969	1,046,504	775,146
<b>Amount attributable to Financing Activities</b>		<b>1,510,603</b>	<b>(1,164,649)</b>	<b>(1,555,074)</b>
<b>Budgeted deficiency before Fees and Charges</b>		<b>(2,876,812)</b>	<b>(3,379,610)</b>	<b>(2,085,667)</b>
<b>Estimated Amount to be Raised From Fees &amp; Charges</b>	15(a)	<b>3,329,103</b>	<b>3,796,607</b>	<b>2,915,835</b>
<b>Net Current Assets at end of Financial Year - Surplus/(Deficit)</b>	11(c)	<b>452,291</b>	<b>416,997</b>	<b>830,168</b>

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

## Notes to and forming part of the Budget for the year ending 30<sup>th</sup> June 2017

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

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

#### The Local Government Reporting Entity

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

In the process of reporting on the local government as a single unit, all transactions and balances between those have been eliminated.

#### (b) 2015/16 Forecast Balances

Balances shown in this budget as 2015/16 Forecast are as forecast at the time of budget preparation and are subject to final adjustments.

#### (c) Rounding Off Figures

All figures shown in this budget are rounded to the nearest dollar.

#### (d) Grants, Donations and Other Contributions

Grants, donations and other contributions have been recognised as revenues during the reporting period and expenditure on those monies has been made in the manner specified under the conditions upon which the Regional Council received those monies.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner used over a particular period, and those conditions were undischarged at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed.

## Notes to and forming part of the Budget for the year ending 30<sup>th</sup> June 2017

### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (e) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a Gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

#### (f) Superannuation

The Regional Council contributes to a number of Superannuation Funds on behalf of employees.

All funds to which the Council contributes are defined contribution plans.

#### (g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

#### (h) Trade and Other Receivables

Trade and other receivables include amounts due from Fees and charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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

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

## Notes to and forming part of the Budget for the year ending 30<sup>th</sup> June 2017

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (i) Inventories

##### *General*

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (j) Fixed Assets

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

##### *Initial Recognition and Measurement between Mandatory Revaluation Dates*

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

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

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

##### *Revaluation*

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

##### *Depreciation*

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

## Notes to and forming part of the Budget for the year ending 30<sup>th</sup> June 2017

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (j) Fixed Assets (Continued)

##### *Depreciation (Continued)*

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

Buildings	5 to 20 years
Furniture and Equipment	4 to 6 years
Plant and Equipment	5 to 20 years
Infrastructure – Roads	50 years
Infrastructure – Perimeter Fencing	15 years
Stanley Road Waste Transfer Station	20 years
Banksia Road Concrete Bunker and Apron	20 years

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

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

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

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

##### *Capitalisation Threshold*

Expenditure on items of equipment under \$2,000 is not capitalised. Any expenditure below this threshold is treated as an operating expenditure.

#### (k) Fair Value of Assets and Liabilities

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

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

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

To the extent possible, market information is extracted from either the principle market for the asset or liability (i.e. the market with the greatest volume and level of



**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(k) Fair Value of Assets and Liabilities (Continued)**

activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

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

***Fair Value Hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

***Valuation techniques***

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

**Market approach**

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

**Income approach**

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Fair Value of Assets and Liabilities (Continued)

*Fair Value Hierarchy (Continued)*

**Cost approach**

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

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

The mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations* requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards have been made in the budget as necessary.

(l) Financial Instruments

***Initial Recognition and Measurement***

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

***Classification and Subsequent Measurement***

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Financial Instruments (Continued)

*Classification and Subsequent Measurement (Continued)*

- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

***Financial assets at fair value through profit and loss***

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

***Held-to-maturity investments***

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council’s management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

***Available-for-sale financial assets***

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) **Financial Instruments (Continued)**  
***Available-for-sale financial assets (Continued)***

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

***Financial liabilities***

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

***Impairment***

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Derecognition***

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

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

**(n) Impairment of Assets**

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

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

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2017.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

**(o) Trade and Other Payables**

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Employee Benefits

*Short-Term Employee Benefits*

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

The Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

*Other Long-Term Employee Benefits*

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(q) Provisions

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

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

## Notes to and forming part of the Budget for the year ending 30<sup>th</sup> June 2017

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (r) Current and Non-Current Classification

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

#### (s) Comparative Figures

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

#### (t) Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in this budget document relate to the original budget estimate for the relevant item of disclosure.

## Notes to and forming part of the Budget for the year ending 30th June 2017

### 2(a) REPORTING – PROGRAM DESCRIPTIONS

#### Description of Programs

##### **GOVERNANCE**

**Objective:**

To provide a decision making process for the efficient allocation of scarce resources.

**Activities:**

Includes the activities of members of the council and the administrative support available to the council for the provision of governance of the regional council. Other costs relate to the task of assisting elected members.

##### **GENERAL PURPOSE FUNDING**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

Fees, general purpose government grants and interest revenue.

##### **COMMUNITY AMENITIES**

**Objective:**

To provide services required by the member councils.

To reduce the environmental impact of waste and maximise conservation of natural resources through reduced overall material use and increased materials and energy recovery.

**Activities:**

Operation of landfill and recycling facilities.



Notes to and forming part of the Budget for the year ending 30th June 2017

	2016/17	2015/16		
	NOTE	BUDGET	ORIGINAL BUDGET	FORECAST
	\$	\$	\$	
<b>3 DEPRECIATION</b>				
<b>Classified According to Asset Class</b>				
Buildings	13,356	16,792	11,575	
Furniture and Equipment	373,563	428,794	362,181	
Plant and Machinery	10,898	11,243	8,209	
Infrastructure	37,192	37,826	37,092	
<b>Total</b>	<b>435,009</b>	<b>494,655</b>	<b>419,057</b>	
<b>Classified According To Program</b>				
Governance	6,100	6,550	5,974	
Community Amenities	428,909	488,105	413,083	
<b>Total</b>	<b>435,009</b>	<b>494,655</b>	<b>419,057</b>	
<b>4 PROFIT/(LOSS) ON DISPOSAL OF ASSETS</b>				
Proceeds from Sale of Plant	155,000	-	-	
<b>Less:</b>				
Asset Value (at cost)	369,245	-	-	
Less Provision for Depreciation written back	(192,458)	-	-	
Carrying amount of assets sold	176,786	-	-	
<b>Profit/(Loss) on Disposal</b>	<b>(21,786)</b>	<b>-</b>	<b>-</b>	
Made up as follows:				
Loss on Sale of Bomag Compactor	(28,613)	-	-	
Profit on Sale of Hyundai i30	5,855	-	-	
Profit on Sale of Ford Ranger Utility	971	-	-	
	<b>(21,786)</b>	<b>-</b>	<b>-</b>	

Notes to and forming part of the Budget for the year ending 30th June 2017

	NOTE	2016/17	2015/16	
		BUDGET	ORIGINAL BUDGET	FORECAST
		\$	\$	\$
<b>5 CASH</b>				
Restricted		4,763,283	5,848,084	6,273,886
Unrestricted		501,996	434,329	856,897
<b>Total</b>	11(a)	<b>5,265,279</b>	<b>6,282,413</b>	<b>7,130,783</b>
The following restrictions have been imposed by regulation or other externally imposed requirements				
Plant and Equipment Reserve		504,852	613,518	333,520
Site (Post Closure) Rehabilitation Reserve		2,882,159	2,994,470	3,704,033
Waste Minimisation Reserve		806,284	705,827	703,398
Banksia Road Construction Reserve		-	-	-
Stanley Road Lined Cell Construction Reserve		542,417	529,539	527,229
Site Acquisition and Investigation Reserve		27,571	1,004,730	1,005,706
		<b>4,763,283</b>	<b>5,848,084</b>	<b>6,273,886</b>
<b>6 RECEIVABLES</b>				
<b>Current</b>				
Trade Debtors		300,000	300,000	232,034
Accrued Interest		-	32,007	42,111
		<b>300,000</b>	<b>332,007</b>	<b>274,145</b>
<b>7(a) PROPERTY, PLANT AND EQUIPMENT</b>				
Buildings - at Management Valuation 2014		1,359,275	202,075	153,975
Less Depreciation		(37,747)	(30,941)	(24,390)
		<b>1,321,528</b>	<b>171,134</b>	<b>129,585</b>
Vehicles, Plant and Machinery - at Management Valuation 2013		4,254,660	3,556,149	3,233,305
Less Depreciation		(1,245,161)	(1,174,815)	(1,064,057)
		<b>3,009,499</b>	<b>2,381,334</b>	<b>2,169,248</b>
Furniture and Equipment - at Management Valuation 2014		51,138	39,028	42,938
Less Depreciation		(28,408)	(21,842)	(17,511)
		<b>22,730</b>	<b>17,186</b>	<b>25,427</b>
<b>Total Net Book Value of Property Plant &amp; Equipment</b>		<b>4,353,757</b>	<b>2,569,654</b>	<b>2,324,260</b>
<b>7(b) INFRASTRUCTURE</b>				
Infrastructure - at cost/(Waste Transfer Station at Management Valuation 2014)		840,489	869,516	804,845
Less Depreciation		(95,125)	(102,659)	(57,933)
<b>Total Net Book Value of Infrastructure</b>		<b>745,364</b>	<b>766,857</b>	<b>746,912</b>

Notes to and forming part of the Budget for the year ending 30th June 2017

NOTE	2016/17	2015/16	
	BUDGET	ORIGINAL BUDGET	FORECAST
	\$	\$	\$
<b>8(a) TRADE AND OTHER PAYABLES</b>			
Sundry Trade Creditors	140,000	140,000	73,278
Accrued Wages	13,379	-	8,919
Security Bonds	500	500	500
Taxation Liabilities	49,000	49,000	71,255
<b>Total Creditors</b>	<b>202,879</b>	<b>189,500</b>	<b>153,952</b>
<b>8(b) PROVISIONS</b>			
Provisions for Annual & Long Service Leave	148,826	161,839	148,882
	<b>148,826</b>	<b>161,839</b>	<b>148,882</b>
<b>8(c) AUDITORS REMUNERATION</b>			
Audit Fees	6,900	6,500	6,625
<b>9 MEMBERS FEES AND ALLOWANCES</b>			
The Local Government Act 1995, section 5.98 provides that Council Members are to receive payment for attendance at meetings. This is in addition to any other expenses which may be reimbursed. The prescribed minimum payments under the Local Government (Administration) Regulations 30 (1) (2) are - Chairperson \$176.00 per meeting Councillors \$ 88.00 per meeting Budget provisions for 2016/17 are:-			
Members Attendance Fees	6,178	6,526	6,072
Members Expenses	461	1,800	453
<b>10 INTEREST ON INVESTMENTS</b>			
Surplus funds are invested on term deposits with local financial institutions. Estimated return on investments are:-			
General Funds	22,294	17,307	25,063
Plant & Infrastructure Replacement Reserve	6,633	7,488	12,406
Site (Post Closure) Rehabilitation Reserve	101,796	73,581	97,752
Waste Minimisation Reserve	21,418	15,893	18,324
Stanley Road Lined Cell Construction Reserve	15,187	13,034	11,169
Site Acquisition and Investigation Reserve	21,865	24,730	29,281
<b>Total Interest on Investments</b>	<b>189,193</b>	<b>152,033</b>	<b>193,995</b>

Notes to and forming part of the Budget for the year ending 30th June 2017

	NOTE	2016/17	2015/16	
		BUDGET	ORIGINAL BUDGET	FORECAST
		\$	\$	\$
<b>11 NOTE TO STATEMENT OF CASH FLOWS</b>				
<b>a) RECONCILIATION OF CASH</b>				
For the purpose of the cash flow statement, cash includes cash equivalents. Estimated cash at the end of the reporting period is as follows:				
Cash at Bank		66,565	1,102,722	110,628
Investments		5,198,714	5,179,691	7,020,155
	5	<b>5,265,279</b>	<b>6,282,413</b>	<b>7,130,783</b>
<b>b) RECONCILIATION OF CASH USED IN OPERATING ACTIVITIES</b>				
Net Result		139,469	(125,270)	491,439
Depreciation	3	435,009	494,655	419,057
Increase ( Decrease) in Provision for Annual and Long Service Leave		(56)	25,287	14,633
(Increase) Decrease in Trade & Other Receivables		(25,855)	(13,044)	118,161
(Increase) Decrease in Inventories		(40)	(178)	(159)
Increase ( Decrease ) in Prepayments		-	-	7,593
Increase ( Decrease ) in Sundry Creditors		66,723	8,444	(234,888)
Increase (Decrease) in Taxation Liabilities		(22,255)	1,000	26,532
(Profit)/Loss on Sale of Assets		21,786	-	-
Increase (Decrease) in Accrued Interest		-	-	-
Increase (Decrease) in Accrued Wages		4,459	-	5,457
Contributions for the development of assets	15(d)	-	(211,200)	(211,200)
		<b>619,240</b>	<b>179,694</b>	<b>636,625</b>
<b>c) CURRENT POSITION/RECONCILIATION OF OPENING FUNDS</b>				
Net Current Assets -				
As per Statement of Financial Position		5,215,574	6,265,081	7,104,054
Less Restricted Funds	5	(4,763,283)	(5,848,084)	(6,273,886)
Closing Funds as per Fee Setting Statement		<b>452,291</b>	<b>416,997</b>	<b>830,168</b>

Notes to and forming part of the Budget for the year ending 30th June 2017

	2016/17 BUDGET	2015/16		
		ORIGINAL BUDGET	REVISED BUDGET	FORECAST
<b>12 RESERVE FUNDS</b>				
<b>(a) PLANT AND INFRASTRUCTURE RESERVE</b>				
<i>Purpose: To set aside funds for the future replacement of machinery, plant, vehicles and site infrastructure.</i>				
Balance as at 1 July	333,520	503,530	584,215	584,215
Transfers from Accumulated Surplus	356,632	507,488	517,880	12,305
Transfers to Accumulated Surplus	(185,300)	(397,500)	(263,000)	(263,000)
Balance as at 30th June	<b>504,852</b>	<b>613,518</b>	<b>839,095</b>	<b>333,520</b>
<b>(b) SITE (POST CLOSURE) REHABILITATION RESERVE</b>				
<i>Purpose: To set aside funds on an annual basis to provide resources for rehabilitation of the landfill site following closure</i>				
Balance as at 1st July	3,704,033	3,053,390	3,015,512	3,015,512
Transfers from Accumulated Surplus	101,796	73,580	707,047	688,521
Transfers to Accumulated Surplus	(923,669)	(132,500)	-	-
Balance as at 30th June	<b>2,882,159</b>	<b>2,994,470</b>	<b>3,722,559</b>	<b>3,704,033</b>
<b>(c) WASTE MINIMISATION AND ENVIRONMENTAL PROTECTION RESERVE</b>				
<i>Purpose: To set aside funds on an annual basis to provide for future waste minimisation and environmental protection initiatives</i>				
Balance as at 1st July	703,398	610,011	606,939	606,939
Transfers from Accumulated Surplus	102,886	95,816	106,676	96,459
Transfers to Accumulated Surplus	-	-	-	-
Balance as at 30th June	<b>806,284</b>	<b>705,827</b>	<b>713,615</b>	<b>703,398</b>
<b>(d) BANKSIA ROAD CONSTRUCTION RESERVE</b>				
<i>Purpose: To set aside funds for cell construction</i>				
Balance as at 1st July	-	516,503	512,146	512,146
Transfers from Accumulated Surplus	-	-	-	-
Transfer to Stanley Road Lined Cell Construction Reserve	-	(516,503)	-	-
Transfers to Accumulated Surplus	-	-	(512,146)	(512,146)
Balance as at 30th June	-	-	-	-
<b>(d) STANLEY ROAD LINED CELL CONSTRUCTION RESERVE</b>				
<i>Purpose: To set aside funds for cell construction</i>				
Balance as at 1st July	527,229	-	-	-
Transfers from Accumulated Surplus	15,188	13,036	15,055	15,083
Transfer from Banksia Road Construction Reserve	-	516,503	512,146	512,146
Transfers to Accumulated Surplus	-	-	-	-
Balance as at 30th June	<b>542,417</b>	<b>529,539</b>	<b>527,201</b>	<b>527,229</b>

All of the above reserve accounts are to be supported by money held in financial institutions.

Notes to and forming part of the Budget for the year ending 30th June 2017

	2016/17 BUDGET	2015/16		
		ORIGINAL BUDGET	REVISED BUDGET	FORECAST
<b>12 RESERVE FUNDS (continued)</b>				
<b>(e) SITE ACQUISITION AND INVESTIGATION RESERVE</b>				
<i>Purpose : To set aside funds for the future purchase of a new site for organics recycling</i>				
Balance as at 1 July	1,005,706	-	-	-
Transfers from Accumulated Surplus	21,865	1,004,730	1,008,519	1,005,706
Transfers to Accumulated Surplus	(1,000,000)	-	-	-
Balance as at 30th June	27,571	<b>1,004,730</b>	<b>1,008,519</b>	<b>1,005,706</b>
<b>Total Reserve Funds</b>	<b>4,763,283</b>	<b>5,848,084</b>	<b>6,810,989</b>	<b>6,273,886</b>

All of the above reserve accounts are to be supported by money held in financial institutions.

Notes to and forming part of the Budget for the year ending 30th June 2017

	2016/17	2015/16	
	BUDGET	ORIGINAL BUDGET	FORECAST
	\$	\$	\$
<b>13 TRANSFER TO RESERVES</b>			
<b><u>Plant and Infrastructure Reserve</u></b>			
Interest on Investments	6,632	7,487	12,305
Additional Funds ( Transfer from Accumulated Funds)	350,000	500,000	-
<b>Total</b>	<b>356,632</b>	<b>507,487</b>	<b>12,305</b>
<b><u>Site (Post Closure) Rehabilitation Reserve</u></b>			
Interest on Investments	101,796	73,581	88,521
Additional Funds ( Transfer from Accumulated Funds)	-	-	600,000
<b>Total</b>	<b>101,796</b>	<b>73,581</b>	<b>688,521</b>
<b><u>Waste Minimisation and Environmental Protection Reserve</u></b>			
Interest on Investments	21,418	16,796	18,131
Additional Funds ( Transfer from Accumulated Funds)	81,468	79,021	78,328
<b>Total</b>	<b>102,886</b>	<b>95,817</b>	<b>96,459</b>
<b><u>Stanley Road Lined Cell Construction Reserve</u></b>			
Interest on Investments	15,187	13,035	15,125
Transfer from Banksia Road Construction Reserve	-	516,503	512,104
<b>Total</b>	<b>15,187</b>	<b>529,538</b>	<b>527,229</b>
<b><u>Site Acquisition and Investigation Reserve</u></b>			
Interest on Investments	21,865	24,730	25,706
Additional Funds ( Transfer from Accumulated Funds)	-	980,000	980,000
<b>Total</b>	<b>21,865</b>	<b>1,004,730</b>	<b>1,005,706</b>
<b>Total Transfer to Reserves</b>	<b>598,366</b>	<b>2,211,153</b>	<b>2,330,220</b>
<b>14 TRANSFER FROM RESERVES</b>			
<b><u>Plant &amp; Infrastructure Reserve</u></b>			
As per Capital Expenditure Note 16	185,300	397,500	263,000
<b>Total</b>	<b>185,300</b>	<b>397,500</b>	<b>263,000</b>
<b><u>Site (Post Closure) Rehabilitation Reserve</u></b>			
Stanley Road rehabilitation works	433,669	-	-
Capital Equipment for Stanley Road rehabilitation works	490,000	132,500	-
<b>Total</b>	<b>923,669</b>	<b>132,500</b>	<b>-</b>
<b><u>Banksia Road Construction Reserve</u></b>			
Transfer to Stanley Road Lined Cell Construction Reserve	-	516,503	512,146
<b>Total</b>	<b>-</b>	<b>516,503</b>	<b>512,146</b>
<b><u>Site Acquisition and Investigation Reserve</u></b>			
Purchase new Organics Processing Site	1,000,000	-	-
<b>Total</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>
<b>Total Transfer from Reserves</b>	<b>2,108,969</b>	<b>1,046,503</b>	<b>775,146</b>

Notes to and forming part of the Budget for the year ending 30th June 2017

NOTE	2016/17	2015/16	
	BUDGET	ORIGINAL BUDGET	FORECAST
<b>15(a) Fees and Charges</b>			
Casual Tipping Fees	1,375,109	1,828,570	1,006,176
Disposals - City of Bunbury	509,193	499,896	500,736
Disposals - Shire of Harvey	517,346	399,430	505,503
Tip Passes - Shire of Harvey	198,352	192,738	192,847
Sale of Recyclables	144,154	140,378	134,506
Banksia Road Organics and Compost	490,500	452,944	419,765
CoB Support Staff	-	188,568	65,214
Hookbin Hire	12,981	14,160	12,758
Waste Minimisation Revenue	81,468	79,923	78,329
	<b>3,329,103</b>	<b>3,796,607</b>	<b>2,915,834</b>
<b>15(b) Operating Grants, Subsidies and Contributions</b>			
Contributions to Waste Education	111,560	108,868	112,368
	<b>111,560</b>	<b>108,868</b>	<b>112,368</b>
<b>15(c) Other Revenue</b>			
Landfill Levy	50,000	50,000	56,982
Fuel Tax Credit	63,062	62,000	63,062
Payroll Contributions	-	-	11,903
Insurance Reimbursements	5,000	3,200	9,375
Miscellaneous Reimbursements	5,000	5,000	11,691
Contributions to e-Waste Disposal	12,000	12,000	-
	<b>135,062</b>	<b>132,200</b>	<b>153,013</b>
<b>Total Fees and Charges, Other Revenue and Contributions</b>	<b>3,575,725</b>	<b>4,037,675</b>	<b>3,181,215</b>
<b>Total Fees and Charges, Other Revenue and Contributions by Program</b>			
Governance	111,560	108,868	112,368
Community Amenities	3,464,165	3,928,807	3,068,847
	<b>3,575,725</b>	<b>4,037,675</b>	<b>3,181,215</b>
<b>15(d) Non-Operating Grants, Subsidies and Contributions</b>			
Compost Aerator Units - 4 sets	-	115,200	115,200
Concrete Bunker Grant	-	96,000	96,000
	<b>-</b>	<b>211,200</b>	<b>211,200</b>



Notes to and forming part of the Budget for the year ending 30th June 2017

	NOTE	2016/17	2015/16	
		BUDGET	ORIGINAL BUDGET	FORECAST
		\$	\$	\$
<b>16 CAPITAL EXPENDITURE</b>				
<b>Stanley Road Operations</b>				
<b>Buildings</b>				
Replace Gatehouse/Amenities Building		45,000	45,000	-
New Administration Building		150,000	-	-
Waste Transfer Station Amenities Upgrade		10,300		
<b>Furniture and Equipment</b>				
Laptop Computer		-	2,500	-
Mobile Phone		-	350	509
Office Furniture		3,700	950	7,202
Office Computers (x4)		4,500	-	-
<b>Plant and Equipment</b>				
CEO - Car		-	48,500	50,719
Project Officer - Vehicle (with Tipper)		31,000	-	-
Replace i30 with Dual Cab		31,000	-	-
Test and Tag Equipment		1,000		
Air operated impact wrench		600		
Security Light		3,000		
Semi-Automatic Bin Tarpaulins		-	30,000	24,500
Hookbin Truck		-	265,000	263,000
Excavator 14 Tonne		-	175,000	-
Stanley Road - Track Skid Steer		-	90,000	-
Stanley Road - D8 Track Type Dozer		490,000	-	-
Landfill Compactor		825,000	-	-
10 New Groundwater Monitoring Bores		-	35,000	-
Bin Lifter		3,000	-	-
		<b>1,598,100</b>	<b>692,300</b>	<b>345,930</b>
<b>Banksia Road Operations</b>				
Land Site		1,000,000	-	-
Steam Operated Weed Killer		6,000	-	-
Compost Aerator Units - 5 Sets		-	180,000	180,884
Concrete Bunker For Finished Compost		35,644	155,000	119,766
	18	<b>1,041,644</b>	<b>335,000</b>	<b>300,650</b>
<b>Total</b>		<b>2,639,744</b>	<b>1,027,300</b>	<b>646,580</b>
<b>Capital Expenditure by Asset Type</b>				
Land & Buildings		1,205,300	45,000	-
Plant and Equipment		1,390,600	823,500	519,103
Furniture and Equipment		8,200	3,800	7,711
Infrastructure		35,644	155,000	119,766
<b>Total</b>		<b>2,639,744</b>	<b>1,027,300</b>	<b>646,580</b>

Notes to and forming part of the Budget for the year ending 30th June 2017

NOTE	2016/17	2015/16		
	BUDGET	ORIGINAL BUDGET	REVISED BUDGET	FORECAST
	\$	\$	\$	\$
<b>17 Stanley Road Rehabilitation (Capping)</b>				
Labour Costs	58,569	158,005	2,961	2,961
Plant Capital (D8T Truck Type Dozer)	490,000	132,500	-	-
Plant Costs	100,100	294,915	46,389	46,389
Capping Material	-	397,616	49,378	49,378
Contractors and Services	275,000	282,640	27,148	47,859
Mulch/Compost/Native Seed	-	60,200	-	-
	<b>923,669</b>	<b>1,325,876</b>	<b>125,876</b>	<b>146,587</b>
<b>Note:</b>				
The Stanley Road Rehabilitation budget follows:				
2014/15:	-	239,969		
2015/16:	146,587	1,325,876		
2016/17:	923,669	1,248,075		
2017/18	-	284,500		
2018/19 to 2024/25: Site Monitoring	-	216,000		
	<b>1,070,256</b>	<b>3,314,420</b>		
<b>Total for 11 years to 30/6/2025:</b>				
The 2016/17 expenditure will be funded from the Site Post Closure Rehabilitation Reserve:				
Site Post Closure Rehabilitation Reserve	12(b)	<b>2,882,159</b>	<b>2,994,470</b>	<b>3,722,559</b>
			<b>3,704,033</b>	

**Note:**

The long term budget from 2017/18 onwards will be reviewed after the outcome of the Closure and Post-Closure Management Plan, which was submitted to the Department of Environment Regulation in January 2016.

Notes to and forming part of the Budget for the year ending 30th June 2017

	2016/17	2015/16		
	BUDGET	ORIGINAL BUDGET	REVISED BUDGET	FORECAST
	\$	\$	\$	\$
<b>18 Organics Project</b>				
<u>Recycling Operations-Organics</u>				
Land Site	1,000,000	-	-	-
Compost Aerator Units - 5 Sets	-	180,000	180,100	180,884
Concrete Bunkers For Finished Compost	35,644	155,000	153,815	119,766
	<b>1,035,644</b>	<b>335,000</b>	<b>333,915</b>	<b>300,650</b>
<b>Capital Expenditure by Asset Type</b>				
Land and Buildings	1,000,000	-	-	-
Plant & Equipment	-	180,000	180,100	180,884
Infrastructure	35,644	155,000	153,815	119,766
	<b>1,035,644</b>	<b>335,000</b>	<b>333,915</b>	<b>300,650</b>

	2016/17	2015/16		
	BUDGET	BUDGET	REVISED	FORECAST
	\$			
<b>The proposed funding sources are:</b>				
Site Acquisition and Investigation Reserve	1,000,000	-	-	-
State/Commonwealth Grant Funding	-	211,200	211,200	211,200
Municipal Funds	35,644	123,800	122,715	89,450
<b>Total Capital Budget for Organics Project</b>	<b>1,035,644</b>	<b>335,000</b>	<b>333,915</b>	<b>300,650</b>

Notes to and forming part of the Budget for the year ending 30th June 2017

19 PERFORMANCE MEASURES

	2017	2016	2015	2014	Local Govt. Standard **
<b>Current Ratio:</b>					
$\frac{\text{Current Assets minus Restricted Assets}}{\text{Current Liabilities minus Restricted Liabilities}}$	2.29	3.74	7.72	6.02	> 1.0
<b>Asset Sustainability Ratio:</b>					
$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$	6.07	1.54	1.76	2.19	0.90 to 1.10
<b>Debt Service Cover Ratio:</b>					
$\frac{\text{Debt Service Cost}}{\text{Available Operating Revenue}}$	Nil	Nil	Nil	Nil	N/A
<b>Operating Surplus Ratio:</b>					
$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$	0.05	0.09	0.15	0.28	0.01 to 0.15 (basic standard)
<b>Own Source Revenue Coverage Ratio</b>					
$\frac{\text{own source operating revenue}^*}{\text{operating expense}}$	0.98	1.05	1.14	1.35	0.60 to 0.90 (intermediate standard)

\* Own Source Operating Revenue

Revenue from rates and service charges, fees and users charges, reimbursements and recoveries, interest income and profit on disposals of assets.

\*\* Local Government Standard Ratios

As per the Department of Local Government's Operational Guidelines Number 18.

**Note:**

Information relating to the asset consumption ratio and the asset renewal funding ratio can be found at Note 21 'Supplementary Ratio Information' on page 33 of this document.

Notes to and forming part of the Budget for the year ending 30th June 2017

	% Increase / Decrease	2016/17 FEES BUDGET (INCL GST)	2015/16 FEES BUDGET (INCL GST)	2014/15 FEES BUDGET (INCL GST)
<b>20 SCHEDULE OF TIPPING FEES</b>				
(As adopted previously at the Ordinary Council Meeting on 28 May 2016 for the 2016/17 financial year)				
<b>LOCATION: STANLEY ROAD WASTE MANAGEMENT FACILITY</b>				
<b>LIGHT VEHICLES</b>				
Per car or station wagon	0.0%	\$13.00	\$13.00	\$12.00
Per Utility or trailer (up to 1.8m x 1.2m)	0.0%	\$19.00	\$19.00	\$18.00
Per trailer or large utility (up to 2.1m x 1.2m) or trailer with sides exceeding 600mm	0.0%	\$29.00	\$29.00	\$27.00
<b>HEAVY VEHICLES - WEIGHBRIDGE</b>				
Co-mingled Waste per tonne	0.0%	\$57.00	\$57.00	\$55.00
<b>Minimum Charge</b>	-28.1%	<b>\$41.00</b>	<b>\$57.00</b>	<b>\$55.00</b>
Clean Green Waste per tonne	0.0%	\$41.00	\$41.00	\$41.00
<b>Minimum Charge</b>	0.0%	<b>\$41.00</b>	<b>\$41.00</b>	<b>\$41.00</b>
Clean Cardboard Waste per tonne	0.0%	\$28.50	\$28.50	\$28.50
<b>Minimum Charge</b>	0.0%	<b>\$28.50</b>	<b>\$28.50</b>	<b>\$28.50</b>
Clean Fill - Suitable for Daily Cover	0.0%	\$0.00	\$0.00	\$0.00
<b>Minimum Charge</b>	0.0%	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
Building and Demolition Waste per tonne (No Gyprock or Timber)	0.0%	\$5.00	\$5.00	\$5.00
<b>Minimum Charge</b>	0.0%	<b>\$5.00</b>	<b>\$5.00</b>	<b>\$5.00</b>
Clean Fill - Suitable for Site rehabilitation Minimum quantity 500 tonnes (By consultation with CEO)				\$0.00
<b>OTHER WASTE</b>				
Tyres - car (per tyre) from	0.0%	\$5.50	\$5.50	\$5.50
- truck ( per tyre) from	0.0%	\$20.00	\$20.00	\$20.00
Car bodies	0.0%	\$15.00	\$15.00	\$15.00
Special Burial (i.e. Asbestos) per tonne or part thereof	0.0%	\$82.00	\$82.00	\$82.00
<b>Minimum Charge</b>	0.0%	<b>\$82.00</b>	<b>\$82.00</b>	<b>\$82.00</b>
Quarantine Waste	0.0%	\$130.00	\$130.00	\$125.00
<b>Minimum Charge</b>	0.0%	<b>\$130.00</b>	<b>\$130.00</b>	<b>\$125.00</b>
<b>TIP PASSES</b>				
Charge to Shire of Harvey for tip pass usage - As per light vehicles as detailed above:				
Per Car or Station Wagon	0.0%	\$13.00	\$13.00	\$12.00
Utility or Trailer	0.0%	\$19.00	\$19.00	\$18.00
Large Trailer / Large Utility	0.0%	\$29.00	\$29.00	\$27.00
<b>CONSTITUENT COUNCILS REBATE</b>				
City of Bunbury per tonne	0.0%	\$11.00	\$11.00	\$11.00
Shire of Harvey per tonne	0.0%	\$11.00	\$11.00	\$11.00

Notes to and forming part of the Budget for the year ending 30th June 2017

	<b>% Increase / Decrease</b>	<b>2016/17 FEES BUDGET (INCL GST)</b>	<b>2015/16 FEES BUDGET (INCL GST)</b>	<b>2014/15 FEES BUDGET (INCL GST)</b>
<b>LOCATION: BANKSIA ROAD WASTE MANAGEMENT FACILITY</b>				
<b><i>HEAVY VEHICLES WEIGHBRIDGE</i></b>				
Organic Waste per tonne	3.2%	\$32.00	\$31.00	\$23.50
<b><i>Minimum Charge</i></b>	3.2%	<b><i>\$32.00</i></b>	<b><i>\$31.00</i></b>	<b><i>\$23.50</i></b>
Clean Green Waste per tonne	2.1%	\$24.00	\$23.50	\$23.50
<b><i>Minimum Charge</i></b>	2.1%	<b><i>\$24.00</i></b>	<b><i>\$23.50</i></b>	<b><i>\$23.50</i></b>
Organic Waste with over 5% Contamination per tonne	0.0%	\$115.50	\$115.50	\$110.00
<b><i>Minimum Charge</i></b>	0.0%	<b><i>\$115.50</i></b>	\$115.50	\$110.00

**NOTE:**

The proposed fees include 10% G S T

Notes to and forming part of the Budget for the year ending 30th June 2017

21 SUPPLEMENTARY RATIO INFORMATION

	2017	2016	2015	2014	LTFP** Target Ratios
<b>Asset Consumption Ratio:</b>					
$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciated assets}}$	0.78	0.73	0.77	0.82	0.60 to 0.75
<b>Asset renewal Funding ratio:</b>					
$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$	0.90	0.90	0.90	0.90	0.75 to 0.95

It is assumed that the BHRC will have sufficient funds, or access to borrowing or government grants, to meet asset renewal needs as they arise, however there may be other limiting factors such as delayed approvals, and or a shortage of contractors/suppliers etc. to get the work done as required. Therefore an allowance of 10% has been made for such contingencies.

**\*\* Local Government Standard Ratios**

As per the Department of Local Government's Operational Guidelines Number 18.