



WASTE DISPOSAL AUTHORITY
Established 1st January 1990

**DRAFT
BUDGET**

FOR

YEAR ENDING 30 JUNE 2016

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Executive Introduction

The 2015/16 draft budget has been prepared with regard to the following assumptions and estimates:

1. This budget has prepared based on the assumption that the Stanley Road landfill licence will be extended to 31/12/16.
2. Inflation 2.5% and a 2.5% increase in wages. There will be an increase of 2.0 FTE's for a fulltime CEO (from 1/10/15) and Admin support, and additional 1.32 FTE's for Organics and Skip Bin Recycling. A Total of 17.0 FTE's in 2015/16.
3. Councillor meeting attendance fees remain at the minimum fee of \$88 per Ordinary meeting, and the chairman's fee per meeting at \$176.
4. Fees and Charges of \$3.796 million based on an 3.6% per tonne increase in the co-mingled and green waste tonnage rate (as per the agenda item presented at the May 28th 2015 Ordinary meeting of Council) This represents a 5% increase in revenue over the 2014/15 year.
5. An operating deficit of \$322K which includes expenditure of \$1.325M for Stanley Road rehabilitation.
6. The draft budget statements contain a forecast to 30 June 2015 and a column (shaded grey) for the 2015/16 budget.
7. The following capital expenditure table totalling \$1.692M will be funded by Reserves (\$530K), Grants (\$0K), and Municipal Funds (\$1.162M).

Asset description	Stanley Road	Organics
CEO Vehicle and Office Equipment	\$ 52K	
Hookbin Truck and Tarpaulins (\$30K carried forward)	\$ 295K	
Staff Amenities Replacement	\$ 45K	
Track Skid Steer	\$ 90K	
10 New Groundwater Monitoring Bores	\$ 35K	
14 Tonne Excavator	\$ 175K	
Replacement Site Organics Recycling		\$ 1.0M
TOTALS	\$ 692K	\$ 1.0M

8. Transfers to and from Reserves:

	To	To	From	Balance 30/6/16
RESERVE	Interest	Ex muni Funds	Capital	
Plant & Infrastructure	\$ 7K	\$ 500K	\$ 397K	\$ 613K
Site Post Closure Rehabilitation	\$ 74K		\$134K	\$2.994M
Waste Minimisation	\$ 17K	\$ 79K		\$ 706K
Banksia Road Landfill Construction *(see Point 9)			\$516K	\$ 0
Stanley Road Lined Cell Construction Reserve *(see point 9)	\$ 13K	\$ 516K		\$ 530K
TOTALS	\$ 111K	1.095M	\$1.046	\$4.843M

9. Transfer of the Banksia Road Construction Reserve Funds totalling \$516,503 to the new "Stanley Road Lined Cell Construction Reserve" as the Regional Council was not successful in obtaining the Banksia Road , Dardanup site.

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

for the Bunbury-Harvey Regional Council for the 2015/16 financial year were adopted by the Council at the Ordinary Meeting held on 16 July 2015.

N McNeill
CHAIRMAN

T Battersby
CHIEF EXECUTIVE OFFICER



BUNBURY - HARVEY
Regional Council

WASTE DISPOSAL AUTHORITY

Established 1st January 1990

SCHEDULE OF CONSTITUENT COUNCILS:

CITY OF BUNBURY



SHIRE OF HARVEY



BUNBURY - HARVEY REGIONAL COUNCIL

ELECTED MEMBERS AND EXECUTIVE STAFF

CHAIRMAN:

Cr N McNeill

LOCAL AUTHORITY

City of Bunbury

COUNCIL MEMBERS:

Cr J Jones	City of Bunbury
Cr G Campbell	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
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CHIEF EXECUTIVE OFFICER:

Mr Tony Battersby

ACCOUNTANT:

Mr Chris Welham	City of Bunbury
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AUDITORS:

Grant Thornton

PRINCIPAL PLACE OF BUSINESS:

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

Administration: 21 McCombe Road, Davenport WA 6230

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

**STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30th JUNE 2016**

	NOTE	2015/16 BUDGET	2014/15		
			ORIGINAL BUDGET	REVISED BUDGET	FORECAST
REVENUE					
Fees and Charges	15(a)	3,796,607	4,001,754	3,889,754	3,494,317
Interest	10	145,784	215,655	272,165	201,004
Contributions	15(a)	108,868	100,000	110,000	110,000
Other Revenue	15(a)	132,200	660,000	650,600	575,753
Total Operating Revenue		4,183,459	4,977,409	4,922,519	4,381,074
EXPENSES					
Employee Costs		(1,408,094)	(1,088,896)	(1,138,899)	(1,210,231)
Material and Contracts		(2,275,180)	(2,255,855)	(1,200,417)	(1,200,417)
Utility Charges		(9,795)	(8,830)	(9,500)	(9,500)
Depreciation	3	(494,655)	(508,783)	(410,150)	(516,371)
Insurance		(40,332)	(39,902)	(46,609)	(46,609)
Other Expenditure		(278,123)	(581,880)	(753,355)	(753,355)
Total Operating Expenses		(4,506,178)	(4,484,146)	(3,558,930)	(3,736,483)
		(322,719)	493,262	1,363,589	644,591
Non-Operating Grants, Subsidies and Contributions	15(b),18	-	470,000	52,800	52,800
Profit on Asset Disposals	4	-	-	-	-
Loss on Asset Disposals	4	-	(48,889)	(36,311)	(36,311)
NET RESULT		(322,719)	914,374	1,380,078	661,080
Other Comprehensive Income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		(322,719)	914,374	1,380,078	661,080

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 in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at time of budget adoption.

Fair value adjustments relating to the fair value of financial assets at fair value, through profit or loss will be assessed at the time they occur with compensating budget adjustments 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 \$1,325,876 budgeted for 2015/16 compared to a forecast of \$239,969 in 2014/15 for site rehabilitation.

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

**STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30th JUNE 2016**

	NOTE	2015/16	2014/15		
			ORIGINAL BUDGET	REVISED BUDGET	FORECAST
REVENUE	2				
Governance		108,868	100,000	110,000	110,000
Community Amenities		3,928,807	4,661,754	4,540,354	4,070,070
General Purpose Funding	10	145,784	215,655	272,165	201,004
Total Operating Revenue		4,183,459	4,977,409	4,922,519	4,381,074
EXPENSES	2				
Governance		(449,481)	(393,944)	(346,298)	(351,328)
Community Amenities		(4,056,698)	(4,090,202)	(3,212,632)	(3,385,155)
Total Operating Expenses		(4,506,178)	(4,484,146)	(3,558,930)	(3,736,483)
		(322,719)	493,262	1,363,589	644,591
Non-Operating Grants, Subsidies and Contributions					
Community Amenities	15(b),18	-	470,000	52,800	52,800
Profit/(Loss) on Disposal of Assets					
Community Amenities	4	-	(48,889)	(36,311)	(36,311)
NET RESULT		(322,719)	914,374	1,380,078	661,080
Other Comprehensive Income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		(322,719)	914,374	1,380,078	661,080

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 in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at time of budget adoption.

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

Communities Amenities expenditure includes \$1,325,876 budgeted for 2015/16 compared to a forecast of \$239,969 in 2014/15 for site rehabilitation.

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

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30th JUNE 2016**

	NOTE	2015/16	2014/15		
		BUDGET	ORIGINAL BUDGET	REVISED BUDGET	FORECAST
<u>CURRENT ASSETS</u>					
Cash and Cash Equivalents	5,11(a)	5,419,964	6,299,189	7,305,184	6,918,819
Trade and Other Receivables	6	332,007	520,000	520,000	318,963
Inventories		2,000	3,000	3,000	1,822
Total Current Assets		5,753,971	6,822,189	7,828,184	7,239,605
<u>NON CURRENT ASSETS</u>					
Property, Plant & Equipment	7(a)	3,389,654	2,627,488	2,296,729	2,154,183
Infrastructure	7(b)	611,857	948,627	818,277	649,683
Total Non Current Assets		4,001,511	3,576,115	3,115,006	2,803,866
<u>TOTAL ASSETS</u>		9,755,482	10,398,304	10,943,190	10,043,471
<u>CURRENT LIABILITIES</u>					
Trade and Other Payables	8(a)	189,500	223,203	223,203	180,056
Provisions	8(b)	161,839	78,383	78,383	151,259
Total Current Liabilities		351,339	301,586	301,586	331,315
<u>NON CURRENT LIABILITIES</u>					
Provision - Long Service Leave		30,747	46,545	46,545	16,040
Total Non Current Liabilities		30,747	46,545	46,545	16,040
<u>TOTAL LIABILITIES</u>		382,086	348,131	348,131	347,355
NET ASSETS		9,373,396	10,050,173	10,595,059	9,696,115
EQUITY					
Retained Surplus		4,342,076	6,129,102	5,517,477	4,824,715
Reserves - Cash Backed	12	4,843,354	3,734,768	4,891,279	4,683,434
Revaluation Surplus		187,966	186,303	186,303	187,966
TOTAL EQUITY		9,373,396	10,050,173	10,595,059	9,696,115

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th JUNE 2016**

	NOTE	2015/16	2014/15	
		BUDGET	BUDGET	FORECAST
		\$	\$	\$
RETAINED SURPLUS				
Balance at beginning of year		4,824,715	4,864,292	4,765,292
Net Result		(322,719)	914,374	661,080
Transfer from Reserves	14	1,046,503	1,603,169	672,581
Transfer to Reserves	13	(1,206,423)	(1,252,733)	(1,274,238)
Balance at end of year		4,342,076	6,129,102	4,824,715
RESERVES				
	12			
Balance at beginning of year		4,683,434	4,085,205	4,081,777
Transfers from Retained Surplus	13	1,206,423	1,252,732	1,274,238
Transfers to Retained Surplus	14	(1,046,503)	(1,603,169)	(672,581)
Balance at end of year		4,843,354	3,734,768	4,683,434
REVALUATION SURPLUS				
Balance at beginning of year		187,966	186,303	187,966
Transfers from Retained Surplus		-	-	-
Transfers to Retained Surplus		-	-	-
		187,966	186,303	187,966
TOTAL EQUITY		9,373,396	10,050,173	9,696,115
EQUITY IN JOINT VENTURE				
City of Bunbury	89.60%	8,398,562	9,004,955	8,687,719
Shire of Harvey	10.40%	974,833	1,045,218	1,008,396
TOTAL EQUITY		9,373,396	10,050,173	9,696,115

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30th JUNE 2016**

	NOTE	2015/16	2014/15	
		BUDGET	BUDGET	FORECAST
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Receipts</i>				
Fees and Charges		3,683,607	3,911,457	3,686,303
Interest Earnings		132,740	220,655	215,393
Contributions		129,068	105,000	150,236
Other Revenue		112,000	655,000	535,517
		4,057,415	4,892,112	4,587,449
<i>Payments</i>				
Employee Costs		(1,382,807)	(1,111,352)	(1,213,544)
Materials and Contracts		(2,265,915)	(2,286,849)	(1,373,896)
Utility Charges		(9,795)	(8,830)	(9,500)
Insurance		(40,332)	(39,902)	(46,609)
Other		(278,124)	(581,880)	(753,356)
		(3,976,973)	(4,028,813)	(3,396,904)
Net Cash Provided by Operating Activities	11(b)	80,443	863,300	1,190,545
Cash flows from Investing Activities				
<i>Receipts</i>				
Contributions for the development of assets	15(b),18	-	470,000	52,800
Proceeds from Sale of Pant and Equipment	4	-	110,000	80,500
		0	580,000	133,300
<i>Payments</i>				
Payment for Purchase of Land and Buildings		(1,045,000)	-	-
Payment for Purchase of Plant and Equipment		(643,500)	(924,687)	(445,862)
Payment for Purchase of Furniture and Equipment		(3,800)	(1,400)	(755)
Payments for Construction of Infrastructure		-	(188,000)	(37,250)
	16	(1,692,300)	(1,114,087)	(483,867)
Net Cash Used in Investing Activities		(1,692,300)	(534,088)	(350,567)
Net Increase (Decrease) in Cash Held		(1,611,857)	329,212	839,978
Cash at Beginning of Year		7,031,819	5,969,977	6,191,841
Cash and Cash Equivalents at End of Year	5	5,419,963	6,299,189	7,031,819

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

**FEE SETTING STATEMENT
FOR THE YEAR ENDED 30th JUNE 2016**

	NOTE	2015/16	2014/15	
		BUDGET	BUDGET	FORECAST
		\$	\$	\$
Revenue (Excluding Fees & Charges)				
Interest Earnings	10	145,784	215,655	201,004
Profit On Disposal of Asset	4	-	-	-
Contributions	15(a)	108,868	100,000	110,000
Other Revenue	15(a)	132,200	660,000	575,753
		386,852	975,655	886,757
Less Expenditure				
Employee Costs		(1,408,094)	(1,088,896)	(1,210,231)
Material and Contracts		(2,275,180)	(2,255,855)	(1,200,417)
Utility Charges		(9,795)	(8,830)	(9,500)
Depreciation	3	(494,655)	(508,783)	(516,371)
Insurance		(40,332)	(39,902)	(46,609)
Other		(278,123)	(630,769)	(789,666)
		(4,506,178)	(4,533,035)	(3,772,794)
		(4,119,326)	(3,557,380)	(2,886,036)
Net Result Excluding Fees and Charges Adjustments for Cash Budget Requirements:				
Non Cash Expenditure and Revenue				
Depreciation on Assets	3	494,655	508,783	516,371
(Profit)/Loss on Sale of Assets		-	48,889	36,311
Movement in Employee Benefit Provisions		14,706	30,854	348
		509,361	588,526	553,030
Capital Revenue				
Contributions for the development of assets	15(b),18	-	470,000	52,800
Proceeds from Disposal of Assets	4	-	110,000	80,500
		-	580,000	133,300
Capital Expenditure				
Purchase of Land and Buildings	16	(1,045,000)	-	-
Purchase Plant & Equipment		(643,500)	(924,687)	(445,862)
Purchase Furniture & Equipment		(3,800)	(1,400)	(755)
Purchase Infrastructure		-	(188,000)	(37,250)
		(1,692,300)	(1,114,087)	(483,867)
Financial Transfers				
Transfer From Reserves (Restricted Assets)	14	1,046,504	1,603,169	672,581
Transfer to reserves (Restricted Assets)	13	(1,206,423)	(1,252,733)	(1,274,238)
		(159,920)	350,435	(601,658)
ADD: Estimated Surplus/(Deficit) July 1 B/fwd	11(c)	2,224,855	1,936,587	2,015,769
LESS: Estimated Surplus/(Deficit) June 30 C/Fwd	11(c)	(559,277)	(2,785,834)	(2,224,855)
Amount Required to be Raised From Fees & Charges	15(a)	(3,796,607)	(4,001,754)	(3,494,317)

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

Notes to and forming part of the Budget for the year ending 30th June 2016

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) 2014/15 Forecast Balances

Balances shown in this budget as 2014/15 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 30th June 2016

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 30th June 2016

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.

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government –
 - (i) that are plant and equipment; and
 - (ii) that are –
 - (I) land and buildings; or
 - (II) infrastructure; and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the budget as necessary.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Fixed Assets (Continued)

Initial Recognition and Measurement between Mandatory Revaluation Dates (Continued)

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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Fixed Assets (Continued)

Depreciation (Continued)

The assets 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 profit or loss 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 \$750 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 activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

As detailed above, 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.

(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
- (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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Financial Instruments (Continued)
Classification and Subsequent Measurement (Continued)

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)

(I) **Financial Instruments (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.

(m) 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 2015.

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

(n) 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)

(o) 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.

(p) 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 30th June 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) 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.

(r) Comparative Figures

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

(s) 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.

(t) Late Payment Interest Charge

A charge on unpaid fees and charges of 11% interest, calculated on a simple interest basis for the number of days outstanding, may apply on unpaid outstanding 35 days from the date of invoices raised after 1 July 2015.

Notes to and forming part of the Budget for the year ending 30th June 2016

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.

Activities:

Operation of landfill facilities.

Notes to and forming part of the Budget for the year ending 30th June 2016

NOTE	2015/16	2014/15	
	BUDGET	BUDGET	FORECAST
	\$	\$	\$
3 DEPRECIATION			
Classified According to Asset Class			
Buildings	16,792	18,350	14,149
Furniture and Equipment	428,794	11,224	451,234
Plant and Machinery	11,243	435,158	10,598
Infrastructure	37,826	44,051	40,389
Total	494,655	508,783	516,371
Classified According To Program			
Governance	6,550	10,742	6,233
Community Amenities	488,105	498,040	510,138
Total	494,655	508,783	516,371
4 PROFIT/(LOSS) ON DISPOSAL OF ASSETS			
Proceeds from Sale of Plant	-	110,000	80,500
Less:			
Asset Value (at cost)	-	238,000	168,000
Less Provision for Depn. Written back	-	(79,111)	(51,189)
Carrying amount of assets sold	-	158,889	116,811
Profit/(Loss) on Disposal	-	(48,889)	(36,311)
Made up as follows:			
Loss on Sale of Caterpillar 950H Wheel Loader	-	(48,889)	(36,311)
	-	(48,889)	(36,311)

Notes to and forming part of the Budget for the year ending 30th June 2016

	NOTE	2015/16	2014/15	
		BUDGET	ORIGINAL BUDGET	FORECAST
		\$	\$	\$
5 CASH				
Restricted		4,843,354	3,734,769	4,683,434
Unrestricted		576,610	2,564,420	2,348,386
Total	11(a)	5,419,964	6,299,189	7,031,819
The following restrictions have been imposed by regulation or other externally imposed requirements				
Plant and Equipment Reserve		613,518	422,243	503,530
Site (Post Closure) Rehabilitation Reserve		2,994,470	2,167,409	3,053,390
Waste Minimisation Reserve		705,827	634,845	610,011
Banksia Road Construction Reserve		-	510,272	516,503
Stanley Road Lined Cell Construction Reserve		529,539	-	-
		4,843,354	3,734,769	4,683,434
6 RECEIVABLES				
Current				
Trade Debtors		300,000	500,000	300,000
Accrued Interest		32,007	20,000	18,963
		332,007	520,000	318,963
7(a) PROPERTY, PLANT AND EQUIPMENT				
Freehold Land		1,000,000	-	-
Less Depreciation		-	-	-
		1,000,000	-	-
Buildings - at Management Valuation 2014		202,075	302,873	157,075
Less Depreciation		(30,941)	(98,255)	(14,149)
		171,134	204,618	142,926
Vehicles, Plant and Machinery - at Management Valuation 2013		3,376,149	3,251,049	2,732,649
Less Depreciation		(1,174,815)	(851,563)	(746,021)
		2,201,334	2,399,486	1,986,628
Furniture and Equipment - at Management Valuation 2014		39,028	79,651	35,228
Less Depreciation		(21,842)	(56,267)	(10,598)
		17,186	23,384	24,629
Total Net Book Value of Property Plant & Equipment		3,389,654	2,627,488	2,154,183
7(b) INFRASTRUCTURE				
Infrastructure - at cost/(Waste Transfer Station at Management Valuation 2014)		714,516	1,039,862	714,516
Less Depreciation		(102,659)	(91,235)	(64,833)
Total Net Book Value of Infrastructure		611,857	948,627	649,683

Notes to and forming part of the Budget for the year ending 30th June 2016

NOTE	2015/16	2014/15	
	BUDGET	BUDGET	FORECAST
	\$	\$	\$
8(a) TRADE AND OTHER PAYABLES			
Sundry Trade Creditors	140,000	150,000	131,556
Accrued Wages	-	-	-
Security Bonds	500	500	500
Taxation Liabilities	49,000	72,703	48,000
Total Creditors	189,500	223,203	180,056
8(b) PROVISIONS			
Provisions for Annual & Long Service Leave	161,839	78,383	151,259
	161,839	78,383	151,259
8(c) AUDITORS REMUNERATION			
Audit Fees	6,500	4,290	6,274
9 MEMBERS FEES AND ALLOWANCES			
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 2015/16 are:-			
Members Attendance Fees	6,526	6,336	6,336
Members Expenses	1,800	1,800	1,800
10 INTEREST ON INVESTMENTS			
Surplus funds are invested on term deposits with local financial institutions.			
Estimated return on investments are:-			
General Funds	35,787	61,322	47,702
Plant & Infrastructure Replacement Reserve	7,488	16,505	20,159
Site (Post Closure) Rehabilitation Reserve	73,581	107,410	103,909
Waste Minimisation Reserve	15,893	20,146	12,006
Banksia Road Construction Reserve	13,034	10,272	17,228
Total Interest on Investments	145,784	215,655	201,004

Notes to and forming part of the Budget for the year ending 30th June 2016

	NOTE	2015/16	2014/15	
		BUDGET	BUDGET	FORECAST
		\$	\$	\$
11 NOTE TO STATEMENT OF CASH FLOWS				
a) RECONCILIATION OF CASH				
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		241,791	3,190,159	369,538
Investments		5,178,172	3,109,030	6,662,281
	5	5,419,963	6,299,189	7,031,819
b) RECONCILIATION OF CASH USED IN OPERATING ACTIVITIES				
Net Result		(322,719)	914,374	661,080
Depreciation	3	494,655	508,783	516,371
Increase (Decrease) in Provision for Annual and Long Service Leave		25,287	(22,455)	31,746
(Increase) Decrease in Trade & Other Receivables		(126,044)	(85,296)	206,375
(Increase) Decrease in Invenories		(178)	-	(0)
Increase (Decrease) in Prepayments		-	-	-
Increase (Decrease) in Sundry Creditors		8,443	-	(163,006)
Increase (Decrease) in Taxation Liabilities		1,000	2,435	(10,473)
(Profit)/Loss on Sale of Assets		-	48,889	36,311
Increase (Decrease) in Accrued Interest		-	-	-
Increase (Decrease) in Accrued Wages		-	(33,429)	(35,058)
Contributions for the development of assets	15(b)	-	(470,000)	(52,800)
		80,444	863,300	1,190,545
c) CURRENT POSITION/RECONCILIATION OF OPENING FUNDS				
Net Current Assets -				
As per Statement of Financial Position		5,402,631	6,520,603	6,908,289
Less Restricted Funds	5	(4,843,354)	(3,734,769)	(4,683,434)
Closing Funds as per Fee Setting Statement		559,277	2,785,834	2,224,855

Notes to and forming part of the Budget for the year ending 30th June 2016

	2015/16 BUDGET	2014/15		
		BUDGET	REVISED BUDGET	FORECAST
12 RESERVE FUNDS				
(a) PLANT AND INFRASTRUCTURE RESERVE				
<i>Purpose: To set aside funds for the future replacement of machinery, plant, vehicles and site infrastructure.</i>				
Balance at at 1 July	503,530	418,938	418,938	416,210
Transfers from Accumulated Surplus	507,488	516,505	528,555	519,932
Transfers to Accumulated Surplus	(397,500)	(513,200)	(263,200)	(432,612)
Balance at at 30th June	613,518	422,243	684,293	503,530
(b) SITE (POST CLOSURE) REHABILITATION RESERVE				
<i>Purpose: To set aside funds on an annual basis to provide resources for rehabilitation of the tip site following closure</i>				
Balance as at 1st July	3,053,390	3,149,968	3,149,968	3,152,086
Transfers from Accumulated Surplus	73,580	107,410	151,870	141,273
Transfers to Accumulated Surplus	(132,500)	(1,089,969)	(239,969)	(239,969)
Balance as at 30th June	2,994,470	2,167,409	3,061,869	3,053,390
(c) WASTE MINIMISATION RESERVE				
<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	610,011	516,299	516,299	513,481
Transfers from Accumulated Surplus	95,816	118,546	118,546	96,530
Transfers to Accumulated Surplus	-	-	-	-
Balance as at 30th June	705,827	634,845	634,845	610,011
(d) BANKSIA ROAD CONSTRUCTION RESERVE				
<i>Purpose: To set aside funds for cell construction</i>				
Balance as at 1st July	516,503	-	-	-
Transfers from Accumulated Surplus	-	510,272	510,272	516,503
Transfer to Stanley Road Lined Cell Construction Reserve	(516,503)	-	-	-
Transfers to Accumulated Surplus	-	-	-	-
Balance as at 30th June	-	510,272	510,272	516,503
(d) STANLEY ROAD LINED CELL CONSTRUCTION RESERVE				
<i>Purpose: To set aside funds for cell construction</i>				
Balance as at 1st July	-	-	-	-
Transfers from Accumulated Surplus	13,036	-	-	-
Transfer from Banksia Road Construction Reserve	516,503	-	-	-
Transfers to Accumulated Surplus	-	-	-	-
Balance as at 30th June	529,539	-	-	-
Total Reserve Funds	4,843,354	3,734,768	4,891,279	4,683,434

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 2016

	2015/16	2014/15	
	BUDGET	BUDGET	FORECAST
	\$	\$	\$
13 TRANSFER TO RESERVES			
<u>Plant and Equipment Reserve</u>			
Interest on Investments	7,487	16,505	19,932
Additional Funds (Transfer from Accumulated Funds)	500,000	500,000	500,000
Total	507,487	516,505	519,932
<u>Site (Post Closure) Rehabilitation Reserve</u>			
Interest on Investments	73,581	107,410	141,273
Additional Funds (Transfer from Accumulated Funds)	-	-	-
Total	73,581	107,410	141,273
<u>Waste Minimisation Reserve</u>			
Interest on Investments	16,796	20,146	15,929
Additional Funds (Transfer from Accumulated Funds)	79,021	98,400	80,600
Total	95,817	118,546	96,529
<u>Banksia Road Construction reserve</u>			
Interest on Investments	-	10,272	16,504
Additional Funds (Transfer from Accumulated Funds)	-	500,000	500,000
Total	-	510,272	516,504
<u>Stanley Road Lined Cell Construction Reserve</u>			
Interest on Investments	13,035	-	-
Transfer from Banksia Road Construction Reserve	516,503	-	-
Total	529,538		
Total Transfers to Reserves(from other reserves)	516,503		
Total Transfer to Reserves (from Accum. Funds)	689,920		
Total Transfer to Reserves	1,206,423	1,252,733	1,274,238
14 TRANSFER FROM RESERVES			
<u>Plant & Infrastructure Reserve</u>			
As per Capital Expenditure Note 17	397,500	513,200	432,612
Total	397,500	513,200	432,612
<u>Site (Post Closure) Rehabilitation Reserve</u>			
Capital Equipment - Stanley Road Rehabilitation Works	132,500	1,089,969	239,969
Total	132,500	1,089,969	239,969
<u>Banksia Road Construction Reserve</u>			
Transfer to Stanley Road Lined Cell Construction Reserve	516,503	-	-
Total	516,503	-	-
Total Transfers from Reserves(to other reserves)	516,503		
Total Transfer from Reserves (to Accum. Funds)	530,000		
Total Transfer from Reserves	1,046,503	1,603,169	672,581

Notes to and forming part of the Budget for the year ending 30th June 2016

NOTE	2015/16	2014/15	
	BUDGET	BUDGET	FORECAST
15(a) FEES AND CHARGES AND OTHER REVENUE			
Casual Tipping Fees	1,828,570	2,157,646	1,701,624
Disposals - City of Bunbury	499,896	473,010	482,060
Disposals - Shire of Harvey	399,430	391,893	385,178
Tip Passes - Shire of Harvey	192,738	175,032	183,560
Sale of Recyclables	140,378	168,000	143,622
Banksia Road Organics and Compost	452,944	391,500	325,400
CoB Support Staff	188,568	143,249	189,249
Hookbin Hire	14,160	3,024	3,024
Waste Minimisation Revenue	79,923	98,400	80,600
Total Fees & Charges	3,796,607	4,001,754	3,494,317
Other Revenue			
Landfill Levy	50,000	615,000	472,606
Fuel Tax Credit	62,000	40,000	62,911
Payroll Contributions	-	-	7,536
Insurance Reimbursements	3,200	-	5,800
Miscellaneous Reimbursements	5,000	5,000	26,900
Contributions to e-Waste Disposal	12,000	-	-
Contributions to Waste Education	108,868	100,000	110,000
	241,068	760,000	685,753
Total Fees and Charges and Other Revenue	4,037,675	4,761,754	4,180,070
Total Fees and Charges and Other Revenue By Program			
Governance	108,868	100,000	110,000
Community Amenities	3,928,807	4,661,754	4,070,070
	4,037,675	4,761,754	4,180,070
15(b) Non-Operating Grants, Subsidies and Contributions			
Compost Aerator Units - 4 sets	-	145,000	52,800
Grant - Banksia Road Project	-	-	-
New Loader Grant	-	200,000	-
Concrete Bunker Grant	-	125,000	-
	-	470,000	52,800

Notes to and forming part of the Budget for the year ending 30th June 2016

	NOTE	2015/16	2014/15	
		BUDGET	BUDGET	FORECAST
		\$	\$	\$
16 CAPITAL EXPENDITURE				
Stanley Road Operations				
Buildings				
Replace Gatehouse/Amenities Building		45,000	-	-
Furniture and Equipment				
Laptop Computer		2,500	-	-
Mobile Phone		350	-	-
Office Furniture		950	-	423,680
Desktop Computer		-	1,400	755
Plant and Equipment				
CEO - Car		48,500	-	-
Frontend Loader		-	340,000	310,800
Implement Loader		-	115,000	82,875
Semi-Automatic Bin Tarpaulins		30,000	-	-
Hookbin Truck		265,000	-	-
Excavator 14 Tonne		175,000	-	-
Stanley Road - Track Skid Steer		90,000	-	-
10 New Groundwater Monitoring Bores		35,000	-	-
Infrastructure				
Upgrade Landfill Access Road		-	25,000	29,250
		692,300	481,400	847,360
Banksia Road Operations				
Screening Plant		-	19,487	19,487
Compost Aerator Units - 5 Sets		-	180,000	-
Diesel 10Kva Generator		-	9,000	9,000
8" Sea Container		-	3,200	3,200
100,000L Water Tank And Pump		-	8,000	8,000
1 x One Cubic Meter Kibble		-	-	1,500
Modification to JCB Loader Bucket		-	-	1,200
Weighing System & Printer for JCB Loader		-	-	8,500
Odour Granule Broadcaster		-	-	1,300
Loader		-	250,000	-
Concrete Bunker For Finished Compost		-	155,000	-
Litter Fence Around Leachate Pond		-	8,000	8,000
Replacement Site for Banksia Road		1,000,000	-	-
	18	1,000,000	632,687	60,187
Total		1,692,300	1,114,087	907,547
Capital Expenditure by Asset Type				
Land & Buildings		1,045,000	-	-
Plant and Equipment		643,500	924,687	445,862
Furniture and Equipment		3,800	1,400	755
Infrastructure		-	188,000	37,250
Total		1,692,300	1,114,087	483,867

Notes to and forming part of the Budget for the year ending 30th June 2016

NOTE	2015/16	2014/15		
	BUDGET	BUDGET	REVISED BUDGET	FORECAST
	\$	\$	\$	\$
17 Stanley Road Rehabilitation (Capping)	-	-		
Labour Costs	158,005	186,601	5,645	5,645
Plant Capital	132,500	-	-	-
Plant Costs	294,915	356,909	88,436	88,436
Capping Material	397,616	298,211	94,133	94,133
Contractors and Services	282,640	30,749	51,755	51,755
Mulch/Compost/Native Seed	60,200	97,499	-	-
Stormwater	-	120,000	-	-
	1,325,876	1,089,969	239,969	239,969
Note:				
The Stanley Road Rehabilitation budget follows:				
2014/15: Capping	239,969	1,089,969		
2015/16: Capping	1,325,876	1,325,876		
2016/17: Capping	1,248,075	1,008,075		
2017/18 Capping	284,500	-		
2018/19 to 2024/25: Site Monitoring	216,000	201,000		
	3,314,420	3,624,920		
Total for 11 years to 30/6/2025:				
The 2015/16 expenditure will be funded from municipal funds. All other expenditure will be funded from the Site Post Closure Rehabilitation Reserve:				
Site Post Closure Rehabilitation Reserve	12(b)	2,994,470	2,167,409	3,061,869
			3,053,390	

Notes to and forming part of the Budget for the year ending 30th June 2016

	2015/16	2014/15		
	BUDGET	BUDGET	REVISED BUDGET	FORECAST
	\$	\$	\$	\$
18 Organics Project				
<u>Recycling Operations-Organics</u>				
Purchase of Alternative Land Site	1,000,000	-	-	-
Screening Plant	-	19,487	19,487	19,487
Compost Aerator Units - 5 Sets	-	180,000	-	-
Diesel 10Kva Generator	-	9,000	9,000	9,000
8" Sea Container	-	3,200	3,200	3,200
100,000L Water Tank And Pump	-	8,000	8,000	8,000
1 x One Cubic Meter Kibble	-	-	1,500	1,500
Modification to JCB Loader Bucket	-	-	1,200	1,200
Weighing System with Printer for JCB Loader	-	-	8,500	8,500
Odour Granule Broadcaster	-	-	1,300	1,300
Loader	-	250,000	-	-
Concrete Bunker For Finished Compost	-	155,000	-	-
Litter Fence Around Leachate Pond	-	8,000	8,000	8,000
	1,000,000	632,687	60,187	60,187
Capital Expenditure by Asset Type				
Land and Buildings	1,000,000	-	-	-
Plant & Equipment	-	469,687	52,187	52,187
Furniture & Equipment	-	-	-	-
Infrastructure	-	163,000	8,000	8,000
	1,000,000	632,687	60,187	60,187

	2015/16	2014/15		
	BUDGET	BUDGET	REVISED BUDGET	FORECAST
	\$	\$	\$	\$
The proposed funding sources are:				
Bunbury-Harvey Regional Council Investment	1,000,000	162,687	7,387	7,387
Waste Authority Investment Funding	-	325,000	-	-
State/Commonwealth Grant Funding	-	145,000	52,800	52,800
Total Capital Budget for Organics Project	1,000,000	632,687	60,187	60,187

Notes to and forming part of the Budget for the year ending 30th June 2016

19 PERFORMANCE MEASURES	2016	2015	2014	2013	Local Govt. Standard**
	\$	\$	\$	\$	2016 \$
Current Ratio:					
<u>Current Assets minus Restricted Assets</u> Current Liabilities minus Restricted Liabilities	2.59	7.72	6.02	5.18	> 1.0
Asset Sustainability Ratio:					
<u>capital renewal and replacement expenditure</u> depreciation expense	3.42	1.76	2.19	4.41	0.90 to 1.10
Debt Service Cover Ratio:					
<u>Debt Service Cost</u> Available Operating Revenue	Nil	Nil	Nil	Nil	N/A
Operating Surplus Ratio:					
<u>operating revenue minus operating expense</u>	-0.08	0.15	0.28	0.32	0.01 to 0.15 (basic standard)
own source operating revenue					
Own Source Revenue Coverage Ratio					
<u>own source operating revenue *</u> operating expense	0.87	1.14	1.35	1.34	0.6 to 0.9 (immediate 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 relation 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 2016

	% Increase / Decrease	2015/16 FEES BUDGET (INCL GST)	2014/15 FEES BUDGET (INCL GST)	2013/14 FEES BUDGET (INCL GST)
20 SCHEDULE OF TIPPING FEES				
LOCATION: STANLEY ROAD WASTE MANAGEMENT FACILITY				
LIGHT VEHICLES				
Per car or station wagon	8.3%	\$13.00	\$12.00	\$12.00
Per Utility or trailer (up to 1.8m x 1.2m)	5.6%	\$19.00	\$18.00	\$18.00
Per trailer or large utility (up to 2.1m x 1.2m) or trailer with sides exceeding 600mm	7.4%	\$29.00	\$27.00	\$27.00
HEAVY VEHICLES - WEIGHBRIDGE				
Co-mingled Waste per tonne	3.6%	\$57.00	\$55.00	\$53.00
Minimum Charge	3.6%	\$57.00	\$55.00	\$53.00
Clean Green Waste per tonne	0.0%	\$41.00	\$41.00	\$39.50
Minimum Charge	0.0%	\$41.00	\$41.00	\$39.50
Clean Cardboard Waste per tonne	0.0%	\$28.50	\$28.50	\$27.50
Minimum Charge	0.0%	\$28.50	\$28.50	\$27.50
Clean Fill - Suitable for Daily Cover	0.0%	\$0.00	\$0.00	\$2.50
Minimum Charge	0.0%	\$0.00	\$0.00	\$2.50
Building and Demolition Waste per tonne (No Gyprock or Timber)	0.0%	\$5.00	\$5.00	\$5.00
Minimum Charge	0.0%	\$5.00	\$5.00	\$5.00
Clean Fill - Suitable for Site rehabilitation Minimum quantity 500 tonnes (By consultation with CEO)	0.0%		\$0.00	\$0.00
OTHER WASTE				
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
Minimum Charge	0.0%	\$82.00	\$82.00	\$82.00
Quarantine Waste	4.0%	\$130.00	\$125.00	\$120.00
Minimum Charge	4.0%	\$130.00	\$125.00	\$120.00
TIP PASSES				
Charge to Shire of Harvey for tip pass usage - As per light vehicles as detailed above:				
Per Car or Station Wagon	8.3%	\$13.00	\$12.00	\$12.00
Utility or Trailer	5.6%	\$19.00	\$18.00	\$18.00
Large Trailer / Large Utility	7.4%	\$29.00	\$27.00	\$27.00
CONSTITUENT COUNCILS REBATE				
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 2016

	% Increase / Decrease	2015/16 FEES BUDGET (INCL GST)	2014/15 FEES BUDGET (INCL GST)	2013/14 FEES BUDGET (INCL GST)
LOCATION: BANKSIA ROAD WASTE MANAGEMENT FACILITY				
<i>HEAVY VEHICLES WEIGHBRIDGE</i>				
Organic Waste per tonne	31.9%	\$31.00	\$23.50	\$22.00
<i>Minimum Charge</i>	31.9%	<i>\$31.00</i>	<i>\$23.50</i>	<i>\$22.00</i>
Clean Green Waste per tonne	0.0%	\$23.50	\$23.50	\$22.00
<i>Minimum Charge</i>	0.0%	<i>\$23.50</i>	<i>\$23.50</i>	<i>\$22.00</i>
Organic Waste with over 12% Contamination per tonne	5.0%	\$115.50	\$110.00	\$0.00
<i>Minimum Charge</i>	5.0%	<i>\$115.50</i>	\$110.00	\$0.00

NOTE:

The proposed fees include 10% G S T

Notes to and forming part of the Budget for the year ending 30th June 2016

21 SUPPLEMENTARY RATIO INFORMATION

LTFP**
Target
Ratios

	2016 \$	2015 \$	2014 \$	2013 \$	2016 \$
Asset Consumption Ratio:					
$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciated assets}}$	0.75	0.77	0.82	0.92	0.60 to 0.75
Asset renewal Funding ratio:					
$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$	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 allowed for such contingencies.