



WASTE DISPOSAL AUTHORITY
Established 1st January 1990

DRAFT

BUDGET

FOR

YEAR ENDING 30 JUNE 2015

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Bunbury-Harvey Regional Council

Draft Budget for the year ending 30 June 2015

Introduction

The 2014/15 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 31/12/15, which is the date on which the DOE requires the landfill to cease operations.
2. Inflation 3% and a 4% increase in wages. There will be no increase in FTE's. The current total is 13.68 FTE's .
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 \$4.0 million based on an 3.8% per tonne increase in the co-mingled and green waste tonnage rate (as per the agenda item presented at the May 22nd 2014 Ordinary meeting of Council) and an increase in total tonnage based on the higher revenues being received in the second half of the current year. This represents a 9% increase in revenue over the 2013/14 year.
5. An operating surplus of \$503K which includes reserve funded expenditure of \$1.09M for Stanley Road rehabilitation.
6. The financial statements attached contain a forecast to 30 June 2014 and a column (shaded grey) for the 2014/15 budget.
7. The following capital expenditure table totalling \$1.114M will be funded by Reserves (\$513K), Grants (\$470K), Asset Sales (Trade-ins) (\$110K), and Municipal Funds (\$21.4K).

Asset description	Stanley Road	Banksia Road
Frontend Loader	\$ 340K	
Implement Loader	\$ 115K	
Upgrade Landfill access road	\$ 25K	
Loader		\$ 250K
Concrete Bunker		\$ 155K
Compost Aerators		\$ 180K
Other (Generator, water tank, Litter Fence etc.)	\$ 1.4K	\$ 48K
TOTALS	\$ 481.4K	\$ 633K

8. Transfers to and from Reserves:

	To	To	From	From	Balance 30/6/15
RESERVE	Interest	Ex muni Funds	Capital	Operating	
Plant & Infrastructure	\$ 16K	\$ 500K	\$513K		\$ 422K
Site Post Closure Rehabilitation	\$107K			\$1.09M	\$2.167M
Waste Minimisation	\$ 20K	\$ 98K			\$ 635K
Banksia Road Landfill Construction (NEW)	\$ 10K	\$ 500K			\$ 510K
TOTALS	\$153K	\$1.098M	\$513K	\$1.09M	\$3.734M

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 2014/15 financial year were adopted by the Council at the Ordinary Meeting held 10th July 2014.

N McNeill
CHAIRMAN

T Battersby
CHIEF EXECUTIVE OFFICER



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

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: 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 2015**

	NOTE	2014/15 BUDGET	2013/14		
			ORIGINAL BUDGET	REVISED BUDGET	FORECAST
REVENUE					
Fees and Charges	15(a)	4,001,754	3,010,919	3,670,682	3,512,072
Interest	10	215,655	191,071	207,871	219,218
Contributions	15(a)	100,000	109,000	102,850	102,850
Other Revenue	15(a)	660,000	42,955	501,955	659,871
Total Operating Revenue		4,977,409	3,353,945	4,483,358	4,494,011
EXPENSES					
Employee Costs		(1,088,896)	(1,093,680)	(1,119,258)	(1,056,239)
Material and Contracts		(2,255,855)	(1,180,100)	(1,414,820)	(1,190,905)
Utility Charges		(8,830)	(5,548)	(7,500)	(8,500)
Depreciation	3	(508,783)	(526,991)	(457,298)	(408,720)
Insurance		(39,902)	(29,594)	(28,998)	(29,593)
Other Expenditure		(581,880)	(12,208)	(462,028)	(563,389)
Total Operating Expenses		(4,484,146)	(2,848,121)	(3,489,902)	(3,257,346)
		493,263	505,824	993,456	1,236,665
Non-Operating Grants, Subsidies and Contributions	15(b),18	470,000	358,875	358,875	196,875
Profit on Asset Disposals	4	-	9,000	-	-
Loss on Asset Disposals	4	(48,889)	-	(2,839)	(3,274)
NET RESULT		914,374	873,699	1,349,492	1,430,266
Other Comprehensive Income					
Changes on revaluation of non-current assets		-	-	-	-
Total Other Comprehensive Income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		914,374	873,699	1,349,492	1,430,266

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 bale 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.

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

**STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30th JUNE 2015**

	NOTE	2014/15 BUDGET	2013/14		
			ORIGINAL BUDGET	REVISED BUDGET	FORECAST
REVENUE	2				
Governance		100,000	100,000	100,000	100,000
Community Amenities		4,661,754	3,062,874	4,175,487	4,174,793
General Purpose Funding	10	215,655	191,071	207,871	219,218
Total Operating Revenue		4,977,409	3,353,945	4,483,358	4,494,011
EXPENSES	2				
Governance		(393,944)	(390,757)	(402,678)	(356,010)
Community Amenities		(4,090,203)	(2,457,364)	(3,087,224)	(2,901,336)
Total Operating Expenses		(4,484,146)	(2,848,121)	(3,489,902)	(3,257,346)
		493,262	505,824	993,457	1,236,665
Non-Operating Grants, Subsidies and Contributions	15(b),18				
Community Amenities		470,000	358,875	358,875	196,875
Profit/(Loss) on Disposal of Assets					
Community Amenities	4	(48,889)	9,000	(2,839)	(3,274)
NET RESULT		914,374	873,699	1,349,492	1,430,266
Other Comprehensive Income					
Changes on revaluation of non-current assets		-	-	-	-
Total Other Comprehensive Income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		914,374	873,699	1,349,492	1,430,266

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 bale 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.

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

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30th JUNE 2015**

	NOTE	2014/15	2013/14		
		BUDGET	ORIGINAL BUDGET	REVISED BUDGET	FORECAST
		\$	\$	\$	\$
<u>CURRENT ASSETS</u>					
Cash and Cash Equivalents	5,11(a)	6,299,189	4,620,386	5,519,872	5,969,977
Trade and Other Receivables	6	520,000	425,000	425,000	434,704
Inventories		3,000	2,500	2,500	3,000
Total Current Assets		6,822,189	5,047,886	5,947,372	6,407,681
<u>NON CURRENT ASSETS</u>					
Property, Plant & Equipment	7(a)	2,627,488	2,724,513	2,237,699	2,325,022
Infrastructure	7(b)	948,627	829,837	1,067,349	804,678
Total Non Current Assets		3,576,115	3,554,350	3,305,048	3,129,700
<u>TOTAL ASSETS</u>		10,398,304	8,602,236	9,252,420	9,537,381
<u>CURRENT LIABILITIES</u>					
Trade and Other Payables	8(a)	223,203	42,000	42,000	254,197
Provisions	8(b)	78,383	79,971	79,971	131,692
Total Current Liabilities		301,586	121,971	121,971	385,889
<u>NON CURRENT LIABILITIES</u>					
Provision - Long Service Leave		46,545	33,086	33,086	15,692
Total Non Current Liabilities		46,545	33,086	33,086	15,692
<u>TOTAL LIABILITIES</u>		348,131	155,057	155,057	401,581
NET ASSETS		10,050,173	8,447,179	9,097,363	9,135,800
EQUITY					
Retained Surplus		6,129,101	4,799,279	5,182,348	4,864,292
Reserves - Cash Backed	12	3,734,769	3,647,900	3,915,015	4,085,205
Revaluation Surplus		186,303	-	-	186,303
TOTAL EQUITY		10,050,173	8,447,179	9,097,363	9,135,800

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th JUNE 2015**

	NOTE	2014/15	2013/14	
		BUDGET	BUDGET	FORECAST
		\$	\$	\$
RETAINED SURPLUS				
Balance at beginning of year		4,864,292	3,968,572	3,981,264
Net Result		914,374	873,699	1,430,266
Transfer from Reserves	14	1,603,169	752,733	308,925
Transfer to Reserves	13	(1,252,733)	(795,725)	(856,163)
Balance at end of year		6,129,102	4,799,279	4,864,292
RESERVES				
	12			
Balance at beginning of year		4,085,205	3,604,908	3,537,967
Transfers from Retained Surplus	13	1,252,733	795,725	856,163
Transfers to Retained Surplus	14	(1,603,169)	(752,733)	(308,925)
Balance at end of year		3,734,768	3,647,900	4,085,205
REVALUATION SURPLUS				
Balance at beginning of year		186,303	-	186,303
Transfers from Retained Surplus		-	-	-
Transfers to Retained Surplus		-	-	-
		186,303	-	186,303
TOTAL EQUITY		10,050,173	8,447,179	9,135,800
EQUITY IN JOINT VENTURE				
City of Bunbury	89.60%	9,004,955	7,568,672	8,185,677
Shire of Harvey	10.40%	1,045,218	878,507	950,123
		-		
TOTAL EQUITY		10,050,173	8,447,179	9,135,800

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30th JUNE 2015**

	NOTE	2014/15	2013/14	
		BUDGET	BUDGET	FORECAST
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Receipts</i>				
Fees and Charges		3,911,458	3,100,062	3,561,435
Interest Earnings		220,655	191,563	211,358
Contributions		105,000	109,000	113,558
Other Revenue		655,000	42,956	649,163
		4,892,113	3,443,581	4,535,515
<i>Payments</i>				
Employee Costs		(1,111,352)	(1,055,651)	(1,007,038)
Materials and Contracts		(2,286,849)	(1,440,413)	(1,263,210)
Utility Charges		(8,830)	(5,548)	(8,500)
Insurance		(39,902)	(29,594)	(29,593)
Other		(581,880)	(15,207)	(563,392)
		(4,028,813)	(2,546,412)	(2,871,733)
Net Cash Provided by Operating Activities	11(b)	863,300	897,169	1,663,781
Cash flows from Investing Activities				
<i>Receipts</i>				
Contributions for the development of assets	15(b)	470,000	358,875	196,875
Proceeds from Sale of Plant and Equipment	4	110,000	12,000	13,409
		580,000	370,875	210,284
<i>Payments</i>				
Payment for Purchase of Buildings		-	-	-
Payment for Purchase of Plant and Equipment		(924,687)	(1,099,000)	(364,439)
Payment for Purchase of Furniture and Equipment		(1,400)	-	-
Payments for Construction of Infrastructure		(188,000)	(508,297)	(532,468)
	16	(1,114,087)	(1,607,297)	(896,907)
Net Cash Used in Investing Activities		(534,087)	(1,236,422)	(686,623)
Net Increase (Decrease) in Cash Held		329,213	(339,253)	977,158
Cash at Beginning of Year		5,969,977	4,959,639	4,992,819
Cash and Cash Equivalents at End of Year	5	6,299,189	4,620,386	5,969,977

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

**FEE SETTING STATEMENT
FOR THE YEAR ENDED 30th JUNE 2015**

	NOTE	2014/15	2013/14	
		BUDGET	BUDGET	FORECAST
		\$	\$	\$
Revenue (Excluding Fees & Charges)				
Interest Earnings	10	215,655	191,071	219,218
Profit On Disposal of Asset	4	-	9,000	-
Contributions	15(a)	100,000	109,000	102,850
Other Revenue	15(a)	660,000	42,956	659,868
		975,655	352,027	981,936
Less Expenditure				
Employee Costs		(1,088,896)	(1,093,680)	(1,056,239)
Material and Contracts		(2,255,855)	(1,180,100)	(1,190,905)
Utility Charges		(8,830)	(5,548)	(8,500)
Depreciation	3	(508,783)	(526,991)	(408,720)
Insurance		(39,902)	(29,594)	(29,593)
Other		(581,880)	(12,208)	(563,389)
		(4,484,146)	(2,848,121)	(3,257,346)
Net Result Excluding Fees and Charges Adjustments for Cash Budget Requirements:		(3,508,492)	(2,496,094)	(2,275,410)
Non Cash Expenditure and Revenue				
Depreciation on Assets	3	508,783	526,991	408,720
(Profit)/Loss on Sale of Assets		-	(9,000)	-
Movement in Employee Benefit Provisions		30,854	14,318	7,480
Capital Revenue				
Contributions for the development of assets	15(b)	470,000	358,875	196,875
Proceeds from Disposal of Assets	4	110,000	12,000	13,409
Capital Expenditure				
Purchase Plant & Equipment	16	(924,687)	(1,099,000)	(364,439)
Purchase Furniture & Equipment		(1,400)	-	-
Purchase Infrastructure		(188,000)	(508,297)	(532,468)
Financial Transfers				
Transfer From Reserves (Restricted Assets)	14	1,603,169	752,733	308,925
Transfer to reserves (Restricted Assets)	13	(1,252,734)	(795,725)	(856,163)
ADD: Estimated Surplus/(Deficit) July 1 B/fwd	11(c)	1,936,587	1,510,296	1,517,586
LESS: Estimated Surplus/(Deficit) June 30 C/Fwd	11(c)	(2,785,834)	(1,278,015)	(1,936,587)
Amount Required to be Raised From Fees & Charges		(4,001,754)	(3,010,918)	(3,512,072)

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 2015

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) 2013/14 Forecast Balances

Balances shown in this budget as 2013/14 Actual 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, other than a rate in the dollar, 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.

(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).

Notes to and forming part of the Budget for the year ending 30th June 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 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.

(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.

Notes to and forming part of the Budget for the year ending 30th June 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Fixed Assets (Continued)

Initial Recognition and Measurement between Mandatory Revaluation Dates(Continued)

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.

Transitional Arrangements

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the Initial Recognition section as detailed above.

Those assets carried at fair value will be carried in accordance with the Revaluation Methodology section as detailed above.

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.

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.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**
(k) **Fair Value of Assets and Liabilities (Continued)**

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.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) 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.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Financial Instruments (Continued)

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.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial Instruments (Continued)

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.

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.

Notes to and forming part of the Budget for the year ending 30th June 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of Assets (Continued)

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 2015

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 with 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 2014.

Notes to and forming part of the Budget for the year ending 30th June 2015

2 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 2015

NOTE	2014/15	2013/14	
	BUDGET	BUDGET	FORECAST
	\$	\$	\$
3 DEPRECIATION			
Classified According to Asset Class			
Buildings	18,350	18,343	18,353
Furniture and Equipment	11,224	12,092	12,364
Plant and Machinery	435,158	459,876	345,555
Infrastructure	44,051	36,680	32,448
Total	508,783	526,991	408,720
Classified According To Program			
Governance	10,742	10,591	11,531
Community Amenities	498,040	516,400	397,189
Total	508,783	526,991	408,720
4 PROFIT/(LOSS) ON DISPOSAL OF ASSETS			
Proceeds from Sale of Plant	110,000	12,000	13,409
Less:			
Asset Value (at cost)	238,000	24,462	25,206
Less Provision for Depn. Written back	(79,111)	(21,462)	(8,523)
Carrying amount of assets sold	158,889	3,000	16,683
Profit/(Loss) on Disposal	(48,889)	9,000	(3,274)
Made up as follows:			
Loss on Sale of Ford Ranger	-	9,000	(2,839)
Loss on Sale of Waste Bin	-	-	(435)
Loss on Sale of CAT Frontend Loader	(40,000)	-	-
Loss on Sale of Telehandler	(8,889)	-	-
	(48,889)	9,000	(3,274)

Notes to and forming part of the Budget for the year ending 30th June 2015

	NOTE	2014/15	2013/14	
		BUDGET	ORIGINAL BUDGET	FORECAST
		\$	\$	\$
5 CASH				
Restricted		3,734,769	3,647,900	4,085,205
Unrestricted		2,564,420	972,486	1,884,772
Total	11(a)	6,299,189	4,620,386	5,969,977
The following restrictions have been imposed by regulation or other externally imposed requirements				
Plant and Equipment Reserve		422,243	468,924	418,938
Site (Post Closure) Rehabilitation Reserve		2,167,409	3,178,976	3,149,968
Waste Minimisation Reserve		634,845	-	516,299
Banksia Road Construction Reserve		510,272	-	-
		3,734,769	3,647,900	4,085,205
6 RECEIVABLES				
Current				
Trade Debtors		500,000	400,000	401,352
Accrued Interest		20,000	25,000	33,352
		520,000	425,000	434,704
7(a) PROPERTY, PLANT AND EQUIPMENT				
Buildings - at cost		302,873	316,546	302,873
Less Depreciation		(98,255)	(79,907)	(79,904)
		204,618	236,639	222,969
Vehicles, Plant and Machinery - at cost		3,251,049	3,827,670	2,564,362
Less Depreciation		(851,563)	(1,421,141)	(495,517)
		2,399,486	2,406,529	2,068,845
Furniture and Equipment - at cost		79,651	97,742	78,251
Less Depreciation		(56,267)	(40,230)	(45,043)
		23,384	57,512	33,208
Total Net Book Value of Property Plant & Equipment		2,627,488	2,700,680	2,325,022
7(b) INFRASTRUCTURE				
Infrastructure - at cost		1,039,862	907,099	851,862
Less Depreciation		(91,235)	(53,429)	(47,184)
Total Net Book Value of Infrastructure		948,627	853,670	804,678

Notes to and forming part of the Budget for the year ending 30th June 2015

NOTE	2014/15	2013/14	
	BUDGET	BUDGET	FORECAST
	\$	\$	\$
8(a) TRADE AND OTHER PAYABLES			
Sundry Trade Creditors	150,000	30,000	150,000
Accrued Wages	-	500	33,429
Security Bonds	500	11,500	500
Taxation Liabilities	72,703	-	70,268
Total Creditors	223,203	42,000	254,197
8(b) PROVISIONS			
Provisions for Annual & Long Service Leave	78,383	79,971	131,692
	78,383	79,971	131,692
8(c) AUDITORS REMUNERATION			
Audit Fees	4,290	5,000	5,000
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 2014/15 are:-			
Members Attendance Fees	6,336	6,336	6,000
Members Expenses	1,800	1,400	1,400
10 INTEREST ON INVESTMENTS			
Surplus funds are invested on term deposits with local financial institutions. Estimated return on investments are:-			
General Funds	61,322	36,394	44,055
Plant & infrastructure Replacement Reserve	16,505	21,642	27,234
Site (Post Closure) Rehabilitation Reserve	107,410	122,714	130,317
Waste Minimisation Reserve	20,146	10,321	17,612
Banksia Road Construction Reserve	10,272	-	-
Total Interest on Investments	215,655	191,071	219,218

Notes to and forming part of the Budget for the year ending 30th June 2015

	NOTE	2014/15	2013/14	
		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		3,190,159	1,511,356	374,084
Investments		3,109,030	3,109,030	5,595,893
	5	6,299,189	4,620,386	5,969,977
b) RECONCILIATION OF CASH USED IN OPERATING ACTIVITIES				
Net Result		914,374	873,699	1,430,266
Depreciation	3	508,783	526,991	408,720
Increase (Decrease) in Provision for Annual and Long Service Leave		(22,455)	38,029	44,591
(Increase) Decrease in Trade & Other Receivables		(85,296)	89,635	41,504
(Increase) Decrease in Invenories		-	(194)	(1,076)
Increase (Decrease) in Sundry Creditors		-	(207,849)	(96,028)
Increase (Decrease) in Taxation Liabilities		2,435	(55,268)	24,796
(Profit)/Loss on Sale of Assets		48,889	(9,000)	3,274
Increase (Decrease) in Accrued Interest		-	-	-
Increase (Decrease) in Accrued Wages		(33,429)	-	4,610
Contributions for the development of assets	15(b)	(470,000)	(358,875)	(196,875)
		863,300	897,168	1,663,781
c) CURRENT POSITION/RECONCILIATION OF OPENING FUNDS				
Net Current Assets -				
As per Statement of Financial Position		6,520,603	4,925,915	6,021,792
Less Restricted Funds	5	(3,734,769)	(3,647,900)	(4,085,205)
Closing Funds as per Fee Setting Statement		2,785,834	1,278,015	1,936,587

Notes to and forming part of the Budget for the year ending 30th June 2015

NOTE	2014/15	2013/14		
	BUDGET	BUDGET	REVISED BUDGET	FORECAST
12 RESERVE FUNDS				
(a) PLANT AND INFRASTRUCTURE RESERVE				
<i>Purpose:</i>				
<i>To set aside funds for the future replacement of machinery, plant, vehicles and site infrastructure.</i>				
Balance at at 1 July	418,938	636,207	636,207	580,629
Transfers from Accumulated Surplus	516,505	121,642	137,360	127,234
Transfers to Accumulated Surplus	(513,200)	(288,925)	(307,528)	(288,925)
Balance at at 30th June	422,243	468,924	466,039	418,938
(b) SITE (POST CLOSURE) REHABILITATION RESERVE				
<i>Purpose:</i>				
<i>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	3,149,968	2,580,262	2,580,262	2,563,651
Transfers from Accumulated Surplus	107,410	598,714	606,714	606,317
Transfers to Accumulated Surplus	(1,089,969)	-	(220,000)	(20,000)
Balance as at 30th June	2,167,409	3,178,976	2,966,976	3,149,968
(c) WASTE MINIMISATION RESERVE				
<i>Purpose:</i>				
<i>To set aside funds on an annual basis to provide for future waste minimisation and environmental protection initiatives</i>				
Balance as at 1st July	516,299	388,439	388,439	393,687
Transfers from Accumulated Surplus	118,546	75,369	93,561	122,612
Transfers to Accumulated Surplus	-	(463,808)	-	-
Balance as at 30th June	634,845	0	482,000	516,299
(d) BANKSIA ROAD CONSTRUCTION RESERVE				
<i>Purpose:</i>				
<i>To set aside funds for cell construction</i>				
Balance as at 1st July	-	-	-	-
Transfers from Accumulated Surplus	510,272	-	-	-
Transfers to Accumulated Surplus	-	-	-	-
Balance as at 30th June	510,272	-	-	-
Total Reserve Funds	3,734,769	3,647,900	3,915,015	4,085,205

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 2015

NOTE	2014/15	2013/14	
	BUDGET	BUDGET	FORECAST
	\$	\$	\$
13 TRANSFER TO RESERVES			
<u>Plant and Equipment Reserve</u>			
Interest on Investments	16,505	21,642	27,234
Additional Funds (Transfer from Accumulated Funds)	500,000	100,000	100,000
Total	516,505	121,642	127,234
<u>Site (Post Closure) Rehabilitation Reserve</u>			
Interest on Investments	107,410	122,714	130,317
Additional Funds (Transfer from Accumulated Funds)	-	476,000	476,000
Total	107,410	598,714	606,317
<u>Waste Minimisation Reserve</u>			
Interest on Investments	20,146	10,321	17,612
Additional Funds (Transfer from Accumulated Funds)	98,400	65,048	105,000
	118,546	75,369	122,612
<u>Banksia Road Construction reserve</u>			
Interest on Investments	10,272	-	-
Additional Funds (Transfer from Accumulated Funds)	500,000	-	-
	510,272	-	-
Total Transfer to Reserves	1,252,733	795,725	856,163
14 TRANSFER FROM RESERVES			
<u>Plant & Infrastructure Reserve</u>			
As per Capital Expenditure Note 17	513,200	288,925	288,925
	513,200	288,925	288,925
<u>Site (Post Closure) Rehabilitation Reserve</u>			
Stanley Road Rehabilitation (see below)	1,089,969	463,808	20,000
	1,089,969	463,808	20,000
Total Transfer from Reserves	1,603,169	752,733	308,925

Notes to and forming part of the Budget for the year ending 30th June 2015

NOTE	2014/15	2013/14	
	BUDGET	BUDGET	FORECAST
15(a) FEES AND CHARGES AND OTHER REVENUE			
Casual Tipping Fees	2,157,646	1,368,546	1,905,309
Disposals - City of Bunbury	473,010	421,238	462,187
Disposals - Shire of Harvey	391,893	315,237	354,854
Tip Passes - Shire of Harvey	175,032	161,586	163,367
Sale of Recyclables	168,000	646,740	158,046
Banksia Raod Organics and Compost	391,500		208,063
City of Bunbury Support Staff	143,249		150,740
Hookbin Hire	3,024		4,000
Carbon Emissions Revenue	98,400	97,572	105,506
Total Fees & Charges	4,001,754	3,010,919	3,512,072
Other Revenue			
Landfill Levy	615,000	-	599,465
Fuel Tax Credit	40,000	37,955	49,698
Insurance Reimbursements	-	2,000	3,959
Miscellaneous Reimbursements	5,000	3,000	6,749
Contributions	100,000	109,000	102,850
	760,000	151,955	762,721
Total Fees and Charges and Other Revenue	4,761,754	3,162,874	4,274,793
Total Fees and Charges and Other Revenue By Program			
Governance	100,000	100,000	100,000
Community Amenities	4,661,754	3,062,874	4,174,793
	4,761,754	3,162,874	4,274,793
Non-Operating Grants, 15(b) Subsidies and Contributions			
Contribution - Compost Screening Plant	-	149,875	149,875
Household Hazardous Waste Storage and Events Recycling Trailer	-	34,000	17,000
Compost Aerator Units - 4 sets	145,000	145,000	-
Grant - Banksia Road Project	-	30,000	30,000
New Loader Grant	200,000		-
Concrete Bunker Grant	125,000		-
	470,000	358,875	196,875

Notes to and forming part of the Budget for the year ending 30th June 2015

	NOTE	2014/15	2013/14	
		BUDGET	BUDGET	FORECAST
		\$	\$	\$
16 CAPITAL EXPENDITURE				
Gatehouse / Site Operations				
Furniture and Equipment				
Desktop Computer		1,400	-	-
H2392 4Wd Dual Cab		-	34,000	27,185
Plant and Equipment				
Lawn Mower/Whipper Snipper		-	7,200	6,878
Scooter		-	3,000	2,527
Weighbridge Upgrade		-	28,800	-
Frontend Loader		340,000	-	-
Implement Loader		115,000	-	-
New Sea Container		-	-	2,550
Infrastructure				
Entrance Landscaping		-	3,000	2,332
Monitoring Bores		-	18,000	16,083
Southern Boundary Fence		-	22,000	-
Upgrade Landfill Access Road		25,000	-	-
		481,400	116,000	57,555
Waste Transfer Station (Stage Two)				
Hook Bin Trailer		-	120,000	111,022
Site Works		-	465,297	511,541
		-	585,297	622,563
Recycling Operations				
Gas Flaring		-	480,000	-
		-	480,000	-
Recycling Operations-Organics	18(b)	632,687	426,000	216,789
Total		1,114,087	1,607,297	896,907
Capital Expenditure by Asset Type				
Buildings		-	-	-
Plant and Equipment		924,687	1,099,000	364,439
Furniture and Equipment		1,400	-	-
Infrastructure		188,000	508,297	532,468
Total		1,114,087	1,607,297	896,907

Notes to and forming part of the Budget for the year ending 30th June 2015

	2014/15	2013/14		
	BUDGET	BUDGET	REVISED BUDGET	FORECAST
	\$	\$	\$	\$
17 Stanley Road Rehabilitation (Capping)				
Labour Costs	186,601	-	-	-
Plant Costs	356,909	-	-	-
Capping Material	298,211	-	-	-
Contractors and Services	30,749	-	-	-
Mulch/Compost/Native Seed	97,499	-	-	-
Stormwater	120,000	-	220,000	20,000
	1,089,969	-	220,000	20,000

Note:

The Stanley Road Rehabilitation budget follows:

2014/15: Capping \$1,089,969

2015/16: Capping \$1,328,376

2016/17: Capping \$1,008,075

2017/18 to 2024/25: Site Monitoring \$ 201,000

Total for 11 years to 30/6/2025: \$3,507,420

This expenditure will be funded from the Site Post Closure Rehabilitation Reserve which has a forecast balance of \$3,133,302 as at 30/6/14.

Notes to and forming part of the Budget for the year ending 30th June 2015

	2014/15	2013/14		
	BUDGET	BUDGET	REVISED BUDGET	FORECAST
	\$	\$	\$	\$
18 Banksia Road Project				
<u>Recycling Operations-Organics</u>				
Land-Reticulation	-	-	2,512	2,512
Screening Plant	19,487	195,000	195,000	176,277
Household Hazardous Waste Storage	-	17,000	17,000	-
Events Recycling Trailer And Equipment	-	17,000	17,000	17,000
Hookbin For Shire Of Dardanup Wts	-	9,500	9,500	10,500
Hookbin-Greenwaste Banksia Road	-	7,500	7,500	10,500
Compost Aerator Units - 5 Sets	180,000	180,000	180,000	-
Diesel 10Kva Generator	9,000	-	-	-
8" Sea Container	3,200	-	-	-
100,000L Water Tank And Pump	8,000	-	-	-
Loader	250,000	-	-	-
Concrete Bunker For Finished Compost	155,000	-	-	-
Litter Fence Around Leachate Pond	8,000	-	-	-
	632,687	426,000	428,512	216,789
Capital Expenditure by Asset Type				
Land and Buildings	-	-	-	-
Plant & Equipment	469,687	426,000	214,277	214,277
Furniture & Equipment	-	-	-	-
Infrastructure	163,000	-	214,235	2,512
	632,687	426,000	428,512	216,789

	2014/15	2013/14		
	BUDGET	BUDGET	REVISED	FORECAST
	\$			
The proposed funding sources are:				
Bunbury-Harvey Regional Council Investment	162,687	67,125	-	19,914
Waste Authority Investment Funding	325,000	213,875	233,875	196,875
State/Commonwealth Grant Funding	145,000	145,000	125,000	-
Total Capital Budget for Banksia Road	632,687	426,000	358,875	216,789

Notes to and forming part of the Budget for the year ending 30th June 2015

19 PERFORMANCE MEASURES

	2015 \$	2014 \$	2013 \$	2012 \$
Current Ratio:				
means the ratio determined as follows:				
$\frac{\text{Current Assets minus Restricted Assets}}{\text{Current Liabilities minus Restricted Liabilities}}$	1023.73%	601.85%	517.93%	581.12%
Asset Sustainability Ratio:				
$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$	218.97%	219.44%	441.19%	108.78%
Debt Service Cover Ratio:				
means the ratio determined as follows:				
$\frac{\text{Debt Service Cost}}{\text{Available Operating Revenue}}$	Nil	Nil	Nil	Nil
Operating Surplus Ratio:				
$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$	11.70%	28.16%	31.70%	27.31%
Own Source Revenue Ratio				
means the ratio determined as follows:				
$\frac{\text{own source operating revenue}^*}{\text{operating expense}}$	94.05%	134.81%	134.35%	135.14%
Asset Consumption Ratio:				
$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciated assets}}$	76.52%	82.42%	92.20%	
Asset renewal Funding ratio:				
means the ratio determined as follows:				
$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$	90.00%	90.00%	90.00%	

* 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.

Notes to and forming part of the Budget for the year ending 30th June 2015

	% Increase / Decrease	2014/15 FEES BUDGET (INCL GST)	2013/14 FEES BUDGET (INCL GST)	2012/13 FEES BUDGET (INCL GST)
20 SCHEDULE OF TIPPING FEES				
LOCATION: STANLEY ROAD WASTE MANAGEMENT FACILITY				
LIGHT VEHICLES				
Per car or station wagon	0.0%	\$12.00	\$12.00	\$10.00
Per Utility or trailer (up to 1.8m x 1.2m)	0.0%	\$18.00	\$18.00	\$16.50
Per trailer or large utility (up to 2.1m x 1.2m) or trailer with sides exceeding 600mm	0.0%	\$27.00	\$27.00	\$25.00
HEAVY VEHICLES - WEIGHBRIDGE				
Co-mingled Waste per tonne	3.8%	\$55.00	\$53.00	\$49.00
<i>Minimum Charge</i>	3.8%	\$55.00	\$53.00	\$49.00
Clean Green Waste per tonne	3.8%	\$41.00	\$39.50	\$39.50
<i>Minimum Charge</i>	3.8%	\$41.00	\$39.50	\$39.50
Clean Cardboard Waste per tonne	3.6%	\$28.50	\$27.50	\$27.50
<i>Minimum Charge</i>	3.6%	\$28.50	\$27.50	\$27.50
Clean Fill - Suitable for Daily Cover	-100.0%	\$0.00	\$2.50	\$2.50
<i>Minimum Charge</i>	-100.0%	\$0.00	\$2.50	\$2.50
Building and Demolition Waste per tonne (No Gyprock or Timber)	0.0%	\$5.00	\$5.00	\$5.00
<i>Minimum Charge</i>	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	\$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	\$78.00
<i>Minimum Charge</i>	0.0%	\$82.00	\$82.00	\$78.00
Quarantine Waste	4.2%	\$125.00	\$120.00	\$115.50
<i>Minimum Charge</i>	4.2%	\$125.00	\$120.00	\$115.50
TIP PASSES				
Charge to Shire of Harvey for tip pass usage - As per light vehicles as detailed above:				
Per Car or Station Wagon	0.0%	\$12.00	\$12.00	\$11.00
Utility or Trailer	0.0%	\$18.00	\$18.00	\$16.50
Large Trailer / Large Utility	0.0%	\$27.00	\$27.00	\$25.00
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 2015

	% Increase / Decrease	2014/15 FEES BUDGET (INCL GST)	2013/14 FEES BUDGET (INCL GST)	2012/13 FEES BUDGET (INCL GST)
LOCATION: BANKSIA ROAD WASTE MANAGEMENT FACILITY				
<i>HEAVY VEHICLES WEIGHBRIDGE</i>				
Organic Waste per tonne	6.8%	\$23.50	\$22.00	\$22.00
<i>Minimum Charge</i>	6.8%	<i>\$23.50</i>	<i>\$22.00</i>	<i>\$22.00</i>
Clean Green Waste per tonne	6.8%	\$23.50	\$22.00	\$22.00
<i>Minimum Charge</i>	6.8%	<i>\$23.50</i>	<i>\$22.00</i>	<i>\$22.00</i>
Organic Waste with over 12% Contamination per tonne	New	\$110.00	\$0.00	\$0.00
Minimum Charge	New	<i>\$110.00</i>	\$0.00	\$0.00

NOTE:

The proposed fees include 10% G S T