BUNBURY - HARVEY
Regional Council

*WASTE DISPOSAL AUTHORITY*
Established 1st January 1990

# ANNUAL REPORT

## AND

# FINANCIAL STATEMENTS

## YEAR ENDED 30 JUNE 2017

CITY OF BUNBURY

Shire of HARVEY
A Breath of Fresh Air

BUNBURY - HARVEY
Regional Council

*WASTE DISPOSAL AUTHORITY*
Established 1st January 1990

# ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

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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 AND PRINCIPAL PLACE OF BUSINESS

| | |
|---|---|
| **CHAIRMAN:** | **LOCAL AUTHORITY** |
| Cr J Jones | City of Bunbury |
| **COUNCIL MEMBERS:** | |
| Cr J San Miguel | City of Bunbury |
| Cr W Adams | Shire of Harvey |
| Cr P Monagle | Shire of Harvey |
| Cr M Cook | City of Bunbury |
| **REPRESENTATIVES:** | |
| Mr M Parker | Chief Executive Officer - Shire of Harvey |
| Mr M Osborne | Acting Chief Executive Officer - City of Bunbury |
| **CHIEF EXECUTIVE OFFICER:** | |
| Mr T Battersby | Bunbury-Harvey Regional Council |
| **ACCOUNTANT:** | |
| Mr C Welham | City of Bunbury |
| **AUDITOR:** | |
| Mr Michael Hillgrove | Grant Thornton Audit Pty Ltd |

## PRINCIPAL PLACE OF BUSINESS:

Waste Disposal Site and Administration: Lot 45 Stanley Road, Wellesley WA 6233.
Postal address: Bunbury Harvey Regional Council, PO Box 111, Australind, WA 6233.

BUNBURY - HARVEY
Regional Council

*WASTE DISPOSAL AUTHORITY*
Established 1st January 1990

## BUNBURY-HARVEY REGIONAL COUNCIL (BHRC)

## CHAIRMAN'S REPORT

During this year the Bunbury-Harvey Regional Council's (BHRC's) CEO and administration staff relocated from the Old Railway Station in Bunbury to Stanley Road.

They are accommodated in transportable buildings due to the deferral of the decision to proceed with the Stanley Road Administration Complex. The deferral was considered appropriate for now but will be reconsidered when the medium to long-term future of the Stanley Road site is assured.

Ongoing discussions are taking place regarding the future ownership options between the City of Bunbury and the Shire of Harvey. Currently the City of Bunbury holds an 89.6% share with the Shire of Harvey's share being 10.4%.

The South West Regional Waste Group is pursuing the site of a regional waste facility suitable for a number of local authorities in the South West.

The proposed site is being investigated by a number of Government Departments including the Department of Lands, Department of Minerals and Petroleum and Aboriginal Heritage. Hydrogeological, geotechnical and flora surveys are yet to be conducted. The Bunbury-Harvey Regional "BHRC" is represented on this Committee by Tony Battersby who reports any progress to BHRC.

Tenders document have been prepared for a number of projects at the Stanley Road Site. These include the construction of the gabion wall, the installation of synthetic capping and gas monitoring wells as part of the rehabilitation works required under the Department of Water and Environment Regulation (DWER) conditions.

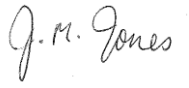
Engineering designs for the new lined cells have been prepared and are before the DWER. Upon completion of the construction of the cells the airspace created is expected to cater for up to forty (40) years' capacity of waste disposal. In a bid to relocate the regional organics facility from Banksia Road to Stanley Road, a suite of plans including concept design drawings, a draft development application and an operational plan are being devised and should be completed by December 2017.

The Banksia Road Organics Facility was the recipient of only the second certification for organic compost awarded in Australia during this year. This prestigious certification is a tribute to the application of Jai Pearce and his crew to developing this worthwhile product from the waste stream.

Over 6,000 tonnes of waste was received as a result of the clean-up after the Yarloop Fires.

Further investigations are taking place into the discovery of elevated levels of hydrocarbons during the monitoring of wells for contaminants. Groundwater monitoring contractors will be engaged for further testing.

Thanks are due to CEO Tony Battersby and his staff at Stanley Road and Banksia Road, and to Chris Welham, accountant, for their diligence throughout the year.



**Councillor Judy Jones**
**Chairman**

BUNBURY - HARVEY
Regional Council

*WASTE DISPOSAL AUTHORITY*
Established 1st January 1990

## BUNBURY-HARVEY REGIONAL COUNCIL

## CHIEF EXECUTIVE OFFICER'S REPORT

Chairperson, Members, Officers
The following financial statements for the year ended 30 June 2017 are submitted for your perusal and adoption.

The Regional Council completed its twenty sixth (26th) year of operation as a Waste Management Authority for its two (2) member Councils and their communities, on 30 June 2017. In this reporting period the Bunbury-Harvey Regional Council has continued its commitment to responsibly manage the environment and ensuring Council's financial sustainability.
2016/2017 proved to be a busy year for the Bunbury-Harvey regioanl Council, with a focus on initiating and completing a number of capital plant procurements and the continuation of the implementation of Strategic Planning and Governance activities, whilst continuing to perform the Regional Council's core functions.

Highlights of the year under review included the first stages of a comprehensive upgrade to the Stanley Road Waste Management Facility to ensure long term security for the community of the Bunbury-Wellington region for waste management needs into the future.

For the long term security of regional and local community landfilling services, BHRC has submitted applications to the Department of Water and Environmental Regulations for the approval to develop a modern landfill adjacent to the north eastern boundary of the existing landfill footprint using the side slope as part of the new cells. The new cells shall be separated from the closed landfill by installing an impermeable basal lining system.

The upgrade of the Stanley Road Waste Management Facility will put the Council in a best practice Regional Waste Management Facility. The ongoing operation of the Facility, and the provision of additional services will stimulate the local economy by providing new economic and employment opportunities to the local community.

Rehabilitation on the existing landfill cells has commenced with Phase1 – Gabion Wall, 29,000m² LLDPE low permeability capping and associated works being tendered out for construction. Landfill gas capture wells have been installed and in-house operations are completing the initial 300mm gas capture layer.

In concluding, I wish to thank the outgoing Chairperson Cr Judy Jones for the twenty five (25) years dedication and commitment to the Council and on a personal level the support and trust Cr Jones has provided to me and also the team of dedicated Councillors for their commitment and support over the past twelve (12) months.

I would like to thank the support and assistance of the Executive Staff and Officers of our Constituent Councils. Their guidance and advice on governance issues has been invaluable.

The 2016/2017 financial year has been both productive and rewarding and I would like to thank the Staff for their loyalty, dedication and hard work. I am grateful for their support as we continue to make the Bunbury-Harvey Regional Council the bench mark in Waste Management practices.

Tony Battersby
Chief Executive Officer

**BUNBURY-HARVEY REGIONAL COUNCIL**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE, 2017**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Bunbury-Harvey Regional Council being the annual financial report, supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Bunbury-Harvey Regional Council at 30 June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 15th day of November 2017

TONY BATTERSBY
Chief Executive Officer

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West Perth WA 6005

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West Perth WA 6872

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# Independent Auditor's Report to the Ratepayers of Bunbury Harvey Regional Council

## Auditor's Opinion

We have audited the financial report of Bunbury Harvey Regional Council, which comprises the statement of financial position as at 30 June 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and comprising notes to the financial statements, including a summary of significant accounting policies and the Chief Executive Officer's statement.

In our opinion, the accompanying financial report of Bunbury Harvey Regional Council:

a presents fairly, in all material respects, the Bunbury Harvey Regional Council's financial position as at 30 June 2017 and of its performance and cash flows for the year then ended;

b complies with Australian Accounting Standards (including the Australian Accounting Interpretations); and

c are prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under the Act.

## Basis for Auditor's Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Bunbury Harvey Regional Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## Statutory compliance

I did not, during the course of my audit, become aware of any instance where the Council did not comply with the requirements of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996 as they apply to financial statements.

## Responsibility of the Chief Executive Officer for the Financial Report

The Chief Executive Officer of the Bunbury Harvey Regional Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Local Government Act 1995 Part 6. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Council is responsible for overseeing the Bunbury Harvey Regional Council's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_files/ar3.pdf.
This description forms part of our auditor's report.

Grant Thornton Audit Pty Ltd

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Michael Hillgrove
Partner - Audit & Assurance

Perth, 15 November 2017

**BUNBURY-HARVEY REGIONAL COUNCIL**

**STATEMENT OF COMPREHENSIVE INCOME BY NATURE AND TYPE**

**FOR THE YEAR ENDED 30 JUNE 2017**

| | Notes | 2017 ACTUAL | 2017 REVISED BUDGET | 2017 BUDGET | 2016 ACTUAL |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Fees and Charges | **3(b)** | 4,248,633 | 3,973,490 | 3,329,103 | 2,909,747 |
| Interest Earnings | **3(c)** | 187,367 | 189,193 | 189,193 | 186,223 |
| Operating Grants, Subsidies and Contributions | **3(h)(i)** | 112,401 | 111,560 | 111,560 | 112,368 |
| Other Revenue | **3(d)** | 1,128,635 | 756,062 | 135,062 | 158,979 |
| | | **5,677,035** | **5,030,305** | **3,764,918** | **3,367,317** |
| **Expenses** | | | | | |
| Employee Costs | | (1,595,066) | (1,501,085) | (1,501,085) | (1,415,364) |
| Materials and Contracts | | (1,010,868) | (1,334,096) | (1,322,266) | (951,866) |
| Utility Charges | | (5,241) | (3,410) | (3,410) | (3,352) |
| Depreciation on Non-Current Assets | **3(e)** | (535,366) | (506,854) | (435,009) | (419,057) |
| Insurance | | (46,298) | (46,298) | (45,958) | (38,584) |
| Other Expenditure | **3(g)** | (2,193,720) | (853,678) | (295,935) | (299,169) |
| | | **(5,386,559)** | **(4,245,421)** | **(3,603,663)** | **(3,127,392)** |
| | | **290,476** | **784,884** | **161,255** | **239,925** |
| Non-Operating Grants, Subsidies and Contributions | **3(h)(ii)** | - | - | - | 211,200 |
| Profit on Disposal of Assets | **16** | 2,463 | - | 6,827 | - |
| Loss on Disposals of Assets | **16** | (61,691) | (59,228) | (28,613) | - |
| Loss on Revaluation of Civil Infrastructure | **6(c)** | (8,146) | - | - | - |
| **NET RESULT** | | **223,102** | **725,656** | **139,469** | **451,125** |
| **Other Comprehensive Income** | | | | | |
| *Items that will not be classified subsequently to profit or loss* | | | | | |
| Changes on Revaluation of Non-Current Assets | **6** | (126,063) | - | - | 553,502 |
| **Total Other Comprehensive Income** | | **(126,063)** | **-** | **-** | **553,502** |
| **TOTAL COMPREHENSIVE INCOME** | | **97,039** | **725,656** | **139,469** | **1,004,627** |

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

**BUNBURY-HARVEY REGIONAL COUNCIL**

**STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM**

**FOR THE YEAR ENDED 30 JUNE 2017**

| | Notes | 2017 ACTUAL $ | 2017 REVISED BUDGET $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|---|---|
| **Revenues** | **2** | | | | |
| Governance | **3(h)(i)** | 112,401 | 111,560 | 111,560 | 112,368 |
| General Purpose Funding | **3(c)** | 187,367 | 189,193 | 189,193 | 186,223 |
| Community Amenities | | 5,377,268 | 4,729,552 | 3,464,165 | 3,068,726 |
| | | **5,677,035** | **5,030,305** | **3,764,918** | **3,367,317** |
| **Expenses** | **2** | | | | |
| Governance | | (631,870) | (635,578) | (618,842) | (517,110) |
| Community Amenities | | (4,754,689) | (3,609,843) | (2,984,821) | (2,610,282) |
| **Total Operating Expenses** | | **(5,386,559)** | **(4,245,421)** | **(3,603,663)** | **(3,127,392)** |
| | | 290,476 | 784,884 | 161,255 | 239,925 |
| Non-Operating Grants, Subsidies and Contributions | **3(h)(ii)** | - | - | - | 211,200 |
| Profit on Disposal of Assets | **16** | 2,463 | - | 6,827 | - |
| Loss on Disposals of Assets | **16** | (61,691) | (59,228) | (28,613) | - |
| Loss on Revaluation of Civil Infrastructure | **6(c)** | (8,146) | - | - | - |
| **NET RESULT** | | **223,102** | **725,656** | **139,469** | **451,125** |
| **Other Comprehensive Income** | | | | | |
| *Items that will not be classified subsequently to profit or loss* | | | | | |
| Changes on Revaluation of Non-Current Assets | **6** | (126,063) | - | - | 553,502 |
| **Total Other Comprehensive Income** | | **(126,063)** | **-** | **-** | **553,502** |
| **TOTAL COMPREHENSIVE INCOME** | | **97,039** | **725,656** | **139,469** | **1,004,627** |

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

**BUNBURY - HARVEY REGIONAL COUNCIL**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2017**

| | Notes | 2017 ACTUAL $ | 2016 ACTUAL $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and Cash Equivalents | **4(a),15(a)** | 6,765,033 | 7,129,919 |
| Trade and Other Receivables | **5** | 396,958 | 280,975 |
| Prepayments | | 1,787 | - |
| Inventories | | 1,112 | 1,960 |
| **Total Current Assets** | | **7,164,890** | **7,412,854** |
| **NON-CURRENT ASSETS** | | | |
| Property, Plant and Equipment | **6(a),(b)** | 3,324,400 | 2,877,761 |
| Infrastructure | **6(c),(d)** | 843,203 | 746,913 |
| **Total Non-Current Assets** | | **4,167,603** | **3,624,674** |
| **TOTAL ASSETS** | **17** | **11,332,493** | **11,037,528** |
| **CURRENT LIABILITIES** | | | |
| Trade and Other Payables | **7** | 309,461 | 160,298 |
| Provisions | **8** | 240,414 | 180,268 |
| **Total Current Liabilities** | | **549,875** | **340,566** |
| **NON-CURRENT LIABILITIES** | | | |
| Provisions | **8** | 32,603 | 43,986 |
| **Total Non-Current Liabilities** | | **32,603** | **43,986** |
| **TOTAL LIABILITIES** | | **582,478** | **384,552** |
| **NET ASSETS** | | **10,750,015** | **10,652,976** |
| **EQUITY** | | | |
| Retained Surplus | | 4,092,392 | 3,618,621 |
| Reserves - Cash Backed | **13(a)** | 6,026,104 | 6,276,773 |
| Revaulation Surplus | **14** | 631,519 | 757,582 |
| **TOTAL EQUITY** | | **10,750,015** | **10,652,976** |

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

**BUNBURY - HARVEY REGIONAL COUNCIL**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 JUNE 2017**

| | | NOTE | RETAINED SURPLUS $ | RESERVES CASH BACKED $ | REVALUATION SURPLUS $ | TOTAL EQUITY $ |
|---|---|---|---|---|---|---|
| **Balance as at 30 June 2015** | | | 4,725,457 | 4,718,812 | 204,080 | 9,648,349 |
| **Comprehensive Income** | | | | | | |
| Net Result | | | 451,125 | - | - | 451,125 |
| Changes on revaluation of Non-Current Assets | | **6** | - | - | 553,503 | 553,503 |
| Total Comprehensive Income | | | 451,125 | - | 553,503 | 1,004,627 |
| Transfer from/(to) Reserves | | **13(b)&(c)** | (1,557,961) | 1,557,961 | - | - |
| **Balance as at 30 June 2016** | | | **3,618,621** | **6,276,773** | **757,582** | **10,652,976** |
| **Comprehensive Income** | | | | | | |
| Net Result | | | 223,102 | - | - | 223,102 |
| Changes on revaluation of Non-Current Assets | | **6** | - | - | (126,063) | (126,063) |
| Total Comprehensive Income | | | 3,841,723 | 6,276,773 | 631,519 | 10,750,015 |
| Transfer from/(to) Reserves | | **13(b)&(c)** | 250,669 | (250,669) | - | - |
| **Balance as at 30 June 2017** | | | **4,092,392** | **6,026,104** | **631,519** | **10,750,015** |
| **Equity in Joint Venture** | | | | | | |
| City of Bunbury | **89.6%** | | 3,666,783 | 5,399,389 | 565,841 | 9,632,013 |
| Shire of Harvey | **10.4%** | | 425,609 | 626,715 | 65,678 | 1,118,002 |
| **Total Equity** | | | **4,092,392** | **6,026,104** | **631,519** | **10,750,015** |

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

**BUNBURY HARVEY REGIONAL COUNCIL**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2017**

| | Notes | 2017 ACTUAL $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| **Receipts** | | | | |
| Operating Grants, Subsidies and Contributions | | 112,401 | 133,560 | 112,368 |
| Fees and Charges | | 4,124,784 | 3,271,241 | 3,029,832 |
| Interest Earnings | | 195,233 | 221,200 | 177,470 |
| Other Revenue | | 1,128,635 | 113,062 | 158,981 |
| | | **5,561,052** | **3,739,063** | **3,478,651** |
| **Payments** | | | | |
| Employee Costs | | (1,541,363) | (1,501,141) | (1,355,338) |
| Materials and Contracts | | (862,249) | (1,273,379) | (1,172,322) |
| Utility Charges | | (5,242) | (3,410) | (3,352) |
| Insurance Expenses | | (46,299) | (45,958) | (38,584) |
| Goods and Services Tax | | (5,336) | (22,255) | 25,877 |
| Other Expenditure | | (2,193,720) | (273,680) | (299,169) |
| | | **(4,654,206)** | **(3,119,823)** | **(2,842,888)** |
| **Net Cash Provided by (used in) Operating Activities** | **15(b)** | **906,846** | **619,240** | **635,763** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| **Receipts** | | | | |
| Non-Operating Grants, Subsidies and Contributions | | - | - | 211,200 |
| Proceeds from Sale of Property, Plant and Equipment | | 95,455 | 155,000 | - |
| **Payments** | | | | |
| Payment for Purchase of Property, Plant and Equipment | | (1,328,727) | (2,604,100) | (526,814) |
| Payment for Construction of Infrastructure | | (38,460) | (35,644) | (119,766) |
| | | (1,367,187) | (2,639,744) | (646,580) |
| **Net Cash Provided by (used in) Investing Activities** | | **(1,271,732)** | **(2,484,744)** | **(435,380)** |
| **Net Increase / (Decrease) in Cash Held** | | (364,886) | (1,865,504) | 200,383 |
| Cash at Beginning of Year | | 7,129,919 | 7,130,783 | 6,929,536 |
| **Cash and Cash Equivalents at the End of the Year** | **15(a)** | **6,765,033** | **5,265,279** | **7,129,919** |

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

**BUNBURY HARVEY REGIONAL COUNCIL**

**FEE SETTING STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2017**

| | Notes | 2017 ACTUAL $ | 2017 REVISED BUDGET $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|---|---|
| Net Current Assets at start of Financial Year - Surplus/(Deficit) | | 795,515 | 795,515 | 830,168 | 2,122,806 |
| | | **795,515** | **795,515** | **830,168** | **2,122,806** |
| **Revenue from Operating Activities (Excluding Fees & Charges)** | | | | | |
| Interest Earnings | **3(c)** | 187,367 | 189,193 | 189,193 | 186,223 |
| Profit on Disposal of Asset | | 2,463 | - | 6,827 | - |
| Contributions | **3(h)(i)** | 112,401 | 111,560 | 111,560 | 112,368 |
| Other Revenue | **3(d)** | 1,128,635 | 756,062 | 135,062 | 158,979 |
| | | **1,430,866** | **1,056,815** | **442,642** | **457,570** |
| **Less Expenditure from Operating Activities** | | | | | |
| Employee Costs | | (1,595,066) | (1,501,085) | (1,501,085) | (1,415,364) |
| Material and Contracts | | (1,010,868) | (1,334,096) | (1,322,266) | (951,866) |
| Utility Charges | | (5,241) | (3,410) | (3,410) | (3,352) |
| Insurance Expenses | | (46,298) | (46,298) | (45,958) | (38,584) |
| Depreciation | **3(e)** | (535,366) | (506,855) | (435,009) | (419,057) |
| Other Expenditure | **3(g)** | (2,193,720) | (853,679) | (295,935) | (299,169) |
| Loss on Disposal of Asset | | (61,691) | (59,228) | (28,613) | - |
| | | **(5,448,250)** | **(4,304,651)** | **(3,632,276)** | **(3,127,392)** |
| **Net Operating Result Excluding Fees and Charges** | | **(4,017,385)** | **(3,247,836)** | **(3,189,634)** | **(2,669,822)** |
| **Adjustments for Cash Budget Requirements: Operating Activities excluded from Budget** | | | | | |
| (Profit)/Loss on Asset Disposals | **16** | 59,228 | 59,228 | 21,786 | - |
| Depreciation on Assets | **3(e)** | 535,366 | 506,855 | 435,009 | 419,057 |
| Movement in employee benefit provisions (non-current) | | (11,382) | - | - | 7,068 |
| **Amount attributable to Operating Activities** | | **(2,638,658)** | **(1,886,238)** | **(1,902,671)** | **(120,891)** |
| **INVESTING ACTIVITIES** | | | | | |
| Non-Operating Grants, Subsidies and Contributions | **3(h)(ii)** | - | - | - | 211,200 |
| Purchase of Property, Plant and Equipment | | (1,328,727) | (2,545,631) | (2,604,100) | (526,814) |
| Purchase and construction of Infrastructure | | (38,460) | (38,460) | (35,644) | (119,766) |
| Proceeds from Disposal of Assets | **16** | 95,455 | 95,455 | 155,000 | - |
| **Amount attributable to Investing Activities** | | **(1,271,733)** | **(2,488,636)** | **(2,484,744)** | **(435,380)** |
| **FINANCING ACTIVITIES** | | | | | |
| Transfer to cash backed Reserves (Restricted Assets) | **13(b)** | (611,303) | (1,198,366) | (598,366) | (2,333,107) |
| Transfer from cash backed Reserves (Restricted Assets) | **13(c)** | 861,971 | 2,108,969 | 2,108,969 | 775,146 |
| **Amount attributable to Financing Activities** | | **250,669** | **910,603** | **1,510,603** | **(1,557,961)** |
| **Surplus(Deificency) before Fees and Charges** | | **(3,659,722)** | **(3,464,271)** | **(2,876,812)** | **(2,114,232)** |
| **Total Amount Raised From Fees & Charges** | **3(b)** | **4,248,633** | **3,973,490** | **3,329,103** | **2,909,747** |
| **Net Current Assets at June 30 c/fwd - Surplus/(Deficit)** | **15(c)** | **588,911** | **509,219** | **452,291** | **795,515** |

## Notes to and forming part of the Financial Statements for the year ending 30 June 2017

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

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

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

**Critical Accounting Estimates**

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

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

**The Local Government Reporting Entity**

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

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

#### (b) Rounding Off Figures

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

#### (c) 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.

#### (d) 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).
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).

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (d) 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.

### (e) 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.

### (f) 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.

### (g) 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.

### (h) 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.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (i) 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.

During the year ended 30 June 2013, the Council commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report 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.

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.

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

**(i) Fixed Assets (Continued)**

***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.

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

a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or

b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

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

The 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 the statement of comprehensive income in the period which they arise.

***Capitalisation Threshold***

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

**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:

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

**(i) Fixed Assets (Continued)**

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

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

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

***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.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (i) Fixed Assets (Continued)

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

***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 in accordance with the regulatory framework.

### (j) 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.

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

**(j) Financial Instruments (Continued)**

***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.

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.

*(i) 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. Assets in this category are classified as current assets.

*(ii) 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.

*(iii) 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.

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

**(j) Financial Instruments (Continued)**

*(iii) Held-to-maturity investments (Continued)*

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.

*(iv) 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.

*(v) 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.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (j) Financial Instruments (Continued)

***Impairment (Continued)***

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.

### (k) 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.

### (l) 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)**

**(m) 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.

**(n) 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.

**(o) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, and are classified as finance leases.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (o) Leases (Continued)

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

### (p) Investments in Associates

An associate is an entity over which the Council has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate. In addition, the Council's share of the profit or loss of the associate is included in the Council's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

When the Council's share of losses in an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

When the associate subsequently makes profits, the Council will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (q) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(q) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

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

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

### (s) Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year. When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

### (t) Budget Comparative Figures

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

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

| | Title | Issue/Compiled | Applicable[(1)] | Impact |
|---|---|---|---|---|
| (i) | AASB 9 – Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8) | December 2014 | 1 January 2018 | Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect. |
| (ii) | AASB 15 Revenue from Contracts with Customers | December 2014 | 1 January 2019 | This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.<br><br>The effect of this Standard will depend upon the nature of the future transactions the Council has with those third parties it has dealings with. It may or may not be significant. |

Notes:
[(1)] Applicable to reporting periods commencing on or after a given date.

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

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

| | Title | Issue/Compiled | Applicable[(1)] | Impact |
|---|---|---|---|---|
| (iii) | AASB 16 Leases | February 2016 | 1 January 2019 | Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.<br><br>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Council, the impact is not expected to be significant. |
| (iv) | AASB 1058 Income for Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8) | December 2016 | 1 January 2019 | These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:<br>- Assets received below fair value;<br>- Transfers received to acquire or construct non-financial assets;<br>- Grants received;<br>- Prepaid rates;<br>- Leases entered into at below market rates; and<br>- Volunteer services.<br><br>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Council's operations. |

Notes:
[(1)] Applicable to reporting periods commencing on or after a given date.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (v) Adoption of New and Revised Accounting Standards

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

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

| | |
|---|---|
| (i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities.<br><br>[AASB 10, 124 & 1049] | The objective of this Standard was to extend the scope of AASB 124 Related Party Disclosures to include not-for-profit sector entities.<br><br>The Standard has had a significant disclosure impact on the financial report of the City as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary. |

## 2 FUNCTIONS / ACTIVITIES

### 2(a) Statement of Objective

The Bunbury Harvey Regional Council is dedicated to providing a high standard refuse disposal site for the residents of the City of Bunbury, Shire of Harvey, other surrounding residents, and business operators.

### 2(b) Description of Programs

**GOVERNANCE**

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

**Activities:**

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

**GENERAL PURPOSE FUNDING**
**Objective:**
To collect revenue to allow for the provision of services.
**Activities:**
Fees, general purpose government grants and interest revenue.

**COMMUNITY AMENITIES**
**Objective:**
To provide services required by the member councils.

To reduce the environmental impact of waste and maximise conservation of natural resources through reduced overall material use and increased materials and energy recovery.
**Activities:**
Operation of landfill and recycling facilities.

**BUNBURY HARVEY REGIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2017**

## 3 OPERATING REVENUES AND EXPENSES

### 3(a) ELECTED MEMBERS REMUNERATION

| | | 2017 ACTUAL $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|---|
| The following fees, expenses and allowances were paid to Council Members and/or the Chairman. | | | | |
| Chairman | - Meeting Fees | 2,024 | 2,112 | 1,936 |
| | - Travelling Expenses | - | 100 | - |
| Councillors | - Meeting Fees | 4,180 | 4,066 | 4,136 |
| | - Conference Exenses | 1,182 | - | - |
| | - Travelling Expenses | 1,005 | 361 | 453 |
| **Total Elected Members Remuneration** | | **8,391** | **6,639** | **6,525** |

### 3(b) FEES AND CHARGES

| | 2017 ACTUAL $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|
| Casual Tipping Fees | 2,359,803 | 1,375,109 | 1,006,176 |
| Disposals - City of Bunbury | 488,741 | 509,193 | 500,736 |
| Disposals - Shire of Harvey | 499,080 | 517,346 | 505,503 |
| Tip Passes - Shire of Harvey | 185,403 | 198,352 | 192,847 |
| Sale of Recyclables | 132,462 | 144,154 | 134,507 |
| Waste Minimisation Revenue | 97,544 | 81,468 | 78,329 |
| Banksia Road Organics Income | 475,410 | 490,500 | 478,889 |
| Hookbin Hire Income | 10,190 | 12,981 | 12,760 |
| **Total Fees & Charges** | **4,248,633** | **3,329,103** | **2,909,747** |

There were no changes during the year to the amount of fees and charges detailed in the original budget.

### 3(c) INTEREST ON INVESTMENTS

| | 2017 ACTUAL $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|
| General Funds | 26,717 | 22,294 | 25,135 |
| Reserve Funds: | | | |
| Plant & Infrastructure Reserve | 8,184 | 6,633 | 12,368 |
| Site (Post Closure) Rehab. Reserve | 92,096 | 101,796 | 89,978 |
| Waste Minimisation Reserve | 17,902 | 21,418 | 18,373 |
| Stanley Road Lined Cell Construction Reserve | 13,814 | 15,187 | 11,089 |
| Site Acquisition and Investigation Reserve | 28,654 | 21,865 | 29,280 |
| **Total Interest on Investments** | **187,367** | **189,193** | **186,223** |

### 3(d) OTHER REVENUE

| | 2017 ACTUAL $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|
| Landfill Levy Income | 990,745 | 50,000 | 56,982 |
| Fuel Tax Credit | 62,835 | 63,062 | 63,062 |
| Insurance Reimbursements | 60,963 | 5,000 | 15,402 |
| Payroll Contributions | 7,799 | - | 11,826 |
| Miscellaneous Reimbursements | 6,293 | 5,000 | 10,957 |
| Contributions to E-Waste Disposal | - | 12,000 | - |
| Bad Debts Recovered | - | | 750 |
| **Total Other Revenue** | **1,128,635** | **135,062** | **158,979** |

## 3 OPERATING REVENUES AND EXPENSES (Continued)

### 3(e) DEPRECIATION

| | 2017 ACTUAL $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|
| Buildings | 12,156 | 13,356 | 11,575 |
| Plant and Equipment | 468,930 | 373,563 | 362,181 |
| Furniture and Equipment | 9,132 | 10,898 | 8,209 |
| Infrastructure | 45,148 | 37,192 | 37,092 |
| | **535,366** | **435,009** | **419,057** |

### 3(f) AUDITOR'S REMUNERATION

| | 2017 ACTUAL $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|
| Audit of annual financial report | 11,014 | 6,160 | 5,885 |
| Financial Management Systems Review | 2,200 | 740 | 740 |
| | **13,214** | **6,900** | **6,625** |

### 3(g) OTHER EXPENDITURE

| | 2017 ACTUAL $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|
| Landfill Levy | 890,563 | 46,000 | 55,024 |
| Landfill Licence | 11,199 | 5,456 | 5,362 |
| City of Bunbury Tonnage Rebate | 103,033 | 109,000 | 107,819 |
| Shire of Harvey Tonnage Rebate | 104,773 | 114,000 | 109,854 |
| Doubtful Debts Expense * | 1,060,186 | - | - |
| Other | 23,965 | 21,479 | 21,110 |
| | **2,193,719** | **295,935** | **299,169** |

( * Refer to Note 21(b) )

### 3(h) GRANTS/CONTRIBUTIONS

| | 2017 ACTUAL $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|
| Grants, Subsidies and Contributions are included as operating revenues in the Statement of Comprehensive Income: | | | |
| **By Nature or Type:** | | | |
| **(i) Operating Grants, Subsidies and Contributions** | | | |
| **Grants received and expended during the year:** | | | |
| Waste Education Contributions | 112,401 | 111,560 | 112,368 |
| | **112,401** | **111,560** | **112,368** |
| **By Program:** | | | |
| Community Amenities | 112,401 | 111,560 | 112,368 |
| | **112,401** | **111,560** | **112,368** |

## 3 OPERATING REVENUES AND EXPENSES (Continued)

### 3(h) GRANTS/CONTRIBUTIONS (Continued)

### (ii) Non-Operating Grants, Subsidies and Contributions

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

| | 2017 ACTUAL $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|
| **Grants received during the year:** | | | |
| Compost Aerators | - | - | 115,200 |
| Concrete Bunkers | - | - | 96,000 |
| | **-** | **-** | **211,200** |
| **By Program:** | | | |
| Community Amenities | - | - | 211,200 |
| | **-** | **-** | **211,200** |

## 3 OPERATING REVENUES AND EXPENSES (Continued)

### 3(h) GRANTS/CONTRIBUTIONS (Continued)

#### (iii) Conditions Over Grants/Contributions

| Grant/Contribution | Function/ Activity: | Opening Balance (1) 30/06/15 $ | Received (2) 2015/16 $ | Expended (3) 2015/16 $ | Closing Balance (1) 30/6/16 $ | Received (2) 2016/17 $ | Expended (3) 2016/17 $ | Closing Balance 30/6/17 $ |
|---|---|---|---|---|---|---|---|---|
| Grant for Compost Aerators | Community Amenities | 28,800 | 115,200 | 144,000 | - | - | - | - |
| Grant for Concrete Bunkers | Community Amenities | 24,000 | 96,000 | 120,000 | - | - | - | - |
| | | **52,800** | **211,200** | **264,000** | **-** | **-** | **-** | **-** |

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

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

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

## 4(a) CASH AND CASH EQUIVALENTS

| | NOTE | 2017 ACTUAL $ | 2016 ACTUAL $ |
|---|---|---|---|
| Unrestricted | | 738,929 | 853,146 |
| Restricted | | 6,026,104 | 6,276,773 |
| | | **6,765,033** | **7,129,919** |
| **Restricted** | | | |
| Restrictions has been imposed by regulations or other externally imposed requirements on the following: | | | |
| Plant and Equipment Reserve | 13(a) | 504,988 | 333,583 |
| Site (Post Closure) Rehabilitation Reserve | 13(a) | 3,129,726 | 3,704,152 |
| Waste Minimisation Reserve | 13(a) | 818,197 | 702,545 |
| Stanley Road Lined Cell Construction Reserve | 13(a) | 539,884 | 527,212 |
| Site Acquisition and Investigation Reserve | 13(a) | 1,033,309 | 1,009,281 |
| | | **6,026,104** | **6,276,773** |

## 4(b) INVESTMENTS

Funds surplus to the Regional Council's daily operating requirements, and restricted funds, are invested with approved financial institutions.

To manage cash flow requirements and maximise return, funds have been invested in Term Deposits with the banks listed below.

**Invested Funds**

| Investment Type | Term | 2017 ACTUAL $ | 2016 ACTUAL $ |
|---|---|---|---|
| CBA On-Call Fund | On-Call | 600,985 | 629,866 |
| BankWest Term Deposit | Short Term | 1,159,140 | 1,020,552 |
| NAB Term Deposit | Short Term | 4,893,708 | 5,368,981 |
| | | **6,653,833** | **7,019,399** |

## 5 TRADE AND OTHER RECEIVABLES

| | 2017 ACTUAL $ | 2016 ACTUAL $ |
|---|---|---|
| **Current** | | |
| Trade Debtors | 375,895 | 247,369 |
| Accrued Income | - | 4,677 |
| Accrued Interest | 21,063 | 28,929 |
| | **396,958** | **280,975** |
| Information with respect to the impairment of trade debtors is as follows: | | |
| Trade Debtors | 1,436,081 | 247,369 |
| Reduced by: | | |
| Impaired - Provision for Doubtful Debts | (1,060,186) | - |
| Trade Debtors (unimpaired) | 375,895 | 247,369 |
| Includes: | | |
| Past Due but not impaired | 84,645 | 35,118 |

## 6 NON CURRENT ASSETS

### 6(a) PROPERTY, PLANT AND EQUIPMENT

| | 2017 ACTUAL $ | 2016 ACTUAL $ |
|---|---|---|
| Buildings - Management Valuation 2017 - Level 3 | 184,200 | - |
| Buildings - Management Valuation 2014 - Level 3 | - | 153,975 |
| *less* Accumulated depreciation | - | (24,390) |
| | **184,200** | **129,585** |
| Furniture and Equipment - Management Valuation 2017 - Level 3 | 25,600 | - |
| Furniture and Equipment - Management Valuation 2014 - Level 3 | - | 30,706 |
| Additions after valuation - cost | - | 12,231 |
| *less* Accumulated depreciation | - | (17,511) |
| | **25,600** | **25,426** |
| Plant and Equipment - Management Valuation 2017 - Level 2 | 3,114,600 | - |
| Plant and Equipment - Management Valuation 2016 - Level 2 | - | 2,722,750 |
| | **3,114,600** | **2,722,750** |
| **TOTAL NET BOOK VALUE** | **3,324,400** | **2,877,761** |

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

**Movements in Carrying Amounts**

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

| | Buildings $ | Furniture and Equipment $ | Plant and Equipment $ | Total $ |
|---|---|---|---|---|
| Balance at the beginning of the year | 129,585 | 25,426 | 2,722,750 | 2,877,761 |
| Additions | 13,951 | 9,836 | 1,304,941 | 1,328,728 |
| Disposals | - | - | (154,682) | (154,682) |
| Revaluation increments/(decrements) | 52,821 | (530) | (289,479) | (237,188) |
| Revaluation (Losses)/Reversals Through to Profit or Loss | - | - | - | - |
| Impairment (losses) / reversals | - | - | - | - |
| Depreciation expense | (12,157) | (9,132) | (468,930) | (490,219) |
| Transfers | - | - | - | - |
| Carrying Amount at the end of the year | **184,200** | **25,600** | **3,114,600** | **3,324,400** |

## 6 NON CURRENT ASSETS (Continued)

## 6(b) PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Fair Value Measurements

| Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of valuation | Date of last Valuation | Inputs Used |
|---|---|---|---|---|---|
| **Buildings** | 3 | Improvements to land valued using cost approach using depreciated replacement cost | Management Valuation | June 2017 | Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| **Furniture and Equipment** | 3 | Cost approach using depreciated replacement cost | Management Valuation | June 2017 | Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| **Plant and Equipment** | 2 | Sales Comparison (Market) approach using recent observable market data for similar assets | Management Valuation | June 2017 | Price per item |

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied , they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

## 6 NON CURRENT ASSETS (Continued)

### 6(c) INFRASTRUCTURE

| | 2017 ACTUAL $ | 2016 ACTUAL $ |
|---|---|---|
| **Stanley Road Operations** | | |
| Roads- at Management Valuation 2017 - Level 3 | 55,000 | - |
| Roads- at Management Valuation 2015 - Level 3 | - | 35,001 |
| *less* Accumulated depreciation | (10,000) | (1,094) |
| | **45,000** | **33,907** |
| Perimeter Fencing etc at Management Valuation 2017 - Level 3 | 12,040 | - |
| Perimeter Fencing etc at Management Valuation 2015 - Level 3 | - | 17,000 |
| *less* Accumulated depreciation | (1,920) | (1,890) |
| | **10,120** | **15,110** |
| Waste Transfer Station-Management Valuation 2017 - Level 3 | 503,166 | - |
| Waste Transfer Station-Management Valuation 2014 - Level 3 | - | 409,078 |
| Additions after valuation - cost | - | 5,000 |
| *less* Accumulated depreciation | (50,333) | (40,977) |
| | **452,833** | **373,101** |
| **Organics Processing Operations** | | |
| Concrete Bunker and Apron, Composting Pad, Leachate Ponds, Monitoring Bores, Site Fencing | | |
| - at Management Valuation 2017 - Level 3 | 364,500 | - |
| - at Management Valuation 2015 - Level 3 | - | 219,000 |
| Additions after valuation - cost | - | 119,766 |
| *less* Accumulated depreciation | (29,250) | (13,971) |
| | **335,250** | **324,795** |
| **NET BOOK VALUE** | **843,203** | **746,913** |

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions.

This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires infrastructure to be shown at fair value.

| | Roads $ | Perimeter Fencing etc. $ | Waste Transfer Station $ | Organics Processing Operations $ | **Total $** |
|---|---|---|---|---|---|
| Balance at the beginning of the year | 33,907 | 15,110 | 373,101 | 324,795 | 746,913 |
| Additions | - | - | - | 38,460 | 38,460 |
| Disposals | - | - | - | - | - |
| Revaluation increments/(decrements) | 12,188 | (933) | 99,870 | - | 111,125 |
| Revaluation (Losses)/Reversals Through to Profit or Loss | - | (2,170) | - | (5,976) | (8,146) |
| Impairment (losses) / reversals | - | - | - | - | - |
| Depreciation expense | (1,095) | (1,887) | (20,138) | (22,029) | (45,149) |
| Transfers | - | - | - | - | - |
| Carrying Amount at the end of the year | **45,000** | **10,120** | **452,833** | **335,250** | **843,203** |

## 6 NON CURRENT ASSETS (Continued)

## 6(d) INFRASTRUCTURE (Continued)

### (d) Fair Value Measurements

| Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of valuation | Date of last Valuation | Inputs used |
|---|---|---|---|---|---|
| **Roads** | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2017 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| **Perimeter Fencing** | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2017 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| **Waste Transfer Station** | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2017 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| **Banksia Road** | 3 | Cost approach using depreciated replacement cost | Management valuation | June 2017 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

| | | 2017 ACTUAL $ | 2016 ACTUAL $ |
|---|---|---|---|
| **7** | **TRADE AND OTHER PAYABLES** | | |
| | Sundry Creditors | 225,527 | 80,277 |
| | Income Received in Advance | 4,308 | - |
| | Accrued Wages | 13,862 | 8,920 |
| | Security Bonds | 500 | 500 |
| | GST, FBT & PAYG Payable | 65,264 | 70,601 |
| | | **309,461** | **160,298** |

**8 PROVISIONS**

| | Provision for Annual Leave $ | Provision for Long Service Leave $ | Provision for Rostered Days Off $ | Total $ |
|---|---|---|---|---|
| **Opening balance at 1 July 2016** | | | | |
| Current Provisions | 122,185 | 52,698 | 5,384 | 180,267 |
| Non-current provisions | - | 43,986 | - | 43,986 |
| | **122,185** | **96,684** | **5,384** | **224,253** |
| Additional provision | 100,475 | 40,591 | 9,333 | 150,399 |
| Amounts used | (73,840) | (16,922) | (10,873) | (101,635) |
| Increase in the discounted amount arising because of time and the effect of any change in the discounted rate | - | - | - | - |
| **Balance at 30 June 2017** | **148,820** | **120,353** | **3,844** | **273,017** |
| **Comprises** | | | | |
| Current provisions | 148,820 | 87,750 | 3,844 | 240,414 |
| Non-current provisions | - | 32,603 | - | 32,603 |
| | **148,820** | **120,353** | **3,844** | **273,017** |

| | | 2017 | 2016 |
|---|---|---|---|
| **9** | **CAPITAL AND LEASING COMMITMENTS** | $ | $ |

Non-cancellable operating leases contracted for but not capitalised in the accounts.

| | | |
|---|---|---|
| Payable: | | |
| - not later than one year | 24,661 | 23,340 |
| - later than one year but not later than five years | - | - |
| - later than five years | - | - |

The BHRC had no capital expenditure commitments contracted for as at the end of the reporting period which had not been recognised as a liability in the Statement of Financial Position.

**10 TRADING UNDERTAKINGS**

No trading undertakings were commenced for the BHRC in the 2016/17 financial year.

**11 MAJOR TRADING UNDERTAKINGS**

No major trading undertakings were commenced for the BHRC in the 2016/17 financial year .

**12 CONTINGENT LIABILITIES**

Site Post Closure Rehabilitation

Management estimate based on BHRC Management Plan prepared by Ask Waste Management for Site Post Closure rehabilitation is $4,000,000.

The Bunbury-Harvey Regional Council has restricted funds in the Site (Post Closure) Rehabilitation Reserve for future expenditure. The value of this reserve as at 30 June 2017 is $3,129,726. The 2017/18 budget includes rehabilitation to the value of $1,818,395 which will be funded from this Reserve.

There are no other contingent liabilities of material amounts not provided for in the accounts.

## 13(a) RESERVES - CASH BACKED

| | 2017 ACTUAL $ | 2017 REVISED BUDGET $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|---|
| **Plant and Infrastructure Reserve** | | | | |
| *Purpose: To fund the future replacement of machinery, plant and vehicles and infrastructure.* | | | | |
| Opening Balance | 333,583 | 333,583 | 333,520 | 584,215 |
| Amount Set Aside/Transfer to Reserve | 356,705 | 356,632 | 356,632 | 12,368 |
| Amount Used/Transfer from Reserve | (185,300) | (185,300) | (185,300) | (263,000) |
| | **504,988** | **504,915** | **504,852** | **333,583** |
| **Site (Post Closure) Rehabilitation Reserve** | | | | |
| *Purpose: To set aside funds to provide resources for rehabilitation.* | | | | |
| Opening Balance | 3,704,152 | 3,704,154 | 3,704,033 | 3,015,512 |
| Amount Set Aside/Transfer to Reserve | 102,246 | 101,796 | 101,796 | 688,640 |
| Amount Used/Transfer from Reserve | (676,671) | (923,669) | (923,669) | - |
| | **3,129,726** | **2,882,281** | **2,882,160** | **3,704,152** |
| **Waste Minimisation Reserve** | | | | |
| *Purpose: To set aside funds to provide future waste minimisation and environmental protection initiatives.* | | | | |
| Opening Balance | 702,545 | 702,545 | 703,398 | 606,939 |
| Amount Set Aside/Transfer to Reserve | 115,652 | 102,886 | 102,886 | 95,606 |
| Amount Used/Transfer from Reserve | - | - | - | - |
| | **818,197** | **805,431** | **806,284** | **702,545** |
| **Stanley Road Lined Cell Construction Reserve** | | | | |
| ***Purpose** : To set aside funds for cell construction* | | | | |
| Opening Balance | 527,212 | 527,212 | 527,229 | - |
| Amount Set Aside/Transfer to Reserve | 12,672 | 15,187 | 15,188 | - |
| Transfer from Bankisa Road Construction Reserve | - | - | - | 527,212 |
| Amount Used/Transfer from Reserve | **-** | - | - | **-** |
| | **539,884** | **542,399** | **542,417** | **527,212** |
| **Banksia Road Constrction Reserve** | | | | |
| ***Purpose*** : To set aside funds for cell construction | | | | |
| Opening Balance | **-** | **-** | **-** | 512,146 |
| Amount Set Aside/Transfer to Reserve | **-** | **-** | **-** | - |
| Transfer to Stanley Road Lined Cell Construction Reserve | **-** | **-** | **-** | (512,146) |
| Amount Used/Transfer from Reserve | **-** | **-** | **-** | **-** |
| | **-** | **-** | **-** | **-** |

## 13(a) RESERVES - CASH BACKED (Continued)

| | 2017 ACTUAL $ | 2017 REVISED BUDGET $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|---|
| **Site Acquisition and Investigation Reserve** | | | | |
| ***Purpose:*** *To set aside funds for cell construction* | | | | |
| Opening Balance | 1,009,281 | 1,009,281 | 1,005,706 | - |
| Amount Set Aside/Transfer to Reserve | 24,028 | 621,865 | 21,864 | 1,009,281 |
| Amount Used/Transfer from Reserve | - | (1,000,000) | (1,000,000) | - |
| | **1,033,309** | **631,146** | **27,570** | **1,009,281** |
| **TOTAL CASH BACKED RESERVE FUNDS** | **6,026,104** | **5,366,172** | **4,763,283** | **6,276,773** |
| **SUMMARY OF RESERVES** | | | | |
| Total Opening Balance | 6,276,773 | 6,276,775 | 6,273,886 | 4,718,812 |
| Total Amount Set Aside/Transfer to Reserve | 611,303 | 1,198,366 | 598,366 | 2,333,107 |
| Total Amount Used/Transfer from Reserve | (861,971) | (2,108,969) | (2,108,969) | (775,146) |
| **TOTAL CASH BACKED RESERVE FUNDS** | **6,026,104** | **5,366,172** | **4,763,283** | **6,276,773** |

## 13(b) Transfers from Retained Surplus

| | 2017 ACTUAL $ | 2017 REVISED BUDGET $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|---|
| **Plant and Infrastructure Reserve** | | | | |
| Operations | 348,521 | 350,000 | 350,000 | - |
| Interest on Investments | 8,184 | 6,632 | 6,632 | 12,368 |
| | **356,705** | **356,632** | **356,632** | **12,368** |
| **Site (Post Closure) Rehabilitation Reserve** | | | | |
| Operations | 10,150 | - | - | 598,662 |
| Interest on Investments | 92,096 | 101,796 | 101,796 | 89,978 |
| | **102,246** | **101,796** | **101,796** | **688,640** |
| **Waste Minimisation Reserve** | | | | |
| Operations | 97,750 | 81,468 | 81,468 | 77,233 |
| Interest on Investments | 17,902 | 21,418 | 21,418 | 18,373 |
| | **115,652** | **102,886** | **102,886** | **95,606** |
| **Stanley Road Lined Cell Construction Reserve** | | | | |
| Interest on Investments | 12,672 | 15,187 | 15,188 | 11,089 |
| Additional Funds (Transfer from Accum. Funds) | - | - | - | 516,123 |
| | **12,672** | **15,187** | **15,188** | **527,212** |
| **Site Acquisition and Investigation Reserve** | | | | |
| Interest on Investments | 24,028 | 21,865 | 21,864 | 29,281 |
| Additional Funds (Transfer from Accum. Funds) | - | 600,000 | - | 980,000 |
| | **24,028** | **621,865** | **21,864** | **1,009,281** |
| **Total Transfers from Retained Surplus** | **611,303** | **1,198,366** | **598,366** | **2,333,107** |

| | | 2017 ACTUAL $ | 2017 REVISED BUDGET $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|---|---|
| **13(c)** | **Transfers to Retained Surplus** | | | | |
| | **Plant and Infrastructure Reserve** | | | | |
| | Capital Expenditure | 185,300 | 185,300 | 185,300 | 263,000 |
| | | **185,300** | **185,300** | **185,300** | **263,000** |
| | **Site (Post Closure) Rehabilitation Reserve** | | | | |
| | Stanley Road rehabilitation works | 211,671 | 433,669 | 433,669 | - |
| | Capital Equipment for Stanley Road rehabilitation works | 465,000 | 490,000 | 490,000 | - |
| | | **676,671** | **923,669** | **923,669** | **-** |
| | **Transfers from Reserves (to other reserves)** | | | | |
| | **Banksia Road Construction Reserve** | | | | |
| | Transfer to Stanley Road Lined Cell Construction Reserve | - | - | - | 512,146 |
| | | **-** | **-** | **-** | **512,146** |
| | **Site Acquisition and Investigation Reserve** | | | | |
| | Purchase Nnew Organics Processing Site | - | 1,000,000 | 1,000,000 | - |
| | Site Rehabilitation Expenditure | **-** | **1,000,000** | **1,000,000** | **-** |
| | **Total Transfers to Retained Surplus** | **861,971** | **2,108,969** | **2,108,969** | **775,146** |

## 14 REVALUATION SURPLUS

Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

| | 2017 ACTUAL $ | 2016 ACTUAL $ |
|---|---|---|
| **Buildings** | | |
| Opening balance | - | |
| Revaluation Increment | 52,820 | |
| | **52,820** | **-** |
| **Plant and Equipment** | | |
| Opening balance | 750,409 | 196,907 |
| Revaluation Increment | - | 553,502 |
| Revaluation Decrement | (289,479) | - |
| | **460,930** | **750,409** |
| **Furniture and Equipment** | | |
| Opening balance | 1,662 | 1,662 |
| Revaluation Decrement | (530) | - |
| | **1,132** | **1,662** |
| **Roads** | | |
| Opening balance | 4,578 | 4,578 |
| Revaluation Increment | 12,189 | - |
| | **16,767** | **4,578** |
| **Perimeter Fencing etc** | | |
| Opening balance | 933 | 933 |
| Revaluation Decrement | (933) | - |
| | **-** | **933** |
| **Waste Transfer Station** | | |
| Opening balance | - | - |
| Revaluation Increment | 99,870 | - |
| | **99,870** | **-** |
| **Total Asset Revaluation Surplus** | | |
| | **631,519** | **757,582** |

## 15 NOTES TO CASH FLOW AND FEE SETTING STATEMENTS

### 15(a) RECONCILIATION OF CASH

For the purpose of the Statement of Cash Flows, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

| | 2017 ACTUAL $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|
| Cash and Cash Equivalents | **6,765,033** | **5,265,279** | **7,129,919** |

### 15(b) RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO NET RESULT

| | 2017 ACTUAL $ | 2017 BUDGET $ | 2016 ACTUAL $ |
|---|---|---|---|
| Net Result | 223,102 | 139,469 | 451,128 |
| **Non-cash flows in Net result:** | | | |
| Depreciation | 535,366 | 435,009 | 419,057 |
| (Profit)/Loss on Sale of Assets | 59,228 | 21,786 | - |
| Fair Value Adjustments to Assets at fair value through profit or loss | 8,146 | - | - |
| **Changes in assets and liabilities:** | | | |
| Increase/(Decrease) in Employee Provisions | 48,762 | (56) | 54,568 |
| (Increase)/Decrease in Receivables | (115,983) | (25,855) | 111,331 |
| (Increase)/Decrease in Prepayments | (1,787) | - | 7,593 |
| (Increase)/Decrease in Inventories | 848 | (40) | (159) |
| Increase/(Decrease) in Payables | 149,558 | 66,723 | (227,890) |
| Increase/(Decrease) in Taxation Liabilities | (5,336) | (22,255) | 25,878 |
| Decrease in Accrued Wages | 4,942 | 4,459 | 5,457 |
| **Grants Contributions for the Development of Assets** | - | - | (211,200) |
| Net Cash from Operating Activities | **906,846** | **619,240** | **635,763** |

## 15 NOTES TO CASH FLOW AND FEE SETTING STATEMENTS (Continued)

### 15(c) NET CURRENT ASSETS

| | 2017 (30 June 2017 Carried Forward) $ | 2017 (1 July 2016 Brought Forward) $ | 2016 (30 June 2016 Carried Forward) $ |
|---|---|---|---|
| Surplus 1 July brought forward | 588,911 | 795,515 | 795,515 |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | | | |
| Unrestricted | 738,929 | 853,146 | 853,146 |
| Restricted | 6,026,104 | 6,276,773 | 6,276,773 |
| Receivables | 398,745 | 280,975 | 280,975 |
| Inventories | 1,112 | 1,960 | 1,960 |
| **LESS: CURRENT LIABILITIES** | | | |
| Trade and other payables | | | |
| Sundry Creditors | (225,527) | (80,277) | (80,277) |
| Income Received in Advance | (4,308) | - | - |
| Accrued Wages | (13,862) | (8,920) | (8,920) |
| Security Bonds | (500) | (500) | (500) |
| GST & PAYG Payable | (65,264) | (70,601) | (70,601) |
| Provisions | | | |
| Provision for annual leave | (148,820) | (122,185) | (122,185) |
| Provision for long service leave | (87,750) | (52,698) | (52,698) |
| Provision for rostered days off | (3,844) | (5,385) | (5,385) |
| **Unadjusted Net Current Assets** | **6,615,015** | **7,072,288** | **7,072,288** |
| **Adjustments** | | | |
| **Less:** | | | |
| Reserves - restricted cash | (6,026,104) | (6,276,773) | (6,276,773) |
| **Adjusted Net Curent Assets - Surplus/(Deficit)** | **588,911** | **795,515** | **795,515** |

**Difference**

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

## 16 DISPOSAL OF ASSETS

The following assets were disposed of during the year:

| | Net Book Book Value | | Sale Price | | Profit (Loss) | |
|---|---|---|---|---|---|---|
| | Actual $ | Budget | Actual $ | Budget | Actual $ | Budget |
| **Plant and Equipment** | | | | | | |
| Community Amenities | | | | | | |
| Ford Ranger | 11,996 | 13,028 | 10,682 | 14,000 | (1,314) | 972 |
| Bomag Landfill Compactor | 135,377 | 158,613 | 75,000 | 130,000 | (60,377) | (28,613) |
| Hyundai i30 | 7,310 | 5145 | 9,773 | 11000 | 2,463 | 5,855 |
| | **154,683** | **176,786** | **95,455** | **155,000** | **(59,228)** | **(21,786)** |

## 17 TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

| | 2017 ACTUAL $ | 2016 ACTUAL $ |
|---|---|---|
| Governance | 50,047 | 66,189 |
| Community Amenities | 11,282,446 | 10,971,339 |
| | **11,332,493** | **11,037,528** |

## 18 EMPLOYEES

### 18(a) EMPLOYEE NUMBERS

| | 2017 | 2016 |
|---|---|---|
| The number of full-time equivalent employees at balance date: | 17.0 | 16.3 |

### 18(b) EMPLOYEE REMUNERATION

Set out below, in bands of $10,000, is the number of employees of the Bunbury Harvey Regional Council entitled to receive an annual salary of $100,000 or more during 2016/17.

| Salary Range | 2017 | 2016 |
|---|---|---|
| $140,000 to $149,999 | 1 | 1 |

## 19 PERFORMANCE MEASURES

| | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|
| **Current Ratio:** | | | | |
| means the ratio determined as follows: | | | | |
| Current Assets minus Restricted Assets / Current Liabilities minus Restricted Liabilities | 2.07 | 3.34 | 5.34 | 4.96 |
| **Asset Sustainability Ratio:** | | | | |
| means the ratio determined as follows: | | | | |
| capital renewal and replacement expenditure / depreciation expense | 2.55 | 1.54 | 0.98 | 2.25 |
| **Debt Service Cover Ratio:** | | | | |
| means the ratio determined as follows: | | | | |
| Debt Service Cost / Available Operating Revenue | Nil | Nil | Nil | Nil |
| **Operating Surplus Ratio:** | | | | |
| means the ratio determined as follows: | | | | |
| operating revenue minus operating expense / own source operating revenue | 0.05 | 0.07 | 0.14 | 0.33 |
| **Own Source Revenue Ratio** | | | | |
| means the ratio determined as follows: | | | | |
| own source operating revenue / operating expense | 0.83 | 1.03 | 1.01 | 1.20 |

**Note:**

1. Information relation to the asset consumption ratio and the asset renewal funding ratio can be found on page 48 'Supplementary Ratio Information' of this document.

2. Adjusted Ratio due to expenditure for site rehabilitaion.
   If this amount is excluded from the ratio calculation, the ratio in the 2017 column would be as follows:

| | 2017 |
|---|---|
| **Operating Surplus Ratio:** | 0.02 |

## 20 RELATED PARTY TRANSACTIONS

**Key Management Personnel (KMP) Compensation Disclosure**

| | 2017 ACTUAL $ |
|---|---|
| The total of remuneration paid to KMP of the Council during the year are as follows: | |
| Short-term employee benefits | 157,516 |
| Post-employment benefits | 13,456 |
| Other long-term benefits | 2,451 |
| Termination benefits | - |
| | **173,424** |

**Short-term employee benefits**
These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP. Details in respect to fees and benefits paid to elected members may be found at Note 3(a).

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

**Other long-term benefits**
These amounts represent long service benefits accruing during the year.

**Termination benefits**
These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

**Related Parties**
The Council's main related parties are as follows:

*i. Key management personnel*
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

*ii. Entities subject to significant influence by the Council*
An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

*iii. Joint venture arrangements accounted for under the equity method*
The equity of the two Constituent Councils, namely the City of Bunbury (89.4%) and the Shire of Harvey (10.4%) is accounted for using the equity method of accounting. The respective share of equity is shown on page 4 of these financial statements.

**20 RELATED PARTY TRANSACTIONS (Continued)**

Transactions with related parties

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

The following transactions occurred with related parties:

| | 2017 ACTUAL $ |
|---|---|
| **Associated companies/individuals:** | |
| Sale of goods and services | 1,418,795 |
| Purchase of goods and services | 119,422 |
| | |
| **Joint venture entities:** | |
| Distributions received from joint venture entities | - |
| | |
| **Amounts outstanding from related parties:** | |
| Trade and other receivables | 111,410 |
| Loans to associated entities Unlikely | - |
| Loans to key management personnel | - |
| | |
| **Amounts payable to related parties:** | |
| Trade and other payables | - |
| Loans from associated entities | - |

Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

## 21 FINANCIAL RISK MANAGEMENT

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

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

| | Carrying Value | | Fair Value | |
|---|---|---|---|---|
| | 2017 $ | 2016 $ | 2017 $ | 2016 $ |
| **Financial Assets** | | | | |
| Cash and cash equivalents | 6,765,033 | 7,129,921 | 6,765,033 | 7,129,921 |
| Receivables | 396,958 | 280,975 | 396,958 | 280,975 |
| | **7,161,991** | **7,410,896** | **7,161,991** | **7,410,896** |
| **Financial Liabilities** | | | | |
| Payables | 309,461 | 160,297 | 309,461 | 160,297 |
| | **309,461** | **160,297** | **309,461** | **160,297** |

Fair value is determined as follows:

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

**21 FINANCIAL RISK MANAGEMENT (Continued)**

**21(a) Cash and Cash Equivalents**
**Financial assets at fair value through profit and loss**
**Available-for-sale financial assets**
**Held-to-maturity investments**

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

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

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

| | 2017 $ | 2016 $ |
|---|---|---|
| Impact of a 1% **(*)** movement in interest rates on cash and investments: | | |
| - Equity | 67,650 | 71,299 |
| - Statement of Comprehensive Income | 67,650 | 71,299 |

**Notes:**

**(*)** Sensitivity percentages based on management's expectation of future possible market movements.

## 21 FINANCIAL RISK MANAGEMENT (Continued)

### 21(b) Receivables

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required.

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

The profile of the Council's credit risk at balance date was:

| | 2017 % | 2016 % |
|---|---|---|
| Percentage of Fees and Charges | | |
| - Current | 20% | 92% |
| - Overdue * | 80% | 8% |

* The majority of overdue fees and charges as at 30 June 2017 is due from Aurigen Group Limited with an outstanding amount of $1,060,186. This has been referred for debt collection as per Council Resolution OC81023-1473 on 25 May 2017.

### 21(c) Payables

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

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

| | Due within 1 year | Due between 1 & 5 years | Due after 5 years | Total contractual cash flows | Carrying values |
|---|---|---|---|---|---|
| **2016/17** | | | | | |
| Payables | 309,461 | - | - | 309,461 | 309,461 |
| | **309,461** | **-** | **-** | **309,461** | **309,461** |
| **2015/16** | | | | | |
| Payables | 160,297 | - | - | 160,297 | 160,297 |
| | **160,297** | **-** | **-** | **160,297** | **160,297** |

| 22 FEES & CHARGES | 2017 $ | 2016 $ | 2015 $ |
|---|---|---|---|
| **LOCATION: STANLEY ROAD** | | | |
| **LIGHT VEHICLES** | | | |
| Per car or station wagon | $13.00 | $13.00 | $12.00 |
| Per utility or trailer (up to 1.8m x 1.2m) | $19.00 | $19.00 | $18.00 |
| Per trailer or large utility (up to 2.1m x 1.2m) or trailer with sides exceeding 600mm | $29.00 | $29.00 | $27.00 |
| **HEAVY VEHICLES - WEIGHBRIDGE** | | | |
| Co-mingled Waste per tonne | $57.00 | $57.00 | $55.00 |
| Minimum Charge | $41.00 | $57.00 | $55.00 |
| Clean Green Waste per tonne | $41.00 | $41.00 | $41.00 |
| Minimum Charge | $41.00 | $41.00 | $41.00 |
| Clean Cardboard Waste per tonne | $28.50 | $28.50 | $28.50 |
| Minimum Charge | $28.50 | $28.50 | $28.50 |
| Clean Fill - Suitable for Daily Cover and | $0.00 | $0.00 | $0.00 |
| Minimum Charge | $0.00 | $0.00 | $0.00 |
| Building and Demolition Waste per tonne (No Gyprock or Timber) | $5.00 | $5.00 | $5.00 |
| Minimum Charge | $5.00 | $5.00 | $0.00 |
| Clean Fill - Suitable for Site Rehabilitation (By consultation with CEO) | $0.00 | $0.00 | $0.00 |
| **OTHER WASTE** | | | |
| Tyres - car (per tyre) from | $5.50 | $5.50 | $5.50 |
| - truck (per tyre) from | $20.00 | $20.00 | $20.00 |
| Car bodies (from) | $15.00 | $15.00 | $15.00 |
| Special burial (i.e.asbestos) per tonne or part thereof | $82.00 | $82.00 | $82.00 |
| Minimum Charge | $82.00 | $82.00 | $82.00 |
| Quarantine Waste per tonne | $130.00 | $130.00 | $125.00 |
| Minimum Charge | $130.00 | $130.00 | $125.00 |
| **TIP PASSES** | | | |
| Charge to Shire of Harvey for tip pass usage - | | | |
| As per light vehicles as detailed above | $13.00 | $13.00 | $12.00 |
| Per utility or trailer (up to 1.8m x 1.2m) | $19.00 | $19.00 | $18.00 |
| Per trailer or large utility (up to 2.1m x 1.2m) or trailer with sides exceeding 600mm | $29.00 | $29.00 | $27.00 |
| **CONSTITUENT COUNCILS REBATE** | | | |
| City of Bunbury per tonne | $11.00 | $11.00 | $11.00 |
| Shire of Harvey per tonne | $11.00 | $11.00 | $11.00 |

| 22 FEES & CHARGES (Continued) | 2017<br>$ | 2016<br>$ | 2015<br>$ |
|---|---|---|---|
| **LOCATION: BANKSIA ROAD WASTE MANAGEMENT FACILITY** | | | |
| ***HEAVY VEHICLES WEIGHBRIDGE*** | | | |
| Organic Waste per tonne | $32.00 | $31.00 | $23.50 |
| Minimum Charge | $32.00 | $31.00 | $23.50 |
| Clean Green Waste per tonne | $23.50 | $23.50 | $23.50 |
| Minimum Charge | $23.50 | $23.50 | $23.50 |
| Organic Waste with over 12% Contamination per tonne | $115.50 | $115.50 | $110.00 |
| Minimum Charge | $115.50 | $115.50 | $110.00 |

Note: All charges include 10% GST.

**BUNBURY-HARVEY REGIONAL COUNCIL**

**SUPPLEMENTARY RATIO INFORMATION**

**FOR THE YEAR ENDED 30 JUNE 2017**

## SUPPLEMENTARY RATIO INFORMATION

The following information relates to those ratios which only require an attestation. They have been checked and supported by verifiable information. It does not form part of the audited financial report.

| | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|
| **Asset Consumption Ratio:** | | | | |
| means the ratio determined as follows: | | | | |
| Depreciated replacement cost of assets / Current replacement cost of depreciated assets | 97.85% | 97.32% | 79.24% | 88.85% |
| **Asset Renewal Funding ratio:** | | | | |
| means the ratio determined as follows: | | | | |
| NPV of planned capital renewals over 10 years / NPV of required capital expenditure over 10 years | 90.00% | 90.00% | 90.00% | 97.29% |

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.