



WASTE DISPOSAL AUTHORITY
Established 1st January 1990

BUDGET

FOR

YEAR ENDING 30 JUNE 2019

(Prepared 19/07/2018)

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Executive Introduction

The 2018/19 draft budget has been prepared with regard to the following assumptions and estimates:

1. Inflation 1.5% based on WA State Government budget forecasts.
2. Increases in wages of 2.5% as per the Workforce Plan. It is proposed to increase FTE's by 1.84: 1 FTE for Site Rehabilitation, 0.44 FTE for Waster Transfer Station and 0.4 FTE for Administration. This would increase total FTE's to 19.84 in the 2018/19 budget.
3. Interest earnings are based on an average 2.5% on investments.
4. Councillor meeting attendance fees have been increased by the Salaries and Allowances Tribunal. The minimum fee has increased from \$88 to \$90 per Ordinary Meeting. It is proposed to pay the minimum fee of \$90 to Councillors and \$180 (increased from \$176) to the Chairman per meeting.
5. Fees and Charges of \$4.2M include a 2.5% increase in the co-mingled waste tonnage rate, and a 3.0% increase in the organic waste tonnage rate (as resolved at the May 24, 2018 Ordinary meeting of Council). This budget is based on the following estimated tonnages though the gate:
2017/18: 80,000 tonnes.(42,000 tonnes recycled)
2018/19: 110,000 tonnes.(35,000 tonnes recycled)
This represents a 31% increase in revenue over the 2017/18 year.
6. An operating deficit of \$227K which includes expenditure of \$1.29M for Stanley Road rehabilitation.
7. The following capital expenditure totalling \$1.383M will be funded by Reserves (\$766K), Asset Sales (\$65K), and Municipal Funds (\$552K).

Asset Description	Stanley Road		
	Purchases	Sales	Net Cost
Nissan Navara Dual Cab	\$ 33K	\$ 13K	\$ 20K
Waste Transfer Hookbin Truck	\$ 270K	\$ 50K	\$ 220K
Administration Building (carried forward)	\$ 275K		\$ 275K
Waste Handler	\$ 392K		\$ 392K
Trailer with Genset	\$ 12K	\$ 2K	\$ 10K
10,000ltr Bulk Fuel Storage	\$ 34K		\$ 34K
2 x 30 Cubic Meter Bins	\$ 22K		\$ 22K
1 x Under Magnet Bin	\$ 5K		\$ 5K
First Aid Defibrulator	\$ 2K		\$ 2K
Beach Rake (Second Hand)	\$ 50K		\$ 50K
4 x 4 Tractor (Second Hand) w. grader blade	\$ 65K		\$ 65K
Stanley Road Gabion Wall	\$ 179K		\$ 179K
Stanley Road New Plant Compound	\$ 45K		\$ 45K
TOTALS	\$ 1.383M	\$ 65K	\$ 1.318M

Executive Introduction

8. Transfers to and from Reserves:

RESERVE	Balance 30/6/18	Between Reserves	To Reserves		From Reserves		Balance 30/6/19
			Interest	Ex Muni Funds	Capital	Operatin g	
Plant & Infrastructure	\$ 747K		\$ 18K	\$ 500K	\$ 185K		\$ 1.080M
Site Post Closure Rehabilitation	\$1.853M		\$ 34K	\$ 700K	\$ 294K	\$1.286M	\$1.007M
Waste Minimisation & Environmental Protection	\$ 351K	(\$351K)					\$ 0
Stanley Road Lined Cell Construction	\$ 554K	(\$554K)					\$ 0
Stanley Road Environmental Protection Cell Construction Reserve		\$ 905K	\$ 14K	\$ 115K	\$ 287K		\$ 747K
Organics Processing	\$1.059M		\$ 24K				\$1.083M
TOTALS	\$4.564M	\$ 0	\$ 90K	\$1.315 M	\$ 766K	\$1.286M	\$3.917M

Note: The funds in the Waste Minimisation and Environmental Protection Reserve are proposed to be used for the new lined cells at Stanley Road. It is also proposed to close the Waste Minimisation and Environmental Protection Reserve and the Stanley Road Lined Cell Construction Reserve and to transfer the funds (\$905K) from these two Reserves into a New Reserve called the Stanley Road Environmental Protection Cell Construction Reserve.

BUDGET CERTIFICATION

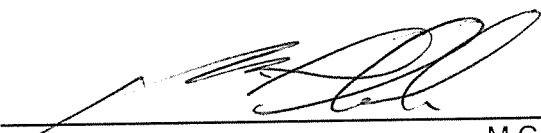
THE BUNBURY-HARVEY REGIONAL COUNCIL COMPILED THE ANNUAL BUDGET ACCORDING TO SECTION 6.2 OF THE LOCAL GOVERNMENT ACT 1995

I hereby certify that the budget for the -

Municipal Fund and the following Reserve Accounts:

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

for the Bunbury-Harvey Regional Council for the 2018/19 financial year were adopted by the Council at the Ordinary Meeting held on 26 July 2018.



M Cook
CHAIRMAN



T Battersby
CHIEF EXECUTIVE OFFICER



BUNBURY - HARVEY
Regional Council

WASTE DISPOSAL AUTHORITY

Established 1st January 1990

SCHEDULE OF CONSTITUENT COUNCILS:

CITY OF BUNBURY



SHIRE OF HARVEY



BUNBURY - HARVEY REGIONAL COUNCIL

ELECTED MEMBERS AND EXECUTIVE STAFF

CHAIRMAN:

Cr M Cook

LOCAL AUTHORITY

City of Bunbury

COUNCIL MEMBERS:

Cr J Hayward

City of Bunbury

Cr A Shortland

Shire of Harvey

Cr P Monagle

Shire of Harvey

Cr B McCleary

City of Bunbury

REPRESENTATIVES:

Mr Michael Parker

Chief Executive Officer - Shire of Harvey

Mr Mal Osborne

Chief Executive Officer - City of Bunbury

Mr Gavin Harris

Director Works and Services - City of Bunbury

CHIEF EXECUTIVE OFFICER:

Mr Tony Battersby

ACCOUNTANT:

Mr Chris Welham

City of Bunbury

AUDITOR:

Auditor General

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.

VISION STATEMENT:

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

**STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30th JUNE 2019**

	NOTE	2018/19	2017/18		
			ORIGINAL BUDGET	REVISED BUDGET	FORECAST
REVENUE					
Fees and Charges	16(a)	4,227,479	4,321,312	3,309,593	3,219,471
Interest Earnings	10	101,789	185,099	165,099	145,373
Operating Grants, Subsidies and Contributions	16(b)	119,544	114,349	125,720	150,116
Other Revenue	16(c)	517,000	982,100	305,857	365,653
Total Operating Revenue		4,965,812	5,602,860	3,906,269	3,880,613
EXPENSES					
Employee Costs		(1,739,267)	(1,634,322)	(1,677,757)	(1,849,335)
Material and Contracts		(2,062,948)	(2,764,482)	(2,622,813)	(2,014,572)
Utility Charges		(4,803)	(4,232)	(4,232)	(5,542)
Depreciation on non-current assets	3	(676,219)	(672,130)	(519,501)	(500,732)
Insurance		(54,542)	(52,564)	(52,564)	(53,649)
Other Expenditure		(649,041)	(1,087,711)	(438,535)	(418,429)
Total Operating Expenses		(5,186,820)	(6,215,441)	(5,315,402)	(4,842,259)
		(221,007)	(612,581)	(1,409,133)	(961,646)
Non-Operating Grants, Subsidies and Contributions	16(d)	-	3,000,000	-	-
Profit on Asset Disposals	4	4,167	38,277	136	114
Loss on Asset Disposals	4	(442)	-	(8,042)	(19,633)
NET RESULT		(217,283)	2,425,696	(1,417,039)	(981,164)
Other Comprehensive Income					
Changes on revaluation of non-current assets		-	-	-	-
Total Other Comprehensive Income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		(217,283)	2,425,696	(1,417,039)	(981,164)

Note:

Operating Expenses include \$1,291,734 budgeted for 2018/19 for site rehabilitation at Stanley Road.
This statement is to be read in conjunction with the accompanying notes.

**STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30th JUNE 2019**

	NOTE	2018/19	2017/18		
			ORIGINAL BUDGET	REVISED BUDGET	FORECAST
REVENUE	2				
Governance		119,544	114,349	125,720	150,116
Community Amenities		4,744,479	5,303,412	3,615,450	3,585,124
General Purpose Funding	10	101,789	185,099	165,099	145,373
Total Operating Revenue		4,965,812	5,602,860	3,906,269	3,880,613
EXPENSES	2				
Governance		(711,018)	(603,100)	(705,381)	(735,647)
Community Amenities		(4,475,802)	(5,612,341)	(4,610,021)	(4,106,611)
Total Operating Expenses		(5,186,820)	(6,215,441)	(5,315,402)	(4,842,259)
		(221,007)	(612,581)	(1,409,133)	(961,646)
Non-Operating Grants, Subsidies and Contributions	16(d)	-	3,000,000	-	-
Profit on Asset Disposals	4	4,167	38,277	136	114
Loss on Asset Disposals	4	(442)	-	(8,042)	(19,633)
NET RESULT		(217,283)	2,425,696	(1,417,039)	(981,164)
Other Comprehensive Income					
Changes on revaluation of non-current assets		-	-	-	-
Total Other Comprehensive Income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		(217,283)	2,425,696	(1,417,039)	(981,164)

Note:

Operating Expenses include \$1,291,734 budgeted for 2018/19 for site rehabilitation at Stanley Road.

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

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30th JUNE 2019**

	NOTE	2018/19	2017/18		
		BUDGET	ORIGINAL BUDGET	REVISED BUDGET	FORECAST
<u>CURRENT ASSETS</u>					
Cash and Cash Equivalents	5,11(a)	4,209,290	4,303,937	3,369,232	5,314,647
Trade and Other Receivables	6	300,000	300,000	294,461	373,511
Prepayments		-	-	1,787	12,125
Inventories		2,000	2,000	2,000	2,286
Total Current Assets		4,511,290	4,605,937	3,667,480	5,702,569
<u>NON CURRENT ASSETS</u>					
Property, Plant & Equipment	7(a)	4,319,505	4,398,610	4,246,253	3,839,373
Infrastructure	7(b)	1,144,158	4,730,421	1,840,560	797,708
Work In Progress		-	-	-	179,651
Total Non Current Assets		5,463,663	9,129,031	6,086,813	4,816,732
<u>TOTAL ASSETS</u>		9,974,953	13,734,968	9,754,293	10,519,301
<u>CURRENT LIABILITIES</u>					
Trade and Other Payables	8(a)	209,569	209,569	208,226	422,133
Provisions	8(b)	179,883	179,882	180,489	294,383
Total Current Liabilities		389,452	389,451	388,715	716,516
<u>NON CURRENT LIABILITIES</u>					
Provision - Long Service Leave		33,935	32,603	32,603	33,935
Total Non Current Liabilities		33,935	32,603	32,603	33,935
<u>TOTAL LIABILITIES</u>		423,387	422,054	421,318	750,451
NET ASSETS		9,551,567	13,312,914	9,332,975	9,768,850
<u>EQUITY</u>					
Retained Surplus		5,003,116	8,534,410	5,551,419	4,573,157
Reserves - Cash Backed	13	3,916,933	4,020,922	3,150,038	4,564,175
Revaluation Surplus		631,518	757,582	631,518	631,518
TOTAL EQUITY		9,551,567	13,312,914	9,332,975	9,768,850

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th JUNE 2019**

	NOTE	2018/19 BUDGET	2017/18	
			ORIGINAL BUDGET	FORECAST
		\$	\$	\$
RETAINED SURPLUS				
Balance at beginning of year		4,573,157	4,103,530	4,092,392
Net Result		(217,283)	2,425,696	(981,164)
Transfer from Reserves	15	2,957,363	4,837,275	3,210,690
Transfer to Reserves	14	(2,310,120)	(2,832,091)	(1,748,761)
Balance at end of year		5,003,116	8,534,410	4,573,157
RESERVES				
	13			
Balance at beginning of year		4,564,175	6,026,106	6,026,104
Transfers from Retained Surplus	14	2,310,120	2,832,091	1,748,761
Transfers to Retained Surplus	15	(2,957,363)	(4,837,275)	(3,210,690)
Balance at end of year		3,916,933	4,020,922	4,564,175
REVALUATION SURPLUS				
Balance at beginning of year		631,518	757,582	631,518
Transfers from Retained Surplus		-	-	-
Transfers to Retained Surplus		-	-	-
		631,518	757,582	631,518
TOTAL EQUITY		9,551,567	13,312,914	9,768,850
EQUITY IN JOINT VENTURE				
City of Bunbury	89.60%	8,558,204	11,928,371	8,752,890
Shire of Harvey	10.40%	993,363	1,384,543	1,015,960
TOTAL EQUITY		9,551,567	13,312,914	9,768,850

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30th JUNE 2019**

	NOTE	2018/19	2017/18	
		BUDGET	BUDGET	FORECAST
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Receipts</i>				
Fees and Charges		4,313,115	4,391,803	3,222,305
Interest Earnings		101,789	217,106	165,986
Contributions		121,544	130,349	232,768
Other Revenue		515,000	961,792	276,346
		5,051,448	5,701,050	3,897,405
<i>Payments</i>				
Employee Costs		(1,853,767)	(1,694,246)	(1,744,397)
Materials and Contracts		(2,275,227)	(2,862,299)	(1,958,742)
Utility Charges		(4,803)	(4,232)	(5,542)
Insurance		(54,542)	(52,564)	(53,649)
Other		(649,040)	(1,087,712)	(416,082)
		(4,837,379)	(5,701,053)	(4,178,412)
Net Cash Provided by (used in) Operating Activities	11(b)	214,069	(3)	(281,007)
Cash flows from Investing Activities				
Purchase of Property, Plant and Equipment	17	(1,159,274)	(1,498,500)	(1,036,460)
Purchase and Construction of Infrastructure	17	(224,652)	(4,027,571)	(179,650)
Non-Operating Grants, Subsidies and Contributions		-	3,000,000	-
Proceeds from Sale of Plant and Equipment	4	64,500	65,000	46,731
Amount attributable to Investing Activities		(1,319,426)	(2,461,071)	(1,169,379)
Net Increase (Decrease) in Cash Held		(1,105,357)	(2,461,074)	(1,450,386)
Cash at Beginning of Year		5,314,647	6,765,011	6,765,033
Cash and Cash Equivalents at End of Year	5,11(a)	4,209,290	4,303,937	5,314,647

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

**FEE SETTING STATEMENT
FOR THE YEAR ENDED 30th JUNE 2019**

	NOTE	2018/19	2017/18	
		BUDGET	BUDGET	FORECAST
		\$	\$	\$
Net Current Assets at start of Financial Year	12	421,878	591,903	588,911
Revenue from Operating Activities (Excluding Fees & Charges)				
Interest Earnings	10	101,789	185,099	145,373
Contributions	16(b)	119,544	114,349	150,116
Other Revenue	16(c)	517,000	982,100	365,653
Profit On Disposal of Assets	4	4,167	38,277	114
		742,499	1,319,825	661,257
Expenditure from Operating Activities				
Employee Costs		(1,739,267)	(1,634,322)	(1,849,335)
Material and Contracts		(2,062,948)	(2,764,482)	(2,014,572)
Utility Charges		(4,803)	(4,232)	(5,542)
Depreciation	3	(676,219)	(672,130)	(500,732)
Insurance		(54,542)	(52,564)	(53,649)
Other		(649,041)	(1,087,711)	(418,429)
Loss On Disposal of Assets	4	(442)	-	(19,633)
		(5,187,262)	(6,215,441)	(4,861,892)
Net Result Excluding Fees and Charges		(4,444,762)	(4,895,616)	(4,200,635)
Adjustments for Cash Budget Requirements:				
Operating Activities excluded from Budget				
Depreciation on Assets	3	676,219	672,130	500,732
(Profit)/Loss on Sale of Assets		(3,725)	(38,277)	19,519
Movement in Employee Benefit Provisions		-	-	1,334
Amount attributable to Operating Activities		(3,350,390)	(3,669,859)	(3,090,140)
Investing Activities				
Non-Operating Grants, Subsidies and Contributions	16(d)	-	3,000,000	-
Purchase of Property, Plant and Equipment	17	(1,159,274)	(1,498,500)	(1,036,460)
Purchase and construction of Infrastructure	17	(224,652)	(4,027,571)	(179,651)
Proceeds from Disposal of Assets	4	64,500	65,000	46,731
Amount attributable to Investing Activities		(1,319,426)	(2,461,071)	(1,169,380)
Financing Activities				
Transfer to cash backed Reserves (Restricted Assets)	14	(2,310,120)	(2,832,091)	(1,748,761)
Transfer from cash backed Reserves (Restricted Assets)	15	2,957,363	4,837,275	3,210,690
Amount attributable to Financing Activities		647,243	2,005,184	1,461,929
Budgeted deficiency before Fees and Charges		(4,022,573)	(4,125,747)	(2,797,594)
Estimated Amount to be Raised From Fees & Charges	16(a)	4,227,479	4,321,312	3,219,471
Net Current Assets at end of Financial Year - Surplus/(Deficit)	12	204,906	195,565	421,878

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

Notes to and forming part of the Budget for the year ending 30th June 2019

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

The Local Government Reporting Entity

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

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

(b) 2017/18 Forecast Balances

Balances shown in this budget as 2017/18 Forecast are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding Off Figures

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

(d) Grants, Donations and Other Contributions

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

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

Notes to and forming part of the Budget for the year ending 30th June 2019

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Goods and Services Tax (GST)

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

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

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

(f) Superannuation

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

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

(g) Cash and Cash Equivalents

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

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

(h) Trade and Other Receivables

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

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

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

Notes to and forming part of the Budget for the year ending 30th June 2019

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Inventories

General

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

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

(j) Fixed Assets

Each class of fixed assets within 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 City 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 the Council revalues its asset classes in accordance with this mandatory timetable.

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

Notes to and forming part of the Budget for the year ending 30th June 2019

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Fixed Assets (Continued)

next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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

Depreciation

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

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

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

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

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

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

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

Capitalisation Threshold

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fair Value Hierarchy (Continued)

Level 3 (Continued)

in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

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

Financial assets at fair value through profit and loss

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

Loans and receivables

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) **Financial Instruments (Continued)**
Loans and receivables (Continued)

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

Held-to-maturity investments

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

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

Available-for-sale financial assets

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

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

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

Financial liabilities

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Financial Instruments (Continued)

Impairment (Continued)

recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

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

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

Derecognition

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

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

(i) 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.

Notes to and forming part of the Budget for the year ending 30th June 2019

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

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2019.

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

(ii) 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.

Notes to and forming part of the Budget for the year ending 30th June 2019

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) **Employee Benefits (Continued)** ***Other Long-Term Employee Benefits (Continued)***

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.

(m) **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.

(n) **Leases**

Leases of fixed assets where substantially all of 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.

Finance leases are classified, 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 in 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 charge 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.

(o) **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.

Notes to and forming part of the Budget for the year ending 30th June 2019

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Current and Non-Current Classification (Continued)

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.

(p) Comparative Figures

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

(q) Budget Comparative Figures

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2(a) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Council's Community Vision, and for each of its broad activities/programs.

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources.	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	To collect revenue to allow for the provision of services.	Fees, general purpose government grants and interest revenue.
COMMUNITY AMENITIES	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.	Operation of landfill and recycling facilities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE	2018/19	2017/18	
	BUDGET	ORIGINAL BUDGET	FORECAST
	\$	\$	\$
3 DEPRECIATION			
Classified According to Asset Class			
Buildings	16,107	21,058	11,921
Plant and Machinery	597,080	594,836	429,738
Furniture and Equipment	5,180	11,079	13,600
Infrastructure	57,852	45,158	45,473
Total	676,220	672,131	500,732
Classified According To Program			
Governance	2,289	4,710	-
Community Amenities	673,931	667,421	500,732
Total	676,220	672,131	500,732
4 PROFIT/(LOSS) ON DISPOSAL OF ASSETS			
Proceeds from Sale of Plant & Infrastructure	64,500	65,000	46,731
Less:			
Asset Value (at cost)	91,000	65,000	66,630
Less Provision for Depreciation written back	(30,225)	(38,277)	(380)
Carrying amount of assets sold	60,775	26,723	66,250
Profit/(Loss) on Disposal	3,725	38,277	(19,519)
Made up as follows:			
Profit on Sale of New Holland LM740 Telehandler	-	27,500	(7,000)
Profit on Sale of Jeep Grand Cherokee	-	10,777	(10,818)
Profit on Sale of Sundry Items	-	-	114
Loss on Disposal of Gatehouse	-	-	(1,712)
Loss on Sale of Quadbike	(167)	-	-
Profit on Sale of Mitsubishi Hook Bin Truck	4,167	-	-
Loss on Theft of Equipment	-	-	(103)
Loss on Sale of Kymco Scooter	(275)	-	-
	3,725	38,277	(19,519)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	NOTE	2018/19	2017/18	
		BUDGET	ORIGINAL BUDGET	FORECAST
		\$	\$	\$
5 CASH				
Restricted		3,916,933	4,020,922	4,564,175
Unrestricted		292,356	283,015	750,471
Total	11(a)	4,209,290	4,303,937	5,314,647
The following restrictions have been imposed by regulation or other externally imposed requirements				
Plant and Equipment Reserve		1,080,085	833,289	746,900
Site (Post Closure) Rehabilitation Reserve		1,007,054	2,249,483	1,852,552
Waste Minimisation Reserve		-	354,385	351,641
Stanley Road Lined Cell Construction Reserve		-	555,018	553,794
Stanley Road Environmental Protection and Cell Construction Reserve		746,927		
Organics Processing Reserve		1,082,866	28,747	1,059,289
		3,916,933	4,020,922	4,564,175
6 RECEIVABLES				
Current				
Trade Debtors		300,000	300,000	373,061
Accrued Interest		-	-	450
		300,000	300,000	373,511
7(a) PROPERTY, PLANT AND EQUIPMENT				
Buildings - at Management Valuation 2017 - Level 3		513,571	607,927	238,571
Less Depreciation		(27,752)	(57,604)	(11,646)
		485,819	550,323	226,925
Furniture and Equipment - at Management Valuation 2017 - Level 3		31,173	54,273	29,623
Less Depreciation		(18,634)	(37,721)	(13,453)
		12,539	16,552	16,169
Vehicles, Plant and Machinery - at Management Valuation 2017 - Level 2		4,817,741	4,844,191	4,026,017
Less Depreciation		(996,593)	(1,012,454)	(429,738)
		3,821,148	3,831,737	3,596,279
Total Net Book Value of Property Plant & Equipment		4,319,505	4,398,612	3,839,373

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	NOTE	2018/19	2017/18	
		BUDGET	ORIGINAL BUDGET	FORECAST
		\$	\$	\$
7(b) INFRASTRUCTURE				
Roads - at Management Valuation 2015 - Level 3		-	35,000	-
Roads - at Management Valuation 2017 - Level 3		57,040	-	55,000
Less Depreciation		(13,804)	(3,282)	(12,162)
		43,236	31,718	42,838
Perimeter Fencing - at Management Valuation 2015 - Level 3		-	17,000	-
Perimeter Fencing - at Management Valuation 2017 - Level 3		10,000	-	12,040
Less Depreciation		(3,550)	(1,665)	(2,475)
		6,450	15,335	9,565
Waste Transfer Station - at Management Valuation 2014		-	409,078	-
Additions after valuation - Cost		-	5,000	-
Waste Transfer Station at Management Valuation 2017		503,166	-	503,166
Additions after valuation - Cost		45,000	-	-
Less Depreciation		(113,987)	(41,539)	(87,909)
		434,179	372,539	415,257
Stanley Road Gabion Wall				
Additions after valuation - Cost		359,301	-	-
Less Depreciation		(5,965)	-	-
		353,336	-	-
Stanley Road Lined Cells	19	-	3,000,000	-
Less Depreciation		-	-	-
		-	3,000,000	-
Concrete Bunker and Apron, Composting Pad, Leachate Ponds, Monitoring Bores, Site Fencing, Organics Processing Facility - at Management Valuation 2017 - Level 3		364,500	219,000	364,500
Additions after valuation - Cost		-	1,185,797	-
Less Depreciation		(57,544)	(93,968)	(34,452)
		306,956	1,310,829	330,048
Total Net Book Value of Infrastructure		1,144,158	4,730,421	797,708
7(c) CAPITAL WORKS IN PROGRESS				
Stanley Road Infrastructure				
Gabion Wall		-	-	179,651
		-	-	179,651

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE	2018/19	2017/18	
	BUDGET	ORIGINAL BUDGET	FORECAST
	\$	\$	\$
8(a) TRADE AND OTHER PAYABLES			
Sundry Trade Creditors	140,000	140,000	347,851
Accrued Wages	20,069	20,069	63,500
Security Bonds	500	500	500
Income received in Advance	-	-	-
Taxation Liabilities	49,000	49,000	10,282
Total Creditors	209,569	209,569	422,133
8(b) PROVISIONS			
Provisions for Annual & Long Service Leave	179,883	179,882	294,383
	179,883	179,882	294,383
8(c) AUDITORS REMUNERATION			
Audit Fees	7,500	9,400	1,583
9 MEMBERS FEES AND ALLOWANCES			
The Local Government Act 1995, section 5.98 provides that Council Members are to receive payment for attendance at meetings. This is in addition to any other expenses which may be reimbursed.			
The prescribed minimum payments under the Local Government (Administration) Regulations 30 (1) (2) are - Chairperson \$180.00 per meeting Councillors \$ 90.00 per meeting			
Budget provisions for 2018/19 are:-			
Members Attendance Fees	6,806	6,806	5,764
Members Expenses	2,000	2,000	2,418
10 INTEREST ON INVESTMENTS			
Surplus funds are invested on term deposits with local financial institutions.			
Estimated return on investments are:-			
General Funds	11,108	33,043	24,568
Plant & Infrastructure Replacement Reserve	18,686	20,579	6,433
Site (Post Closure) Rehabilitation Reserve	33,706	81,151	64,651
Waste Minimisation Reserve	-	12,184	8,769
Stanley Road Lined Cell Construction Reserve	-	15,132	14,612
Stanley Road Environmental Protection and Cell Construction Reserve	14,711		
Organics Processing Reserve	23,577	23,009	26,339
Total Interest on Investments	101,789	185,099	145,373

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	NOTE	2018/19	2017/18	
		BUDGET	ORIGINAL BUDGET	FORECAST
		\$	\$	\$
11 NOTE TO STATEMENT OF CASH FLOWS				
a) RECONCILIATION OF CASH				
For the purpose of the cash flow statement, cash includes cash equivalents. Estimated cash at the end of the reporting period is as follows:				
Cash at Bank		2,030,984	49,563	1,474,202
Investments		2,178,307	4,254,374	3,840,445
	5	4,209,290	4,303,937	5,314,647
b) RECONCILIATION OF CASH USED IN OPERATING ACTIVITIES				
Net Result		(217,283)	2,425,696	(981,164)
Depreciation	3	676,219	672,130	500,732
Increase (Decrease) in Provision for Annual and Long Service Leave		(114,500)	(59,924)	55,300
(Increase) Decrease in Trade & Other Receivables		73,511	102,497	23,447
(Increase) Decrease in Inventories		286	(888)	(1,174)
Increase (Decrease) in Prepayments		12,125	-	(10,338)
Increase (Decrease) in Sundry Creditors		(207,851)	(86,825)	122,326
Increase (Decrease) in Taxation Liabilities		38,718	(16,311)	(54,982)
Increase (Decrease) in Income in Advance		-	(4,308)	(4,308)
(Profit)/Loss on Sale of Assets		(3,725)	(38,277)	19,519
Increase (Decrease) in Accrued Interest		-	-	-
Increase (Decrease) in Accrued Wages		(43,432)	6,206	49,635
Contributions for the development of assets	16(d),19	-	(3,000,000)	-
		214,068	(4)	(281,007)
12 NOTE TO FEE SETTING STATEMENT				
Composition of Net Current Assets				
Current Assets		4,511,290	4,605,937	5,702,569
Current Liabilities		389,452	389,451	716,516
Unadjusted Net Current Assets		4,121,839	4,216,486	4,986,053
<u>Adjustments</u>				
Less Restricted Funds	5	(3,916,933)	(4,020,922)	(4,564,175)
Closing Funds as per Fee Setting Statement		204,905	195,564	421,878

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2018/19 BUDGET	2017/18		
		ORIGINAL BUDGET	REVISED BUDGET	FORECAST
13 RESERVE FUNDS				
(a) PLANT AND INFRASTRUCTURE RESERVE				
<i>Purpose: To set aside funds for the future replacement of machinery, plant, vehicles and site infrastructure.</i>				
Balance as at 1 July	746,900	504,988	504,987	504,986
Transfers from Accumulated Surplus	518,686	706,301	541,301	507,349
Transfers to Accumulated Surplus	(185,500)	(378,000)	(394,883)	(265,436)
Balance as at 30th June	1,080,085	833,289	651,405	746,900
(b) SITE (POST CLOSURE) REHABILITATION RESERVE				
<i>Purpose: To set aside funds on an annual basis to provide resources for rehabilitation of the landfill site following closure</i>				
Balance as at 1st July	1,852,552	3,129,727	3,129,727	3,129,726
Transfers from Accumulated Surplus	733,706	938,151	77,151	68,771
Transfers to Accumulated Surplus	(1,579,203)	(1,818,395)	(1,660,395)	(1,345,945)
Balance as at 30th June	1,007,054	2,249,483	1,546,483	1,852,552
(c) WASTE MINIMISATION AND ENVIRONMENTAL PROTECTION RESERVE				
<i>Purpose: To set aside funds on an annual basis to provide for future waste minimisation and environmental protection initiatives</i>				
Balance as at 1st July	351,641	818,197	818,197	818,197
Transfers from Accumulated Surplus	-	116,188	116,188	99,444
Transfers to Accumulated Surplus	-	(580,000)	(566,000)	(566,000)
Transfers to Other Reserves	(351,641)	-	-	-
Balance as at 30th June	-	354,385	368,385	351,641
(d) STANLEY ROAD LINED CELL CONSTRUCTION RESERVE				
<i>Purpose: To set aside funds for cell construction</i>				
Balance as at 1st July	553,794	539,885	539,885	539,885
Transfers from Accumulated Surplus	-	15,132	15,132	13,909
Transfers to Other Reserves	(553,794)	-	-	-
Balance as at 30th June	-	555,017	555,017	553,794
(e) SITE ACQUISITION AND INVESTIGATION RESERVE				
<i>Purpose: To set aside funds for the future purchase of a new site for organics recycling</i>				
Balance as at 1 July	-	1,033,309	1,033,309	1,033,309
Transfers from Accumulated Surplus	-	-	-	-
Transfer to Organics Processing Reserve	-	(1,033,309)	(1,033,309)	(1,033,309)
Balance as at 30th June	-	-	-	-
(f) ORGANICS PROCESSING RESERVE				
<i>Purpose: To set aside funds for the provision, upgrade and rehabilitation of the Organics Processing Facility.</i>				
Balance as at 1 July	1,059,289	-	-	-
Transfers from Accumulated Surplus	23,577	23,009	23,009	25,980
Transfers to Accumulated Surplus	-	(1,027,571)	(1,027,571)	-
Transfer from Site Acquisition and Investigation Reserve	-	1,033,309	1,033,309	1,033,309
Balance as at 30th June	1,082,866	28,747	28,747	1,059,289

The purpose of reserve account is in accordance with Council resolutions.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2018/19	2017/18		
	BUDGET	REVISED		
		ORIGINAL	BUDGET	FORECAST
	\$	\$	\$	
13 RESERVE FUNDS (Continued)				
(g) STANLEY ROAD ENVIRONMENTAL PROTECTION AND CELL CONSTRUCTION RESERVE				
Proposed Purpose: <i>To set aside funds for cell construction and environmental protection initiatives</i>				
Balance as at 1 July	-	-	-	-
Transfers from Accumulated Surplus	128,715	-	-	-
Transfers to Accumulated Surplus	(287,224)	-	-	-
Transfer from Other Reserves	905,436	-	-	-
Balance as at 30th June	746,927	-	-	-
Total Reserve Funds	3,916,933	4,020,921	3,150,038	4,564,175

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

	2018/19	2017/18		
	BUDGET	REVISED		
		ORIGINAL	BUDGET	FORECAST
	\$	\$	\$	
14 TRANSFER TO RESERVES				
<u>Plant and Infrastructure Reserve</u>				
Interest on Investments	18,686	20,579	13,579	6,433
Additional Funds (Transfer from Accumulated Funds)	500,000	685,722	527,722	500,915
Total	518,686	706,301	541,301	507,348
<u>Site (Post Closure) Rehabilitation Reserve</u>				
Interest on Investments	33,706	81,151	77,151	68,771
Additional Funds (Transfer from Accumulated Funds)	700,000	857,000	-	-
Total	733,706	938,151	77,151	68,771
<u>Waste Minimisation and Environmental Protection Reserve</u>				
Interest on Investments	-	12,184	12,184	8,769
Additional Funds (Transfer from Accumulated Funds)	-	104,004	104,004	90,674
Total	-	116,188	116,188	99,444
<u>Stanley Road Lined Cell Construction Reserve</u>				
Interest on Investments	-	15,132	15,132	13,909
Total	-	15,132	15,132	13,909
<u>Stanley Road Environmental Protection and Cell Construction Reserve</u>				
Interest on Investments	14,711	-	-	-
Additional Funds (Transfer from Accumulated Funds)	114,004	-	-	-
Additional Funds (Transfer from Other Reserves)	905,436	-	-	-
Total	1,034,151	-	-	-
<u>Organics Processing Reserve</u>				
Interest on Investments	23,577	23,009	23,009	26,339
Transfer from Site Acquisition and Investigation Reserve	-	1,033,309	1,033,309	1,032,950
Total	23,577	1,056,318	1,056,318	1,059,289
Total Transfer to Reserves	2,310,120	2,832,091	1,806,090	1,748,761

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	NOTE	2018/19	2017/18		
		BUDGET	ORIGINAL BUDGET	REVISED BUDGET	FORECAST
		\$	\$		\$
15 TRANSFER FROM RESERVES					
<u>Plant & Infrastructure Reserve</u>					
As per Capital Expenditure Note 17		185,500	378,000	394,883	265,436
		185,500	378,000	394,883	265,436
<u>Site (Post Closure) Rehabilitation Reserve</u>					
Stanley Road rehabilitation works		1,579,203	1,818,395	1,660,395	1,345,945
		1,579,203	1,818,395	1,660,395	1,345,945
<u>Waste Minimisation and Environmental Protection Reserve</u>					
Transfers to Other Reserves		351,641	580,000	566,000	566,000
		351,641	580,000	566,000	566,000
<u>Site Acquisition and Investigation Reserve</u>					
Transfer to Organics Processing Reserve		-	1,033,309	1,033,309	1,033,309
		-	1,033,309	1,033,309	1,033,309
<u>Stanley Road Lined Cell Construction Reserve</u>					
Transfers to Other Reserves		553,795	-	-	-
		553,795	-	-	-
<u>Stanley Road Environmental Protection and Cell Construction Reserve</u>					
Waste Handler and New Hardstand		287,224	-	-	-
		287,224	-	-	-
<u>Organics Processing Reserve</u>					
Provide, upgrade and rehabilitate Organic facilities.		-	1,027,571	1,027,571	-
		-	1,027,571	1,027,571	-
Total Transfer from Reserves		2,957,363	4,837,275	4,682,158	3,210,690
Total Transfers to Reserves(from other reserves)		-	1,033,309	1,036,565	1,033,309
Total Transfer to Reserves (from Accum. Funds)		2,310,120	1,798,782	769,525	715,452
		2,310,120	2,832,091	1,806,090	1,748,761
Total Transfers from Reserves(to other reserves)		-	1,033,309	1,033,309	1,033,309
Total Transfer from Reserves (to Accum. Funds)		2,957,363	3,803,966	3,648,849	2,177,381
		2,957,363	4,837,275	4,682,158	3,210,690

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	NOTE	2018/19	2017/18	
		BUDGET	ORIGINAL BUDGET	FORECAST
16(a) Fees and Charges				
Casual Tipping Fees		2,200,000	2,295,986	1,248,768
Disposals - City of Bunbury		505,375	521,922	501,456
Disposals - Shire of Harvey		499,564	530,279	483,457
Tip Passes - Shire of Harvey		222,084	203,310	218,336
Sale of Recyclables		191,055	151,549	224,333
Banksia Road Organics and Compost		483,897	502,762	442,728
Hookbin Hire		11,500	11,500	10,980
Waste Minimisation Revenue		114,004	104,004	89,413
		4,227,479	4,321,312	3,219,471
16(b) Operating Grants, Subsidies and Contributions				
Contributions to Waste Education		119,544	114,349	150,116
		119,544	114,349	150,116
16(c) Other Revenue				
Landfill Levy		450,000	900,000	211,353
Fuel Tax Credit		65,000	66,100	71,649
Payroll Contributions		-	-	4,308
Insurance Reimbursements		-	5,000	77,554
Miscellaneous Reimbursements		2,000	5,000	789
Contributions to e-Waste Disposal		-	6,000	-
		517,000	982,100	365,653
Total Fees and Charges, Other Revenue and Contributions		4,864,023	5,417,761	3,735,240
Total Fees and Charges, Other Revenue and Contributions by Program				
Governance		119,544	114,349	150,116
Community Amenities		4,744,479	5,303,412	3,585,124
		4,864,023	5,417,761	3,735,240
16(d) Non-Operating Grants, Subsidies and Contributions				
Royalties for Regions		-	3,000,000	-
		-	3,000,000	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	NOTE	2018/19	2017/18		
		BUDGET	ORIGINAL BUDGET	REVISED BUDGET	FORECAST
		\$	\$		\$
17 CAPITAL EXPENDITURE					
Land and Buildings					
Land Acquisition (Lined Cell Clearing Offset)		-	120,000	120,000	-
Replace Gatehouse/Amenities Building		-	45,000	52,500	55,889
New Administration Building		275,000	275,000	275,000	- 0
Potable Water Tank		-	-	-	881
Furniture and Equipment					
Office Furniture		-	1,500	1,500	3,436
First Aid Defibrillator		1,550	-	-	-
Plant and Equipment					
Replace CEO Vehicle		-	55,000	45,488	44,907
Bin Lifter		-	3,000	3,000	-
Shredder		-	580,000	566,000	566,000
Electronic G.P.S Landfill Management System		-	75,000	42,900	42,900
10,000ltr Bulk Fuel Storage		34,000	34,000	34,000	-
Replace Stolen Tools and Equipment		-	-	-	4,147
Compressor Replacement		-	-	-	726
Replace Nissan Navara Dual Cab		33,000	-	-	-
Waste Transfer Hookbin Truck		270,000	-	-	-
Replace telehandler with Site Loader	20	-	310,000	317,574	317,574
Waste Handler		392,224	-	-	-
Service Trailer with Genset etc		11,500	-	-	-
2 x 30 Cubic Meter Bins		22,000	-	-	-
1 x Under Magnet Bin		5,000	-	-	-
Beach Rake (Second Hand)		50,000	-	-	-
4 x 4 Tractor (Second Hand) w.grader blade		65,000	-	-	-
Infrastructure					
Stanley Road - Gabion Wall		179,651	-	-	179,651
Stanley Road - Plant Compound		45,000	-	-	-
Stanley Road Lined Cells	19	-	3,000,000	-	-
Compost Facilities Infrastructure	20	-	1,027,571	1,027,571	-
Total		1,383,925	5,526,071	2,485,533	1,216,110
Capital Expenditure by Asset Type					
Land & Buildings		275,000	440,000	447,500	56,770
Plant and Equipment		882,724	1,057,000	1,008,962	972,107
Furniture and Equipment		1,550	1,500	1,500	7,583
Infrastructure		224,651	4,027,571	1,027,571	179,651
Total		1,383,925	5,526,071	2,485,533	1,216,110

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	NOTE	2018/19	2017/18		
		BUDGET	ORIGINAL BUDGET	REVISED BUDGET	FORECAST
		\$	\$	\$	\$
18 Stanley Road Rehabilitation (Capping)					
Project Costs:					
Gabion Wall and Cell Capping		179,651	355,000	-	179,651
Sub-surface Drainage and Geonet		-	277,030	-	-
1.5mm Textured LLDPE Cap		-	292,711	-	-
Surface Water Management		-	133,776	-	-
Landfill Gas Management System		-	308,050	-	-
Revegetation		-	53,215	-	-
Other		-	47,207	101,188	-
Capping Works (BCP Contractors Pty Ltd)		194,980	-	1,229,580	797,481
		374,630	1,466,989	1,330,768	977,132
Other Costs:					
Beach Rake and 4 x 4 Tractor	17	115,000	-	-	-
Labour Costs		168,355	104,748	139,010	97,881
Plant Costs		449,414	67,471	61,898	146,524
Plant Depreciation		139,081	109,538	62,557	67,808
Contractors and Services		334,415	60,246	60,246	137,132
Insurance		5,490	9,403	5,916	5,917
		1,211,755	351,406	329,627	455,262
		1,586,385	1,818,395	1,660,395	1,432,394
The 2018/19 expenditure will be funded from the Site Post Closure Rehabilitation Reserve:					
Closing Balance of Site Post Closure Rehabilitation Reserve	13(b)	1,007,054	2,249,483	1,546,483	1,852,552

Note:

The Stanley Road Rehabilitation budget 2018/19 to 2022/23 follows:

	2018/19	2019/20	2020/21	2021/22	2022/23
Carry forward from 2017/18	374,630	-	-	-	-
Phase 1	700,115	205,000	-	-	-
Phase 2	511,640	395,147	-	-	-
Phase 3	-	607,120	380,304	-	-
Phase 4	-	-	-	1,965,268	698,144

Total for 5 years to 30/6/2023:

	5,837,368	1,586,385	1,207,267	380,304	1,965,268	698,144
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Note:

The long term budget from 2018/19 onwards will be reviewed after the submission and approval of detailed design works, engineering drawings and environmental management plan for proposed new lined cells at Stanley Road to the Department of Water and Environment Regulation.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2018/19 BUDGET	2017/18		
		ORIGINAL BUDGET	REVISED BUDGET	FORECAST
	\$	\$	\$	\$
19 Stanley Road Lined Cells				
Base Earthworks		440,069	-	-
Basal Lining System		1,655,920	-	-
Leachate Extraction and Evaporation Pond		493,068	-	-
Relocation of Plant Compound and Access Road		195,943	-	-
Power Supply		215,000	-	-
Land Acquisition (Lined Cell Clearing Offset)		120,000	-	-
	-	3,120,000	-	-
The proposed funding sources are:				
State Grant Funding (Royalties for Regions)		3,000,000	-	-
Municipal Funds		120,000	-	-
	-	3,120,000	-	-

Note:

The budget for 2018/19 will be reviewed after the submission and approval of detailed design works, engineering drawings and environmental management plan for proposed new lined cells at Stanley Road to the Department of Environment Regulation.

	2018/19 BUDGET	2017/18		
		ORIGINAL BUDGET	REVISED BUDGET	FORECAST
	\$	\$	\$	\$
20 Organics Project				
<u>Recycling Operations-Organics</u>				
Site Fencing	-	22,500	22,500	-
Power Supply	-	150,000	150,000	-
Leachate Ponds	-	65,000	65,000	-
Compost Bunkers	-	615,071	615,071	-
Site Works	-	175,000	175,000	-
Telehandler Replacement	-	310,000	317,574	317,574
	-	1,337,571	1,345,145	317,574
Capital Expenditure by Asset Type				
Plant & Equipment	-	310,000	317,574	317,574
Infrastructure	-	1,027,571	1,027,571	-
	-	1,337,571	1,345,145	317,574

	2018/19 BUDGET	2017/18		
		BUDGET	REVISED	FORECAST
	\$	\$	\$	\$
The proposed funding sources are:				
Organics Processing Reserve	-	1,027,571	1,027,571	-
Plant & Infrastructure Reserve	-	310,000	317,574	317,574
Total Capital Budget for Organics Project	-	1,337,571	1,345,145	317,574

Note:

The budget for 2018/19 will be reviewed after the submission and approval of detailed design works, engineering drawings and environmental management plan to the Department of Environment Regulation.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

21 PERFORMANCE MEASURES

	2019	2018	2017	Local Govt. Standard **
Current Ratio:				
<u>Current Assets minus Restricted Assets</u> Current Liabilities minus Restricted Liabilities	1.53	1.50	2.07	> 1.0
Asset Sustainability Ratio:				
<u>Capital Renewal and Replacement Expenditure</u> Depreciation Expense	0.47	0.66	2.55	0.90 to 1.10
Debt Service Cover Ratio:				
<u>Debt Service Cost</u> Available Operating Revenue	Nil	Nil	Nil	N/A
Operating Surplus Ratio:				
<u>Operating Revenue minus Operating Expense</u> Own Source Operating Revenue *	-0.05	-0.14	0.05	0.01 to 0.15 (basic standard)
Own Source Revenue Coverage Ratio:				
<u>Own Source Operating Revenue *</u> Operating Expense	0.83	0.73	1.03	0.60 to 0.90 (intermediate standard)

* Own Source Operating Revenue

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

** Local Government Standard Ratios

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

Notes:

- Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Note 21 'Supplementary Ratio Information' on page 33 of this document.
- Adjusted Ratio due to expenditure for site rehabilitation.

If this amount is excluded from the ratio calculation, the ratio in the 2018 and 2017 columns would be as follows:

	2019	2018	2017
Operating Surplus Ratio:	0.21	0.27	0.13

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	% Increase / Decrease	2018/19 FEES BUDGET (INCL GST)	2017/18 FEES BUDGET (INCL GST)	2016/17 FEES BUDGET (INCL GST)
22 SCHEDULE OF TIPPING FEES				
(As adopted previously at the Ordinary Council Meeting on 24 May 2018 for the 2018/19 financial year)				
LOCATION: STANLEY ROAD WASTE MANAGEMENT FACILITY				
<i>LIGHT VEHICLES - General Waste</i>				
Per car or station wagon	7.1%	\$15.00	\$14.00	\$13.00
Per Utility or trailer (up to 1.8m x 1.2m)	10.0%	\$22.00	\$20.00	\$19.00
Per trailer or large utility (up to 2.1m x 1.2m) or trailer		\$33.00	\$31.00	\$29.00
<i>LIGHT VEHICLES - Green Waste</i>				
Per car or station wagon	-35.7%	\$9.00	\$14.00	\$13.00
Per Utility or trailer (up to 1.8m x 1.2m)	-25.0%	\$15.00	\$20.00	\$19.00
Per trailer or large utility (up to 2.1m x 1.2m) or trailer with sides exceeding 600mm	-19.4%	\$25.00	\$31.00	\$29.00
<i>LIGHT VEHICLES - Clean Fill/Rubble Waste</i>				
Per Utility or trailer (up to 1.8m x 1.2m)	-70.0%	\$6.00	\$20.00	\$19.00
Per trailer or large utility (up to 2.1m x 1.2m) or trailer with sides exceeding 600mm	-80.6%	\$6.00	\$31.00	\$29.00
<i>HEAVY VEHICLES - WEIGHBRIDGE</i>				
Co-mingled Compacted Waste and Skip Bin Waste per tonne	2.5%	\$61.00	\$59.50	\$57.00
<i>Minimum Charge</i>	3.5%	\$44.00	\$42.50	\$41.00
Mattresses per tonne	56.3%	\$93.00	\$59.50	\$57.00
<i>Minimum Charge</i>	118.8%	\$93.00	\$42.50	\$41.00
Co-mingled Skip Bin Waste per tonne	100.0%	\$48.00	\$59.50	\$57.00
<i>Minimum Charge</i>	100.0%	\$44.00	\$42.50	\$41.00
Clean Green Waste per tonne	0.0%	\$25.00	\$25.00	\$41.00
<i>Minimum Charge</i>	0.0%	\$25.00	\$25.00	\$41.00
Clean Cardboard Waste per tonne	0.0%	\$28.50	\$28.50	\$28.50
<i>Minimum Charge</i>	0.0%	\$28.50	\$28.50	\$28.50
Clean Fill - Suitable for Daily Cover and Road Building per tonne	0.0%	\$0.00	\$0.00	\$0.00
<i>Minimum Charge</i>	0.0%	\$0.00	\$0.00	\$0.00
Building and Demolition(no Gyprock or Timber and maximum size 500mm) Waste per tonne	20.0%	\$6.60	\$5.50	\$5.00
<i>Minimum Charge</i>	20.0%	\$6.60	\$5.50	\$5.00
<i>OTHER WASTE</i>				
Tyres - Passenger / Motorcycle (per tyre)	-45.5%	\$3.00	\$5.50	\$5.50
Tyres - 4WD/Light Truck (per tyre)	0.0%	\$5.50	\$5.50	\$5.50
Tyres - Truck (per tyre)	0.0%	\$20.00	\$20.00	\$20.00
Car bodies (per body)	0.0%	\$0.00	\$0.00	\$15.00
Special Burial (i.e. Asbestos) per tonne or part thereof	0.0%	\$84.00	\$84.00	\$82.00
<i>Minimum Charge</i>	0.0%	\$84.00	\$84.00	\$82.00
Quarantine Waste	0.0%	\$130.00	\$130.00	\$130.00
<i>Minimum Charge</i>	0.0%	\$130.00	\$130.00	\$130.00

NOTE:

The proposed fees include 10% G S T

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	%	2018/19	2017/18	2016/17
	Increase / Decrease	FEES BUDGET	FEES BUDGET	FEES BUDGET
		(INCL GST)	(INCL GST)	(INCL GST)
22 SCHEDULE OF TIPPING FEES (Continued)				
LOCATION: STANLEY ROAD WASTE MANAGEMENT FACILITY (Continued)				
TIP PASSES (Volume of General Waste)				
Charge to Shire of Harvey for tip pass usage - As per light vehicles as detailed above:				
Per Car or Station Wagon	7.1%	\$15.00	\$14.00	\$13.00
Utility or Trailer	10.0%	\$22.00	\$20.00	\$19.00
Large Trailer / Large Utility	6.5%	\$33.00	\$31.00	\$29.00
LIGHT VEHICLES (Volume of Green Waste)				
Per Car or Station Wagon	-35.7%	\$9.00	\$14.00	\$13.00
Utility or Trailer	-25.0%	\$15.00	\$20.00	\$19.00
Large Trailer / Large Utility	-19.4%	\$25.00	\$31.00	\$29.00
LIGHT VEHICLES (Volume of Green Waste)				
Utility or Trailer	-70.0%	\$6.00	\$20.00	\$19.00
Large Trailer / Large Utility	-80.6%	\$6.00	\$31.00	\$29.00
MEMBER COUNCIL REBATE				
To City of Bunbury – Per Tonne Disposed and Landfilled		\$12.50	\$11.00	\$11.00
To Shire of Harvey - Per Tonne Disposed and Landfilled		\$12.50	\$11.00	\$11.00
Sale of Compost and Mulch (New)				
Per Skid Steer Loader Bucket	0.0%	\$22.00	\$22.00	\$22.00
Per Tonne	0.0%	\$44.00	\$44.00	\$44.00
LOCATION: BANKSIA ROAD WASTE MANAGEMENT FACILITY				
HEAVY VEHICLES WEIGHBRIDGE				
Organic Waste per tonne	3.0%	\$34.00	\$33.00	\$32.00
Minimum Charge	3.0%	\$34.00	\$33.00	\$32.00
Clean Green Waste per tonne	0.0%	\$25.00	\$25.00	\$24.00
Minimum Charge	0.0%	\$25.00	\$25.00	\$24.00
Clean Green Waste Mulched per tonne	0.0%	\$0.00	\$0.00	\$0.00
Organic Waste with over 5% Contamination per tonne	1.7%	\$120.00	\$118.00	\$115.50
Minimum Charge	1.7%	\$120.00	\$118.00	\$115.50
Compost and Mulch Sales				
10mm Compost Sales to Intuit Earth per Tonne 3,000 Tonne per Year (As per Agreement)	0.0%	\$50.50	\$50.50	\$49.50
Compost Sales to Wellington Group of Councils per Tonne	0.0%	\$34.00	\$34.00	\$33.00
10mm Compost (Second Screened) per Tonne	2.4%	\$42.00	\$41.00	\$40.00
Processed Mulch per Tonne (New)	0.0%	\$35.00	\$35.00	
Green Mulch Unprocessed per Tonne (New)	0.0%	\$22.00	\$22.00	

NOTE:

The proposed fees include 10% G S T

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

23 SUPPLEMENTARY RATIO INFORMATION

	2019	2018	2017	2016	LTFP** Target Ratios
Asset Consumption Ratio:					
$\frac{\text{Depreciated Replacement Cost of Assets}}{\text{Current Replacement Cost of Depreciated Dssets}}$	0.86	0.88	0.88	0.73	0.60 to 0.75
Asset renewal Funding ratio:					
$\frac{\text{NPV of Planned Capital Renewals over 10 years}}{\text{NPV of Required Capital Expenditure over 10 years}}$	0.90	0.90	0.90	0.90	0.75 to 0.95

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

**** Local Government Standard Ratios**

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