BUNBURY HARVEY
REGIONAL COUNCIL
HARVESTING RESOURCES FROM YOUR WASTE

WASTE DISPOSAL AUTHORITY

Established 1st January 1990

BUDGET

FOR

YEAR ENDING 30 JUNE 2020

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Executive Introduction

The 2019/20 budget has been prepared with regard to the following assumptions and estimates:

1. Inflation 2.0% based on WA State Government budget forecasts for 2019/20.

2. Increases in wages of 2.25% as per the Workforce Plan. It is proposed to reduce FTE's by 1.0 for Site Rehabilitation. This would decrease total FTE's to 18.84 in the 2019/20 budget.

3. Interest earnings are based on an average 2.5% on investments.

4. Councillor meeting attendance fees are as per the Salaries and Allowances Tribunal. The minimum fee is $91 per Ordinary Meeting. It is proposed to continue to pay the minimum fee of $91 to Councillors, and $182 to the Chairman per meeting, being double the minimum fee.

5. Fees and Charges of $3.6M include zero increase in the co-mingled waste tonnage rate, and a 2.9% increase in the organic waste tonnage rate, as adopted at the May 30, 2019 Ordinary meeting of Council. This budget is based on the following estimated tonnages though the gate:

	Landfill	Organics
2018/19:	90,453 *tonnes.(50,107 tonnes recycled)*	*11,831 tonnes*
2019/20:	98,146 *tonnes.(54,062 tonnes recycled)*	*16,783 tonnes*

   This represents a 6.4% increase in revenue over the 2018/19 year.

   The member council rebate is unchanged at $12.50 per tonne.

6. The Shire of Harvey will be implementing a third organics bin in July/ August 2019. The budget includes a reduction in Shire of Harvey Tipping fees and a corresponding increase Organics Revenue.

7. An operating deficit of $423K which includes expenditure of $1.057M for Stanley Road rehabilitation.

8. The following capital expenditure totalling $5.514M will be funded by Reserves ($1.782M), Asset Sales ($55K), Grants funding from Climate Change Fund ($2M) and Waste Authority ($1.4M) for the Organic Processing Facility at Stanley Road, and Municipal Funds ($277K). Note: Details of individual assets can be found at Note 15 on Page 23 of the Budget.

Asset Type	**Stanley Road**		
	Purchases	**Sales**	**Net Cost**
Stanley Road Waste Management Facility			
Land & Buildings – New Administration Building	$ 277K		$ 277K
Land & Buildings – Environmental Land Offset	$ 550K		$ 550K
Plant & Equipment	$ 142K	$ 55K	$ 87K
Infrastructure	$ 45K		$ 45K
	$1.014M	**$ 55K**	**$ 959K**
Organics Processing Facility			
Buildings – New Compost Building	$ 2.74 M		$ 2.74 M
Plant & Equipment	$ 158K		$ 158K
Furniture & Equipment	$ 178K		$ 178K
Infrastructure	$ 1.424M		$ 1.424 M
	$ 4.500M		**$ 4.500M**
TOTALS	**$ 5.514M**	**$ 55K**	**$ 5.459M**

9. Transfers to and from Reserves:

	Balance 30/6/19	To Reserves		From Reserves		Balance 30/6/20
RESERVE		**Interest**	**Ex Muni Funds**	**Capital**	**Operating**	
Plant & Infrastructure	$ 737K	$ 18K	$ 203K	$ 87K		$ 871K
Site Post Closure Rehabilitation	$ 1.023M	$ 18K	$ 725K		$1.057M	$ 709K
Stanley Road Environmental Protection Cell Construction Reserve	$ 758K	$ 14K	$ 154K	$ 595K		$ 331K
Organics Processing	$1.091M	$ 21K		$1.100M		$ 12K
TOTALS	**$3.609M**	**$ 71K**	**$1.082M**	**$1.782M**	**$1.057M**	**$1.923M**

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
- Stanley Road Environmental Protection and Cell Construction Reserve
- Organics Processing Reserve

for the Bunbury-Harvey Regional Council for the 2019/20 financial year were adopted by the Council at the Ordinary Meeting held on 27 June 2019.

M Cook
CHAIRMAN

T Battersby
CHIEF EXECUTIVE OFFICER

BUNBURY HARVEY REGIONAL COUNCIL

HARVESTING RESOURCES FROM YOUR WASTE

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:	**LOCAL AUTHORITY**
Cr M Cook	City of Bunbury

COUNCIL MEMBERS:

Cr J Hayward	City of Bunbury
Cr B McCleary	City of Bunbury
Cr A Shortland	Shire of Harvey
Cr P Monagle	Shire of Harvey

REPRESENTATIVES:

Ms Annie Riordan	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.
Telephone: 08 97972404 Website: www.bhrc.wa.gov.au

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 2020

	NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 REVISED BUDGET	2018/19 FORECAST
REVENUE					
Fees and Charges	13(a)	3,638,022	4,227,479	3,736,053	3,418,669
Interest Earnings	14	97,769	101,790	116,902	116,902
Operating Grants, Subsidies and Contributions	13(b)	122,532	119,544	119,544	119,544
Other Revenue	13(c)	180,440	517,000	204,165	228,753
Total Operating Revenue		**4,038,763**	**4,965,813**	**4,176,664**	**3,883,868**
EXPENSES					
Employee Costs		(1,696,642)	(1,739,267)	(1,672,601)	(1,695,310)
Material and Contracts		(1,778,356)	(2,062,948)	(1,895,425)	(1,945,409)
Utility Charges		(11,109)	(4,803)	(4,803)	(4,803)
Depreciation on non-current assets	1	(602,436)	(676,219)	(557,573)	(553,561)
Insurance		(60,505)	(54,542)	(59,029)	(59,029)
Other Expenditure		(312,641)	(649,041)	(325,143)	(324,496)
Total Operating Expenses		**(4,461,689)**	**(5,186,820)**	**(4,514,574)**	**(4,582,608)**
Subtotal		**(422,926)**	**(221,007)**	**(337,910)**	**(698,740)**
Non-Operating Grants, Subsidies and Contributions	13(d)	3,400,000	-	-	-
Profit on Asset Disposals	2(b)	-	4,167	6,519	6,519
Loss on Asset Disposals	2(b)	(6,357)	(442)	(1,682)	(1,682)
NET RESULT		**2,970,717**	**(217,283)**	**(333,073)**	**(693,903)**
Other Comprehensive Income					
Changes on revaluation of non-current assets		-	-	-	-
Total Other Comprehensive Income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		**2,970,717**	**(217,283)**	**(333,073)**	**(693,903)**

Note:

Site rehabilitation expenses of $1,057,296 (included in Operating Expenses above), will be funded from the Site Post Closure Rehabilitation Reserve - Refer Note 16.

If rehabilitation expenditure is excluded from the Budgeted Operating Deficit of $422,926, Council would have an adjusted Operating Surplus of $634,370.

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

FOR THE YEAR ENDED 30th JUNE 2020

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 of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. 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.

2018/19 FORECAST BALANCES

Balances shown in this budget as 2018/19 Forecast are as forecast at the time of budget preparation and are subject to final adjustments.

CHANGE IN ACCOUNTING POLICIES

On the 1 July, 2019 the following new accounting policies are to be adopted and have impacted on the preparation of the budget:

AASB 15 - Revenue from Contracts with Customers

AASB 16 - Leases

AASB 1058 - Income of Not-for-Profit Entities

KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUES (Continued)

FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sale of goods or information, and rubbish collection fees.

INTEREST EARNINGS

Interest And Other Items Of Similar Nature Received From Bank and Investment Accounts, and Interest On Outstanding Debtors.

OTHER REVENUE INCOME

Other revenue, which cannot be classified under the above headings, includes discounts, rebates and landfill levy recouped from customers.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of a person such as salaries, wages, allowances, benefits such as vehicles and housing, superannuation, employment expenses, removal expenses, relocation expenses, workers compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefits tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

UTILITIES (GAS, ELECTRICITY, WATER ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water.

INSURANCE

All insurance other than workers compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets, including loss on disposal of long term investments.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets as applicable.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes (landfill levy). Donations or subsidies made to community groups.

STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30th JUNE 2020

	NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 REVISED BUDGET	2018/19 FORECAST
REVENUE					
Governance		122,532	119,544	119,544	119,544
Community Amenities		3,818,462	4,744,479	3,940,218	3,647,422
General Purpose Funding	14	97,769	101,790	116,902	116,902
Total Operating Revenue		**4,038,763**	**4,965,813**	**4,176,664**	**3,883,868**
EXPENSES					
Governance		(875,527)	(711,018)	(867,597)	(905,785)
Community Amenities		(3,586,163)	(4,475,802)	(3,646,977)	(3,676,823)
Total Operating Expenses		**(4,461,689)**	**(5,186,820)**	**(4,514,574)**	**(4,582,608)**
		(422,926)	**(221,007)**	**(337,910)**	**(698,740)**
Non-Operating Grants, Subsidies and Contributions	13(d)	3,400,000		-	-
Profit on Asset Disposals	2(b)	-	4,167	6,519	6,519
Loss on Asset Disposals	2(b)	(6,357)	(442)	(1,682)	(1,682)
NET RESULT		**2,970,717**	**(217,283)**	**(333,073)**	**(693,903)**
Other Comprehensive Income					
Changes on revaluation of non-current assets		-	-	-	-
Total Other Comprehensive Income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		**2,970,717**	**(217,283)**	**(333,073)**	**(693,903)**

Note:

Site rehabilitation expenses of $1,057,296 (included in Community Amenities Expenses above), will be funded from the Site Post Closure Rehabilitation Reserve - Refer Note 16.
If rehabilitation expenditure is excluded from the Budgeted Operating Deficit of $422,926, Council would have an adjusted Operating Surplus of $634,370.

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

FOR THE YEAR ENDED 30th JUNE 2020

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, 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.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30th JUNE 2020

	NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 REVISED BUDGET	2018/19 FORECAST
CURRENT ASSETS					
Cash and Cash Equivalents	3,8(a)	2,274,689	4,209,290	4,031,928	4,149,954
Trade and Other Receivables	4	300,000	300,000	300,000	300,000
Inventories		2,000	2,000	2,000	2,000
Total Current Assets		**2,576,689**	**4,511,290**	**4,333,928**	**4,451,954**
NON CURRENT ASSETS					
Property, Plant & Equipment	5(a)	7,519,896	4,319,505	4,359,146	4,092,222
Infrastructure	5(b)	2,442,454	1,144,158	1,068,860	1,019,796
Total Non Current Assets		**9,962,350**	**5,463,663**	**5,428,006**	**5,112,018**
TOTAL ASSETS		**12,539,039**	**9,974,953**	**9,761,934**	**9,563,972**
CURRENT LIABILITIES					
Trade and Other Payables	6(a)	209,569	209,568	161,414	212,518
Provisions	6(b)	291,163	179,883	180,600	284,901
Total Current Liabilities		**500,732**	**389,451**	**342,014**	**497,419**
NON CURRENT LIABILITIES					
Provision - Long Service Leave		42,434	33,935	33,935	41,397
Total Non Current Liabilities		**42,434**	**33,935**	**33,935**	**41,397**
TOTAL LIABILITIES		**543,166**	**423,386**	**375,949**	**538,816**
NET ASSETS		**11,995,873**	**9,551,567**	**9,385,985**	**9,025,156**
EQUITY					
Retained Surplus		9,502,473	5,003,116	5,223,610	4,845,456
Reserves - Cash Backed	10	1,923,104	3,916,933	3,592,079	3,609,404
Revaluation Surplus		570,296	631,518	570,296	570,296
TOTAL EQUITY		**11,995,873**	**9,551,567**	**9,385,985**	**9,025,156**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th JUNE 2020

	NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 FORECAST
		$	$	$
RETAINED SURPLUS				
Balance at beginning of year		4,845,457	4,573,157	4,780,614
Net Result		2,970,717	(217,283)	(693,903)
Transfer from Reserves	12	2,839,421	2,957,363	2,339,562
Transfer to Reserves	11	(1,153,122)	(2,310,120)	(1,580,816)
Balance at end of year		**9,502,473**	**5,003,116**	**4,845,457**
RESERVES	10			
Balance at beginning of year		3,609,403	4,564,175	4,368,149
Transfers from Retained Surplus	11	1,153,122	2,310,120	1,580,816
Transfers to Retained Surplus	12	(2,839,421)	(2,957,363)	(2,339,562)
Balance at end of year		**1,923,104**	**3,916,933**	**3,609,403**
REVALUATION SURPLUS				
Balance at beginning of year		570,296	631,518	570,296
Transfers from Retained Surplus		-	-	-
Transfers to Retained Surplus		-	-	-
		570,296	**631,518**	**570,296**
TOTAL EQUITY		**11,995,873**	**9,551,567**	**9,025,156**
EQUITY IN JOINT VENTURE				
City of Bunbury	89.60%	10,748,302	8,558,204	8,086,540
Shire of Harvey	10.40%	1,247,571	993,363	938,616
TOTAL EQUITY		**11,995,873**	**9,551,567**	**9,025,156**

STATEMENT OF CASH FLOWS BY NATURE OR TYPE
FOR THE YEAR ENDED 30th JUNE 2020

	NOTE	2019/20 BUDGET	2018/19 BUDGET	2018/19 FORECAST
		$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Fees and Charges		3,638,022	4,313,115	3,470,668
Interest Earnings		97,769	101,789	138,414
Contributions		122,532	121,544	119,544
Other Revenue		180,440	515,000	228,754
		4,038,763	**5,051,448**	**3,957,380**
Payments				
Employee Costs		(1,692,293)	(1,853,767)	(1,690,376)
Materials and Contracts		(1,776,654)	(2,275,227)	(2,102,131)
Utility Charges		(11,109)	(4,803)	(4,803)
Insurance		(60,505)	(54,542)	(59,029)
Other		(314,342)	(649,040)	(324,496)
		(3,854,903)	**(4,837,379)**	**(4,180,835)**
Net Cash Provided by (used in) Operating Activities	8(b)	**183,860**	**214,069**	**(223,454)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	15	(4,044,885)	(1,159,274)	(831,225)
Purchase and Construction of Infrastructure	15	(1,469,240)	(224,652)	(179,651)
Non-Operating Grants, Subsidies and Contributions	13(d)	3,400,000	-	-
Proceeds from Sale of Plant and Equipment	2(b)	55,000	64,500	69,637
Net Cash Provided by (used in) Investing Activities		(2,059,125)	(1,319,426)	(941,239)
Net Increase (Decrease) in Cash Held		**(1,875,265)**	**(1,105,357)**	**(1,164,693)**
Cash at Beginning of Year		4,149,954	5,314,647	5,314,647
Cash and Cash Equivalents at End of Year	3,8(a)	**2,274,689**	**4,209,290**	**4,149,954**

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

FEE SETTING STATEMENT BY NATURE OR TYPE
FOR THE YEAR ENDED 30th JUNE 2020

	NOTE	2019/20 BUDGET	2018/19 BUDGET	2018/19 FORECAST
		$	$	$
Net Current Assets at start of Financial Year - surplus/(deficit)	9(i)	345,131	421,878	665,340
Revenue from Operating Activities (Excluding Fees & Charges)				
Interest Earnings	14	97,769	101,789	116,902
Contributions	13(b)	122,532	119,544	119,544
Other Revenue	13(c)	180,440	517,000	228,753
Profit On Disposal of Assets	2(b)	-	4,167	6,519
		400,741	**742,500**	**471,718**
Expenditure from Operating Activities				
Employee Costs		(1,696,642)	(1,739,267)	(1,695,310)
Material and Contracts		(1,778,356)	(2,062,948)	(1,945,409)
Utility Charges		(11,109)	(4,803)	(4,803)
Depreciation	1	(602,436)	(676,219)	(553,561)
Insurance		(60,505)	(54,542)	(59,029)
Other		(312,641)	(649,041)	(324,496)
Loss On Disposal of Assets	2(b)	(6,357)	(442)	(1,682)
		(4,468,046)	**(5,187,262)**	**(4,584,290)**
Non-cash amounts excluded from operating activities	9(ii)	**608,793**	**551,076**	**548,724**
Adjustments for Cash Budget Requirements:				
Operating Activities excluded from Budget				
Movement in Employee Benefit Provisions		1,035	-	7,464
Amount attributable to Operating Activities		(3,112,346)	(3,471,808)	(2,891,045)
Investing Activities				
Non-Operating Grants, Subsidies and Contributions	13(d)	3,400,000	-	-
Purchase of Property, Plant and Equipment	2(a),15	(4,044,885)	(1,159,274)	(831,225)
Purchase and construction of Infrastructure	2(a),15	(1,469,240)	(224,652)	(179,651)
Proceeds from Disposal of Assets	2(b)	55,000	64,500	69,637
Amount attributable to Investing Activities		(2,059,125)	(1,319,426)	(941,239)
Financing Activities				
Transfer to cash backed Reserves (Restricted Assets)	11	(1,153,122)	(2,310,120)	(1,580,816)
Transfer from cash backed Reserves (Restricted Assets)	12	2,839,421	2,957,363	2,339,562
Amount attributable to Financing Activities		1,686,299	647,243	758,747
Budgeted deficiency before Fees and Charges		**(3,485,169)**	**(4,143,991)**	**(3,073,537)**
Estimated Amount to be Raised From Fees & Charges	13(a)	**3,638,022**	**4,348,898**	**3,418,669**
Net Current Assets at end of Financial Year - Surplus/(Deficit)	9(i)	**152,853**	**204,907**	**345,131**

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

NOTES TO AND FORMING PART OF THE BUDGET

	NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 FORECAST
		$	$	$
1 DEPRECIATION				
Classified According to Asset Class				
Buildings		41,236	16,107	17,733
Plant and Machinery		510,771	597,080	490,503
Furniture and Equipment		3,847	5,180	5,339
Infrastructure		46,582	57,852	39,986
Total		**602,436**	**676,220**	**553,561**
Classified According To Program				
Governance		7,181	2,289	10,000
Community Amenities		595,255	673,931	543,561
Total		**602,436**	**676,220**	**553,561**

SIGNIFICANT ACCOUNTING POLICIES

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.

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

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/Apron	20 years

DEPRECIATION (Continued)

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.

RECOGNITION OF ASSETS

Assets for which the fair value as at the date of acquisition is under $5,000 are not recognised as an asset in accordance with Financial Management Regulation17A (5). These assets are expensed immediately.

NOTES TO AND FORMING PART OF THE BUDGET

		NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 FORECAST
			$	$	$
2	**FIXED ASSETS**	15			
(a)	**ACQUISITION OF ASSETS**				
	The following assets are budgeted to be acquired during the year				
	Property, Plant and Equipment				
	Reporting Program				
	Governance				
	Buildings - specialised		277,000	275,000	-
	Plant and Equipment		52,000	-	-
			329,000	275,000	-
	Reporting Program				
	Community Amenities				
	Land - freehold land		550,000	-	-
	Buildings - specialised		2,740,436	-	-
	Plant and Equipment		247,829	882,724	831,225
	Furniture and Equipment		177,621	1,550	-
			3,715,885	884,274	831,225
	Infrastructure				
	Reporting Program				
	Community Amenities				
	Infrastructure - Waste Transfer Station		45,000	45,000	-
	Infrastructure - Stanley Road Gabion Wall		-	179,651	179,651
	Infrastructure - Organics Processing Facility		1,424,240	-	-
			1,469,240	224,651	179,651
	Total Acquisitions		**5,514,125**	**1,383,925**	**1,010,876**

NOTES TO AND FORMING PART OF THE BUDGET

	NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 FORECAST
		$	$	$
2	**FIXED ASSETS (Continued)**			
(b)	**DISPOSAL OF ASSETS**			
	By Class			
	Property, Plant and Equipment			
	Proceeds from Sale of Plant and Vehicles:			
	Toyota Hilux	30,000		
	John Deere 326E Skid Steer Loader	25,000		
		55,000	64,500	69,636
	Less:			
	Asset Value (at cost)			
	Toyota Hilux	45,017		
	John Deere 326E Skid Steer Loader	43,000		
		88,017	91,000	91,000
	Less Provision for Depreciation written back:			
	Toyota Hilux	(8,660)		
	John Deere 326E Skid Steer Loader	(18,000)		
		(26,660)	(30,225)	(26,201)
	Carrying amount of assets sold			
	Toyota Hilux	36,357		
	John Deere 326E Skid Steer Loader	25,000		
		61,357	60,775	64,799
	Profit/(Loss) on Disposal	**(6,357)**	**3,725**	**4,837**
	Made up as follows:			
	Profit on Sale of Mitsubishi Hook Bin Truck	-	4,167	6,364
		-	4,167	6,364
	Loss on Disposal of Nissan Navara Dual Cab	-	-	(1,636)
	Loss on Sale of Quadbike	-	(167)	(45)
	Loss on Sale of Toyota Hilux	(6,357)	-	-
	Profit/Loss on Sale of Kymco Scooter	-	(275)	155
		(6,357)	(442)	(1,527)
	Profit/(Loss) on Disposal	**(6,357)**	**3,725**	**4,837**
	By Program			
	Governance			
	Proceeds from Sale	30,000	-	-
	Less:			
	Asset value (at cost)	45,017	-	-
	Less Provision for Depreciation written back:	(8,660)	-	-
	Net Book Value (Carrying amount) of assets sold	36,357	-	-
	Profit/(Loss) on Disposal	**(6,357)**	**-**	**-**
	Community Amenities			
	Proceeds from Sale	25,000	64,500	69,636
	Less:			
	Asset value (at cost)	43,000	91,000	91,000
	Less Provision for Depreciation written back:	(18,000)	(30,225)	(26,201)
	Net Book Value (Carrying amount) of assets sold	25,000	60,775	64,799
	Profit/(Loss) on Disposal	**-**	**3,725**	**4,837**
		(6,357)	**3,725**	**4,837**

NOTES TO AND FORMING PART OF THE BUDGET

		NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 FORECAST
			$	$	$
3	**CASH**				
	Restricted		1,923,104	3,916,933	3,609,402
	Unrestricted		351,585	292,356	540,552
	Total	11(a)	**2,274,689**	**4,209,290**	**4,149,954**
	The following restrictions have been imposed by regulation or other externally imposed requirements				
	Plant and Equipment Reserve		871,476	1,080,085	737,075
	Site (Post Closure) Rehabilitation Reserve		708,515	1,007,054	1,022,631
	Stanley Road Environmental Protection and Cell Construction Reserve		331,229	746,927	758,303
	Organics Processing Reserve		11,884	1,082,866	1,091,394
			1,923,104	**3,916,933**	**3,609,402**
4	**TRADE AND OTHER RECEIVABLES**				
	Current				
	Trade Debtors		300,000	300,000	300,000
	Accrued Interest		-	-	-
			300,000	**300,000**	**300,000**
5(a)	**PROPERTY, PLANT AND EQUIPMENT**				
	Buildings - at Management Valuation 2017 - Level 3		2,979,007	238,571	238,571
	Additions after valuation - Cost		827,000	275,000	-
	Less Depreciation		(70,618)	(27,752)	(29,381)
			3,735,389	**485,819**	**209,190**
	Furniture and Equipment - at Management Valuation 2017 - Level 3		207,243	29,623	29,623
	Additions after valuation - Cost		-	1,550	-
	Less Depreciation		(22,638)	(18,634)	(18,790)
			184,606	**12,539**	**10,832**
	Vehicles, Plant and Machinery - at Management Valuation 2017 - Level 2		4,700,860	4,026,017	3,930,992
	Additions after valuation - Cost		299,829	791,724	831,225
	Less Depreciation		(1,400,788)	(996,593)	(890,018)
			3,599,901	**3,821,148**	**3,872,200**
	Total Net Book Value of Property Plant & Equipment		**7,519,896**	**4,319,505**	**4,092,222**

NOTES TO AND FORMING PART OF THE BUDGET

	NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 FORECAST
		$	$	$
5(b)	**INFRASTRUCTURE**			
	Roads - at Management Valuation 2018 - Level 3	45,000	-	45,000
	Roads - at Management Valuation 2017 - Level 3	-	57,040	-
	Less Depreciation	(13,661)	(13,804)	(12,581)
		31,339	**43,236**	**32,419**
	Perimeter Fencing - at Management Valuation 2018 - Level 3	11,520	-	11,520
	Perimeter Fencing - at Management Valuation 2017 - Level 3		10,000	-
	Less Depreciation	(4,355)	(3,550)	(3,160)
		7,165	**6,450**	**8,360**
	Waste Transfer Station - at Management Valuation 2018	452,833	-	452,833
	Additions after valuation - Cost	-	-	-
	Waste Transfer Station at Management Valuation 2017		503,166	-
	Additions after valuation - Cost	45,000	45,000	-
	Less Depreciation	(119,945)	(113,987)	(98,763)
		377,888	**434,179**	**354,070**
	Stanley Road Gabion Wall			
	Additions after valuation - Cost	359,301	359,301	359,301
	Less Depreciation	(7,777)	(5,965)	(591)
		351,524	**353,336**	**358,710**
	Organics Processing Facility - Concrete Bunker and Apron, Composting Pad, Leachate Ponds, Monitoring Bores, Site Fencing,			
	- at Management Valuation 2018 - Level 3	478,750	-	478,750
	- at Management Valuation 2017 - Level 3		361,676	-
	Additions after valuation - Cost	1,424,240	-	-
	Less Depreciation	(228,452)	(54,718)	(212,513)
		1,674,538	**306,958**	**266,237**
	Total Net Book Value of Infrastructure	**2,442,454**	**1,144,158**	**1,019,796**

NOTES TO AND FORMING PART OF THE BUDGET

	NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 FORECAST
		$	$	$
6(a)	**TRADE AND OTHER PAYABLES**			
	Sundry Trade Creditors	140,000	140,000	138,299
	Accrued Wages	20,069	20,069	23,018
	Security Bonds	500	500	500
	Income received in Advance	-	-	-
	Taxation Liabilities	49,000	49,000	50,701
	Total Creditors	**209,569**	**209,569**	**212,518**
6(b)	**PROVISIONS**			
	Provisions for Annual & Long Service Leave	291,163	179,883	284,901
		291,163	**179,883**	**284,901**
6(c)	**AUDITORS REMUNERATION**			
	Audit Fees	7,250	7,500	7,500
7	**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 $182.00 per meeting			
	Councillors $ 91.00 per meeting			
	Committees $ 46.00 per meeting			
	Budget provisions for 2019/20 are:-			
	Members Attendance Fees	6,236	6,805	6,159
	Members Expenses	2,500	2,000	2,000

NOTES TO AND FORMING PART OF THE BUDGET

	NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 FORECAST
		$	$	$
8 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 - unrestricted		351,585	292,357	540,551
Cash - restricted		1,923,104	3,916,933	3,609,404
	3,8(a)	**2,274,689**	**4,209,290**	**4,149,954**
The following restrictions have been imposed by regulation or by other externally imposed requirements:				
Plant And Infrastructure Reserve		871,476	1,080,085	737,075
Site (Post Closure) Rehabilitation Reserve		708,515	1,007,055	1,022,631
Organics Processing Reserve		11,884	1,082,866	1,091,394
Stanley Road Environmental Protection And Cell Construction Reserve		331,229	746,927	758,303
		1,923,104	**3,916,933**	**3,609,402**
b) RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO NET RESULT				
Net Result		2,970,717	(217,283)	(693,903)
Depreciation	1	602,436	676,219	553,561
Increase (Decrease) in Provision for Annual and Long Service Leave		7,298	(114,500)	(2,737)
(Increase) Decrease in Trade & Other Receivables		-	73,511	73,511
(Increase) Decrease in Inventories		-	286	286
Increase (Decrease) in Prepayments		-	12,125	12,125
Increase (Decrease) in Sundry Creditors		1,700	(207,851)	(207,849)
Increase (Decrease) in Taxation Liabilities		(1,701)	38,718	38,718
(Profit)/Loss on Sale of Assets		6,357	(3,725)	(4,837)
Increase (Decrease) in Accrued Wages		(2,948)	(43,432)	7,669
Contributions for the development of assets	13(d)	(3,400,000)	-	-
Net cash from operating activities		**183,860**	**214,069**	**(223,454)**

SIGNIFICANT ACCOUNTING POLICIES

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.

		NOTE	2019/20 BUDGET 30 June 2020	2019/20 BUDGET 1 July 2019	2018/19 ORIGINAL BUDGET 30 June 2019	2018/19 FORECAST 30 June 2019
9	**NET CURRENT ASSETS**		**$**	**$**	**$**	**$**
	Composition of estimated Net Current Assets					
	Current Assets					
	Cash - unrestricted		351,585	557,875	292,357	557,875
	Cash - restricted reserves		1,923,104	3,592,079	3,916,933	3,592,079
	Receivables		300,000	300,000	300,000	300,000
	Contract Assets			0		
	Inventories		2,000	2,000	2,000	2,000
			2,576,689	4,451,954	4,511,290	4,451,954
	Less: Current Liabilities					
	Trade and other payables		(209,569)	(212,518)	(209,569)	(212,518)
	Contract Liabilities					
	Provisions		(291,163)	(284,901)	(179,883)	(284,901)
			(500,732)	(497,419)	(389,452)	(497,419)
	Net Current Assets		2,075,957	3,954,535	4,121,839	3,954,535

EXPLANATION OF DIFFRENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Operating activities excluded from budgeted deficiency

When calculating the budget deficiency for the purpose of section 6.2 (2) (c) of the Local Government Act 1995 the following amounts have been excluded as provided by the *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

(i)	**Current assets and liabilities excluded from budgeted deficiency**					
	Net Current Assets		2,075,957	3,954,535	4,121,839	3,954,535
	The following current assets and liabilities have been excluded from the net current assets used in the Fee Setting Statement.					
	Adjustments to net current assets					
	Less: cash - restricted reserves.	10	(1,923,104)	(3,609,404)	(3,916,933)	(3,609,404)
	Less: Current assets not expected to be received at end of year		-	-	-	-
	Add: Current liabilities associated with restricted assets		-	-	-	-
	Add: Current liabilities not expected to be cleared at end of year					
	- Employee benefit provisions					
	Adjusted net current assets		152,853	345,132	204,906	345,132
(ii)	**Operating activities excluded from budgeted deficiency**					
	The following non-cash revenue or expenditure has been excluded form operating activities within the Fee Setting Statement					
	Adjustment to operating activities					
	Less: Profit on asset disposals	2(b)	-	(6,519)	(4,167)	(6,519)
	Less: Movement in liabilities associated with restricted cash					
	Add: Loss on disposal of assets	2(b)	6,357	1,682	1,682	1,682
	Add: Change in accounting policies		-	-	-	-
	Add: Depreciation on assets	1	602,436	553,561	553,561	553,561
	Non cash amounts excluded from operating activities		608,793	548,724	551,076	548,724

(iii) Reason for adjustment to Adjusted net current assets - surplus/(deficit) on 1 July 2019

The Council has elected to retrospectively apply the cumulative effect of applying AASB 1058 Income for Not-for-Profit Entities at the date of the initial application of the standard, being 1 July 2019. The impact of recognising the standard is nil. Refer to Note 21 for further explanation of the impact of changes in accounting policies.

NOTES TO AND FORMING PART OF THE BUDGET

SIGNIFICANT ACCOUNTING POLICIES

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.

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.

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods and services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

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.

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.

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.

CONTRACT LIABILITIES

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Council are recognised as a liability until such time as the Council satisfies its obligations under the agreement.

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.

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.

NOTES TO AND FORMING PART OF THE BUDGET

	2019/20	2018/19		
	BUDGET	ORIGINAL BUDGET	REVISED BUDGET	FORECAST
10 CASH BACKED RESERVES				
(a) PLANT AND INFRASTRUCTURE RESERVE				
***Purpose** : To set aside funds for the future replacement of machinery, plant, vehicles and site infrastructure.*				
Balance as at 1 July	737,075	746,900	696,038	696,038
Transfers from Accumulated Surplus	221,401	518,686	517,928	217,927
Transfers to Accumulated Surplus	(87,000)	(185,500)	(176,890)	(176,890)
Balance as at 30th June	**871,476**	**1,080,085**	**1,037,076**	**737,075**
(b) SITE (POST CLOSURE) REHABILITATION RESERVE				
***Purpose:** To set aside funds on an annual basis to provide resources for rehabilitation of the landfill site following closure*				
Balance as at 1st July	1,022,631	1,852,552	1,707,389	1,707,389
Transfers from Accumulated Surplus	743,180	733,706	726,488	326,487
Transfers to Accumulated Surplus	(1,057,296)	(1,579,203)	(1,718,911)	(1,011,245)
Balance as at 30th June	**708,515**	**1,007,055**	**714,966**	**1,022,631**
(c) WASTE MINIMISATION AND ENVIRONMENTAL PROTECTION RESERVE				
***Purpose:** To set aside funds on an annual basis to provide for future waste minimisation and environmental protection initiatives*				
Balance as at 1st July	-	351,641	351,641	351,641
Transfers from Accumulated Surplus	-	-	-	-
Transfers to Accumulated Surplus	-	-	(351,641)	(351,641)
Transfers to Other Reserves	-	(351,641)	-	-
Balance as at 30th June	-	-	-	-
(d) STANLEY ROAD LINED CELL CONSTRUCTION RESERVE				
***Purpose:** To set aside funds for cell construction*				
Balance as at 1st July	-	553,794	553,794	553,794
Transfers from Accumulated Surplus	-	-	-	-
Transfers to Other Reserves	-	(553,794)	(553,794)	(553,794)
Balance as at 30th June	-	-	-	-
(e) ORGANICS PROCESSING RESERVE				
***Purpose** : To set aside funds for the provision, upgrade and rehabilitation of the Organics Processing Facility.*				
Balance as at 1 July	1,091,394	1,059,289	1,059,289	1,059,289
Transfers from Accumulated Surplus	20,615	23,577	32,106	32,106
Transfers to Accumulated Surplus	(1,100,125)	-	-	-
Transfer from Site Acquisition and Investigation Reser	-	-	-	-
Balance as at 30th June	11,884	**1,082,866**	**1,091,395**	**1,091,394**

NOTES TO AND FORMING PART OF THE BUDGET

	2019/20	2018/19		
	BUDGET	ORIGINAL	REVISED BUDGET	FORECAST
	$	$	$	
10 CASH BACKED RESERVES (Continued)				
(g) STANLEY ROAD ENVIRONMENTAL PROTECTION AND CELL CONSTRUCTION RESERVE				
Proposed Purpose: *To set aside funds for cell construction and environmental protection initiatives*				
Balance as at 1 July	758,303	-	-	-
Transfers from Accumulated Surplus	167,926	128,715	134,200	98,859
Transfers to Accumulated Surplus	(595,000)	(287,224)	(290,993)	(245,992)
Transfer from Other Reserves	-	905,436	905,436	905,436
Balance as at 30th June	331,229	**746,927**	**748,643**	**758,303**
Total Reserve Funds	**1,923,104**	**3,916,933**	**3,592,079**	**3,609,403**

All of the above reserve accounts are to be supported by money held in financial institutions.
The purpose of the above reserve accounts is in accordance with Council resolutions.

	2019/20	2018/19		
	BUDGET	ORIGINAL	REVISED BUDGET	FORECAST
	$	$	$	
11 TRANSFER TO RESERVES				
Plant and Infrastructure Reserve				
Interest on Investments	18,535	18,686	17,928	17,928
Additional Funds (Transfer from Accumulated Funds)	202,866	500,000	500,000	200,000
	221,401	**518,686**	**517,928**	**217,928**
Site (Post Closure) Rehabilitation Reserve				
Interest on Investments	17,884	33,706	26,489	26,487
Additional Funds (Transfer from Accumulated Funds)	725,296	700,000	700,000	300,000
	743,180	**733,706**	**726,489**	**326,487**
Stanley Road Environmental Protection and Cell Construction Reserve				
Interest on Investments	13,844	14,711	20,195	20,195
Additional Funds (Transfer from Accumulated Funds)	154,082	114,004	114,004	78,663
Additional Funds (Transfer from Other Reserves)	-	905,436	905,436	905,436
	167,926	**1,034,151**	**1,039,635**	**1,004,294**
Organics Processing Reserve				
Interest on Investments	20,615	23,577	32,107	32,107
	20,615	**23,577**	**32,107**	**32,107**
Total Transfer to Reserves	**1,153,122**	**2,310,120**	**2,316,158**	**1,580,816**

NOTES TO AND FORMING PART OF THE BUDGET

	NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 REVISED BUDGET	2018/19 FORECAST
		$	$		$
12	**TRANSFER FROM RESERVES**				
	Plant & Infrastructure Reserve				
	As per Capital Expenditure Note 17	87,000	185,500	176,890	176,890
		87,000	**185,500**	**176,890**	**176,890**
	Site (Post Closure) Rehabilitation Reserve				
	Stanley Road Rehabilitation Works	1,057,296	1,579,203	1,718,911	1,011,245
		1,057,296	**1,579,203**	**1,718,911**	**1,011,245**
	Waste Minimisation and Environmental Protection Reserve				
	Transfers to Other Reserves	-	351,641	351,641	351,641
		-	**351,641**	**351,641**	**351,641**
	Stanley Road Lined Cell Construction Reserve				
	Transfers to Other Reserves	-	553,795	553,795	553,795
		-	**553,795**	**553,795**	**553,795**
	Stanley Road Environmental Protection and Cell Construction Reserve				
	Environmental Offset Land	550,000	-	-	-
	Waste Handler / New Hardstand	45,000	287,224	290,992	245,992
		595,000	**287,224**	**290,992**	**245,992**
	Organics Processing Reserve				
	Provide, upgrade and rehabilitate Organic facilities.	1,100,125	-	-	-
		1,100,125	**-**	**-**	**-**
	Total Transfer from Reserves	**2,839,421**	**2,957,363**	**3,092,228**	**2,339,562**
	Summary of Reserve Transfers				
	Total Transfers to Reserves(from other reserves)	-	905,436	905,436	905,436
	Total Transfer to Reserves (from Accum. Funds)	**1,153,122**	1,404,684	1,410,722	675,380
		1,153,122	**2,310,120**	**2,316,158**	**1,580,816**
	Total Transfers from Reserves(to other reserves)	-	905,436	905,436	905,436
	Total Transfer from Reserves (to Accum. Funds)	**2,839,421**	2,051,927	2,186,792	1,434,126
		2,839,421	**2,957,363**	**3,092,228**	**2,339,562**

NOTES TO AND FORMING PART OF THE BUDGET

	NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 FORECAST
13(a) Fees and Charges				
Casual Tipping Fees		1,460,000	2,200,000	1,300,000
Disposals - City of Bunbury		515,482	505,375	496,249
Disposals - Shire of Harvey		330,000	499,564	507,874
Tip Passes - Shire of Harvey		252,270	222,084	235,543
Sale of Recyclables		313,310	191,055	327,748
Banksia Road Organics and Compost		675,224	483,897	460,892
Hookbin Hire		11,500	11,500	11,700
Waste Minimisation Revenue		80,236	114,004	78,663
		3,638,022	**4,227,479**	**3,418,669**
13(b) Operating Grants, Subsidies and Contributions				
Contributions to Waste Education		122,532	119,544	119,544
		122,532	**119,544**	**119,544**
13(c) Other Revenue				
Landfill Levy		100,000	450,000	83,748
Fuel Tax Credit		73,440	65,000	84,426
Payroll Contributions		-	-	12,948
Insurance Reimbursements		5,000	-	43,539
Miscellaneous Reimbursements		2,000	2,000	4,092
		180,440	**517,000**	**228,753**
Total Fees and Charges, Other Revenue and Contributions		**3,940,994**	**4,864,023**	**3,766,966**
Total Fees and Charges, Other Revenue and Contributions by Program				
Governance		122,532	119,544	119,544
Community Amenities		3,818,462	4,744,479	3,647,422
		3,940,994	**4,864,023**	**3,766,966**
13(d) Non-Operating Grants, Subsidies and Contributions				
Waste Authority Grant (WA)		1,400,000		
Climate Change Funding (Commonwealth)		2,000,000	-	-
		3,400,000	**-**	**-**

NOTES TO AND FORMING PART OF THE BUDGET

	NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 FORECAST
14 OTHER INFORMATION				
The net result includes as revenues				
INTEREST EARNINGS				
Surplus funds are invested on term deposits with local financial institutions.				
Estimated return on investments are:-				
Investments				
- Reserve funds				
Plant & Infrastructure Replacement Reserve		18,535	18,686	17,928
Site (Post Closure) Rehabilitation Reserve		17,884	33,706	26,489
Stanley Road Environmental Protection and Cell Construction Reserve		13,844	14,711	20,195
Organics Processing Reserve		20,615	23,577	32,107
		70,879	90,680	96,719
- General Funds		26,389	10,610	19,683
Other interest revenue		500	500	500
Total Interest on Investments		**97,768**	**101,790**	**116,902**

SIGNIFICANT ACCOUNTING POLICIES

LEASES

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of and identified asset for a period of time in exchange for consideration.

At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability.

At the commencement date, a lessee shall measure the right-of-use asset at cost.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

NOTES TO AND FORMING PART OF THE BUDGET

NOTE		2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 REVISED BUDGET	2018/19 FORECAST
		$	$		$
15	**CAPITAL EXPENDITURE**				
	Stanley Road Waste Management Facility				
	Land and Buildings				
	New Administration Building	277,000	275,000	275,000	-
	Environmental Offset Land	550,000	-	-	-
	Plant and Equipment				
	10,000ltr Bulk Fuel Storage	-	34,000	38,525	38,525
	Replace Nissan Navara Dual Cab	-	33,000	30,719	30,719
	Waste Transfer Hookbin Truck	-	270,000	221,596	221,596
	Waste Handler	-	392,224	395,992	395,992
	Service Trailer with Genset etc.	-	11,500	7,849	7,849
	2 x 30 Cubic Meter Bins	-	22,000	22,000	22,000
	1 x Under Magnet Bin	-	5,000	5,000	5,000
	Toyota Hilux SR5 4 x 4 DSL D/C	52,000	-	-	-
	John Deere 326E Skid Steer Loader	90,000	-	-	-
	Beach Rake (Second Hand)	-	50,000	39,000	39,000
	4 x 4 Tractor (Second Hand) w.grader blade	-	65,000	70,544	70,544
	Furniture and Equipment				
	Furniture	-	-	-	-
	First Aid Defibrillator	-	1,550	-	-
	Infrastructure				
	Gabion Wall	-	179,651	179,651	179,651
	Plant Compound	45,000	45,000	45,000	-
		1,014,000	**1,383,925**	**1,330,876**	**1,010,876**
	Organics Processing Facility				
	Land and Buildings				
	Compost Building	2,740,436	-	-	-
	Plant and Equipment				
	Leachate Pump	20,807	-	-	-
	Mini Excavator with Grab	137,022	-	-	-
	Furniture and Equipment				
	Software and Automation	177,621	-	-	-
	Infrastructure				
	Roads - internal access 6m width	182,696	-	-	-
	Utilities Connection (Power)	121,797	-	-	-
	Excavate to Sub Base	172,952	-	-	-
	Fill 300mm thick hard stand	214,439	-	-	-
	Textured LLDPE Low Permeability Cap	167,471	-	-	-
	Sub-surface drainage, geonet	158,489	-	-	-
	Leachate Pond	82,061	-	-	-
	Concrete precast pipes	47,958	-	-	-
	Extend power cables	24,359	-	-	-
	Bunker for finished compost	81,198	-	-	-
	Security fencing	170,820	-	-	-
		4,500,125	**-**	**-**	**-**
	Total	**5,514,125**	**1,383,925**	**1,330,876**	**1,010,876**
	Capital Expenditure by Asset Type				
	Land & Buildings	3,567,436	275,000	275,000	-
	Plant and Equipment	299,829	882,724	831,225	831,225
	Furniture and Equipment	177,621	1,550	-	-
	Infrastructure	1,469,240	224,651	224,651	179,651
	Total	**5,514,125**	**1,383,925**	**1,330,876**	**1,010,876**

NOTES TO AND FORMING PART OF THE BUDGET

		NOTE	2019/20 BUDGET	2018/19 ORIGINAL BUDGET	2018/19 REVISED BUDGET	2018/19 FORECAST
			$	$	$	$
16	**Stanley Road Rehabilitation (Capping)**					
	Project Costs:					
	Gabion Wall and Cell Capping		-	179,651	179,651	194,980
			-	179,651	179,651	194,980
	Other Costs:					
	Beach Rake and 4 x 4 Tractor		-	115,000	109,544	109,544
	Employee Costs		109,021	168,355	168,354	49,592
	Materials and Contracts					
	Plant Costs		496,855	449,414	566,409	430,964
	Contractors and Services		369,717	334,415	334,415	469,861
	Insurance		7,563	5,490	5,916	7,379
			874,135	789,319	906,740	908,203
	Plant Depreciation		74,140	139,081	91,971	101,971
			1,057,296	1,211,755	1,276,609	1,169,310
			1,057,296	**1,391,406**	**1,456,260**	**1,364,290**
	The 2019/20 expenditure will be funded from the Site Post Closure Rehabilitation Reserve:					
	Closing Balance of Site Post Closure Rehabilitation Reserve	10(b)	**708,515**	**1,007,055**	**714,966**	**1,022,631**

Phase 3					
Phase 4					
	1,057,296	653,545	533,372	2,323,187	1,060,672
Total for 5 years to 30/6/2024:					
5,628,072	**1,057,296**	**653,545**	**533,372**	**2,323,187**	**1,060,672**

Note:

The long term budget from 2019/20 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 BUDGET

		2019/20	2018/19		
		BUDGET	ORIGINAL BUDGET	REVISED BUDGET	FORECAST
		$	$	$	$
17	**Organics Processing Facility**				
	Capital Expenditure by Asset Type				
	Land and Buildings	2,740,436	-	-	-
	Plant & Equipment	157,829	-	-	-
	Furniture and Equipment	177,621	-	-	-
	Infrastructure	1,424,240	-	-	-
		4,500,125	**-**	**-**	**-**

	2019/20	2018/19		
	BUDGET	BUDGET	REVISED	FORECAST
	$	$	$	$
The proposed funding sources are:				
Organics Processing Reserve	1,100,125	-	-	-
Waste Authority Grant (WA)	1,400,000	-	-	-
Climate Change Funding (Commonwealth)	2,000,000	-	-	-
Total Capital Budget for Organics Project	**4,500,125**	**-**	**-**	**-**

18 PERFORMANCE MEASURES

	2020	2019	2018	Local Govt. Standard **
Current Ratio:				
Current Assets minus Restricted Assets / Current Liabilities minus Restricted Liabilities	1.31	1.69	1.50	> 1.0
Asset Sustainability Ratio:				
Capital Renewal and Replacement Expenditure / Depreciation Expense	1.22	1.83	0.66	0.90 to 1.10
Asset Consumption Ratio:				
Depreciated Replacement Cost of Assets / Current Replacement Cost of Depreciated Assets	0.84	0.80	0.88	0.60 to 0.75
Asset renewal Funding ratio:				
NPV of Planned Capital Renewals over 10 years / NPV of Required Capital Expenditure over 10 years	0.90	0.90	0.90	0.75 to 0.95
Debt Service Cover Ratio:				
Debt Service Cost / Available Operating Revenue	Nil	Nil	Nil	N/A
Operating Surplus Ratio:				
Operating Revenue minus Operating Expense / Own Source Operating Revenue *	-0.11	-0.18	-0.14	0.01 to 0.15 (basic standard)
Own Source Revenue Coverage Ratio:				
Own Source Operating Revenue * / Operating Expense	0.84	0.82	0.73	0.60 to 0.90 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.

Note:

Adjusted Ratio due to expenditure for site rehabilitation.

If expenditure for site rehabilitation is excluded from the ratio calculation, the ratios would be as follows:

	2020	2019	2018
Operating Surplus Ratio:	0.17	0.08	0.13

NOTES TO AND FORMING PART OF THE BUDGET

	% Increase / Decrease	2019/20 FEES BUDGET (INCL GST)	2018/19 FEES BUDGET (INCL GST)	2017/18 FEES BUDGET (INCL GST)
19 SCHEDULE OF TIPPING FEES (As proposed for the Ordinary Council Meeting on 2 May 2018 for the 2019/20 financial year)				
LOCATION: STANLEY ROAD WASTE MANAGEMENT FACILITY				
LIGHT VEHICLES - General Waste				
Per car or station wagon	0.0%	$15.00	$15.00	$14.00
Per Utility or trailer (up to 1.8m x 1.2m)	0.0%	$22.00	$22.00	$20.00
Per trailer or large utility (up to 2.1m x 1.2m) or trailer	0.0%	$33.00	$33.00	$31.00
LIGHT VEHICLES - Green Waste				
Per car or station wagon	0.0%	$9.00	$9.00	$14.00
Per Utility or trailer (up to 1.8m x 1.2m)	0.0%	$15.00	$15.00	$20.00
Per trailer or large utility (up to 2.1m x 1.2m) or trailer with sides exceeding 600mm	0.0%	$25.00	$25.00	$31.00
LIGHT VEHICLES - Clean Fill/Rubble Waste				
Per Utility or trailer (up to 1.8m x 1.2m)	0.0%	$6.00	$6.00	$20.00
Per trailer or large utility (up to 2.1m x 1.2m) or trailer with sides exceeding 600mm	0.0%	$6.00	$6.00	$31.00
HEAVY VEHICLES - WEIGHBRIDGE				
Co-mingled Compacted Waste and Skip Bin Waste per tonne	0.0%	$61.00	$61.00	$59.50
Minimum Charge	0.0%	***$44.00***	***$44.00***	***$42.50***
Mattresses per tonne	0.0%	$95.00	$95.00	$59.50
Minimum Charge	0.0%	***$95.00***	***$95.00***	***$42.50***
Co-mingled Skip Bin Waste per tonne	0.0%	$44.00	$44.00	$59.50
Minimum Charge	0.0%	***$44.00***	***$44.00***	***$42.50***
Clean Green Waste per tonne	14.0%	*$28.50*	$25.00	$25.00
Minimum Charge	14.0%	***$28.50***	***$25.00***	***$25.00***
Clean Cardboard Waste per tonne	0.0%	*$28.50*	$28.50	$28.50
Minimum Charge	0.0%	***$28.50***	***$28.50***	***$28.50***
Clean Wood waste per tonne (NEW)	100.0%	$28.50		
Minimum Charge (NEW)	100.0%	***$28.50***		
Clean Fill - Suitable for Daily Cover and Road Building per tonne	0.0%	$0.00	$0.00	$0.00
Minimum Charge	0.0%	***$0.00***	***$0.00***	***$0.00***
Building and Demolition(no Gyprock or Timber and maximum size 500mm) Waste per tonne	9.8%	$7.25	$6.60	$5.50
Minimum Charge	9.8%	***$7.25***	***$6.60***	***$5.50***
OTHER WASTE				
Tyres - Passenger / Motorcycle (per tyre)	0.0%	$3.00	$3.00	$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	$0.00
Special Burial (i.e. Asbestos) per tonne or part thereof	0.0%	$84.00	$84.00	$84.00
Minimum Charge	0.0%	***$84.00***	***$84.00***	***$84.00***
Quarantine Waste	0.0%	$130.00	$130.00	$130.00
Minimum Charge	0.0%	***$130.00***	***$130.00***	***$130.00***

NOTE:

The proposed fees include 10% G S T

NOTES TO AND FORMING PART OF THE BUDGET

	% Increase / Decrease	2019/20 FEES BUDGET (INCL GST)	2018/19 FEES BUDGET (INCL GST)	2017/18 FEES BUDGET (INCL GST)
19 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 below:				
Per Car or Station Wagon	0.0%	$15.00	$15.00	$14.00
Utility or Trailer	0.0%	$22.00	$22.00	$20.00
Large Trailer / Large Utility	0.0%	$33.00	$33.00	$31.00
LIGHT VEHICLES (Volume of Green Waste)				
Per Car or Station Wagon	0.0%	$9.00	$9.00	$14.00
Utility or Trailer	0.0%	$15.00	$15.00	$20.00
Large Trailer / Large Utility	0.0%	$25.00	$25.00	$31.00
LIGHT VEHICLES (Volume of Green Waste)				
Utility or Trailer	0.0%	$6.00	$6.00	$20.00
Large Trailer / Large Utility	0.0%	$6.00	$6.00	$31.00
MEMBER COUNCIL REBATE				
To City of Bunbury – Per Tonne Disposed and Landfilled	0.0%	$12.50	$12.50	$11.00
To Shire of Harvey - Per Tonne Disposed and Landfilled	0.0%	$12.50	$12.50	$11.00
SALE OF COMPOST AND MULCH				
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	2.9%	$35.00	$34.00	$33.00
Minimum Charge	2.9%	***$35.00***	***$34.00***	***$33.00***
Clean Green Waste per tonne	14.0%	$28.50	$25.00	$25.00
Minimum Charge	14.0%	***$28.50***	***$25.00***	***$25.00***
Clean Green Waste Mulched per tonne	0.0%	$0.00	$0.00	$0.00
Organic Waste with over 5% Contamination per tonne	0.0%	$120.00	$120.00	$118.00
Minimum Charge	0.0%	***$120.00***	$120.00	$118.00
Compost and Mulch Sales				
Compost Sales to Wellington Group of Councils per Tonne	0.0%	$34.00	$34.00	$34.00
10mm Compost (Second Screened) per Tonne	-11.9%	$37.00	$42.00	$41.00
Processed Mulch per Tonne (New)	0.0%	$35.00	$35.00	$35.00
Green Mulch Unprocessed per Tonne (New)	0.0%	$22.00	$22.00	$22.00

NOTE:

The proposed fees include 10% GST

NOTES TO AND FORMING PART OF THE BUDGET

20 SIGNIFICANT ACCOUNTI NG POLICIES - OTHER INFORMATION

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.

CRITICAL ACCOUNTING ESTIMATES

The preparation of a budget in conformity with Australian Accounting Standards required 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.

ROUNDING OFF FIGURES

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

REVENUE RECOGNITION

Accounting policies for the recognition of income and revenue from contracts with customers is required to be described where applicable.

COMPARATIVE FIGURES

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

BUDGET COMPARATIVE FIGURES

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

NOTES TO AND FORMING PART OF THE BUDGET

21 SIGNIFICANT ACCOUNTING POLICIES - CHANGE IN ACCOUNTING POLICIES

This note explains the impact of the adoption of AASB 15 R*evenue from Contracts with Customers* . AASB 16 Leases and AASB 1058 *Income for Not-for-Profit Entities* .

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Bunbury-Harvey Regional Council adopted AASB 15 on 1 July 2019 resulting in in changes to accounting policies. In accordance with the transition provisions AASB 15, the Council has adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. Note: the effect of adopting AASB 15 is nil.

LEASES

On adoption of AASB 16, for leases which had previously been classified as an 'operating lease' when applying AASB 17, the Council is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under $5,000 are not recognised as an asset in accordance with Financial Management regulation 17A (5).

INCOME FOR NOT-FOR PROFIT ENTITIES

The Council has adopted AASB 1058 from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions in AASB 1058, the Council has adopted the new rules retrospectively with the cumulative effect of initially applying the AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated, in accordance with AASB transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the standard on 1 July 2019, no changes occurred

Assets that were acquired for consideration that was significantly less than fair value principally to enable the Council to further its objectives may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.