

MINDARIE REGIONAL COUNCIL - TAMALA PARK FACILITY

CURRENT MODEL

Funding Model

Cost Recovery Model (Operations)

Share of Surplus - attributable to casual tonnage

EQUITY HOLDERS

FACILITY USERS -  
COMMERCIAL

Casual  
Users

Non-  
Member  
Commercial

Initial  
Capital  
Invested

Fee - Rate Per Tonne

Tamala Park  
Facility

STAGE 1  
Capital cost  
component  
&

STAGE 2  
Capital reserve  
\$5/tonne  
&

Operating cost  
component  
&

Casual Tipping Fees

Casual  
capital  
component

Casual reserve  
component  
\$5/tonne

Casual fees  
(excluding capital  
components)

Equals

Minus

LAND OWNERS

Lease

Rental

STAGE 1

Initial capital including  
Plant & Equipment

Reinvest  
for  
Stage 2

Equals  
(over lifetime  
of facility)

Capital  
Cost  
Recovery

Actual  
Operating  
Costs

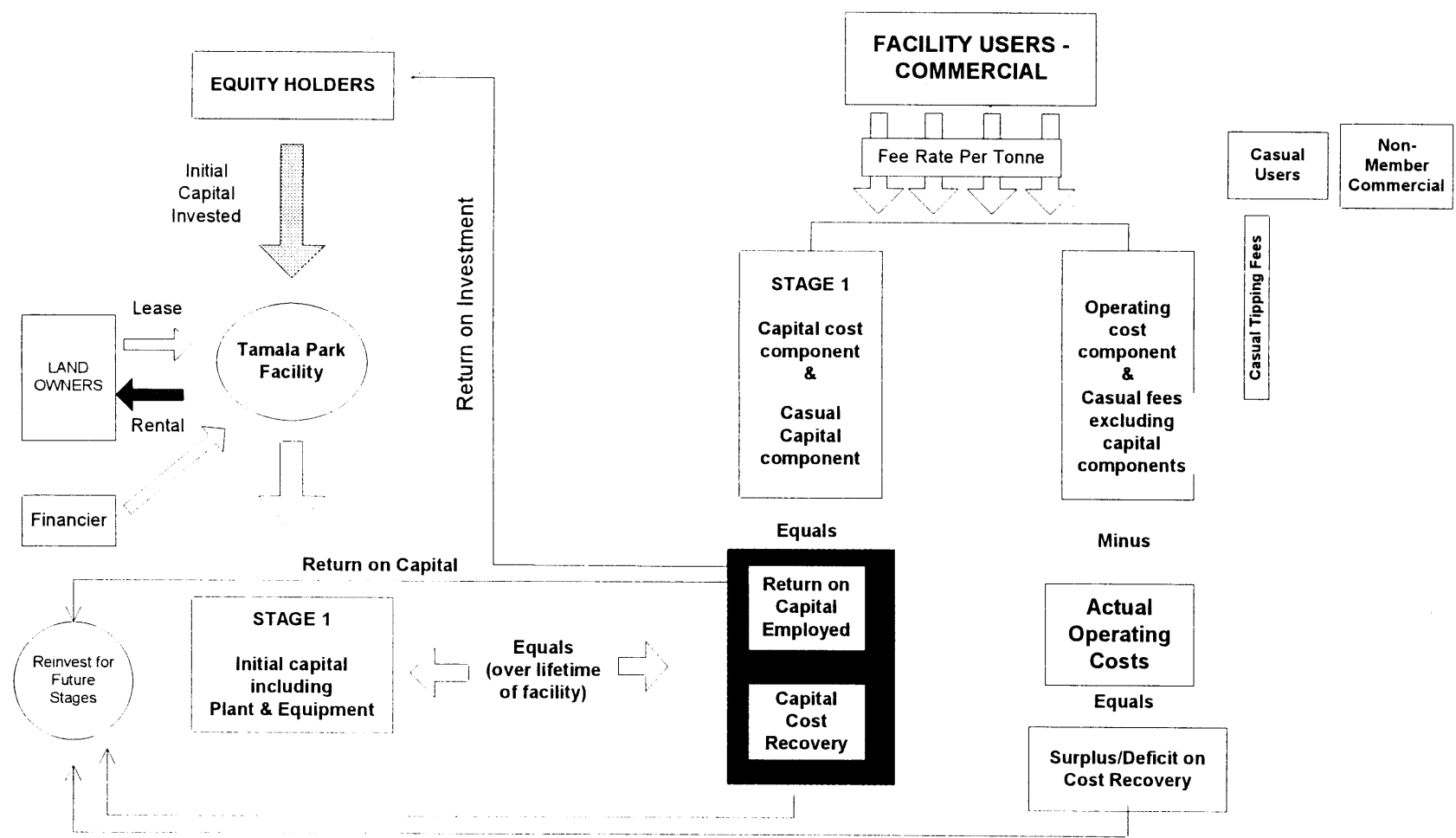
Equals

Surplus/Deficit  
on Cost Recovery

APPENDIX 6

Variance (rebate) - based on tonnage

MINDARIE REGIONAL COUNCIL – TAMALA PARK FACILITY  
PROPOSED MODEL



## Mindarie Regional Council

## Distribution calculation example

<u>Assume:</u>	Equity %	Tipping %
Council A	30%	60%
Council B	70%	40%
Retention of surplus	0%	

	Cost = Fees	Cost > Fees	Cost < Fees
Council A fees	60	60	60
Council B fees	40	40	40
Member Fees	100	100	100
Other fees	500	500	500
Member Cost	-100	-120	-80
Other cost	-400	-400	-400
<b>Accounting Surplus</b>	100	80	120
Fee adjustment		20	-20
<b>Equity distribution *</b>	100	100	100
<b>Council A</b>			
Equity distribution	30	30	30
Retention by MRC	0	0	0
Fee adjustment	0	-12	12
Net distribution	30	18	42
<b>Council B</b>			
Equity distribution	70	70	70
Retention by MRC	0	0	0
Fee adjustment	0	-8	8
Net distribution	70	62	78
<b>Total distribution</b>	100	80	120

\* equals other fees less other costs, because members fees = members costs

		Cost = Fees	Cost > Fees	Cost < Fees
Operational surplus before member tipping fee adjustment	X	100	80	120
Adjustment to member council tipping charge, according to tonnes tipped, where tipping fees differ from actual cost	X/(X)	0	20	-20
Operational surplus - distributed according to equity ownership percentages	X	100	100	100
Less: retention for capital requirements as requested by Mindarie but at member councils' option	(X)	0	0	0
Adjustment to member council tipping charge according to tonnes tipped, where tipping fees differ from actual cost	X/(X)	0	-20	20
Amount distributed/(reimbursed) X/(X)	X/(X)	100	80	120

Made up of:

Council A	30	18	42
Council B	70	62	78
	100	80	120