

4. PROPOSED CHANGE IN ACCOUNTING FOR LANDFILL AFTERCARE COSTS AND DRAFT ANNUAL REPORT

The Director of Finance reported seeking the Committee's approval of a proposed change to the accounting policies for accounting for landfill aftercare costs and also the adoption of the draft financial statements for audit.

With regard to the landfill aftercare costs, the report advised that, as a consequence of a change issued by the Financial Reporting Standards Board, the Council is now required to recognise the total estimated aftercare costs for the Burwood Landfill and to depreciate this cost over the remaining useful life of the landfill.

The financial implications of the change are as follows:

Increase in the cost of Burwood Landfill	\$8,202,042
Increase in the accumulated amortisation of the Burwood Landfill	\$5,858,601
Net increase in the book value of Burwood Landfill	\$2,343,441
Increase in the Provision for Aftercare Costs	\$1,400,000
Net increase in Assets	\$943,441
Net increase credited directly to Retained Earnings	\$943,441
Difference in charge for Aftercare Costs for the year ended 30 June 2002, an immaterial	\$200,000

The Committee **resolved**:

1. That the change in accounting policies for landfill aftercare costs be approved.
2. That the draft financial statements for the year ended 30 June 2002 be adopted for audit.