MURCHISON REGIONAL VERMIN COUNCIL

ANNUAL BUDGET

2017-18

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Chairman's Introduction

It gives me great pleasure to present the Annual Budget for the Murchison Regional Vermin Council.

The 2017-18 financial year will see 5% increase in member local government contributions and fence rental. The MRVC will maintain existing service levels.

During 2017-18 the MRVC will progress the new project to construct the 326 kilometre vermin fence to enclose the cell. The Business Plan, Revitalisation Program and Economic Feasibility Analysis have been completed.

The MRVC has undertaken the review of it's Establishment Agreement and member local governments' have been requested to consider the agreement and endorse the changes. Upon receiving confirmation from member local governments Ministerial approval will be sought.

Cr Neil Grinham
Chairman

Chief Executive Officer's Summary

The MRVC Budget 2017-18 sets out the programs, projects and allocation of resources required to perform the Municipal obligations and functions required by the Local Government Act and associated legislation.

The MRVC Budget 2017-18 continues the on going maintenance of the vermin fence under its responsibility and to further the progress of the construction of the 326km vermin fence to fully enclose the cell. A Business Plan has been prepared along with Revitalisation Program and Economic Viability Study in order to obtain the necessary funding to undertake the project.

The MRVC 2017-18 Annual Budget has been developed so that it is financially responsible and reflects current economic conditions.

Dominic Carbone
Chief Executive Officer

Budget Processes

This section lists the budget processes undertaken in order to adopt the Annual Budget in accordance with the Local Government Act 1995 and its Regulations.

The preparation of the budget begins with the Chief Executive Officer preparing the operating and capital components of the annual budget. A draft consolidated budget is then prepared and various iterations are considered by Council. An annual budget is prepared in accordance with the Act and submitted to Council for approval.

The budget is required to be adopted by 31 August in each year. The key dates for the budget process are summarised below:

Budget process	Timing
1. Officers prepare operating and capital estimates for inclusion in the budget.	Jul-17
2. Proposed budget to Council for approval	Aug-17
3. Copy of adopted budget submitted to the Department	Sep-17

1. Budget Influences

This section sets out the key budget influences arising from the internal and external environment within which the Council operates.

1.1 External influences

In preparing the 2017/18 Annual Budget, a number of external influences have been taken into consideration, because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- Consumer Price Index (CPI) increases on goods and services.
- Prevailing economic conditions.

1.2 Internal influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2017/18 Annual Budget. These matters have arisen from events occurring in the 2016/17 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2017/18 year. These matters and their financial impact are set out below:

- Budget surplus for the 2016/17 financial year ended 30 June 2017
- Financing of vermin fence development.

1.3 Budget principles

In response to these influences, budget principles were developed upon which the officers were to prepare their budgets. The principles included:

- CPI or market levels

1.4 Legislative requirements

Under the Local Government Act 1995 ("the Act"), Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include a range of information required by the Local Government (Financial Management) Regulations 1996 ("the Regulations") which support the Act.

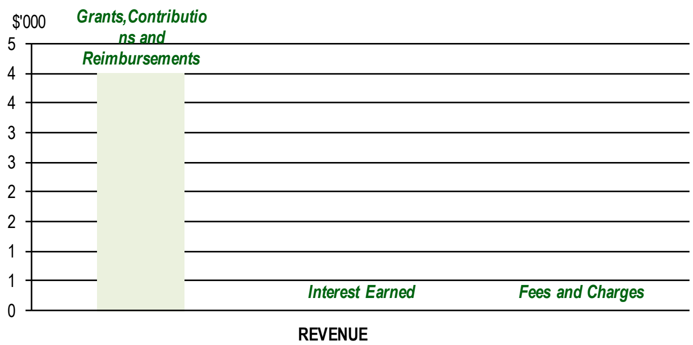
The 2017/18 Annual Budget, which is included in this report, is for the year 1 July 2017 to 30 June 2018 and is prepared in accordance with the Act and Regulations. The budget includes statutory statements being a budget comprehensive income, budget statement of financial activity, budget statement of cash flows, budget rate setting statement and notes forming part of the annual budget. These statements have been prepared for the year ended 30 June 2018 in accordance with Accounting Standards and other mandatory professional reporting requirements and in accordance with the Act and Regulations. It also includes detailed information about the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

2. Analysis of Operating Budget

This section analyses the expected revenues and expenses of the Council for the 2017/18 year.

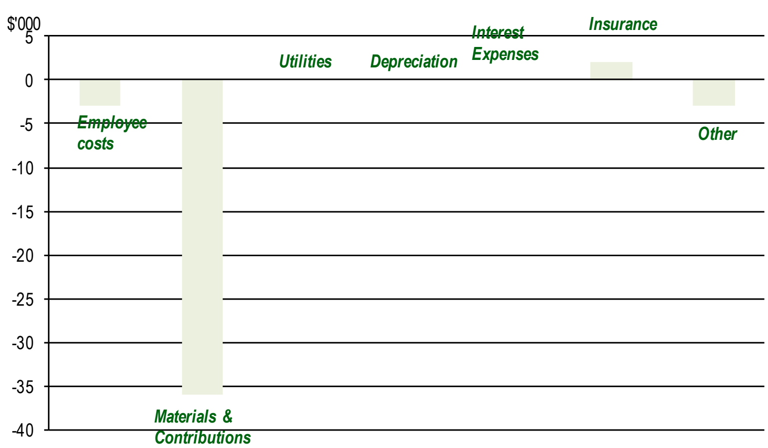
2.1 Operating revenue

Revenue Types	Budget 2016/17 $'000	Budget 2017/18 $'000	Variance $'000
Grants,Contributions and Reimbursements	94	98	4
Interest Earned	7	7	0
Fees and Charges	6	6	0
Total operating revenue	**107**	**111**	4
Net gain on sale of assets	**0**	**0**	0



2.2 Operating expenditure

Expenditure Types	Budget 2016/17 $'000	Budget 2017/18 $'000	Variance $'000
Employee Costs	24	21	-3
Materials and Contracts	166	130	-36
Utilities	0	0	0
Depreciation	146	146	0
Interest Expenses	0	0	0
Insurance	1	3	2
Other expenses	15	12	-3
Total operating expenditure	**352**	**312**	-40



3. Analysis of Budgeted Cash Position

This section analyses the expected cash flows from the operating, investing and financing activities of Council for the 2017/18 year. Budgeting cash flows for Council is a key factor in providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

The analysis is based on three main categories of cash flows:

- **Operating activities** - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt
- **Investing activities** - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment
- **Financing activities** - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

3.1 Budgeted cash flow statement

	Budget 2016/17 $'000	Budget 2017/18 $'000	Variance $'000
Cash flows from operating activities			
Receipts			
Grants,Contributions and Reimbursements	175	98	-77
Interest Earned	7	7	0
Fees and Charges	6	8	2
Other revenue	0	0	0
	188	**113**	-75
Payments			
Employee Costs	-24	-21	3
Materials and Contracts	-157	-155	2
Utilities	0	0	0
Insurance	-1	-3	-2
Goods and Services Tax	0	0	0
Other expenses	-15	-12	3
	-197	**-191**	6
Net cash provided by operating activities	**-9**	**-78**	-69
Cash flows from investing activities			
Receipts from disposal of assets	0	0	0
Grants,Subsidies Contributions for the development of	0	0	0
Payments for construction of infrastructure	-100	-100	0
Net cash provided by investing activities	**-100**	**-100**	**0**
Cash flows from financing activities			
	0	0	0
Net cash used in financing activities	**0**	**0**	0
Net decrease in cash and cash equivalents	**-109**	**-178**	-69
Cash and cash equivalents at the beg of the year	251	344	93
Cash and cash equivalents at end of the year	**142**	**166**	24

Statutory Annual Budget

The information in regard to the Annual Budget Statements include:

- Budget Comprehensive Income Statement
- Budget Statement of Financial Activity
- Budget Rate Setting Statement
- Budget Statement of Cashflow
- Notes to and Forming Part of the Annual Budget
- Schedule of Fees and Charges
- Detailed Schedules

MURCHISON REGIONAL VERMIN COUNCIL
BUDGET COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

2016/17 ADOPTED BUDGET		NOTES	2016/17 ACTUAL	2017/18 ADOPTED BUDGET
$	**EXPENDITURE**	1,2,3,4,12,13	$	$
(14,700)	Governance		(9,263)	(10,635)
(143,996)	Economic Services		(48,354)	(116,768)
(193,326)	Other Property and Services		(186,697)	(185,203)
($352,022)			**($244,314)**	**($312,606)**
	REVENUE	1,2,3,4,11,13		
7,000	General Purpose Funding		5,658	7,000
100,148	Economic Services		100,149	104,697
0	Other Property & Services		0	0
$107,148			**$105,807**	**$111,697**
($244,874)	***Increase(Decrease)***		**(138,507)**	**(200,909)**
	DISPOSAL OF ASSETS	2,6		
0	Land		0	0
0	Plant and Equipment		0	0
0	Furniture and Equipment		0	0
$0	***Gain (Loss) on Disposal***		**$0**	**$0**
($244,874)	*NET RESULT*		**($138,507)**	**($200,909)**
	OTHER COMPREHENSIVE INCOME			
0	Changes on revaluation of non current assets		0	0
$0	*TOTAL OTHER COMPREHENSIVE INCOME*		**$0**	**$0**
($244,874)	*TOTAL COMPREHENSIVE INCOME*		**($138,507)**	**($200,909)**

MURCHISON REGIONAL VERMIN COUNCIL

BUDGET FINANCIAL ACTIVITY STATEMENT FOR THE YEAR ENDING 30 JUNE 2018

2016/17 ADOPTED BUDGET		2016/17 ACTUAL	2017/18 ADOPTED BUDGET	2017/18 JULY	2017/18 AUGUST	2017/18 SEPTEMBER	2017/18 OCTOBER	2017/18 NOVEMBER	2017/18 DECEMBER	2017/18 JANUARY	2017/18 FEBRUARY	2017/18 MARCH	2017/18 APRIL	2017/18 MAY	2017/18 JUNE
$	**OPERATING REVENUE**	$	$	$	$	$	$	$	$	$	$	$	$	$	$
7000	General Purpose Funding	5,658	7,000	700	1,400	2,099	2,799	3,500	4,200	4,725	5,250	5,775	6,301	6,651	7,000
100,148	Economic Services	100,149	104,697	0	0	104,697	104,697	104,697	104,697	104,697	104,697	104,697	104,697	104,697	104,697
0	Other Property and Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$107,148		**$105,807**	**$111,697**	**$700**	**$1,400**	**$106,796**	**$107,496**	**$108,197**	**$108,897**	**$109,422**	**$109,947**	**$110,472**	**$110,998**	**$111,348**	**$111,697**
	LESS OPERATING EXPENDITURE														
(14,700)	Governance	(9,263)	(10,635)	0	0	(2,659)	(2,659)	(2,659)	(5,318)	(5,318)	(5,318)	(7,976)	(7,976)	(7,976)	(10,635)
(143,996)	Economic Services	(48,354)	(116,768)	(3,938)	(8,228)	(11,319)	(16,383)	(19,860)	(24,165)	(27,256)	(30,346)	(33,051)	(37,687)	(40,778)	(116,768)
(193,326)	Other Property & Services	(186,697)	(185,203)	(15,685)	(30,268)	(44,850)	(63,077)	(79,482)	(92,242)	(106,824)	(121,406)	(134,165)	(156,039)	(170,621)	(185,203)
(352,022)		**(244,314)**	**(312,606)**	**(19,623)**	**(38,496)**	**(58,828)**	**(82,119)**	**(102,001)**	**(121,724)**	**(139,397)**	**(157,070)**	**(175,193)**	**(201,702)**	**(219,375)**	**(312,606)**
($244,874)	*Increase(Decrease)*	**($138,507)**	**($200,909)**	**($18,923)**	**($37,096)**	**$47,969**	**$25,377**	**$6,196**	**($12,826)**	**($29,975)**	**($47,123)**	**($64,720)**	**($90,704)**	**($108,027)**	**($200,909)**
	ADD														
0	Provision for Employee Entitlements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	Profit/Loss on the Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
146,510	Depreciation Written Back	146,514	146,514	10,256	21977	33,698	48,350	61,536	71,792	83,513	95,234	105,490	123,072	134,793	146,514
0	Book Value of Assets Sold Written Back	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$146,510		**$146,514**	**$146,514**	**$10,256**	**$21,977**	**$33,698**	**$48,350**	**$61,536**	**$71,792**	**$83,513**	**$95,234**	**$105,490**	**$123,072**	**$134,793**	**$146,514**
($98,364)	*Sub Total*	**$8,007**	**($54,395)**	**($8,667)**	**($15,119)**	**$81,667**	**$73,727**	**$67,732**	**$58,965**	**$53,538**	**$48,112**	**$40,770**	**$32,368**	**$26,766**	**($54,395)**
	LESS CAPITAL PROGRAMME														
(100,000)	Purchase Infrastructure	0	(100,000)	0	0	0	0	0	0	0	0	0	0	0	(100,000)
(10,000)	Transfer To Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0
($110,000)		**$0**	**($100,000)**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**($100,000)**
($208,364)	*Sub Total*	**$8,007**	**($154,395)**	**($8,667)**	**($15,119)**	**$81,667**	**$73,727**	**$67,732**	**$58,965**	**$53,538**	**$48,112**	**$40,770**	**$32,368**	**$26,766**	**($154,395)**
	LESS FUNDING FROM														
343,264	Opening Funds	319,606	327,613	327,613	327,613	327,613	327,613	327,613	327,613	327,613	327,613	327,613	327,613	327,613	327,613
(134,900)	Closing Funds	(327,613)	(173,218)	(318,946)	(312,494)	(409,280)	(401,340)	(395,345)	(386,578)	(381,151)	(375,725)	(368,383)	(359,980)	(354,378)	(173,218)
$208,364		**($8,007)**	**$154,395**	**$8,667**	**$15,119**	**($81,667)**	**($73,727)**	**($67,732)**	**($58,965)**	**($53,538)**	**($48,112)**	**($40,770)**	**($32,367)**	**($26,765)**	**$154,395**
$0	**NET (SURPLUS)DEFICIT**	**$0**	**$0**	**$0**	**$0**	**($0)**	**($0)**	**$0**	**$0**	**$0**	**($0)**	**($0)**	**($0)**	**$0**	**$0**

MURCHISON REGIONAL VERMIN COUNCIL
BUDGET RATE SETTING STATEMENT FOR THE YEAR ENDING 30 JUNE 2018

2016/17 ADOPTED BUDGET		NOTES	2016/17 ACTUAL	2017/18 ADOPTED BUDGET
$	**REVENUE**	1,2,3,4,11,13	$	$
7,000	General Purpose Funding		5,658	7,000
100,148	Economic Services		100,149	104,697
0	Other Property and Services		0	0
$107,148			**$105,807**	**$111,697**
	LESS EXPENDITURE	1,2,3,4,12,13		
(14,700)	Governance		(9,263)	(10,635)
(143,996)	Economic Services		(48,354)	(116,768)
(193,326)	Other Property & Services		(186,697)	(185,203)
($352,022)			**($244,314)**	**($312,606)**
($244,874)	*Increase(Decrease)*		**($138,507)**	**($200,909)**
	ADD			
0	Book Value of Assets Sold Written Back		0	0
0	Profit/Loss on the Disposal of Assets		0	0
0	Provision for Employee Entitlements		0	0
146,510	Depreciation Written Back		146,514	146,514
0	Provision for Audit Fees		0	0
$146,510			**$146,514**	**$146,514**
($98,364)	*Sub Total*		**$8,007**	**($54,395)**
	LESS CAPITAL PROGRAMME	1,14		
0	Purchase Land & Buildings		0	0
(100,000)	Purchase Infrastructure		0	(100,000)
(10,000)	Transfer to Reserve		0	-
($110,000)			**$0**	**($100,000)**
0	Rounding		0	0
$0			**$0**	**$0**
($208,364)	*Sub Total*		**$8,007**	**($154,395)**
	LESS FUNDING FROM			
343,264	Opening Funds	26	319,606	327,613
(134,900)	Closing Funds	26	0	(173,218)
$208,364			**$319,606**	**$154,395**
$0	**TO BE MADE UP FROM RATES**		**$327,613**	**$0**

MURCHISON REGIONAL VERMIN COUNCIL
BUDGET STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2018

2016/17 ADOPTED BUDGET		NOTES	2016/17 ACTUAL	2017/18 ADOPTED BUDGET
$	**Cash Flows from operating activities**		$	$
	PAYMENTS			
(24,353)	Employee Costs		(14,972)	(21,163)
(156,747)	Materials & Contracts		(36,709)	(155,116)
0	Utilities		0	0
(900)	Insurance		(750)	(2,926)
0	Interest Expenses		0	0
0	Goods and Services Tax		0	0
(14,700)	Other		(12,659)	(11,868)
($196,700)			**($65,090)**	**($191,073)**
	RECEIPTS			
0	Rates		0	0
175,037	Operating Grants, Subsidies and Contributions		184,050	98,000
6,378	Fees and Charges		6,379	7,943
7,000	Interest Received		5,658	7,000
0	Goods and Services Tax		0	0
0	Other		0	0
$188,415			**$196,087**	**$112,943**
($8,285)	***Net Cash flows from Operating Activities***	**9**	**$130,997**	**($78,130)**
	Cash flows from investing activities			
	Payments			
(100,000)	Purchase for Construction of Infrastructure		0	(100,000)
0	Purchase Furniture and Equipment		0	0
0	Purchase Land & Buildings		0	0
	Receipts			
0	Subsidies and Contributions used for the Development of Assets		0	0
($100,000)	***Net cash flows from investing activities***		**$0**	**($100,000)**
	Cash flows from financing activities			
$0	***Net cash flows from financing activities***		**$0**	**$0**
($108,285)	**Net (decrease)/increase in cash held**		**$130,997**	**($178,130)**
251,185	**Cash at the Beginning of Reporting Period**		213,351	344,348
$142,900	***Cash at the End of Reporting Period***	**5**	**$344,348**	**$166,218**

1 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this annual budget are:

(a) Basis of Preparation

The annual budget has been prepared in accordance with the applicable Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations. The annual budget has 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 accounting policies have been consistently applied ,unless otherwise stated.

(b) The Local Government Reporting Entity

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

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the annual budget, but a separate budget of those appears at Note 10.

(c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

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.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at bank and in hand and short term deposits and which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

(e) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service 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.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

Inventories are valued 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.

Land Held for Resale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(g) Fixed Assets

Each class of fixed assets is carried at or fair value less where applicable, any accumulated depreciation and impairment losses.

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.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
- (i) that are plant and equipment; and
- (ii) that are -
  - (I) land and buildings; or-
  - (II) Infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of state or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They are then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note. Whilst they were initially recorded at cost, fair value at the date of acquisition is deemed cost as per AASB 116.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

Initial Recognition
All assets are initially recognised at cost. 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 includes the cost of all materials, direct labour and variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

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

Transitional Arrangements
During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** Methodology section as detailed above.

Early Adoption of AASB 13 - Fair Value Measurement
Whilst the new accounting standard in relation to Fair Value, AASB 13 – Fair Value Measurement only become applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in *AASB 13* - Fair Value Measurement have been applied to the previous reporting period (year ended 30 June 2013).

Land under Roads
In Western Australia, all land under roads in Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council as not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16 (a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local government from recognising such land as an asset.

Whilst this treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) regulation 4(2)provides,in the event of such inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Depreciation of Non-Current Assets

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

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:
a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Computer Equipment	4 years
Furniture and Equipment	4 to 10 years
Printers, Photocopiers and Scanners	5 years
Floorcoverings	8 years
Phones and Faxes	6 to 7 years
Plant and Equipment	5 to 12 years
Infrastructure	30 to 50 years

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

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

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

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

Capitalisation Threshold
Expenditure on items of equipment under $1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(i) Fair Value of Assets and Liabilities
When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

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.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

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.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(j) Financial Instruments

Initial Recognition and Measurement

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

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

(a) the amount in which the financial asset or financial liability is mesured at initial recognition;

(b) less principle repayments;

(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; and

(d) less any reduction for impairment.

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 constracual term) of the financial instruments to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

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

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

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council 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 non-current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in 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 will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

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

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 to 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.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Assets
In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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

(k) Trade and Other Payables
Trade and other payables are carried at amortised cost. They 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 and are usually paid within 30 days of recognition.

(l) 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 remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(m) Borrowing Costs
Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Provisions

Provisions are recognised when the Council has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(o) Leases

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

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

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

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

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

(p) Investment in Associates

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

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

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

When the Council’s share of losses in an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Council will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Interests in Joint Arrangements

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

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 22.

(r) Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(s) Superannuation

The Council contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

(t) Current and Non-Current Classification

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

(u) Rounding Off Figures

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

(v) Comparative Figures

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

2 OPERATING, REVENUES AND EXPENSES

The Operating Revenue and Expenses as reported in the Annual Budget includes:

Adopted Budget 2016/17		Actual 2016/17	Adopted Budget 2017/18
$		$	$
	Charging as Expense		
146,510	Depreciation on Non-Current Assets	146,514	146,514
	Crediting as Revenue		
0	Profit/(Loss) on Sale of Non-Current Assets	0	0
7,000	Interest Earnings	5,658	7,000
7,000		**5,658**	**7,000**

3 DESCRIPTION OF FUNCTIONS/ACTIVITIES

The principal activities of the Council covers the provisions of general purpose funding, governance and other property services as permitted under the Local
Description of Programs

General Purpose Funding
Interest Received on Investments.

Governance
Member of Council Allowances and Reimbursements, and Administration Expenses.

Economic Services
Maintenance of Vermin Fence and Grant,Member Contributions and Fees and Charges for Maintenance of the Fence

Other Property and Services
Other Unclassified Activities.

Statement of Objective

The Regional Council has a specific regional purpose which is:

For the rehabilitation of the maintenance of the No.1Vermin Fence from the Junction of the No.and the Emu Fence at the 80 mile at Lake Nabberu and the No.2 Vermin Fence,named "Gum Creek" Junction at the 322mile and extending for a distanceof 30 miles West and as far Westas deemed necessary in order to maintain these fences in a 'Dog Proof' (declare animal) condition.

4 OPERATING REVENUES AND EXPENSES

Operating expenses and revenues classified according to nature and type.

Adopted Budget 2016/17		Actual 2016/17	Adopted Budget 2017/18
$		$	$
	Operating Expenses		
(24,353)	Employee Costs	(17,626)	(21,163)
(165,559)	Materials and Contracts	(66,765)	(130,135)
0	Utility Charges (Gas, Electricity, Water, etc)	0	0
(146,510)	Depreciation on Non-Current Assets	(146,514)	(146,514)
0	Loss on Asset Disposals	0	0
(900)	Insurance Expenses	(750)	(2,926)
(14,700)	Other Expenses	(12,659)	(11,868)
(352,022)	**Agrees with Statement of Comprehensive Income**	**(244,314)**	**(312,606)**
	Operating Revenues		
7,000	Interest Earnings	5,658	7,000
93,770	Grants,Contributions and Reimbursements	93,770	98,000
6,378	Fees and Charges	6,379	6,697
0	Profit on Asset Disposals	0	0
0	Other	0	0
107,148	**Agrees with Statement of Comprehensive Income**	**105,807**	**111,697**
(244,874)	**Net Result**	**(138,507)**	**(200,909)**
	Other Comprehensive Income		
0	Changes on Revaluation of Non - Current Assets	0	0
(244,874)	**Total Comprehensive Income**	**(138,507)**	**(200,909)**

5 CASH

Adopted Budget 2016/17		Actual 2016/17	Adopted Budget 2017/18
$		$	$
0	Cash on Hand	0	0
142,900	Cash at Bank	344,348	166,218
0	Investments	0	0
142,900	Represented by:-	**344,348**	**166,218**
30,000	Restricted	0	0
112,900	Unrestricted	344,348	166,218
142,900		**344,348**	**166,218**

6 DISPOSAL OF ASSETS

(A) DISPOSAL OF ASSETS BY CLASS

	Proceeds Sale of Assets	Written Down Value	Gain/(Loss) on Disposal
	$	$	$
Asset by Class			
Nil	0	0	0
TOTAL BY CLASS OF ASSETS	**0**	**0**	**0**

(B) DISPOSAL OF ASSETS BY PROGRAM

	Proceeds Sale of Assets	Written Down Value	Gain/(Loss) on Disposal
	$	$	$
Nil	0	0	0
TOTAL BY PROGRAM	**0**	**0**	**0**

(C) BORROWING COSTS INCURRED AND CAPITALISED AS PART OF A QUALIFYING ASSET

No Borrowing Costs were incorporated in the Annual Budget .

7 BORROWINGS INFORMATION

(a) Loans Raised in Financial Year

No Loans are anticipated to be raised during the year:

(b) Loan Repayments

No Loans Repayments anticipated to be raised during the year:

(a) Overdraft

The Regional Council has no overdraft facility and it is not anticipated such a facility will be required during the year ended 30 June 2018

8 RESERVES

Adopted Budget 2016/17		Actual 2016/17	Adopted Budget 2017/18
$		$	$
	Fence Reserve		
	Purpose - Expenditure on the fence in an emergency situation.		
10,000	**Opening Balance**	0	0
	Plus Transfer from Accumulated Surplus		
	- Interest Received	0	0
10,000	- Other	0	0
	Less Transfer to Accumulated Surplus		
20,000	**CLOSING BALANCE**	**0**	**0**

9 CASH FLOW INFORMATION

Reconciliation of cash flows with change in net result from operations.

For the purpose of the Cash Flow Statement, cash includes cash on hand and in or at call deposits with Banks or Financial Institutions.

Adopted Budget 2016/17		Actual 2016/17	Adopted Budget 2017/18
$		$	$
	Change in net result from operations		
(244,874)	Net Result	(138,507)	(200,909)
146,510	Depreciation	146,514	146,514
0	Grants/Contributions for the Development of Assets	0	0
	Change in Assets and Liabilities		
0	(Increase)/Decrease in Inventory	0	715
0	Increase/(Decrease) in Provisions - Employee Entitlements	0	0
93,982	(Increase)/Decrease in Receivables	105,035	1,246
(3,903)	Increase/(Decrease) in Payables	17,955	(25,696)
(8,285)	Cash flows from Operations	**130,997**	**(78,130)**
0	Credit Card Facility	0	0
0	Amount Utilised	0	0
0	Unused Facility available	**0**	**0**

10 TRUST FUND INFORMATION

The Regional Council has no funds held in Trust on behalf of third parties.

11 INVESTMENTS

Earnings from Investments is summarised as follows:

Adopted Budget 2016/17		Actual 2016/17	Adopted Budget 2017/18
$		$	$
7,000	General Account	5,658	7,000
7,000	**TOTAL**	**5,658**	**7,000**

12 COUNCIL MEMBERS - FEES, EXPENSES AND ALLOWANCES

The 2017/2018 Budget provides for the following:

Adopted Budget 2016/17		Actual 2016/17	Adopted Budget 2017/18
$		$	$
	- Annual Attendance Fee		
9,000	- Members Meeting Fees	7,458	9,000
	- Telecommunication, Travel, and Information Technology Allowance		
0	- Telecommunication	0	0
0	- Information Technology	0	0
4,000	- Travel Expenses	510	0
	- Annual Local Government Allowance		
500	- Chairman	508	508
0	- Deputy Chairman	127	127

13 DEPRECIATION ON NON-CURRENT ASSETS

The Depreciation charge included in the Annual Budget is summarised as follows:

BY PROGRAM

Adopted Budget 2016/17		Actual 2016/17	Adopted Budget 2017/18
$		$	$
146,510	Other Property and Services	146,514	146,514
146,510	**TOTAL**	**146,514**	**146,514**

13 DEPRECIATION ON NON-CURRENT ASSETS

BY CLASS

Adopted Budget 2016/17		Actual 2016/17	Adopted Budget 2017/18
$		$	$
146,510	Infrastructure Other - Fence	146,514	146,514
146,510	**TOTAL**	**146,514**	**146,514**

14 ACQUISITION OF ASSETS

The following assets are anticipated to be acquired during the year:

BY PROGRAM

Adopted Budget 2016/17		Actual 2016/17	Adopted Budget 2017/18
$		$	$
100,000	Economic Services	0	100,000
100,000		0	100,000

BY CLASS

Adopted Budget 2016/17		Actual 2016/17	Adopted Budget 2017/18
$		$	$
100,000	Infrastructure Other	0	100,000
100,000		0	100,000

15 FEES AND CHARGES INFORMATION

In accordance with Financial Management Regulation 25, the estimates of total revenue from Fees and Charges for each program is summarised as follows:

Adopted Budget 2016/17		Actual 2016/17	Adopted Budget 2017/18
$		$	$
6,378	Economic Services	6,379	6,697
0	Other Property and Services	0	0
6,378	**TOTAL FEES AND CHARGES**	**6,379**	**6,697**

16 RATING INFORMATION

A Regional Council does not impose rates

17 SPECIFIED AREA RATE

No specified area rates will be levied during the year 2017/18

18 SERVICE CHARGES

No specified area rates will be imposed during the year 2017/18

19 INFORMATION ABOUT DISCOUNTS, INCENTIVES, CONCESSIONS AND WRITE OFFS

The Regional Council does not anticipate to offer discounts, incentives, concessions or write- offs

20 INTEREST CHARGES FOR THE LATE PAYMENT OF RATES CHARGES

Pursuant to Section 6.51 of the Local Government Act and Financial Management Regulation 27(a) the Regional Council will not impose an interest charge .

21 MAJOR LAND TRANSACTIONS

The Regional Council does not anticipate Major Land Transactions during the year 2017-18

22 JOINT VENTURE

The Regional Council does not anticipate any joint venture

23 TRADING UNDERTAKINGS

The Regional Council does not anticipate any trading undertakings.

24 CAPITAL AND LEASING COMMITMENTS

Council does not have any Capital and Leasing Commitments.

25 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The following table details the Regional Council exposure to interest rate risks projected to 30th June 2018.

	Average Interest %	Variable Interest Rate	Fixed Interest Rate Maturity Less than 1 year	1 to 5 years	Non Interest Bearing	Total
		$	$	$	$	$
Financial Assets						
Cash	2.50	0	166,218			166,218
Trade Receivables					0	0
		0	**166,218**	**0**	**0**	**166,218**
Financial Liabilities						
Creditors and Provisions					0	0
		0	**0**	**0**	**0**	**0**

(b) Regional Council does not have any material credit risk exposure to any single debtor under any financial instruments entered into.

(c) The aggregate net fair values and carry amounts of financial assets and financial liabilities are disclosed in the notes to and forming part of the Annual Budget.

26 POSITION AT COMMENCEMENT OF FINANCIAL YEAR

Determination of opening funds:

Adopted Budget 2016/17		Actual 2016/17	Adopted Budget 2017/18
$		$	$
	Current Assets		
142,900	Cash at Bank	344,358	166,218
0	Receivables	1,246	0
12,000	Inventories	7,715	7,000
154,900		353,319	173,218
	LESS CURRENT LIABILITIES		
0	Payables	(25,706)	0
0	Provisions - Employees Entitlements	0	0
0		(25,706)	0
(20,000)	Less Cash Backed Reserve	0	0
134,900	SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES	327,613	173,218

27 MEMBER COUNCILS' EQUITY IN THE MURCHISON REGIONAL VERMIN COUNCIL

Adopted Budget 2016/17			Actual 2016/17	Adopted Budget 2017/18
$			$	$
	Members Equity			
3,936,761	Accumulated surplus		3,909,068	3,770,561
(244,874)	Total Comprehensive Income		(138,507)	(200,909)
3,691,887	**Total Equity**		3,770,561	3,569,652
	Share			
652,726	Shire of Cue	17.68%	666,635	631,114
1,046,650	Shire of Meekatharra	28.35%	1,068,954	1,011,996
716,964	Shire of Mount Magnet	19.42%	732,243	693,226
239,603	Shire of Sandstone	6.49%	244,709	231,670
1,035,943	Shire of Yalgoo	28.06%	1,058,019	1,001,644
3,691,887			3,770,561	3,569,652

	2017-2018			2016-2017		
DESCRIPTION	**RATE**	**GST**	**TOTAL**	**RATE**	**GST**	**TOTAL**

ECONOMIC SERVICES

Fence Rental						
Per Kilometre						
No.1 Vermin Fence - East Side	5.41	0.54	**5.95**	5.15	0.52	**5.67**
No.1 Vermin Fence - West Side	9.18	0.92	**10.10**	8.74	0.87	**9.62**
No.2 Vermin Fence - North Side	5.41	0.54	**5.95**	5.15	0.52	**5.67**
No.2 Vermin Fence - South Side	9.18	0.92	**10.10**	8.74	0.87	**9.62**

MURCHISON REGIONAL VERMIN COUNCIL

Details By function Under The Following Programme Titles And Type Of Activities Within The Programme	ACTUAL 2016-2017		Adopted Budget 2016-2017		Adopted Budget 2017-2018	
	Income	Expenditure	Income	Expenditure	Income	Expenditure
GENERAL PURPOSE FUNDING						
OTHER GENERAL PURPOSE FUNDING						
OPERATING EXPENDITURE						
Sub Total - OTHER GENERAL PURPOSE FUNDING OP/EXP	$0	$0	$0	$0	$0	$0
OPERATING INCOME						
000000 · Interest on Investment	($5,658)	$0	($7,000)	$0	($7,000)	$0
	$0	$0	$0	$0	$0	$0
Sub Total - OTHER GENERAL PURPOSE FUNDING OP/INC	($5,658)	$0	($7,000)	$0	($7,000)	$0
Total - OTHER GENERAL PURPOSE FUNDING	($5,658)	$0	($7,000)	$0	($7,000)	$0
Total - GENERAL PURPOSE FUNDING	($5,658)	$0	($7,000)	$0	($7,000)	$0
GOVERNANCE						
MEMBERS OF COUNCIL						
OPERATING EXPENDITURE						
000000 · Chairman Allowance	$0	$508	$0	$500	$0	$508
000000 · Deputy Chair Allowance	$0	$127	$0	$0	$0	$127
000000 · Member Meeting Fee	$0	$7,458	$0	$9,000	$0	$9,000
000000 · Meeting Expenses	$0	$660	$0	$1,200	$0	$1,000
000000 · Travel Costs	$0	$510	$0	$4,000	$0	$0
000000 · Other Costs	$0	$0	$0	$0	$0	$0
Sub Total - MEMBERS OF COUNCIL OP/EXP	$0	$9,263	$0	$14,700	$0	$10,635
OPERATING INCOME						
	$0	$0	$0	$0	$0	$0
Sub Total - MEMBERS OF COUNCIL OP/INC	$0	$0	$0	$0	$0	$0
Total - GOVERNANCE	$0	$9,263	$0	$14,700	$0	$10,635
Total - GOVERNANCE	$0	$9,263	$0	$14,700	$0	$10,635
ECONOMIC SERVICES						
RURAL SERVICES						
OPERATING EXPENDITURE						
000000- Vermin Fence Maintenance	$0	$21,257	$0	$40,000	$0	$38,636
000000- MRVC Cell Expenditure -Naja Consultancy	$0	$0	$0	$0	$0	$0
000000- MRVC Cell Expenditure - Business Cases	$0	$0	$0	$25,826	$0	$0
000000- MRVC Cell Expenditure -Establishment Agreement	$0	$872	$0	$0	$0	$0
000000- MRVC Cell Expenditure -Business Plan	$0	$15,000	$0	$15,000	$0	$0
000000- MRVC Cell Expenditure -Economic Feasibility Analysis	$0	$6,750	$0	$6,500	$0	$0
000000- MRVC Cell Expenditure -Other	$0	$4,475	$0	$0	$0	$4,000
000000- Refund of Unspent Portion of CLGF Grant	$0	$0	$0	$0	$0	$1,233
000000- MRVC Cell Expenditure - Balance of Member Contribu	$0	$0	$0	$56,670	$0	$72,899
Sub Total - RURAL SERVICES OP/EXP	$0	$48,354	$0	$143,996	$0	$116,768

OPERATING INCOME						
000000 - MRVC Cell Contributions - Shire of Cue transfer	$0	$0	$0	$0	$0	$0
000000 - MRVC Cell Contributions - Shire of Mount Magnet transfer from Mt Magnet Trust Fund	$0	.	$0	$0	$0	$0
000000 - MRVC Cell Contributions - Shire of Yalgoo transfer from Mt Magnet Trust Fund	$0	$0	$0	$0	$0	$0
000000 - Grant - MRBA	($28,000)	$0	($28,000)	$0	($28,000)	$0
000000 - Reimbursement Materials	$0	$0	$0	$0	$0	$0
000000 - Precepts	$0	$0	$0	$0	($70,000)	$0
000000 - Precepts Shire of Cue	($11,633)	$0	($11,632)	$0	$0	$0
000000 - Precepts Shire of Meekathrarra	($18,644)	$0	($18,644)	$0	$0	$0
000000 - Precepts Shire of Mount Magnet	($12,770)	$0	($12,770)	$0	$0	$0
000000 - Precepts Shire of Sandstone	($4,270)	$0	($4,270)	$0	$0	$0
000000 - Precepts Shire of Yalgoo	($18,453)	$0	($18,453)	$0	$0	$0
000000 - Rental Fences Windimurra Station	($1,047)	$0	($1,047)	$0	($1,099)	$0
000000 - Rental Fences Youno Dow ns Station	($431)	$0	($431)	$0	($453)	$0
000000 - Rental Fences Windsor Station	($443)	$0	($443)	$0	($465)	$0
000000 - Rental Fences Pindabunna Station	($440)	$0	($440)	$0	($462)	$0
000000 - Rental Fences Paroo Station	($1,078)	$0	($1,078)	$0	($1,132)	$0
000000 - Rental Fences Neds Creek Station	($338)	$0	($338)	$0	($355)	$0
000000 - Rental Fences Narndee Station	($674)	$0	($674)	$0	($707)	$0
000000 - Rental Fences Murchison Dow ns Station	($396)	$0	($396)	$0	($416)	$0
000000 - Rental Fences Meeline Station	($74)	$0	($74)	$0	($78)	$0
000000 - Rental Fences Hill View Station	($621)	$0	($621)	$0	($653)	$0
000000 - Rental Fences Dept of CALM Station	($211)	$0	($211)	$0	($222)	$0
000000 - Rental Fences Barrambie Station	($166)	$0	($166)	$0	($174)	$0
000000 - Rental Fences Gidgee Station	($108)	$0	($108)	$0	($113)	$0
000000 - Rental Fences Colgla Dow ns Station	($352)	$0	($352)	$0	($370)	$0
	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0
Sub Total - RURAL SERVICES OP/INC	($100,149)	$0	($100,148)	$0	($104,697)	$0
Total - RURAL SERVICES	($100,149)	$48,354	($100,148)	$143,996	($104,697)	$116,768
Total - ECONOMIC SERVICES	($100,149)	$48,354	($100,148)	$143,996	($104,697)	$116,768
OTHER PROPERTY AND SERVICES						
PRIVATE WORKS						
OPERATING EXPENDITURE						
000000 - Private Works	$0	$0	$0	$0	$0	$0
Sub Total - PRIVATE WORKS OP/EXP	$0	$0	$0	$0	$0	$0
OPERATING INCOME						
000000 - Reimbursement MRWA	$0	$0	$0	$0	$0	$0
Sub Total - PRIVATE WORKS OP/INC	$0	$0	$0	$0	$0	$0
Total - PRIVATE WORKS	$0	$0	$0	$0	$0	$0
Total - PUBLIC WORKS OVERHEADS	$0	$0	$0	$0	$0	$0

UNCLASSIFIED						
OPERATING EXPENDITURE						
Administration						
000000 · Salaries	$0	$15,550	$0	$19,500	$0	$17,500
000000 · Superannuation	$0	$1,477	$0	$1,853	$0	$1,663
000000 · Travel Expenses	$0	$599	$0	$3,000	$0	$2,000
000000 · Advertising General	$0	$2,067	$0	$750	$0	$1,000
000000 · Other Admin Expenses	$0	($612)	$0	$5,000	$0	$1,500
000000 ·Telephones	$0	$1,091	$0	$1,000	$0	$1,000
000000 · Bank Charges	$0	$74	$0	$100	$0	$100
000000 · Administration Fee - Shire of Mount Magnet	$0	$6,000	$0	$6,000	$0	$6,000
000000 · Audit Fees	$0	$7,904	$0	$4,713	$0	$5,000
000000 ·Accounting Fees	$0	$1,887	$0	$4,000	$0	$0
000000 - Depreciation	$0	$146,514		$146,510	$0	$146,514
000000 · Insurance	$0	$750	$0	$900	$0	$2,926
0000000- Bad Debts Written -Off	$0	$3,396	$0	$0	$0	$0
Sub Total - UNCLASSIFIED OP/EXP	$0	$186,697	$0	$193,326	$0	$185,203
OPERATING INCOME						
	$0	$0	$0	$0	$0	$0
Sub Total - UNCLASSIFIED OP/INC	$0	$0	$0	$0	$0	$0
Total - UNCLASSIFIED	$0	$186,697	$0	$193,326	$0	$185,203
Total - OTHER PROPERTY AND SERVICES	$0	$186,697	$0	$193,326	$0	$185,203
FUND TRANSFERS						
0000000- Transfer to Fence Reserve	$0	$0	$0	$10,000	$0	$0
Sub Total - Fund Transfers	$0	$0	$0	$10,000	$0	$0
Total - FUND TRANSFERS	$0	$0	$0	$10,000	$0	$0
SURPLUS						
New (Surplus) / Deficit - Brought Forward	($319,606)	$0	($343,264)	$0	($327,613)	$0
New (Surplus) / Deficit - Carried Forward	$0	$0	$0	$0	$0	$0
Sub Total - SURPLUS C/FWD	($319,606)	$0	($343,264)	$0	($327,613)	$0
Total - SURPLUS	($319,606)	$0	($343,264)	$0	($327,613)	$0
DEPRECIATION						
New · Depreciation Written Back	$0	($146,514)	$0	($146,510)	$0	($146,514)
New · Employee Provisions	$0	$0	$0	$0	$0	$0
New · Prov for Audit Fees	$0	$0	$0	$0	$0	$0
New · Book Value of Assets Written Back	$0	$0	$0	$0	$0	$0
Sub Total - DEPRECIATION WRITTEN BACK	$0	($146,514)	$0	($146,510)	$0	($146,514)
Total - DEPRECIATION	$0	($146,514)	$0	($146,510)	$0	($146,514)
INFRASTRUCTURE ASSETS - OTHER						
0000000- Fence Works	$0	$0	$0	$0	$0	$0
0000000- Fence Works New 326Km fence to Enclose the Cell -Member Contribution to Project	$0	$0	$0	$100,000	$0	$100,000
Sub Total - CAPITAL WORKS	$0	$0	$0	$100,000	$0	$100,000
Total - OTHER	$0	$0	$0	$100,000	$0	$100,000
Total - INFRASTRUCTURE ASSETS - OTHER	$0	$0	$0	$100,000	$0	$100,000
GRAND TOTALS	($425,413)	$97,800	($450,412)	$315,512	($439,310)	$266,092
		($327,613)		($134,900)		($173,218)