



**PILBARA
REGIONAL
COUNCIL**

ANNUAL BUDGET

2017-18

Version 2
17/07/2017

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Chairperson's Introduction

The Annual Budget includes a range of activities and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Regional Council Strategic Plan and Corporate Business Plan.

In its 2017/18 Annual Budget, the Pilbara Regional Council's primary focus will be on delivering a number of important project initiatives:

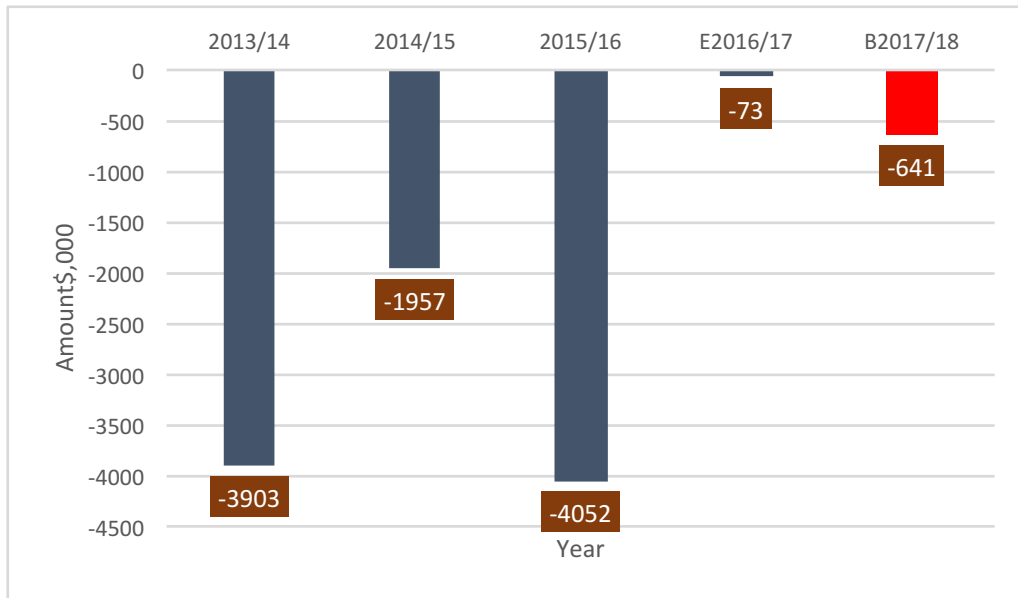
- Green Waste
- Warlu Way Signage
- Old Onslow Heritage Works
- Regional Entry Signage
- Payroll Processing
- Regional Training
- Regional Ageing Engagement Strategy
- Cape Keraudren WiFi
- New Pilbara Economic Development Conference

Cr Lynne Craigie
Chairperson
Pilbara Regional Council

Chief Executive Officer's Summary

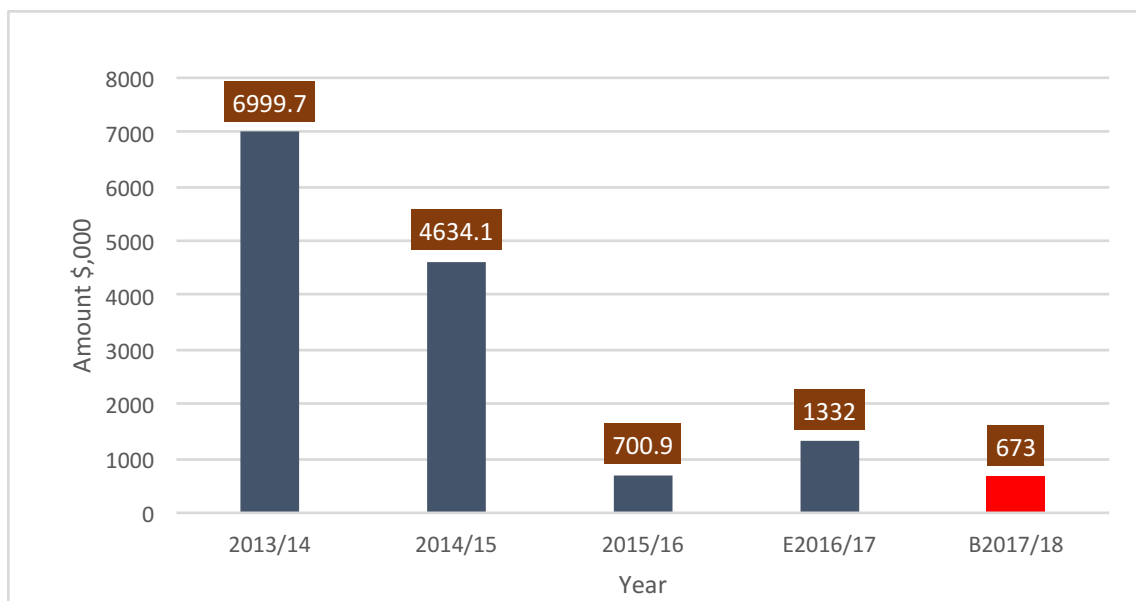
The Regional Council has prepared its Annual Budget for the 2017/18 financial year. Key budget information is provided below about the operating result, cash and investments, financial position and strategic objectives

1. Operating Result

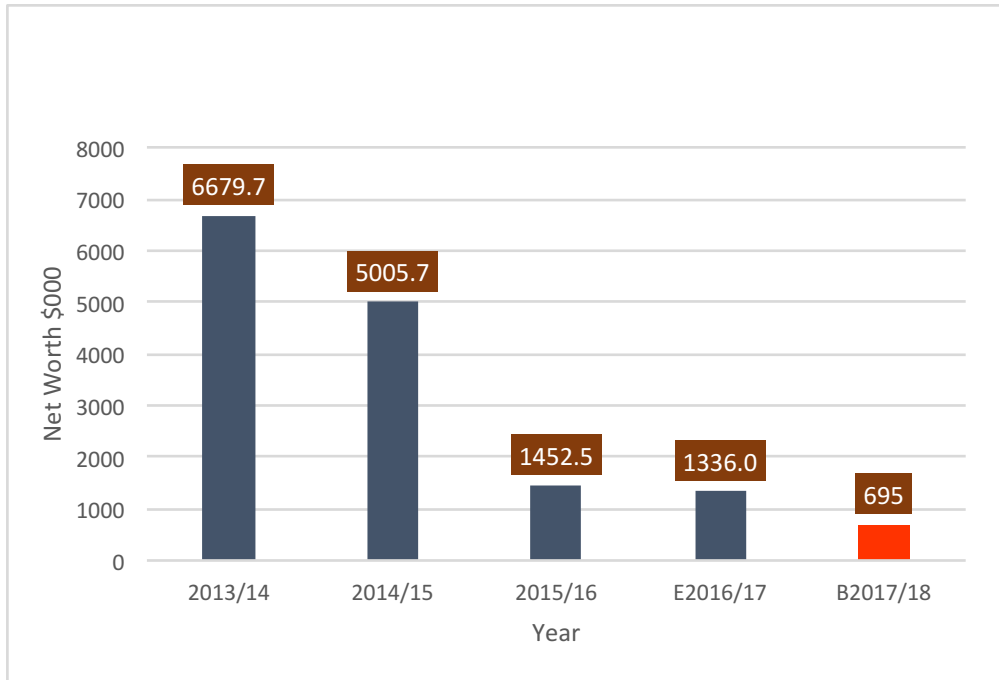


The expected operating result for the 2017/18 year is a deficit of \$640,679 which is an increase of \$567k over 2016/17.

2. Cash Flow Result

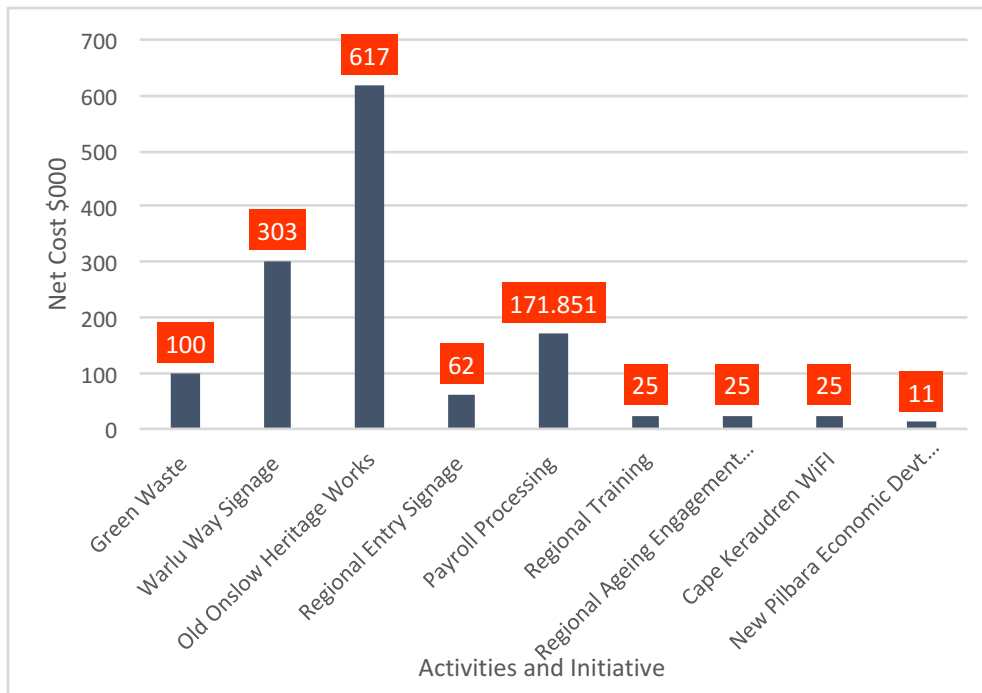


3. Financial Position



4. Strategic Objectives

The Annual Budget includes a range of activities and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Strategic Plan. The graph below shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Plan for the 2017/18 year.



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 at informal briefings. A 'draft' 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

- | | |
|------------------------------------------------------------------------------------------|-----------|
| 1. Officers prepare operating and capital estimates for inclusion in the budget and plan | Apr-17 |
| 2. Council considers draft budget at informal briefings | May-17 ** |
| 3. Proposed budget is presented to Council for approval | Jun-17 |
| 4. Copy of adopted budget is submitted to the Department | Aug-17 |

** Informal briefing was not conducted this year due to delays in CEO endorsement of activities

1. Activities, Initiatives and Key Strategic Activities

This section provides a description of the activities to be funded in the Budget for the 2017/18 year and how these will contribute to achieving the strategic objectives.

Activities

Activity	Description	(Revenue) Expenditure Net Cost \$
General Purpose Funding	Details amount received on investments	12,000 0 12,000
Governance	This service provides assistance to elected members of the Council.	13,680 (13,680) 0
Other Governance	This service provides for the administration and project management expenses of the Council.	0 0 0
Community Amenities	This service provides for sewer services, including sullage points	0 0 0
Recreation & Culture	This service provides for other cultural services, including heritage and historic works	0 0 0
Economic Services	This service provides for area promotion and support to regional tourism initiatives and the development, promotion, support and research of economic development issues for the Member Councils	1,569,320 (2,221,999) (652,679)

Initiatives

- Green Waste	100,000
- Warlu Way Signage	303,000
- Old Onslow Heritage Works	617,000
- Regional Entry Signage	62,000
- Payroll Processing	171,851
- Regional Training	25,000
- Regional Ageing Engagement Strategy	25,000
- Cape Keraudren WiFi	25,000
- New Pilbara Economic Development Conference	11,000

2. Budget Influences

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

2.1 External Influences

In preparing the 2017/18 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:

- Local Government Cost Index (LGCI) forecast increase on goods and services of 2.2% per annum.
- Prevailing economic conditions
- Success of Grant Applications for funding of projects.

2.2 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 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 year 2017/18 year. These matters and their financial impact are set out below:

- Estimated surplus for 2016/17 financial year
- Carry over projects from 2016/17 financial year

2.3 Budget principles

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

- LGCI or market levels
- New revenue sources to be identified where possible
- Operating revenues and expenses arising from uncompleted 2016/17 projects to be included.

2.4 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.

Section 6.2(2) of the Act requires the Council to have regard to the contents of the Local Governments Plan for the Future when preparing its annual budget.

The 2017/18 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.

PILBARA REGIONAL COUNCIL
BUDGET COMPREHENSIVE INCOME STATEMENT
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2018

2016/17 BUDGET		NOTES	2016/17 ACTUAL (note 1x)	2017/18 ADOPTED BUDGET
\$	EXPENDITURE		\$	\$
(1,243,234)	Governance		(13,994)	(13,680)
-	- Community Amenities		-	-
(450,000)	Recreation and Culture		-	-
(10,000)	Economic Services		(1,587,299)	(2,221,999)
-	- Other Property and Services		-	-
(1,703,234)			(1,601,292)	(2,235,679)
	REVENUE			
30,000	General Purpose Funding		28,438	12,000
1,100,000	Governance		880,373	13,680
-	- Community Amenities		-	-
500,000	Recreation and Culture		-	-
-	- Economic Services		575,001	1,569,320
-	- Other Property and Services		-	-
1,630,000			1,483,811	1,595,000
(73,234)	<u>Increase(Decrease)</u>		(117,481)	(640,679)
	DISPOSAL OF ASSETS			
-	- Profit/(Loss) on Sale of Minor Asset		959	-
-	<u>Gain (Loss) on Disposal</u>		959	-
(73,234)	TOTAL COMPREHENSIVE INCOME (LOSS)		(116,522)	(640,679)

PILBARA REGIONAL COUNCIL
BUDGET COMPREHENSIVE INCOME STATEMENT
BY NATURE AND/OR TYPE
FOR THE YEAR ENDED 30 JUNE 2018

2016/17 BUDGET		NOTES	2016/17 ACTUAL (note 1x)	2017/18 ADOPTED BUDGET
\$	EXPENDITURE		\$	\$
(637,363)	Employee Costs		(579,250)	(675,750)
(820,521)	Materials and Contracts		(778,376)	(1,339,851)
(21,600)	Utilities		(15,765)	(18,000)
-	- Depreciation of Non Current Assets		-	-
(6,000)	Employee Provisions		-	-
(25,000)	Insurances		(22,004)	(22,000)
(192,750)	Other Expenses		(205,897)	(180,078)
(1,703,234)			(1,601,292)	(2,235,679)
	REVENUE			
220,000	Grants and Subsidies		575,001	743,000
1,380,000	Contributions, Reimbursements & Donations		880,373	840,000
-	- Fees and Charges		-	-
30,000	Interest Earnings		28,438	12,000
1,630,000			1,483,811	1,595,000
-	- Profit on Minor Asset Disposals		959	-
-	- Loss on Asset Disposals		-	-
(73,234)	NET RESULT		(116,522)	(640,679)
-			-	-
(73,234)	TOTAL COMPREHENSIVE INCOME (LOSS)		(116,522)	(640,679)

PILBARA REGIONAL COUNCIL
BUDGET FINANCIAL ACTIVITY STATEMENT FOR THE YEAR ENDING JUNE 2018

2016/17 BUDGET		2016/17 ACTUAL	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	2017/18 TOTAL
\$	OPERATING REVENUE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
30,000	General Purpose Funding	28,438	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
1,100,000	Governance	880,373	3,420	-	-	3,420	-	-	3,420	-	-	3,420	-	-	13,680
-	Community Amenities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
500,000	Recreation and Culture	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Economic Services	575,001	412,680	50,000	200,000	327,730	-	-	302,680	-	59,900	212,830	-	3,500	1,569,320
1,630,000		1,483,811	417,100	51,000	201,000	332,150	1,000	1,000	307,100	1,000	60,900	217,250	1,000	4,500	1,595,000
	LESS OPERATING EXPENDITURE														
-	General Purpose Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1,243,234)	Governance	(13,994)	-	(1,000)	(1,000)	(2,680)	(2,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(13,680)
-	Community Amenities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(450,000)	Recreation and Culture	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(10,000)	Economic Services	(1,587,299)	(266,038)	(225,431)	(114,923)	(193,648)	(107,448)	(92,271)	(245,097)	(85,087)	(545,242)	(137,080)	(98,984)	(110,750)	(2,221,999)
-	Other Property and Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1,703,234)		(1,601,292)	(266,038)	(226,431)	(115,923)	(196,328)	(109,448)	(93,271)	(246,097)	(86,087)	(546,242)	(138,080)	(99,984)	(111,750)	(2,235,679)
(73,234)	Increase/(Decrease)	(117,481)	151,062	(175,431)	85,077	135,822	(108,448)	(92,271)	61,003	(85,087)	(485,342)	79,170	(98,984)	(107,250)	(640,679)
	ADD														
-	Depreciation Written Back	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Profit/Loss on Sale of Minor Asset	959	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Movement in Provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-		959	-	-	-	-	-	-	-	-	-	-	-	-	-
(73,234)	Increase/(Decrease)	(116,522)	151,062	(175,431)	85,077	135,822	(108,448)	(92,271)	61,003	(85,087)	(485,342)	79,170	(98,984)	(107,250)	(640,679)
	LESS CAPITAL PROGRAMME														
-	Purchase Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Purchase Furniture and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Proceeds from Sale of Asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Prior Year Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ABNORMAL ITEMS														
-	Prior Years Payments Written Back	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Prior Years Doubtful Debts Provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Prior Years Trust Receipts Transferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Bad Debts Written Off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	Plus Rounding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
(73,234)	Increase/(Decrease)	(116,522)	151,062	(175,431)	85,077	135,822	(108,448)	(92,271)	61,003	(85,087)	(485,342)	79,170	(98,984)	(107,250)	(640,679)
	LESS FUNDING FROM														
1,317,932	Opening Funds	1,748,789	1,632,267	(1,783,329)	1,958,760	(2,043,836)	1,908,014	(1,799,566)	1,891,837	(1,952,840)	2,037,927	(1,552,584)	1,473,414	(1,374,430)	1,632,267
1,244,698	Less Closing Funds	1,632,267	1,783,329	(1,958,760)	2,043,836	(1,908,014)	1,799,566	(1,891,837)	1,952,840	(2,037,927)	1,552,584	(1,473,414)	1,374,430	(1,481,680)	991,588
(73,234)	NET SURPLUS/(DEFICIT)	(116,522)	151,062	(175,431)	85,077	135,822	(108,448)	(92,271)	61,003	(85,087)	(485,342)	79,170	(98,984)	(107,250)	(640,679)

**PILBARA REGIONAL COUNCIL
BUDGET RATE SETTING STATEMENT
FOR THE YEAR ENDING 30 JUNE 2018**

2016/17 BUDGET		NOTES	2016/17 ACTUAL (note 1x)	2017/18 ADOPTED BUDGET
	OPERATING REVENUE			
30,000	General Purpose Funding		28,438	12,000
1,100,000	Governance		880,373	13,680
-	- Community Amenities		-	-
500,000	Recreation and Culture		-	-
-	- Economic Services		575,001	1,569,320
-	- Other Property and Services		-	-
1,630,000			1,483,811	1,595,000
	LESS OPERATING EXPENDITURE			
(1,243,234)	Governance		(13,994)	(13,680)
-	- Community Amenities		-	-
(450,000)	Recreation and Culture		-	-
(10,000)	Economic Services		(1,587,299)	(2,221,999)
(1,703,234)			(1,601,292)	(2,235,679)
(73,234)	Increase/(Decrease)		(117,481)	(640,679)
	ADD			
-	- Profit/ Loss on the Disposal of Minor Assets		959	-
-	- Depreciation Written Back		-	-
-	- (Profit)/Loss on Sale of Assets		-	-
6,000	Movement in Provisions		-	6,000
6,000			959	6,000
(67,234)	Sub Total		(116,522)	(634,679)
	LESS CAPITAL PROGRAMME			
-	- Purchase Plant and Equipment		-	-
-	- Purchase Furniture and Equipment		-	-
-	- Proceeds on Sale of Asset		-	-
-			-	-
	ABNORMAL ITEMS			
-	- Prior Years Payments Written Back		-	-
-	- Prior Years Adjustments		-	-
-	- Bad Debts - Written Off		-	-
-			-	-
-	- Plus Rounding		-	-
(67,234)	Sub Total		(116,522)	(634,679)
	LESS FUNDING FROM			
1,321,050	Opening Funds		1,748,789	1,632,267
(1,253,816)	Closing Funds (Surplus)/Deficit		(1,632,267)	(997,588)
67,234			116,522	634,679
-	TO BE MADE UP FROM RATES		-	-

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

2016/17 BUDGET		NOTES	2016/17 ACTUAL (note 1x)	2017/18 ADOPTED BUDGET
	Cash Flows from operating activities			
	EXPENDITURE			
(637,363)	Employee Costs		(587,086)	(675,750)
(820,521)	Materials and Contracts		(1,310,947)	(1,339,851)
(21,600)	Utilities		(17,653)	(18,000)
(25,000)	Insurances		(22,004)	(22,000)
(330,000)	Goods and Services Tax Paid		(234,435)	(330,000)
(192,750)	Other Expenses		(208,575)	(180,078)
(2,027,234)			(2,380,700)	(2,565,679)
	REVENUE			
220,000	Grants and Subsidies		535,041	743,000
1,380,000	Contributions, Reimbursements & Donations		880,373	840,000
-	Fees & Charges		-	-
30,000	Interest Earnings		28,438	12,000
330,000	Goods and Services Tax Received		501,209	330,000
1,960,000			1,945,060	1,925,000
(67,234)	Net cash flows from operating activities		(435,640)	(640,679)
	Cash flows from investing activities			
	Payments			
-	Purchase Plant and Equipment		-	-
-	Purchase Furniture and Equipment		-	-
-			-	-
	Receipts			
-	Profit on Disposal of Minor Assets		959	-
-			959	-
-	Net cash flows from investing activities		959	-
	Cash flows from financing activities			
-	Net cash flows from financing activities		-	-
(67,234)	Net (decrease)/increase in cash held		(434,681)	(640,679)
1,399,535	Cash at the beginning of the reporting period		1,748,789	1,314,108
1,332,301	Cash at the end of reporting period	-	1,314,108	673,429

PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018

1 SIGNIFICANT ACCOUNTING POLICIES

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

(a) The Pilbara Regional Council Reporting Entity

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

(b) 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), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

The annual budget, with the exception of the cash flow and rate setting information, has been prepared and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

The preparation of a annual budget in conformity with Australian Accounting Standards requires 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 this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

(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.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash at bank and on 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 of the statement of financial position.

(e) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectable amounts.

Collectability of trade 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 collectable.

PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018

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.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing a binding contract of sale.

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

(g) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

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

(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

(i) that are plant and equipment; and

(ii) that are –

(A) land and buildings; or

(B) 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.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above. 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 of the next anniversary date in accordance with the mandatory measurement framework detailed above.

PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets

Revaluation

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

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use.

For specialised buildings, fair value will be determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition, residual values and assessments of remaining useful life.

For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits.

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.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined using fair value at reporting date.

The Financial Management Regulations amendments in relation to Fair Value require all local government assets to be revalued at least every 3 years.

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.

Asset Categories

Assets are classified into the following categories

Furniture and (internal) Equipment

Plant

Asset Capitalisation Thresholds

For reasons of practicality, the following thresholds have been applied, with any expenditure below these thresholds need not be capitalised-

Furniture and (internal) Equipment	Expenses totalling less than \$3,000 on any one item in any year need not be capitalised
------------------------------------	------------------------------------------------------------------------------------------

For assets which, at the time of acquisition, there is a reasonable expectation that they may last for more than one accounting period, but their cost is below the declared thresholds for capitalisation, are recorded in quantitative terms to ensure a record of ownership and location exists.

PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Furniture and (internal) Equipment		
- computers and peripherals	3-4 years	25% - 32%
- other electronic equipment	5-6 years	16% - 18%
- furniture	11 years	9%

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.

(i) Fair Value of Assets and Liabilities

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

To the extent possible, market information is extracted from either the 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.

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.

PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Fair Value of Assets and Liabilities (continued)

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.

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.

Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Investments and Other Financial Assets

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. 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. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are no derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent Measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Investments and Other financial Assets (continued)

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

(k) Impairment

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

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 estimate of the recoverable amount of the asset is made in accordance with AASB 136 'Impairment of Assets' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

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.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality 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.

(m) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee Benefits (Continued)

(ii) Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement for the liability for at least 12 months after the balanced date.

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.

(o) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(p) 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 company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under 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.

PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Grants, Donations and Other Contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(a) and 5. Note 2(a) also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(r) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subjected 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 on the balance sheet.

(s) Restrictions on Cash

Council recognises that the following restrictions have been imposed by regulations or other externally imposed requirements:

- Other Restricted Funds

- Conditions over Contributions

Grants recognised as revenue during the reported financial year in respect of which expenditure had not been made in the manner specified by the contributor

(t) Superannuation

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

(u) Interest Rate Risk

The Council's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is considered negligible for all financial instruments other than borrowings. Information on interest rate risk as it applies to borrowings is disclosed in Note 25.

(v) Rounding Off Figures

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

(w) Comparative Figures

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

(x) 2016/17 Actual Balances

Balances shown in this budget as 2016/17 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

**PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018**

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) 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 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 resale where it is held as non-current based on Council's intentions to release for sale.

**PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018**

2. REVENUE AND EXPENSES

(a) Conditions Over Grants/Contributions

<u>Grant/Contribution</u>	Function/ Activity	Opening	Received (+)	Expended (#)	Closing	Received	Expended	Closing
		Balance(*) 30-Jun-16			Balance (*) 30-Jun-17			Balance 30-Jun-18
		\$	\$	\$	\$	\$	\$	\$
Waste Authority Grant	Economic S	60,000	-	(45,000)	15,000	-	(15,000)	-
Members - Tourism Short Stay Accom	Economic S	36,036	-	(36,036)	-	-	-	-
PRC Member Project Contributions	Governance	451,029	-	(451,029)	-	-	-	-
PDC - Regional Entry Statements	Economic S	-	-	-	-	50,000	(50,000)	-
PDC - Reinvigoration of Warlu Way Signage	Economic S	-	-	-	-	299,500	(299,500)	-
DSD - Old Onslow Heritage Works	Recreation	-	-	-	-	200,000	(200,000)	-
Total		547,065	-	(532,065)	15,000	549,500	(564,500)	-

Notes:

(*) - Grants/contributions recognised as revenue in a previous reporting period which are not expended at the close of the previous reporting period

(+) - New grants/contributions which were recognised as revenues during the reporting period and which had yet been fully expended in the manner specified by the contributor.

(#) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018

3 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 Expenses		
	- Depreciation on Non-Current Assets	-	-
	- Loss on Sale of Non-Current Assets	-	-
	Crediting as Income		
	- Profit on Sale of Minor Assets	959	-
30,000	Interest Earnings	28,438	12,000
30,000		29,397	12,000

4 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 government Act or other written law.

Description of Programs

General Purpose Funding

The administration of interest received on investments.

Governance

Member of Council allowances and reimbursements, civic functions, administration and project expenses

Community Amenities

Sewer and sullage points provision.

Recreation & Culture

Historical and heritage services.

Economic Services

Tourism and Area Promotion.

Other Property and Services

Other Unclassified Activities.

5 CASH

Adopted Budget 2016/17		Actual 2016/17	Adopted Budget 2017/18
\$		\$	\$
	- Cash on Hand	-	-
1,332,301	Cash at Bank	1,314,108	673,429
1,332,301	Represented by:-	1,314,108	673,429
	- Restricted	863,086	-
1,332,301	Unrestricted	451,022	673,429
1,332,301		1,314,108	673,429

**PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018**

6 DISPOSAL OF ASSETS

(a) Disposal of Assets By Class

	Proceeds Sale of	Written Down	Profit/(loss) on Disposal
Asset by Class	Assets \$	Value \$	\$
Minor Assets	959	-	959
Furniture and Equipment	-	-	-
Land and Buildings	-	-	-
Plant and Equipment	-	-	-
TOTAL BY CLASS OF ASSETS	959	-	959

(b) Disposal of Assets By Program

	Proceeds Sale of	Written Down	Gain/(loss) on Disposal
Asset by Class	Assets \$	Value \$	\$
Governance	959	-	959
Other Property and Services	-	-	-
TOTAL BY PROGRAM	959	-	959

(c) Borrowing Costs Incurred and Capitalised as Part of a Qualifying Asset

No Borrowing Costs were incorporated in the Annual Budget as Assets are to be funded from General Purpose Funding.

7 BORROWINGS INFORMATION

(a) Loans Raised in Financial Year

Adopted Budget 2016/17 \$	Actual 2016/17 \$	Adopted Budget 2017/18 \$
-	-	-
- The Regional Council does not propose any borrowings in 16/17		
-	-	-

(b) Loan Repayments

Program	Principal 01.07.2017	Loans Raised		Interest		Loan Repayment		Principal 30.06.2018
		Actual 2015/16	Budget 2015/16	Actual 2015/16	Budget 2015/16	Actual 2015/16	Budget 2015/16	
	\$	\$	\$	\$	\$	\$	\$	\$
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
PLUS Change in Net Accrual				-				
TOTAL	-	-	-	-	-	-	-	-

Loan Repayments to be
financed by the Regional Council

-

Loan Repayments reimbursed
from external sources

-

**PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018**

TOTAL - - - -

(c) Overdraft

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

8 RESERVES

The Regional Council has no Reserve Accounts set aside for specific purposes and does not intend to set aside any cash during the year ended 30 June 2018.

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		
(73,234)	Net Result	(116,522)	(640,679)
-	Depreciation	-	-
-	(Profit) loss on sale of Fixed Assets	-	-
	Change in Assets and Liabilities		
	(Increase)/Decrease in Inventory	-	-
14,500	Increase/(Decrease) in Employee Provisions	-	6,000
121,429	(Increase)/Decrease in Debtors	78,485	-
(21,146)	Increase/(Decrease) in Creditors	-	-
41,549	Cash Flows from Operations	(38,038)	(634,679)
25,000	Credit Card Facility	25,000	25,000
-	Amount Utilised	6,997	-
25,000	Unused Facility available	18,003	25,000

10 TRUST FUND INFORMATION

**TRUST FUND
FOR THE PERIOD ENDING 30 JUNE 2018**

PARTICULARS	OPENING BALANCE 01.07.17	ESTIMATED RECEIPTS 2017/18	ESTIMATED PAYMENTS 2017/18	ESTIMATED CLOSING 30.06.18
	\$	\$	\$	\$
DEPOSITS				
No funds held on behalf of third parties	-	-	-	-
TOTAL	-	-	-	-

**PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018**

11 INVESTMENTS

Earnings from Investments is summarised as follows:

Adopted Budget <u>2016/17</u>		Actual <u>2016/17</u>	Adopted Budget <u>2017/18</u>
\$			
30,000	General Account	28,438	12,000
-	Reserve Funds	-	-
<u>30,000</u>	TOTAL	<u>28,438</u>	<u>12,000</u>

12 ELECTED MEMBERS - FEES, EXPENSES AND ALLOWANCES

Adopted Budget <u>2016/17</u>		Actual <u>2016/17</u>	Adopted Budget <u>2017/18</u>
\$		\$	\$
	- Annual Attendance Fee		
5,880	- Councillors (7) X (6) meetings per year	4,200	4,700
1,680	- Chairman (1) X (6) meetings per year	1,400	1,300
	- Annual Local Government Allowance		
1,000	- Chairman	1,000	1,680
-	- Deputy Chairman	-	-
<u>8,560</u>		<u>6,600</u>	<u>7,680</u>

13 DEPRECIATION ON NON-CURRENT ASSETS

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

BY PROGRAM

Adopted Budget <u>2016/17</u>		Actual <u>2016/17</u>	Adopted Budget <u>2017/18</u>
\$		\$	\$
	- Governance	-	-
	- TOTAL	-	-

BY CLASS

Adopted Budget <u>2016/17</u>		Actual <u>2016/17</u>	Adopted Budget <u>2017/18</u>
\$		\$	\$
	- Furniture and Equipment	-	-
	- TOTAL	-	-

**PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018**

13 ACQUISITION OF ASSETS

	Actual	Adopted Budget
	2016/17	2017/18
	\$	\$

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

BY PROGRAM

- Governance	-	-
-	-	-
-	-	-

BY CLASS

- Furniture and Equipment	-	-
-	-	-
-	-	-

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	Actual	Adopted Budget
2016/17	2016/17	2017/18
- Governance	-	-
-	-	-

16 RATING INFORMATION

The Pilbara Regional Council does not impose rates.

17 SPECIFIED AREA RATE

No specified area rates will be levied for the reporting period ending 30 June 2018.

18 SERVICE CHARGES

No service charges will be levied for the reporting period ending 30 June 2018.

19 INFORMATION ABOUT DISCOUNTS, INCENTIVES, CONCESSIONS AND WRITE OFFS

The Pilbara 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 Pilbara Regional Council does propose to participate in any land transactions for the reporting period ending 30 June 2018.

22 JOINT VENTURE

**PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018**

The Pilbara Regional Council does propose to participate in any Joint Venture for the reporting period ending 30 June 2017.

23 TRADING UNDERTAKINGS

The Pilbara Regional Council does not propose to participate in any Trading Undertakings for the reporting period ending 30 June 2018.

24 CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.	2016/17	2017/18
	\$	\$
Payable:		
- not later than one year	32,854	32,804
- later than one year but not later than five years	131,565	98,761
- later than 5 years	-	-
	164,419	131,565

25 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The introduction of Regulation 19C of the Local Government (Financial Management) Regulations on 20 April 2012, limits the types of instruments a local government may invest in, and reduces its exposure to interest rate risk. Subregulation (2) limits local government from doing any of the following-

- (1) making a deposit with an institution except an authorised institution;
- (2) making a deposit for a fixed term of more than 12 months;
- (3) vesting in bonds that are not guaranteed by the Commonwealth Government, or a State or Territory government
- (4) investing in bonds with a term to maturity of more than 3 years;
- (5) investing in a foreign currency.

(b) The 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		
- Cash on Hand		

**PILBARA REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET
FOR THE YEAR ENDING 30TH JUNE 2018**

1,332,301	Cash at Bank	1,314,108	673,429
11,454	Receivables	6,328	6,328
1,343,755		1,320,436	679,757
LESS CURRENT LIABILITIES			
75,173	Payables and Provisions	19,470	-
20,766	Employee Entitlements	35,903	21,978
95,939		55,373	21,978
1,247,816	Closing Surplus/(Deficit)	1,265,063	657,779
-	Less Restricted Funds	(863,086)	-
6,000	Add Employee Annual Leave Provision	-	6,000
1,253,816	SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES	401,977	663,779

27 MEMBER COUNCIL'S ESTIMATED EQUITY IN THE PILBARA REGIONAL COUNCIL

		Actual	Budget
		2015/16	2016/17
		\$	\$
Shire of Ashburton	25%	312,785	160,964
Shire of East Pilbara	25%	312,785	160,964
Shire of Roebourne	25%	312,785	160,964
Town of Port Hedland	25%	312,785	160,964
As at 30 June		1,251,138	643,854