



**PILBARA**  
REGIONAL COUNCIL

**ANNUAL BUDGET**

**2012-2013**

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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.

In its 2012/13 Annual Budget, the Pilbara Regional Council's primary focus will be on delivering a number of important project initiatives:

- Risk Management Project
- Visitor Centre Web Assets Project
- Grants Master Planning Project
- Regional Training Analysis and Strategy
- Workforce Location and Analysis Strategy
- ICT Strategies
- Indigenous Service Delivery Project
- Fly In Fly Out Study
- Bureau Service - Payroll Processing
- Coastal Locations and Rest Stops Project
- Short Stay Accommodation Product Project

The Regional Council has undergone some significant changes in the past twelve months. Member councils have been consulted and have identified the projects they wish the PRC to facilitate on their behalf over the next year.

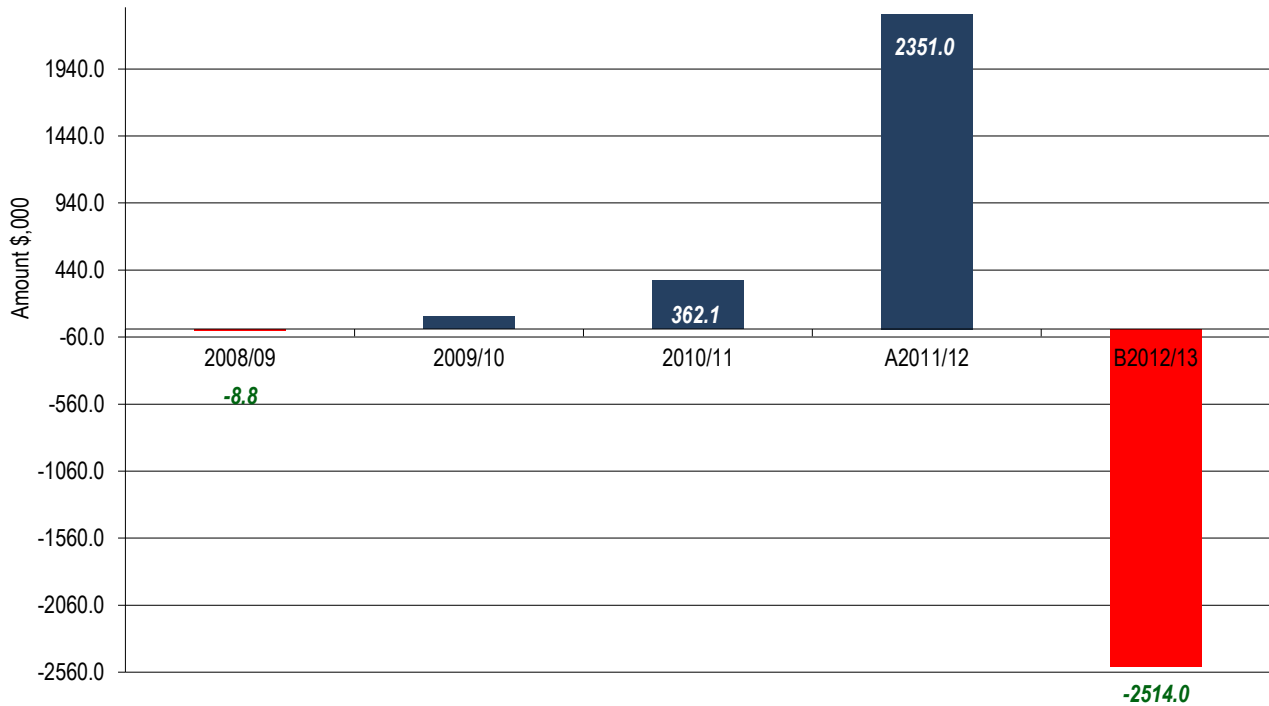
Finally, I take this opportunity to thank my fellow Councillors and the PRC staff for their enthusiasm, professionalism and commitment in the development of the 2012-2013 Annual Budget.

**Cr Lynne Craigie**  
**Chairperson**  
**Pilbara Regional Council**

## Chief Executive Officer's Summary

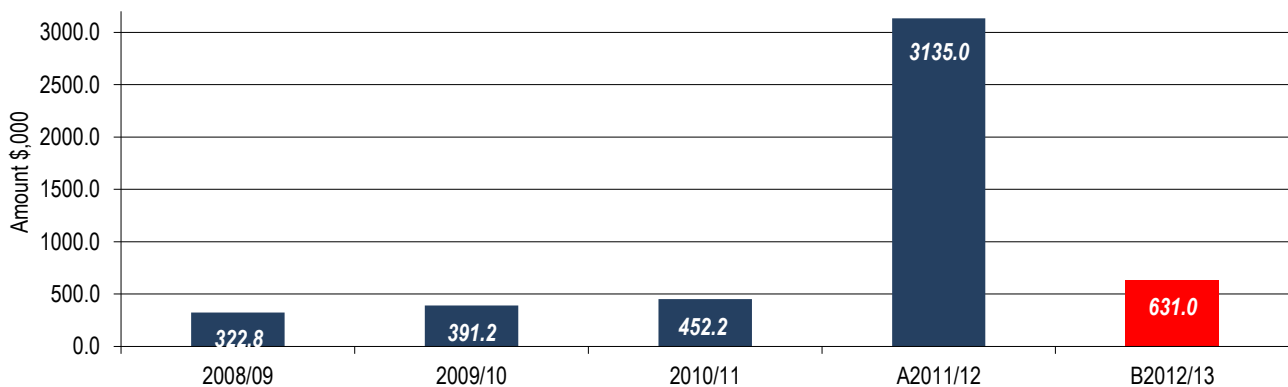
The Regional Council has prepared its Annual Budget for the 2012/13 financial year. Key budget information is provided below about the operating result, cash and investments, financial position and strategic objectives.

### 1. Operating Result



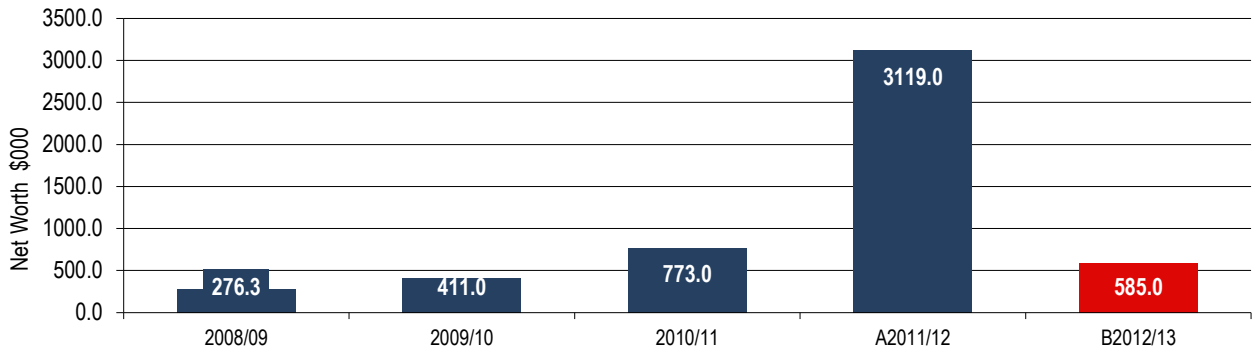
The expected operating result for the 2012/13 year is a deficit of \$2,553,000, which is a decrease of \$4.8M over 2011/12. The lower operating result is due to expenditure on projects relating to grant funding received in 2011/12.

### 2. Cash Flow Result



Cash of \$2.5M will be utilised to fund expenditure on identified projects during 2012/13.

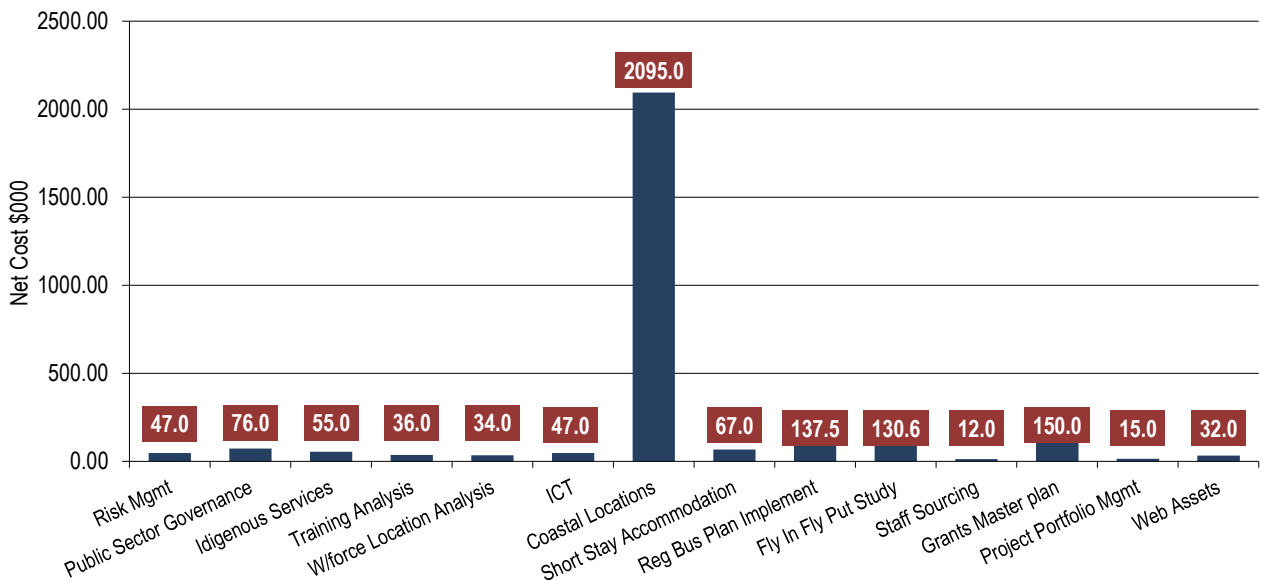
### 3. Financial Position



The net assets (net worth) is expected to decrease by \$2.5M to \$566,000 . This is mainly due to the use of cash received to fund major initiatives.

### 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 2012/13 year.



**Anthony Friday**  
**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 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 | May-12 |
| 2. Council considers draft budget at informal briefings                                  | Aug-12 |
| 3. Proposed budget is presented to Council for approval                                  | Oct-12 |
| 4. Copy of adopted budget is submitted to the Department                                 | Oct-12 |

## 1. Activities, Initiatives and Key Strategic Activities

This section provides a description of the activities to be funded in the Budget for the 2012/13 year and how these will contribute to achieving the strategic objectives.

### Activities

Activity	Description	(Revenue) Expenditure Net Cost \$
		(25,000)
General Purpose Funding	Details amount received on investments	-
		<b>(25,000)</b>
		(755)
Governance	This service provides assistance to elected members of the Council.	137,250
		<b>136,495</b>
		(1,096,557)
Other Governance	This service provides for the administration expenses of the Council.	1,327,447
		<b>230,890</b>
Economic	This service provides for area promotion and support to regional tourism initiatives	(3,798,103)
		5,969,810
		<b>2,171,707</b>

### Initiatives

- ♦ Risk Management Project
- ♦ Public Sector Governance Project
- ♦ Regional Training Analysis and Strategy
- ♦ Workforce Location and Analysis Strategy
- ♦ ICT Strategies
- ♦ Indigenous Service Delivery Project
- ♦ Fly In Fly Out Study
- ♦ Bureau Service - Web Assets
- ♦ Bureau Service - Payroll Processing
- ♦ Bureau Service - Grants Master Planning
- ♦ Bureau Service - Staff Sourcing
- ♦ Bureau Service - Project Portfolio Management
- ♦ Coastal Locations and Rest Stops Project
- ♦ Short Stay Accommodation Project

### Key strategic activities

1	Risk Management Project	Commence project implementation by June 2013.
2	Regional Training Analysis and Strategy	Complete strategy and commence implementation by June 2013.
3	Workforce Location and Analysis Strategy	Complete strategy and commence implementation by June 2013.
4	Indigenous Service Delivery Project	Commence Indigenous Services Service Delivery implementation by June 2013.
5	Fly In, Fly Out Study	Align the FIFO model to the Commonwealth Government Financial Assistance Grants funding formula to recognise the additional impact of FIFO on the delivery of local government services.

## 1. Activities, Initiatives and Key Strategic Activities

### Key strategic activities (continued)

6	Web Assets Bureau Services	Consolidate hosting and development of web assets across the region into a low-cost development centre, whilst retaining individual site themes and structures.
7	Payroll Processing Bureau Services	Investigate and implement potential of delivering a payroll processing bureau service to member local governments, conducted from a lower cost region; freeing up existing HR staff for higher value duties.
8	Grants Master Planning Bureau Service	Develop grants Master Plan that identifies all potential grant sources and implement bureau service to member local governments to manage the grant application and acquittal process.
9	Staff Sourcing Bureau Service	Develop bureau service to attract and retain a qualified and culturally aligned work force for member local governments.
10	Project Portfolio Management Bureau Service	Develop tools and services to enhance member local governments ability to manage both individual projects and a portfolio of projects
11	Coastal Locations and Rest Stops Project	Implement infrastructure to be placed at 4 coastal locations in Year 1 and complete construction by 30 June 2013.
12	Tourism Short Stay Accommodation Project	Implement project by 30 June 2013.



## **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 2012/13 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) increases on goods and services of 3.5% 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 2012/13 Budget. These matters have arisen from events occurring in the 2011/12 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2012/13 year. These matters and their financial impact are set out below:

- Budget surplus for 2011/12 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 2010/11 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.

The 2012/13 Budget, which is included in this report, is for the year 1 July 2012 to 30 June 2013 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 2013 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 2013**

2011/12			2011/12	2012/13
BUDGET		NOTES	ACTUAL	ADOPTED BUDGET
<b>\$</b>	<b>EXPENDITURE</b>		<b>\$</b>	<b>\$</b>
(1,247,127)	Governance		(775,244)	(1,455,984)
(3,642,567)	Economic Services		(336,273)	(5,969,810)
-	Other Property and Services		-	-
<b>(4,889,694)</b>			<b>(1,111,517)</b>	<b>(7,425,794)</b>
	<b>REVENUE</b>			
15,000	General Purpose Funding		109,054	25,000
797,000	Governance		866,893	1,097,312
3,555,067	Economic Services		2,467,567	3,798,103
-	Other Property & Services		-	-
4,367,067			3,443,515	4,920,415
(522,627)	<i>Increase(Decrease)</i>		2,331,998	(2,505,379)
	<b>DISPOSAL OF ASSETS</b>			
0	Profit/(Loss) on Sale of Plant and Equipment	5	(117)	(8,713)
0	Profit/(Loss) on Sale of Furniture and Equipment		0	0
0	<i>Gain (Loss) on Disposal</i>		(117)	(8,713)
	<b>ABNORMAL ITEMS</b>			
0	Prior Year Adjustments		0	0
0	Rounding		0	0
0	<i>Total Abnormal Items</i>		0	0
<b>(522,627)</b>	<i>Total Comprehensive Income</i>		<b>2,331,881</b>	<b>(2,514,092)</b>

**PILBARA REGIONAL COUNCIL**  
**BUDGET COMPREHENSIVE INCOME STATEMENT**  
**BY NATURE AND/OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2013**

2011/12			2011/12	2012/13
BUDGET		NOTES	ACTUAL	ADOPTED BUDGET
<b>\$</b>	<b>EXPENDITURE</b>		<b>\$</b>	<b>\$</b>
(224,205)	Employee Costs		(241,294)	(243,932)
(4,405,024)	Materials & Contracts		(760,009)	(6,964,170)
(7,500)	Utilities		(5,303)	(6,000)
(7,500)	Depreciation on Non-Current Assets		(6,099)	(2,942)
(3,000)	Employee Provisions		(875)	(7,000)
(17,000)	Insurances		(14,445)	(16,000)
(4,000)	Plant Operating Expenses		(3,913)	(1,000)
	0 Goods & Services Tax Paid		0	0
(221,465)	Other Expenses		(79,579)	(184,750)
(4,889,694)			(1,111,517)	(7,425,794)
	<b>REVENUE</b>			
2,275,067	Grants & Subsidies		2,295,067	3,926,603
2,077,000	Contributions, Reimbursements & Donations		1,039,393	968,812
-	Fees & Charges		-	-
15,000	Interest Earned		109,054	25,000
-	Goods and Services Tax Received		-	-
4,367,067			3,443,515	4,920,415
	0 Profit on Asset Disposals			
	0 Loss on Asset Disposals	5	(117)	(8,713)
(522,627)	<b>NET RESULT</b>		<b>2,331,881</b>	<b>(2,514,092)</b>
	<b>Other Comprehensive Income</b>			
-	Prior Year Adjustments		0	-
-			0	-
(522,627)	<b>TOTAL COMPREHENSIVE INCOME</b>		<b>2,331,881</b>	<b>(2,514,092)</b>

**PILBARA REGIONAL COUNCIL  
BUDGET RATE SETTING STATEMENT  
FOR THE YEAR ENDING 30 JUNE 2013**

2011/12 ADOPTED BUDGET		NOTES	2011/12 ACTUAL	2012/13 ADOPTED BUDGET
	<b>OPERATING REVENUE</b>			
15,000	General Purpose Funding		109,054	25,000
797,000	Governance		866,893	1,097,312
3,555,067	Economic Services		2,467,567	3,798,103
0	Other Property and Services		0	0
<b>4,367,067</b>			<b>\$3,443,515</b>	<b>\$4,920,415</b>
	<b>LESS OPERATING EXPENDITURE</b>			
(1,247,127)	Governance		(775,361)	(1,464,697)
(3,642,567)	Economic Services		(336,273)	(5,969,810)
-	Other Property & Services		-	-
<b>(\$4,889,694)</b>			<b>(\$1,111,634)</b>	<b>(\$7,434,507)</b>
<b>(\$522,627)</b>	<i>Increase/(Decrease)</i>		<b>\$2,331,881</b>	<b>(\$2,514,092)</b>
	<b>ADD</b>			
7,500	Depreciation Written Back	12	6,099	2,942
0	(Profit)/Loss on Sale of Assets	5	117	0
0	Movement in Provisions		848	1,000
<b>\$7,500</b>			<b>\$7,063</b>	<b>\$12,655</b>
<b>(\$515,127)</b>	<i>Sub Total</i>		<b>\$2,338,944</b>	<b>(\$2,501,437)</b>
	<b>LESS CAPITAL PROGRAMME</b>			
0	Purchase Plant and Equipment		0	0
(5,000)	Purchase Furniture and Equipment	13	(613)	(5,000)
0	Proceeds on Sale of Asset		0	8,181
0			0	0
<b>(\$5,000)</b>			<b>(\$613)</b>	<b>\$3,181</b>
	<b>ABNORMAL ITEMS</b>			
-	Prior Years Payments Written Back		0	0
-	Prior Years Adjustments		0	0
-	Bad Debts - Written Off		0	0
-			0	0
-	Plus Rounding		0	0
<b>(\$5,000)</b>			<b>(\$613)</b>	<b>\$3,181</b>
<b>(\$520,127)</b>	<i>Sub Total</i>		<b>\$2,338,331</b>	<b>(\$2,498,256)</b>
	<b>LESS FUNDING FROM</b>			
742,003	Opening Funds	25	736,810	3,075,142
(221,876)	Closing Funds	25	(3,075,141)	(576,886)
<b>\$520,127</b>			<b>(\$2,338,331)</b>	<b>\$2,498,256</b>
<b>\$0</b>	<b>TO BE MADE UP FROM RATES</b>		<b>\$0</b>	<b>\$0</b>

**PILBARA REGIONAL COUNCIL  
BUDGET STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDING 30 JUNE 2013**

2011/12 ADOPTED BUDGET		NOTES	2011/12 ACTUAL	2012/13 ADOPTED BUDGET
	<b>Cash Flows from operating activities</b>			
	<b>EXPENDITURE</b>			
(227,943)	Employee Costs		(226,290)	(256,117)
(4,384,856)	Materials & Contracts		(685,530)	(7,015,185)
(7,500)	Utilities		(5,303)	(6,000)
(17,000)	Insurances		(14,445)	(16,000)
(4,000)	Plant Operating Expenses		(3,913)	(1,000)
(150,000)	Goods and Services Tax Paid		(361,494)	(330,000)
(221,265)	Other		(74,220)	(184,750)
<b>(5,012,564)</b>			<b>(1,371,195)</b>	<b>(7,809,052)</b>
	<b>REVENUE</b>			
2,587,397	Grants & Subsidies		2,560,118	3,926,603
2,077,000	Contributions, Reimbursements & Donations		1,060,060	990,812
0	Fees & Charges		0	0
15,000	Interest Earned		109,054	25,000
0	Other Revenue		7,063	0
137,390	Goods and Services Tax Received		319,007	359,654
<b>4,816,787</b>			<b>\$4,055,302</b>	<b>\$5,302,069</b>
<b>(195,777)</b>	<b>Net Cash flows from Operating Activities</b>	8	<b>\$2,684,107</b>	<b>(2,506,983)</b>
	<b>Cash flows from investing activities</b>			
	<b>Payments</b>			
0	Purchase Plant and Equipment		0	0
(5,000)	Purchase Furniture and Equipment	13	(613)	(5,000)
<b>(5,000)</b>			<b>(613)</b>	<b>(5,000)</b>
	<b>Receipts</b>			
0	Proceeds from Sale of Assets	5	0	8,181
<b>0</b>			<b>0</b>	<b>8,181</b>
<b>(5,000)</b>	<b>Net cash flows from investing activities</b>		<b>(613)</b>	<b>3,181</b>
	<b>Cash flows from financing activities</b>			
-	Loan Repayments		-	-
<b>\$0</b>	<b>Net cash flows from financing activities</b>		<b>\$0</b>	<b>\$0</b>
	<b>Net (decrease)/increase in cash held</b>		<b>\$2,683,494</b>	<b>(2,503,802)</b>
452,198	Cash at the Beginning of Reporting Period		452,198	3,135,692
-	Rounding		-	-
<b>\$251,421</b>	<b>Cash at the End of Reporting Period</b>	4	<b>\$3,135,692</b>	<b>\$631,890</b>

**PILBARA REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE ANNUAL BUDGET**  
**FOR THE YEAR ENDING 30TH JUNE 2013**

**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), 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 under the convention of historical cost accounting 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.

**Critical Accounting Estimates**

The preparation of an annual budget in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect 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 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 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 uncollectible 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 collectible.

**PILBARA REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE ANNUAL BUDGET**  
**FOR THE YEAR ENDING 30TH JUNE 2013**

**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**

***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.

***Revaluation***

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. 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

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.

***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 \$1,000 on any one item in any year need not be capitalised.
Plant	Expenses totalling less than \$1,000 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 2013**

**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	32%
- other electronic equipment	5 - 6 years	18%
- furniture	11 years	9%
Plant		
- passenger vehicles	8 Years	12%

**(I) Investments and Other Financial Assets**

***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.

*(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 non-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.



**PILBARA REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE ANNUAL BUDGET**  
**FOR THE YEAR ENDING 30TH JUNE 2013**

**1 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(I) Investments and Other Financial Assets (Continued)**

***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.

***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.

**(j) Estimation of Fair Value**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

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.

**PILBARA REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE ANNUAL BUDGET**  
**FOR THE YEAR ENDING 30TH JUNE 2013**

**1 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Impairment**

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.

**(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 of the liability for at least 12 months after the balance date.

**PILBARA REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE ANNUAL BUDGET**  
**FOR THE YEAR ENDING 30TH JUNE 2013**

**1 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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.

**(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 5(d). That note 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:

- Reserve Funds
- 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

**PILBARA REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE ANNUAL BUDGET**  
**FOR THE YEAR ENDING 30TH JUNE 2013**

**1 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(t) Superannuation**

The Council contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes. Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is

**(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) Financial Information by Ratio**

The Council, in accordance with the Local Government Act 1995, has disclosed by way of notes to the financial statements, the financial information by ratio, with comparatives being shown from the previous four financial years.

**(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 2013**

**2 OPERATING, REVENUES AND EXPENSES**

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

<b>Adopted Budget 2011/2012</b>		<b>Actual 2011/2012</b>	<b>Adopted Budget 2012/2013</b>
<b>\$</b>		<b>\$</b>	<b>\$</b>
	<b>Charging as Expenses</b>		
7,500	Depreciation on Non-Current Assets	6,099	2,942
-	Loss on Sale of Non-Current Assets	117	8,713
<u>7,500</u>		<u>6,216</u>	<u>11,655</u>
	<b>Crediting as Income</b>		
0	Profit on Sale of Non-Current Assets	0	0
15,000	Interest Earnings	109,054	25,000
<u>15,000</u>		<u>109,054</u>	<u>25,000</u>

**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 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 and administration expenses.

**Economic Services**

Tourism and Area promotion

**Other Property and Services**

Other Unclassified Activities.

**4 CASH**

<b>Adopted Budget 2011/2012</b>		<b>Actual 2011/2012</b>	<b>Adopted Budget 2012/2013</b>
<b>\$</b>		<b>\$</b>	<b>\$</b>
0	Cash on Hand	0	0
251,421	Cash at Bank	3,135,692	631,890
<u>251,421</u>	Represented by:-	<u>3,135,692</u>	<u>631,890</u>
-	Restricted	2,567,593	0
251,421	Unrestricted	568,099	631,890
<u>251,421</u>		<u>3,135,692</u>	<u>631,890</u>

**PILBARA REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE ANNUAL BUDGET**  
**FOR THE YEAR ENDING 30TH JUNE 2013**

**4 CASH (continued)**

(b) Conditions over contributions  
Contributions and Grants recognised as revenues during the financial year in respect of which expenditure had not been made:

0	Waste Authority - Waste Management Grant	60,000	0
0	Pilbara Dev. Commission - Tourism Short Stay Accommodation Grant	4,244	0
0	Tourism WA - tourism Short Stay Accommodation Grant	25,000	0
0	Dept Regional Development - Coastal Locations and Rest Stops Proje	2,095,341	0
0	Dept Regional Development - Business Case Planning Grant	12,387	0
0	Shire of Ashburton - Tourism Short Stay Accommodation Project	7,500	0
0	Shire of Roebourne - Tourism Short Stay Accommodation Project	10,000	0
0	Shire of East Pilbara - Tourism Short Stay Accommodation Project	10,000	0
0	Town of Port Hedland - Tourism Short Stay Accommodation Project	10,000	0
0	Risk Management Project	47,147	0
0	Public Sector Governance Project	71,930	0
0	Regional Policy Project	10,000	0
0	Regional Training Analysis & Strategy	36,000	0
0	Workforce Location Analysis & Strategy	34,075	0
0	Indigenous Services Service Delivery Project	55,000	0
0	Policy Portal Project	3,150	0
0	ICT Strategies	46,800	0
0	Shire of Roebourne - Fly In Fly Out Study	29,019	0
<b>0</b>		<b>2,567,593</b>	<b>0</b>

**5 DISPOSAL OF ASSETS**

**(a) Disposal of Assets By Class**

<b>Asset by Class</b>	<b>Proceeds Sale of Assets</b>	<b>Written Down Value</b>	<b>Profit/(Loss) on Disposal</b>
	\$	\$	\$
Furniture and Equipment	0	0	0
Land and Buildings	0	0	0
Plant and Equipment	8,181	16,894	(8,713)
<b>TOTAL BY CLASS OF ASSETS</b>	<b>8,181</b>	<b>16,894</b>	<b>(8,713)</b>

**(b) Disposal of Assets By Program**

	<b>Proceeds Sale of Assets</b>	<b>Written Down Value</b>	<b>Gain/(Loss) on Disposal</b>
	\$	\$	\$
Governance	8,181	16,894	(8,713)
Other Property and Services			0
<b>TOTAL BY PROGRAM</b>	<b>8,181</b>	<b>16,894</b>	<b>(8,713)</b>

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

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

**6 BORROWINGS INFORMATION**

**(a) Loans Raised in Financial Year**

<b>Adopted Budget 2011/2012</b>		<b>Actual 2011/2012</b>	<b>Adopted Budget 2012/2013</b>
		\$	\$
0	The Regional Council does not propose any borrowings in 12/13.	0	0
<b>Nil</b>		<b>Nil</b>	<b>Nil</b>

**PILBARA REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE ANNUAL BUDGET**  
**FOR THE YEAR ENDING 30TH JUNE 2013**

**6 BORROWINGS INFORMATION (continued)**

**(b) Loan Repayments**

Program	Loan No.	Principal 01.07.12	Loans Raised		Interest		Loan Repayment		Principal 30.6.2013 Budget
			Actual	Budget	Actual	Budget	Actual	Budget	
			2011/2012	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013	
		\$	\$	\$	\$	\$	\$	\$	\$
		0	0	0	0	0	0	0	0
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PLUS</b>	Change in Net Accrual				0				
<b>TOTAL</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Loan Repayments to be financed by the Regional Council				0	0	0	0	
	Loan Repayments reimbursed from external sources				0	0	0	0	
<b>TOTAL</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**(c) 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 2013.

**7 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 2013.

**8 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 2011/2012		Actual 2011/2012	Adopted Budget 2012/2013
\$		\$	\$
	<b>Change in net result from operations</b>		
(522,627)	Net Result	2,331,881	(2,514,092)
7,500	Depreciation	6,099	2,942
-	(Profit) loss on sale of Fixed Assets	117	8,713
	<b>Change in Assets and Liabilities</b>		
-	(Increase)/Decrease in Inventory	-	-
3,000	Increase/(Decrease) in Employee Provisions	875	7,000
314,530	(Increase)/Decrease in Debtors	265,103	49,677
1,820	Increase/(Decrease) in Creditors	80,032	(41,459)
<b>(195,777)</b>	Cash flows from Operations	<b>2,684,107</b>	<b>(2,487,219)</b>
5,000	Credit Card Facility	5,000	5,000
0	Amount Utilised	(1,754)	0
<b>5,000</b>	Unused Facility available	<b>3,246</b>	<b>5,000</b>

**PILBARA REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2013**

**9 TRUST FUND INFORMATION**

**TRUST FUND  
FOR THE PERIOD ENDING 30 JUNE 2013**

PARTICULARS	OPENING	ESTIMATED	ESTIMATED	ESTIMATED
	BALANCE	RECEIPTS	PAYMENTS	CLOSING
	30.06.2012	2012/2013	2012/2013	2012/2013
	\$	\$	\$	\$
<b>DEPOSITS</b>				
No funds held on behalf of third parties				
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**10 INVESTMENTS**

Earnings from Investments is summarised as follows:

Adopted Budget 2011/2012		Actual 2011/2012	Adopted Budget 2012/2013
\$		\$	\$
15,000	General Account	109,054	25,000
0	Reserve Funds	0	0
<b>15,000</b>	<b>TOTAL</b>	<b>109,054</b>	<b>25,000</b>

**11 ELECTED MEMBERS - FEES, EXPENSES AND ALLOWANCES**

Adopted Budget 2011/2012		Actual 2011/2012	Adopted Budget 2012/2013
\$		\$	\$
	<b>- Annual Attendance Fee</b>		
6,320	- Councillors (7) X \$140 per meeting (6 per year)	5,740	5,320
1,680	- Chairperson x \$280 per meeting (6 per year)	0	1,680
	<b>- Telecommunication, Travel, and Information Technology Allowance</b>		
1,000	- Telecommunication (8 x \$125)	0	1,000
0	- Information Technology	0	0
0	- Travel Expenses	0	0
	<b>- Annual Local Government Allowance</b>		
1,000	- Chairman	0	1,000
250	- Deputy Chairman	0	250
<b>10,250</b>		<b>5,740</b>	<b>9,250</b>



**PILBARA REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2013**

**12 DEPRECIATION ON NON-CURRENT ASSETS**

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

**BY PROGRAM**

<b>Adopted Budget 2011/2012</b>		<b>Actual 2011/2012</b>	<b>Adopted Budget 2012/2013</b>
<b>\$</b>		<b>\$</b>	<b>\$</b>
7,500	Governance	6,099	2,942
<b>7,500</b>	<b>TOTAL</b>	<b>6,099</b>	<b>2,942</b>

**BY CLASS**

<b>Adopted Budget 2011/2012</b>		<b>Actual 2011/2012</b>	<b>Adopted Budget 2012/2013</b>
<b>\$</b>		<b>\$</b>	<b>\$</b>
4,901	Furniture and Equipment	3,500	2,942
2,599	Plant and Equipment	2,599	0
<b>7,500</b>	<b>TOTAL</b>	<b>6,099</b>	<b>2,942</b>

**13 ACQUISITION OF ASSETS**

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

<b>Actual 2011/2012</b>	<b>Adopted Budget 2012/2013</b>
<b>\$</b>	<b>\$</b>

**BY PROGRAM**

Governance		
Computer Equipment	613	5,000
Furniture		-
	<b>613</b>	<b>5,000</b>

**BY CLASS**

Land and Buildings		-
Furniture and Equipment	613	5,000
	<b>613</b>	<b>5,000</b>

**14 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:

No fees and charges are proposed to be raised for the reporting period ending 30 June 2013.

**15 RATING INFORMATION**

The Pilbara Regional Council does not impose rates.

**16 SPECIFIED AREA RATE**

No specified area rates will be levied for the reporting period ending 30 June 2013.

**PILBARA REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2013**

**17 SERVICE CHARGES**

No service charges will be imposed for the reporting period ending 30 June 2013.

**18 INFORMATION ABOUT DISCOUNTS, INCENTIVES, CONCESSIONS AND WRITE OFFS**

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

**19 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 .

**20 MAJOR LAND TRANSACTIONS**

The Pilbara Regional Council does propose to participate in any land transactions for the reporting period ending 30 June 2013.

**21 JOINT VENTURE**

The Pilbara Regional Council does propose to participate in any Joint Venture for the reporting period ending 30 June 2013.

**22 TRADING UNDERTAKINGS**

The Pilbara Regional Council does propose to participate in any Trading Undertakings for the reporting period ending 30 June 2013.

**23 CAPITAL AND LEASING COMMITMENTS**

<b>(a) Operating Lease Commitments</b>	<b>2011/12</b>	<b>2012/13</b>
	<b>\$</b>	<b>\$</b>
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	12,194	2068
- later than one year but not later than five years	2,068	0
- later than five years	0	0
	<b>14,262</b>	<b>2,068</b>

**24 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. Sub-regulation (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) investing 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.

**PILBARA REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE ANNUAL BUDGET  
FOR THE YEAR ENDING 30TH JUNE 2013**

**25 POSITION AT COMMENCEMENT OF FINANCIAL YEAR**

Determination of opening funds:

<b>Adopted Budget 2011/2012</b>		<b>Actual 2011/2012</b>	<b>Adopted Budget 2012/2013</b>
<b>\$</b>		<b>\$</b>	<b>\$</b>
	<b>Current Assets</b>		
0	Cash On Hand		
251,421	Cash at Bank	3,135,692	631,890
5,000	Receivables	56,654	5,000
<b>256,421</b>		<b>3,192,346</b>	<b>636,890</b>
	<b>LESS CURRENT LIABILITIES</b>		
25,868	Payables and Provisions	111,499	48,299
8,677	Employee Entitlements	5,704	11,704
<b>34,545</b>		<b>117,203</b>	<b>60,003</b>
-	Less Restricted Funds	(2,567,593)	-
0	Rounding		(1)
<b>221,876</b>	<b>SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES</b>	<b>507,550</b>	<b>576,886</b>

**26 MEMBER COUNCIL'S ESTIMATED EQUITY IN THE PILBARA REGIONAL COUNCIL**

		<b>Actual 2011/2012</b>	<b>Adopted Budget 2012/2013</b>
		<b>\$</b>	<b>\$</b>
Shire of Ashburton	25%	774,908	146,385
Shire of East Pilbara	25%	774,908	146,385
Shire of Roebourne	25%	774,908	146,385
Town of Port Hedland	25%	774,908	146,385
<b>As at 30 June</b>		<b>3,099,632</b>	<b>585,541</b>

**PILBARA REGIONAL COUNCIL  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2011**

This section analyses the movements in assets, liabilities and equity between 2010/11 and 2011/12.

	Actual 2010/11 \$	Actual 2011/12 \$	Variance \$	PROJECTED 2012/13 \$
<b>Current assets</b>				
Cash and cash equivalents	452,198	3,135,692	2,683,494	631,890
Trade and other receivables	319,780	27,000	-292,780	5,000
<b>Total current assets</b>	<b>771,978</b>	<b>3,162,692</b>	2,390,714	<b>636,890</b>
<b>Non-current assets</b>				
Inventories	0	0	0	
Property, plant and equipment	30,940	25,337	-5,603	10,501
<b>Total non-current assets</b>	<b>30,940</b>	<b>25,337</b>	-5,603	<b>10,501</b>
<b>Total assets</b>	<b>802,918</b>	<b>3,188,030</b>	2,385,112	<b>647,391</b>
<b>Current liabilities</b>				
Trade and other payables	29,490	24,048	5,442	48,299
Interest-bearing loans and borrowings	0	0	0	-
Provisions	5,677	6,552	-875	11,704
<b>Total current liabilities</b>	<b>35,167</b>	<b>30,600</b>	4,567	<b>60,003</b>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	0	0	0	
Provisions	0	0	0	1,848
<b>Total non-current liabilities</b>	<b>0</b>	<b>0</b>	0	<b>1,848</b>
<b>Total liabilities</b>	<b>35,167</b>	<b>30,600</b>	4,567	<b>61,851</b>
<b>Net assets</b>	<b>767,751</b>	<b>3,157,429</b>	2,389,678	<b>585,541</b>
<b>Equity</b>				
Accumulated surplus	767,751	767,751	0	3,099,633
Change in net assets resulting from operations	0	2,331,881	2,331,881	(2,514,092)
Asset revaluation reserve	0	0	0	
Other reserves	0	0	0	
<b>Total equity</b>	<b>767,751</b>	<b>3,099,632</b>	2,331,881	<b>585,541</b>

Details By function Under The Following Programme  
And Type Of Activities Within The Programme

	Actual 2011-12		Original Adopted Budget 2011-12		DRAFT BUDGET 2012-2013	
	Income	Expenditure	Income	Expenditure	Income	Expenditure
<b>Proceeds Sale of Assets</b>						
NEW Proceeds Sale of Assets - Mazda	\$0	\$0	\$0	\$0	(\$8,181)	\$0
00000 Proceeds Sale of Assets -	\$0	\$0	\$0	\$0	\$0	\$0
00000 Proceeds Sale of Assets -	\$0	\$0	\$0	\$0	\$0	\$0
00000 Proceeds Sale of Assets -	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sub - Total - PROCEEDS FROM SALE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$8,181)</b>	<b>\$0</b>
<b>Written Down Value</b>						
NEW Written Down Value -	\$0	\$0	\$0	\$0	\$0	\$16,894
00000 Written Down Value-	\$0	\$0	\$0	\$0	\$0	\$0
00000 Written Down Value -	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sub Total - GAIN/LOSS ON DISPOSAL OF ASSET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,894</b>
<b>Total - GAIN/LOSS ON DISPOSAL OF ASSET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$8,181)</b>	<b>\$16,894</b>
<b>ABNORMAL ITEMS</b>						
00000 Years Doubtful Debts Provision	\$0	\$0	\$0	\$0	\$0	\$0
00000 Bad Debts Written Off	\$0	\$0	\$0	\$0	\$0	\$0
NEW Prior Years Asset Adjustment -	\$0	\$0	\$0	\$0	\$0	\$0
00000 Prior Years Payment Written Back	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sub Total - ABNORMAL ITEMS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total - ABNORMAL ITEMS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total - OPERATING STATEMENT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$8,181)</b>	<b>\$16,894</b>
<b>OTHER GENERAL PURPOSE FUNDING</b>						
<b>OPERATING INCOME</b>						
I042020 · Interest on Investments	(\$109,054)	\$0	(\$15,000)	\$0	(\$25,000)	\$0
<b>Sub Total - OTHER GENERAL PURPOSE FUNDIN</b>	<b>(\$109,054)</b>	<b>\$0</b>	<b>(\$15,000)</b>	<b>\$0</b>	<b>(\$25,000)</b>	<b>\$0</b>
<b>Total - OTHER GENERAL PURPOSE FUNDING</b>	<b>(\$109,054)</b>	<b>\$0</b>	<b>(\$15,000)</b>	<b>\$0</b>	<b>(\$25,000)</b>	<b>\$0</b>
<b>Total - GENERAL PURPOSE FUNDING</b>	<b>(\$109,054)</b>	<b>\$0</b>	<b>(\$15,000)</b>	<b>\$0</b>	<b>(\$25,000)</b>	<b>\$0</b>
<b>GOVERNANCE</b>						
<b>MEMBERS OF COUNCIL</b>						
<b>OPERATING EXPENDITURE</b>						
E041010 - Conference Expenses	\$0	\$0	\$0	\$2,000	\$0	\$2,000
E041020 - Chair & Deputy Chair Allowance	\$0	\$0	\$0	\$1,250	\$0	\$1,250
E041030 · Sitting Fees	\$0	\$5,740	\$0	\$8,000	\$0	\$7,000
NEW - Telecommunications & IT Allowance	\$0	\$0	\$0	\$1,000	\$0	\$1,000
E041040 · Reimbursement of Expenses	\$0	\$136	\$0	\$3,500	\$0	\$1,000
E041050 · Meeting Expenses	\$0	\$14,078	\$0	\$20,000	\$0	\$15,000
NEW - Potential Refund of Contributions Received	\$0	\$0	\$0	\$105,000	\$0	\$105,000
E041100 - Pilbara-Kimberley Joint Forum	\$0	\$0	\$0	\$5,000	\$0	\$5,000
<b>Sub Total - MEMBERS OF COUNCIL OP/EXP</b>	<b>\$0</b>	<b>\$19,954</b>	<b>\$0</b>	<b>\$145,750</b>	<b>\$0</b>	<b>\$137,250</b>
<b>OPERATING INCOME</b>						
I042030 · Reimbursements	(\$1,244)	\$0	\$0	\$0	\$0	\$0
I042039 · Miscellaneous Income	(\$4,613)	\$0	\$0	\$0	(\$755)	\$0
<b>Sub Total - MEMBERS OF COUNCIL OP/INC</b>	<b>(\$5,856)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$755)</b>	<b>\$0</b>
<b>Total - MEMBERS OF COUNCIL</b>	<b>(\$5,856)</b>	<b>\$19,954</b>	<b>\$0</b>	<b>\$145,750</b>	<b>(\$755)</b>	<b>\$137,250</b>

Details By function Under The Following Programme  
And Type Of Activities Within The Programme

	Original Adopted Budget 2011-12				DRAFT BUDGET 2012-2013	
	Actual 2011-12		Income Expenditure		Income	Expenditure
	Income	Expenditure	Income	Expenditure		
<b>GOVERNANCE - GENERAL</b>						
<b>OPERATING EXPENDITURE</b>						
E042005 - Audit Fees	\$0	\$6,060	\$0	\$11,000	\$0	\$7,500
E042007 - Association Fees	\$0	\$2,677	\$0	\$3,000	\$0	\$4,800
E042010 - Insurance	\$0	\$14,445	\$0	\$17,000	\$0	\$16,000
E042015 - Plant Operating Expenses	\$0	\$3,913	\$0	\$4,000	\$0	\$1,000
E042016 - Parking Fees	\$0	\$2,403	\$0	\$5,000	\$0	\$400
E042017 - Office Rental	\$0	\$5,417	\$0	\$6,500	\$0	\$6,500
E042018 - Storage Rental	\$0	\$1,369	\$0	\$1,500	\$0	\$1,700
E042020 - Contract Support Services	\$0	\$40,936	\$0	\$25,000	\$0	\$40,000
E042021 - Subscriptions	\$0	\$605	\$0	\$800	\$0	\$650
E042022 - Office Equipment	\$0	\$542	\$0	\$5,000	\$0	\$2,500
E042023 - Printing and Stationery	\$0	\$1,516	\$0	\$4,000	\$0	\$2,500
E042024 - Postage and Freight	\$0	\$105	\$0	\$1,000	\$0	\$600
E042025 - Sundry Office Expenses	\$0	\$2,470	\$0	\$4,000	\$0	\$3,000
E042030 - Utility Expenses	\$0	\$2,083	\$0	\$3,000	\$0	\$2,500
E042031 - Telephone Expenses	\$0	\$3,220	\$0	\$4,500	\$0	\$3,500
E042032 - Advertising	\$0	\$826	\$0	\$2,000	\$0	\$2,000
<b>LABOUR Costs</b>						
E042035 - Salaries	\$0	\$215,304	\$0	\$199,500	\$0	\$223,865
E042040 - Superannuation	\$0	\$25,990	\$0	\$24,705	\$0	\$20,067
E042041 - Long Service Leave Accrual	\$0	\$848	\$0	\$3,000	\$0	\$1,000
E042043 - Annual Leave Accrual	\$0	\$27	\$0	\$0	\$0	\$6,000
<b>OTHER</b>						
E042045 - Other Staff Expenses	\$0	\$7,809	\$0	\$5,000	\$0	\$5,000
E042050 - Conferences/Training	\$0	\$3,117	\$0	\$9,900	\$0	\$5,000
E042055 - Meeting Expenses	\$0	\$3,908	\$0	\$10,000	\$0	\$10,000
E042065 - Website and Software	\$0	\$1,237	\$0	\$5,000	\$0	\$2,500
E042066 - Fringe Benefits Tax	\$0	\$7,925	\$0	\$3,500	\$0	\$3,500
E042067 - Marketing and Promotion	\$0	\$5,859	\$0	\$14,000	\$0	\$10,000
E042095 - Loss on Sale of Asset	\$0	\$117	\$0	\$0	\$0	\$8,713
E042096 - Prior Year Adjustments	\$0	\$424	\$0	\$0	\$0	\$0
E042100 - Depreciation	\$0	\$6,099	\$0	\$7,500	\$0	\$2,942
E042099 - Less Project Administration All	\$0	(\$19,030)	\$0	(\$19,030)	\$0	(\$12,500)
<b>PROJECT COSTS</b>						
E042106 - Landfill Management Strategy	\$0	\$0	\$0	\$60,000	\$0	\$60,000
E042107 - Project-Strat Planning Imp Plan	\$0	\$750	\$0	\$1,000	\$0	\$0
E042108 - Regional Business Planning RCG	\$0	\$750	\$0	\$1,000	\$0	\$0
E042109 - Asset Management Strategies	\$0	\$750	\$0	\$1,000	\$0	\$0
E042111 - Bus Planning Indig Comm	\$0	\$850	\$0	\$1,000	\$0	\$0
E042112 - Dvlp Business Cases for CLGF	\$0	\$59,000	\$0	\$12,387	\$0	\$75,000
E042125 - Strategic Plan	\$0	\$2,000	\$0	\$0	\$0	\$8,000
New Indigenous Services Service Delivery	\$0	\$0	\$0	\$0	\$0	\$55,000
E042113 - Refund of Opaid Project Admin	\$0	\$15,315	\$0	\$15,315	\$0	\$0
E042114 - Reg Business Plan Implem Proj	\$0	\$195,329	\$0	\$190,300	\$0	\$137,500
E042115 - Risk Management Project	\$0	\$18,853	\$0	\$66,000	\$0	\$47,147
E042116 - Public Sector Governance Projec	\$0	\$4,070	\$0	\$76,000	\$0	\$71,930
New - Regional Policy Development Project	\$0	\$0	\$0	\$60,000	\$0	\$10,000
E042118 - Regional Training Analysis & St	\$0	\$9,000	\$0	\$45,000	\$0	\$36,000
E042119 - Workforce Loc Analysis & Strat	\$0	\$925	\$0	\$35,000	\$0	\$34,075
E042120 - Pilbara-Kimberley Joint Forum	\$0	\$16,188	\$0	\$25,000	\$0	\$0
E042121 - Policy Portal	\$0	\$1,850	\$0	\$60,000	\$0	\$3,150
E042122 - ICT Governance	\$0	\$21,818	\$0	\$20,000	\$0	\$0
E042123 - ICT Strategies	\$0	\$13,200	\$0	\$60,000	\$0	\$46,800
E042124 - Regional Investment Tour	\$0	\$12,000	\$0	\$12,000	\$0	\$0
E042101 - Fly In Fly Out Study	\$0	\$34,536	\$0	\$0	\$0	\$103,608
E042127 Fly In Fly Out Grant Modelling	\$0	\$0	\$0	\$0	\$0	\$27,000
New - Bureau Services - Staff Sourcing	\$0	\$0	\$0	\$0	\$0	\$12,000
New - Bureau Services - Grants Master Planning	\$0	\$0	\$0	\$0	\$0	\$22,000
New - Bureau Services - Payroll Processing	\$0	\$0	\$0	\$0	\$0	\$150,000
New - Bureau Services - Project Portfolio Mgmt	\$0	\$0	\$0	\$0	\$0	\$15,000
New - Bureau Services - Web Assets	\$0	\$0	\$0	\$0	\$0	\$32,000
<b>Sub Total - GOVERNANCE - GENERAL OP/EXP</b>	\$0	\$755,406	\$0	\$1,101,377	\$0	\$1,327,447

Details By function Under The Following Programme  
And Type Of Activities Within The Programme

	Actual				Original		DRAFT BUDGET	
	2011-12		2011-12		2011-12		2012-2013	
	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure
<b>OPERATING INCOME</b>								
I042010 - Contributions MC - Op & Admin	(\$350,000)	\$0	(\$350,000)	\$0	(\$551,468)	\$0		
I042011 - Contributions MC - Projects	(\$476,019)	\$0	(\$447,000)	\$0	(\$332,589)	\$0		
I042040 - CLGF Development	(\$20,000)	\$0	\$0	\$0	(\$75,000)	\$0		
I042100 - Pilbara-Kimberley Joint Forum	(\$15,018)	\$0	\$0	\$0	\$0	\$0		
NEW - Regional Business Plan Implementation Gran	\$0	\$0	\$0	\$0	(\$137,500)	\$0		
<b>Sub Total - GOVERNANCE - GENERAL OP/INC</b>	<b>(\$861,037)</b>	<b>\$0</b>	<b>(\$797,000)</b>	<b>\$0</b>	<b>(\$1,096,557)</b>	<b>\$0</b>		
<b>Total - GOVERNANCE - GENERAL</b>	<b>(\$861,037)</b>	<b>\$755,406</b>	<b>(\$797,000)</b>	<b>\$1,101,377</b>	<b>(\$1,096,557)</b>	<b>\$1,327,447</b>		
<b>Total - GOVERNANCE</b>	<b>(\$866,893)</b>	<b>\$775,361</b>	<b>(\$797,000)</b>	<b>\$1,247,127</b>	<b>(\$1,097,312)</b>	<b>\$1,464,697</b>		

Details By function Under The Following Programme  
And Type Of Activities Within The Programme

	Actual 2011-12		Original Adopted Budget 2011-12		DRAFT BUDGET 2012-2013	
	Income	Expenditure	Income	Expenditure	Income	Expenditure
<b>TOURISM AND AREA PROMOTION</b>						
<b>OPERATING EXPENDITURE</b>						
E130030 · CLGF - Coastal Loc & Rest Proj	\$0	\$265,517	\$0	\$3,627,567	\$0	\$2,107,728
New - CLGF - Coastal Loc & Rest 11/12	\$0	\$0	\$0	\$0	\$0	\$3,795,338
E130040 · Tourism Short Stay Accomrn Proj	\$0	\$70,756	\$0	\$15,000	\$0	\$66,744
<b>Sub Total - TOURISM &amp; AREA PROMOTION OP/E</b>	<b>\$0</b>	<b>\$336,273</b>	<b>\$0</b>	<b>\$3,642,567</b>	<b>\$0</b>	<b>\$5,969,810</b>
<b>OPERATING INCOME</b>						
I130030 · CLGF Grant - Costal Loc & Rest	(\$2,275,067)	\$0	(\$2,275,067)	\$0	(\$3,714,103)	\$0
I130031 · Coastal Loc & Rest Stop Contrib	(\$55,000)	\$0	(\$1,265,000)	\$0	(\$84,000)	\$0
I130040 · Tourism Short Stay Acc. Project	(\$137,500)	\$0	(\$15,000)	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sub Total - TOURISM &amp; AREA PROMOTION OP/II</b>	<b>(\$2,467,567)</b>	<b>\$0</b>	<b>(\$3,555,067)</b>	<b>\$0</b>	<b>(\$3,798,103)</b>	<b>\$0</b>
<b>Total - TOURISM &amp; AREA PROMOTION</b>	<b>(\$2,467,567)</b>	<b>\$336,273</b>	<b>(\$3,555,067)</b>	<b>\$3,642,567</b>	<b>(\$3,798,103)</b>	<b>\$5,969,810</b>
<b>Total - ECONOMIC SERVICES</b>	<b>(\$2,467,567)</b>	<b>\$336,273</b>	<b>(\$3,555,067)</b>	<b>\$3,642,567</b>	<b>(\$3,798,103)</b>	<b>\$5,969,810</b>
<b>OTHER PROPERTY AND SERVICES</b>						
<b>SALARIES AND WAGES</b>						
<b>OPERATING EXPENDITURE</b>						
<b>NEW · Gross Total Salaries and Wages</b>	\$0	\$215,304	\$0	\$199,500	\$0	\$223,865
<b>NEW · Gross Total Salaries and Wages Allocated</b>	\$0	(\$215,304)	\$0	(\$199,500)	\$0	(\$223,865)
<b>Sub Total - SALARIES AND WAGES OP/EXP</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total - SALARIES AND WAGES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
NEW - (Surplus) / Deficit - Brought Forward	(\$736,810)	\$0	(\$742,003)	\$0	(\$3,075,142)	\$0
NEW - (Surplus) / Deficit - Carried Forward	\$0	\$3,075,142	\$0	\$221,876	\$0	\$576,886
<b>Sub Total - SURPLUS C/FWD</b>	<b>(\$736,810)</b>	<b>\$3,075,142</b>	<b>(\$742,003)</b>	<b>\$221,876</b>	<b>(\$3,075,142)</b>	<b>\$576,886</b>
<b>Total - SURPLUS</b>	<b>(\$736,810)</b>	<b>\$3,075,142</b>	<b>(\$742,003)</b>	<b>\$221,876</b>	<b>(\$3,075,142)</b>	<b>\$576,886</b>
NEW - Depreciation Written Back	\$0	(\$6,099)	\$0	(\$7,500)	\$0	(\$2,942)
000000 - Loss on Sale of Asset Written Back	\$0	(\$117)	\$0	\$0	\$0	(\$8,713)
000000 - Provision for Long Service Leave	\$0	(\$848)	\$0	\$0	\$0	(\$1,000)
NEW - Written Down Value Written Back	\$0	\$0	\$0	\$0	\$0	(\$16,894)
<b>Sub Total - WRITTEN BACK ITEMS</b>	<b>\$0</b>	<b>(\$7,063)</b>	<b>\$0</b>	<b>(\$7,500)</b>	<b>\$0</b>	<b>(\$29,549)</b>
<b>Total - DEPRECIATION</b>	<b>\$0</b>	<b>(\$7,063)</b>	<b>\$0</b>	<b>(\$7,500)</b>	<b>\$0</b>	<b>(\$29,549)</b>



Details By function Under The Following Programme  
And Type Of Activities Within The Programme

	Actual				Original		DRAFT BUDGET	
	2011-12		2011-12		2012-2013		2012-2013	
	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure
<b>FURNITURE AND EQUIPMENT</b>								
<b>GOVERNANCE</b>								
<b>EXPENDITURE</b>								
A10021 - Furniture & Equipment Purchases	\$0	\$613	\$0	\$0	\$0	\$0	\$0	\$0
NEW - New Printer	\$0	\$0	\$0	\$5,000	\$0	\$5,000	\$0	\$5,000
<b>Sub Total - CAPITAL WORKS</b>	\$0	\$613	\$0	\$5,000	\$0	\$5,000	\$0	\$5,000
<b>Total - GOVERNANCE</b>	\$0	\$613	\$0	\$5,000	\$0	\$5,000	\$0	\$5,000
<b>Total - FURNITURE AND EQUIPMENT</b>	\$0	\$613	\$0	\$5,000	\$0	\$5,000	\$0	\$5,000
<b>PLANT AND EQUIPMENT</b>								
<b>GOVERNANCE</b>								
<b>EXPENDITURE</b>								
A10011 - Plant & Equipment Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sub Total - CAPITAL WORKS</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total - GOVERNANCE</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total - PLANT AND EQUIPMENT</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTALS</b>	(\$4,180,325)	\$4,180,325	(\$5,109,070)	\$5,109,070	(\$8,003,738)	\$8,003,737		