



***DARLING DOWNS-MORETON RABBIT BOARD***

**ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 30-06-2012**

**Rodney N Towner**  
***Chairman***

**Renée Mackenzie**  
***Chief Executive Officer***

# Financial statements for the year ended 30 June 2012

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## Principal place of Business:

26 Wood Street  
Warwick Queensland 4370

# DARLING DOWNS-MORETON RABBIT BOARD

## CHAIRMAN'S ANNUAL REPORT 2011 - 2012

The Honourable John McVeigh MP  
Minister for Agriculture, Fisheries and Forestry

Dear Sir

It is my pleasure to present my report for the year ended 30th June 2012.

My Board's views have been conveyed to you in a letter dated 22<sup>nd</sup> June 2012. It is felt that as our new Minister, you should be made aware of how we have arrived at our present position. All of the following comments and correspondences thereto are on file in our office and should be in government files. These issues date back to January 2009 when we wrote to the Independent Review of Government Boards Committee. The same month we also wrote regarding the Weller/Webbe review which was viewed by the Board as unprofessional – insufficient consultation – findings based on mal-aligned information and was factually incorrect.

Numerous meetings were held culminating with a meeting with the then Minister Mulherin on 7<sup>th</sup> April 2009. It was accepted that further consideration could be extended until the draft report of Hyder Consulting Pty Ltd, an expensive misinformed interstate consultancy group, was due to be received on 15<sup>th</sup> April 2009. The impact of Recommendation 64 from this report was discussed with then Minister Mulherin, and the negative impact on the jobs and families of our permanent employees was stressed. There was no further communication with the board or its staff at this stage. The next event that occurred was the press release on ABC Rural radio on 23<sup>rd</sup> April 2009 which stated that 'Bligh cuts advisory Boards' and 'Darling Downs Moreton Rabbit Board abolished'. Premier Bligh, in response to Board questions, had no understanding that the Board employed staff and believed that we only existed in an advisory capacity. The Bligh government treated this board and its employees with incompetence, displaying a complete lack of understanding or the ability thereto of the Board and its workings.

Documented evidence and government audited financial statements would show the DDMRB fence is the most effective and cost efficient way of keeping rabbits out of southern Queensland. The Board is like the proverbial 'finger in the dyke' and once it is withdrawn the flood gates will open for rabbit populations to explode in southern Queensland. There is no accurate cost analysis available regarding the possible amalgamation. The only positive, is that it will cost more money. Money that the State Government obviously does not have, and precepted Local Authorities want assurances that guesstimations and wish lists will succeed, before advancing one further dollar.

Our present Government would have learned, that when amalgamations don't provide the benefits people were led to believe, there will be no expensive de-amalgamation. In the case of the fence amalgamations, if they don't prove effective, the alternative for the government of the day might be to abandon them. What a catastrophic situation for the people, both urban and rural, of southern Queensland.

It is considered that this might not be the last Chairman's Report for the Darling Downs Moreton Rabbit Board. Optimism fuels the belief that with our new government, there is still time for sanity and common sense to prevail.

The Chief Executive Officer's 'Year in Review' report covers our achievements over the last twelve months. The passion and dedication of all staff and Board Members, in another year of uncertainty and indecision of the previous government, is praiseworthy.

### **Rabbit-Proof Fence**

The rabbit fence commences at the back of the Lamington National Park near Mt Gipps and continues along the Queensland–New South Wales border until it reaches Cottonvale near Dalveen. From here it goes north-west along the Herries Range following the boundaries of the former Warwick-Stanthorpe, then Warwick-Inglewood Shires. It then passes through the former Millmerran Shire to the west of the township of Millmerran, through the Dunmore State Forest.

The fence then proceeds north-west through the State Forest on the western side of Cecil Plains onto the former Wambo Shire western boundary. From here it proceeds north-west through the Braemar Forest and then through the former Chinchilla Shire to Brigalow on the Warrego Highway. It then goes west following the Western Railway line to Goombi, between Chinchilla and Miles, and then proceeds north to link up with the Wild Dog Barrier Fence. At present there are 555 kms of rabbit fence and 184 kms of the fence is also top netted to exclude wild dogs.

The board maintained a workforce of fifteen full-time employees, and four casual employees during the 2011-2012 financial year. One full time Rabbit Compliance Co-ordinator, two part-time Rabbit Compliance Officers and Pest Animal Management Qld (Rabbit Compliance contractors) assist Inspector Ridge with rabbit compliance and eradication programs.

Sixteen men, including the Inspector and the Leading Hands, patrol the fence and carry out general maintenance & construction projects along the fence. Twelve men (permanents and casuals) equipped with four wheel drive vehicles maintained the sections from The Head east of Killarney to where the rabbit-proof fence links with the Wild Dog Barrier Fence north of Goombi, in the Western Downs Regional Council area. Patrolmen, either individually or in pairs, have an average of approximately 80 kilometres to maintain and repair. From The Head east to Lamington, patrols are much shorter and are carried out with 4wd utilities or all terrain vehicles. These shorter patrols on the eastern end of the fence are necessary due to the difficult terrain, coupled with lush growth in the Lamington National Park and Mt. Lindsay/Mt Gipps areas.

The part of Queensland protected by the rabbit-proof fence is approximately 28,000 sq kilometres in area and includes the local authority areas of Western Downs Regional Council, Toowoomba Regional Council and Southern Downs Regional Council. This is referred to as the Darling Downs Division. The Moreton Division consists of the local authority areas of Lockyer Valley Regional Council, Scenic Rim Regional Council, Ipswich City Council, Logan City Council and Gold Coast City Council.

## **The Board**

Composition of the Board of six members is as follows:

Chairman	Mr Rodney N Towner "Par-Deux Park" Dippel Rd Thornton Joined the Board 27/09/1994
Members	Mr David M Lawler "Banbridge" MS 848 Warwick Joined the Board 09/11/2000
	Mrs P Ann Collins, MS 29 Clifton (Deputy Chair) Joined the Board 24/04/2002
	Mr Neville P Hartwig, Goombungee Joined the Board 23/04/2007
	Vacancy – due to passing of Mrs Paula Laing in July 2008
Bio-Security Qld Rep.	Mr Graham Hardwick, Zone Leader, Biosecurity Queensland - Joined the Board 23/04/2007

Total payments to board members for meetings, special assignments and expense reimbursements were \$ 15,519 for the 2011-2012 financial year.

The board met six times during the year at approximately eight week intervals and the Chairman and individual board members have made field excursions during the year to inspect the fence at various locations and to inspect workers' accommodation.

## **Staff**

The current staff of nineteen employees are engaged as follows; Chief Executive Officer, Inspector, one Rabbit Compliance Co-ordinator, two Leading Hand/Patrolmen, thirteen fence maintenance/patrolmen (four of whom are casuals), and one casual administration officer. Two of the fence maintenance/patrolmen also carry out rabbit compliance duties on a part time basis.

All fencing staff are expected to cope with any aspect of the maintenance and repair of the fence, especially during floods and fires. Teamwork is used whenever and wherever it can be used to advantage.

## **Maintenance of Rabbit Fence**

The fence has been satisfactorily maintained throughout the year, in spite of more flooding along western sections of the fence. Flood damaged sections were repaired immediately once flood waters receded, and new flood gates and floodways have been installed in the fence in the Kogan and Millmerran areas to reduce the impact of future floods.

The usual damage was sustained from falling trees and limbs as well as damage caused by motor vehicles, cattle, kangaroos, foxes, pigs, echidnas etc. In all cases repairs were carried out at short notice, in minimum time with great dedication. Some

extra track maintenance and reconstruction work has been necessary, because of extensive periods of wet weather.

Slashing was carried out whenever necessary and possible. In the inaccessible sections annual cleaning was done using brushcutters, brushhooks and rake hoes. Hazard reduction burns and grading have been carried out in some sections to improve safety for employees, access to the fence and to facilitate fence maintenance.

The use of herbicides has continued during the year and the effects continue to be carefully monitored. The use of these herbicides is kept to a minimum. This work has relieved the risk of fire damage to the netting and improved the efficiency of fencing inspection by the patrolmen.

The Board continues to improve its methods of fencing, with the use of steel gate ends and concrete sills under gates, as well as steel mesh floodgates to allow a better flow of water through the rabbit fence. We also continue to improve the safety of areas around grids by removing large wooden posts and installing light mesh safety panels.

### **Field Operations**

Eradication and control work has continued and we have been successful in gaining improved co-operation from landholders, local authorities, natural resource management groups and landcare groups.

The board continues to initiate practices to enhance the health and safety of its employees. These include:

- training in the use of chainsaws and the wearing of protective clothing when using chainsaws;
- a performance appraisal system has been implemented
- purchasing new equipment as required;
- providing mobile phones, EPIRBs and UHF radios to all field staff due to remote area work;
- encouraging participation in relevant training; and
- conducting ongoing risk assessments of work practices and taking corrective action.

The board is fully committed to this aspect of employment and it will be an ongoing aim to educate all employees of their responsibilities for safety.

### **Plant and Vehicles**

During the year the following plant and vehicle upgrades were made:

- 3 x Toyota HiLux 4x4 Utilities
- 3 x Compressors
- 2 Brushcutters and 1 Chainsaw

The old vehicles were traded in at good prices or sold by private tender. The cost of replacement is mentioned elsewhere in the Financial Statements.

The board is continuing to review and upgrade the vehicles each year, so as to maintain a fleet of suitable and reliable vehicles. This policy continues to achieve the desired results in reducing the operation and maintenance costs.

## **Finance**

The board's budget, which must be submitted in April each year for approval, receives consideration in the state budget for the ensuing financial year. Local authorities in the respective divisions of the board are levied a precept which is set and collected by the state government. As Chairman, I contacted all relevant local authorities and made them aware of the board's financial requirements for the year 2012-2013.

The board is wholly funded from local authority precepts from within the Rabbit District and I must reiterate here that my board plays no part in the manner or level of precepts on any council within its area. During the year under review, the board received budget approval for \$1,329,755 for reimbursement.

## **Statutory Obligations**

The board has adopted a 3-year Business Plan, which is reviewed by the Inspector when formulating the annual works program and his 5 Year Works Plan.

As reported elsewhere, the board's operations are under a reviewed management approach with the duties and responsibilities of all employees being set down so that all concerned have a clear picture of the objectives of the board, and their respective roles in assisting the board to achieve its goals and objectives.

The economic and social objectives of the board are being achieved partly due to its sharp focus on its functions: i.e.

- To maintain the rabbit fence in rabbit-proof condition; and
- To ensure that land in the board's district is free of rabbits; and
- To endeavour to investigate any reports of rabbits within forty-eight hours.

## **Conclusion**

The rabbit-proof fence, which is under the Board's control, has been in existence for one hundred and nineteen (119) years. This fence provides cost effective, documented, efficient protection against the invasion of rabbits along our southern border. Rabbits are reported by various government sources, to be on the increase in southern states, especially just over our fence in New South Wales. We don't want this here.

As Chairman of the DDMRB, I feel in earlier comments, my position regarding the continuation of the DDMRB has been made abundantly clear. Rules regarding qualifications and appointment of Board Members, since the amalgamation of now eight Local Authorities, should be put in place. It would then mean that the Board and its fence can carry on with their legislated obligations. It would be nice to have some certainty for the future, in so saying it has been my pleasure working with these people to serve the State of Queensland.

Rodney N Towner  
**CHAIRMAN**

"Par-Deux Park"  
Thornton Via  
**LAIDLEY Q 4341**

## Chief Executive Officer's Year in Review 2011 – 2012

The board operates under a strategy of constant review, to ensure we achieve a balance of cost efficiency and operational outcomes. At present the pressure remains on the allocation of our funds between the fence maintenance / replacement programs and the rabbit eradication programs.

In line with the board's review strategy, a decision was endorsed by the Board of Directors in December 2011 to significantly increase the assistance to landholders with rabbit eradication and control activities. The new position of Rabbit Compliance Co-ordinator was created to manage the rabbit compliance program. This will enhance the board's ability to interact more cohesively with landholders, local authority pest management officers and state government scientists. The strong emphasis on the need for community involvement in rabbit eradication has been constantly reinforced by the new Rabbit Compliance Co-ordinator since his commencement in January 2012.

The unusually wet seasons over the past eighteen months have presented some challenges in managing the regular fence maintenance and upgrade program. Storm damage has necessitated repairs to significant sections of the access tracks on both sides of the fence.



We maintain a degree of flexibility in our work schedule, to enable our fencing staff to respond to any damage to the fence or the access tracks.



### Improvements to fence

During the past twelve months approximately 3.95 kilometres of new fencing have been constructed, under the supervision of Inspector Mark Ridge.

In addition to this, 13 kilometres of footnetting was replaced during normal fence maintenance patrols. New floodways and floodgates have also been installed at key locations to try to reduce the impact of flood waters and flood debris on the fence.



Track maintenance grading was carried out along approximately 248 kilometres of the fence. Drain clearing and vegetation slashing has been carried out where possible and herbicide spraying has assisted to control vegetation regrowth on both sides of the fence.

### **Fence patrols and fence maintenance**

Fifteen patrolmen (full-time permanents and casuals) carry out daily patrols along the fence, and each man completes a thorough inspection of his section each week, weather permitting. Patrols vary in length from 13 kilometres to 114 kilometres, depending upon terrain.

All patrolmen carry out maintenance and repairs to the fence on a daily basis and programs have been developed to replace plain wires and steel posts. Tree limbs and fallen trees are cleared from the fence and fence access tracks during normal patrols. Repairing damage from animals or vehicles, and the replacement of footnetting is done during the normal maintenance patrols.

Maintenance staff utilise various modes of transport to patrol along the rabbit-proof fence. Four wheel drive utilities, all terrain vehicles (Yamaha Rhinos) and 4wd tractors are used to carry out fence maintenance patrols and fence replacement work. Some sections of the fence along the Qld – NSW border traverse very steep extreme terrain and foot patrols are necessary along some parts of the fence, particularly in the Mt Gipps, Mt Clunie and Wilson's Peak areas.

### **Grids and gateways**



The grids and gateways maintenance or upgrade program has continued once again throughout the year. Two new gateways have been installed in the fence in the past twelve months and three gateways underwent a complete refurbishment. Shown at the left is the new Marylands Gate, which is located in a dog top-netted section of the fence near Cullendore.

Educating the public to keep gates in the rabbit-proof fence closed at all times is an ongoing challenge, particularly in the Cottonvale and Chinchilla areas.

Patrolmen regularly check the gates along the fence, and make every effort to ensure they are kept closed. The use of surveillance cameras has reduced the incidence of gates being left open, and this technology will be employed at strategic locations along the fence in the future.

Grid maintenance on major highways is a difficult issue for the board to manage, due to the volume of high speed traffic at some locations and also on arterial roads.

## Rabbit eradication and Pet rabbits

The appointment of Mr Will Dobbie to the newly created position of Rabbit Compliance Co-ordinator has vastly improved rabbit compliance outcomes and his wealth of skills and experience will see him have a substantial and positive impact.

Mr Dobbie has established a strong network of contacts within the precepted local authorities and he is working closely with pest management officers to increase the capacity of landholders to effectively manage rabbit infestations on their land.



The board responds to reports of illegal pet rabbits as a priority with the emphasis being on confiscation and educating pet owners of the consequences of breaching the Act, to ensure the pet owner understands their obligations under the Act.

Local authority assistance with pet rabbit confiscations has greatly reduced the amount of time spent dealing with pet rabbit reports, which at times can be resource intensive. The co-operation from local authority pest officers with investigating and resolving pet rabbit reports is greatly appreciated by the board.

## Investing in our people

In a tough labour market, the board has managed to attract and retain capable people. Team members regularly participate in training programs that are focussed on upgrading their skills and ensuring their safety and the safety of members of the public.

Staff members participated in and successfully completed:

- Chainsaw training
- Senior First Aid Certificate training
- ATV Training (4WD Yamaha Rhino)
- Certificate III in Agriculture (ChemCert) training
- Firearms Competency and Humane Destruction training & assessment

## **Safety Performance**

Workplace health and safety remains the highest priority and our goal is to maintain a safe and rewarding working environment for our employees. Employees have benefited from being involved in specifically tailored training and providing input to the process of acquiring the most suitable equipment to assist with manual tasks.

The very low incidence of lost time due to injury is testament to the capabilities and safety focus of our employees, who work in a physically demanding environment on a regular basis.

All employees demonstrate a strong commitment to safety and the Chairman and Board of Directors wholeheartedly support the training program and the acquisition of updated equipment which assists to provide a safe working environment.

## **Staff accommodation and cottage maintenance**

The provision of suitable housing in the more remote areas, as required under the relevant award, is a key factor in the recruitment and retention of experienced fencing staff. The regular maintenance program for board supplied housing has been carried out, with painting and renovations to various properties being completed during the year. The upgrading of kitchens, bathrooms, septic systems and the improvement of workshop/storage areas has been the focus this year. One new storage shed has been erected at the Millmerran Depot, to house the truck, fencing trailer and Quik-Spray unit. Fencing materials storage areas have also been improved where necessary.

## **Working collaboratively**

This year we engaged more directly with our key external stakeholders to achieve more effective rabbit eradication and compliance outcomes. This has been greatly facilitated by the engagement of the full time, professional Rabbit Compliance Co-ordinator.

We have put significant effort into communicating with landholders and local authority representatives to ensure they are provided with regular updates on works carried out by our fencing staff and our rabbit compliance officers. The Chief Executive Officer's & Inspector's Report, as well as the Rabbit Compliance Co-ordinator's Reports are distributed to all precepted councils, following endorsement by the Board of Directors.

The Annual Report is tabled in Parliament by our Minister each year and copies are freely available from the government website. Hard copies are distributed to Bills & Papers at Parliament House, the Minister for Agriculture, Fisheries and Forestry, the Leader of the Opposition, State Libraries and each precepted council. Further copies are provided to members of the public upon request, at no charge.

The board has encouraged publicity of the pest status of rabbits in Queensland and the role of the board, by board representatives attending local authority meetings, public forums, rabbit control field days and pest animal conferences or symposiums.

## **The year ahead and future planning**

Over the next twelve months we intend to accelerate the rabbit-proof fence replacement program and we will continue to offer support to landholders to eradicate rabbits from their properties.

My main focus as Chief Executive Officer is to assist the Chairman and Directors to provide responsible corporate and economic management, and to ensure that the board supports our employees in their efforts to maintain the fence and to control rabbits.

Inspector Mark Ridge will ensure that we retain the capacity to be responsive to emerging issues and that the rabbit-proof fence remains effective in preventing rabbit incursions into the board's operational area from the south.

## **Acknowledgements**

In conclusion, I would like to thank Chairman Rod Towner and the Board of Directors for their support and strategic advice throughout the past year. Our Board of Directors' demonstrate a robust and proactive approach to getting the job done efficiently and effectively, and ensuring we remain focussed on our key responsibilities.

I would also like to acknowledge the efforts of Inspector Mark Ridge and all employees in assisting myself and the board to fulfill our responsibilities to our Minister, the ratepayers in the board area and the community of south east Queensland in general.

**Renée Mackenzie**  
**Chief Executive Officer**

## **FIVE (5) YEAR WORK PLAN**

### **2012 - 2013**

- Reconstruction of 4 km of fence in Rywung area along the Miles-Chinchilla Road
- Reconstruction of 3 km of fence at Folkers Grid (Millmerran area)
- Refurbishment of fence (priority sections) between Cottonvale Grid and Red Tank Grid (approximately 4 km)
- Reconstruction of 2 km of fence near Little Hill towards Missing Link (Moreton Division)
- Upgrade fence access tracks and drainage systems along the fence
- Replace flood gates with floodways (Darling Downs division and Moreton Division)
- A continuation of rabbit compliance and public education & awareness activities within the board area
- A continuation of maintenance and upgrading of board houses – painting of at least one house per year and renovations to bathrooms and kitchens as required.

### **2013 - 2014**

- Reconstruction of 3 km of wild dog topnetted fence from Everleigh Gate south towards Karara
- Replace 3 km of fence at Kumbarilla – heading north
- Reconstruction of 2 km of fence at Everett's Hill to the Top Red Gate (Moreton Division)
- Refurbishment of 4 km of fence from Raff's Gate towards Avery's Hill (Karara area)
- Upgrade fence access tracks and drainage systems along the fence
- Replace flood gates with floodways (Darling Downs division and Moreton Division)
- A continuation of rabbit compliance and public education & awareness activities within the board area

- A continuation of maintenance and upgrading of board houses – painting of at least one house per year and renovations to bathrooms and kitchens as required.

### **2014 - 2015**

- Reconstruction of 5 km of fence – May Park area (Chinchilla)
- Replace 3 gateways in the Darling Downs division
- Reconstruction of 3 km of fence between One Tree Hill and the top of Mt Leslie (Killarney area)
- Refurbishment of 7 km of fence on the eastern side of Mt Leslie towards Jenners Mountain (Killarney area)
- Upgrade fence access tracks and drainage systems along the fence
- Replace flood gates with floodways (Darling Downs division and Moreton Division)
- A continuation of rabbit compliance and public education & awareness activities within the board area
- A continuation of maintenance and upgrading of board houses – painting of at least one house per year and renovations to bathrooms and kitchens as required.

### **2015 - 2016**

- Replace 5 km fence from The Bluff heading north west towards Tin Hut Gateway (Spring Creek area)
- Replace 5 km footnetting from Many Springs heading east (Dalveen area)
- Replace Everleigh Gate – gateway and 2 strain of fence
- Replace 2 km on Mt Glennie (Moreton Division)
- Upgrade fence access tracks and drainage systems along the fence
- A continuation of rabbit compliance and public education & awareness activities within the board area
- A continuation of maintenance and upgrading of board houses – painting of at least one house per year and renovations to bathrooms and kitchens as required.

## **2016 - 2017**

- Replace 5 km fence between Brigalow and Chinchilla along the Warrego Highway
- Replace 3 km fence from Redtank Grid to the east, towards Cameronian Grid
- Replace 5 km footnetting between the Tara Dog Fence and the Kumbarilla Grid – Moonie Highway vicinity
- Replace 2 km fence between White Swamp & Mt Clunie (Moreton Division)
- Replace floodgates with floodways (Darling Downs and Moreton Divisions)
- Upgrade fence access tracks and drainage systems along the fence
- A continuation of rabbit compliance and public education & awareness activities within the board area
- A continuation of maintenance and upgrading of board houses – painting of at least one house per year and renovations to bathrooms and kitchens as required.

### **General Comments:**

Replacement of footnetting is also carried out as part of fence refurbishment or replacement projects. We will continue to improve safety standards and training for our employees.

Rabbit compliance monitoring and eradication will continue to receive top priority, within our precepted operational area. Promotion and publicity for the role of the Darling Downs-Moreton Rabbit Board will be actively pursued.

**Mark Ridge**  
**Inspector**

**Statement of Comprehensive Income  
for the year ended 30 June 2012**

	Notes	2012 \$	2011 \$
<b>Income from continuing operations</b>			
<b>Revenue</b>			
User charges	1	12,375	12,014
Grants and other contributions	2	1,329,755	1,255,670
Other revenue	3	209,494	138,510
<b>Gains</b>			
Gain on sale of property, plant and equipment	4	16,080	42,897
<b>Total Income from continuing operations</b>		<b>1,567,704</b>	<b>1,449,091</b>
<b>Expenses from continuing operations</b>			
Employee expenses	5	835,275	697,413
Supplies and services	6	329,722	315,219
Depreciation	7	307,041	308,643
Other expenses	8	68,603	45,438
<b>Total Expenses from continuing operations</b>		<b>1,540,641</b>	<b>1,366,713</b>
<b>Operating result from continuing operations</b>		<b>27,063</b>	<b>82,378</b>
<b>Other comprehensive income</b>			
Increase/(Decrease) in Asset Revaluation Surplus	15	2,542,416	-
<b>Total other comprehensive income</b>		<b>2,542,416</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>2,569,479</b>	<b>82,378</b>



Darling Downs - Moreton Rabbit Board

**Statement of Financial Position  
as at 30 June 2012**

	Notes	2012 \$	2011 \$
<b>Current assets</b>			
Cash and cash equivalents	9	1,011,521	854,217
Receivables	10	9,043	1,247
Inventories	11	149,474	131,228
<b>Total current assets</b>		<b>1,170,038</b>	<b>986,692</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	7,204,106	4,780,972
<b>Total non-current assets</b>		<b>7,204,106</b>	<b>4,780,972</b>
<b>Total assets</b>		<b>8,374,144</b>	<b>5,767,664</b>
<b>Current liabilities</b>			
Payables	13	8,000	-
Accrued employee benefits	14	118,198	53,571
<b>Total current liabilities</b>		<b>126,198</b>	<b>53,571</b>
<b>Non-current liabilities</b>			
Accrued employee benefits	14	191,614	227,240
<b>Total non-current liabilities</b>		<b>191,614</b>	<b>227,240</b>
<b>Total liabilities</b>		<b>317,812</b>	<b>280,811</b>
<b>Net assets</b>		<b>8,056,332</b>	<b>5,486,853</b>
<b>Equity</b>			
Accumulated surplus		2,843,231	2,816,168
Reserves:			
Asset Revaluation Surplus	15	5,213,101	2,670,685
<b>Total equity</b>		<b>8,056,332</b>	<b>5,486,853</b>



Darling Downs - Moreton Rabbit Board

*Statement of Changes in Equity  
for the year ending 30 June 2012*

	Accumulated surplus		Asset Revaluation Surplus		Total	
	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$
Balance at 1 July	2,816,168	2,733,790	2,670,685	2,670,685	5,486,853	5,404,475
Operating Result from Continuing Operations	27,063	82,378	-	-	27,063	82,378
Total Other Comprehensive Income Increase/(Decrease) in Asset Revaluation Surplus	-	-	2,542,416	-	2,542,416	-
<b>Balance at 30 June</b>	<b>2,843,231</b>	<b>2,816,168</b>	<b>5,213,101</b>	<b>2,670,685</b>	<b>8,056,332</b>	<b>5,486,853</b>



Darling Downs - Moreton Rabbit Board

**Statement of Cash Flows  
for the year ended 30 June 2012**

	Notes	2012 \$	2011 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		1,474,312	1,344,730
Cash payments in the course of operations		(1,214,845)	(1,017,583)
Interest received		77,312	61,464
GST collected on sales		12,032	4,246
GST paid on purchases		(54,535)	(69,860)
GST remitted to the ATO		(12,032)	(4,246)
GST input tax credits from ATO		46,739	68,613
<b>Net cash provided by/(used in) operating activities</b>	16	<b>328,983</b>	<b>387,364</b>
<b>Cash flows from investing activities</b>			
Payment for property, plant, and equipment		(210,811)	(438,032)
Proceeds from disposal of property, plant and equipment		39,132	65,429
<b>Net cash provided by/(used in) investing activities</b>		<b>(171,679)</b>	<b>(372,603)</b>
Net increase (decrease) in cash and cash equivalents		157,304	14,761
Cash and cash equivalents at beginning of financial year		854,217	839,456
<b>Cash and cash equivalents at end of financial year</b>	9	<b>1,011,521</b>	<b>854,217</b>



# DARLING DOWNS - MORETON RABBIT BOARD

## Notes to and Forming Part of the Financial Statements for the year ending 30 June 2012

### A. Summary of Significant Accounting Policies

#### a. Objectives and principal activities of the Board

The Board's role is to maintain the 555 km barrier fence in rabbit-proof condition and to monitor for compliance with the *Land Protection (Pest and Stock Route Management) Act 2002*.

The aim of the fence maintenance program and the compliance activities is to ensure, as far as practical, that the Darling Downs-Moreton Rabbit Board rabbit district, as defined by the Act, is maintained free of rabbits.

The Board achieves this by carrying out regular inspections and upgrades of the fence and conducting property inspections to assess for rabbit infestations. If rabbits are located on a property within the rabbit district the Board provides technical advice to landholders to ensure the most effective eradication techniques are utilised.

#### b. Basis of Accounting

This financial report has been prepared in compliance with section 43 of the *Financial and Performance Management Standard 2009* and section 240 of the *Land Protection (Pest and Stock Route Management) Act 2002*.

The financial report is a general purpose financial report, and has been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial report complies with Treasury's Minimum Reporting requirements for the year ending 30 June 2012, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Board has applied those requirements applicable to not-for-profit entities, as the Board is a not-for-profit organisation. Except where stated, the historical cost convention is used.

#### c. Funding of the Board's Operations

The principal source of funding for the Board is by way of reimbursements received from the Land Protection Fund for which revenue (for the Board's purpose) is derived from Precept Levies issued by the Minister for Agriculture, Fisheries and Forestry upon Local Authorities within the Darling Downs - Moreton Rabbit District.

#### d. User Charges

User charges and fees controlled by the Board are recognised as revenue when received. The Board controls these revenues where they can be deployed for the achievement of the Board's objectives.



# DARLING DOWNS - MORETON RABBIT BOARD

## Notes to and Forming Part of the Financial Statements for the year ending 30 June 2012

### **e. Grants and Contributions**

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the Board obtains control over them.

### **f. Cash and Cash Equivalents**

For the purpose of the Statement of Financial Position, cash assets include all cash and cheques received but not banked at 30 June, as well as deposits at call with financial institutions.

### **g. Receivables**

Receivables are recognised at the nominal amount due at the time of the transaction. The collectability of receivables is assessed periodically, with provision being made for impairment. Terms range from seven (7) days to a maximum of three (3) months. No interest is charged and no security is obtained.

### **h. Inventories**

The materials on hand comprise of materials held at various locations for fence maintenance and are valued at the lower of cost and net realisable value.

### **i. Acquisition of Assets**

Actual cost is used for the initial recording of all non-current physical acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all costs incurred in getting the assets ready for use.

### **j. Property, Plant and Equipment**

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Land	\$1
Buildings	\$10,000
Infrastructure	\$10,000
Plant and equipment	\$5,000

Land improvements are included with buildings. Items with a lesser value are expensed in the year of acquisition.



# DARLING DOWNS - MORETON RABBIT BOARD

## Notes to and Forming Part of the Financial Statements for the year ending 30 June 2012

### **k. Revaluation of non-current physical assets**

Land, buildings and infrastructure are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and Queensland Treasury's *Non-Current Asset Accounting Policies for the Queensland Public Sector*.

Plant and equipment is measured at cost.

Non-current physical assets measured at fair value are comprehensively revalued at least once every five years with interim valuations, using appropriate indices, being otherwise performed on an annual basis where there has been a material variation in the index.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation reserve relating to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Crown reserve land is also made available, without charge, for use of the Board. As this land is not controlled by the Board it is not included in the financial report.

### **l. Depreciation of Property, Plant and Equipment.**

Land is not depreciated as it has an unlimited useful life.

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Board.

For each class of depreciable asset the following depreciation rates are used:

Asset Class	Asset Sub Class	Estimated useful life in years
Buildings and land improvements	Timber Residence	19 - 60
	Sheds	3 - 17
Infrastructure	Rabbit Proof Fence	25 - 50
Plant and equipment	Motor Vehicles	5 - 10
	Heavy Plant	1 - 10



# DARLING DOWNS - MORETON RABBIT BOARD

## Notes to and Forming Part of the Financial Statements for the year ending 30 June 2012

### *m. Impairment of Non-Current Assets*

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Board determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

### *n. Employee benefits*

#### *Wages, Salaries and Sick Leave*

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

Workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

#### *Annual Leave and Long Service Leave*

For unpaid annual leave and long service leave entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

#### *Superannuation*

Employer superannuation contributions are paid to Sunsuper, at 9%. Contributions are expensed in the period in which they are paid or payable. The Board's obligation is limited to its contribution to Sunsuper.



# DARLING DOWNS - MORETON RABBIT BOARD

## Notes to and Forming Part of the Financial Statements for the year ending 30 June 2012

### ***o. Taxation***

The Board is a statutory body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax and Goods and Services Tax (GST). As such, GST credits receivable from/payable to the ATO are recognised and accrued.

### ***p. Contingent Assets or Liabilities***

There were no known contingent assets or liabilities of a significant nature at 30 June 2012.

### ***q. Comparative Amounts***

Comparative information has been restated, where necessary, to be consistent with disclosures in the current reporting period.

### ***r. Issuance of Financial Statements***

The financial statements are authorised for issue by the Chairman and Chief Executive Officer of the Darling Downs-Moreton Rabbit Board at the date of signing the Management Certificate.

### ***s. Accounting Estimates and Judgements***

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have that potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Valuation of Property, Plant and Equipment - note 12

The Australian government passed its Clean Energy Act in November 2011 with a start date of 1 July 2012. The legislation will result in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012.

The flexible market-based price phase of the carbon pricing mechanism will commence on 1 July 2015. It will be preceded by a three-year period during which the price of permits will be fixed at \$23 per tonne or carbon dioxide equivalent in year one, \$24.15 in year two and \$25.40 in year three.



## DARLING DOWNS - MORETON RABBIT BOARD

### Notes to and Forming Part of the Financial Statements for the year ending 30 June 2012

Section 4.3.4 of Queensland Treasury's report on 'Carbon Price Impacts for Queensland' dated August 2011 indicates that, for non-residential construction activities, costs may increase by between 0.7 per cent and 0.8 percent over the period 2012-13 to 2015-16.

On this basis and other information available, the introduction of the carbon pricing mechanism is not expected to have a significant impact on Board's critical accounting estimates, assumptions and management Judgements.

#### **t. New and Revised Accounting Standards**

The Board has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The Board applies standards and interpretations in accordance with their respective commencement dates.

<b>At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.</b>	<b>Effective for annual report periods beginning on or after:</b>
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<i>AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (June 2010)</i>	1 July 2013
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<i>AASB 9 Financial Instruments (December 2010) and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	1 January 2013
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<i>AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 &amp; AASB 2011-8 and Interpretation 14]</i>	1 January 2013
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Initial application of the other Standards/Interpretations in issue but not yet effective is not expected to have any material impact on the Board's financial statements.



*Notes to and forming part of the financial statements (continued)  
for the year ended 30 June 2012*

	2012 \$	2011 \$
<b>1. User charges</b>		
Fee for service - Fence Maintenance	12,375	12,014
<b>Total user charges</b>	<b>12,375</b>	<b>12,014</b>
<b>2. Grants and other contributions</b>		
Land Protection Fund	1,329,755	1,255,670
<b>Total grants and other contributions</b>	<b>1,329,755</b>	<b>1,255,670</b>
<b>3. Other revenue</b>		
Interest	77,312	61,464
Recoveries and Refunds	20,746	53,698
Qld Reconstruction Authority Reimbursement	76,635	-
QGC Pty Ltd Reimbursement	12,047	-
Paddock Lease and House Rent	19,304	17,033
Other Revenue	3,450	6,315
<b>Total other revenue</b>	<b>209,494</b>	<b>138,510</b>
<b>4. Gain on sale of property, plant and equipment</b>		
Plant and equipment	16,080	42,897
<b>Total gain on sale of property, plant and equipment</b>	<b>16,080</b>	<b>42,897</b>



# Darling Downs - Moreton Rabbit Board

Notes to and forming part of the financial statements (continued)  
for the year ended 30 June 2012

	2012 \$	2011 \$
<b>5. Employee expenses</b>		
<b>Employee benefits</b>		
Wages and salaries	732,093	600,820
Employer superannuation contributions	66,411	57,081
Long service leave	2,556	14,728
Director Fees and expenses	15,380	12,090
Other employee benefits	7,492	4,298
<b>Employee related expenses</b>		
Workers' compensation premium	11,343	8,396
<b>Total employee expenses</b>	<b>835,275</b>	<b>697,413</b>

The number of employees including both full-time employees and part-time employees measured on a full time equivalent basis is:

Number of Employees:

16	16
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	2012 \$	2011 \$
<b>6. Supplies and services</b>		
Safety equipment & clothing	9,032	6,923
Materials - Fencing	32,768	9,386
Materials - Other	14,987	5,398
Repairs & maintenance	95,862	124,028
Printing & stationery	3,523	2,801
Electricity & gas	2,163	1,853
Telephone & postage	17,150	13,998
Advertising & signs	2,770	1,372
Rates	12,421	15,120
Computer supplies	6,852	3,654
Motor vehicle expenses	90,142	74,219
Portable and attractive items	16,672	28,278
Other	25,380	28,189
<b>Total supplies and services</b>	<b>329,722</b>	<b>315,219</b>
<b>7. Depreciation</b>		
Depreciation was incurred in respect of:		
Buildings	43,885	43,885
Infrastructure - Rabbit Proof Fence	148,919	144,715
Plant and equipment	114,237	120,043
<b>Total depreciation</b>	<b>307,041</b>	<b>308,643</b>



**Notes to and forming part of the financial statements (continued)  
for the year ended 30 June 2012**

	2012 \$	2011 \$
<b>8. Other expenses</b>		
Insurance premiums & registrations	31,693	30,768
Audit fees*	15,400	7,642
Revaluation Fees	10,500	-
Conferences and Seminars	2,009	1,578
Accounting fee	1,680	1,600
Subscription fee	1,080	1,080
Miscellaneous expenses	6,241	2,770
<b>Total other expenses</b>	<b>68,603</b>	<b>45,438</b>
*Audit fees include an amount of \$8,000 for the 2011-12 financial year in addition to the amount charged for 2010-11 of \$7,400. There are no non-audit services included in this amount.		
<b>9. Cash and cash equivalents</b>		
Cash on hand	75	75
Cash at bank	376,446	244,142
Cash on term deposit	635,000	610,000
<b>Total Cash and cash equivalents</b>	<b>1,011,521</b>	<b>854,217</b>
<b>10. Receivables</b>		
Receivable from the Australian Taxation Office	9,043	1,247
<b>Total receivables</b>	<b>9,043</b>	<b>1,247</b>
<b>11. Inventories</b>		
<i>Inventory not held for sale:</i>		
Materials and stores	149,474	131,228
<b>Total inventories</b>	<b>149,474</b>	<b>131,228</b>



Darling Downs - Moreton Rabbit Board

Notes to and forming part of the financial statements (continued)  
for the year ended 30 June 2012

	2012 \$	2011 \$
<b>12. Property, plant and equipment</b>		
<b>12.1 Land</b>		
At fair value	328,000	295,000
<b>Total land</b>	<b>328,000</b>	<b>295,000</b>
<b>12.2 Buildings</b>		
At fair value	1,881,573	1,730,350
Less: accumulated depreciation	(1,049,777)	(974,034)
<b>Total buildings</b>	<b>831,796</b>	<b>756,316</b>
<b>12.3 Infrastructure - Rabbit Proof Fence</b>		
At fair value	10,513,366	9,122,586
Less: accumulated depreciation	(4,909,867)	(5,856,129)
<b>Total infrastructure - Rabbit Proof Fence</b>	<b>5,603,499</b>	<b>3,266,457</b>
<b>12.4 Plant and equipment</b>		
At cost	946,510	900,990
Less: accumulated depreciation	(505,699)	(437,791)
<b>Total plant and equipment</b>	<b>440,811</b>	<b>463,199</b>
<b>Total property, plant and equipment</b>	<b>7,204,106</b>	<b>4,780,972</b>



## Darling Downs - Moreton Rabbit Board

### Notes to and forming part of the financial statements (continued) for the year ended 30 June 2012

#### 12. Property, plant and equipment (continued)

##### 12.5 Valuation of property, plant & equipment

Property, plant and equipment have been valued in accordance with AASB 116 Property, plant & equipment and Queensland Treasury's Non-Current Asset Accounting Policies for the Queensland Public Sector.

##### 12.5.1 Land, buildings and infrastructure

Land, buildings and infrastructure were comprehensively revalued as at 30 June 2012 by the Department of Environment and Resource Management using 'fair value' methodology. The valuation of land and buildings is based on current market values. For infrastructure assets, the basis for valuation is depreciated replacement cost. The Board has judged that these valuations materially represent fair value as at 30 June 2012.

##### 12.5.2 Plant and equipment

Plant and equipment is valued at cost in accordance with Queensland Treasury's Non-current Asset Accounting Policies for the Queensland Public Sector.

##### 12.6 Property, plant & equipment movement reconciliation

	Land 2012 \$	Buildings 2012 \$	Infrastructure 2012 \$	Plant and equipment 2012 \$	Total 2012 \$
Carrying amount at 1 July 2011	295,000	756,316	3,266,457	463,199	4,780,972
Acquisitions	-	-	95,910	114,901	210,811
Disposals	-	-	-	(23,052)	(23,052)
Assets reclassified as held for sale	-	-	-	-	-
Capitalisation of assets expensed in prior periods	-	-	-	-	-
Transfers between classes	-	-	-	-	-
External transfers	-	-	-	-	-
Revaluation increments	33,000	220,913	2,390,051	-	2,643,964
Revaluation decrements	-	(101,548)	-	-	(101,548)
Depreciation / amortisation	-	(43,885)	(148,919)	(114,237)	(307,041)
<b>Carrying amount at 30 June 2012</b>	<b>328,000</b>	<b>831,796</b>	<b>6,603,499</b>	<b>440,811</b>	<b>7,204,106</b>

	Land 2011 \$	Buildings 2011 \$	Infrastructure 2011 \$	Plant and equipment 2011 \$	Total 2011 \$
Carrying amount at 1 July 2010	295,000	800,201	3,205,176	373,738	4,674,115
Acquisitions	-	-	205,996	232,036	438,032
Disposals	-	-	-	(22,532)	(22,532)
Assets reclassified as held for sale	-	-	-	-	-
Capitalisation of assets expensed in prior periods	-	-	-	-	-
Transfers between classes	-	-	-	-	-
External transfers	-	-	-	-	-
Revaluation increments	-	-	-	-	-
Revaluation decrements	-	-	-	-	-
Depreciation / amortisation	-	(43,885)	(144,715)	(120,043)	(308,643)
<b>Carrying amount at 30 June 2011</b>	<b>295,000</b>	<b>756,316</b>	<b>3,266,457</b>	<b>463,199</b>	<b>4,780,972</b>

The Board has property plant and equipment with an original cost of \$303,558 that has a written down value of zero still being used in the provision of services.



Darling Downs - Moreton Rabbit Board

Notes to and forming part of the financial statements (continued)  
for the year ended 30 June 2012

	2012 \$	2011 \$
<b>13. Payables</b>		
<b>Current</b>		
Audit Fees	8,000	-
<b>Total payables</b>	<b>8,000</b>	<b>-</b>
<b>14. Accrued employee benefits</b>		
<b>Current</b>		
Accrued long service leave	34,423	-
Accrued annual leave	83,775	53,571
<b>Total current accrued employee benefits</b>	<b>118,198</b>	<b>53,571</b>
<b>Non-current</b>		
Accrued long service leave	100,293	120,146
Accrued annual leave	91,321	107,094
<b>Total non-current accrued employee benefits</b>	<b>191,614</b>	<b>227,240</b>

**15. Asset revaluation surplus by class**

	Land 2012 \$	Buildings 2012 \$	Infrastructure 2012 \$	Total 2012 \$
Balance 1 July 2011	90,000	560,596	2,020,089	2,670,685
Revaluation increments	33,000	220,913	2,390,051	2,643,964
Revaluation decrements	-	(101,548)	-	(101,548)
Impairment losses through equity	-	-	-	-
Impairment reversal through equity	-	-	-	-
<b>Balance 30 June 2012</b>	<b>123,000</b>	<b>679,961</b>	<b>4,410,140</b>	<b>5,213,101</b>
	Land 2011 \$	Buildings 2011 \$	Infrastructure 2011 \$	Total 2011 \$
Balance 1 July 2010	90,000	560,596	2,020,089	2,670,685
Revaluation increments	-	-	-	-
Revaluation decrements	-	-	-	-
Impairment losses through equity	-	-	-	-
Impairment reversal through equity	-	-	-	-
<b>Balance 30 June 2011</b>	<b>90,000</b>	<b>560,596</b>	<b>2,020,089</b>	<b>2,670,685</b>

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value. The decrement, being a reversal of a previous revaluation increment in respect of the same class of assets, has been recognised as a reduction of the asset revaluation surplus for that asset class.



Darling Downs - Moreton Rabbit Board

*Notes to and forming part of the financial statements (continued)  
for the year ended 30 June 2012*

	2012 \$	2011 \$
<b>16 Reconciliation of operating surplus to net cash from operating activities</b>		
Operating result from continuing operations	27,063	82,378
<b>Adjust for non-cash items</b>		
Depreciation	307,041	308,643
Gain on plant & equipment	(16,080)	(42,897)
<b>Changes in asset/liabilities</b>		
(Increase)/decrease in trade debtors	-	(1,247)
(Increase)/decrease in inventory	(18,246)	(2,254)
(Increase)/decrease in receivables	(7,796)	-
Increase/(decrease) in other liabilities	8,000	-
Increase/(decrease) in employee entitlements	29,001	42,741
	<b>328,983</b>	<b>387,364</b>
Cash used/provided by operating activities		

**17 Financial instruments**

**(a) Financial risk management**

The Board's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable. The directors' overall risk management strategy seeks to assist the Board in meeting its financial targets, whilst minimising the potential adverse effects on financial performance.

The Board does not have any derivative instruments at 30 June 2012.

The main risks the Board is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.



Darling Downs - Moreton Rabbit Board

**Notes to and forming part of the financial statements (continued)  
for the year ended 30 June 2012**

**17 Financial instruments (continued)**

**(b) Market risk**

The Board does not trade in foreign currency and is not materially exposed to commodity price changes. The Board is exposed to interest rate risk through its cash deposited in interest bearing accounts.

**(c) Interest rate risk**

Interest rate risk is managed with a mixture of fixed and floating rate bank accounts and deposits.

There has been no change to the Board's exposure to interest rate risk or the manner in which it manages and measures the risk from the previous year.

The Board'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 and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Rate %	Floating Interest Rate \$	Non-Interest Bearing \$	Total \$
<b>2012</b>				
<b>Financial Assets</b>				
Cash & cash equivalents	8.29%	1,011,446	75	1,011,521
		<u>1,011,446</u>	<u>75</u>	<u>1,011,521</u>
<b>2011</b>				
<b>Financial Assets</b>				
Cash & cash equivalents	7.26%	854,142	75	854,217
		<u>854,142</u>	<u>75</u>	<u>854,217</u>

**(d) Sensitivity analysis**

The following interest rate sensitivity analysis is depicting the outcome to Statement of Comprehensive Income should there be a 100 basis points movement in interest rates. It assumes that the rate would be held constant over the financial period, with the change occurring at the beginning of the financial period.

At reporting date, if the interest rate had been 100 basis points lower or higher on cash and cash equivalents the impact on profit and equity would be a corresponding movement in profit and equity of \$9,328 (2011: \$8,542).

**(e) Liquidity risk**

The Board manages liquidity risk by monitoring forecast cash flows and actual cash flows.

The Board is not exposed to any significant liquidity risk.

**(f) Credit risk**

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts indicated.



## Darling Downs - Moreton Rabbit Board

### Notes to and forming part of the financial statements (continued) for the year ended 30 June 2012

#### 17 Financial instruments (continued)

The following table represents an analysis of the age of the Board's financial assets as at 30 June 2012:

	2012		2011	
	Gross \$	Impairment \$	Gross \$	Impairment \$
Not past due	9,043	-	1,247	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 121 to one year	-	-	-	-
More than one year	-	-	-	-
	<b>9,043</b>	<b>-</b>	<b>1,247</b>	<b>-</b>

Based on the credit history of the receivables, it is expected that these amounts will be received when due.

#### 18 Commitments

##### (a) Capital expenditure commitments

The Board had no capital expenditure commitments as at 30 June 2012.

##### (b) Operating lease commitments

Operating expenditure commitment contracted for but not brought to account in the financial statements. The commitment relates to photocopier service lease agreement.

	2012 \$	2011 \$
Payable not later than one year	1,507	1,808
Payable later than 1 year but not later than 5 years	0	1507
	<b>1,507</b>	<b>3,315</b>

##### (c) Finance lease commitments

The Board had no finance commitments as at 30 June 2012

#### 19 Events occurring after balance date

On 10 March 2011, the then Minister announced that the Board and Wild Dog Barrier Fence will be amalgamated into one single entity to manage the barrier fences, with a planned commencement date for the new entity of 1 July 2013



**DARLING DOWNS-MORETON RABBIT BOARD**

**CERTIFICATE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Darling Downs-Moreton Rabbit Board for the financial year ended 30 June 2012 and of the financial position of the Board at the end of that year.

  
.....  
RODNEY N TOWNER  
CHAIRMAN

  
.....  
RENÉE MACKENZIE  
CHIEF EXECUTIVE OFFICER

09-08-2012  
.....  
DATE



## INDEPENDENT AUDITOR'S REPORT

To the Board of the Darling Downs – Moreton Rabbit Board

I have audited the accompanying financial report of the Darling Downs – Moreton Rabbit Board which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chairman and the Chief Executive Officer.

### *The Board's Responsibility for the Financial Report*

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

*Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Darling Downs – Moreton Rabbit Board for the financial year 1 July 2011 to 30 June 2012 and of the financial position as at the end of that year.

*JF Welsh*

J F WELSH FCPA  
(delegate of the Auditor-General of Queensland)



Queensland Audit Office  
Brisbane