



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

**ANNUAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 30-06-2013**

**Cr Ross Bartley**  
***Chairman***

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

# Financial statements for the year ended 30 June 2013

Page no.

## Contents

Chairman's Annual Report	3
Chief Executive Officer's Year in Review & Inspector's Five Year Works Plan	8
<b>Statement of Comprehensive Income</b>	<b>16</b>
<b>Statement of Financial Position</b>	<b>17</b>
<b>Statement of Changes in Equity</b>	<b>18</b>
<b>Statement of Cash Flows</b>	<b>19</b>
Summary of significant accounting policies	20
1 User charges	26
2 Grants and other contributions	26
3 Other revenue	26
4 Gain on sale of property, plant and equipment	26
5 Employee expenses	27
6 Supplies and services	27
7 Depreciation	27
8 Other expenses	28
9 Cash and cash equivalents	28
10 Receivables	28
11 Inventories	28
12 Property, plant and equipment	29
13 Payables	31
14 Accrued employee benefits	31
15 Asset revaluation surplus by class	31
16 Reconciliation of operating surplus to net cash from operating activities	32
17 Financial Instruments	32
18 Commitments	34
19 Events occurring after balance date	34
<b>Certificates</b>	
Darling Downs-Moreton Rabbit Board	35
Queensland Audit Office	36

## Principal place of Business:

26 Wood Street  
Warwick Queensland 4370

# DARLING DOWNS-MORETON RABBIT BOARD

## CHAIRMAN'S ANNUAL REPORT 2012 - 2013

The Honourable Dr 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 2013.

The optimism fuelled belief which I expressed in last year's annual report, that sanity and common sense would prevail, has come to pass. There is to be no abolition or amalgamation of our Board.

I thank you for your letter of 15<sup>th</sup> July 2013, conveying your thanks for past services and to notify me of my re-appointment as a Director of the new Board for a further term of three years. It is felt that the appointment of the new Board, consisting of local government nominated members, gives good representation for the precepted local authorities, who fund the Board's existence. The newly appointed Board gives the local authorities the opportunity to have a closer understanding of the Board's activities.

The Chief Executive Officer and I have visited most of the precepted local authorities to meet with elected members over the past twelve months. One issue that continually comes up for discussion, is the need for an in depth look at the precept percentages that the now eight local authorities pay. This is not an easy question, but one that some committee might investigate so as to explain better the precept payments allocations.

At the time of writing this Chairman's Annual Report, the newly appointed Board of Directors has not yet met, but will in the near future.

It should be mentioned that the Board's decision to appoint a Rabbit Compliance Co-ordinator and then to appoint a Rabbit Compliance Officer as well, has proved very successful. The interaction of these two officers with landholders and state and local government personnel has been exceptionally effective.

The Chief Executive Officer's Year in Review report contains many important issues and should be read in conjunction with my report.

### **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 2012-2013 financial year. One full time Rabbit Compliance Co-ordinator, one Rabbit Compliance Officer and Pest Animal Management Qld (Rabbit Compliance contractors) assist Inspector Ridge with rabbit compliance and eradication programs.

Fifteen men, including the Inspector and the Leading Hands, patrol the fence and carry out general maintenance & construction projects along the fence. Employees 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, as at 30 June 2013, 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 \$6,390.25 for the 2012-2013 financial year.

The board met three times during the year 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, one Rabbit Compliance Officer, two Leading Hand/Patrolmen, twelve fence maintenance/patrolmen (four of whom are casuals), and one casual administration officer. 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. The flood damaged sections were repaired immediately once flood waters receded, and new flood gates and floodways have been installed in the fence at key locations 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
- 1 x John Deere tractor
- 3 x Compressors & 5 Clip Guns
- Brushcutters, chainsaws & hand tools were replaced, as required.

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 \$1,402,890 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 more than one hundred and twenty (120) years. This fence has proven to be the most effective, cost efficient way to keep rabbits out of Queensland. We must retain our vigilance as rabbits, we are told, are increasing in numbers over the southern side of our fence.

As Chairman of the Darling Downs-Moreton Rabbit Board, I would like to put on record that the capacity of the fence to work successfully has been brought about by the passion and dedication of the staff and members of the previous Board and Boards.

It has been my pleasure to work with these people and I look forward to continuing this service for the people of Queensland.

Rodney N Towner  
**CHAIRMAN**

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

## Chief Executive Officer's Year in Review 2012 – 2013

The Darling Downs-Moreton Rabbit Board and management are united in our approach and are singularly focused on effective rabbit control within our defined operational area, which is approximately 28,000 square kilometres. We maintain the rabbit-proof fence and encourage and assist landholders to maintain their properties free of rabbits. With our limited resources, we are proud of what has been achieved over the last twelve months.

As mentioned in the Chairman's Report, the Board now has some certainty for the foreseeable future, with the announcement in October 2012 by Minister John McVeigh that the Board would not be amalgamated with the Wild Dog Barrier Fence. This announcement by Minister McVeigh was welcomed by all associated with the Board, and we can now implement our annual plan and five year works plan with confidence.

The Board of Directors provides strategic leadership to guide us forward each year. As part of the strategic future planning, in November 2012 the Directors considered our capacity to offer rabbit control advice and assistance to landholders. The outcome of this review was the decision to engage a second full time rabbit compliance officer. This officer commenced duty with the Board in January 2013 and he works under the supervision of the Rabbit Compliance Co-ordinator. These two officers interact with landholders, local authority pest management officers and state government pest management officers to achieve effective rabbit eradication outcomes.

The serious flood event in January 2013 presented several challenges and caused some interruption to the scheduled works program for the year. Regular fence inspections were maintained where possible and rectification works to repair flood damage were carried out in a timely manner. Various sections of the fence in the more flood prone areas were temporarily repaired and are still awaiting more permanent reconstruction by external contractors.



4WD all-terrain vehicles (Yamaha Rhinos) are used in the steeper sections to access the areas where the utilities cannot get through. During severe wind storms fallen trees block access along the tracks and cause damage to the fence. Patrolmen are expected to clear the tracks and repair the fence as part of their normal patrols.

**Erosion from floodwaters west of Chinchilla and clearing storm damage in the Mt Lindsay area**







During the past twelve months approximately 12.2 kilometres of new fencing have been constructed, under the supervision of Inspector Mark Ridge. This was done using a combination of external contractors and our own fencing staff.

*New sections of fence have been constructed in the following areas:*  
Kumbarilla 800m, Dalveen Reserve 1000m, Mt Leslie 2400m, Brigalow 400m, Red Tank 4200m, White Swamp 500m & Rywung 2900m.



In addition to this, 12.41 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 238 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**

Fourteen 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, track repairs and fence replacement work. Various 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



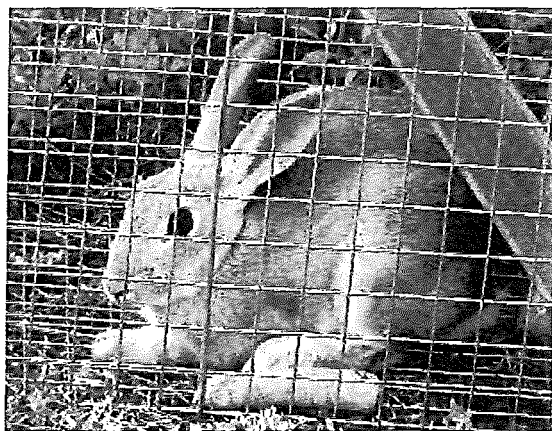
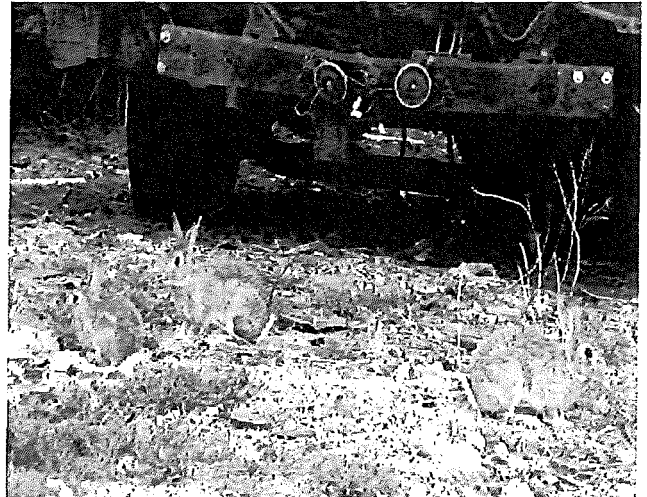
The grids and gateways maintenance or upgrade program has continued once again throughout the year. Two new gateways have been installed in the fence in the past twelve months and three gateways underwent a complete refurbishment.

Shown at the left is the new Dunmore Gate, which is located on the Millmerran patrol, near Dunmore Forest. We endeavour to encourage landholders and the public to assist us to ensure gates in the fence are kept closed at all times.

### Rabbit eradication and Pet rabbits

The appointment of another full time rabbit compliance officer to assist the Rabbit Compliance Co-ordinator has greatly increased our capacity to effectively investigate any reports of rabbit infestations or pet rabbits.

The compliance officers have continued to work co-operatively with the precepted local authorities and they liaise 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 requirements of applicable legislation. We regularly utilise a professional contractor when dealing with pet rabbit reports. Local authority assistance with pet rabbit investigations can greatly reduce the amount of time spent dealing with pet rabbit reports, which at times can be resource intensive. The co-operation from local authority pest management officers with investigating and resolving pet rabbit reports is greatly appreciated by the board.

Our rabbit compliance team face the challenge of liaising with people who are often primary producers dealing with their own issues and priorities. Some landholders demonstrate little tolerance of what they perceive as intrusive bureaucratic process, but generally most people eventually understand the need for co-operative neighbourhood programs to manage rabbit infestations. The local authorities and their residents are beginning to recognise the tangible benefits of the work of our rabbit eradication and compliance efforts.

### **Investing in our people**

In a very competitive labour market, the Board has managed to attract and retain candidates of appropriate capacity and skills. Nonetheless, remuneration levels have at times been insufficient to retain highly skilled staff.

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.

Over the last twelve months employees participated in and successfully completed:

- Chainsaw training
- Senior First Aid training
- ATV Training (4WD Yamaha Rhino)
- Certificate III in Agriculture (ChemCert) training
- 1080 Training (to allow them to use liquid pindone)
- Heavy Rigid driver licence 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. 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, as well as making improvements to rain water capture and storage tanks.

### **Working collaboratively**

We have worked very diligently over the past few years to liaise 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 Rabbit Compliance Officer to assist the 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 parliamentary website. Hard copies are distributed to Bills & Papers at Parliament House, the Queensland Premier, the Minister for Agriculture, Fisheries and Forestry, the Leader of the Opposition, State Libraries and each precepted local authority. 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, local shows, agricultural field days e.g. AgShow & FarmFest, public forums, rabbit control field days and pest animal conferences or symposiums. We have also installed more signage at key entry points into the protected area, to raise public awareness of the pest status of rabbits.

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

As part of the annual works plan for the next twelve months we intend to continue with our fence replacement program as well as focusing on an accelerated footnetting replacement program, to ensure the fence is as rabbit-proof as possible at all times. Our rabbit compliance staff 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 deal with emerging issues, and that the rabbit-proof fence remains as effective as possible in preventing rabbit incursions into the protected area from the south.

### **Acknowledgements**

I attribute our considerable achievements over the past year to the support of our Board of Directors, and the hard work and dedication of our staff. I would like to thank Chairman Rod Towner and the Board of Directors for their strategic advice throughout the past year, particularly in the area of forward planning.

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. We look forward to working with our team and with all our various stakeholder groups over the year ahead to meet the many challenges that await us and thank everyone for their support over the past year.

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

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

### **2013 - 2014**

- Reconstruction of 1.5 km of fence (rabbit height) at Boonarga (between Brigalow & Chinchilla)
- Reconstruction of 1 km of fence (rabbit height) at White Swamp (Moreton Division)
- Replacement of 10 km of footnetting & bottom plain wire from Western Creek Grid to Wooden Gate (Millmerran Patrol)
- Replacement of two gateways – Darling Downs 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.

### **2014 - 2015**

- Reconstruction of 5 km of fence – May Park area (Chinchilla)
- Replace 3 gateways - 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 Greymare 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 & 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.

## **2017 - 2018**

- Reconstruction of 5 km of fence (rabbit height) at Baking Board (West of Chinchilla)
- Reconstruction of 5 km of fence (wild-dog topnetted) from Cullendore Grid heading east
- Replace of two gateways – Darling Downs Division
- Replace peripheral fencing (wings etc) on three grid complexes – Darling Downs 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.

### **General Comments:**

Repairs to the rabbit-proof fence and access tracks as a consequence of the damage from the January 2013 floods is still ongoing. An insurance claim has been lodged and all repairs should be completed by December 2013.

Investigations are proceeding with relevant stakeholders to re-align a section of the rabbit-proof fence in the Chinchilla area. If this proposal proceeds this will reduce the impact of the rabbit-proof fence on future development on the southern side of Chinchilla.

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 2013**

	Notes	2013 \$	2012 \$
<b>Income from continuing operations</b>			
<b>Revenue</b>			
User charges	1	12,747	12,375
Grants and other contributions	2	1,402,890	1,329,755
Other revenue	3	76,388	209,494
<b>Gains</b>			
Gain on sale of property, plant and equipment	4	45,916	16,080
<b>Total Income from continuing operations</b>		<b>1,537,941</b>	<b>1,567,704</b>
<b>Expenses from continuing operations</b>			
Employee expenses	5	784,720	835,275
Supplies and services	6	302,367	329,722
Depreciation	7	360,935	307,041
Other expenses	8	51,476	68,603
<b>Total Expenses from continuing operations</b>		<b>1,499,498</b>	<b>1,540,641</b>
<b>Operating result from continuing operations</b>		<b>38,443</b>	<b>27,063</b>
<b>Other comprehensive income</b>			
Increase/(Decrease) in Asset Revaluation Surplus	15	-	2,542,416
<b>Total other comprehensive income</b>		<b>-</b>	<b>2,542,416</b>
<b>Total comprehensive income</b>		<b>38,443</b>	<b>2,569,479</b>



Darling Downs - Moreton Rabbit Board

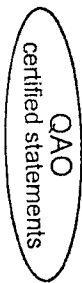
*Statement of Financial Position  
as at 30 June 2013*

	Notes	2013 \$	2012 \$
<b>Current assets</b>			
Cash and cash equivalents	9	937,950	1,011,521
Receivables	10	122	9,043
Inventories	11	124,650	149,474
<b>Total current assets</b>		<b>1,062,722</b>	<b>1,170,038</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	7,297,506	7,204,106
<b>Total non-current assets</b>		<b>7,297,506</b>	<b>7,204,106</b>
<b>Total assets</b>		<b>8,360,228</b>	<b>8,374,144</b>
<b>Current liabilities</b>			
Payables	13	8,200	8,000
Accrued employee benefits	14	54,132	118,198
<b>Total current liabilities</b>		<b>62,332</b>	<b>126,198</b>
<b>Non-current liabilities</b>			
Accrued employee benefits	14	203,121	191,614
<b>Total non-current liabilities</b>		<b>203,121</b>	<b>191,614</b>
<b>Total liabilities</b>		<b>265,453</b>	<b>317,812</b>
<b>Net assets</b>		<b>8,094,775</b>	<b>8,056,332</b>
<b>Equity</b>			
Accumulated surplus		2,881,674	2,843,231
Reserves:			
Asset Revaluation Surplus	15	5,213,101	5,213,101
<b>Total equity</b>		<b>8,094,775</b>	<b>8,056,332</b>

Darling Downs - Moreton Rabbit Board

*Statement of Changes in Equity  
for the year ended 30 June 2013*

	Accumulated surplus		Asset Revaluation Surplus		Total	
	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July</b>	2,843,231	2,816,168	5,213,101	2,670,685	8,056,332	5,486,853
Operating Result from Continuing Operations	38,443	27,063	-	-	38,443	27,063
Total Other Comprehensive Income						
Increase/(Decrease) in Asset Revaluation Surplus	-	-	-	2,542,416	-	2,542,416
<b>Balance at 30 June</b>	<b>2,881,674</b>	<b>2,843,231</b>	<b>5,213,101</b>	<b>5,213,101</b>	<b>8,094,775</b>	<b>8,056,332</b>



*The accompanying notes form part of these statements.*

**Statement of Cash Flows  
for the year ended 30 June 2013**

	Notes	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		1,431,447	1,474,312
Cash payments in the course of operations		(1,166,098)	(1,214,845)
Interest received		60,578	77,312
GST collected on sales		1,697	12,032
GST paid on purchases		(68,976)	(54,535)
GST remitted to the ATO		(1,687)	(12,032)
GST input tax credits from ATO		77,887	46,739
<b>Net cash provided by/(used in) operating activities</b>	16	<b>334,848</b>	<b>328,983</b>
<b>Cash flows from investing activities</b>			
Payment for property, plant, and equipment		(462,260)	(210,811)
Proceeds from disposal of property, plant and equipment		53,841	39,132
<b>Net cash provided by/(used in) investing activities</b>		<b>(408,419)</b>	<b>(171,679)</b>
Net increase (decrease) in cash and cash equivalents		(73,571)	157,304
Cash and cash equivalents at beginning of financial year		1,011,521	854,217
<b>Cash and cash equivalents at end of financial year</b>	9	<b>937,950</b>	<b>1,011,521</b>

# DARLING DOWNS - MORETON RABBIT BOARD

## Notes to and Forming Part of the Financial Statements for the year ending 30 June 2013

### 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 2013, 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 2013

### **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 receipted 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 2013

### **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 2013

### ***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 2013

### ***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 2013.

### ***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.

Section 4.3.4 of Queensland Treasury's report on 'Carbon Price Impacts for Queensland' dated August 2011 indicates that, for non-residential construction



## DARLING DOWNS - MORETON RABBIT BOARD

### Notes to and Forming Part of the Financial Statements for the year ending 30 June 2013

activities, costs may increase by between 0.7 per cent and 0.8 per cent 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>
<i>AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (June 2010)</i>	1 July 2013
<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
<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
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 2013**

	2013 \$	2012 \$
<b>1. User charges</b>		
Fee for service - Fence Maintenance	12,747	12,375
<b>Total user charges</b>	<b>12,747</b>	<b>12,375</b>
<b>2. Grants and other contributions</b>		
Land Protection Fund	1,402,890	1,329,755
<b>Total grants and other contributions</b>	<b>1,402,890</b>	<b>1,329,755</b>
<b>3. Other revenue</b>		
Interest	60,578	77,312
Recoveries and Refunds	5,365	20,746
Qld Reconstruction Authority Reimbursement	-	76,635
QGC Pty Ltd Reimbursement	-	12,047
Paddock Lease and House Rent	10,377	19,304
Other Revenue	68	3,450
<b>Total other revenue</b>	<b>76,388</b>	<b>209,494</b>
<b>4. Gain on sale of property, plant and equipment</b>		
Plant and equipment	45,916	16,080
<b>Total gain on sale of property, plant and equipment</b>	<b>45,916</b>	<b>16,080</b>

# Darling Downs - Moreton Rabbit Board

*Notes to and forming part of the financial statements (continued)  
for the year ended 30 June 2013*

	2013 \$	2012 \$
<b>5. Employee expenses</b>		
<b>Employee benefits</b>		
Wages and salaries	657,216	732,093
Employer superannuation contributions	67,675	66,411
Long service leave	33,338	2,556
Director Fees and expenses	7,389	15,380
Other employee benefits	4,977	7,492
<b>Employee related expenses</b>		
Workers' compensation premium	14,125	11,343
<b>Total employee expenses</b>	<b>784,720</b>	<b>835,275</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:

2013	2012
15	16

## 6. Supplies and services

	2013 \$	2012 \$
Safety equipment & clothing	4,806	9,032
Materials - Fencing	9,207	32,768
Materials - Other	6,920	14,987
Repairs & maintenance	116,786	95,862
Printing & stationery	2,641	3,523
Electricity & gas	2,091	2,163
Telephone & postage	17,025	17,150
Advertising & signs	1,542	2,770
Rates	13,125	12,421
Computer supplies	7,033	6,852
Motor vehicle expenses	83,867	90,142
Portable and attractive items	23,349	16,672
Other	13,975	25,380
<b>Total supplies and services</b>	<b>302,367</b>	<b>329,722</b>

## 7. Depreciation

Depreciation was incurred in respect of:

Buildings	48,821	43,885
Infrastructure - Rabbit Proof Fence	210,267	148,919
Plant and equipment	101,847	114,237
<b>Total depreciation</b>	<b>360,935</b>	<b>307,041</b>

Darling Downs - Moreton Rabbit Board

**Notes to and forming part of the financial statements (continued)  
for the year ended 30 June 2013**

	2013 \$	2012 \$
<b>8. Other expenses</b>		
Insurance premiums & registrations	34,417	31,693
Audit fees*	8,400	15,400
Revaluation Fees	-	10,500
Conferences and Seminars	171	2,009
Accounting fee	4,500	1,680
Subscription fee	750	1,080
Miscellaneous expenses	3,238	6,241
<b>Total other expenses</b>	<b>51,476</b>	<b>68,603</b>
*Audit fees for 2013 included an amount of \$8,200 for the 2012-13 financial year in addition to the amount charged for 2011-12 of \$200. There are no non-audit services included.		
<b>9. Cash and cash equivalents</b>		
Cash on hand	75	75
Cash at bank	302,875	376,446
Cash on term deposit	635,000	635,000
<b>Total Cash and cash equivalents</b>	<b>937,950</b>	<b>1,011,521</b>
<b>10. Receivables</b>		
Receivable from the Australian Taxation Office	122	9,043
<b>Total receivables</b>	<b>122</b>	<b>9,043</b>
<b>11. Inventories</b>		
<i>Inventory not held for sale:</i>		
Materials and stores	124,650	149,474
<b>Total inventories</b>	<b>124,650</b>	<b>149,474</b>

*Notes to and forming part of the financial statements (continued)  
for the year ended 30 June 2013*

	2013 \$	2012 \$
<b>12. Property, plant and equipment</b>		
<b>12.1 Land</b>		
At fair value	328,000	328,000
<b>Total land</b>	<b>328,000</b>	<b>328,000</b>
<b>12.2 Buildings</b>		
At fair value	1,881,573	1,881,573
Less: accumulated depreciation	(1,098,598)	(1,049,777)
<b>Total buildings</b>	<b>782,975</b>	<b>831,796</b>
<b>12.3 Infrastructure - Rabbit Proof Fence</b>		
At fair value	10,745,363	10,513,366
Less: accumulated depreciation	(5,120,134)	(4,909,867)
<b>Total infrastructure - Rabbit Proof Fence</b>	<b>5,625,229</b>	<b>5,603,499</b>
<b>12.4 Plant and equipment</b>		
At cost	1,054,730	946,510
Less: accumulated depreciation	(493,428)	(505,699)
<b>Total plant and equipment</b>	<b>561,302</b>	<b>440,811</b>
<b>Total property, plant and equipment</b>	<b>7,297,506</b>	<b>7,204,106</b>

## Darling Downs - Moreton Rabbit Board

### Notes to and forming part of the financial statements (continued) for the year ended 30 June 2013

#### 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 is based on current market values. For infrastructure assets and buildings, the basis for valuation is depreciated replacement cost. The Board has judged that these valuations, less an allowance for annual depreciation, materially represent fair value as at 30 June 2013.

##### 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	Buildings	Infrastructure	Plant and equipment	Total
	2013	2013	2013	2013	2013
	\$	\$	\$	\$	\$
Carrying amount at 1 July 2012	328,000	831,796	5,603,499	440,811	7,204,106
Acquisitions	-	-	231,997	230,263	462,260
Disposals	-	-	-	(7,925)	(7,925)
Assets reclassified as held for sale	-	-	-	-	-
Capitalisation of assets expensed in prior periods	-	-	-	-	-
Transfers between classes	-	-	-	-	-
External transfers	-	-	-	-	-
Revaluation increments	-	-	-	-	-
Revaluation decrements	-	-	-	-	-
Depreciation / amortisation	-	(48,821)	(210,267)	(101,847)	(360,935)
<b>Carrying amount at 30 June 2013</b>	<b>328,000</b>	<b>782,975</b>	<b>5,625,229</b>	<b>561,302</b>	<b>7,297,506</b>

	Land	Buildings	Infrastructure	Plant and equipment	Total
	2012	2012	2012	2012	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>5,603,499</b>	<b>440,811</b>	<b>7,204,106</b>

The Board has property plant and equipment with an original cost of \$218,908 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 2013

	2013 \$	2012 \$
<b>13. Payables</b>		
<b>Current</b>		
Audit Fees	8,200	8,000
<b>Total payables</b>	<b>8,200</b>	<b>8,000</b>
<b>14. Accrued employee benefits</b>		
<b>Current</b>		
Accrued long service leave	-	34,423
Accrued annual leave	54,132	83,775
<b>Total current accrued employee benefits</b>	<b>54,132</b>	<b>118,198</b>
<b>Non-current</b>		
Accrued long service leave	112,560	100,293
Accrued annual leave	90,561	91,321
<b>Total non-current accrued employee benefits</b>	<b>203,121</b>	<b>191,614</b>

**15. Asset revaluation surplus by class**

	Land 2013 \$	Buildings 2013 \$	Infrastructure 2013 \$	Total 2013 \$
Balance 1 July 2012	123,000	679,961	4,410,140	5,213,101
Revaluation increments	-	-	-	-
Revaluation decrements	-	-	-	-
Impairment losses through equity	-	-	-	-
Impairment reversal through equity	-	-	-	-
<b>Balance 30 June 2013</b>	<b>123,000</b>	<b>679,961</b>	<b>4,410,140</b>	<b>5,213,101</b>
	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>

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.

**Notes to and forming part of the financial statements (continued)  
for the year ended 30 June 2013**

	2013 \$	2012 \$
<b>16 Reconciliation of operating surplus to net cash from operating activities</b>		
Operating result from continuing operations	38,443	27,063
<b>Adjust for non-cash items</b>		
Depreciation	360,935	307,041
Gain on plant & equipment	(45,916)	(16,080)
<b>Changes in asset/liabilities</b>		
(Increase)/decrease in inventory	24,824	(18,246)
(Increase)/decrease in receivables	8,921	(7,796)
Increase/(decrease) in other liabilities	200	8,000
Increase/(decrease) in employee entitlements	(52,559)	29,001
	<b>334,848</b>	<b>328,983</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 2013.

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



**Notes to and forming part of the financial statements (continued)  
for the year ended 30 June 2013**

**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>2013</b>				
<b>Financial Assets</b>				
Cash & cash equivalents	6.22%	937,875	75	937,950
		<b>937,875</b>	<b>75</b>	<b>937,950</b>
<b>2012</b>				
<b>Financial Assets</b>				
Cash & cash equivalents	8.29%	1,011,446	75	1,011,521
		<b>1,011,446</b>	<b>75</b>	<b>1,011,521</b>

**(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 \$9,747 (2012 \$9,328).

**(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 2013**

**17 Financial instruments (continued)**

The following table represents an analysis of the age of the Board's financial assets as at 30 June 2013.

	2013		2012	
	Gross \$	Impairment \$	Gross \$	Impairment \$
Not past due	122	-	9,043	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 121 to one year	-	-	-	-
More than one year	-	-	-	-
	<b>122</b>	<b>-</b>	<b>9,043</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 2013.

**(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.

	2013 \$	2012 \$
Payable not later than one year	1,835	1,507
Payable later than 1 year but not later than 5 years	5,046	0
	<b>6,881</b>	<b>1,507</b>

**(c) Finance lease commitments**

The Board had no finance commitments as at 30 June 2013

**19 Events occurring after balance date**

On the 15th July 2013 the new Board of Directors was appointed by the Minister for Agriculture, Fisheries and Forestry, Dr John McVeigh. The first meeting of the new Board took place on the 22nd August 2013, and the new Chairman, Cr Ross Bartley, was elected as the Chairman of the Darling Downs Moreton Rabbit Board during this meeting.

**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 2013 and of the financial position of the Board at the end of that year.

  
.....  
CR ROSS BARTLEY  
CHAIRMAN

  
.....  
RENÉE MACKENZIE  
CHIEF EXECUTIVE OFFICER

  
.....  
DATE

## INDEPENDENT AUDITOR'S REPORT

To the Board of Darling Downs - Moreton Rabbit Board

I have audited the accompanying financial report of the Board of the Darling Downs - Moreton Rabbit Board, which comprises the statement of financial position as at 30 June 2013, 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 gives a true and fair view and 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 about 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 used 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 2012 to 30 June 2013 and of the financial position as at the end of that year.



C F Dougherty CPA  
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office  
Brisbane