

**Annual General Meeting of Electors Agenda - 15 May 2024
Attachments**

6.1 Annual Report.....2
**6.1.1 43586 TOPH Town of Port Hedland Annual Report 2022-23 D
7.....2**

Annual Report 2022-23



The Town of Port Hedland would like to acknowledge the Kariyarra, Ngarla, and Nyamal people as the Traditional Custodians of the Town of Port Hedland lands. We recognise their strength and resilience and pay our respects to their Elders past and present. We extend that respect to all Aboriginal and Torres Strait Islander people of the local community and recognise their rich cultures and their continuing connection to land and waters.

Advice:

This document may contain images of Aboriginal and Torres Strait Islander people who have passed away.

Welcome to the Annual Report

Welcome to the Town of Port Hedland's Annual Report 2022-23. This document outlines our financial and operational performance for the year against the goals and priorities set out in our Strategic Community Plan 2022-23 and the Annual Budget.

The Town is committed to transparency and aims to provide a report that goes over and above the statutory reporting requirements set out in the *Local Government Act 1995*.

The report is divided into the following main sections:

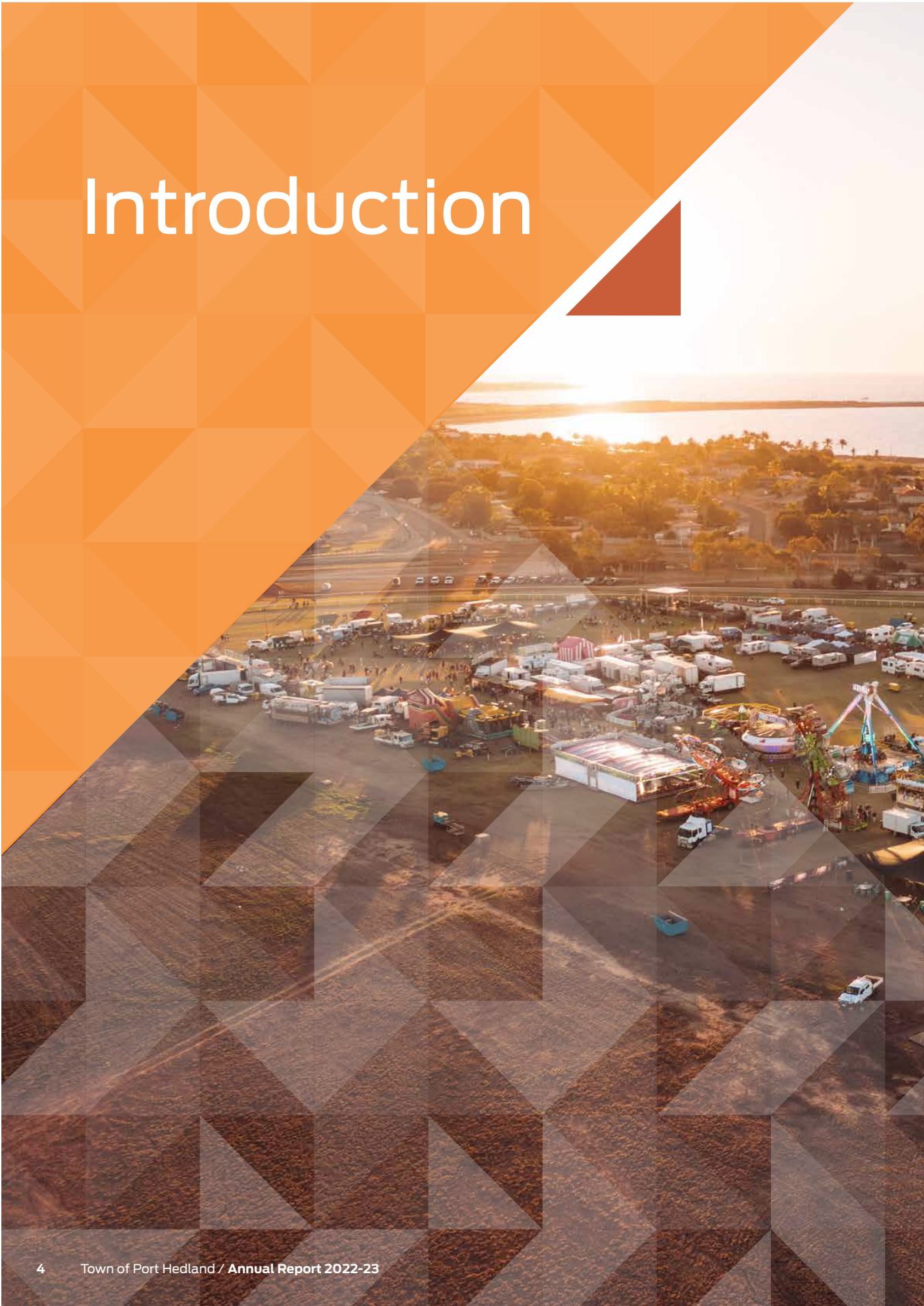
- Introductions from the Mayor and CEO
- About the Town and community
- Year in review
- Detailed performance
- Financial statements.



Contents

Introduction.....	4	Year in review	30
Message from the Mayor	6	Highlights.....	32
Message from the CEO.....	8	What we used your rates for	34
Our strategic direction	10	Financial performance summary	36
About us	14	Major projects	38
Our town	16	Communications and community engagement	41
Our community.....	17	Our achievements	44
Our heritage	18	Detailed performance	46
Governance.....	20	Our community.....	48
Our organisation	24	Our economy.....	54
Corporate Governance	28	Our built and natural environment	60
		Our leadership.....	64
		Financial statements	68

Introduction





Message from the Mayor

I am proud to present the Town of Port Hedland's Annual Report 2022-23 on behalf of the elected Council.

Port Hedland has continued to demonstrate its importance to the Australian economy, evidenced by the Federal Cabinet choosing to visit our region in February 2023.

Our total output is now estimated to be \$13.4 billion with mining accounting for three quarters of that output. It is positive to see the resources sector, which has been the backbone of our economy, continuing to thrive. The importance of the resources sector to our economy will not change as industry continues to expand its operations in and around our region, as well as increasing exports through the port of Port Hedland.

We have seen positive movements in the much-needed diversification of our economy. Over the year businesses developing projects that will diversify the wealth generated in Hedland have progressed with land acquisitions and development approvals. I look forward to seeing these projects coming to fruition and bringing positive benefits to our community.

It is interesting to note that while three quarters of our economic output is generated by the resources sector, that does not correspond with employment. Of the estimated 11,000 jobs in Port Hedland, only one third of these are in mining. These statistics reinforce the fact that for an economy to thrive, we need people in a range of different jobs. For example, we need teachers, healthcare professionals and people who ensure key services are delivered in our community, such as hospitality staff and those skilled in health and wellbeing.



One of the challenges facing Hedland is the strategy to attract suitable people to fill these roles, and ensuring the conditions are right for them to live here happily, in housing that is affordable and meets their needs, and with suitable childcare options.

There are many characteristics of our community that contribute to the liveability of Hedland and support people choosing Hedland as their home.

The Town plays a key role in advocating for change in areas including increasing housing in the local market, supporting childcare developments and advocating for increased healthcare services. We continue to advocate for change in these areas that are not the core responsibility of Local Government.

The Town is uniquely positioned to invest in infrastructure and services that support improved liveability.



A housing development in South Hedland will bring close to 80 additional homes to the market for people in key services.

The Town is uniquely positioned to invest in infrastructure and services that support improved liveability. We know that people want to live in a Town that is aesthetically pleasing, has suitable sporting and recreational amenity and is clean and tidy, for example.

Over the 2022-23 year we have seen key projects completed that have substantially changed the face of our Town. Milpaku Kuma / Port Hedland Community Centre has elevated the public amenity in Port Hedland while the expansion at the JD Hardie Youth and Community Hub and state-of-the-art shade structure over the South Hedland Skatepark have greatly increased year-round recreation space.

The Town has taken a leadership role in working to develop solutions to the housing crisis; we have committed to progressing a housing development in South Hedland that will bring close to 80 additional homes to the market, which are specifically for people employed in key services such as hospitality and health and wellbeing. I look forward to seeing this project coming to fruition as we continue conversations with State and Federal Government around funding.

Finally, I would like to acknowledge my fellow Elected Members for their hard work and commitment demonstrated throughout the year. I look forward to continued progress in the coming year as we collectively work to achieve great outcomes for the Hedland community.

Peter Carter
Mayor, Town of Port Hedland

Message from the CEO

It gives me great pleasure to provide this Annual Report of the Town of Port Hedland's activities for the 2022-23 year.

There are substantial achievements noted in this report which demonstrate progress towards our vision to collaboratively create a thriving, resilient and inclusive future for our diverse community.

In 2022 Council adopted a revised Strategic Community Plan, which lays out our vision for the future, and how we are going to get there. This Plan was informed by our community following an unprecedented community engagement process. I want to thank everyone who was involved in providing feedback – it has been truly valuable in helping us shape our vision for the future and ensuring we meet the wants and needs of our community.



*We are fortunate
to be in a strong
financial position.*



In addition to the Strategic Community Plan, we also adopted a revised Long-Term Financial Plan which allocates our spending to strategic projects and services to achieve the vision. We continued our progress on updating key strategic planning documents by commencing a refresh of our Corporate Business Plan and updating our Strategic Workforce Plan – both key plans that outline where we will allocate resources.

The Town of Port Hedland continues to face difficulties which make achieving our goals more challenging than some other Local Government Areas. For example, the rate of inflation has increased the cost of construction, which is already high in the Pilbara due to our need for cyclone-rated structures and remote location. It means that the cost of projects are consistently higher than our previously anticipated estimates.

We are fortunate to be in a strong financial position, however our funding is not endless, and we need collaboration across a range of partners to reach our goals. I want to thank those who have supported our endeavours to date, including our partners in the resources sector. Your contributions are appreciated by the community.

The Town also faces challenges in attracting and retaining staff who are needed to deliver on our work programs. Our projects to lift liveability in Hedland address some of this attraction difficulty; the more we can invest in making Hedland a place that people want to call home, and with the amenities and services expected of a regional town, the more we can attract people to join our team.

I am pleased to report that the Town has made positive progress in things that matter to our employees, including seeing a 25% reduction in the number of reported health and safety incidents. The Town also successfully transitioned to the State Industrial Relationship System on 1 January 2023 and renegotiated its Industrial Agreement early this year. An in-principal agreement was reached with the union after only three days of negotiations – one of the fastest in the state.

As you read through this report, you will see we have also seen progress across many areas including events, youth and community development, regulatory services and developing and maintaining valued infrastructure for our community. All this has been achieved in the context of a strong financial performance.

This year also saw the Town recognised in a number of state and national awards. It is thoroughly satisfying to see the hard work and dedication of our team acknowledged in these high-profile forums. For example, the Town was bestowed with awards for coastal management, placemaking initiatives, construction of the South Hedland Skatepark shade structure and community impact through our free swim program. I am proud that the Town of Port Hedland was also awarded the WorkSafe Plan Gold Certificate of Achievement, recognising our good progress towards a best practice approach to safety and health management.

It is important to note that the ultimate judge of our success is the community we are here to serve. I trust that you will see the progress we have made in 2022-23 and our vision for the future coming to life.

Thank you to the team who have made it possible for us to achieve so much in a short space of time. I look forward to another great year ahead.

Carl Askew

Chief Executive Officer, Town of Port Hedland

Our strategic direction

In July 2022 the Town of Port Hedland adopted the Strategic Community Plan 2022-32. The Plan is our blueprint for the future direction of the Town of Port Hedland and the community.

It was developed in partnership with the community through an extensive consultation process over eight months. This unprecedented community engagement included hearing almost 6,500 ideas about how we could build a better future for Hedland.

The resulting Plan charts a course for building prosperity, honouring cultural heritage, protecting our environment and upgrading and maintaining infrastructure.

Our vision is:

Together, we create a thriving, resilient and inclusive future for our diverse community.

This vision, outlining what the Hedland community aspires to become, is supported by the mission of the Town of Port Hedland, explaining why we exist and our overall intention.

Our mission is:

To guide the growth and development of the Hedland community, economy and environment through the provision of strong civic leadership, provision of high-quality services and facilitation of active community participation.

To fulfill our mission, and achieve our vision, we developed five guiding principles that are the fundamental, moral and ethical beliefs that we share as a community.

The Plan has been valuable in helping us shape our vision for the future.



Our guiding principles are:

- **Integrity, Openness, Respect and Accountability**
We will act in a professional, ethical, accountable, and transparent manner nurturing attitudes and behaviours that result in positive community building, relationships, transparency and enhanced community pride.
- **Teamwork, Unity and Collaboration**
We commit to a high-level of community, stakeholder and staff engagement, cooperation, partnership and networking.
- **Active Community Engagement and Citizenship**
We will respect the contributions of all community groups and ages fostering the mindset and actions that encourage greater community member involvement, volunteerism and ownership.
- **Inclusiveness and Diversity**
We will promote a future for all our community members, actively strengthening the social fabric of the community, valuing diversity and responding to special needs and disadvantage.
- **Innovation and Creativity**
As an organisation, we will encourage an enterprising spirit and initiative to achieve our community's aspirations and Council's vision.

The Strategic Community Plan 2022-32 has four goals that outline the intent of our efforts towards accomplishing our vision. This annual report documents our progress against each of these four goals:

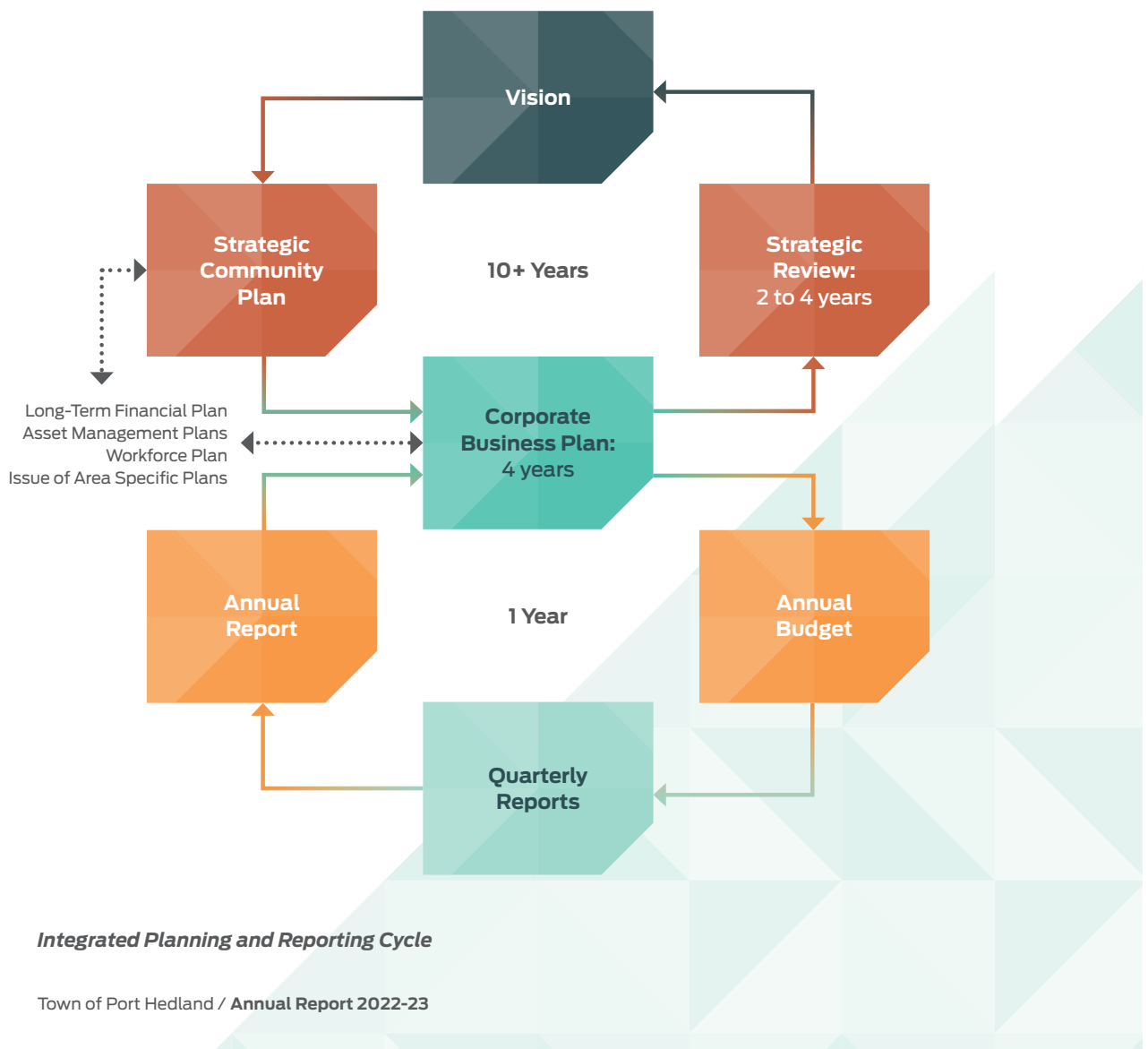
- **Our community**
We honour our people and our cultural heritage – ensuring wellbeing, diversity, creativity and strong civic dialogue and engagement.
- **Our economy**
We build prosperity for all, enabling sustained and diversified economic and employment growth.
- **Our built and natural environment**
We treasure and protect our natural environment, and provide sustainable and resilient infrastructure and built form.
- **Our leadership**
We are united in our actions to connect, listen, support and advocate thereby leveraging the potential of our people, places and resources.

There are many characteristics of our community that contribute to the liveability of Hedland and support people choosing Hedland as their home.

Integrated planning framework

The Integrated Planning Framework outlines the planning processes that ensure alignment with our community’s aspirations, as set out in the Strategic Community Plan. Over the 2022-23 year the Town undertook a detailed refresh of its Corporate Business Plan. Future Annual Reports will demonstrate our progress against the Corporate Business Plan, which is the operational document that sets out how we will deliver on the Goals in the Strategic Community Plan.

The Long-Term Financial Plan sets out the intended funding allocation across capital and operations expenditure to support the aspirations in the Strategic Community Plan. The Town adopted a refreshed Long-Term Financial Plan in September 2022. The financial statements in this Annual Report outline the financial performance against the first year of the Long-Term Financial Plan. The statements have comparatives to adopted budget and prior year actuals.



Sustainability

In December 2022 the Town adopted its first Environmental Sustainability Strategy. This five-year Strategy sets out the Town's plan for protecting our natural environment while supporting social and economic growth. It provides pathways for systemic transformation in our practices and the way we deliver infrastructure and services.

Environmental sustainability requires an integrated approach that considers environmental factors in social and economic development. It is based on the concept that each of these domains need to be in balance if humans are to live a quality life.

This Strategy grounds sustainability strategies under five key impact areas, each with corresponding actions to be completed within the five-year scope of the Strategy.

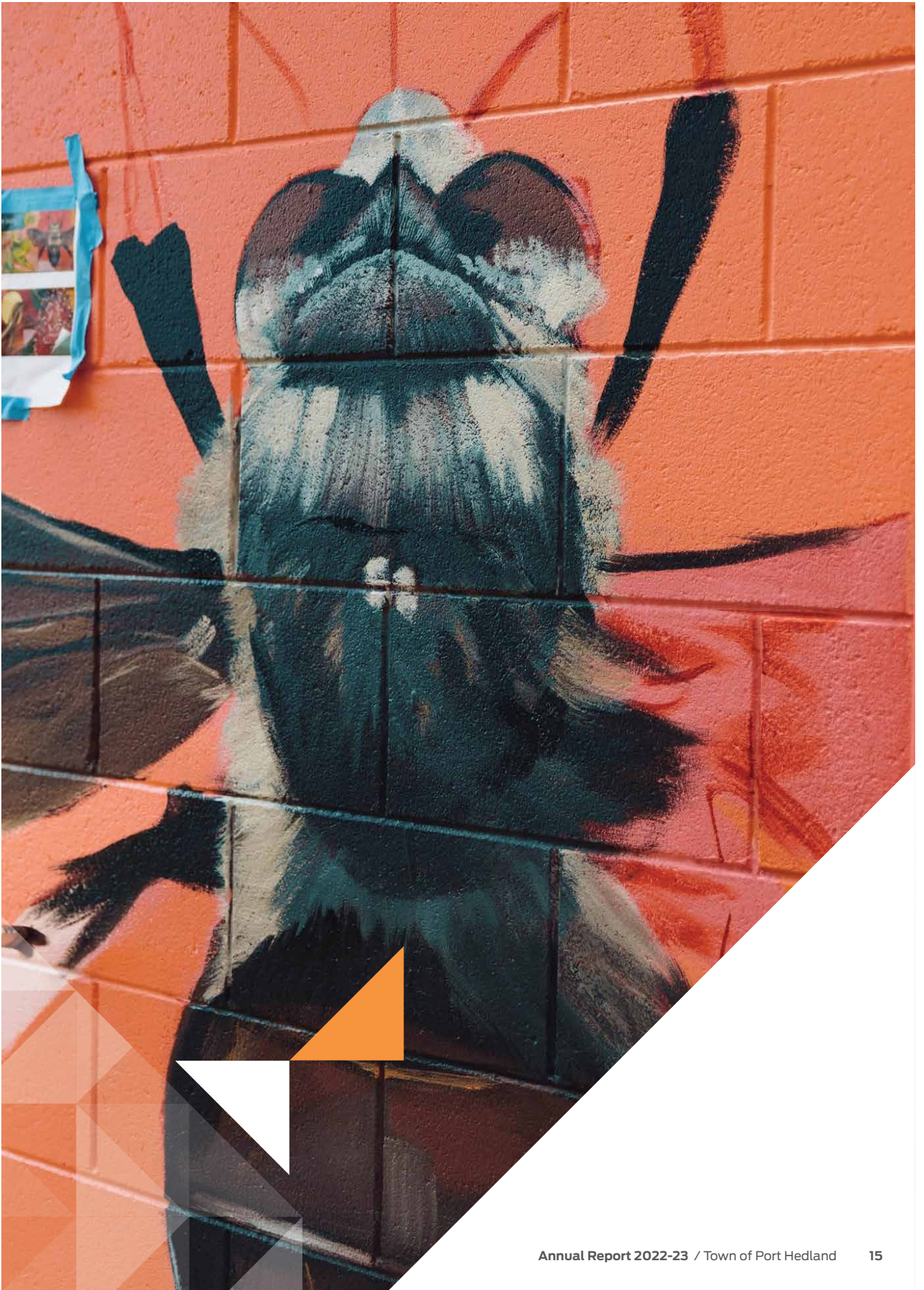
The five key impact areas are:

- Climate change and energy,
- Waste,
- Water,
- Natural environment, and
- Sustainable development, planning and infrastructure.



About us





Our town

The Town of Port Hedland is a dynamic community in Western Australia's Pilbara region, located approximately 1,800 kilometres north of Perth.

Covering 12,000 square kilometres, the Town is home to 17,000 people from diverse cultural backgrounds, with most of the urban population living in the twin settlements of Port Hedland and South Hedland.

Physically, Port Hedland's town is dominated by its natural deep anchorage harbour. Included in the Town of Port Hedland area is the industrial precinct of Wedgefield and the remote communities of Strelley and Yandeyarra. Although recognised for its significant port and resource industry contributions, Hedland also continues to be a vital part of the Pilbara region for arts and culture, ecology, sport, business, tourism and regional services.

Hedland is home to unique desert landscapes, a tropical savannah climate, internationally renowned nature reserves and a stunning coastal waterfront which continues to attract both residents and tourists.

The allure of Port Hedland continues to attract people to our town. While we currently have around 7,000 households, that's expected to increase by 30% in the next 15 years.



Our community



17,000
estimated population 2022

24,000
population forecast 2041

75%
aged under 50

55%
aged under 34

33
median age

18%
Aboriginal or
Torres Strait Islander

13%
speak a language
other than English

30%
born
overseas

Our heritage

Port Hedland is steeped in 40,000+ years of Kariyarra lore and activity.

Kariyarra people refer to the area as Marapikurrinya, which alludes to the hand-like formation of the coastal tidal creeks. The larger Pilbara region is what local custodians call Bilybarra, meaning 'dry country', an area that embodies many sacred sites and over 31 language groups. The Pilbara's Aboriginal culture continues to be inextricably connected to the patterns, processes and duties of traditional lore, which date back to the original creation of the distinctive land features that exist today.

Non-Indigenous settlement began in April 1863, when Captain Peter Hedland, aboard the ship *Mystery*, ran aground in the narrow entrance of a channel while looking for locations for a port to service the expanding Pilbara pastoral industry. He named the site, Mangrove Harbour after observing an impressive body of water appearing like an inland lake. Two months later, the state's Surveyor-General renamed the area Port Hedland in the Captain's honour.

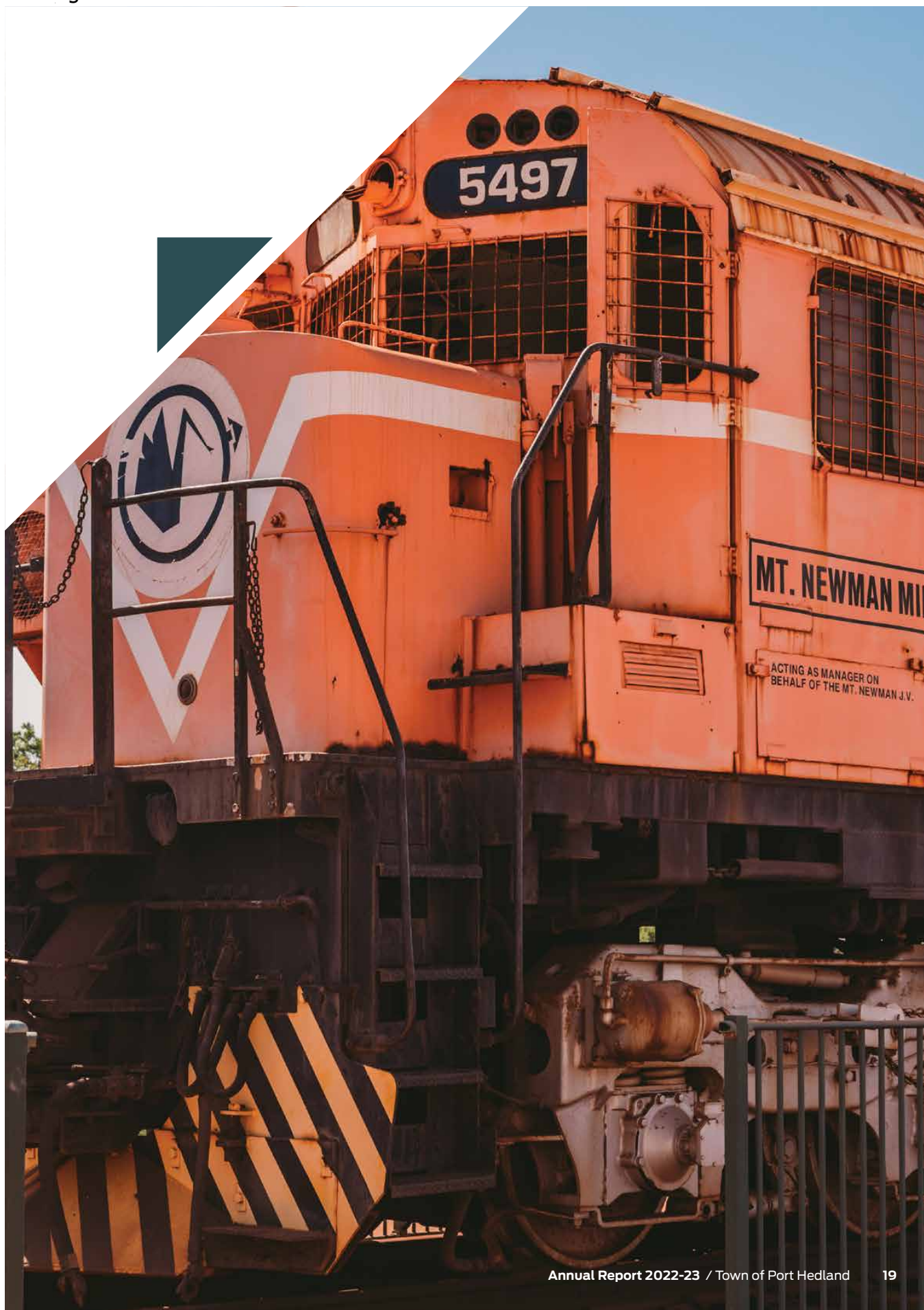
The town was gazetted in 1895 with lots for sale at £50 each. Most early settlers arrived looking for opportunities in pearling or farming, and later, in gold mining. The discovery of hinterland iron ore deposits in 1965 with its subsequent mining and export brought significant development. Goldsworthy Mining developed an iron ore mine approximately 100 kilometres east of Port Hedland.

A rail line was then built to Port Hedland, where dredging was undertaken to deepen and widen the port's channel. A wharf was built opposite the township of Port Hedland on Finucane Island.

Shipment of ore began on 27 May 1966. In 1967, iron ore was discovered at Mount Whaleback and a mining venture was undertaken that included the establishment of the town of Newman, 426 km of rail from the mine to the port and the development of processing equipment at both Newman and Port Hedland. In 1986, at a cost of \$87 million, the existing channel was dredged to allow larger ships to enter the port. Prior to dredging, the port was only able to load vessels of less than 2,000 tonnes, but today it is able to accommodate ships over 250,000 tonnes.

A series of mining booms over the last 30 years have shaped the town into one of the most significant resource and port hubs in Australia. The population of the Town has grown from 150 in 1946 to 3,000 in 1986. Today, we are a community of around 17,000 and 48 nationalities.

A series of mining booms over the last 30 years have shaped the town into one of the most significant resource and port hubs in Australia.



Governance

Democratic Governance

The definition of governance can vary based on the context to which it is being applied.

The role of Governance within the Town of Port Hedland is to act as a guiding hand in accordance with our Charter of Values.

Governance provides support and advice where necessary to members of Council, as well as internal and external stakeholders to ensure maximum value is provided to the Town through sound, orderly decision making and project implementation.

Where required, Governance also assists with compliance with legislative requirements. Good governance results in:

- Strong organisational culture,
- Sustainability and growth,
- Organisational and departmental accountability,
- Improved communication,
- Robust working relationships,
- Reduced risk exposure,
- Increased funding potential,
- Enhanced reputation, and
- Delivery of efficient and effective services to the Town.

The Town of Port Hedland Council consists of elected local members who act as representatives of the Town and the Community's interests. At present the Council has a Mayor and eight (8) Councillors. The Town of Port Hedland holds elections every two (2) years to re-elect half of the available positions. Each position once elected is held for four (4) years. The position of Deputy Mayor is allocated internally by a decision of the Councillors. All members of the public who are registered on the State Electoral Role and are registered within the Town as an eligible member are able to and encouraged to vote.

The Role of Council

The role of the Mayor and Councillors is to consider matters that apply to the local community and make decisions on behalf of the community in regards to those matters. This includes the making of local laws, improvement projects, funding for local clubs/committees and the general day-to-day management of the Town.

It is the role of the Mayor to:

- Preside at meetings according to the relevant legislation,
- Provide leadership and direction to the Port Hedland community,
- Conduct both civic and ceremonial duties on behalf of the Town of Port Hedland,
- Act as the voice of the Town of Port Hedland,
- Engage with the CEO on matters affecting the Town and the execution of the Town's functions.

Under section 5.34 of the *Local Government Act 1995 (WA)* the Deputy Mayor is permitted to perform the functions of the Mayor when authorised to do so.

The role of Council Members is to:

- Represent the interests of the community,
- Provide leadership and direction to the Port Hedland community,
- Engage in conversation with the community and Council, and
- Participate in Council Meetings and decision making processes.



Council Meetings

The Town holds Ordinary Council Meetings generally every four weeks on a Wednesday evening in Chambers above the Port Hedland Civic Centre. The Mayor presides over these meetings which are also attended by the Councillors, the CEO and the business unit Directors. Reports are presented to the Council of matters requiring consideration inclusive of information and advice to assist with decision making. Members of the community are welcome to attend meetings and engage Council

during question time (based on matters presented in the Agenda). Council meetings, inclusive of question time, are recorded in the Council Minutes, which are later published on the Council website to the extent permitted by law.

Special Meetings are held as required and are called when matters require consideration before the next Ordinary Meeting is due to take place. Procedure and protocol remain the same as Ordinary Council Meetings.

Council members

Member	Elected	Expiry of term
Peter Carter – Mayor	October 2021	October 2025
Ash Christensen – Deputy Mayor	October 2021	October 2025
Sven Arentz	October 2023	October 2027
Flo Bennet	October 2021	October 2025
Camilo Blanco	October 2023	October 2027
Lorraine Butson	October 2023	October 2027
Renaë Coles	October 2020	October 2023
David Eckhart	October 2021	November 2023
Jan Gillingham	October 2020	October 2023
Jason Keller	May 2022	October 2022
Ambika Rebello	October 2023	October 2027
Tim Turner	October 2021	October 2025
Elmar Zielke	October 2020	October 2023



Audit and Risk Committee attendance

Audit, Risk and Compliance Committee Meetings		
Name	Held during term of office	Attended during term of office
Councillor Tim Turner	4	2
Councillor Ash Christensen	4	4
Councillor Flo Bennett	4	3

Elected Member attendance

Name	Ordinary Council Meetings		Special Council Meetings		Electors Meetings		Total	
	Held during term of office	Attended during term of office	Held during term of office	Attended during term of office	Held during term of office	Attended during term of office	Held during term of office	Attended during term of office
Mayor Peter Carter	12	12	1	1	1	1	14	14
Councillor Tim Turner	12	10	1	1	1	0	14	11
Councillor Renae Coles	12	9	1	1	1	1	14	11
Councillor Jan Gillingham	12	11	1	1	1	1	14	13
Councillor Elmar Zielke	12	11	1	1	1	0	14	12
Councillor David Eckhart	12	10	1	1	1	1	14	12
Councillor Ash Christensen	12	11	1	1	1	1	14	13
Councillor Flo Bennett	12	9	1	0	1	1	14	10
Councillor Jason Keller	12	9	1	1	1	0	14	10

Review of Local Laws – Governance

Under the *Local Government Act 1995* (Act) and as part of its legislative functions, Council is able to make and review local laws as a way of providing good governance to the community, and reflecting current community standards.

Local laws made by Local Governments cover such issues as the activities permitted on public land, animal management, and use of Local Government facilities.

In accordance with Section 3.16 of the *Local Government Act 1995*, local laws are required to be reviewed within an eight-year period after their commencement, to determine if they should remain unchanged, repealed or amended.

The Town did not adopt any Local Laws during 2022-23.

Elected Member Remuneration

The remuneration, fees, allowances or expenses provided to Elected Members are determined by the Salaries and Allowances Tribunal (SAT) in accordance with Section 7B of the *Salaries and Allowances Act 1975* (SAA).

In July 2022, the Council endorsed an Elected Member Allowances, Facilities and Expenses Policy, which sets out the fees and allowances payable and permitted expenses that may be reimbursed to elected members as follows.

- Meeting attendance fees
- Mayoral allowances
- Deputy mayoral allowances
- Information and communication technology (ICT) allowances

The policy allows Elected Members to receive up to the maximum annual allowances and fees determined by the tribunal and as approved in the budget. In addition, the policy provides for reimbursement for childcare and travel costs incurred as a result of attendance at a Council or Committee meeting.

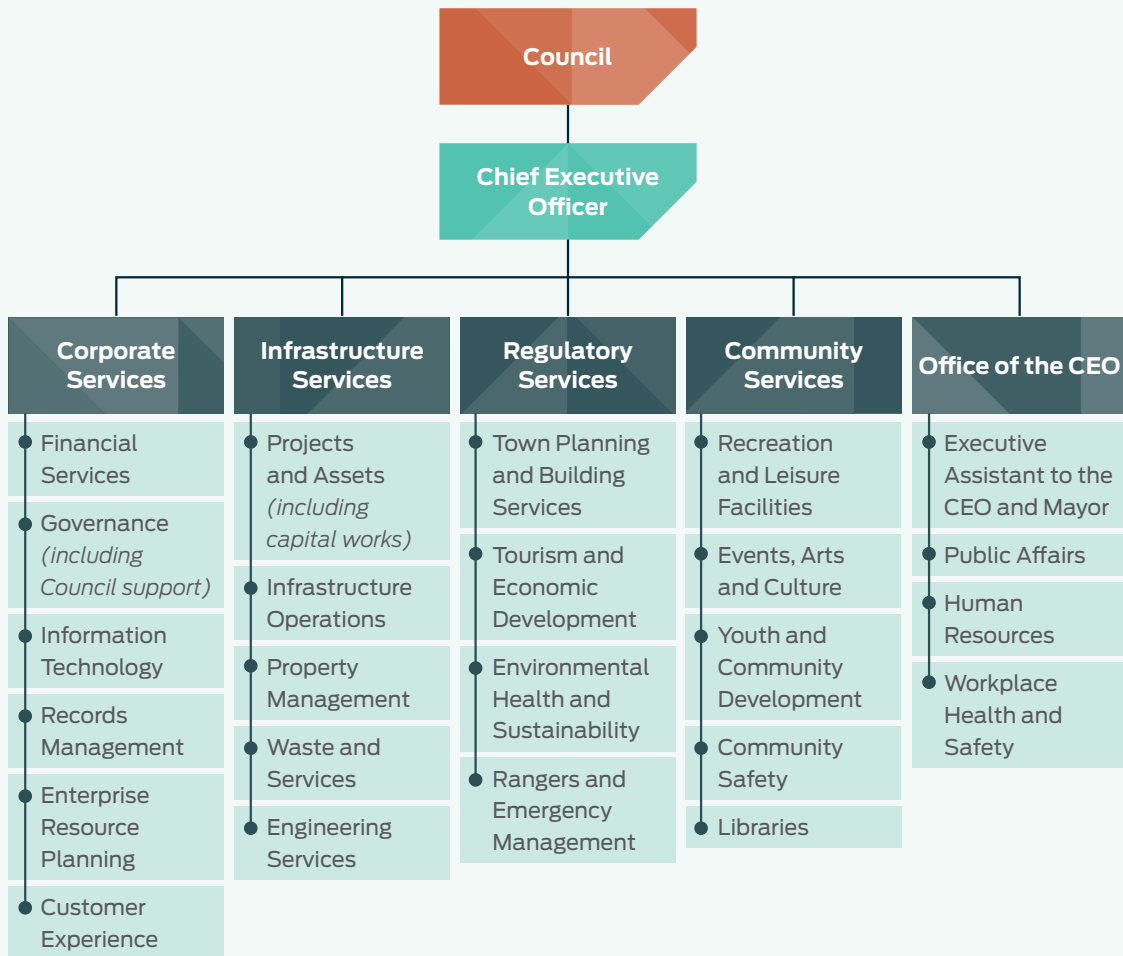
During the 2022-23 financial year, the Town provided various allowances, fees, and expense reimbursements to Elected Members, the details of which are as follows:

Description	2022-23 Actual (\$)
Mayor's Allowance	91,579
Deputy Mayor's allowance	25,534
Mayor's meeting attendance fees	48,483
Elected members' meeting attendance fees	255,296
Elected member ICT allowance	31,500
Elected members' travel and accommodation expenses	52,961
Elected members' other expenses	26,901
Total	532,254

Council member remuneration is published in the Town's Annual Financial Statements.

Our organisation

Organisation Structure





Executive Leadership Team



Chief Executive Officer – Carl Askew (February 2020)

Carl is responsible for the overall management of the Town's administration. This includes providing advice to council, ensuring council decisions are implemented, and overseeing the daily management of operations.

Carl has a long career in Local Government with over 21 years of senior management and leadership experience, delivering positive change to communities across Western Australia. He was CEO of the Town of Cottesloe from 2009 to 2015 and Executive Director of Community Services of the City of Armadale from 2004 to 2009. Carl has extensive experience leading Council operations across governance, infrastructure, community development and corporate services.



Director Infrastructure Services – Lee Furness (December 2019)

Lee oversees the Town's capital works program and asset management programs such as roads and drainage. The parks and gardens, waste management, and property management teams also fall under the Infrastructure Services portfolio.

Lee has been the Town of Port Hedland's Director of Infrastructure since December 2019. With substantial experience in project planning, governance and project management, Lee drives the Town's delivery of key strategic infrastructure projects.



Director Regulatory Services – Craig Watts (November 2019)

Craig oversees Environmental health, ranger services, emergency management, town planning and economic development all fall within the regulatory services portfolio.

Craig has more than 26 years of experience in Local Government working across a broad range of roles in environmental health, emergency management, strategic planning and project management roles.



Director Community Services – Josephine Bianchi (November 2019)

Jo oversees the leisure facilities and community development portfolios. Leisure delivers services including Wanangkura Stadium, South Hedland and Gratwick Aquatic Centres. The Community Development team is responsible for Port and South Hedland Libraries, the JD Hardie Youth and Community Hub, community engagement, events, arts and culture delivery and the Matt Dann Theatre and Cinema.

Jo has been with the Town of Port Hedland since 2010. With a background in governance and management, Jo has worked in Local Government for more than 15 years.



Director Corporate Services – Steve Leeson (August 2023)

Steve oversees the finance, governance and IT teams. Finance incorporates accounts, rates, revenue, payroll, strategic financial planning, and asset accountancy. Governance is responsible for compliance with local, State and national laws, procurement management, legal advice, and records management. IT is responsible for strategic reviews, IT management and support.

Steve joined the Town of Port Hedland after 2.5 years with the Shire of East Pilbara and 8.5 at the City of Canning. In total Steve has worked 18 years in Local Government, is a Certified Practising Accountant, Justice of the Peace and has experience across strategy and policy.

Employee Remuneration

Regulation 19B of Local Government (Administration) Regulations 1996 requires disclosure of the number of employees within the Town of Port Hedland entitled to an annual salary of \$130,000 or more and the number of those employees entitled to an annual salary that falls within each band of \$10,000 over \$130,000.

Employee Remuneration – Salary Range	Number of Employees
130,000 – 139,999	6
140,000 – 149,999	1
150,000 – 159,999	5
160,000 – 169,999	6
170,000 – 179,999	1
180,000 – 189,999	Nil
190,000 – 199,999	Nil
200,000 – 209,999	Nil
210,000 – 219,999	3
220,000 – 229,999	Nil
230,000 – 239,999	1
240,000 – 249,999	Nil
320,000 – 329,999	1
TOTAL	24

Traineeships

The Shape Your Future Traineeship and Apprenticeship Program launched in 2022. It continued into 2023 with two full time trainees progressing in their studies in Certificate III in Information Technology and a Certificate IV in Workplace Health and Safety, alongside an apprentice completing a Certificate III in Heavy Diesel Mechanic.

The Town celebrated the successful completion of three School-Based Traineeships in Certificate II in Workplace Skills, and Certificate III in Sport and Recreation, as well as welcoming two new School-Based Trainees in 2023.

Separate to School Based or Full Time Traineeships, the Town continued to provide access to Work Experience placements for Year 10 students, upon request.

The Town's ongoing commitment to Traineeships and Apprenticeships delivers tangible career pathways to the Hedland community. This program will continue to grow and strengthen year on year, as outlined as an initiative in the Town's Strategic Workforce Plan 2020-24, with the Town preparing to promote the 2024 Shape Your Future Traineeship Program, whilst continuing to work with Hedland Senior High School, Programmed, North Regional TAFE, Apprenticeship Support Australia and other local partnerships.

The Town's ongoing commitment to Traineeships and Apprenticeships delivers tangible career pathways to the Hedland community.



Corporate Governance

Audit and Risk Management

To ensure that the Town embraces a culture of continuous improvement, the Town operates an internal audit business unit. It is the role of the audit unit to identify and improve on any actual or perceived weaknesses of the Town's internal processes. In addition to this, external auditors are engaged to ensure that there is an objective third party providing oversight and advice to the Town. The result of both approaches builds a more resilient and efficient organisation to provide greater benefits to the community. Audits are conducted on a quarterly basis with recommendations reported through to the Town's Audit, Risk and Compliance Committee.

In addition to the internal practices, State Government legislation also provides for oversight of the Town's operational excellence via the *Local Government (Audit) Regulations 1996* (WA). The Regulations provide that each Local Government is to complete and submit a Compliance Audit Return (CAR) to the Department of Local Government, Sport and Cultural Industries on an annual basis. The CAR (2022) reviewed practices from 1 January 2022 – 31 December 2022 and was considered to have a high compliance standard on submission. These findings were reviewed and endorsed by the Town's internal Audit, Risk and Compliance Committee on 7 March 2023. The CAR (2022) was later adopted by Council on 29 March 2023.

In addition to audit, the Town developed and implemented a robust Risk Management Framework (RMF) which was presented to Council on 07 September 2022. The RMF was developed in accordance with the International Standard for Risk Management (AS/NZ ISO 31000:2018). The purpose of the RMF is to assist the Town in integrating consistent, effective risk management practices, processes and principles across the organisation as a whole.

Regional price preference - Procurement

The Town of Port Hedland (along with other neighbouring Local Governments) has enabled a Regional Price Preference as allowed by legislation. This Policy enables the Town to allocate a percentage preference to potential suppliers who can demonstrate adherence to the Policy requirements. To be eligible for consideration under the policy a potential supplier/contractor must be able to demonstrate:

- it has had a permanent office and permanent staff in the 'prescribed' area for at least six months before bids being sought,
- it is registered and licensed in Western Australia,
- that a majority of the goods and/or services are to be supplied from Town sources, or
- that it is located within neighbouring municipalities with reciprocal Regional Price Preference policies which benefit Town businesses.

The Regional Price Preference can be claimed in part or full depending on the submission received. The applicable discount is calculated as a percentage and may vary between contracts.

During the 2022-23 Financial Year the Town released 32 public Requests for Tenders, EOI Panels and Proposals. Nine of the 32 tenders were successful in applying the Regional Price Preference to a total paper value of \$307,814.39.

Official Conduct Report

The *Local Government Act 1995* requires the Town to report on any number of official conduct complaints recorded under Section 5.121 during a financial year.

No complaints were received in accordance with Section 5.121 for the 2022-23 financial year.



FOI Statistics

Section 10 of the *Freedom of Information Act 1992* (WA) (the Act) provides individuals and companies access to documents held by the Town of Port Hedland, provided the documents are not exempt (as defined by the Act).

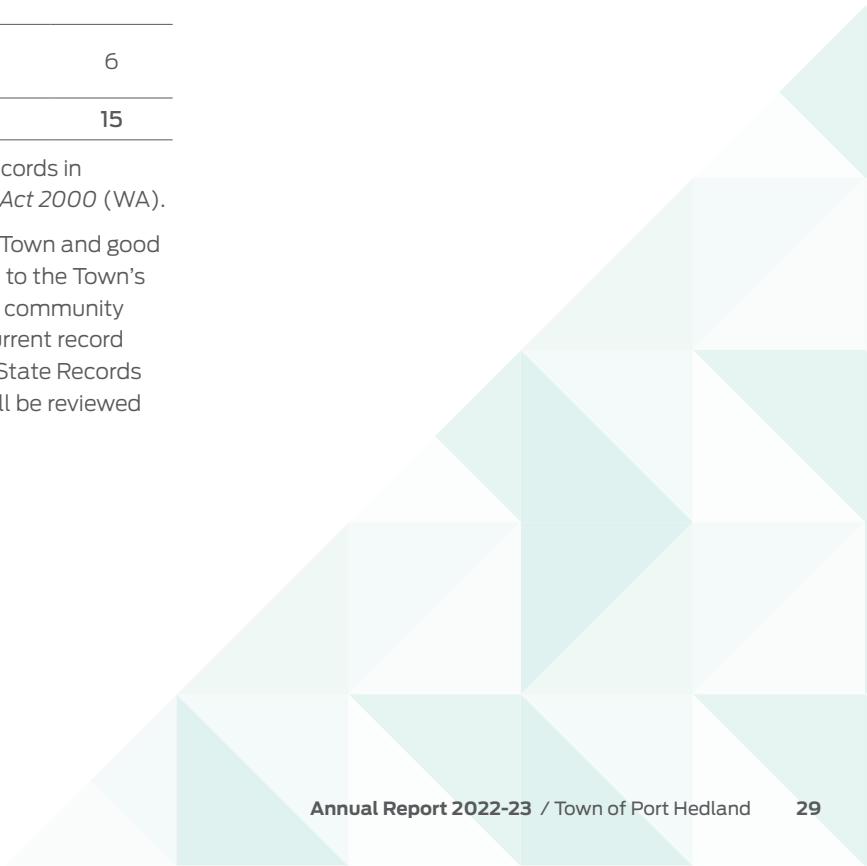
Access Type	Personal	Non-Personal	Total for Outcome
Access in full to all requested documents	0	0	0
Edited Access	4	3	7
Withdrawn by applicant	1	0	1
Access deferred	0	0	0
Refused to deal with application	1	0	1
Access outside FOI	6	0	6
TOTALS	12	3	15

The Town manages its corporate records in accordance with the *State Records Act 2000* (WA).

Records are a core resource for the Town and good record keeping practices are critical to the Town's efficiency and accountability to the community and its stakeholders. The Town's current record keeping plan was approved by the State Records Commission in August 2019 and will be reviewed in 2024.

The Town of Port Hedland continues to focus on good record keeping practices which has resulted in the following achievements over the 2022-23 financial year:

- **21,999 records** were entered into the corporate record keeping system by Town employees.
- **464 property files** were digitised and registered.
- **44 new employees** received training on the corporate record keeping system within a month of their appointment and 14 existing employees engaged in training.
- **606 new files** were created.
- **312 files/volumes** were closed.
- **192 boxes** of source records were destroyed, in line with the Act.
- **83 boxes** of inactive temporary records were disposed of, in line with the Act.



Year in review





Highlights



\$7.2 million

skatepark shade project completed, providing 4.500 square metres of rideable space



148,000

visits to Wanangkura Stadium



45

nominations to the Pilbara Designated Area Migration Agreement



16

community events



14

new CCTV cameras installed



\$7.5 million

JD Hardie shaded basketball courts completed



39,500

visits to Hedland libraries



19%

increase in swim school enrolments



\$357 million

value of development applications progressed



3.8

building permits issued every week



25%

reduction in reported safety and health incidents



300

trees planted



700

tonnes of scrap metal recycled



60,000

tonnes of waste deposited at South Hedland Landfill



60,000

visits to the Town of Port Hedland website



What we used your rates for

Every year the Town develops an Annual Budget which estimates how much it will cost to deliver services over the year.

We estimated that it would cost around \$108 million to deliver services and invest in building and maintenance of Town assets over the 12 months to the end of June 2023.

Just like a household, the Town needs to generate income so it can fund these expenses and bills. The Town's primary source of income is rates charged on properties within the Town boundary.

Over the 2022-23 year the Town collected \$68 million in rates. This enabled us to deliver the activities that are outlined in this Annual Report.

Below is an outline of the areas where the income generated from rates is typically spent.





Financial performance summary

Over the 2022-23 financial year it cost the Town of Port Hedland \$117 million to fund its operations and continue delivering services to the community.

Over the year the Town invested around \$69 million in new buildings or infrastructure for the community to enjoy.

To fund its operations, the Town generated revenue of more than \$107 million. More than 58% of revenue was derived from rates on properties within the Town boundary. This revenue raised from rates was an increase on the year prior, largely due to revaluations and additional properties in the mining, pastoral and accommodation sectors.

The Town also drew down on cash assets to fund investments in infrastructure. As a result, the value of current assets reduced from \$224 million in 2021-22 to \$187 million. This is balanced against current liabilities of \$14 million.

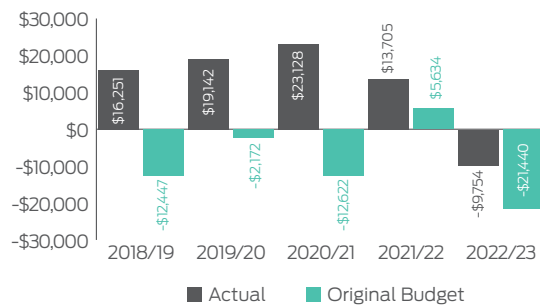
Our financial position remains strong, with cash and investments totalling slightly over \$180 million against total liabilities of \$88 million. All operating and capital budget figures are in accordance with the original adopted annual budget.

The following snapshot summarises the financial results for 2022-23 against the 2021-22 results*:

- Deficit operating result from continuing operations of \$9.7 million
- Operating revenue increased by 30.4% (\$25m) to \$107.3 million
- Rates (59% of operating revenue) increased by 7.2% (\$4.2m) to \$63 million
- Operating expenses increased by around 70% (\$48.5m) to \$117 million
- Net assets increased by 29% (\$162m) to \$715 million
- Cash and investments decreased by 16% (\$33.9m) to \$181 million
- Capital projects expenditure increased by 33% (\$17m) to \$69 million
- Number of rateable properties as at 30 June 2023 was 8,639

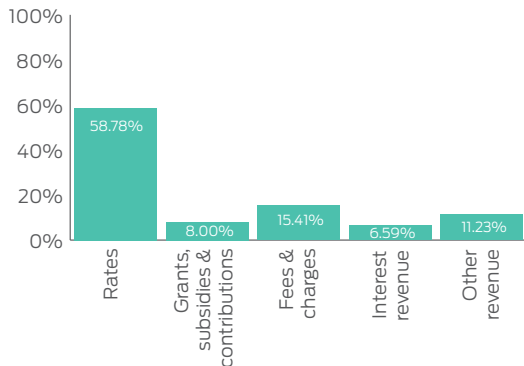
**Figures have been rounded*

Results from operations



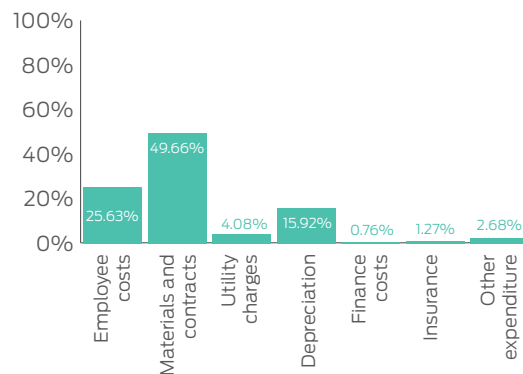
Operating revenues

Council revenues include rates, fees and charges, interest earnings, and grants, subsidies and contributions. More than 70% of the Town's revenue is derived through rates and fees and charges.



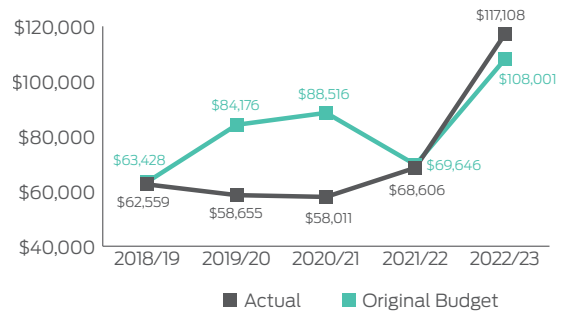
Operating expenses

More than 90% of the Town's operating expenses are captured within three categories – materials and contracts, employee costs and depreciation. These costs have remained consistent in recent financial years, reflecting our efficiency in containing costs against growth in properties to service.



Operating expenses over time

Our operating expenses have tracked parallel to budget with moderate increases in recent financial years, reflecting good fiscal management against continued levels of growth.



Major projects

In September 2022 the Town adopted a refreshed Long-Term Financial Plan. This plan sets out how the Town intends to allocate funding in order to achieve the vision set out in the Strategic Community Plan.

A key focus of our efforts is to lift liveability of Hedland, and that requires investment in infrastructure. The Long-Term Financial Plan subsequently included a commitment to invest \$817 million into capital works projects over the 15-year life of the plan.

The 2022-23 was the first year of the refreshed Long-Term Financial Plan, and the Town has followed through on its commitment to invest in infrastructure. More than \$50 million was invested into community projects that support improved public amenity, therefore enhancing the liveability of our town.



More than

\$50 million

was invested into community projects that enhanced the liveability of our town.

Our key investments over the year include:

Project	2022-23 Investment
Milpaku Kuma / Port Hedland Community Centre	\$13,300,000
Seawalls	\$8,600,000
South Hedland Skatepark shade structure	\$3,900,000
Roads, footpaths and kerbing renewals	\$3,400,000
Animal management facility	\$3,200,000
Wilson Street shared path	\$1,500,000
Public open space renewals	\$1,000,000
JD Hardie outdoor basketball courts	\$800,000
Subtotal:	\$35,700,000

A key focus of our efforts is to lift liveability of Hedland, and that requires investment in infrastructure.





Communications and community engagement

The Town of Port Hedland is committed to sharing information and supporting an ongoing conversation with our community and stakeholders. This includes asking for feedback when we have big decisions to make.

We ensure that peoples' comments, concerns and opinions are captured and shared in the most appropriate way throughout the organisation to inform our understanding of community wants and needs.

Over 2022-23 the Town undertook a range of communication and marketing activities to make it easier for people to find information about the Town's work and key decisions.

These activities included:

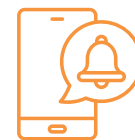
- Introducing "In The Loop" newsletter, which provides information on Town-related decisions and activities directly into email inboxes. Engagement in this newsletter consistently beats industry benchmarks, demonstrating the value of the content.
- Publishing more than 100 media releases alerting journalists to our key work, while also making this information available on the website.
- Growing the Town of Port Hedland's Facebook audience by more than 36%, Port Hedland Leisure by 19% and establishing new social media channels for Hedland Libraries.
- Procuring digital and static display advertising in both South Hedland Shopping Centre and Boulevard Shopping Centre in Port Hedland.
- Partnering with businesses and community organisations to help spread news and information through their third-party channels and noticeboards.

In addition, our work to amplify emergency communications during Cyclone Ilsa demonstrated the important role the Town plays as a trusted source of information. During the event, our content provided up-to-date information and drove people to official DFES channels. Social media posts reached more than 18,000 people – with more than 130 people sharing crucial social media content, we were able to support the distribution of real-time information.

In addition to the proactive media releases, the Town also responded to, on average, three media requests per week. This work ensured journalists had accurate information as they worked to cover areas of interest to their readers.

During the year the Town initiated a range of opportunities for the community to share feedback on our plans or upcoming decisions. Consultations of engagements initiated during the 2022-23 year included:

- How we should refurbish Koombana Lookout,
- Feedback on visitor services in Port Hedland,
- Closure of Wise Terrace to vehicles,
- Development of the Adventure Park at JD Hardie Youth and Community Hub, and
- Development of the Disability Access and Inclusion Plan, Sustainability Strategy and the Active Transport Plan, among others.



More than

18,000

people reached by social media posts during Cyclone Ilsa.

Councillor Community Engagement

As members of the community many of our Councillors also participate on local Committees. Please refer to the table below for details on each Elected Members involvement.

Committee/Meeting Group	Responsible Organisation	Membership 2022-23	Proxy 22-23
2.1 BHP Stakeholder Engagement Group	BHP	Mayor Peter Carter	Deputy Tim Turner
2.2 East Pilbara District Health Advisory Committee	WACHS	Councillor Coles	Councillor Bennett
2.3 Hedland Community Road Safety Group	Town of Port Hedland	Mayor Peter Carter	Councillor Christensen Councillor Coles
2.4 Hedland Community Safety and Advisory Forum	Town of Port Hedland	Mayor Peter Carter	Deputy Tim Turner
2.5 Hedland Senior High School Independent Public Board	Hedland Senior High School	Councillor Flo Bennett	Nil Proxy
2.6 Kimberley / Pilbara / Gascoyne Joint Development Assessment Panel (JDAP)	Department of Planning	Deputy Tim Turner Mayor Peter Carter	Councillor Coles Councillor Eckhart
2.7 Local Emergency Management Committee (LEMC)	Town of Port Hedland	Deputy Mayor Tim Turner Mayor Peter Carter	Nil Proxy
2.8 Pilbara Country Zone (WALGA)	WALGA	Deputy Mayor Tim Turner Mayor Peter Carter	Nil Proxy
2.10 Port Hedland Industries Council – Community Industry Forum	Port Hedland Industries Council	Councillor Coles	Deputy Tim Turner
2.11 Port Hedland Technical Advisory and Consultative Committee (TACC)	Pilbara Ports Authority	Councillor Bennett	Councillor Christensen
2.12 Regional Capitals Alliance WA (RCAWA)	NAJA Business Consulting Services	Mayor Peter Carter	Deputy Tim Turner
2.13 Regional Capitals Australia	RCA	Mayor Peter Carter	Deputy Tim Turner

Committee/Meeting Group	Responsible Organisation	Membership 2022-23	Proxy 22-23
2.14 Regional Roads Group formally known as Pilbara Regional Road Group	Main Roads	Councillor Christensen Mayor Peter Carter	Councillor Zielke
2.15 Spoilbank Community Reference Group	Pilbara Development Commission	Councillor Christensen Mayor Peter Carter	Nil Proxy
2.16 The Port of Port Hedland Community Consultative Committee	Pilbara Ports Authority	Councillor Coles Councillor Christensen	Nil Proxy
2.17 Regional Aviation Consultation Group (RACG)	Department of Transport	Mayor Peter Carter	Councillor Eckhart
2.18 Walga Roadwise Recognised Advisory Committee	WALGA	Councillor Christensen	Deputy Mayor Tim Turner
2.19 Hedland Housing Steering Committee	Town of Port Hedland	Mayor Peter Carter	N/A

Our achievements

The 2022-23 year saw the Town and its work recognised in a range of state and national awards:

2022 WA Coastal Awards for Excellence – WA Government – Department of Planning, Lands and Heritage

Coastal Management and Adaptation Award

This award recognised the comprehensive planning and level of integration of infrastructure response to coastal hazards in Port Hedland. This includes the comprehensive Townsite Coastal Hazard Risk Management and Adaption Plan (CHRMAP), Coastal Foreshore Management Plan, Local Planning Scheme provisions and Coastal Planning Policy Framework, and construction of three seawalls. The Town leveraged critical partnership funding through WA Department of Planning, Lands and Heritage, Department of Transport, BHP and Federal Government to deliver the projects.

2022 WorkSafe Plan Gold Certificate of Achievement

WorkSafe encourages best practice by presenting WorkSafe Plan Certificates of Achievement to organisations that have undertaken an independent assessment and have achieved high ratings in each element of the WorkSafe Plan.

Gold Certificates are for organisations demonstrating good progress towards a best practice approach to safety and health management.

2023 Australian Institute of Landscape Architects Awards – Coastal Foreshore Management Plan – Two Awards

Award for Excellence – Land Management Regional Achievement Award

The Coastal Foreshore Management Plan responds to significant environmental and anthropogenic pressures. This blueprint for the future use of the coastal reserve sets out acceptable uses and specific management actions to provide a climate-resilient place. Port Hedland Townsite CHRMAP data underpins scientific analysis coupled with social, cultural, and environmental engagements woven into the management plan to define the community values, management actions and economic frameworks needed to restore and protect this important landscape.

2023 Master Builders WA Kimberley-Pilbara Building Awards – South Hedland Skatepark – shade structure

Best Civil Engineering Works \$5M-\$10M

Construction on a Challenging Site

The South Hedland Skatepark was without shade for many years making it unusable in the summer months due to Port Hedland's hot, arid climate. The Town invested in constructing a shade structure over the park, which made what is believed to be the world's largest shaded skatepark. But rather than just erect a shade structure, the Town went above and beyond by constructing a state-of-the-art structure incorporating audio-visual functionality.



2023 Parks and Leisure Australia Award – South Hedland Youth Placemaking Program

Best Regional/Rural Industry Contribution Award

South Hedland placemaking program represents an authentic collaboration between young people in South Hedland, the Town of Port Hedland, RAC and Town Team Movement. Young people were the key decision makers and the project outcomes have created a sense of pride, ownership and confidence towards youth capabilities for contributing to the positive development of civic spaces.

2023 AUSactive Awards

Most Inclusive and Diverse Program of the Year - Senior Adults Living Triumphantly (SALT)

The Town of Port Hedland has been proudly running SALT since 2020 after successfully applying for the Department of Local Government, Sport and Cultural Industries Targeted Participation Program grant fund. SALT is a free seniors wellbeing program for Hedland residents aged 50 and over, aiming to improve their health, quality of life and fitness. SALT is unique for our Town and state – offering a program that is personalised, accessible and inclusive.

2023 Leisure Institute of WA/Aquatic Recreation Industry

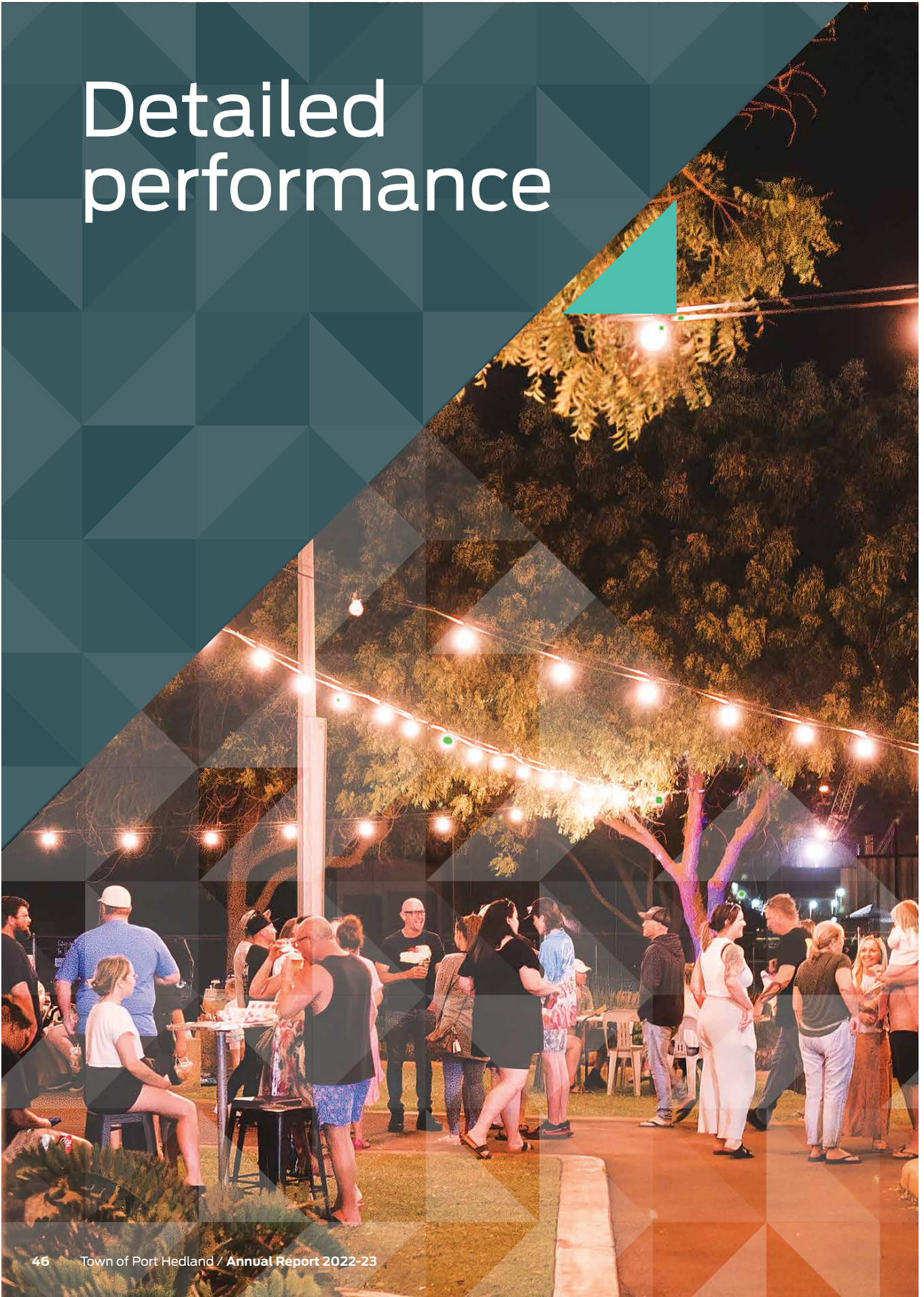
Community Impact Award - Hedland Splash (Summer Free Entry Program)

Starting in the September school holidays and ending with the April school holidays, Port Hedland Leisure provided free pool access to children under 12 years of age to Port Hedland's two aquatic Centres, the South Hedland Aquatic Centre and Gratwick Aquatic Centre.

The Hedland Splash aims to promote healthy habits, improve physical and mental health outcomes, provide increased access to community facilities, reduce youth-based anti-social behaviour and help to foster a sense of community and socialisation by providing a shared activity that brings Port Hedland together. In addition, Hedland Splash helped to improve water safety skills and reduce the risk of drowning, particularly for children and families who may not have had the opportunity to learn these important skills.



Detailed performance





Our community

The Town of Port Hedland Strategic Community Plan 2022-32 includes a goal for our community to honour our people and our cultural heritage – ensuring wellbeing, diversity, creativity and strong civic leadership and dialogue are a fundamental characteristic of Hedland.

The outcomes we expect to see through this theme are:

- Improved levels of health, safety and wellbeing in the community,
- Broader community engagement and representative participation in decision-making,
- A vibrant and diverse community lifestyle,
- Well utilised and valued community facilities and services, and
- Increased community satisfaction, ownership and pride in facilities, events and services.

Our achievements

- The Town has progressed substantial work in addressing community priorities around community safety and health and wellbeing. Of particular note, our continued partnership with WA Police included a memorandum of understanding around data exchange focused on monitoring and release of Town CCTV resources. In addition, a review of the CCTV assets led to an upgrade of the network with additional cameras installed.
- The Town's support of a WA Police initiative to place large stones at strategic locations around South Hedland have helped Police respond to vehicle thefts.
- Over the year the Town delivered 16 community events, including a celebration of the 50th anniversary of South Hedland which included an inaugural Street Art Festival.
- The Town's first-ever Youth Advisory Council was established, giving young people a voice and helping ensure Council is better informed on youth-related matters.
- Our community facilities continue to be well used and valued by our community, supporting health and wellbeing outcomes. Over the year there were close to 150,000 visits to Wanangkura Stadium. Our facilities also supported increased swim school numbers, with a 19% increase in enrolments, while there were 482 games of social sports played over the year.



Our challenges

- **Aquatic facilities:** the aging status of aquatic facilities continued to cause problems during the year. The South Hedland Aquatic Centre was closed in April 2023 so critical works could be undertaken. Investigations during the planned maintenance uncovered additional issues of the facility, requiring additional immediate investment.
- **Liveability:** liveability challenges common to remote locations continue to have a significant impact on the Hedland community, including health and safety and general wellbeing. Access to affordable housing, childcare, health and social services and education facilities has flow-on affects for members of the community.
- **External funding:** there is increased competition for State and Federal Government and other external funding. This impacts the Town's ability to attract the necessary funds require to invest in critical infrastructure and initiatives.

The year ahead

- Over the 2023-24 year the Town will review its Community Engagement Strategy to improve opportunities for meaningful engagement.
- The Ngalikuru Kuma-Marri Plan 2023-27 (Hedland Aboriginal and Torres Strait Islander Partnership Plan) will be adopted and implementation commenced.
- A new Arts and Culture Strategy 2023-27 will be adopted and implementation commenced, in addition to a Community Safety Plan and a Public Health Plan.
- A new booking system will be installed across recreation and leisure facilities and programs to improve the experience for clubs and community members.





Detailed performance across activities

Community recreation programs and facilities

The Town of Port Hedland operates two aquatic facilities; the South Hedland Aquatic Centre and the Gratwick Aquatic Centre, which includes a gymnasium. During the year there were 59,361 visits to the Gratwick Centre.

The South Hedland Aquatic Centre was open for nine months, before being closed for critical repairs in April 2023. During these nine months there were 78,182 visits. Ahead of the closure, three terms of Port Hedland Swim School were delivered for the community, with more than 2,000 children taking part in this important learn to swim program. This represents a 19% increase on the numbers that took part for the same period a year earlier.

Wanangkura Stadium is Hedland's major sporting facility, encompassing a 24-hour access gymnasium, group fitness, squash courts and indoor courts for mixed ball sports. The facility also includes outdoor basketball courts and the Kevin Scott Oval.

During the year there were 148,382 visits to Wanangkura Stadium. There were social sports tournaments held for basketball, volleyball, futsal and netball. In total, there were 53 teams registered for social sports and 482 games played.

The Town also makes community spaces available for hire. During the year there were 215 events hosted at Town of Port Hedland facilities.

The Town partnered with the Pilbara Ports Authority to run the inaugural Ship to Shore Fun Run. The free family-friendly event attracted 381 people across a range of ages and fitness levels for a great morning that supported the growing sense of vibrancy and community connection within Hedland.

The Pilbara Spirit Carnival was held in November 2022. This event invites school students in Years 5 and 6 to participate in a variety of aquatic activities to better develop their swimming and life-saving skills/abilities in a fun carnival environment. The 2022 event had over 160 children from 10 different communities. Collectively they travelled over 1700kms to attend.

Community safety

Community safety continues to be a high priority for the Town of Port Hedland. The community's desire to see change in this space was affirmed through the 2021 Community Perceptions Survey.

Since then, the Town of Port Hedland has invested in supporting community initiatives and lead agencies that are responsible for preventing and addressing antisocial behaviour, including criminal activity, to ensure our community feels safe.

During the year the Town signed a Memorandum of Understanding with the WA Police to facilitate the exchange of place-based data and communications relevant to community safety. The partnership includes the monitoring and release of Town CCTV resources. In May 2023 a review of the CCTV network was undertaken by relevant stakeholders and an upgrade of the network commissioned, resulting in 14 new pan-tilt-zoom cameras being installed.

The Town is part of the Hedland Community Safety Advisory Forum and a range of working groups that take a collaborative approach across the community to address antisocial behaviour and factors that contribute to it, such as alcohol and drug use.

In one example, the Liquor Restricted Premises Healthy Living Project, a partnership across the Town, Bloodwood Tree, WA Police and the Department of Communities, saw a substantial reduction in Police callouts to addresses that had previously been regularly visited for disturbances.

The Town also continues to support community networks to address family and domestic violence, including the 'Hedland Says No' march. In addition, the Town continued to support the Home Safety and Security Rebate Scheme, which is open to all local residents. Through the scheme, the purchase and installation of approved security products to improve safety and security in the home can be discounted by up to 50%.

A focus continues on crime prevention through environmental design in a collaboration across a range of community partners. During the year an assessment of South Hedland was completed and a dedicated report commissioned that will help address how enhancements to environmental design and place planning may support crime reduction.

Place Management

The Town has continued to implement the South Hedland Place Plan, endorsed by Council in April 2022.

An immediate priority within the Plan is to pedestrianise Wise Terrace and take a placemaking approach to ensuring it is an inviting and safe environment for the community.

In August 2022 the Town began testing ideas for what placemaking along Wise Terrace may include. This included the closure of Wise Terrace, a seven-day makeover where furniture and activation ideas were trialled, and trees were planted in the Town Square.

This activation started the community talking and the Town was able to take advantage of the high level of engagement to understand what worked for the community. This feedback is being taken to inform the design of more permanent changes to Wise Terrace.



The JD Hardie Youth and Community Hub is Hedland's primary youth and community facility.

Youth and community development

The JD Hardie Youth and Community Hub is Hedland's primary youth and community facility, catering for children and young people up to 19 years of age. The Town is progressing a staged expansion of the facility to support increased programming and community engagement initiatives.

The second stage of the phased masterplan to expand the facility was completed in 2022 with the opening of impressive outdoor shaded basketball courts celebrated in September 2022.

The \$7.5 million investment was primarily funded by the Town of Port Hedland, with \$750,000 provided through the Department of Local Government, Sport and Cultural Industries' Community Sporting and Recreation Facilities Fund.

The Town also celebrated the opening of the shade structure over the South Hedland Skatepark in 2022, providing a safe place for youth to enjoy active recreation away from the heat of the sun.

This structure is believed to make the skatepark the largest shaded skatepark in the world, while the structure itself includes audiovisual technology. The \$7.2 million investment was officially opened in November 2022 with a community celebration which attracted international skaters and BMX riders and more than 300 members of the Hedland community.

The JD Hardie Youth and Community Hub provides drop-in support for youth, as well as year-round structured programming for school holidays and during term. This programming is designed to cater to a wide range of interests within the youth community and support both activation of place and space, as well as provide developmental opportunities for young people to explore and build on their strengths, skills and personal interests. During the year there were more than 4,600 attendances at programmed sessions. Of the attendees, 28% were either Aboriginal or Torres Strait Islander.

Library services

The Town of Port Hedland operates two libraries – one in Port Hedland and one in South Hedland. Over the year there were 39,500 visits to a library. In total, 3,224 people have active library memberships and there were more than 300 programs organised. This includes normal programming across initiatives like Baby Rhyme Time, LEGO CLUB, outreach to daycare centres and school holiday programs, as well as additional programs and events such as a writers' workshop, author talk and book launch with Haydn Green, and a library membership drive held at high-traffic areas in both Port Hedland and South Hedland.

During the year we initiated increased marketing and communications for our library services through the launch of a dedicated Facebook page.

Events

The Town of Port Hedland delivered 16 events in the 2022-23 year, attracting attendances of more than 25,000 people. The events calendar included the 50th celebration of South Hedland, which was run alongside Welcome to Hedland and the inaugural Hedland Street Art Festival. Ten murals that tell the story of South Hedland were commissioned, leaving a lasting legacy and adding vibrancy to South Hedland.

We were pleased to celebrate ongoing partnerships with a range of event sponsors including BHP, the Pilbara Ports Authority and FMG to enable our events to become bigger and better for our community.

The Town also made a commitment to developing a refreshed music event during the year, heralding the launch of *Odyssey – Hedland Music and Arts Journey*.

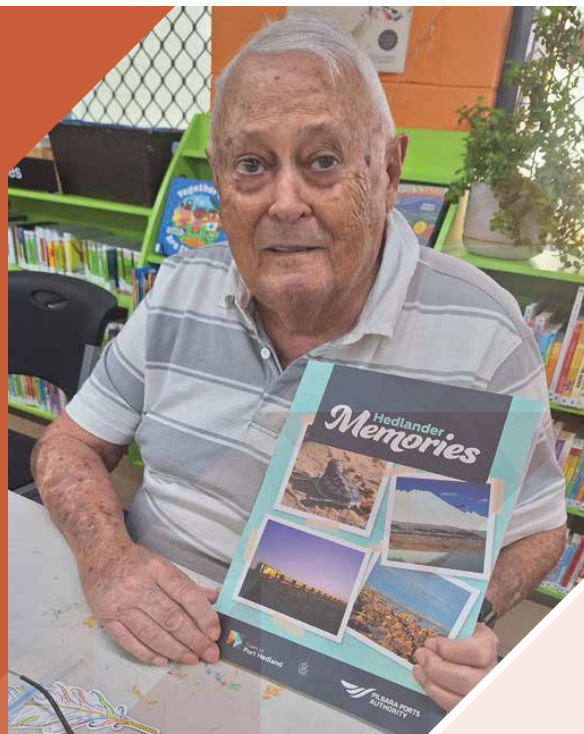
CASE STUDY

Hedlander Memories

During the year the Town of Port Hedland Libraries supported developed of Hedlander Memories, a book dedicated to the history and stories of Hedland. The publication is now available for purchase.

"The idea can be carried on in other fields, like business flower shop, butchers – carry on with the history of Hedland in the early days."
– Fred Cohen (Photo of Fred provided)

"Fantastic book, learnt a lot about everybody in the book, good times and bad times, you never know until you read the book what people went through. You can find out peoples characters, the hard times and good times that create character. Gave me a sense of belonging." – Morgan Davies



Our economy

The Town of Port Hedland Strategic Community Plan 2022-32 sets a goal for building prosperity for all – enabling sustained and diversified economic and employment growth.

Our economy is dominated by the mining industry with more than two thirds of our output coming from the mining sector.

To support our community now and into the future, we need to make progress in areas that will help achieve:

- Greater investment that is crucial to support existing economic output,
- Increased collaboration across business, industry and stakeholders,
- Growth in local and regional education and training opportunities,
- Increased and diversified local employment opportunities,
- Local business growth, attraction and retention,
- Greater awareness of business opportunities in Hedland,
- Greater availability of housing stock and serviced land, and
- Completion of key community infrastructure projects.

Our achievements

- The Town now has better data on which to base decisions around investments and initiatives having updated its demographic and population forecasting data. REMPLAN was engaged to deliver modules that assist the Town and its business community to model demographic data and assess the economic benefits of events and projects that come to town.
- An inter-agency Housing Steering Committee was formed including Town of Port Hedland, Pilbara Development Commission, DevelopmentWA, Department of Communities and Department of Health. A key project under development is the Service Worker Housing project, which included development of a design, business case and socioeconomic impact assessment. The Town is progressing grant funding applications with government and industry to bring the project to fruition.



54 Town of Port Hedland / Annual Report 2022-23

- The Town received subdivision approval to create an additional eight lots at Kingsford Smith Business Park. The Town is now working through subdivisional works and clearances before these lots can be brought to market.
- The Pilbara Designated Area Migration Agreement (DAMA) attracted 45 nominations during the year, helping to bring workers to Port Hedland. The DAMA is a government initiative aimed at addressing labour shortages and supporting economic growth. The most nominated occupations were childcare workers, car detailers and retail supervisors. The Town is financially supporting to this initiative by funding the nomination fee for businesses to apply for the DAMA.
- The Town continued its partnership with the Port Hedland Chamber of Commerce and Industry, hosting numerous events and supporting the Chamber to advocate on behalf of businesses in Hedland.
- The Town hosted a Community Reception during the Federal Cabinet visit in February 2023 – an opportunity to demonstrate the importance of the Hedland economy to Australia.
- Key infrastructure projects were completed which contribute to improved liveability in Port Hedland and positive perceptions of Hedland as a place to live, supporting efforts to attract workers. Projects included the South Hedland Skatepark shade structure, outdoor basketball courts at JD Hardie and the Port Hedland Community Centre.

*The Pilbara Designated
Area Migration Agreement
attracted 45 nominations.*

CASE STUDY

The Town of Port Hedland was instrumental in supporting the redevelopment of the popular Hedland Hotel and the expansion into a modern hospitality venue with a palm springs vibe.

The Town worked with owners Prendiville Group since its purchase of the property in 2018.

The results has been the opening of a new premier hospitality venue Rays, which provides a new offering to residents and visitors contributing to the liveability of Hedland.

“Town of Port Hedland have been a constant for us throughout our five-year journey redeveloping Rays at The Hedland Hotel. We have had wonderful collaboration and support at all levels of council.

Prendiville Group works with dozens of regional and metro councils. Town of Port Hedland demonstrate a proactive and transparent ‘can-do’ attitude and are very much aligned with our mutual desire to see the Hedland community advance.” – Garrett Prendiville, CEO, Garrett Hospitality Regional Hotels



Our challenges

- **Population growth:** Hedland continues to face challenges around attracting and retaining people who enable the economy to function effectively, and drive growth and prosperity for all. The Town is focused on tackling challenges to liveability including access to housing and childcare, while investing in public amenities that support making Hedland a great place to live.
- **Competition:** Given the finite employee pool, competition for workers is strong among businesses operating in, or wanting to establish in, Hedland. This results in key services that contribute to liveability suffering as people choose to move into higher-paying roles.
- **Housing:** the availability of affordable housing continues to impact on our economy. Businesses struggle to attract people to reside in Hedland due to unaffordable housing while lower-paying sectors fail to retain workers given the cost of living in Hedland.

The year ahead

- The Town will progress its Service Worker Housing project in 2023-24 with the goal of adding close to 80 new homes into the Hedland housing market, specifically for people who work in key service industries such as hospitality.
- Our partnership with the Port Hedland Chamber of Commerce and Industry will continue. This includes the Hedland Economic & Franchise Forum, which brings thought leaders from across the state together for a discussion on the future of the Hedland economy.
- We will continue to work alongside industry and business to support the establishment of activities that will support the diversification of our economy, such as the expansion into renewable energy and value-adding to the resources industry.

Detailed performance across activities

Housing

Housing continues to act as a handbrake on the economic growth of Hedland. The Town took a lead on ensuring affordable housing would be available for the community by committing to the Service Worker Housing project. This project will see close to 80 new homes built in South Hedland specifically for people employed in lower-income roles that are crucial to delivering key services that support liveability, such as those who work in hospitality, retail and beauty and wellness. Over the year the Town completed development of a business case and a socioeconomic study to demonstrate the benefits expected to come from the project. The Town also initiated negotiations with the State Government around securing land on Cottier Drive for the development.

The Town also collaborated with stakeholders involved in the inter-agency Housing Steering Committee to focus on solving the housing challenge.

Over the year the Town progressed 53 development applications, including a number which support the resources industry to deliver on its activities through the fly-in fly-out workforce model. The total value of these development applications amounted to more than \$357 million. Of particular note was the Town's support for a development application for a \$51 million nine-storey residential development in South Hedland. The application by developer Azzura Corporation was subsequently approved by the Regional Joint Development Assessment Panel.

More than 200 building permits were issued, representing building value of around \$62 million.

Collaboration

The Town's partnership with the Port Hedland Chamber of Commerce resulted in numerous events for the local business community.

This included talks from leading business people from across the Pilbara. Meanwhile, the funding provided to the Chamber enabled it to continue to support and advocate for the Hedland business community.

The result of the Town's \$37 million investment in the \$187.5 million Spoilbank Marina project continued to be demonstrated over the year. Dredging was completed, creating a channel which is 900 metres long, 30 metres wide and 2.2 metres deep. The \$21.4 million contract was awarded to Australia's largest privately owned dredging, civil and marine construction company, Hall Contracting, and required up to 190,000 cubic metres of material to be removed.

A key milestone was the first water flowing into the marina basin, after completion of the navigation channel. The first water flowed into the basin at 6.45pm on Sunday 18 June 2023 on a rising tide once the last of the bund wall was removed.

The contract for the final stage of the project, landside civils and landscaping, was awarded in June 2023. Western Australian business Ertech was awarded the contract which includes construction of the marina roads, car and trailer parking, retaining walls, footpaths, landscaping, public amenities building, shade structures and barbecue areas as well as the installation of utilities and services.

The marina boat ramps are expected to be operational in late 2023, with final completion of remaining marine and landside areas expected in 2024.



Tourism

In the Pilbara Region, tourism output is estimated at \$253 million, which is 0.2% of total output. The largest sub-sector in the Pilbara Region is Accommodation and Food Services with tourism expenditure supporting \$138 million.

Port Hedland accounts for 21.4% of tourism output in the Pilbara.

Tourism statistics demonstrate a five-year high in visitor numbers for the 2022-23 year for the North West region. The average daily spend by tourists also increased, while the length of time that people stayed was on par with 2020.

Port Hedland is well positioned to leverage this tourism activity and works closely with partners to support increased tourism stay and spend. The majority of our leisure visitors travel by vehicle and Port Hedland represents a desirable stopover location as people travel through to the North West. The impact is clearly seen through the Town's RV overflow site, which saw 2,577 vehicles in the park between May and September 2022, equating to 5,323 people being accommodated at the site. Each person spent approximately \$300 while staying in the RV overflow site, equating to an estimated \$1.6 million spend in the local community.

During the year the Town supported tourism initiatives by providing \$9,900 to the Pilbara Tourism Association for a Pilbara-wide advertising campaign. The Town also attended the Warlu Way Tourism Conference in Karratha in April.

In March 2023 the Council approved an application to develop a double-storey tourist apartment complex on Throssell Road, adjacent to McDonald's, in South Hedland. The application was subsequently approved by the Regional Joint Development Assessment Panel, paving the way for the 51-room development.

Employment growth

Port Hedland has a historically low unemployment rate – in March 2023 unemployment sat at 2.5%. This compares to the Western Australian unemployment rate of 3.4% and the Australian unemployment rate of 3.5%.

Port Hedland's unemployment rate has decreased from 5.2% in March 2020, in the height of the COVID-19 pandemic.

The Town of Port Hedland has worked hard with business and industry to support employment growth. This includes the Shape Your Future Traineeship and Apprenticeship Program launched in 2022. The program continued into 2023 with two full time trainees progressing in their studies in a Certificate III in Information Technology and a Certificate IV in Workplace Health and Safety, alongside an apprentice completing a Certificate III in Heavy Diesel Mechanic.

The Town celebrated the successful completion of three School-Based Traineeships in Certificate II in Workplace Skills & Certificate III in Sport & Recreation and welcomed two new School-Based Trainees in 2023.

The Town also played a key role in supporting businesses to increase productivity and increase employment in the region. In May 2023 the Council approved a development application to use the former detention centre site on Dempster Street for workforce accommodation for a period of five years.





Our built and natural environment

The Town of Port Hedland Strategic Community Plan 2022-23 includes a goal to treasure and protect our natural environment and provide sustainable and resilient infrastructure and built form.

Progress in this area includes:

- Increased protection and conservation of natural environments, habitats and biodiversity,
- Increased environmental initiatives being developed and led by local young people,
- Improved perceptions of safety, cleanliness and functionality of built form,
- Increased provision of sustainable and resilient built form,
- Greater community member participation in urban renewal projects,
- Increased satisfaction with attractiveness of the urban landscape, and
- Increased cultural narratives being expressed in public art and wayfinding signage.

Our achievements

- Hedland managed a reduction in waste going to landfill, with 16% less waste disposed at the South Hedland landfill over 2022-23 compared to the previous year. Meanwhile, there was a 68% increase in scrap metal recycled.
- The Town completed construction of three seawalls to protect the Hedland coastline for future generations.
- The Town endorsed an Environmental Sustainability Strategy and Waste Management Strategy to focus on sustainable management of the 85,000 tonnes of waste generated locally each year.
- A new partnership with Care for Hedland has been established which involves collaboration on delivery of actions laid out in the Town's Environmental Sustainability Strategy 2022-27.
- Environmentally friendly and sustainable approaches are being taken to construction, including through the use of recycled materials.

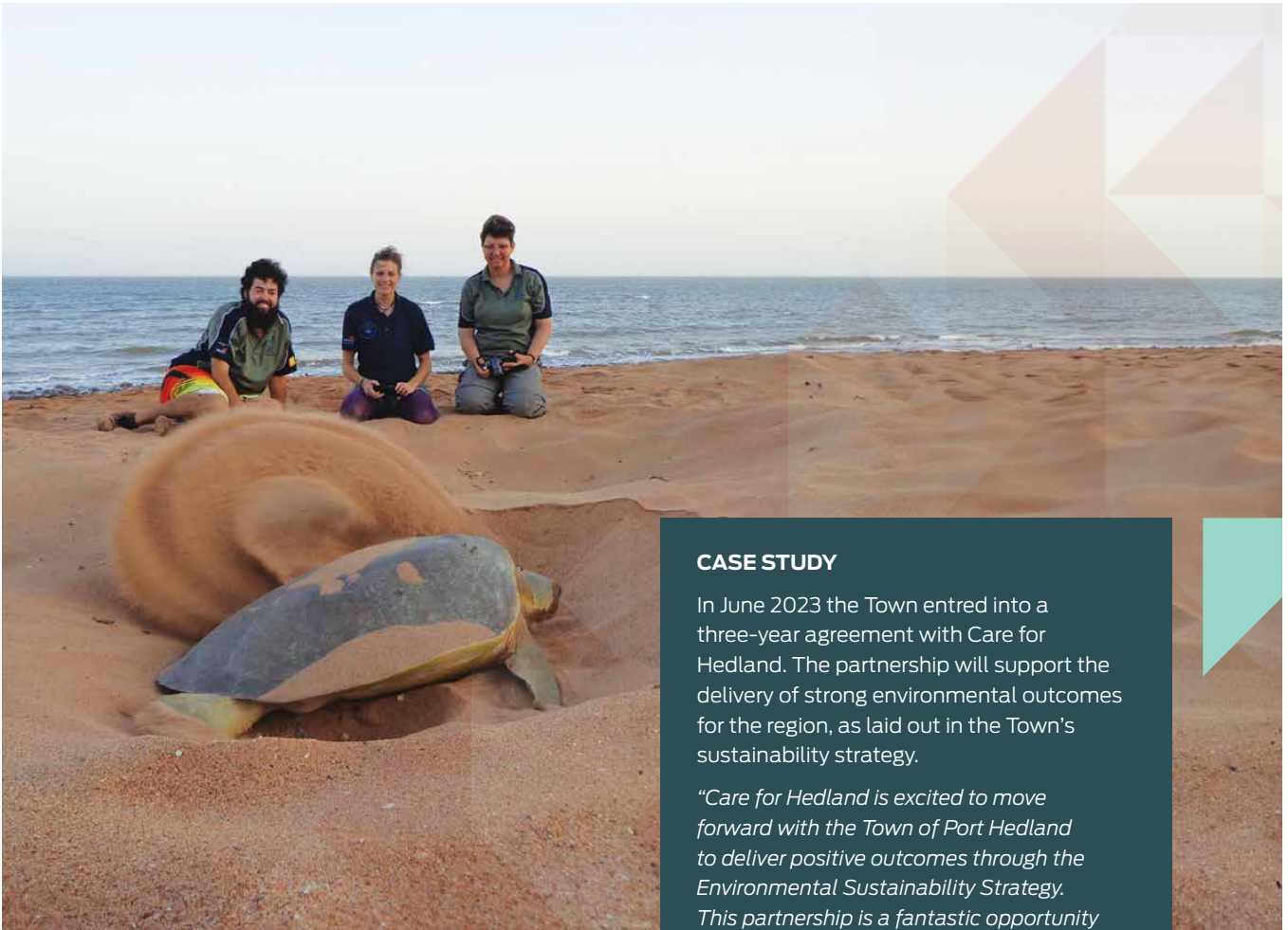
Our challenges

- The South Hedland landfill has limited expansion and a plan for expansion or a new site will need to be identified in coming years.
- Hedland continues to rank highly on waste generation which currently sits at five tonnes per person per year. This is significantly higher than the WA average of two tonnes per person per year. It is worth noting however, that commercial waste accounts for the majority of waste generated in Hedland.
- Hedland's remote location contributes to cost escalations in construction while also limiting our access to environmental innovation in the construction industry.

The year ahead

- The Town will progress development of the Landfill Community Recycling Centre, aiming to divert 15-20% of waste from landfill.
- The Solar Installation Strategy endorsed in July 2021 will come to life with solar installed across eleven Town-owned properties.





CASE STUDY

In June 2023 the Town entered into a three-year agreement with Care for Hedland. The partnership will support the delivery of strong environmental outcomes for the region, as laid out in the Town's sustainability strategy.

"Care for Hedland is excited to move forward with the Town of Port Hedland to deliver positive outcomes through the Environmental Sustainability Strategy. This partnership is a fantastic opportunity to showcase how local government and grassroots organisations can work together to achieve exceptional community and environmental outcomes." – Jules Prins, Chairperson, Care for Hedland

Detailed progress across business activities

Environmental protection and sustainability

The Town has continued to deliver on its pest management initiatives, including mosquito management, feral pest management focused on native fauna protection and protection of conservation areas with improved access control and regulation of off-road vehicle use.

A three-year partnership with Care for Hedland was also agreed in June 2023, supporting the delivery of strong environmental outcomes for the region. The partnership was initiated by Care for Hedland, which is enthusiastic about collaborating to support delivery of actions laid out in the Town's inaugural Sustainability Strategy.

The Town continues to work with Care for Hedland on a range of initiatives outside of the partnership, including protecting turtle nesting areas by marking out turtle nests, preventing vehicle access, and enforcing restrictions around animal exercise areas.

The completion of the \$17.8 million project to construct three seawalls in Port Hedland was a major milestone for the Town. Close to 80,000 tonnes of rock has been used to create seawalls at the West End, Sutherland Street and Goode Street. The seawalls are an initiative to mitigate damage caused by cyclones or coastal erosion, and to help protect flora and fauna of the coastline.

The design and construction of the seawalls was endorsed by Council in March 2020 with the West End, Sutherland Street and Goode Street locations identified as being susceptible to coastal erosion and inundation in the Town's Coastal Hazard Risk Management and Adaptation Plan. The project was completed in May 2023 and made possible through a \$3 million contribution from BHP for the West End seawall.

Urban landscape

The Town manages a total of 24 public open spaces – 11 in Port Hedland and 13 in South Hedland. Over the year key performance indicators have been achieved that relate to daily cleaning of BBQs and surfaces, daily toilet cleaning and gardening and irrigation.

The Town's priority on greening Hedland was also seen through investment in landscaping and gardening in public opening spaces, including around Cemetery Beach and along Wallwork Road. In total, more than 300 trees were planted around Hedland in similar numbers to 2021-22.

Built form

The Town's commitment to invest in capital infrastructure has helped enhance perceptions of liveability in Hedland and, as a result, community pride. The shade structures established over the South Hedland Skatepark and the JD Hardie outdoor basketball courts have enabled more use of valued facilities than otherwise possible.

The Town has also taken advantage of the opportunity to construct infrastructure in an environmentally sustainable way. Initiatives over the 2022-23 year include recycling end of life kerb and footpath concrete to utilise as the base under new footpath links. In another project, the Port Hedland Community Centre was built with precast concrete, which supports energy efficiency of the building due to its ability to naturally heat in winter and cool in summer. Solar PV was also installed on the facility.

Further steps to install solar on key Town-owned infrastructure as part of the Solar Implementation Strategy 2021 were also undertaken, with a contract awarded to GenOffGrid in May 2023. The contract involves installation of solar PV systems on facilities including the JD Hardie Youth and Community Hub, Civic Centre Administration, South Hedland Skatepark, Gratwick Aquatic Centre, Depot Operations in Wedgefield, Wanangkura Stadium and five residential homes.

Waste management

The decrease in waste deposited at the South Hedland landfill and increase in scrap metal recycled was a positive achievement for Hedland. In total, 60,000 tonnes of waste was deposited at the landfill, compared to 72,000 in 2021-22. About a third of this waste is generated from construction and demolition waste, and a further 30% from commercial and industrial waste. Only 18% of waste was generated from domestic and commercial kerbside collection mixed waste, demonstrating Hedland's unique waste environment.

There was a substantial increase in scrap metal recycled – 700 tonnes, up from 415 in 2021-22.

The Town offered the annual pre-cyclone green waste clean-up service with 81 tonnes of green waste collected, free of charge. This was mulched and 49 tonnes placed at different locations for community use.

Looking to the future, the Town progressed exploration of a future landfill site and commenced design of the Community Recycling Centre. The centre will provide space for the community to sort waste that would normally be dumped and provide more opportunity for recycling. It's estimated the initiative will reduce illegal dumping by 10%.



81 tonnes

of green waste was collected
and turned into 49 tonnes of
mulch for community use.

Urban renewal

The South Hedland townsite activation included trialling key ideas for permanent placemaking initiatives over a seven-day period in August 2022. The project involved substantial community participation, with placemaking ideas initiated and trialled by the community. The ideas are now being designed into more permanent renewal of the South Hedland townsite.

The Town was also the principal sponsor of the Town Teams Conference held in August 2022. The conference included activation of the Wise Terrace placemaking space as part of the South Hedland townsite activation.

The inaugural South Hedland Street Art Festival also engaged the local community in the creation of murals around the community. These murals were commissioned with an objective to share the history of South Hedland, coinciding with its 50th anniversary.



Our leadership

The Town's Strategic Community Plan 2022-32 includes a goal to be united in our actions to connect, listen, support and advocate, thereby leveraging the potential of our people, places and resources.

Progress under this theme includes:

- Greater brand recognition and reputation,
- Increased visitation,
- Increased community awareness and positive perception of the Town of Port Hedland's transparency and accountability,
- Achievement of industry benchmarks for financial and governance performance,
- Improving customer satisfaction, and
- Increased utilisation of the Town's assets and amenities.

Our Achievements

- The Federal Cabinet visited Port Hedland in February 2023 and asked the Town to host a community reception. This event included around 200 people attending an address from the Prime Minister, the Hon Anthony Albanese, at Gratwick Hall in the Civic Centre.
- The Town secured numerous meetings with Ministers and other Government representatives as a result of a refreshed strategy to advocate for Hedland with State and Federal Government.
- Council meetings were livestreamed on the Town of Port Hedland website and promoted as an opportunity for the community to engage in Council decision-making.
- Key facilities demonstrated positive customer satisfaction, such as Port Hedland Leisure services which have recorded an increase in visitation, membership and overall satisfaction as demonstrated through the Net Promoter Score.

Our Challenges

- Community engagement in Local Government, including decision-making, remains at low levels.
- While Australians trust in Government remains at a high-level over a ten-year period, it has dropped substantially from 2021, when COVID-19 drove an increase in trust. Research indicates that communities neither trust nor distrust Government¹.

Year ahead

- The Town will continue with its plans to advocate for Hedland at State and Federal Government levels.
- The Community Perception Survey will be run in late 2023, enabling the Town to understand priority areas for the Town and overall satisfaction.



200

people attended an address
from the Prime Minister at
the Civic Centre.

¹ Edelman Australia Trust Barometer 2022



Detailed progress across business activities

Advocacy

The Town of Port Hedland's advocacy in 2022-23 centred around issues such as housing, childcare, healthcare and liveability.

The Town continues to collaborate closely with State and Federal Governments to find solutions to some of Hedland's biggest challenges, with accessibility to affordable housing being a high priority.

Hosting the Federal Cabinet for a Civic Reception in February, 2023, gave the Town a unique opportunity to facilitate meetings with a number of key Federal Ministers, including the Prime Minister.

The Prime Minister, along with the Hon Madeleine King, Minister for Resources and Northern Australia and WA Senator the Hon Patrick Dodson, met with Mayor Carter and CEO Carl Askew about the difficulty the Town was facing with attracting and retaining the necessary services in Port Hedland.

This was followed by a roundtable featuring key stakeholder groups with the Hon Julie Collins, Minister for Housing, to further explore the challenges and future funding opportunities.

The Town continues to work closely with the State Government to support its South Hedland Service Worker Housing project, having met with the Hon John Carey, Minister for Housing on a number of occasions.

The Hon David Templeman, State Minister for Sport and Recreation, officially opened the Milpaku Kuma/ Port Hedland Community Centre alongside the Hon Kevin Michel, Member for Pilbara and the Hon Stephen Dawson, Member for Mining and Pastoral Region. The State Government provided more than \$10 million funding for construction of the centre.

Mr Michel also officially opened the Sutherland Street seawall, which was part-funded by the state, and the revamped South Hedland Skatepark.

The Town is in constant dialogue with both Mr Michel and Mr Dawson on its strategic priorities.



Meetings during the year included:

● 11 October 2022	The Hon John Carey, WA Minister for Housing – <i>Housing.</i>
● 25 November 2022	The Hon Kevin Michel, Member for Pilbara – <i>Official opening upgraded South Hedland skatepark.</i>
● 13 December 2022	The Hon Kevin Michel, Member for Pilbara – <i>Official opening Sutherland Street seawall.</i>
● 26 January 2023	The Hon Stephen Dawson, Minister for Mining and Pastoral Region – <i>Citizenship ceremony and Citizen of the Year awards.</i>
● 21 February 2023	Civic Reception, Federal Cabinet.
● 21 February 2023	The Hon Anthony Albanese Prime Minister, the Hon Madeleine King, Minister for Resources and Northern Australia and WA Senator the Hon Patrick Dodson – <i>Housing, childcare, liveability, Federal Government funding opportunities.</i>
● 21 February 2023	The Hon Julie Collins, Minister for Housing – <i>Housing roundtable.</i>
● 21 February 2023	The Hon Patrick Gorman, Assistant Minister to the Prime Minister – <i>Tour JD Hardie Youth and Community Hub.</i>
● 18 April 2023	The Hon John Carey, State Minister for Housing, Lands, Homelessness, Local Government; the Hon Rita Saffioti State Minister for Transport, Planning, Ports – <i>Housing, general advocacy.</i>
● 20 May 2023	The Hon David Templeman, State Minister for Sport and Recreation, the Hon Kevin Michel, Member for Pilbara and the Hon Stephen Dawson, Member for Mining and Pastoral Region – <i>Official opening Milpaku Kuma/Port Hedland Community Centre.</i>
● 7 June 2023	The Hon Melissa Price, Member for Durack – <i>Sonic HealthCare clinic closure/GP shortage.</i>
● 15 June, 2023	The Hon Emma McBride, Federal Assistant Minister for Rural and Regional Health – <i>Sonic HealthCare clinic closure/GP shortage, Hedland Sports and Arts Precinct, housing.</i>

The State Government provided more than \$10 million funding for construction of the centre Milpaku Kuma/Port Hedland Community Centre.

Transparency

The Town has increased its capacity to communicate Council processes and decisions with the Hedland community. Over 2022-23 all Ordinary Council Meetings were livestreamed on the Council website and social media utilised as a channel to raise awareness of the ability to watch Council meetings.

Key decisions were proactively communicated through a range of channels, including social media, traditional media, the Town website and interview opportunities. A new channel for the community to receive news and information about Council activities and decisions was also established – *In The Loop* is the Town's leading communication channel with around 9,000 people receiving the monthly email newsletter. Engagement in this communication channel consistently performed well above industry benchmarks, indicating its value.

The Town's website remains a popular source of information, with more than 60,000 people visiting during the second half of the financial year. Most people end up on the Town's website through a search engine, while close to 20% visit the website after following a direct link, such as those posted on social media or direct email.



9,000

people received the
monthly email newsletter
In The Loop.



Financial statements





**TOWN OF PORT HEDLAND
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

Table of contents

Statement by Chief Executive Officer	F2
Statement of Comprehensive Income	F3
Statement of Financial Position	F4
Statement of Changes in Equity	F5
Statement of Cash Flows	F6
Statement of Financial Activity	F7
Index of Notes to the Financial Report	F8
Independent Auditor's Report	F49

The Town of Port Hedland conducts the operations of a local government with the following community vision:

Together, we create a thriving, resilient and inclusive future for our diverse community

Principal place of business:
Civic Centre
McGregor street
Port Hedland WA 6721

Disclaimer: these Financial Statements will be updated with those containing audit seals, which had not yet been received at the time of production.

**TOWN OF PORT HEDLAND
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CEO

The accompanying financial report of the Town of Port Hedland has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 17th day of April 2024



Chief Executive Officer

Carl Askew

Name of Chief Executive Officer

**TOWN OF PORT HEDLAND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a), 28	63,097,421	62,143,600	58,865,181
Grants, subsidies and contributions	2(a)	8,591,191	3,710,600	2,349,072
Fees and charges	2(a)	16,540,956	16,658,000	17,168,115
Interest revenue	2(a)	7,069,794	1,817,000	1,422,895
Other revenue	2(a)	12,054,525	2,232,000	2,505,785
		107,353,887	86,561,200	82,311,048
Expenses				
Employee costs	2(b)	(30,000,441)	(31,222,200)	(28,422,857)
Materials and contracts		(57,813,798)	(50,932,200)	(18,728,469)
Utility charges		(4,772,779)	(4,816,200)	(4,541,359)
Depreciation		(18,644,166)	(14,641,200)	(12,869,716)
Finance costs	2(b)	(887,814)	(856,200)	(5,958)
Insurance		(1,487,081)	(1,411,200)	(1,141,956)
Other expenditure	2(b)	(3,139,610)	(4,122,000)	(2,896,253)
		(116,745,689)	(108,001,200)	(68,606,568)
		(9,391,802)	(21,440,000)	13,704,480
Capital grants, subsidies and contributions	2(a)	9,583,965	12,667,000	9,035,780
Profit on asset disposals		166,616	400,000	28,680
Loss on asset disposals		-	-	(566,512)
Fair value adjustments to investment property	12	(2,241,765)	-	(7,306,648)
Asset write off	8(a), 9(a)	(146,947)	-	-
Asset impairment - (Specialised Buildings)	8(a)	(509,884)	-	-
Asset impairment - (Infrastructure)	9(a)	(3,625,464)	-	-
		3,226,521	13,067,000	1,191,300
Net result for the period	27(b)	(6,165,281)	(8,373,000)	14,895,780
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	19	169,018,341	-	-
Total other comprehensive income for the period	19	169,018,341	-	-
Total comprehensive income for the period		162,853,060	(8,373,000)	14,895,780

This statement is to be read in conjunction with the accompanying notes.

**TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	14,839,729	45,173,765
Trade and other receivables	5	3,654,175	5,691,922
Other financial assets	4(a)	166,010,505	169,652,486
Inventories	6	790,369	2,183,807
Other assets	7	1,568,958	993,087
TOTAL CURRENT ASSETS		186,863,736	223,695,067
NON-CURRENT ASSETS			
Trade and other receivables	5	17,051	17,051
Other financial assets	4(b)	396,421	396,421
Other assets	7	1,327,663	1,359,275
Property, plant and equipment	8	119,665,347	113,242,512
Infrastructure	9	399,602,636	197,480,918
Work in progress	10(c)	41,261,281	34,668,084
Right-of-use assets	11(a)	110,475	163,705
Investment property	12	45,027,262	45,277,056
Rehabilitation asset	13	11,896,893	12,997,468
TOTAL NON-CURRENT ASSETS		619,305,029	405,602,490
TOTAL ASSETS		806,168,765	629,297,557
CURRENT LIABILITIES			
Trade and other payables	14	5,916,011	13,190,758
Other liabilities	15	3,895,936	6,998,600
Lease liabilities	11(b)	133,000	144,877
Borrowings	16	1,922,253	-
Employee related provisions	17	1,940,522	2,122,724
Other provisions	18	2,391,971	400,000
TOTAL CURRENT LIABILITIES		16,199,693	22,856,959
NON-CURRENT LIABILITIES			
Trade and other payables	14	13,471	13,471
Other liabilities	15	38,531,510	39,455,670
Lease liabilities	11(b)	34,425	79,662
Borrowings	16	21,978,966	-
Employee related provisions	17	459,227	636,152
Other provisions	18	12,840,238	12,997,468
TOTAL NON-CURRENT LIABILITIES		73,857,837	53,182,423
TOTAL LIABILITIES		90,057,530	76,039,382
NET ASSETS		716,111,235	553,258,175
EQUITY			
Retained surplus		319,315,471	294,895,858
Reserve accounts	31	172,038,374	202,623,268
Revaluation surplus	19	224,757,390	55,739,049
TOTAL EQUITY		716,111,235	553,258,175

This statement is to be read in conjunction with the accompanying notes.

**TOWN OF PORT HEDLAND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		261,072,965	221,550,381	55,739,049	538,362,395
Comprehensive income for the period					
Net result for the period		14,895,780	-	-	14,895,780
Total comprehensive income for the period		14,895,780	-	-	14,895,780
Transfers from reserve accounts	31	30,102,102	(30,102,102)	-	-
Transfers to reserve accounts	31	(11,174,989)	11,174,989	-	-
Balance as at 30 June 2022		294,895,858	202,623,268	55,739,049	553,258,175
Comprehensive income for the period					
Net result for the period		(6,165,281)	-	-	(6,165,281)
Other comprehensive income for the period	19	-	-	169,018,341	169,018,341
Total comprehensive income for the period		(6,165,281)	-	169,018,341	162,853,060
Transfers from reserve accounts	31	77,011,342	(77,011,342)	-	-
Transfers to reserve accounts	31	(46,426,448)	46,426,448	-	-
Balance as at 30 June 2023		319,315,471	172,038,374	224,757,390	716,111,235

This statement is to be read in conjunction with the accompanying notes.

**TOWN OF PORT HEDLAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		63,820,004	60,616,816
Grants, subsidies and contributions		8,954,478	1,291,491
Fees and charges		16,562,330	17,553,252
Interest revenue		7,069,794	1,422,895
Goods and services tax received		557,527	-
Other revenue		4,243,479	1,581,625
		101,207,612	82,466,079
Payments			
Employee costs		(30,220,171)	(28,881,784)
Materials and contracts		(64,196,697)	(17,413,805)
Utility charges		(4,772,779)	(4,541,359)
Finance costs		(180,774)	(5,958)
Insurance paid		(1,487,081)	(1,141,956)
Goods and services tax paid		-	(709,694)
Other expenditure		(3,158,677)	(2,413,093)
		(104,016,179)	(55,107,649)
Net cash provided by operating activities	20(b)	(2,808,567)	27,358,430
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment		(14,807,140)	(18,797,956)
Payments for construction of infrastructure		(40,332,104)	(23,985,498)
Payments for work in progress	10	(6,593,197)	(8,830,001)
Capital grants, subsidies and contributions		6,534,049	11,391,717
Proceeds for financial assets at amortised cost		3,641,981	-
Payments for financial assets at amortised cost		-	(9,814,236)
Proceeds from sale of property, plant & equipment		292,845	90,315
Net cash used in investing activities		(51,263,566)	(49,945,659)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from self supporting loans		-	42,299
Repayment of borrowings	30(a)	(367,781)	-
Payments for principal portion of lease liabilities	30(c)	(163,122)	(188,754)
Proceeds from new borrowings	30(a)	24,269,000	-
Net cash used in financing activities		23,738,097	(146,455)
Net decrease in cash held		(30,334,036)	(22,733,684)
Cash at beginning of year		45,173,765	67,907,449
Cash and cash equivalents at the end of the year	3, 20(a)	14,839,729	45,173,765

This statement is to be read in conjunction with the accompanying notes.

**TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	28	63,097,421	62,143,600	58,865,181
Grants, subsidies and contributions		8,591,191	3,710,600	2,349,072
Fees and charges		16,540,956	16,658,000	17,168,115
Interest revenue		7,069,794	1,817,000	1,422,895
Other revenue		12,054,525	2,232,000	2,505,785
Profit on asset disposals		166,616	400,000	28,680
		<u>107,520,503</u>	<u>86,961,200</u>	<u>82,339,728</u>
Expenditure from operating activities				
Employee costs		(30,000,441)	(31,222,200)	(28,422,857)
Materials and contracts		(57,813,798)	(50,932,200)	(18,728,469)
Utility charges		(4,772,779)	(4,816,200)	(4,541,359)
Depreciation		(18,644,166)	(14,641,200)	(12,869,716)
Finance costs		(887,814)	(856,200)	(5,958)
Insurance		(1,487,081)	(1,411,200)	(1,141,956)
Other expenditure		(3,139,610)	(4,122,000)	(2,896,253)
Impairment loss		(4,135,348)	-	(566,512)
Asset Write Off		(146,947)	-	-
Fair value adjustments to investment property		(2,241,765)	-	(7,306,648)
		<u>(123,269,749)</u>	<u>(108,001,200)</u>	<u>(76,479,728)</u>
Non-cash amounts excluded from operating activities	29(a)	17,594,986	10,181,200	21,304,404
Amount attributable to operating activities		<u>1,845,740</u>	<u>(10,858,800)</u>	<u>27,164,404</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		9,583,965	12,667,000	9,035,780
Proceeds from disposal of assets		292,845	1,737,000	90,315
		<u>9,876,810</u>	<u>14,404,000</u>	<u>9,126,095</u>
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(14,958,084)	(38,499,000)	(19,592,956)
Purchase and construction of infrastructure	9(a)	(47,068,046)	(43,168,000)	(23,190,498)
Payments for work in progress	10	(6,593,197)	-	(8,830,001)
Payments for intangible assets	13	-	-	(12,997,468)
		<u>(68,619,327)</u>	<u>(81,667,000)</u>	<u>(64,610,923)</u>
Non-cash amounts excluded from investing activities	29(b)	6,886,886	-	12,997,468
Amount attributable to investing activities		<u>(51,855,631)</u>	<u>(67,263,000)</u>	<u>(42,487,360)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from financial assets at amortised cost - self supporting loans		-	-	42,299
Proceeds from borrowings	30(a)	24,269,000	24,269,000	-
Transfers from reserve accounts	31	77,011,342	84,138,000	30,102,102
		<u>101,280,342</u>	<u>108,407,000</u>	<u>30,144,401</u>
Outflows from financing activities				
Repayment of borrowings	30(a)	(367,781)	(922,000)	-
Payments for principal portion of lease liabilities	30(c)	(163,122)	(145,000)	(188,754)
Transfers to reserve accounts	31	(46,426,448)	(21,502,000)	(11,174,989)
		<u>(46,957,351)</u>	<u>(22,569,000)</u>	<u>(11,363,743)</u>
Amount attributable to financing activities		<u>54,322,991</u>	<u>85,838,000</u>	<u>18,780,658</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	29(c)	86,096	(5,415,000)	(3,371,606)
Amount attributable to operating activities		1,845,740	(10,858,800)	27,164,404
Amount attributable to investing activities		(51,855,631)	(67,263,000)	(42,487,360)
Amount attributable to financing activities		54,322,991	85,838,000	18,780,658
Surplus or deficit after imposition of general rates	29(c)	<u>4,399,196</u>	<u>2,301,200</u>	<u>86,096</u>

This statement is to be read in conjunction with the accompanying notes.

**TOWN OF PORT HEDLAND
FOR THE YEAR ENDED 30 JUNE 2023
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Leases	22
Note 12	Investment Property	23
Note 13	Rehabilitation Asset	25
Note 14	Trade and Other Payables	26
Note 15	Other Liabilities	27
Note 16	Borrowings	28
Note 17	Employee Related Provisions	29
Note 18	Other Provisions	30
Note 19	Revaluation Surplus	31
Note 20	Notes to the Statement of Cash Flows	32
Note 21	Contingent Liabilities	33
Note 22	Capital Commitments	33
Note 23	Related Party Transactions	34
Note 24	Financial Risk Management	36
Note 25	Events occurring after the end of the reporting period	40
Note 26	Other Significant Accounting Policies	41
Note 27	Function and Activity	42
Information required by legislation		
Note 28	Rating Information	44
Note 29	Determination of Surplus or Deficit	45
Note 30	Borrowing and Lease Liabilities	46
Note 31	Reserve accounts	47
Note 32	Trust Funds	48

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Town to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 32 of the financial report.

Judgements and estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimated useful life of rehabilitation asset

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

These amendments have no material impact on the current annual financial report

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
This standard will result in a terminology change for significant accounting policies
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependent on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

Consideration from contracts with customers is included in the transaction price.

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	63,097,421	-	63,097,421
Grants, subsidies and contributions	8,591,191	-	-	-	8,591,191
Fees and charges	16,312,924	-	228,032	-	16,540,956
Interest revenue	-	-	287,321	6,782,473	7,069,794
Other revenue	-	-	-	12,054,525	12,054,525
Capital grants, subsidies and contributions	-	9,383,965	-	200,000	9,583,965
Total	24,904,115	9,383,965	63,612,774	19,036,998	116,937,852

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	58,865,181	-	58,865,181
Grants, subsidies and contributions	2,349,072	-	-	-	2,349,072
Fees and charges	16,886,732	-	281,383	-	17,168,115
Interest revenue	-	-	259,000	1,163,895	1,422,895
Other revenue	-	-	-	2,505,785	2,505,785
Capital grants, subsidies and contributions	-	9,035,780	-	-	9,035,780
Total	19,235,804	9,035,780	59,405,564	3,669,680	91,346,828

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	Note	2023 \$	2022 \$
Assets and services acquired below fair value		-	-
Contributed assets		6,886,886	-
		6,886,886	-
Interest revenue			
Financial assets at amortised cost - self supporting loans		-	25,506
Interest on reserve account funds		-	1,099,760
Trade and other receivables overdue interest		7,069,794	258,998
Other interest revenue		-	38,631
		7,069,794	1,422,895
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$366,000.			
Fees and charges relating to rates receivable			
Charges on instalment plan		62,062	61,600
The 2023 original budget estimate in relation to: Charges on instalment plan was \$66,000.			
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report		126,372	105,775
- Other services – acquittals		40,339	34,948
		166,711	140,723
Employee Costs			
Employee benefit costs		27,806,117	26,933,134
Other employee costs		2,194,324	1,489,723
		30,000,441	28,422,857
Finance costs			
Provisions: unwinding of discount		534,813	-
Borrowings		344,732	-
Lease liabilities		8,269	5,958
		887,814	5,958
Other expenditure			
Impairment losses on rates and statutory receivables		40,439	96,284
Impairment/(reversals) losses on trade receivables		(19,067)	42,885
Impairment losses on other receivables		-	434,276
Cost of land - land sales		1,710,031	900,908
Elected members		479,855	481,393
Grants	6	614,725	699,112
Sundry expenses		313,627	241,395
		3,139,610	2,896,253

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

3. CASH AND CASH EQUIVALENTS

Note	2023 \$	2022 \$
Cash at bank and on hand	14,838,729	45,173,765
Term deposits	1,000	-
Total cash and cash equivalents	14,839,729	45,173,765
Held as		
- Unrestricted cash and cash equivalents	8,801,355	12,192,264
- Restricted cash and cash equivalents	6,038,374	32,981,501
	14,839,729	45,173,765

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

(a) Current assets

	2023 \$	2022 \$
Financial assets at amortised cost	166,010,505	169,652,486
	166,010,505	169,652,486
Other financial assets at amortised cost		
Self supporting loans receivable	10,505	10,505
Term deposits	166,000,000	169,641,981
	166,010,505	169,652,486
Held as		
- Unrestricted other financial assets at amortised cost	10,505	10,719
- Restricted other financial assets at amortised cost	166,000,000	169,641,767
	166,010,505	169,652,486

(b) Non-current assets

Financial assets at amortised cost	253,979	253,979
Financial assets at fair value through profit or loss	142,442	142,442
	396,421	396,421
Financial assets at amortised cost		
Self supporting loans receivable	688,255	688,255
Allowance for credit loss	(434,276)	(434,276)
	253,979	253,979
Financial assets at fair value through profit or loss		
Units in Local Government House Trust	142,442	142,442
	142,442	142,442

The Town holds 8 units in the Local Government House Trust which was established in 1980 with the vesting date of the current deed being in 2072. The Town is unable to sell or transfer its holding in the trust.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Town classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 26 (i)) due to the observable market rates).

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit or loss

The Town has elected to classify the following financial assets at fair value through profit or loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Town has elected to recognise as fair value gains and losses through profit or loss.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 24.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

5. TRADE AND OTHER RECEIVABLES

Current

Rates and statutory receivables		1,372,285	2,276,935
Trade receivables		1,588,205	2,142,403
GST receivable		902,889	1,460,416
Allowance for credit losses of rates and statutory receivables		(136,732)	(96,293)
Allowance for credit losses of trade receivables	24(b)	(72,472)	(91,539)

Non-current

Pensioner rates and ESL Deferred

Note	2023	2022
	\$	\$
	3,654,175	5,691,922
	17,051	17,051
	17,051	17,051

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Town measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 24.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

6. INVENTORIES

Note	2023	2022
	\$	\$
Current		
Inventory - Depot	780,167	454,910
Inventory - JD Hardie	1,093	2,030
Inventory - Leisure	6,151	852
Inventory - Matt Dann Theatre & Cinema	2,958	16,015
Land held for resale		
Kingsford Smith Business Park	-	1,710,000
	<u>790,369</u>	<u>2,183,807</u>
The following movements in inventories occurred during the year:		
Balance at beginning of year	2,183,807	3,111,807
Inventories expensed during the year	(316,562)	(1,856,000)
Payments for / additions to inventory	(1,076,876)	928,000
Balance at end of year	<u>790,369</u>	<u>2,183,807</u>

SIGNIFICANT ACCOUNTING POLICIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

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

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

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. OTHER ASSETS

	2023	2022
	\$	\$
Other assets - current		
Prepayments	879,699	469,097
Accrued income	689,259	523,990
	1,568,958	993,087
Non-Current		
Prepayments	1,327,663	1,359,275
	1,327,663	1,359,275

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land \$	Buildings - non- specialised \$	Buildings - specialised \$	Total land and buildings not subject to operating lease \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Total property, plant and equipment \$
Balance at 1 July 2021	9,777,000	16,259,159	65,121,447	91,157,606	91,157,606	2,909,170	5,966,633	100,033,409
Additions	-	7,315,510	10,415,433	17,730,943	17,730,943	1,135,729	726,284	19,592,956
Disposals	-	(47,240)	(301,999)	(349,239)	(349,239)	-	(61,634)	(410,873)
Depreciation	-	(664,163)	(3,250,532)	(3,914,695)	(3,914,695)	(689,789)	(1,368,496)	(5,972,980)
Balance at 30 June 2022	9,777,000	22,863,266	71,984,349	104,624,615	104,624,615	3,355,110	5,262,787	113,242,512
Comprises:								
Gross balance amount at 30 June 2022	9,777,000	29,125,831	105,884,486	144,787,317	144,787,317	6,368,452	10,103,769	161,259,538
Accumulated depreciation at 30 June 2022	-	(6,262,565)	(33,900,137)	(40,162,702)	(40,162,702)	(3,013,342)	(4,840,982)	(48,017,026)
Balance at 30 June 2022	9,777,000	22,863,266	71,984,349	104,624,615	104,624,615	3,355,110	5,262,787	113,242,512
Additions*	1,488,278	4,507,075	5,031,264	11,026,617	11,026,617	657,871	3,273,596	14,958,084
Disposals	-	-	-	-	-	-	(126,230)	(126,230)
Revaluation (loss) / reversals transferred to profit or loss	-	-	(637,069)	(637,069)	(637,069)	-	-	(637,069)
Depreciation	-	(1,221,387)	(4,242,786)	(5,464,173)	(5,464,173)	(937,882)	(1,369,895)	(7,771,950)
Balance at 30 June 2023	11,265,278	26,148,954	72,135,758	109,549,990	109,549,990	3,075,099	7,040,258	119,665,347
Comprises:								
Gross balance amount at 30 June 2023	11,265,278	33,632,907	110,649,250	155,547,435	155,547,435	7,028,997	12,374,840	174,951,272
Accumulated depreciation at 30 June 2023	-	(7,483,953)	(38,003,608)	(45,487,561)	(45,487,561)	(3,953,898)	(5,334,582)	(54,776,041)
Accumulated impairment loss at 30 June 2023	-	-	(509,884)	(509,884)	(509,884)	-	-	(509,884)
Balance at 30 June 2023	11,265,278	26,148,954	72,135,758	109,549,990	109,549,990	3,075,099	7,040,258	119,665,347

* Asset additions included additions received at substantially less than fair value:
During the year ended 30 June 2023

150,944

150,944

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings						
Land		Level 2	Market approach	Independent registered valuer	June 2021	Direct comparison
Buildings - non-specialised		Level 2	Market approach	Independent registered valuer	June 2021	Direct comparison
Buildings - specialised		Level 3	Cost Approach	Independent registered valuer	June 2021	Depreciated cost
<p>Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.</p> <p>During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.</p>						
(ii) Cost						
Furniture and equipment		Level 2	Cost Approach	Cost	NA	Direct cost
Plant and equipment		Level 2	Cost Approach	Cost	NA	Direct cost
Buildings - work in progress		Level 3	Cost Approach	Independent registered valuer	June 2021	Depreciated cost
Right of use - Land and buildings		Level 2	Market approach	Cost	March 2023	Present value of future lease payments
Right of use - property, plant and equipment		Level 2	Market approach	Cost	September 2020	Present value of future lease payments

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

9. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - Roads and bridges	Infrastructure - Drainage	Infrastructure - Footpaths	Infrastructure - Parks & Ovals	Infrastructure - Other	Infrastructure - shelters	Infrastructure - Bus Depot	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	98,894,010	21,802,352	19,084,657	32,572,996	7,430,516	165,227	1,252,123	181,201,881
Additions	6,449,091	4,294,277	601,118	2,344,884	8,511,207	89,100	900,821	23,190,498
(Disposals)	-	-	-	(43,139)	-	-	(174,134)	(217,273)
Depreciation	(2,889,529)	(278,118)	(640,141)	(2,359,617)	(452,569)	(14,210)	(60,004)	(6,694,188)
Balance at 30 June 2022	102,453,572	25,818,511	19,045,634	32,515,124	15,489,154	240,117	1,918,806	197,480,918
Comprises:								
Gross balance amount at 30 June 2022	112,695,663	26,639,254	21,343,930	41,031,684	16,854,960	295,481	2,123,714	220,984,666
Accumulated depreciation at 30 June 2022	(10,242,091)	(820,743)	(2,298,296)	(8,516,560)	(1,365,806)	(55,364)	(204,908)	(23,503,768)
Balance at 30 June 2022	102,453,572	25,818,511	19,045,634	32,515,124	15,489,154	240,117	1,918,806	197,480,918
Additions*	6,188,407	8,601,656	3,232,977	3,963,269	24,711,626	80,832	279,279	47,068,046
Revaluation increments / (decrements) transferred to revaluation surplus	149,201,935	1,016,668	18,455,077	576,963	(489,000)	262,069	(540,184)	168,483,528
Revaluation (loss) / reversals transferred to profit or loss	-	-	-	(9,290)	(2,579,766)	-	(1,056,170)	(3,645,226)
Depreciation	(2,500,665)	(700,175)	(750,574)	(4,311,382)	(1,322,008)	(20,912)	(178,894)	(9,784,630)
Transfers	1,600,620	(1,493,457)	63,061	(11,943,078)	11,772,854	-	-	-
Balance at 30 June 2023	256,953,849	33,243,203	40,046,175	20,791,606	47,582,860	562,106	422,837	399,602,636
Comprises:								
Gross balance at 30 June 2023	389,994,029	40,953,429	59,534,503	33,619,836	57,555,760	763,442	476,492	582,897,491
Accumulated depreciation at 30 June 2023	(133,040,180)	(7,710,226)	(19,488,328)	(12,828,230)	(9,972,900)	(201,336)	(53,655)	(183,294,855)
Balance at 30 June 2023	256,953,849	33,243,203	40,046,175	20,791,606	47,582,860	562,106	422,837	399,602,636
* Asset additions included additions received at substantially less than fair value: During the year ended 30 June 2023	2,381,094	4,312,935	-	-	-	41,913	-	6,735,942

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - Roads and bridges	Level 3	Cost Approach using current replacement cost	Independent Registered Valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
	Infrastructure - Drainage	Level 3	Cost Approach using current replacement cost	Independent Registered Valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
	Infrastructure - Footpaths	Level 3	Cost Approach using current replacement cost	Independent Registered Valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
	Infrastructure - Parks & Ovals	Level 3	Cost Approach using current replacement cost	Independent Registered Valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
	Infrastructure - Other	Level 3	Cost Approach using current replacement cost	Independent Registered Valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
	Infrastructure - Bus shelters	Level 3	Cost Approach using current replacement cost	Independent Registered Valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
	Infrastructure - Depot	Level 3	Cost Approach using current replacement cost	Independent Registered Valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Land - freehold land	
Buildings	
- substructure	20 to 71 years
- superstructure	9 to 59 years
- roof	10 to 50 years
- finishes and fittings	6 to 51 years
- services	6 to 51 years
- hotwater/airconditioning	4 to 5 years
Furniture and equipment	2 to 40 years
Plant and equipment	2 to 22 years
Bridges	70 to 91 years
Sealed roads and streets	
- formation	not depreciated
- pavement seal	50 years
- bituminous seals	20 years
- asphalt surfaces	40 years
- formation	not depreciated
- pavement	50 years
- gravel sheet	12 years
Formed Roads	
- formation	not depreciated
- pavement	50 years
Infrastructure - Parks and ovals	2 to 99 years
Infrastructure - Bus shelters	15 years
Infrastructure - Depot	5 to 50 years
Infrastructure - Drainage	3 to 106 years
Infrastructure - Other	5 to 63 years
Right of use (buildings)	Based on the remaining lease
Right of use (plant and equipment)	Based on the remaining lease
Amortisation of rehabilitation asset	Based on the remaining life of landfill asset

(b) Fully Depreciated Assets in Use

The gross carrying value of assets held by the Town which are currently in use yet fully depreciated are shown in the table below.

	2023 \$	2022 \$
Buildings - specialised	1,186,000	1,186,000
Furniture and equipment	1,573,419	1,148,000
Plant and equipment	592,362	358,000
Infrastructure - Parks & Ovals	1,359,479	607,000
Infrastructure - Other	185,802	137,000
Infrastructure - Depot	-	7,000
	<u>4,897,062</u>	<u>3,443,000</u>

(c) Work in Progress

	Work in Progress \$
Balance at 1 July 2021	25,837,595
Capital expenditure	51,809,405
Capitalisation	(42,978,916)
Balance at 30 June 2022	<u>34,668,084</u>
Capital expenditure	53,846,354
Capitalisation	(47,253,157)
Balance at 30 June 2023	<u>41,261,281</u>

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value (as indicated), less any accumulated depreciation and impairment losses.

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost, the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Town includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the Town's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4)*.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Town.

At the end of each period, the carrying amount for each asset class is reviewed and, where appropriate, the fair value is updated to reflect current market conditions consistent with *Financial Management Regulation 17A(2)* which requires land, buildings infrastructure, investment properties and vested improvements to be shown at fair value.

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

Impairment

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

Gains or losses on disposal

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

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

Note	Right-of-use assets - land and buildings \$	Right-of-use assets - plant and equipment \$	Right-of-use assets Total \$
Balance at 1 July 2021	137,619	234,634	372,253
Revaluation (loss) / reversals transferred to profit or loss	(6,000)	-	(6,000)
Depreciation	(96,298)	(106,250)	(202,548)
Balance at 30 June 2022	35,321	128,384	163,705
Additions	106,008	-	106,008
Depreciation	(52,989)	(106,249)	(159,238)
Balance at 30 June 2023	88,340	22,135	110,475

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

	2023 \$	2022 \$
Depreciation on right-of-use assets	(159,238)	(202,548)
Finance charge on lease liabilities	(8,269)	(5,958)
Total amount recognised in the statement of comprehensive income	(167,507)	(208,506)
Total cash outflow from leases	(171,391)	(194,712)
(b) Lease Liabilities		
Current	133,000	144,877
Non-current	34,425	79,662
	167,425	224,539

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Town assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Town uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 30(c).

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Town anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

12. INVESTMENT PROPERTY

	2023	2022
	\$	\$
Airport land		
Carrying balance at 1 July	45,277,056	52,583,704
Remediation adjustment	1,991,971	
Net gain/(loss) from fair value adjustment	(2,241,765)	(7,306,648)
Closing balance at 30 June	45,027,262	45,277,056
Amounts recognised in profit or loss for investment property		
Rental income	924,160	924,160
Direct operating expenses from property that generated rental income	(31,611)	(31,611)

Leasing arrangements

In August 2015, The Town of Port Hedland announced that it had resolved to enter into an agreement with AMP Capital and the Infrastructure Group to enter into a 50 year lease for the land at Port Hedland International Airport and for the sale of the airport business.

The sale was finalised on 11 March 2016, and the Port Hedland International Airport operations transferred to the new airport operator. On this date, the Town of Port Hedland recognised the land at Port Hedland International Airport as an investment property.

Valuation of investment property

The investment property was revalued in June 2021 in line with AASB 13 Fair Value Measurement.

Description of investment property	Extend	Title Area (m2)	Lease plan area (m2)
Lot 9004 on Deposited Plan 404823	Whole	1,506,084	1,506,084
Lot 435 on Deposited Plan 404824	Whole	600,000	600,000
Lot 436 on Deposited Plan 402661	Whole	99,966	99,966
Lot 437 on Deposited Plan 404824	Whole	33,349	33,349
Lot 438 on Deposited Plan 404824	Whole	33,405	33,405
Lot 439 on Deposited Plan 404824	Whole	33,349	33,349
Lot 16 on Deposited Plan 163352	Whole	34,398	34,398
Lot 15 on Deposited Plan 161311	Whole	106,988	106,988
Lot 29 on Deposited Plan 168193	Whole	105,091	105,091
Part of Lot 9006 on Deposited Plan 404824	Part	329,316	302,831
Part of Lot 9007 on Deposited Plan 404824	Part	2,472,149	2,458,909
Part of Lot 9008 on Deposited Plan 404824	Part	3,104,307	2,864,578
		<u>8,458,402</u>	<u>8,178,948</u>

Amounts recognised in income statement for investment property

The investment property is leased out as an operating lease over 50 years. The lease paid upfront for the use of the investment property. The rental income amount of \$924,160 for the period 1 July 2022 to 30 June 2023 is included in revenue.

		2023	2022
	Note	\$	\$
Lease premium prepaid received		46,207,830	46,207,830
Amount recognised		(6,752,160)	(5,828,000)
		<u>39,455,670</u>	<u>40,379,830</u>
Current liability - lease premium prepaid	15	924,160	924,160
Non-current liability - lease premium prepaid	15	38,531,510	39,455,670
		<u>39,455,670</u>	<u>40,379,830</u>

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

12. INVESTMENT PROPERTY (Continued)

(b) Net carrying value of Airport Reserve

The Town committed to post transition completion of major works at the Airport. These funds are allocated to the Airport Major Works Reserve.

	Note	2023 Actual	2023 Budget	2022 Actual
		\$ '000	\$ '000	\$ '000
Airport Reserve	31	4,285,991	3,786,000	4,285,991

(c) Additional information

An upside agreement was signed, ensuring an additional ten million dollars income over the next 50 years based on passenger number growth. This is billable yearly in arrears when passenger growth exceeds a set baseline passenger number. During the current year no payment was due in accordance with the terms of the upside agreement (2022:Nil)

SIGNIFICANT ACCOUNTING POLICIES

Investment property

Investment property is principally freehold land, held for long-term rental yields and not occupied by the Town. Investment property is carried at fair value, in accordance with the significant accounting policies disclosed at Note 10.

Fair value of investment property

An independent valuation was performed to determine the fair value of investment property. The main Level 3 inputs used in the valuation were discount rates, terminal yields, expected vacancy rates and rental growth rates estimated by the valuer based on comparable transactions and industry data.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

13. REHABILITATION ASSET

	2023	2022
	\$	\$
Rehabilitation asset		
Non-current		
Landfill rehabilitation	11,896,893	12,997,468
	11,896,893	12,997,468
Movements in balances of rehabilitation asset during the financial year are shown as follows:		
Balance at 1 July	12,997,468	-
Recognition of rehabilitation asset	-	12,997,468
Amortisation	(928,348)	-
Revaluation of landfill	(172,227)	-
Balance at 30 June	11,896,893	12,997,468
TOTAL INTANGIBLE ASSETS	11,896,893	12,997,468

SIGNIFICANT ACCOUNTING POLICIES

The rehabilitation asset refers to the discounted present value of the future capping expenditure of the landfill site located in South Hedland and is amortised on a straight-line basis.

The rehabilitation asset is subsequently measured using the revaluation method.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

14. TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Current		
Trade creditors	1,775,187	8,479,420
Prepaid rates	599,183	781,250
Accrued salaries & wages	938,280	579,850
Statutory liabilities	7,591	226,624
Bonds and levies	79,302	53,744
Accrued expenditure	2,422,100	3,066,690
Retentions	94,368	3,180
	5,916,011	13,190,758
Non-current		
Bonds	13,471	13,471
	13,471	13,471

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Town becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Town prior to the end of the financial year that are unpaid and arise when the Town becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Town recognises income for the prepaid rates that have not been refunded.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

15. OTHER LIABILITIES

	2023	2022
	\$	\$
Current		
Income in advance	4,890	214,868
Operating grant/contributions liabilities	715,806	409,685
Capital grant/contributions liabilities	2,251,080	5,449,887
Lease premium prepaid	924,160	924,160
	3,895,936	6,998,600
Non-current		
Lease premium prepaid	38,531,510	39,455,670
	38,531,510	39,455,670
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	5,449,887	3,094,621
Additions in grants liabilities	1,109,455	5,449,887
Revenue from capital grant/contributions held as a liability at the start of the period	(4,308,262)	(3,094,621)
	2,251,080	5,449,887
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	2,251,080	5,449,887
1 to 2 years		
2 to 3 years		
3 to 4 years		
4 to 5 years		
> 5 years	-	
	2,251,080	5,449,887

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the Town's obligation to transfer goods or services to a customer for which the Town has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Town's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Town which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 26(i)) due to the unobservable inputs, including own credit risk.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

16. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
WATC loans		1,922,253	21,978,966	23,901,219	-	-	-
Total secured borrowings	30(a)	1,922,253	21,978,966	23,901,219	-	-	-

The Town of Port Hedland has complied with the financial covenants of its borrowing facilities during the 2023 year.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

The Town has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Risk

Details of individual borrowings required by regulations are provided at Note 30(a).

Information regarding exposure to risk can be found at Note 24.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

17. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	1,537,676	1,728,617
Long service leave	412,648	394,107
Other employee leave provisions	(9,802)	-
	<u>1,940,522</u>	<u>2,122,724</u>
Total current employee related provisions	1,940,522	2,122,724
Non-current provisions		
Employee benefit provisions		
Long service leave	459,227	636,152
	<u>459,227</u>	<u>636,152</u>
Total non-current employee related provisions	459,227	636,152
Total employee related provisions	2,399,749	2,758,876

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Note	2023	2022
	\$	\$
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	1,940,522	2,122,724
More than 12 months from reporting date	459,227	636,152
	<u>2,399,749</u>	<u>2,758,876</u>

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Town's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

Provision is made for the Town's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Town's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

18. OTHER PROVISIONS

	Landfill rehabilitation	Airport Project	Library Reinstatement	Total
	\$	\$	\$	\$
Opening balance at 1 July 2022				
Current provisions	-	400,000	-	400,000
Non-current provisions	12,997,468	-	-	12,997,468
	12,997,468	400,000	-	13,397,468
Additional provision	-	1,991,971	14,997	2,006,968
Unused amounts reversed	(707,040)	-	-	(707,040)
Finance costs	534,813	-	-	534,813
Balance at 30 June 2023	12,825,241	2,391,971	14,997	15,232,209
Comprises				
Current	-	2,391,971	-	2,391,971
Non-current	12,825,241	-	14,997	12,840,238
	12,825,241	2,391,971	14,997	15,232,209

Provisions

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

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

Airport Project

The Town entered into a deed of agreement being the Novation and Operating Deed – Port Hedland International Airport (the Agreement) with PHIA Operating Company Pty Ltd (PHIA) and PHIA Asset Pty Ltd to operate the Port Hedland International Airport on March 2016. While the Agreement and associated leasing documentation required upgrade and enhancement works to be undertaken by the Lessee, the document also bound the Town to undertake certain works.

Landfill Rehabilitation Provision

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

Library reinstatement

The provision for future reinstatement is the best estimate of the present value of the expenditure required to reinstate the premises to the original state at the lease inception.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

19. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$
Property, plant and equipment						
Revaluation Surplus - Land	7,359,718	-	7,359,718	7,359,718	-	7,359,718
Revaluation Surplus - Buildings	6,039,604	-	6,039,604	6,039,604	-	6,039,604
Subtotal	13,399,322	-	13,399,322	13,399,322	-	13,399,322
Infrastructure						
Revaluation Surplus - Roads & Bridges	-	149,201,935	149,201,935	-	-	-
Revaluation Surplus - Drainage	5,695,942	1,016,668	6,712,610	5,695,942	-	5,695,942
Revaluation Surplus - Paths & Cycleways	10,098,409	18,455,077	28,553,486	10,098,409	-	10,098,409
Revaluation Surplus - Open Spaces	-	576,963	576,963	-	-	-
Revaluation Surplus - Other Infrastructure	489,000	(489,000)	-	489,000	-	489,000
Revaluation Surplus - Bus Shelters	220,540	262,069	482,609	220,540	-	220,540
Revaluation Surplus - Depot	540,184	(540,184)	-	540,184	-	540,184
Subtotal	17,044,075	168,483,528	185,527,603	17,044,075	-	17,044,075
Investment property						
Revaluation Surplus - Airport land	25,293,347	-	25,293,347	25,293,347	-	25,293,347
Subtotal	25,293,347	-	25,293,347	25,293,347	-	25,293,347
Intangibles						
Revaluation Surplus - Landfill	-	534,813	534,813	-	-	-
Subtotal	-	534,813	534,813	-	-	-
Financial assets at fair value through other comprehensive income						
Revaluation Surplus - Local Government Trust investment	2,305	-	2,305	2,305	-	2,305
Subtotal	2,305	-	2,305	2,305	-	2,305
	55,739,049	169,018,341	224,757,390	55,739,049	-	55,739,049

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

20. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

Note	2023 Actual \$	2022 Actual \$	
Cash and cash equivalents	3	14,839,729	45,173,765
Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	6,038,374	32,981,501
- Financial assets at amortised cost	4	166,000,000	169,641,767
		172,038,374	202,623,268
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	31	172,038,374	202,623,268
Total restricted financial assets		172,038,374	202,623,268
(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities			
Net result		(6,165,281)	14,895,780
Non-cash items:			
Adjustments to fair value of investment property		2,241,765	7,306,648
Depreciation/amortisation		18,644,166	12,869,716
(Profit)/loss on sale of asset		(166,616)	537,832
Write off ROU assets		-	5,908
Loss on revaluation of fixed assets	8(a), 9(a)	4,282,295	-
Assets received for substantially less than fair value		(6,886,886)	-
Prepaid lease premium		(924,160)	-
Intangible revision		707,040	-
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		2,037,749	747,466
(Increase)/decrease in other assets		(544,260)	706,999
(Increase)/decrease in inventories		1,393,438	928,445
Increase/(decrease) in trade and other payables		(7,274,747)	(954,357)
Increase/(decrease) in employee related provisions		(359,127)	440,000
Increase/(decrease) in other provisions		(157,230)	-
Increase/(decrease) in other liabilities		(3,102,664)	1,264,660
Capital grants, subsidies and contributions		(6,534,049)	(11,390,667)
Net cash provided by/(used in) operating activities		(2,808,567)	27,358,430
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank overdraft limit			
Bank overdraft at balance date			
Credit card limit		100,000	100,000
Credit card balance at balance date		(61,488)	(63,645)
Total amount of credit unused		38,512	36,355
Loan facilities			
Loan facilities - current		1,922,253	-
Loan facilities - non-current		21,978,966	-
Total facilities in use at balance date		23,901,219	-
Unused loan facilities at balance date		38,512	36,355

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

21. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the Town of Port Hedland has listed sites to be possible sources of contamination.

Details of those sites are:

- Port Hedland International Airport

In 2017 the Town, in conjunction with Port Hedland International Airport, undertook a detailed site investigation on airport land to establish a baseline of contamination prior to entering a lease arrangement. Findings of note include significant PFAS contamination resulting from historical fire fighting operations and hydrocarbon contamination from underground fuel and oil storage.

To date, hydrocarbon contamination has been remediated with a closure report issued to Department of Water and Environmental Regulation (DWER). PFAS contamination remains as technology is not available to remediate on such a scale. A draft Remediation Plan has been submitted to DWER and action will be taken when reasonable remediation opportunities are identified.

The Town is working with Air services Australia to provide ongoing monitoring of PFAS contamination and review options for remediation. As this time, the Town is unable to estimate the potential costs associated with remediation of the sites.

22. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	10,315,079	40,838,566
- plant & equipment purchases	<u>776,883</u>	<u>2,783,879</u>
	11,091,962	43,622,445
Payable:		
- not later than one year	9,633,871	28,534,767
- payable later than one year	1,458,091	15,087,678

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

23. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
Mayor's annual allowance	91,579	90,000	90,000
Mayor's meeting attendance fees	48,483	48,000	48,000
Mayor's other expenses	7,797	-	-
Mayor's annual allowance for ICT expenses	3,500	3,000	4,000
Mayor's travel and accommodation expenses	23,749	15,000	20,000
	175,108	156,000	162,000
Deputy Mayor's annual allowance	25,534	22,000	23,000
Deputy Mayor's meeting attendance fees	29,617	32,000	32,000
Deputy Mayor's other expenses	2,672	-	-
Deputy Mayor's annual allowance for ICT expenses	3,500	3,000	4,000
Deputy Mayor's travel and accommodation expenses	4,133	-	3,000
	65,456	57,000	62,000
All other council member's meeting attendance fees	225,679	224,000	212,000
All other council member's All other council member expenses	16,432	-	-
All other council member's annual allowance for ICT expenses	24,500	21,000	23,000
All other council member's travel and accommodation expenses	25,079	-	11,000
	291,690	245,000	246,000
23(b)	532,254	458,000	470,000

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Town during the year are as follows:

Note	2023 \$	2022 \$
Short-term employee benefits	1,231,042	1,459,000
Post-employment benefits	148,022	141,000
Employee - other long-term benefits	194,043	81,000
Employee - termination benefits	76,345	-
Council member costs	532,254	470,000
23(a)	2,181,706	2,151,000

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Town's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

23. RELATED PARTY TRANSACTIONS

Transactions with related parties

Transactions between related parties and the Town are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	2023	2022
	\$	\$
Purchase of goods and services	-	15,000

Related Parties

The Town's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 23(a) and 23(b)

ii. Other Related Parties

Outside of normal citizen type transactions with the Town, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the Town

There were no such entities requiring disclosure during the current or previous year.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

24. FINANCIAL RISK MANAGEMENT

This note explains the Town's exposure to financial risks and how these risks could affect the Town's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Town does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy, debt management policy and borrowings policy.

(a) Interest rate risk

Cash and cash equivalents

The Town's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Town to cash flow interest rate risk.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Town to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2023					
Cash and cash equivalents	1.82%	14,839,729	-	14,839,729	-
Financial assets at amortised cost - term deposits	0.88%	166,000,000	166,000,000	-	-
2022					
Cash and cash equivalents	0.30%	45,173,765	-	45,173,765	-
Financial assets at amortised cost - term deposits	0.53%	169,641,981	169,641,981	-	-
Financial assets at amortised cost - Treasury bonds					

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2023	2022
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	148,397	451,738

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Town manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Town does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 30(a).

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Town's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Town manages this risk by monitoring outstanding debt and employing debt recovery policies.

The level of outstanding receivables is reported to council monthly and benchmarks are set and monitored for acceptable collection performance.

The Town applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2022 or 1 July 2023 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2023					
Trade receivables					
Expected credit loss	0.09%	0.26%	1.62%	45.40%	
Gross carrying amount	1,318,619	109,455	6,774	153,357	1,588,205
Loss allowance	1,243	282	110	70,837	72,472
30 June 2022					
Trade receivables					
Expected credit loss	0.32%	1.49%	5.80%	28.83%	
Gross carrying amount	1,259,599	403,845	241,355	237,604	2,142,403
Loss allowance	4,365	5,645	13,776	67,753	91,539
	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2023					
Rates receivable less prepaid rates					
Expected credit loss	10.59%	144.29%	27.00%	12.89%	
Gross carrying amount	337,260	24,718	132,450	278,102	772,530
Loss allowance	35,710	17,130	35,759	35,857	124,456
30 June 2022					
Rates receivable less prepaid rates					
Expected credit loss	0.03%	0.0649%	0.1013%	0.0827%	
Gross carrying amount	526,000	370,000	227,000	375,000	1,498,000
Loss allowance	18,284	24,000	23,000	31,000	96,284

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade, other receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Trade receivables		Rate receivables		Self Supporting Loan	
	2023 Actual	2022 Actual	2023 Actual	2022 Actual	2023 Actual	2022 Actual
Opening loss allowance as at 1 July	\$ 91,539	\$ 18,000	\$ 96,293	\$ -	\$ -	\$ 257,000
Increase in loss allowance recognised in profit or loss during the year	(19,067)	477,000	40,439	96,284	-	177,276
Receivables written off during the year as uncollectible	-	(403,461)	-	-	-	-
Unused amount reversed	-	-	-	-	-	-
Closing loss allowance at 30 June	72,472	91,539	136,732	96,284	-	434,276

Trade receivables and self supporting loan assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Town, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and self supporting loan assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

24. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables, borrowings and leases are all subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Town manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended if required and disclosed in Note 20(c).

The contractual undiscounted cash flows of the Town's payables, borrowings and leases are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2023					
Trade and other payables	5,916,011	13,471	-	5,929,482	5,929,482
Borrowings	3,189,233	15,617,871	24,172,131	42,979,235	23,901,219
Lease liabilities	133,000	34,425	-	167,425	167,425
	9,238,244	15,665,767	24,172,131	49,076,142	29,998,126
2022					
Trade and other payables	13,190,758	13,471	-	13,204,229	13,203,758
Lease liabilities	144,877	79,662	-	224,539	224,539
	13,335,635	93,133	-	13,428,768	13,428,297

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

25. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No events occurred after the end of the reporting period

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

26. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

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

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

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

When the Town applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation

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

g) Fair value of assets and liabilities

Fair value is the price that the Town would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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

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

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

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

The Town selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Town are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Town gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

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

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

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

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

27. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

The Town's operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
<p>Governance</p> <p>To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Includes all activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of providing legal services on all matters which do not concern specific local government services.</p>
<p>General purpose funding</p> <p>To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants, interest revenue.</p>
<p>Law, order, public safety</p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Fire prevention and volunteer bush fire brigade, animal control, support of State Emergency Services, emergency services, the Town's CCTV network, and community safety and crime prevention initiatives.</p>
<p>Health</p> <p>To provide an operational framework for environmental and community health.</p>	<p>Vermin control, environmental health, food and public health regulation and compliance, and health.</p>
<p>Education and welfare</p> <p>To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Community partnership funding, disability access initiatives, community services administration, facilities including the JD Hardie Centre and asset management associated with key community buildings.</p>
<p>Housing</p> <p>To provide and maintain adequate housing.</p>	<p>Primarily centred around the provision of housing to employees, and asset management activities.</p>
<p>Community amenities</p> <p>To provide services required by the community.</p>	<p>Strategic town planning and development control, all aspects of waste management such as waste collection, landfill operations, and waste minimisation; cemeteries, public toilets, cyclone preparation and response, and sanitation and litter collection.</p>
<p>Recreation and culture</p> <p>To establish and effectively manage infrastructure and resources which will help the social well-being of the community.</p>	<p>Maintenance of public halls, civic centres, aquatic centres, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of libraries, galleries and other cultural facilities.</p>
<p>Transport</p> <p>To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities, and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.</p>
<p>Economic services</p> <p>To help promote the Town and its economic well-being.</p>	<p>Tourism and area promotion, strategic projects, leasing and administration of commercial properties, building regulation, land development, and saleyards and markets.</p>
<p>Other property and services</p> <p>To monitor and control operating accounts.</p>	<p>Private works operation, plant repair and costs.</p>

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

27. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses	2023 Actual	2022 Actual
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	3,581	3,232
General purpose funding	63,489,563	61,350,815
Law, order, public safety	1,037,579	203,317
Health	-	469,047
Education and welfare	228,994	109,734
Housing	433,557	10,140
Community amenities	13,157,057	11,781,250
Recreation and culture	3,202,852	3,125,999
Transport	7,981,308	216,662
Economic services	-	1,829,727
Other property and services	9,394,821	890,733
	98,929,312	79,990,656
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Law, order, public safety	5,490,630	1,829,237
Health	-	24,377
Education and welfare	83,070	7,474
Housing	-	52,801
Community amenities	111,457	-
Recreation and culture	420,348	32,035
Transport	9,569,643	7,758,568
Economic services	-	1,680,360
Other property and services	2,500,008	-
	18,175,156	11,384,852
Total Income	117,104,468	91,375,508
Expenses		
Governance	(2,313,669)	(2,380,472)
General purpose funding	(409,610)	(8,539,545)
Law, order, public safety	(1,822,501)	(2,560,223)
Health	-	(1,210,368)
Education and welfare	(4,938,930)	(3,593,650)
Housing	(2,421,724)	(1,267,136)
Community amenities	(38,765,862)	(11,798,097)
Recreation and culture	(30,791,636)	(29,014,907)
Transport	(6,441,063)	(12,289,265)
Economic services	(1,130,741)	(1,478,808)
Other property and services	(34,234,013)	(2,347,257)
Total expenses	(123,269,749)	(76,479,728)
Net result for the period	(6,165,281)	14,895,780
(c) Total Assets		
Governance	162,861	1,625,770
General purpose funding	128,857,392	272,816,500
Law, order, public safety	1,768,679	834,588
Health	1,168,961	5,885,997
Education and welfare	8,444,738	6,903,950
Housing	37,073,806	31,708,763
Community amenities	67,122,511	14,393,577
Recreation and culture	151,725,697	83,982,015
Transport	342,635,446	183,712,107
Economic services	2,852,589	677,855
Other property and services	23,211,268	2,880,373
Unallocated	41,144,817	23,876,062
	806,168,765	629,297,557

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

28. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	2022/23		2022/23		2022/23		2022/23		2021/22	
		Rate in \$	Number of Properties	Actual Rateable Value*	Actual Rate Revenue	Actual Interim Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Total Revenue	Actual Total Revenue
GRV Residential		0.07062	6,270	195,022,825	13,761,430	230,194	13,991,624	13,275,112	-	13,275,112	11,117,210
GRV Commercial		0.08979	734	61,784,935	5,519,980	171,707	5,691,687	5,407,169	-	5,407,169	5,071,091
GRV Mass Accommodation		0.13050	18	15,867,140	2,070,662	-	2,070,662	2,070,562	-	2,070,562	2,772,355
UV Pastoral		0.11298	10	1,400,239	158,199	-	158,199	158,000	-	158,000	206,424
UV Mining Other		0.20215	527	198,647,363	40,156,563	642,016	40,798,579	40,117,000	-	40,117,000	38,030,795
Total general rates			7,559	472,722,502	61,666,834	1,043,917	62,770,751	61,027,843	-	61,027,843	57,197,875
Minimum Payment											
Minimum payment											
GRV Residential		1,300	672	875,500	375,744	-	375,744	874,000	-	874,000	1,894,100
GRV Commercial		1,900	171	315,500	178,281	-	178,281	315,500	-	315,500	388,500
GRV Mass Accommodation		1,900	1	-	1,900	-	1,900	1,900	-	1,900	-
UV Pastoral		1,900	-	-	-	-	-	-	-	-	-
UV Mining Other		200	236	47,000	8,047	-	8,047	47,000	-	47,000	48,600
Total minimum payments			1,080	1,238,000	563,972	-	563,972	1,238,400	-	1,238,400	2,332,200
Total general rates and minimum payments				473,960,502	62,230,806	1,043,917	63,274,723	62,266,243	-	62,266,243	59,530,075
Discounts											(430,984)
Concessions											(233,910)
Total Rates							(177,302)			(122,643)	58,865,181
Rate instalment interest											93,032
Rate overdue interest											224,612

The rate revenue was recognised from the rate record as soon as practicable after the Town resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

*Rateable Value at time of raising of rate.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

29. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23	2022/23	2021/22	
	(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(30 June 2022 Carried Forward)	
	\$	\$	\$	
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
	Less: Profit on asset disposals	(166,616)	(400,000)	(28,680)
	Less: gifted assets	(6,886,886)	-	-
	Add: Loss on disposal of assets	-	-	566,512
	Add: Impairment and Asset write off	4,282,295	-	-
8 (a), (9a)	Add: Depreciation	18,644,166	14,641,200	12,869,716
Non-cash movements in non-current assets and liabilities:				
	Financial assets at amortised cost	-	-	-
	Revaluation of Investment property	2,241,765	-	7,306,648
12	Intangible asset adjustment	707,040	-	-
	Non-Current/Current movements	-	-	(278,000)
	Movement in non-current prepayment	31,537	-	31,611
7	Assets held for sale	-	-	-
	Employee benefit provisions	(176,925)	-	494,703
	Lease Premium Prepaid	(924,160)	-	(924,160)
	Other Provisions	(157,230)	-	-
	Contract liabilities	-	(4,060,000)	-
	Inventory	-	-	1,266,054
	Non-cash amounts excluded from operating activities	17,594,986	10,181,200	21,304,404
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to investing activities				
8(a)	Property, plant and equipment received for substantially less than fair value	150,944	-	-
9(a)	Infrastructure received for substantially less than fair value	6,735,942	-	-
	Non cash intangible asset recognition	-	-	12,997,468
	Non-cash amounts excluded from investing activities	6,886,886	-	12,997,468
(c) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
31	Less: Reserve accounts	(172,038,374)	(130,712,030)	(202,623,268)
4(a)	Less: Financial assets at amortised cost - self supporting loans	(10,505)	-	(10,505)
Less: Current assets not expected to be received at end of year				
6	- Land held for resale	-	(1,310,000)	(1,710,000)
	- Operating Grants and Contributions	-	(121,000)	-
	- Other liabilities	-	(5,284,000)	-
Add: Current liabilities not expected to be cleared at end of year				
16	- Current portion of borrowings	1,922,253	24,269,000	-
	- Lease premium prepaid	924,160	-	924,160
	- Current portion of lease liabilities	133,000	-	144,877
11(b)	- Employee benefit provisions	412,648	-	2,122,724
	- Airport provisions	2,391,971	80,000	400,000
	Total adjustments to net current assets	(166,264,847)	(113,078,030)	(200,752,012)
Net current assets used in the Statement of Financial Activity				
	Total current assets	186,863,736	149,513,600	223,695,067
	Less: Total current liabilities	(16,199,693)	(34,134,370)	(22,856,959)
	Less: Total adjustments to net current assets	(166,264,847)	(113,078,030)	(200,752,012)
	Surplus or deficit after imposition of general rates	4,399,196	2,301,200	86,096

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

30. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget				
		Principal at 1 July 2021	New Loans During 2021-22	Principal at 30 June 2022	Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Principal at 30 June 2023	Repayments During 2022-23
Staff Housing		\$ -	\$ -	\$ -	\$ (73,788)	\$ 9,626,212	\$ -	\$ 9,626,000	\$ (380,000)	\$ 9,620,000
Depot/Masterplan		\$ -	\$ -	\$ -	\$ (189,850)	\$ 4,010,150	\$ -	\$ 4,200,000	\$ (382,000)	\$ 3,818,000
Seawalls		\$ -	\$ -	\$ -	\$ (104,143)	\$ 9,964,857	\$ -	\$ 10,069,000	\$ (160,000)	\$ 9,909,000
Total		\$ -	\$ -	\$ -	\$ (367,781)	\$ 23,901,219	\$ -	\$ 24,269,000	\$ (922,000)	\$ 23,347,000

* WA Treasury Corporation

(b) New Borrowings - 2022/23

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed 2023		Amount (Used) 2023	
					Actual	Budget	Actual	Budget
Staff Housing	WATC	Principal & Interest	20	4.85%	\$ 9,800,000	\$ 10,000,000	\$ 9,900,000	\$ 10,000,000
Staff Housing	WATC	Principal & Interest	20	4.90%	\$ 100,000	\$ -	\$ 100,000	\$ -
Depot/Masterplan	WATC	Principal & Interest	5	4.18%	\$ 4,200,000	\$ 4,200,000	\$ 4,200,000	\$ 4,200,000
Seawalls	WATC	Principal & Interest	10	4.39%	\$ 5,200,000	\$ 10,069,000	\$ 5,200,000	\$ 10,069,000
Total					\$ 24,269,000	\$ 24,269,000	\$ 24,269,000	\$ 24,269,000

* WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Actual				Budget				
		Principal at 1 July 2021	New Leases During 2021-22	Principal at 30 June 2022	Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Leases During 2022-23	Principal at 30 June 2023	Repayments During 2022-23
Staff Housing Lease		\$ 41,660	\$ -	\$ (41,660)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Port Hedland Library		\$ 98,136	\$ -	\$ (49,548)	\$ 48,588	\$ 87,646	\$ (66,950)	\$ 48,000	\$ (48,000)	\$ -
Gratwick Gym Equipment		\$ 273,497	\$ -	\$ (97,546)	\$ 175,951	\$ 79,779	\$ (96,172)	\$ 177,000	\$ (97,000)	\$ 80,000
Total Lease Liabilities	11(b)	\$ 413,293	\$ -	\$ (188,754)	\$ 224,539	\$ 167,425	\$ (163,122)	\$ 225,000	\$ (145,000)	\$ 80,000

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2022		Budget for year ending 30 June 2023	
						2022	Lease Term	2022	Lease Term
Port Hedland Library			Sentinel Country	1.60%		\$ -	(2,541)	\$ -	(3,000)
Gratwick Gym Equipment			Mela Financial	1.20%		\$ -	(2,495)	\$ -	(4,000)
Staff Housing Lease			Housing	2.20%		\$ -	(622)	\$ -	(922)
Total Finance Cost Payments						\$ -	(5,958)	\$ -	(7,922)

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Closing Balance	2023 Actual Transfer to	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Closing Balance
31. RESERVE ACCOUNTS										
Restricted by council										
(a) Reserves cash backed - Employee Leave Reserve	1,375,612	-	1,375,612	1,375,612	940,000	2,315,612	-	1,375,612	-	1,375,612
(b) Reserves cash backed - Plant Reserve	2,986,300	1,603,089	2,749,607	1,405,000	3,076,000	405,200	1,581,268	1,405,032	1,581,268	2,986,300
(c) Reserves cash backed - Unfinished Works & Committed Works Reserve	1,425,475	15,290,000	16,715,475	-	-	-	-	1,425,475	-	1,425,475
(d) Reserves cash backed - Housing Reserve	593,965	-	593,965	593,965	1,000,000	1,244,065	-	593,965	-	593,965
(e) Reserves cash backed - Airport Reserve	4,285,991	-	4,285,991	4,286,000	-	3,786,000	-	4,285,991	-	4,285,991
(f) Reserves cash backed - Spoilbank Reserve	36,357,233	(36,234,031)	123,202	36,357,233	-	12,357,233	-	36,357,233	-	36,357,233
(g) Reserves cash backed - Asset Management Reserve	6,161,533	26,132,424	16,676,368	5,242,000	16,465,000	323,500	5,241,533	5,241,533	-	6,161,533
(h) Reserves cash backed - Waste Management Reserve	8,127,912	3,400,925	10,790,246	6,231,000	-	3,541,100	6,573,868	6,573,868	2,173,721	8,127,912
(i) Reserves cash backed - Strategic Reserve	116,186,027	(22,783,329)	93,404,688	112,736,000	-	88,108,100	138,170,432	138,170,432	(619,697)	116,186,027
(j) Reserves cash backed - Cyclone Emergency Response Reserve	80,410	-	80,410	80,410	-	80,410	-	80,410	-	80,410
(k) Reserves cash backed - Financial Risk Reserve	18,550,810	-	18,550,810	18,550,810	-	12,050,810	-	25,050,810	-	18,550,810
(l) Reserves cash backed - Landfill Establishment Reserve	6,500,000	-	6,500,000	6,500,000	-	6,500,000	-	6,500,000	-	6,500,000
	202,623,288	46,426,448	172,038,374	193,348,030	21,502,000	130,712,030	(84,138,000)	221,550,381	11,174,989	202,623,288
	202,623,288	46,426,448	172,038,374	193,348,030	21,502,000	130,712,030	(84,138,000)	221,550,381	11,174,989	202,623,288

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of reserve account	Purpose of the reserve account
(a) Reserves cash backed - Employee Leave Reserve	To ensure that adequate funds are available to finance employee leave entitlements such as annual leave, long service leave, sick leave and redundancies.
(b) Reserves cash backed - Plant Reserve	To fund the plant replacement program.
(c) Reserves cash backed - Unfinished Works & Committed Works Reserve	To transfer unspent municipal funded expenditure on specific projects to enable identification of carryover expenditure into the next financial year.
(d) Reserves cash backed - Housing Reserve	To fund the maintenance, refurbishment, redevelopment and construction of Local Government provided housing.
(e) Reserves cash backed - Airport Reserve	To fund the future Port Hedland International Airport Capital Works commitments.
(f) Reserves cash backed - Spoilbank Reserve	To fund the Port Hedland Spoilbank development.
(g) Reserves cash backed - Asset Management Reserve	To fund the ongoing maintenance, refurbishment, renewal, replacement and development of Council owned infrastructure assets within the town of Port Hedland.
(h) Reserves cash backed - Waste Management Reserve	To fund the development, operation, maintenance and capital expenditure for the Council's waste management facilities including the landfill and waste collection operations.
(i) Reserves cash backed - Strategic Reserve	To fund strategic projects as included in the Town's Strategic Community Plan and Corporate Business Plan.
(j) Reserves cash backed - Cyclone Emergency Response Reserve	To fund cyclone and emergency related projects.
(k) Reserves cash backed - Financial Risk Reserve	To provide funds to mitigate potential financial risks including legal cases with penalties awarded against the Town and SAT rulings upholding valuation objections on high value properties likely to cause significantly large refunds and other unknown events potentially resulting in financial loss to the Town.
(l) Reserves cash backed - Landfill Establishment Reserve	To fund the closure and repatriation of the existing landfill facility.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

32. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Public open space	376,379	-	-	376,379
Mosquito control	3,316	689	-	4,005
Nomination bond	640	-	(640)	-
	<u>380,335</u>	<u>689</u>	<u>(640)</u>	<u>380,384</u>

**TOWN OF PORT HEDLAND
AUDITOR GENERAL'S REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

This page has been deliberately left blank for the Auditor General report, which had not yet been received at time of production.

**TOWN OF PORT HEDLAND
AUDITOR GENERAL'S REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

This page has been deliberately left blank for the Auditor General report, which had not yet been received at time of production.

**TOWN OF PORT HEDLAND
AUDITOR GENERAL'S REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

This page has been deliberately left blank for the Auditor General report, which had not yet been received at time of production.





Town of Port Hedland

Civic Centre

McGregor Street

Port Hedland WA 6721

council@porthedland.wa.gov.au

www.porthedland.wa.gov.au

43586_key2creative_11/23