



ATTACHMENTS

VOLUME 4

Under Separate Cover

Ordinary Council Meeting
Wednesday, 14 December 2022

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Annual Report

2021-2022

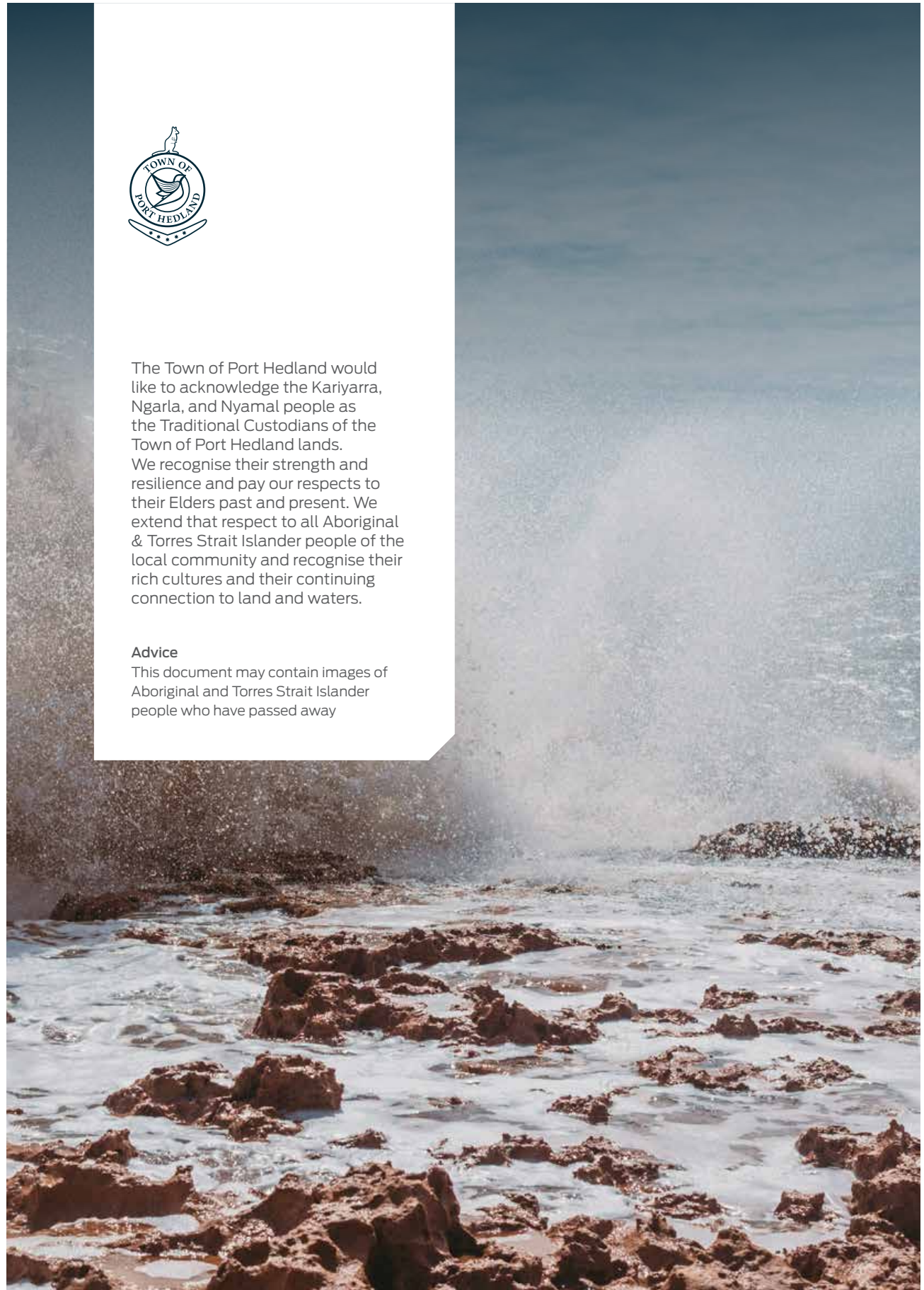




The Town of Port Hedland would like to acknowledge the Kariyarra, Ngarla, and Nyamal people as the Traditional Custodians of the Town of Port Hedland lands. We recognise their strength and resilience and pay our respects to their Elders past and present. We extend that respect to all Aboriginal & Torres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

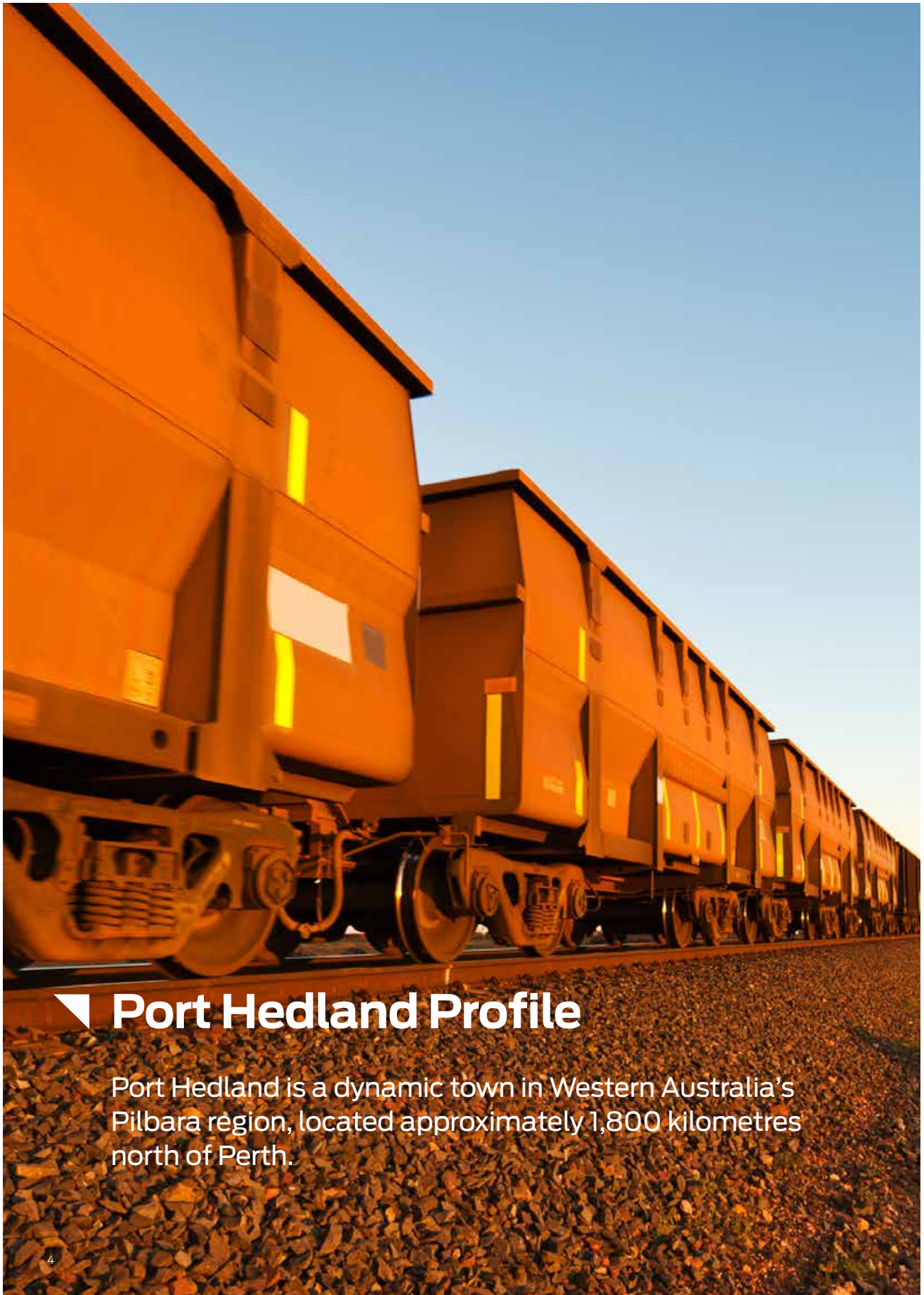
Advice

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



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▼ Port Hedland Profile

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

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Covering 18,467 square kilometres, Hedland is home to around 16,000 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. The region includes the Port Hedland International Airport precinct, including the Kingsford Smith Business Park, the strategic industrial areas of Boodarie and Wedgefield, and the remote communities of Strelley and Yandeyarra and additional outlying stations.

Port Hedland is an important economic engine to the Australian nation. Its gross regional product is estimated at \$8.75 billion, representing 2.42% of Western Australia's Gross State Product.

The largest employer sector in the region is mining, generating approximately 4,140 full-time equivalent (FTE) jobs. This is followed by the transport, postal and warehousing sectors generating approximately 1,608 FTE jobs, and the construction sector generating approximately 1,199 FTE jobs and generating approximately 1,000 jobs. Health and social care services are the largest employment group in the services sector.

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.

Mayoral Message



As Mayor of the Town of Port Hedland, it is with great pleasure that I present our Annual Report for the 2021/22 financial year.

I am privileged to lead a team of Councillors dedicated to seeing Port Hedland continue to grow and evolve. The future of our community is at the heart of every decision we make, and I am proud to see strategic initiatives coming to fruition, many of which have been years in the making.

Port Hedland's position as the powerhouse of both the West Australian, and national, economies was once again proven over the financial year. The port of Port Hedland saw throughput at 561Mt over the year, up from 546Mt. There was also a 10-fold increase in container volumes during the year. The positive effects of this import and export activity will continue into the future as the new Port Hedland Port Development Plan will enable the growth of iron ore exports to 660Mt per annum.

I am committed to ensuring the Town of Port Hedland works collaboratively with industry stakeholders that benefit from our region and this export market, and the State and Federal Government, to advocate effectively for the

future of our community. We have seen positive progress in this space during the 2021/22 year.

The Council has continued to work with Aviair to see Hedland connected to inter-regional locations. Flights will provide links to Karratha, Newman and Broome over the next five years.

The Town was also a key player in brokering the new Pilbara Designated Area Migration Agreement (DAMA) to help address critical labour shortages within the Pilbara region. The Pilbara DAMA is a five-year agreement between the Commonwealth and Regional Development Australia, in partnership with the City of Karratha and the Town of Port Hedland with support from Chambers of Commerce and Industry. The Pilbara DAMA will provide new pathways for employers to sponsor skilled and semi-skilled overseas workers for certain positions they are unable to fill with Australian workers.

I'm also pleased that in early 2022, Council endorsed the Economic Development and Tourism Strategy to help guide the long-term direction for economic and tourism development in the Town of Port Hedland.

The Strategy sets out a range of initiatives to help drive future opportunities, with the goal

of achieving over 5,000 new jobs and 11,600 new residents by 2041. This will include ensuring a future supply of housing and serviced land for development, investing in and developing community infrastructure, supporting tourism infrastructure development, marketing and promoting the area for business and tourism, and supporting other local and regional growth initiatives.

I am also proud that the Council authorised the Town to enter into a Memorandum of Understanding (MoU) with the Kariyarra Aboriginal Corporation (KAC). KAC is the body corporate which holds the Kariyarra community's native title on trust. It is the first time the Town of Port Hedland has entered into an MoU of this kind, helping to forge a strong relationship between the community and the Kariyarra people into the future. Congratulations to everyone involved in this MoU.

Thank you to everyone who has played a role in helping us progress Hedland's future, your dedication to our community is appreciated.

Peter Carter
Town of Port Hedland Mayor



The future of our community is at the heart of every decision we make



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CEO's Report



On behalf of the Town's administration, I am pleased to present the Hedland community with the 2021/22 Annual Report.

This is the third annual report I have presented since my tenure as Chief Executive Officer commenced. We have continued to make positive progress in our strategic direction for the Hedland community and delivering services and core infrastructure to support liveability in our community.

During the financial year the Town progressed work on the Strategic Community Plan, which was adopted by Council in July 2022. The Plan was built on insights from the Community Perception Survey and outlines the future direction of the Town of Port Hedland. It focuses on building prosperity, economic and environmental sustainability and investment in community through partnership, civic leadership and collective action over a ten-year period. Thank you to everyone in our community who provided input into this important Plan.

In addition, the endorsement of the Economic and Tourism Strategy was a key milestone on promoting Hedland as a viable location to establish businesses and an enticing tourism destination.

Community safety continues to be high on our agenda and I am proud of our work with partners to continue addressing antisocial behaviour. As an example, this year we launched an initiative with Police to eliminate illegal vehicle activity, following calls from the community. We have seen positive outcomes and continue to collaborate on addressing community safety issues.

Our events program continued to engage our community with a varied range of opportunities on offer. As always, Spinifex Spree attracted thousands of people and the Sunset Food Markets provided an enjoyable way to spend a Friday evening. I also congratulate everyone involved in delivering the North West Festival in August 2021 in a reduced format, mitigating the risks of COVID-19 by supporting the involvement of local artists.

We also continued to deliver on our ambitious program of capital works projects. Investment in these significant projects supports our aim of developing civic amenity that meets people's expectations for facilities in a liveable town.

We were excited to complete the construction of the Sutherland Street shared pathway in November 2021 – providing a missing link in Hedland's overall pathway network.

We also celebrated progress on the landmark Spoilbank Marina project in partnership with the State Government and BHP. The \$187.5 million project will create a vibrant new amenity for the Port Hedland community and visitors. In December 2021 the contract was awarded to commence the next stage of the Spoilbank Marina development. This \$10.6 million contract includes the construction of a boat ramp, boat pens, a public jetty and navigation aids. It is the next step to transform Port Hedland's waterfront into an attractive and popular destination for locals and visitors alike.

Also in Port Hedland, we were pleased to complete construction of the seawall in the West End of Port Hedland (Marapikurrinya Park) in March 2022, while also moving on to start construction of the Sutherland Street seawall. These projects are an important part of protecting Hedland infrastructure from the potentially devastating impacts of cyclonic conditions.

In February 2022 we commenced construction of the Port Hedland Sports and Community Hub, representing a \$19.4 million investment. The works include the construction of the Port Hedland Community Centre. The modern, multi-functional facility will provide more recreation space, play host to corporate and community functions, and support up to 200 people in a community welfare emergency.

In March 2022, the final version of the South Hedland Place Plan was endorsed by Council. This is an important plan that sets out a community-led vision for South Hedland, including planning within the precinct that allows our community to enjoy the space in the way that most appeals to them.

Our plans to develop the South Hedland Integrated Sports Hub were also supported by Council and the Town commenced arrangements to acquire adjacent

land for the future development of a neighbouring Arts and Culture precinct.

At the start of 2022 the Town launched the Shape Your Future Traineeship & Apprenticeship program. This program saw an increase of 10 additional Full Time Traineeship and Apprenticeship positions and 6 School Based Traineeship positions.

The Shape Your Future program was developed in consultation with Hedland Senior High School, North Regional TAFE, Apprenticeship Support Australia, Programmed and other ToPH stakeholders. The Town's ongoing commitment to Traineeships & 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.

Finally, I am pleased to acknowledge that the Town of Port Hedland was one of only five organisations in Western Australia to achieve the Gold WorkSafe Plan in 2022 – demonstrating our commitment to best practice approaches to safety and health management.

It has been a busy year with the impacts of COVID-19 still presenting challenges – whether that be around sourcing labour and materials for construction or planning events. My thanks go to everyone who has supported the Town's vision, and also to the staff and volunteers that are crucial to making our plans become reality.

Carl Askew
Chief Executive Officer



The Town of Port Hedland was one of only five organisations in Western Australia to achieve the Gold WorkSafe Plan

Elected Members



Mayor

Peter Carter
2021 - 2025



Deputy Mayor

Tim Turner
2021 - 2025



Councillor

Renae Coles
2020 - 2023



Councillor

Elmar Zielke
2020 - 2023



Councillor

Jan Gillingham
2020 - 2023



Councillor

Ash Christensen
2021 - 2025



Councillor

Laveni 'Flo' Bennett
2021 - 2025



Councillor

David Eckhart
2021 - 2025



Councillor

Jason Keller
2022 - 2023



Councillor

Warren McDonogh
2020 - 2022

Meeting Attendance 2021-22

	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	11	11	6	6	2	2	19	19
Councillor Tim Turner	11	10	6	6	2	0	19	16
Councillor Renaë Coles	11	11	6	6	2	1	19	18
Councillor Jan Gillingham	11	10	6	6	2	1	19	17
Councillor Elmar Zielke	11	11	6	6	2	1	19	18
Councillor David Eckhart	8	6	6	6	2	1	16	13
Councillor Ash Christensen	8	8	6	6	2	1	16	15
Councillor Flo Bennett	8	8	6	6	2	0	16	14
Councillor Jason Keller	2	2	2	2	0	0	4	4
Councillor Eva Bartho	3	3	0	0	0	0	3	3
Councillor Lewis Kew Ming	3	3	0	0	0	0	3	3
Councillor Warren McDonogh	6	3	2	1	0	0	8	4
Councillor Kylie Unkovich	3	3	0	0	0	0	3	3

Executive Team



CEO
Carl Askew, February 2020 –present

The Chief Executive Officer leads the Town of Port Hedland and is responsible for the overall management of the administration. This includes providing timely advice to Council, ensuring Council decisions are implemented, overseeing the daily management of operations and ensuring resources are effectively and efficiently managed.

The Office of the CEO delivers high-quality services to the community and organisation through the following teams:

- Corporate Affairs
- Human Resources
- Workplace Health and Safety



Director Corporate Services
Karren MacClure, November 2020 – present

The Corporate Services directorate delivers high-quality services to the community and organisation through the following teams:

- Financial Services
- Governance
- Procurement
- Legal Services
- Corporate Planning
- Information Communications Technology
- Records



Director Regulatory Services
Craig Watts, October 2019 – present

The Regulatory Services directorate delivers high-quality services to the community and organisation through the following teams:

- Environmental Health
- Rangers Services
- Building
- Planning and Development
- Business and Economic Development



Director Infrastructure Services
Lee Furness, November 2019 – present

The Town's Infrastructure Services directorate delivers high-quality services to the community and organisation through the following teams:

- Property Management and Maintenance
- Engineering Operations
- Infrastructure Development
- Technical Services
- Projects
- Waste Operations
- Fleet Operations
- Parks and Gardens



Director Community Services
Josephine Bianchi, November 2019 – present

The Community Services directorate delivers high-quality services to the community and organisation through the following teams:

- Sports and Recreation Facilities
- Libraries
- Youth Services
- Community Safety
- Community Development
- Events
- Arts & Culture
- Community Engagement
- Aquatic Facilities and Services
- Leisure
- Matt Dann Theatre and Cinema

2021/22 Highlights


Population **15,984**

7,633
residential dwellings 

39,455 visits to Port and South Hedland Libraries

 **30,934** Library items borrowed
 **2,569** active Library members



128,000 visits to Port Hedland Leisure aquatic centres

2,522 Leisure membership sign-ups




169
citizenships granted

 Total land area **11,844km²**

 **1,364** dogs registered
 **228** cats registered


662,250m² of turf mowed

 **67,300** metric tonnes of landfill waste



3,369 tonnes

of asphalt laid throughout 24 streets



85 licensed food premises

23 licensed mobile food vendors



37km

of unsealed roads resheeted



2,539 Ranger jobs

3,517m

of new footpath installed at 18 locations

14 aquatic facilities regulated



228 aquatic samples taken



7,408m

of new kerbs installed



86 Development applications approved

\$19.93 million

highest construction value



273 building permits issued within timeframe

\$89.14M of building permits issued

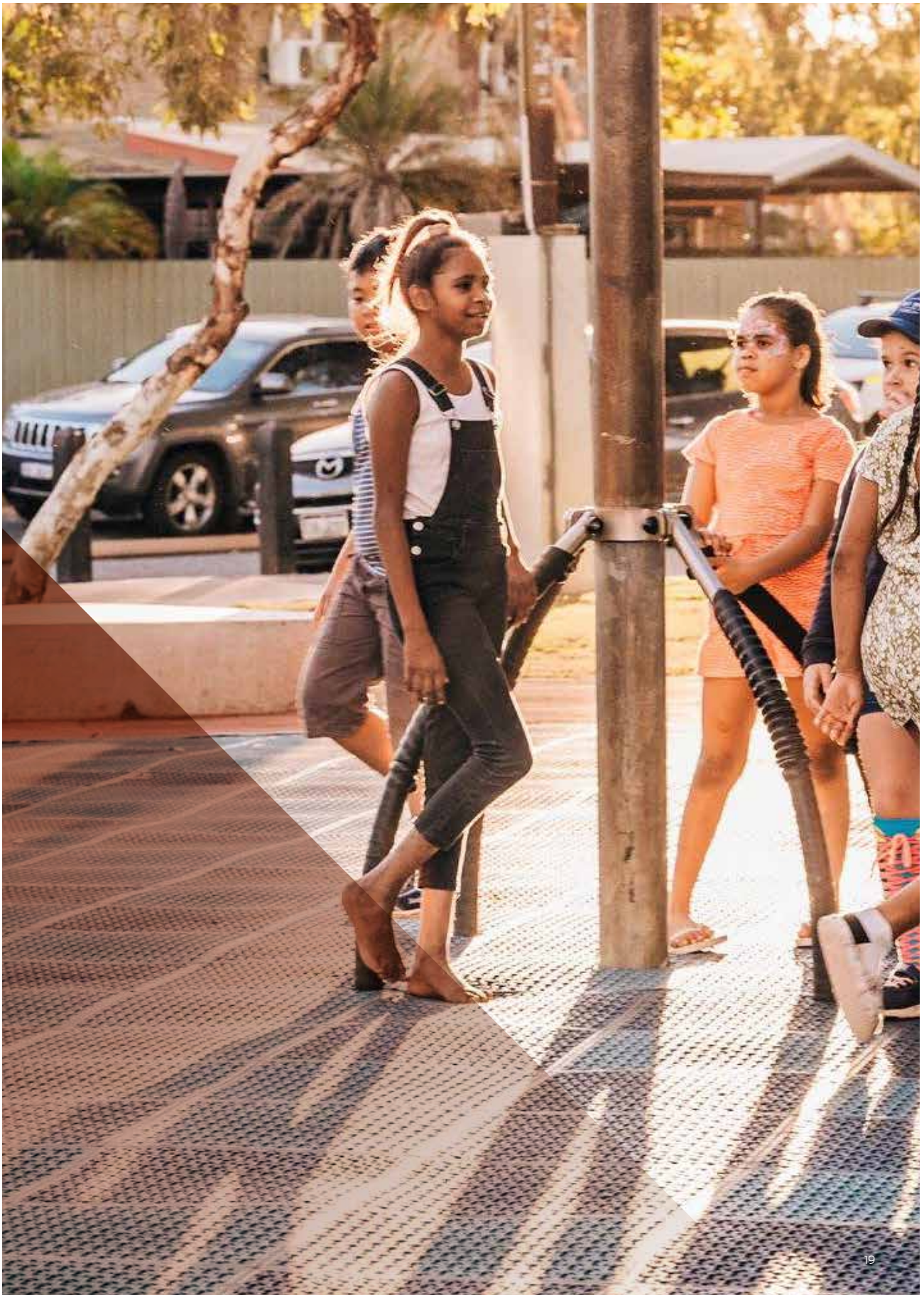


► **Strategic
Planning**

►► **Our Community**



We honour our people and our cultural heritage – ensuring wellbeing, diversity, creativity, and a strong civic dialogue.



Annual Community Perception Survey

Understanding the priorities, concerns and perceptions of our community is an important part of ensuring the Town’s vision aligns with that of community members. To gather these insights the Town of Port Hedland commissioned a MARKYT to carry out the Annual Community Perception Survey.

Community members were invited to complete the survey between 8 November to 5 December 2021, with invitations sent to all households and residential PO Boxes in Hedland. More than 1,000 (1,055) community members completed the scorecard.

The resulting insights will help to determine community priorities, benchmark performance and support the review of the Strategic Community Plan (SCP).

The results showed that safety and crime prevention were the top priority for residents, followed by family and children services. Other priority areas included housing, youth services and facilities, health and community services, responsible growth and development, sport and recreation facilities, and town centre development and activation.



Historic MOU and ILUA with Kariyarra Aboriginal Corporation

On 19 February 2022, Council authorised the Town to enter into a Memorandum of Understanding (MOU) with the Kariyarra Aboriginal Corporation (KAC). KAC is the body corporate which holds the Kariyarra community’s native title on trust. It is the first time the Town of Port Hedland has entered into an MOU of this kind, helping to forge a strong relationship between the community and the Kariyarra people into the future.

The MOU will set out a framework for entry into voluntary Indigenous Land Use Agreements (ILUA) for future municipal capital works on Kariyarra native title land, rather than proceeding through native title litigation. The MOU will help to deliver cultural

heritage opportunities, employment opportunities, social and recreational opportunities, conservation of heritage sites, administrative and management support for procurement, design and construction of any KAC development or facility.



Port Hedland Leisure

Port Hedland Leisure oversees the operation of Wanangkura Stadium, South Hedland Aquatic Centre and the Gratwick Aquatic and Fitness Centre. With services in 2020/21 greatly disrupted by the COVID-19 pandemic and social distancing measures, 2021/22 represented a gradual 'return to normal.'

Saturday 25 September 2021 saw the official reopening of the Gratwick Aquatic Centre. The Back2GAC II reopening event offered a wide range of family-friendly activities, including free aquatic entry, a bombie competition, children's activities, inflatables, classic catch competition and plenty of prizes and giveaways. The free event was well attended by families across Hedland.

In December 2021, Gratwick Aquatic and Fitness Centre updated its Watch Around Water policy to bring it in line with industry best practice. This included ensuring responsible adults were with children at all times while at and in the pool, and encouraging people to minimise distractions to keep children safe around water.

In early 2022, Port Hedland Leisure celebrated three years of in-house management under the Town of Port Hedland. Since taking on the management membership numbers increased from 1,000 members in April 2019 to 1774 in June 2022. There were also over one million visits to leisure facilities during this time, over 5,000 fitness classes performed, more than 6,000 children and adults taught how to swim, over 35,000 creche visits, more than 400,000 gym visits across Gratwick Gym and Wanangkura Stadium, and over 450,000 visits to the South Hedland and Gratwick Aquatic Centres.

Port Hedland Leisure was also announced as a finalist in the Parks and Leisure Australia Awards of Excellence for Best Regional/Rural Industry Contribution in May 2022. These awards celebrate and recognise the exceptional initiatives of the 'people behind the places' to highlight the social, environmental and economic benefits that leisure activities provide to the wider community.

Citizenship Ceremonies

Seven citizenship ceremonies were held at the Civic Centre in 2021/22, with 169 new citizenships granted in total. Strict COVID-19 guidelines had led to fewer citizenships during the 2020/21 financial year, so it was pleasing to see numbers back on the rise once more.

The citizenship ceremonies help to strengthen Hedland's multicultural identity and hold a special significance within the community. The 169 new citizens originated from a wide variety of countries, including the Philippines, Zimbabwe, United Kingdom, New Zealand, Mauritius, Denmark, Malawi, Federal Republic of Germany, India, Nigeria, Thailand, South Africa, Republic of Yemen, Vietnam and Taiwan.



Community Safety Update

The Town is committed to building a connected and resilient community across Hedland, ensuring that community safety is central to planning. The Community Safety team worked on multiple projects to help make Port Hedland feel safer for both residents and visitors.

The Night Lights program was developed and delivered five nights per week between school terms 3 and 4 in 2021. This early intervention approach used sports engagement to help young people in the community to improve their social connections, learn new skills, model healthy behaviours and build trust.

The Town worked with Phoenix Security to trial the operation of a security night patrol program from 5pm – 5am from 20 December 2021 to 2 February 2022. The night patrol supported the WA Police to build their capacity in keeping the community safe during the festive season and beyond.

The Community Safety Team administered the Alliance Against Depression Fund into the local community, up to the value of \$95,000. These funds support the delivery of suicide prevention activities, with the Hedland Community Wellbeing Action Group guiding the distribution of funding through their expertise and knowledge of service delivery gaps and community needs.

The quarterly Hedland Community Safety Advisory Forums were successfully held throughout 2021 and early 2022.

Community Grants program

The Town is proud to support the development of community initiatives and events through its Community Grants Program. Over the 2021-22 year 76 applications were received for the total funding pool of \$180,000 available.

The successful 60 applications went on to receive \$171,600 in funding (shared) with the most popular applications spread across the Business and Tourism Innovation, Athlete Development, Community Sports and Community Development grants.



North West Festival

Following its cancellation in 2020 due to COVID-19, the North West Festival was back in 2021. Proudly presented by the Town and BHP, the North West Festival is the Pilbara’s premier music event. It was held on Saturday 21 and Sunday 22 August at the Civic Centre Gardens, Port Hedland.

Though some lingering COVID-19 restrictions meant the event was delivered on a smaller scale than previous festivals, North West Festival attracted a crowd of 1320 across both days. A repeated line-up of artists helped to ensure people got to enjoy the fun, while keeping to COVID-19 safe number limits.

A provision was made during planning to utilise the talents of WA-based artists, to limit disruption to the festival from COVID-19 outbreaks or flight restrictions. The headline acts were San Cisco and Thornbird, supported by regional artists Tanya Ransom and Jacob de Gaye.

Family-friendly activities took place on Sunday 22 August, with local families encouraged to come down with picnic rugs and chairs to enjoy the fun. The North West Festival was made possible by the Town and BHP’s Community Events Partnership worth \$1.23 million, securing a diverse roster of events for the Hedland community from 2019 to 2022.

Spinifex Spree

Spinifex Spree has been running in Hedland since 1968 and continues to be the Town’s largest free community event. Spinifex Spree 2021 was held in July at the Town Oval in Port Hedland.

As the first large event back since COVID-19, a fantastic crowd of almost 13,000 people turned out to enjoy the event. Crowds enjoyed sideshow alley rides, retail stalls, community group stalls, food trucks, family-friendly activities, live music and roving entertainment.





Sunset Food Markets

Presented by the Town and BHP, the Sunset Food Markets continued to add fun and flavour to West End’s Marapikurrinya Park during the 2021/22 season.

The event was extended in 2022 to incorporate the updated waterfront area, with plenty of tables and chairs for people to sit and enjoy the views across the port. A diverse variety of food vendors, live entertainment and family-friendly activities were available, bringing residents and tourists together under the ambient festoon lighting. The Markets play an important part in the Town’s commitment to activating Port Hedland’s West End district, while providing ongoing opportunities for local small businesses.

Festive Lights Competition

The annual Festive Lights Competition lit up the Hedland night skies once again in November and December 2021.

The event is made possible each year by Gold Sponsor Horizon Power and Media Supporter North West Telegraph. The Festive Lights Competition not only helps to build festive spirit within the community, but inspires residents and tourists alike to have a look at the creativity Hedland has to offer. Cash prizes are awarded across four main categories: Best Display, Runner

Up Best Display, Best Sustainable Display and People’s Choice. In 2021, Best Display was awarded to 47 Styles Road, Port Hedland, with 3 Frisby Court, South Hedland awarded the Runner Up Best Display. The Best Sustainable Display was awarded to 120 Sutherland Street, Port Hedland. Last but not least, the People’s Choice award went to 14 Bottlebrush Crescent, South Hedland.



National Reconciliation Week events

National Reconciliation Week took place from Friday 27 May until Friday 3 June 2022. The theme was Be Brave. Make Change, encouraging local residents to be brave and tackle the unfinished business of reconciliation so we can make change for all.

In recognition of the week, several events were held in Hedland. These included a screening of The Sapphires Movie at South Hedland Town Square, together with a community barbeque. The Sapphires tells the story of four young, talented Aboriginal girls learning about love, friendship and war as their all-girl group 'The Sapphires' travel to Vietnam to entertain the US troops. The Sapphires Musical was also held at Matt Dann Theatre & Cinema for the first time on Thursday 26 May.

Australia Day

The Hedland 2022 Australia Day celebrations on 26 January 2022 attracted large numbers of local families, residents and tourists.

The Town also took time to recognise exceptional contributions to the community by Hedland locals and community organisations through the Community Citizen of the Year Awards. This was supported by a variety of sponsors, including Horizon Power, ITOCHU Minerals & Energy Australia, Port Hedland RSL and Roy Hill. Citizen of the Year was awarded to Rachel Mullins, and Young Citizen of the Year was awarded to Kohbi Barrow. The Active Citizenship Award went to HATch (Hedland Amateur Theatre).

In the afternoon, plenty of young families made a splash at the BHP Community Pool Party at the South Hedland Aquatic Centre. With free live music, a BBQ and water-based activities, there was fun for all ages to enjoy. The day's events rounded off with the Pilbara Port Authority Fireworks Spectacular at the Kevin Scott Oval from 5:30pm – 8:30pm. With food vans, live music and family activities, it attracted a large crowd.



Library programming

The Town of Port Hedland Libraries offers free membership to both South Hedland Library and Port Hedland Library. Membership opens up opportunities for all ages, including Lego Club, Story Time, Rhyme Time, Older Wiser Library Seniors (OWLS) monthly get-togethers and school holiday events.

In late August to early September 2021, the Town's libraries took part in the annual Children's Book Week event.

Acclaimed Fremantle children's author, Wendy Binks, joined library staff to visit schools and childcare facilities across Hedland to promote a message of literacy and learning. Over 833 children and 93 adults took part in the Children's Book Week events.

The release of the Service WA app in May 2022 saw library staff across both Hedland libraries assist 166 patrons with downloading and using the app. The Service WA app was released in relation to the evolving COVID-19 mandates, with all library visitors required to 'check in' via the app. A \$6000 grant was received from the State Library WA in recognition of the additional time required to support the State Government mandates.

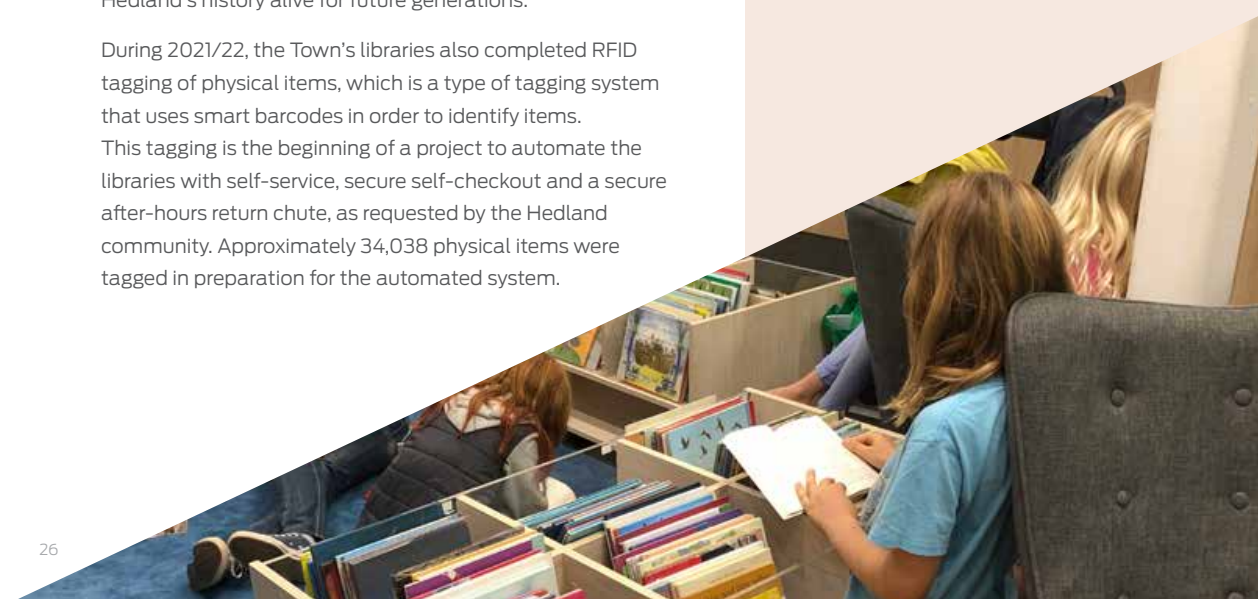
Approximately 600 items were digitised during 2021/22 in the Hedland Libraries' Local History collection. Two grants from Fortescue Metals Group and Australian Museums and Gallery Association were received to support the purchase of dry cabinets to store any original resources showing signs of deterioration. This will allow the libraries to keep Port Hedland's history alive for future generations.

During 2021/22, the Town's libraries also completed RFID tagging of physical items, which is a type of tagging system that uses smart barcodes in order to identify items. This tagging is the beginning of a project to automate the libraries with self-service, secure self-checkout and a secure after-hours return chute, as requested by the Hedland community. Approximately 34,038 physical items were tagged in preparation for the automated system.

Library Strategy 2021-25

During the year the Town finalised the 2021-25 Library Strategy, which serves as the Town's blueprint for evolving and delivering library services over the next five years and beyond. The Library Strategy is divided into four Strategic Directions, each with its own tasks and milestones to achieve.

One of the major developments of the Library Strategy is planning and delivery of a new library within a central location in South Hedland. The building will be at least 1,270m² to meet Australian public library guidelines, and designed with flexible, inclusive and multi-functional spaces. Towards the end of June 2022 a number of possible sites were being discussed.





Youth Services

The JD Hardy Youth and Community Hub (JDHYCH) is the Town of Port Hedland’s leading youth precinct. The state-of-the-art building features a commercial kitchen, performing arts room, indoor court, meeting rooms and offices.

Work on the second stage expansion and redevelopment of JDHYCH continued during

the 2021/22 financial year. The \$7.5 million investment was primarily funded by the Town, with \$750,000 provided through the Department of Local Government, Sport and Cultural Industries’ Community Sporting and Recreation Facilities Fund. The project includes three new multi-use courts, the installation of a shade shelter, an amphitheatre, landscaping and an accessible change room. The works will deliver a central pillar in the Town’s Hedland Recreation Hubs precincts.

As well as the exciting expansion works, JDHYCH continued to offer a range of programs and initiatives throughout 2021/22. These included market days, kids’ club programs, school holiday activities, homework club, youth lounge, group fitness sessions, SLAM Basketball and more.

Matt Dann Theatre & Cinema

Matt Dann Theatre & Cinema has been Hedland’s premier live entertainment and movie venue since 1988. Located in South Hedland, it screens the latest blockbuster movies, live music and performing arts in a relaxed and welcoming atmosphere. The Matt Dann Theatre & Cinema shares its space with Hedland Senior High School, offering students exceptional practical facilities.

On the 22 and 23 October 2021, the venue hosted the Hedland School of Dance for their annual end of year concert – Legacy. This two-night event was the culmination of a year of dedication and hard work, while helping to provide more opportunities across the performing arts for young people throughout Hedland.

In March 2022, the Perth Symphony Orchestra production of S.T.R.I.N.G.S – A quartet Gone Rogue was held at the venue. This sold-out musical performance took the audience on a musical journey from classical favourites to contemporary songs, from Mozart to Metallica, Björk to Beethoven and everything in between.

HATch

The story of HATch (Hedland Amateur Theatre) began when a school-based team took to the stage to present Melted – a Musical in 2017. With strong community interest and support, that production helped lead to the creation of HATch in September 2020.

With major ongoing sponsorship from Roy Hill Community Foundation, the Town of Port Hedland and the Matt Dann Theatre and Cinema, HATch now plans annual shows and showcases, plus small performances and workshops that accommodate young people and adults.

On the 17 and 18 September 2021, HATch presented HIJACK! at the Matt Dann Theatre and Cinema. The event marked HATch’s inaugural company performance and was a showcase of a year’s worth of work on theatre craft, improvisation, theatre sports, small ensemble performances, slam poetry, solo, duo and musical theatre numbers. On the 17th and 18th June 2022, HATch presented After Ever After at the Matt Dann Theatre and Cinema. Starring a cast of 60 local Hedlanders, this was HATch’s first ever musical comedy and was a huge success.



▶▶ Our Economy



We build prosperity for all – enabling sustained economic growth.





Regional Economic Performance

Port Hedland's Gross Regional Product is estimated at \$8.75 billion, representing 2.42% of Western Australia's Gross State Product (GSP).

The largest employer sector in the region is mining, generating approximately 4,140 FTE jobs. This is followed by the transport, postal and warehousing sectors generating approximately 1,608 FTE jobs, and the construction sector generating approximately 1,199 FTE jobs and generating approximately 1,000 jobs. Health and social care services are the largest employment group in the services sector.

The Port of Port Hedland continued strong growth despite restrictions caused by the COVID-19 pandemic. The 2021/22 financial year saw the port throughput capped at 561.0Mt, up from 546.1Mt in the 2020/21 financial year. There was also a 10-fold increase in container volumes during the 2021/22 financial year, with 6,689 vessel movements recorded. The new Port Hedland Port Development Plan will enable the growth of iron ore exports to 660Mt per annum, ensuring a continued strong economic future for the region and state as a whole.

COVID-19 resilience and recovery

COVID-19 continued to dominate the headlines throughout 2021 and early 2022. The Town continued its strong public health response, including the opening of a pop-up walk-in COVID-19 vaccination clinic at Gratwick Hall in the Civic Centre. The Town also supported the Department of Health Vaccination Bus at a number of locations both in Port and South Hedland, including promotion and access to services.

To keep the local community safe, local businesses and recreational centres continued to abide by state and federal government guidelines surrounding restrictions on public gatherings. This included reduced numbers at the North West Festival, virtual workout sessions at Port Hedland Leisure centres, plus access to the Spydus online activity portal across Hedland Libraries to keep members connected to eBooks, resources and other databases.

Following sustained low infection numbers and high vaccination rates, WA's hard border was lifted in March 2022 to allow for safe, quarantine-free travel into WA from interstate and overseas. Tourism numbers in Hedland rebounded in 2021 as people looked to holiday within WA, with the removal of the hard border also seeing a rise in interstate and international visitors to Hedland during early to mid 2022.



Aviair inter-regional flights endorsement

The Council has continued to work with Aviair to see Hedland connected to inter-regional locations.

Flights will provide links to Karratha, Newman and Broome over the next five years. Increasing air travel options between regional centres will have a positive impact on local businesses, support job creation and will build Hedland's regional reputation as a destination of choice.



Home Safety and Security Rebate Scheme

The Town is committed to building a connected and resilient community, where locals and tourists alike have the fundamental right to feel safe and secure in their own homes.

The Home Safety and Security Rebate Scheme was introduced in May 2022 to provide increased security and peace of mind to the Hedland community.

From 1 May 2022 to 30 June 2023, residents who supply and/or install home alarms and CCTV

systems, security door screens, security window screens, security window shutters, sensor lights, Wi-Fi video doorbells or mains powered smoke alarms are eligible to claim 50% of the total cost up to \$400.

As well as providing increased safety and wellbeing, the Home Safety and Security Rebate Scheme is also designed to support local businesses, with the Hedland community encouraged to buy local to strengthen small businesses and community initiatives.



Housing Solutions Summit

A lack of affordable housing continues to be a key challenge throughout Hedland.

The Housing Solutions Summit on Friday 3 December 2021 brought together Elected Members and representatives from the Town, DevelopmentWA, Pilbara Development Commission, Department of Communities WA, Hedland Maritime Initiative, Keystart, Western Australian Council of Social Service (WACOSS), Shelter WA and more. The Summit aimed to identify issues around the lack of housing in Hedland, and create opportunities to alleviate these challenges moving forward.

Following the Summit, the Town formally adopted a range of priorities in early 2022 to address current and future housing needs in Hedland.

These included identifying and repurposing vacant under-utilised properties for short-term accommodation or transitional housing, supporting pathways to home ownership, leveraging funding and multi-party agreements for land and housing development, and identifying innovative, affordable and sustainable housing models.

The Town will continue to work closely with stakeholders to address housing supply and demand issues that support local population growth and improve economic participation and wellbeing within local communities. In addition, the implementation of climate responsive housing design will improve affordability for owners and renters and promote environmental sustainability within the Town.

New Pilbara Designated Area Migration Agreement

During the year the Town helped to broker the new Pilbara Designated Area Migration Agreement (DAMA) to help address critical labour shortages within the Pilbara region.

The Pilbara DAMA is a five-year agreement between the Commonwealth and Regional Development (RDA) Australia, in partnership with the City of Karratha and the Town of Port Hedland, with support from the Port Hedland and Karratha Districts Chamber of Commerce and Industry.

The Pilbara DAMA will provide new pathways for employers to sponsor skilled and semi-skilled overseas workers for certain positions they are unable to fill with Australian workers. However, Australian citizens and permanent residents will still be given priority, with employers needing to demonstrate a genuine attempt to recruit Australian workers before accessing the Pilbara DAMA.

The Pilbara DAMA came into effect on 9 May 2022, with local businesses across the City of Karratha and the Town of Port Hedland applying to receive support. The City of Karratha and the Town of Port Hedland will subsidise the cost of applications to access the Pilbara DAMA, helping to reduce the financial burden on local businesses while encouraging more people to apply. Childcare operators in the Town of Port Hedland and City of Karratha who applied for skilled workers through the Pilbara DAMA had their endorsement fees waived in June 2022, in acknowledgement of the critical staffing crisis in this industry.

The Pilbara DAMA aims to build a stronger community by filling gaps in the labour market and creating long-term benefits to both the local community, the economy and migrant workers.

Economic Development and Tourism Strategy

In early 2022, Council endorsed its Economic Development and Tourism Strategy to help guide long-term direction for economic and tourism development in the Town of Port Hedland.

The Strategy sets out a range of initiatives to help drive future opportunities, with the goal of achieving over 5,000 new jobs and 11,600 new residents by 2041. This will include ensuring a future supply of housing and serviced land for development, investing and developing in community infrastructure, supporting tourism infrastructure development, marketing and promoting the area for business and tourism, supporting other local and regional growth initiatives, and other priority actions.

The Town will lead the implementation of the Strategy in partnership with the WA Government, the Australian Government, regional development bodies, business, industry and partners. Annual reviews of the Strategy will track progress and continue to identify new areas and trends for focus.

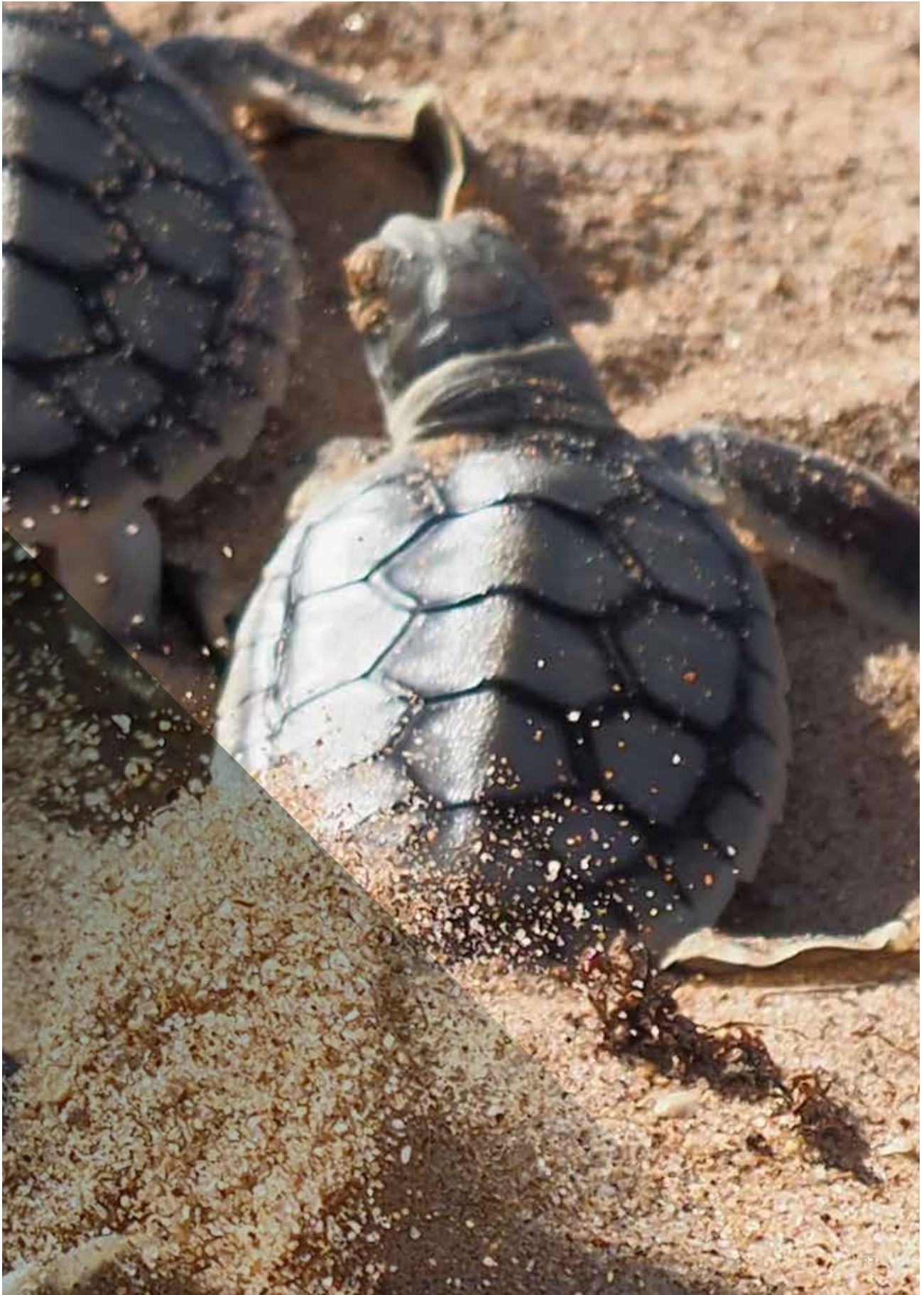
Above all, the Strategy highlights the fundamental role that Government, businesses, community organisations and residents play in shaping strong economic development. By bringing all these elements together, the Town can continue to support economic growth and building sustainable communities.



▶▶ Our Built and Natural Environment



We treasure and protect our natural environment and provide sustainable and resilient infrastructure and built form.





SHISH Masterplan

In February 2022, community members across Hedland were invited to have their say on the proposed masterplan for the South Hedland Integrated Sports Hub (SHISH).

The SHISH masterplan was developed in partnership with the Town and contractors Carabiner and ASPECT Studios, backed by a local community desire to upgrade Hedland's sporting and recreational amenity.

Proposed features of the SHISH masterplan include the relocation of Kevin Scott Oval, a new aquatic centre, construction of a new large multi-purpose sports pavilion, multi-use sports fields, refurbishment of the existing stadium, multi-purpose courts, outdoor spaces, a fenced dog park and agility centre, and more.

On 23 March 2022, Council authorised the Town to acquire Lot 500 (25) Forrest Circle, South Hedland in support of the SHISH masterplan. Council endorsed the feasibility study and needs analysis for a centralised Arts and Culture Precinct.



Port Hedland Seawalls

With an ever-changing coastline caused by cyclonic weather events, rising sea levels and coastal erosion, strategic planning was required to mitigate the risk to Port Hedland over time. The Port Hedland Seawalls project is an integral part of the Town’s risk mitigation response.

In 2020, Council endorsed the design and construction of seawalls at West End (Marapikurrinya Park), Sutherland Street and Goode Street. Seawall construction at Marapikurrinya Park reached project completion in March 2022. The project was made possible by a \$3 million contribution from BHP and a further \$227,000 from the WA Department of Transport through their Coastal Adaptation Grant program.

Stage two construction works commenced in May 2022 on the Sutherland Street Seawall, with this \$6.5 million investment designed to protect the coastline from future erosion and inundation.

Sutherland Street shared pathway extension

The Sutherland Street shared pathway extension was designed to improve connectivity between the upcoming Spoilbank Marina development and the West End precinct. Construction works on the Sutherland Street shared pathway extension were completed in November 2021, providing a missing link in Hedland’s overall pathway network.

The design features a three metre wide concrete shaded share path, path lighting, bollards at either end of the path link, beach access stairs, rest shade structures, plus exposed photo luminescent aggregate that glows in the dark for night-time accessibility.

The extended foreshore pathway helps to encourage cyclists and pedestrians to enjoy the coastline, while delivering on the objectives of a number of strategic plans. These include the Town’s Cycle Plan, Foreshore Master Plan, Parks and Paths Strategy, and the Pilbara Cycling Strategy.





Tree planting program

The Town’s five-year street tree planting program commenced in the 2021/22 financial year, with the program set to see 1,200 trees planted across Hedland.

Planting sites will be adjacent to high-volume roads across the local government area, leading to a softer landscape, the suppression of dust, cooling of public spaces and increased shade for pedestrians and motorists. *Peltophorum pterocarpum* trees were planted in early 2022 at Wallwork Road from Pinga Street to the overpass. The planting program will run until 2026, across several locations.

South Hedland Cemetery upgrade

The South Hedland Cemetery is an important place for the community to visit, and is one of two cemeteries located in Hedland. The South Hedland Cemetery Masterplan is a five-year, \$4.5M project set to create a peaceful and serene space for local residents to pay their respects, with improved visitor comfort and tranquillity.

Stage one works were completed in November 2021, including the installation of new accessible ablutions, shaded areas, landscaping, seating, lawns, concreting, a new ring road, pathway and accessibility

improvements, and a refurbished entrance way. The works represent a \$900,000 investment in the site. The Town engaged contractors Yurra to help deliver the project, supporting local jobs and the economy.



Port Hedland Sports and Community Hub development

The Port Hedland Sports & Community Hub (PHSCH) is one of three sites making up the Town's Hedland Recreation Hubs initiative, which represents the biggest investment in the Town's public infrastructure in decades.

This infrastructure will help to meet the needs of Hedland's fast-growing population, which is anticipated to practically double to almost 30,000 people by 2041. PHSCH will significantly revitalise Port Hedland's regional level sporting and recreation precinct, cater for a range of existing and new sport and recreational clubs, and offer benefits for the wider community.

Stage one works commenced in February 2022, representing a \$19.4 million investment. The official ceremony marking the start of the project was attended by Sport and Recreation Minister David Templeman, and Kevin Michel MLA. The works include the construction of the Port Hedland Community Centre and stables refurbishment, horse float parking and landscaping. The modern, multi-functional facility will also provide more recreation and hire space, play host to corporate and community functions, and support up to 200 people in a community welfare emergency. PHSCH will also provide new facilities for the historically significant Port Hedland Turf Club, including an integrated judges box/broadcast tower at the finish line, TAB Room and Stewards Room, plus shaded and undercover viewing and gathering areas.

Funding for the project was made possible by a \$10 million commitment from the Department of Local Government, Sports and Cultural Industries.





South Hedland Place Plan

The draft South Hedland Place Plan was released for public comment in November 2021 with the final version of the Plan endorsed by Council on 23 February 2022.

The Plan lays the foundation for developing a community-driven, place-led approach to activate and deliver positive outcomes for the South Hedland town centre.

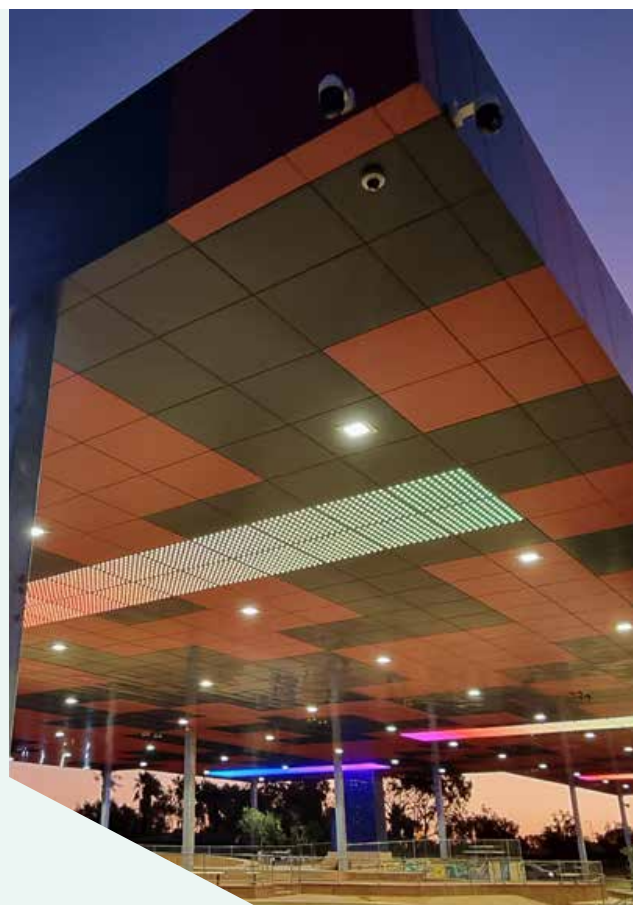
Actions included the inception of a South Hedland Town Team, bringing Wise Terrace to Life, focussing on security and safety, promoting local creatives and hospitality, delivering cultural wayfinding and public art, and improving pedestrian connectivity and greenery.

South Hedland Skatepark Shade Structure

Works on the \$7.2 million South Hedland Skate Park shade structure and refurbishment project resumed in March 2022, following unprecedented delays in 2021 due to steel shortages.

Works included the incorporation of state-of-the-art audio-visual technology within the shade structure, expanded rideable space and refurbishment of the existing skatepark.

The Town celebrated the official completion of the project with a community opening event in November 2022.





Spoilbank Marina

Progress on the landmark Spoilbank Marina project in partnership with the State Government and BHP continued during the financial year. The \$187.5 million project will create a vibrant new amenity for the Port Hedland community and visitors.

In December 2021 the contract was awarded to commence the next stage of the Spoilbank Marina development. This \$10.6 million contract includes the construction of a boat ramp, boat pens, a public jetty and navigation aids. It is the next step to transform Port Hedland's waterfront into an attractive and popular destination for locals and visitors alike. More than 200 jobs will be created during the construction of the marina, following the successful completion of stage one in March 2021.

The Spoilbank Marina is set to be operational in late 2023. Once complete, it will include a four lane boat ramp, a 21 boat-pen marina with capacity to expand to 80 pens in the future, a separate entrance channel to the main shipping channel, trailer parking for up to 200 vehicles, maintenance hardstand, publicly accessible breakwaters with pedestrian path, public recreation and event space and public amenities, public fishing jetty, shade structures at the swimming beach, a waterfront promenade to reflect the Yintha Kariyarra creation serpent story, plus public art and a cultural gathering space.

Renewal Program

The Town has continued to invest in ensuring roads, footpaths and kerbing is appropriately maintained.

Over the financial year 3369 tonnes of asphalt was laid throughout 24 streets. More than 3,500 metres of new concrete footpaths were installed across 18 locations, including the new Sutherland to Richardson Street Shared path and Murdoch Drive Shared Path extension.

More than 7,400 metres of new kerbing was installed and 37 kilometres of unsealed roads were resheeted, including Quartz Quarry, Twelve Mile Creek Road, Yandeyarra Road and Pippingarra Roads.



Restricted Access Program

The restricted access program involves placing large rocks in strategic locations to support improved community safety and protect Town assets.

The Town worked with Police to place more than 30 large rocks around Hedland to eliminate illegal vehicle traffic including quadbikes and motorbikes from accessing drainage infrastructure, vacant land, sporting grounds, beaches and sand dunes. The initiative proved to be successful and the most effective solution to date, as they cannot be moved or vandalised and require zero maintenance, while also blending into the landscape.



Cyclone preparedness

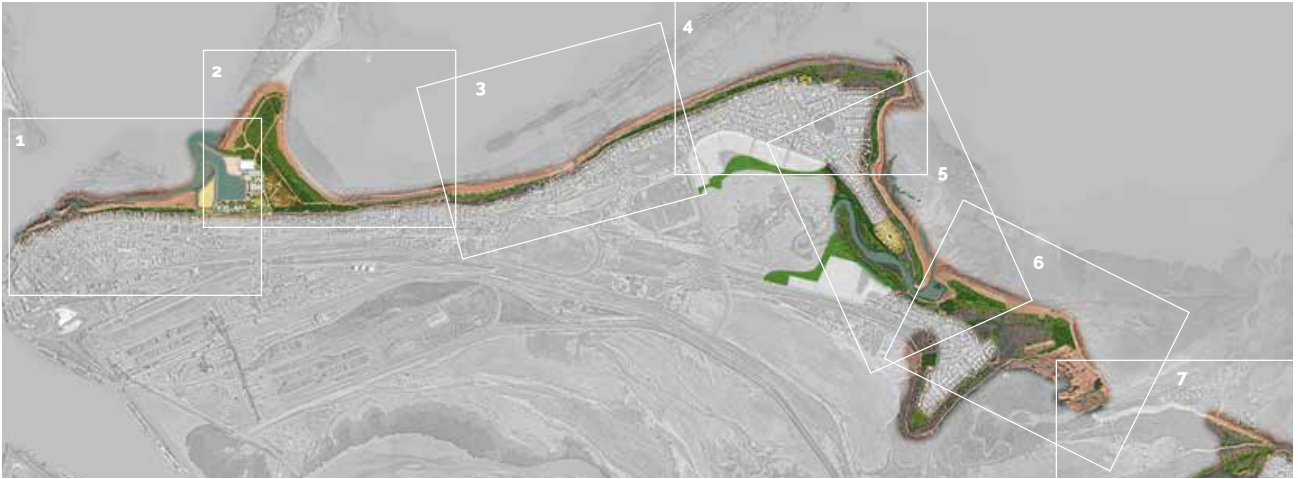
The typical cyclone season in northern WA commences on 1 November and concludes on 30 April each year. To support local communities, the Town conducts cyclone preparedness activities across Hedland each year.

In September 2021, the Town completed the annual pre-cyclone season green waste clean-up. It took 23 days to complete and resulted in 235 truckloads of green waste being collected across the local government area. This was 85 more truckloads than during the same period in 2020. A total of 115 tonnes of green waste was delivered to landfill, minimising the risk of excess branches, debris and other materials becoming airborne during cyclones and causing damage. The works were

facilitated by Goodline, MIB Traffic Control and Town staff.

Tree-logging also took place in September 2021. These works included removing coconuts from palm trees and the general maintenance of trees and shrubbery to make public spaces safer for the community during the upcoming cyclone season.





Coastal Foreshore Management Plan

To protect the Port Hedland coast from cyclones, erosion and rising sea levels, the Town has developed a Coastal Foreshore Management Plan (CFMP).

This Plan will help to protect and enhance the stretch of coast from Marapikurrinya Park through to Six Mile Creek, and has been informed by the Coastal Hazard Risk Management and Adaptation Plan (CHRMAP) and studies completed after the impacts of Tropical Cyclone Veronica.

The CFMP was presented to Council in mid-2021. It proposed actions and projects to help preserve and protect natural and other infrastructure close to the coast, including playgrounds, parks and picnic areas. Effective planning through the CFMP will allow money spent on rehabilitation and protection to be used most effectively.

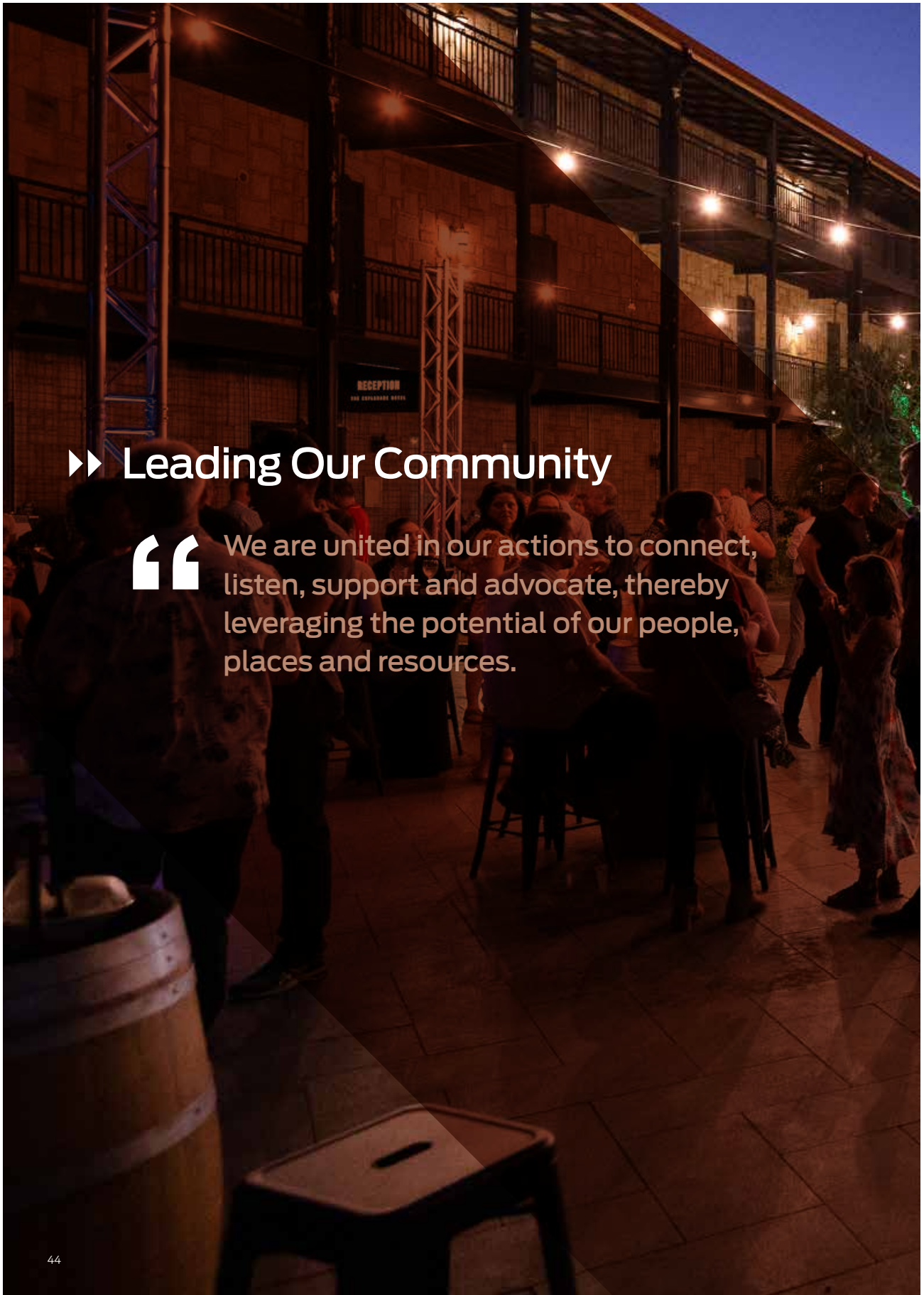
Tidy Towns Sustainable Community Awards finalists

Port and South Hedland were finalists in the 2021 Tidy Towns Sustainable Community Awards.

Works including the West End Greening Project from 2020-2021, litter clean-up events and the collection of over six million containers in one year from The Care for Hedland Container Deposit refund point all helped to create a positive and long-term environmental impact.

The Tidy Towns Sustainable Community Awards is the Keep Australia Beautiful Council's flagship program to celebrate regional Western Australian communities and the efforts they make to protect the natural environment for future generations.

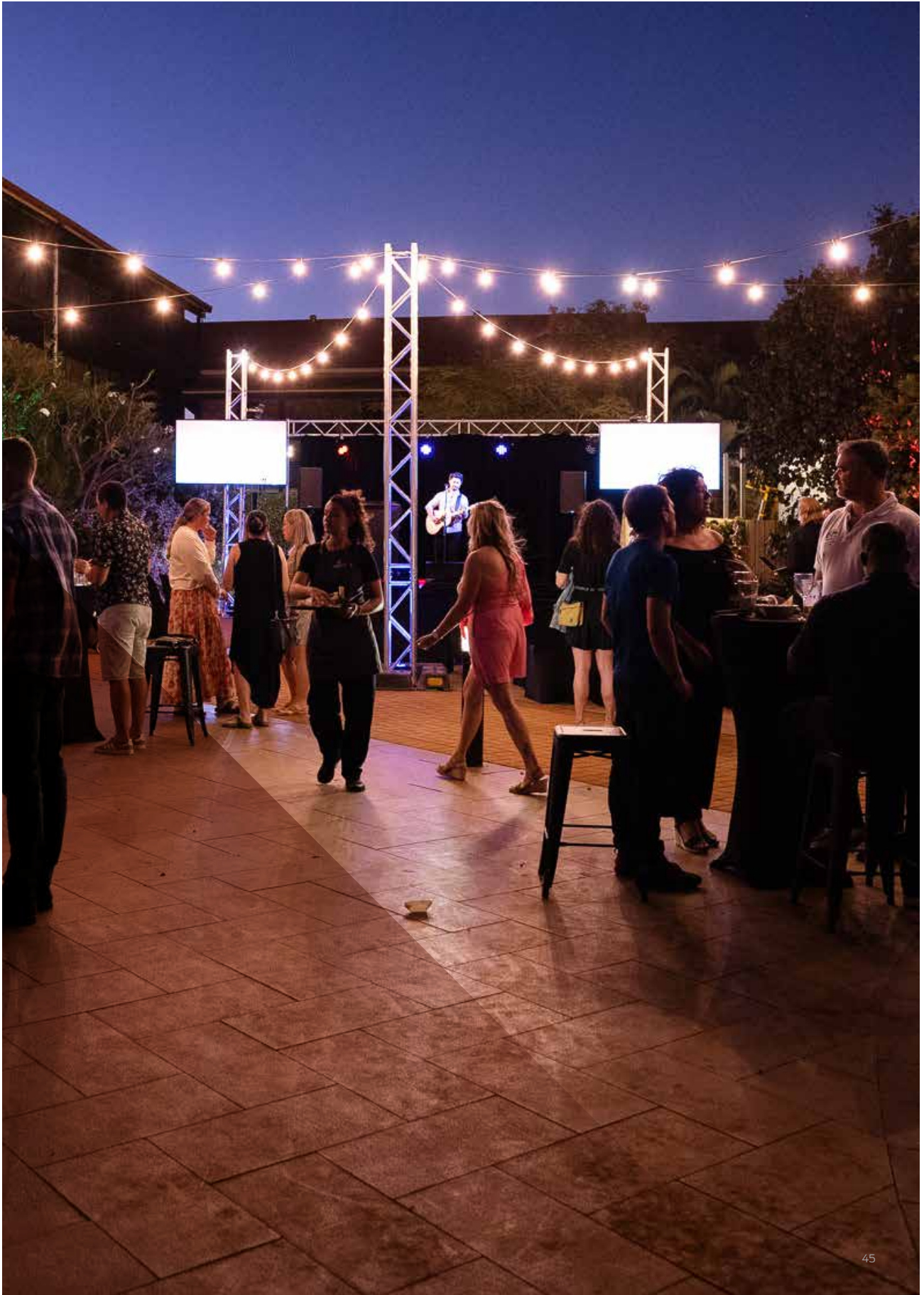




▶▶ Leading Our Community



We are united in our actions to connect, listen, support and advocate, thereby leveraging the potential of our people, places and resources.



Visiting Dignitaries

1/07/2021

Meeting with Hon Mia Davies MLA BMM,
Leader of the Opposition

1/9/2021

Meeting with Hon John Carey BA (Hons) MLA,
Minister for Housing; Lands; Homelessness;
Local Government

5/11/2021

Meeting with Hon Minister Stephen Dawson,
Minister for Mental Health; Aboriginal Affairs;
Industrial Relations

5/11/2021

Meeting with Kevin Michel MLA

5/11/2021

Meeting with Hon Mia Davies MLA BMM,
Leader of the Opposition

29/11/2021

Meeting with Hon Minister Alannah MacTiernan,
Minister for Regional Development;
Agriculture and Food; Hydrogen Industry

9/3/2022

Meeting with Kevin Michel MLA

10/3/2022

Meeting with Hon Minister Alannah MacTiernan

12/4/2022

Meeting with Hon Minister Paul Papalia,
Minister for Police; Road Safety;
Defence Industry; Veterans Issues

20/4/2022

Meeting with Hon Melissa Price,
Minister for Science and Technology





Audit and Risk Management

The Town of Port Hedland’s Internal Audit function assists in adherence to documented policies and procedures as well as identification of internal control weaknesses. The Town’s independent Internal Audit Program conducts audits and makes recommendations through quarterly update reports provided to the Town’s Audit, Risk and Compliance Committee.

The *Local Government (Audit) Regulations 1996* requires the Town to complete an annual audit of compliance with statutory obligations and submit a Compliance Audit Return (CAR) to the Department of Local Government, Sport, and Cultural Industries on a yearly basis. The 2021 Compliance Audit Return covered the period between 1 January to 31 December 2021 and reported a high level of compliance.

The CAR was endorsed by the Audit, Risk and Governance Committee on 8 March 2022 and was adopted by Council on 23 March 2022.

The Town is also in the process of formalising a robust Risk Management Framework (RMF), set to be presented to Council in September 2022. This RMF will be in accordance with the International Standard for Risk Management, AS/NZS ISO 31000:2018. The RMF is designed to assist the Town in integrating consistent and effective risk management practices, processes, and principles throughout the organisation.

Disability Access and Inclusion Plan (DAIP)

The Town of Port Hedland is dedicated to creating a unified community across our townships, aiming to provide safe and accessible community facilities, services, events and open spaces that connect people and neighbours.

Our Disability, Access and Inclusion Plan (DAIP) sets out the Town's commitment to creating a community that welcomes and includes people of all abilities. It outlines the strategies the Town will use to address barriers to access and promote inclusion for people with disability over the next five years. This includes goals to deliver the following outcomes:

- People with disability have the same opportunities as other people to access events and services organised by the Town of Port Hedland.
- People with disability have the same opportunities as other people to access the buildings and other facilities of the Town of Port Hedland.
- People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.
- People with disability receive the same level of quality service from the staff of a public authority as other people receive from the staff at the Town of Port Hedland.
- People with disability have the same opportunities as other people to make complaints to the Town of Port Hedland.
- People with disability have the same opportunities as other people to participate in any public consultation by the Town of Port Hedland.
- People with disability have the same opportunities as other people to obtain and maintain employment with the Town of Port Hedland.

Successful outcomes delivered in the 2021/22 year aligning with the Town's DAIP include the following:

- Extension of the Senior Adults Living Triumphantly (SALT) community program from one day to three days per week

Participation in the Town's SALT program has significantly increased with the expansion from a one-day to a three-day format in early 2022. Additional sessions offered different forms of physical and fitness activation including Aqua Fit, Strength & Stretch and Pilates with an average of 10-12 participants attending each session.





Sensorium Theatre Exploration

The Town’s Community Development Team engaged in discussions with award-winning interactive theatre production, Sensorium Theatre to explore future collaboration possibilities. Sensorium Theatre specifically designs live shows for young audiences and works with children with a range of disabilities or access needs.

Weekly Sensory Hour – Town Venue Expansion

The Town’s Leisure Facilities Management Team introduced a ‘low-sensory hour’ once a week at Wanangkura Stadium. The initiative aims to minimise visual and auditory stimulation to create a more accessible environment, particularly for those who may experience sensitivity to light and sound. In addition, the Youth and Children Development Team has added an additional ‘low sensory’ morning at the JD Hardie Youth and Community Hub.

Town Community Grants Program – Financial support to the Hedland community with high focus on access and inclusion

The Town manages a Community Grants Program which is divided into four streams and facilitates grants ranging from a minimum of \$250.00 for small, community applications to \$10,000.00 for program and event initiatives. The Town has noted an increase in local community service representatives looking to address access and inclusion principles in many forms over the last two years, and delivered grant funding to the following project listed below:

- **PATCHES Paediatrics – Project Title: NDIS Information Night -**
As a need identified by the Hedland Health and Disability Interest Group (containing both local families and service providers), there was a collaborative decision to host a local National Disability Insurance Scheme (NDIS) information evening. This event was organised by the occupational therapy team at PATCHES Paediatrics, who were successful recipients of a \$10,000 Town Space Activation Grant to support venue hire, NDIS facilitator travel and accommodation fees and catering costs. This event was the first opportunity for local Hedland health, disability support, and therapy service representatives to present and discuss information.

St. Cecilia’s Church Accessible Ramp completion

Constructed in 1964, St. Cecilia’s Catholic Church is a well-utilised community facility with exterior works required to improve accessibility. Town funding supported the construction of an access ramp to and around the facility, to provide improved safety and accessibility.



JD Hardie Youth and Community Hub (JDHYCH) - Stage 2 works increase external accessibility

As part of the infrastructure works at the JDHYCH in South Hedland, significant progress has been made to increase accessibility of the Stage 2 external elements. By the end of 2021, a secondary entrance ramp and an additional ramp access the stage area of the small entertainment area were installed. By early June 2022, the new public car park and bus stop was fully operational, including 4 universal accessibility bays - two located close to the facility building and additional bays located towards the outdoor recreation area.

Public BBQ and water fountain renewal program at public park venues

Since July 2021, the Town's Parks and Garden's Team have removed and replaced four existing BBQs, together with two water fountains, with compliant, accessible equipment at two popular locations - Cemetery Beach Park and Port Hedland Skate Park. These new BBQ's are designed on a lower mount which can be accessed by wheelchair to cook or utilise, and now include new concrete pads surrounding the new public amenity units.

Town depot expansion set to improve community amenity

In late July 2021, the Town opened the new Depot building in Wedgefield, providing extra space, new technology, together with conferencing capabilities

in line with other Town sites, meeting the requirement to provide a high standard of safety, working space, accessibility and amenity for current and future workforces.

Town representation on WA Country Health Services (WACHS) Disability Access and Inclusion Plan Pilbara Sub-committee

In late 2021, the Town Community Engagement Team were invited to sit and participate on the WACHS DAIP Sub-Committee Group. This has assisted in strengthening the overall perspective and level of collaboration surrounding health, disability, allied-health related community concerns, challenges and opportunities particular to Hedland and the wider Pilbara Branch.

2021/2022 consultation on the Town Community Development Plan 2022-2027 and the Youth Development Plan 2022-2025 - Hedland Huddle

People living with disabilities were able to contribute, share and discuss their ideas for the future of Port Hedland as part of consultation on the Town Community Development Plan 2022-2027 and the Youth Development Plan 2022-2025.

Reconciliation Action Plan (RAP)

Reconciliation Action Plans (RAP) outline practical actions the organisation will take to build strong relationships and enhance respect between Aboriginal and Torres Strait Islander people and other Australians. RAPS also set out an organisation’s aspirational plans to drive greater equality by pursuing sustainable opportunities.

The Town of Port Hedland Reconciliation Action Plan (RAP) 2016 – 2019 shapes a way forward for the Town to strengthen its acknowledgement and engagement of the Aboriginal and Torres Strait Islander community. The Plan was formally adopted at the Ordinary Council Meeting on 25 May 2016.

Successful outcomes delivered in the 2021/22 year aligning with the Town’s RAP include the following:

- Consultation activities provided for the Community Development Plan, Youth Development Plan, Aboriginal Partnership Plan, South Hedland Cemetery upgrade, PHSCH naming, SHISH and more.
- NAIDOC Week activities, including organising a concert and stallholders, and providing a calendar of events.
- Ongoing community forums and network meetings.
- Reconciliation Breakfast hosted by the Town, with opportunities for Aboriginal leaders to speak during the event. Yandeyarra Community School was involved in providing table decoration artwork, with student guest speakers from the Follow the Dream program. Regional Innovative Aboriginal Community Development was MC for the event.
- Collaboration with external stakeholders for activities across Hedland.
- National Reconciliation Week – screening of *The Sapphires* movie.
- National Reconciliation Week – performance of *The Sapphires Musical* at the Matt Dann Theatre for the first time.
- Development of the Historic MOU and ILUA with Kariyarra Aboriginal Corporation.





Employee Remuneration

Regulation 19B of *Local Government (Administration) Regulations 1996* requires disclosure of the number of employees within the Town of Port Hedland with an annual salary of \$100,000 or more. It also requires disclosure of the number of those employees with an annual salary entitlement that falls within each of the salary bands.

Employee Remuneration – Salary Range	
1000000-109999	42
110000-119999	23
120000-129999	4
130000-139999	1
140000-149999	7
150000-159999	4
210000-219999	2
220000-229999	1
230000-239999	1
320000-329999	1
TOTAL	86

FOI Statistics

In accordance with section 10(1) of the *Freedom of Information Act 1992*, individuals and companies have a general right to access documents held by the Town of Port Hedland, subject to the exemptions in that Act.

Access Type	Personal	Non-Personal	Total
Access in full	2	4	6
No documents found	0	0	0
Withdrawn by applicant	0	0	0
Not finalised	0	0	0
Denied access to documents	0	0	0



Review of Local Laws

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 which reflect 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.

Three Local laws successfully proceeded through the legislative review process and were adopted by Council in 2021/22. These included the *Town of Port Hedland Dogs Local Law 2021*, the *Town of Port Hedland Amended Waste Local Law 2022* and the *Town of Port Hedland Public Places and Local Government Property Amendment Local Law*.

Records Management

The Town manages its corporate records in accordance with the legislative requirements of the *State Records Act 2000*.

Records are a core resource for the Town, and good record keeping practices contribute to the Town's efficiency and accountability to its shareholders.

The Town's current Record Keeping Plan was approved by the State Records Commission in August 2019. The next Plan is due in 2024.

The Town of Port Hedland is continuing its commitment to good record keeping practices by:

- Registering 28931 records into the corporate record keeping system by Town staff
- Digitising and registering 460 property files
- Providing training on the Corporate Record Keeping System to 97 new employees within a month of their employment
- Creating 1977 new files in this financial year
- Closing 394 files/volumes in this financial year
- The destruction of approximately 250 boxes of source records
- The disposal of 503 boxes of inactive temporary records

Regional Price Preference

The Town of Port Hedland has a Regional Price Preference policy in place, which allows the Town to allocate a percentage preference to suppliers that meet the relevant criteria.

To be considered 'regional', a Contractor/Supplier must fulfil the following conditions:

- a) Have had a permanent office and permanent staff in the prescribed area for at least 6 months before bids being sought; and
- b) Be registered and licensed in Western Australia; and
- c) Demonstrated that a majority of all the goods and/or services are to be supplied from ToPH sources; or
- d) Be located within neighbouring municipalities with reciprocal Regional Pricing Preference Policies which benefit ToPH businesses.

The Regional Price Preference can be claimed in full or for a part of the project costs, dependent on the submissions received.

During the 2021/22 financial year, the Town released 21 Public Requests for Tenders, EOI Panels and Proposals. Of these tenders, 7 of the successful respondents applied for regional price preference, at a total preference of \$329,510.00.

Official Conduct Report

The *Local Government Act 1995* requires the Town to report on the 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 2021/22 financial year.



▼ Financial Reports

TOWN OF PORT HEDLAND
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

To be Australia's leading Port Town embracing community, culture and environment.

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

**TOWN OF PORT HEDLAND
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Town of Port Hedland for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Town of Port Hedland at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 6th day of December 2022



Chief Executive Officer

Carl Askew

Name of Chief Executive Officer



**TOWN OF PORT HEDLAND
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$'000	2022 Budget \$'000	2021 Actual \$'000
Revenue				
Rates	27(a),2(a)	58,865	54,708	54,133
Operating grants, subsidies and contributions	2(a)	2,349	2,480	2,255
Fees and charges	25(c),2(a)	17,168	14,225	14,742
Interest earnings	2(a)	1,423	1,920	2,794
Other revenue	2(a)	2,506	2,247	7,215
		82,311	75,580	81,139
Expenses				
Employee costs	26(a)	(28,423)	(28,929)	(25,803)
Materials and contracts	26(b)	(18,728)	(20,900)	(13,978)
Utility charges		(4,541)	(4,250)	(4,280)
Depreciation	10(a)	(12,870)	(10,534)	(9,838)
Finance costs	2(b)	(6)	(1,381)	(10)
Insurance		(1,142)	(1,034)	(908)
Other expenditure	2(b)	(2,896)	(2,918)	(3,194)
		(68,606)	(69,946)	(58,011)
		13,705	5,634	23,128
Capital grants, subsidies and contributions	2(a)	9,036	15,192	1,423
Profit on asset disposals	10(c)	29	126	26
Loss on asset disposals	10(c)	(567)	(153)	(1,252)
Fair value adjustments to investment property	13	(7,307)	-	1,632
		1,191	15,165	1,829
Net result for the period	25(b)	14,896	20,799	24,957
Other comprehensive income for the period				
Changes in asset revaluation surplus	18	-	-	(26,868)
Total other comprehensive income for the period	18	-	-	(26,868)
Total comprehensive income for the period		14,896	20,799	(1,911)

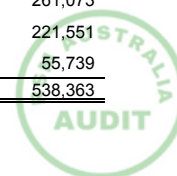
This statement is to be read in conjunction with the accompanying notes.



**TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	NOTE	2022 \$'000	2021 \$'000
CURRENT ASSETS			
Cash and cash equivalents	3	45,174	67,908
Trade and other receivables	5	5,691	6,262
Other financial assets	4(a)	169,653	159,881
Inventories	6	2,184	1,846
Other assets	7	993	1,668
TOTAL CURRENT ASSETS		223,695	237,565
NON-CURRENT ASSETS			
Trade and other receivables	5	18	17
Other financial assets	4(b)	396	573
Inventories	6	-	1,266
Other assets	7	1,359	1,390
Property, plant and equipment	8	127,982	115,567
Infrastructure	9	217,410	191,507
Right-of-use assets	11(a)	164	373
Investment property	13	45,277	52,584
Rehabilitation asset	12	12,997	-
TOTAL NON-CURRENT ASSETS		405,603	363,277
TOTAL ASSETS		629,298	600,842
CURRENT LIABILITIES			
Trade and other payables	14	13,190	14,139
Other liabilities	15	6,999	4,810
Lease liabilities	11(b)	145	188
Employee related provisions	16	2,123	2,178
Other provisions	17	400	400
TOTAL CURRENT LIABILITIES		22,857	21,715
NON-CURRENT LIABILITIES			
Other liabilities	15	39,456	40,380
Trade and other payables	14	13	18
Lease liabilities	11(b)	80	225
Employee related provisions	16	636	141
Other provisions	17	12,997	-
TOTAL NON-CURRENT LIABILITIES		53,182	40,764
TOTAL LIABILITIES		76,039	62,479
NET ASSETS		553,259	538,363
EQUITY			
Retained surplus		294,896	261,073
Reserve accounts	30	202,624	221,551
Revaluation surplus	18	55,739	55,739
TOTAL EQUITY		553,259	538,363

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 2022**

	NOTE	RETAINED SURPLUS \$'000	RESERVE ACCOUNTS \$'000	REVALUATION SURPLUS \$'000	TOTAL EQUITY \$'000
Balance as at 1 July 2020		217,579	240,088	82,607	540,274
Comprehensive income for the period					
Net result for the period		24,957	-	-	24,957
Other comprehensive income for the period	18	-	-	(26,868)	(26,868)
Total comprehensive income for the period		24,957	-	(26,868)	(1,911)
Transfers from reserves	30	36,534	(36,534)	-	-
Transfers to reserves	30	(17,997)	17,997	-	-
Balance as at 30 June 2021		261,073	221,551	55,739	538,363
Comprehensive income for the period					
Net result for the period		14,896	-	-	14,896
Total comprehensive income for the period		14,896	-	-	14,896
Transfers from reserves	30	30,102	(30,102)	-	-
Transfers to reserves	30	(11,175)	11,175	-	-
Balance as at 30 June 2022		294,896	202,624	55,739	553,259

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 2022**

	NOTE	2022 Actual \$'000	2022 Budget \$'000	2021 Actual \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		60,616	56,708	55,137
Operating grants, subsidies and contributions		1,291	2,480	5,283
Fees and charges		17,553	13,301	14,742
Interest received		1,423	1,920	1,779
Goods and services tax received		-	-	1,097
Other revenue		1,582	2,247	3,304
		82,465	76,656	81,342
Payments				
Employee costs		(28,881)	(28,929)	(24,410)
Materials and contracts		(17,415)	(21,500)	(19,800)
Utility charges		(4,541)	(4,250)	(4,280)
Finance costs		(6)	(1,381)	(10)
Insurance paid		(1,142)	(1,034)	(908)
Goods and services tax paid		(710)	-	(1,174)
Other expenditure		(2,413)	(2,918)	(3,189)
		(55,108)	(60,012)	(53,771)
Net cash provided by (used in) operating activities	19(b)	27,357	16,644	27,571
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(18,798)	(33,742)	(23,626)
Payments for construction of infrastructure	9(a)	(32,815)	(43,996)	(19,882)
Non-operating grants, subsidies and contributions		11,392	15,192	1,423
Proceeds from financial assets at amortised cost - term deposits		(9,814)	-	45,528
Proceeds from sale of property, plant & equipment	10(c)	90	395	478
Net cash provided by (used in) investing activities		(49,945)	(62,151)	3,921
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	29(a)	-	(1,057)	-
Payments for principal portion of lease liabilities	29(c)	(188)	(179)	(326)
Proceeds from financial assets at amortised cost - SSL		42	26,800	30
Net cash provided by (used in) financing activities		(146)	25,564	(296)
Net increase (decrease) in cash held		(22,734)	(19,943)	31,196
Cash at beginning of year		67,908	206,136	36,712
Cash and cash equivalents at the end of the year	19(a)	45,174	186,193	67,908

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

TOWN OF PORT HEDLAND
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$'000	2022 Budget \$'000	2021 Actual \$'000
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	28(c)	(3,374)	1,210	(209)
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Operating grants, subsidies and contributions		2,349	2,480	2,255
Fees and charges		17,168	14,225	14,742
Interest earnings		1,423	1,920	2,794
Other revenue		2,506	2,247	7,215
Profit on asset disposals	10(c)	29	126	26
Fair value adjustments to investment property		-	-	1,632
		23,475	20,998	28,664
Expenditure from operating activities				
Employee costs		(28,423)	(28,929)	(25,803)
Materials and contracts		(18,728)	(20,900)	(13,978)
Utility charges		(4,541)	(4,250)	(4,280)
Depreciation		(12,870)	(10,534)	(9,838)
Finance costs		(6)	(1,381)	(10)
Insurance		(1,142)	(1,034)	(908)
Other expenditure		(2,896)	(2,918)	(3,194)
Loss on asset disposals	10(c)	(567)	(153)	(1,252)
Fair value adjustments to investment property		(7,307)	-	-
		(76,480)	(70,099)	(59,263)
Non-cash amounts excluded from operating activities	28(a)	21,305	9,637	6,983
Amount attributable to operating activities		(31,700)	(39,464)	(23,825)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		9,036	15,192	1,423
Proceeds from disposal of assets	10(c)	90	395	478
Purchase of property, plant and equipment	8(a)	(18,798)	(33,742)	(23,626)
Purchase and construction of infrastructure	9(a)	(32,815)	(43,996)	(19,882)
Payments for intangible assets	12	(12,997)	-	-
		(55,484)	(62,151)	(41,607)
Non-cash amounts excluded from investing activities	28(b)	12,997	-	(10,507)
Amount attributable to investing activities		(42,486)	(62,151)	(52,114)
FINANCING ACTIVITIES				
Repayment of borrowings	29(a)	-	(1,057)	-
Proceeds from borrowings	29(a)	-	26,800	-
Proceeds from self supporting loans		42	-	33
Current portion of lease liabilities		-	-	188
Payments for principal portion of lease liabilities	29(c)	(188)	(179)	(326)
Transfers to reserves (restricted assets)	30	(11,175)	(9,695)	(17,997)
Transfers from reserves (restricted assets)	30	30,102	29,967	36,534
Amount attributable to financing activities		18,781	45,836	18,432
Surplus/(deficit) before imposition of general rates		(58,779)	(54,569)	(57,507)
Total amount raised from general rates	27(a)	58,865	54,708	54,133
Surplus/(deficit) after imposition of general rates	28(c)	86	139	(3,374)

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

**TOWN OF PORT HEDLAND
FOR THE YEAR ENDED 30 JUNE 2022
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**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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 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 31 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:

- a) estimation of present value of landfill rehabilitation provision
- b) expected credit losses
- c) estimation of present value of long service
- d) estimated fair value of certain financial assets
- e) impairment of financial assets and non-financial assets
- f) estimation of fair values of land and buildings, infrastructure and investment property
- g) estimation uncertainties made in relation to lease accounting
- h) estimated useful life of rehabilitation asset

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant 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
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Grant contracts with customers	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 as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	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 as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

2 REVENUE AND EXPENSES (Continued)

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
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Sale of stock	kiosk stock at various facilities	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

2. REVENUE AND EXPENSES (Continued)

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

For the year ended 30 June 2022

Nature or type	Contracts with	Capital	Statutory	Other	Total
	customers	grant/contributions	Requirements		
	\$'000	\$'000	\$'000	\$'000	\$'000
Rates	-	-	58,865	-	58,865
Operating grants, subsidies and contributions	2,349	-	-	-	2,349
Fees and charges	16,887	-	281	-	17,168
Interest earnings	1,164	-	259	-	1,423
Other revenue	-	-	-	2,506	2,506
Capital grants, subsidies and contributions	-	9,036	-	-	9,036
Total	20,400	9,036	59,405	2,506	91,347

For the year ended 30 June 2021

Nature or type	Contracts with	Capital	Statutory	Other	Total
	customers	grant/contributions	Requirements		
	\$'000	\$'000	\$'000	\$'000	\$'000
Rates	-	-	54,133	-	54,133
Operating grants, subsidies and contributions	2,255	-	-	-	2,255
Fees and charges	14,365	-	377	-	14,742
Interest earnings	2,488	-	306	-	2,794
Other revenue	-	-	-	7,215	7,215
Capital grants, subsidies and contributions	-	1,423	-	-	1,423
Total	19,108	1,423	54,816	7,215	82,562

Note	2022	2022	2021
	Actual	Budget	Actual
	\$'000	\$'000	\$'000
Interest earnings			
Financial assets at amortised cost - self supporting loans	26	-	-
Interest on reserve funds	1,100	1,542	2,454
Rates instalment and penalty interest (refer Note 27(b))	259	350	306
Other interest earnings	38	28	34
	1,423	1,920	2,794
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	106	95	96
- Other services	35	-	-
	141	95	96
Finance costs			
Borrowings	29(a)	1,376	-
Lease liabilities	29(c)	5	10
	6	1,381	10
Other expenditure			
Impairment losses on rates receivables	96	1	-
Impairment losses on receivables from contracts with customers	43	-	4
Impairment losses on receivables from self supporting loans	434	-	-
Write down of inventories to net realisable value	6	-	49
Sundry expenses	2,323	2,917	3,141
	2,896	2,918	3,194

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

3. CASH AND CASH EQUIVALENTS

Note	2022 \$'000	2021 \$'000
Cash at bank and on hand	45,174	67,908
Total cash and cash equivalents	45,174	67,908
- Unrestricted cash and cash equivalents	12,192	2,299
- Restricted cash and cash equivalents	32,982	65,609
	45,174	67,908

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.

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 reserves, 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.

Details of restrictions on financial assets can be found at Note 19.

4. OTHER FINANCIAL ASSETS

	2022 \$'000	2021 \$'000
(a) Current assets		
Financial assets at amortised cost	169,653	159,881
	169,653	159,881
Financial assets at amortised cost		
Self supporting loans receivable	11	53
Term deposits	169,642	159,828
	169,653	159,881
Held as		
- Unrestricted financial assets at amortised cost	11	3,939
- Restricted financial assets at amortised cost	169,642	155,942
	169,653	159,881
(b) Non-current assets		
Financial assets at amortised cost	254	431
Financial assets at fair value through profit and loss	142	142
	396	573
Financial assets at amortised cost		
Self supporting loans receivable	688	688
Allowance for credit loss	(434)	(257)
	254	431
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	142	142
	142	142

Investment in Local Government House Trust

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

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 24 (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 and loss
The Town classifies the following financial assets at fair value through profit and loss:

- equity investments which the Town has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5. TRADE AND OTHER RECEIVABLES

	Note	2022 \$'000	2021 \$'000
Current			
Rates receivable		2,277	3,764
Trade and other receivables		2,142	1,766
GST receivable		1,460	750
Allowance for credit losses of trade and other receivables	23(b)	(92)	(18)
Allowance for credit losses of rates receivables	23(b)	(96)	0
		5,691	6,262
Non-current			
Pensioner's rates and ESL deferred		18	17
		18	17

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

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 23.

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 value is considered immaterial.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

6. INVENTORIES

	Note	2022 \$'000	2021 \$'000
Current			
Inventories - Depot		455	508
Inventories - J D Hardie		2	2
Inventories - Leisure		1	8
Inventories - Matt Dann Theatre & Cinema		16	18
Land held for resale			
Kingsford Smith Business Park		1,710	1,310
		2,184	1,846
Non-current			
Land held for resale			
Kingsford Smith Business Park		-	1,266
		-	1,266

The following movements in inventories occurred during the year:

Balance at beginning of year		3,112	5,294
Inventories expensed during the year		(1,856)	(2,133)
Write down of inventories to net realisable value	2(b)	-	(49)
Additions to inventory		928	-
Balance at end of year		2,184	3,112

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 2022**

7. OTHER ASSETS

	2022	2021
	\$'000	\$'000
Other assets - current		
Prepayments	469	123
Accrued income	524	1,545
	993	1,668
Other assets - non-current		
Prepayments	1,359	1,390
	1,359	1,390

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.

Other assets non-current

Legal fees paid in relation to the Port Hedland International Airport lease treated as a prepayment and are expensed over the life of the lease.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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.

	Note	Land	Buildings - Non- specialised	Buildings - Specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Work in Progress - Property, Plant & Equipment	Total property, plant and equipment
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020		12,824	15,245	80,325	108,394	3,148	7,192	6,229	124,963
Additions		-	3,432	9,988	13,420	382	509	9,305	23,626
Disposals		-	(148)	(834)	(982)	-	(722)	-	(1,704)
Revaluation increments / (decrements) transferred to revaluation surplus		(3,047)	(2,516)	(21,305)	(26,868)	-	-	-	(26,868)
Depreciation	10(a)	-	(358)	(1,537)	(1,895)	(678)	(988)	-	(3,561)
Transfers		-	604	(1,516)	(912)	23	-	-	(889)
Balance at 30 June 2021		9,777	16,259	65,121	91,157	2,885	5,991	15,534	115,567
Comprises:									
Gross balance amount at 30 June 2021		9,777	21,861	96,251	127,889	5,210	9,639	15,534	158,272
Accumulated depreciation at 30 June 2021		-	(5,602)	(31,130)	(36,732)	(2,325)	(3,648)	-	(42,705)
Balance at 30 June 2021		9,777	16,259	65,121	91,157	2,885	5,991	15,534	115,567
Additions		-	7,316	10,415	17,731	1,136	726	(795)	18,798
Disposals		-	(48)	(302)	(350)	-	(61)	-	(411)
Depreciation	10(a)	-	(664)	(3,250)	(3,914)	(690)	(1,368)	-	(5,972)
Transfers		-	-	-	-	24	(24)	-	-
Balance at 30 June 2022		9,777	22,863	71,984	104,624	3,355	5,264	14,739	127,982
Comprises:									
Gross balance amount at 30 June 2022		9,777	29,126	105,884	144,787	6,368	10,105	14,739	176,000
Accumulated depreciation at 30 June 2022		-	(6,263)	(33,900)	(40,163)	(3,013)	(4,841)	-	(48,017)
Balance at 30 June 2022		9,777	22,863	71,984	104,625	3,355	5,264	14,739	127,982

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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

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 by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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 \$'000	Infrastructure - Drainage \$'000	Infrastructure - Footpaths \$'000	Infrastructure - Parks & Ovals \$'000	Infrastructure - Other \$'000	Infrastructure - Bus shelters \$'000	Infrastructure - Depot \$'000	WIP - Infrastructure \$'000	Total Infrastructure \$'000
Balance at 1 July 2020	96,969	20,179	18,399	32,576	3,977	179	1,306	4,189	176,764
Additions	5,621	1,809	1,285	2,200	2,852	-	-	6,115	19,882
Depreciation	(2,686)	(185)	(599)	(2,151)	(339)	(14)	(54)	-	(6,028)
Transfers	-	-	-	(62)	941	-	-	-	889
Balance at 30 June 2021	98,884	21,803	19,085	32,573	7,431	165	1,252	10,304	191,507
Comprises:									
Gross balance at 30 June 2021	106,247	22,346	20,743	38,774	8,336	206	1,421	10,304	208,377
Accumulated depreciation at 30 June 2021	(7,363)	(543)	(1,658)	(6,201)	(905)	(41)	(169)	-	(16,870)
Balance at 30 June 2021	98,884	21,803	19,085	32,573	7,431	165	1,252	10,304	191,507
Additions	6,449	4,294	601	2,345	8,511	89	901	9,625	32,815
(Disposals)	-	-	-	(43)	-	-	(174)	-	(217)
Depreciation	(2,890)	(278)	(640)	(2,360)	(453)	(14)	(60)	-	(6,685)
Balance at 30 June 2022	102,463	25,819	19,046	32,515	15,489	240	1,919	19,929	217,410
Comprises:									
Gross balance at 30 June 2022	112,696	26,640	21,344	41,076	16,847	295	2,148	19,929	240,975
Accumulated depreciation at 30 June 2022	(10,243)	(621)	(2,298)	(8,561)	(1,358)	(55)	(229)	-	(23,565)
Balance at 30 June 2022	102,463	25,819	19,046	32,515	15,489	240	1,919	19,929	217,410

TOWN OF PORT HEDLAND
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

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	Independent Registered Valuer	June 2018	Non-observables market evidence and valuatc relies on significant assumptions
	Infrastructure - Drainage	Level 3	Cost Approach	Independent Registered Valuer	June 2018	Non-observables market evidence and valuatc relies on significant assumptions
	Infrastructure - Footpaths	Level 3	Cost Approach	Independent Registered Valuer	June 2018	Non-observables market evidence and valuatc relies on significant assumptions
	Infrastructure - Parks & Ovals	Level 3	Cost Approach	Independent Registered Valuer	June 2018	Non-observables market evidence and valuatc relies on significant assumptions
	Infrastructure - Other	Level 3	Cost Approach	Independent Registered Valuer	June 2018	Non-observables market evidence and valuatc relies on significant assumptions
	Infrastructure - Bus shelters	Level 3	Cost Approach	Independent Registered Valuer	June 2018	Non-observables market evidence and valuatc relies on significant assumptions
	Infrastructure - Depot	Level 3	Cost Approach	Independent Registered Valuer	June 2018	Non-observables market evidence and valuatc relies on significant assumptions

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 2022

10. FIXED ASSETS (Continued)

(c) Disposals of assets

	2022		2022		2022		2022		2021		2021	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Net Book Value	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Buildings - Non-specialised	48	-	-	(48)	-	-	-	-	-	-	-	
Buildings - Specialised	302	-	-	(302)	-	-	-	-	-	-	(834)	
Plant and equipment	61	90	29	(43)	-	-	-	-	-	26	(270)	
Infrastructure - Parks & Ovals	43	-	-	(43)	-	-	-	-	-	-	-	
Infrastructure - Depot	174	-	-	(174)	-	-	-	-	-	-	-	
	628	90	29	(567)	422	395	126	(183)	1,704	478	(1,282)	

The following assets were disposed of during the year.

	2022		2022		2022	
	Actual	Actual	Actual	Actual	Actual	Actual
Net Book Value	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2014 Holden Cruze Auto CDX DT4 Sedan Diesel	2	6	4	-	-	-
Holden Colorado Crew Cab	5	15	10	-	-	-
Holden Colorado 4x4 Auto	15	15	-	-	-	-
Holden Colorado Space Cab-4x4	-	11	11	-	-	-
VEL148 Holden Colorado Crew Cab 4x2 PH14150 Events Pool	11	11	-	0	-	-
VEL151 Holden Colorado Crew Cab 4X4 PH14194 Irrigation Vehicle PH14194	7	16	9	-	-	-
VEL140 Holden Colorado Space Cab-4x4- VEL140- PH13688 (Leading Hand Parks & F	11	-	-	(11)	-	-
Holden Colorado Crew Cab 4x2	7	13	6	-	-	-
BBQ Community Trailer	3	3	-	-	-	-
	61	90	40	(11)	-	-

	2022		2022		2022	
	Actual	Actual	Actual	Actual	Actual	Actual
Net Book Value	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
16	-	-	-	(16)	-	-
109	-	-	-	(109)	-	-
49	-	-	-	(49)	-	-
23	-	-	-	(23)	-	-
7	-	-	-	(7)	-	-
40	-	-	-	(40)	-	-
5	-	-	-	(5)	-	-
1	-	-	-	(1)	-	-
157	-	-	-	(157)	-	-
2	-	-	-	(2)	-	-
55	-	-	-	(55)	-	-
1	-	-	-	(1)	-	-
4	-	-	-	(4)	-	-
12	-	-	-	(12)	-	-
5	-	-	-	(5)	-	-
47	-	-	-	(47)	-	-
3	-	-	-	(3)	-	-
19	-	-	-	(19)	-	-
11	-	-	-	(11)	-	-
1	-	-	-	(1)	-	-
567	-	-	-	(567)	-	-
	628	90	40	(578)	-	-

Plant and Equipment

Law, order, public safety

- 2014 Holden Cruze Auto CDX DT4 Sedan Diesel
- Holden Colorado Crew Cab
- Holden Colorado 4x4 Auto
- Holden Colorado Space Cab-4x4

Transport

- VEL148 Holden Colorado Crew Cab 4x2 PH14150 Events Pool
- VEL151 Holden Colorado Crew Cab 4X4 PH14194 Irrigation Vehicle PH14194
- VEL140 Holden Colorado Space Cab-4x4- VEL140- PH13688 (Leading Hand Parks & F

Other property and services

- Holden Colorado Crew Cab 4x2
- BBQ Community Trailer

Other Asset class

- Program
- Depot Building Access Ramp
- Depot Carpark
- Depot Washbay
- Depot Washroom
- Colin Matheson Oval (Cooke Point) - Pavilion Services
- McGregor Street Reserve Turf Club Precinct Lockey Change Room
- Wanapirra Stadium Complex Super Structure
- South Hedland Aquatic Centre - Office/Reception Services
- McGregor Street Reserve Turf Club Precinct Clubroom Building
- Colin Matheson Oval (Cooke Point) - Clubhouse Services
- McGregor Street Reserve Turf Club Precinct Ablutions
- Civic Centre Building Services
- South Hedland - Forrest Circle Lights
- Jetty Richardson St Port Hedland
- Basketball Backboards And Ring
- Dempster st properties air-conditioner replacement
- Andrew McLaughlin Community Centre - HWS
- Andrew McLaughlin Community Centre - Airconditioner replacement
- South Hedland Well Womens Centre Services - HWS
- South Hedland Well Womens Centre Services - Airconditioner replacement
- Landfill Cnb Room - HWS

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$'000	2022 Budget \$'000	2021 Actual \$'000
Buildings - Non-specialised	8(a)	664	332	358
Buildings - Specialised	8(a)	3,250	1,526	1,537
Furniture and equipment	8(a)	690	708	678
Plant and equipment	8(a)	1,368	1,427	988
Infrastructure - Roads and bridges	9(a)	2,890	2,688	2,686
Infrastructure - Drainage	9(a)	278	208	185
Infrastructure - Footpaths	9(a)	640	594	599
Infrastructure - Parks & Ovals	9(a)	2,360	2,417	2,151
Infrastructure - Other	9(a)	453	361	339
Infrastructure - Bus shelters	9(a)	14	14	14
Infrastructure - Depot	9(a)	60	56	54
Right-of-use assets - Land and buildings	11(a)	96	96	165
Right-of-use assets - Plant and equipment	11(a)	107	107	84
		12,870	10,534	9,838

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

10. FIXED ASSETS (Continued)

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
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
Gravel roads	
- formation	not depreciated
- pavement	50 years
- gravel sheet	12 years
Formed Roads	
- formation	not depreciated
- pavement	50 years
Footpaths - slab	15 to 45 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

(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.

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Buildings - Specialised	1,186	-
Furniture and equipment	1,148	616
Plant and equipment	358	235
Infrastructure - Parks & Ovals	607	501
Infrastructure - Other	137	137
Infrastructure - Depot	7	7
	<u>3,443</u>	<u>1,496</u>

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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, where applicable, 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.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration 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 mandatory measurement framework, 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 in accordance with the mandatory measurement framework.

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. This process is considered to be in accordance with *Local Government (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 assets 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.

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 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.

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. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**TOWN OF PORT HEDLAND
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FOR THE YEAR ENDED 30 JUNE 2022**

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 \$'000	Right-of-use assets - Plant and equipment \$'000	Right-of-use assets Total \$'000
Balance at 1 July 2020		277	-	277
Additions		47	319	366
Write offs		(21)	-	(21)
Depreciation		(165)	(84)	(249)
Balance at 30 June 2021		138	235	373
Write off		(6)		(6)
Depreciation	10(a)	(96)	(107)	(203)
Balance at 30 June 2022		36	128	164

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

		2022 \$'000	2021 \$'000
Depreciation on right-of-use assets	10(a)	(203)	(249)
Interest expense on lease liabilities	29(c)	(6)	(10)
Total amount recognised in the statement of comprehensive income		(209)	(259)
Total cash outflow from leases		(194)	(336)

(b) Lease Liabilities

Current		145	188
Non-current		80	225
	29(c)	225	413

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.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

11. LEASES (Continued)

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 29(c).

Right-of-use assets - valuation measurement

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included 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 amortised over the useful life of the underlying asset.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Town is exposed to changes in the residual value at the end of the current leases, the Town typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Refer to note 13 for details of leased investment property.

SIGNIFICANT ACCOUNTING POLICIES

The Town as Lessor

Upon entering into each contract as a lessor, the Town assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Town applies AASB 15 to allocate the consideration under the contract to each component.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

12. REHABILITATION ASSET

	2022	2021
Note	\$'000	\$'000
Rehabilitations asset	12,997	-
Non-current	12,997	-
Rehabilitation Asset	12,997	-
Movements in balances of rehabilitations asset during the financial year are shown as follows:		
Recognition of rehabilitation asset	12,997	-
Balance at 30 June	12,997	-
TOTAL REHABILITATIONS ASSET	12,997	-

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 2022**

13. INVESTMENT PROPERTY

Non-current assets - at fair value

Carrying balance at 1 July
Adjustment to fair value of investment property to present
value of remainder interest
Closing balance at 30 June

	2022	2021
	\$'000	\$'000
Carrying balance at 1 July	52,584	50,952
Adjustment to fair value of investment property to present value of remainder interest	(7,307)	1,632
Closing balance at 30 June	45,277	52,584

**Amounts recognised in profit or loss for investment
properties**

Rental income
Direct operating expenses from property that generated
rental income

Rental income	924	924
Direct operating expenses from property that generated rental income	(32)	(32)

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
		8,458,402	8,178,948

(a) Amounts recognised in income statement for investment properties

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 2021 to 30 June 2022 is included in revenue.

		2022	2021
	Note	\$ '000	\$ '000
Lease premium prepaid received		46,208	46,208
Amount recognised		(5,828)	(4,904)
		40,380	41,304
Current liability - lease premium prepaid	15	924	924
Non-current liability - lease premium prepaid	15	39,456	40,380
		40,380	41,304

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

13. 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	2022 Actual \$ '000	2022 Budget \$ '000	2021 Actual \$ '000
Airport Reserve	30	4,286	4,792	4,286

(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 (2021:Nil)

SIGNIFICANT ACCOUNTING POLICIES

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

Fair value of investment properties

An independent valuation was performed to determine the fair value of investment properties. 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 2022**

14. TRADE AND OTHER PAYABLES

	2022	2021
	\$'000	\$'000
Current		
Trade creditors	8,479	8,835
Prepaid rates	781	517
Accrued salaries & wages	580	565
Statutory liabilities	226	1,139
Bonds and levies	54	55
Accrued expenditure	3,067	2,991
Retentions	3	37
	13,190	14,139
Non-Current		
Long term bonds held	13	18

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 the fair value of the 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 revenue 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 2022**

15. OTHER LIABILITIES

	2022	2021
	\$'000	\$'000
Current		
Income in advance	215	-
Capital grant/contributions liabilities	5,450	3,095
Operating grant/contribution liabilities	410	791
Lease premium prepaid	924	924
	<u>6,999</u>	<u>4,810</u>
Non-current		
Lease premium prepaid	39,456	40,380
	<u>39,456</u>	<u>40,380</u>
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	3,095	-
Additions	5,450	2,815
Revenue from capital grant/contributions held as a liability at the start of the period	<u>(3,095)</u>	<u>280</u>
	5,450	3,095
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	5,450	3,095
	<u>5,450</u>	<u>3,095</u>

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 the Town which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values 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 24(1)) 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 2022**

16. EMPLOYEE RELATED PROVISIONS

	2022	2021
	\$'000	\$'000
Current provisions		
Annual leave	1,729	1,321
Long service leave	394	857
	2,123	2,178
Non-current provisions		
Long service leave	636	141
	636	141
	2,759	2,319

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:

Amounts are expected to be settled on the following basis:	Note	2022	2021
		\$'000	\$'000
Less than 12 months after the reporting date		1,164	889
More than 12 months from reporting date		565	432
		1,729	1,321

Expected reimbursements of employee related provisions from other WA local governments not included within other receivables

	144	144
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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 2022**

17. OTHER PROVISIONS

	Airport Project Provision	Landfill Rehabilitation	Total
	\$'000	\$'000	\$'000
Opening balance at 1 July 2021			
Current provisions	400	-	400
	400	-	400
Additional provision	-	12,997	12,997
Balance at 30 June 2022	400	12,997	13,397
Comprises			
Current	400	-	400
Non-current	-	12,997	12,997
	400	12,997	13,397

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 Provision

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.

The Agreement includes clauses whereby the Town is responsible for removal and remediation of contamination known within the site at the time the Agreement was signed.

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.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

18. REVALUATION SURPLUS

	2022 Opening Balance \$'000	2022 Revaluation (Decrement) \$'000	2022 Closing Balance \$'000	2021 Opening Balance \$'000	2021 Change in Accounting Policy \$'000	2021 Revaluation Increment \$'000	2021 Revaluation (Decrement) \$'000	2021 Revaluation Movement on Revaluation \$'000	Total Closing Balance \$'000
Revaluation surplus - Freehold land	7,360	-	7,360	10,407	-	-	(3,047)	(3,047)	7,360
Revaluation surplus - Airport Land	25,293	-	25,293	25,293	-	-	-	-	25,293
Revaluation surplus - Buildings	6,039	-	6,039	29,860	-	-	(23,821)	(23,821)	6,039
Revaluation surplus - Infrastructure - Roads and bridges	1	-	1	1	-	-	-	-	1
Revaluation surplus - Infrastructure - Drainage	5,696	-	5,696	5,696	-	-	-	-	5,696
Revaluation surplus - Infrastructure - Footpaths	10,098	-	10,098	10,098	-	-	-	-	10,098
Revaluation surplus - Infrastructure - Other	490	-	490	490	-	-	-	-	490
Revaluation surplus - Infrastructure - Bus shelters	221	-	221	221	-	-	-	-	221
Revaluation surplus - Depot	539	-	539	539	-	-	-	-	539
Revaluation surplus - Investment in Local Government Trust	2	-	2	2	-	-	-	-	2
Revaluation surplus - Other property, plant and equipment	-	-	-	1,485	(1,485)	-	-	(1,485)	-
	55,739	-	55,739	84,092	(1,485)	-	(26,868)	(28,353)	55,739

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

19. 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	2022 Actual \$'000	2022 Budget \$'000	2021 Actual \$'000	
Cash and cash equivalents	3	45,174	186,193	67,908
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	32,982	23,954	65,609
- Financial assets at amortised cost	4	169,642	159,828	155,942
		202,624	183,782	221,551
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	30	202,624	183,782	221,551
Total restricted financial assets		202,624	183,782	221,551

(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities

Net result		14,896	20,799	24,957
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		-	-	(3,903)
Adjustments to fair value of investment property		7,307	-	(1,632)
Depreciation		12,870	10,534	9,838
(Profit)/loss on sale of asset		537	27	1,226
Write off ROU assets		6	-	-
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		747	2,000	348
(Increase)/decrease in other assets		706	-	-
(Increase)/decrease in inventories		928	200	2,182
Increase/(decrease) in trade and other payables		(954)	(800)	3,200
Increase/(decrease) in employee related provisions		440	-	(156)
Increase/(decrease) in other provisions		-	-	(10,507)
Increase/(decrease) in other liabilities		1,264	(924)	3,441
Non-operating grants, subsidies and contributions		(11,391)	(15,192)	(1,423)
Net cash provided by/(used in) operating activities		27,357	16,644	27,571

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Credit card limit		100		100
Credit card balance at balance date		(64)		(61)
Total amount of credit unused		36		39

Loan facilities

Loan facilities - current		-		-
Loan facilities - non-current		-		-
Total facilities in use at balance date		-		-

Unused loan facilities at balance date		36		39
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**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

20. 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.

21. CAPITAL COMMITMENTS

	2022	2021
	\$'000	\$'000
Contracted for:		
- capital expenditure projects	40,839	4,521
- plant & equipment purchases	2,784	-
	43,623	4,521
Payable:		
- not later than one year	28,534	4,521
- payable later than one year but less than two years	15,088	-

The capital expenditure projects outstanding at the end of the current reporting period represent the construction of the Port Hedland Community Centre, the completion of the South Hedland Skate Park, Seawalls and Depot and other road improvement works.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

22. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$'000	2021 Actual \$'000
Elected member Mayor Peter Carter		
Mayor's annual allowance	90	70
Meeting attendance fees	48	33
Annual allowance for ICT expenses	4	2
Travel and accommodation expenses	20	13
	162	118
Elected member Deputy Mayor Tim Turner		
Deputy Mayor's annual allowance	16	-
Meeting attendance fees	32	22
Annual allowance for ICT expenses	4	2
Travel and accommodation expenses	3	1
	55	25
Elected member Councillor Jan Gillingham		
Meeting attendance fees	32	22
Annual allowance for ICT expenses	4	2
	36	24
Elected member Councillor Elmar Zielke		
Meeting attendance fees	32	22
Annual allowance for ICT expenses	4	2
Travel and accommodation expenses	1	2
	37	26
Elected member Councillor David Eckhart		
Meeting attendance fees	22	-
Annual allowance for ICT expenses	2	-
	24	-
Elected member Councillor Laveni Bennett		
Meeting attendance fees	22	-
Annual allowance for ICT expenses	2	-
	24	-
Elected member Councillor Ash Christensen		
Meeting attendance fees	22	-
Annual allowance for ICT expenses	2	-
Travel and accommodation expenses	5	-
	29	-
Elected member Councillor Jason Keller		
Meeting attendance fees	4	-
	4	-
Elected member Councillor Renae Coles		
Deputy Mayor's annual allowance	7	18
Meeting attendance fees	32	22
Annual allowance for ICT expenses	4	2
Travel and accommodation expenses	5	2
	48	44

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

22 RELATED PARTY TRANSACTIONS (Continued)

Note	2022 Actual \$'000	2021 Actual \$'000	
Elected members previous council			
Elected member Councillor Kylie Unkovich			
Meeting attendance fees	9	22	
Annual allowance for ICT expenses	1	2	
Travel and accommodation expenses	-	2	
	10	26	
Elected member Councillor Eva Bartho			
Meeting attendance fees	9	22	
Annual allowance for ICT expenses	1	2	
	10	24	
Elected member Councillor Lewis Kew Ming			
Meeting attendance fees	9	22	
Annual allowance for ICT expenses	1	2	
	10	24	
Elected member Councillor Warren McDonough			
Meeting attendance fees	19	22	
Annual allowance for ICT expenses	2	2	
Travel and accommodation expenses	-	1	
	21	25	
Commissioner Fred Reibling			
Commissioners Fees	-	95	
Travel and accommodation expenses	-	18	
	-	113	
	470	449	
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
	2022 Actual \$'000	2022 Budget \$'000	2021 Actual \$'000
Commissioners Fees	-	-	95
Mayor's annual allowance	90	92	70
Deputy Mayor's annual allowance	23	23	18
Meeting attendance fees	292	260	209
ICT expenses	-	32	-
Annual allowance for ICT expenses	31	-	18
Travel and accommodation expenses	34	-	39
22(b)	470	407	449

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

22. RELATED PARTY TRANSACTIONS (Continued)

(b) Key Management Personnel (KMP) Compensation

	2022	2021
	\$'000	\$'000
The total of compensation paid to KMP of the Town during the year are as follows:		
Short-term employee benefits	1,459	1,299
Post-employment benefits	141	145
Employee - other long-term benefits	81	62
Employee - termination benefits	-	48
Council member costs	470	449
22(a)	2,151	2,003

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.

(c) 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:

	2022	2021
	\$'000	\$'000
Purchase of goods and services	15	10

(d) 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.

ii. Other Related Parties

An associate person of KMP was employed by the Town under normal employment terms and conditions. Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Town.

iii. Entities subject to significant influence by the Town

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

**TOWN OF PORT HEDLAND
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FOR THE YEAR ENDED 30 JUNE 2022**

23. 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	Cash and cash equivalents and financial assets	Sensitivity analysis	Diversification of bank deposits in accordance with investment policy
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits in accordance with investment policy and review of credit limits
Liquidity risk	Payables	Rolling cash flow forecasts	Monitoring cash flow requirements

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 and financial assets 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
	%	\$'000	\$'000	\$'000
2022				
Cash and cash equivalents	0.30%	45,174	-	45,174
Financial assets at amortised cost - term deposits	0.53%	169,642	169,642	-
Financial assets at amortised cost - Treasury bonds				
2021				
Cash and cash equivalents	0.30%	67,908	-	67,908
Financial assets at amortised cost - term deposits	0.71%	159,828	159,828	-
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.

	2022	2021
	\$'000	\$'000
Impact of a 1% movement in interest rates on profit and loss and equity*	452	679

* Holding all other variables constant

**TOWN OF PORT HEDLAND
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23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Town's major receivables comprise rates annual charges, user fees and charges and self supporting loans. 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.

Credit risk on rates and annual charges is minimised by the ability of the Town to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Town is able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

The Town makes suitable provisions for expected credit losses, as required and carries out credit checks when necessary.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	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	Note
30 June 2022						
Rates receivable less prepaid rates						
Expected credit loss	0.03%	0.06%	0.10%	0.08%		
Gross carrying amount (\$'000)	526	370	227	375	1,498	
Loss allowance (\$'000)	18	24	23	31	96	5
30 June 2021						
Rates receivable less prepaid rates						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount (\$'000)	2,702	437	319	323	3,781	
Loss allowance (\$'000)	-	-	-	-	-	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	Note
30 June 2022						
Trade and other receivables						
Expected credit loss	0.32%	1.49%	5.80%	28.83%		
Gross carrying amount (\$'000)	1,260	404	241	237	2,142	
Loss allowance (\$'000)	4	6	14	68	92	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.35%	1.42%	5.81%	3.21%		
Gross carrying amount (\$'000)	1,016	398	9	343	1,766	
Loss allowance (\$'000)	3	6	1	8	18	5

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Rates receivable		Trade and other receivables		Self Supporting Loan	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ -	\$ -	\$ 18	\$ -	\$ 257	\$ -
Increase in loss allowance recognised in profit or loss during the year	96	-	477	-	177	257
Receivables written off during the year as uncollectible						
Unused amount reversed	(0)	-	(403)	18	-	-
Closing loss allowance at 30 June	96	-	92	18	434	257

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 2022**

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

Payables are 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 and overdraft facilities drawn upon if required and disclosed in Note 19(c).

The contractual undiscounted cash flows of the Town's Payables 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 \$'000	Due between 1 & 5 years \$'000	Due after 5 years \$'000	Total contractual cash flows \$'000	Carrying values \$'000
2022					
Trade and other payables	13,190	13	-	13,203	13,203
Lease liabilities	145	80	-	225	225
	13,335	93	-	13,428	13,428
2021					
Trade and other payables	14,139	18	-	14,157	14,157
Lease liabilities	188	225	-	413	413
	14,327	243	-	14,570	14,570

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

24. 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 thousand. 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 statements 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 earnings

Interest income 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 cash generating non-specialise 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.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2019-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

25. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
Governance To provide a decision making process for the efficient allocation of scarce resources.	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.
General purpose funding To collect revenue to allow for the provision of services.	Rates, interest income, general purpose government grants, interest revenue and the cost of assets sold.
Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.	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.
Health To provide an operational framework for environmental and community health.	Vermin control, environmental health, food and public health regulation and compliance, and health.
Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.	Community partnership funding, disability access initiatives, community services administration, facilities including the JD Hardie Centre and asset management associated with key community buildings.
Housing To provide and maintain adequate housing.	Primarily centred around the provision of housing to employees, and asset management activities.
Community amenities To provide services required by the community.	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.
Recreation and culture To establish and effectively manage infrastructure and resources which will help the social well-being of the community.	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. Facilitation of Town events including North West Festival, Spinifex Spree and other community events.
Transport To provide safe, effective and efficient transport services to the community.	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.
Economic services To help promote the Town and its economic well-being.	Tourism and area promotion, strategic projects, leasing and administration of commercial properties, building regulation, land development, and saleyards and markets.
Other property and services To monitor and control Council's overheads operating accounts.	Remaining activities not directly attributable to other programs such as private works, plant operations, public works overheads, and building maintenance overheads. The income and expenditure for Corporate Management, Financial Services, Human Resources and OHS, Governance, Records Management, Customer Services, Marketing and Communication, and Information Technology is also included here. The majority of costs are distributed across other programs of Council, to better reflect the total cost of service delivery.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

25. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$'000	\$'000	\$'000
Income excluding grants, subsidies and contributions			
Governance	3	-	-
General purpose funding	61,351	57,603	57,903
Law, order, public safety	203	97	120
Health	469	411	498
Education and welfare	110	109	257
Housing	10	1	56
Community amenities	11,781	9,424	9,852
Recreation and culture	3,126	2,856	2,935
Transport	217	23	3,943
Economic services	1,830	2,210	4,563
Other property and services	891	492	415
	79,991	73,226	80,542
Grants, subsidies and contributions			
General purpose funding	1,830	707	1,590
Law, order, public safety	24	500	5
Health	7	4	7
Education and welfare	53	133	3
Community amenities	32	1,311	25
Recreation and culture	7,759	9,850	270
Transport	1,680	5,162	1,773
Economic services	-	5	-
Other property and services	-	-	5
	11,385	17,672	3,678
Total Income	91,376	90,898	84,220
Expenses			
Governance	(2,380)	(358)	(2,336)
General purpose funding	(8,540)	(1,518)	(1,959)
Law, order, public safety	(2,560)	(2,587)	(2,016)
Health	(1,210)	(1,572)	(885)
Education and welfare	(3,594)	(3,165)	(2,932)
Housing	(1,267)	(1,728)	(1,199)
Community amenities	(11,798)	(11,291)	(9,136)
Recreation and culture	(29,015)	(26,891)	(24,729)
Transport	(12,289)	(12,082)	(10,661)
Economic services	(1,479)	(1,568)	(2,902)
Other property and services	(2,348)	(7,339)	(508)
Total expenses	(76,480)	(70,098)	(59,263)
Net result for the period	14,896	20,799	24,957

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

25. FUNCTION AND ACTIVITY (Continued)

	2022	2022	2021
	Actual	Budget	Actual
	\$'000	\$'000	\$'000
(c) Fees and Charges			
General purpose funding	1,024	997	998
Law, Order & Public Safety	90	91	108
Health	445	399	476
Education & Welfare	18	72	24
Community amenities	11,772	9,425	9,852
Recreation & Culture	2,746	2,468	2,463
Transport	195	-	10
Economic services	877	773	801
Other property & services	1	-	10
	17,168	14,225	14,742
(d) Total Assets			
Governance	1,626	1,191	
General purpose funding	272,816	191,153	
Law, order, public safety	835	1,134	
Health	5,886	5,222	
Education and welfare	6,904	8,862	
Housing	31,709	25,032	
Community amenities	14,394	15,844	
Recreation and culture	83,982	94,756	
Transport	183,712	156,014	
Economic services	678	82,112	
Other property and services	2,880	9,015	
Unallocated	23,876	10,507	
	629,298	600,842	

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

26. NATURE & TYPE EXPENSES

	2022	2021
	<u>Actual</u>	<u>Actual</u>
	\$'000	\$'000
(a) Employee Costs		
Salaries & Wages	21,375	22,125
Superannuation Expense	2,268	2,377
Workers Compensation Insurance	367	300
Other Employee Costs	2,379	(187)
Annual Leave	671	(51)
Long Service Leave	120	0
Contract Employees	445	408
Training And Development	276	311
Fringe Benefits Tax	216	223
Employee Recruitment Expenses	306	297
	<hr/> 28,423	<hr/> 25,803
	2022	2021
	<u>Actual</u>	<u>Actual</u>
	\$'000	\$'000
(b) Materials & Contracts		
Consultants	2,338	1,800
Legal Expenses	655	285
Contractors - Cleaning	914	561
Contractors - Trade	7,327	4,715
Licence Expenses - Ict	625	608
Materials And Parts Expenses	1,153	1,341
Contract Service Providers	1,863	1,952
Fuel	452	319
Security	434	271
External Hire	451	160
All other Material & Contracts	2,516	1,966
	<hr/> 18,728	<hr/> 13,978

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

27. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual		2021/22 Interim		2021/22 Back		2021/22 Budget		2021/22 Actual	
				Rateable Value * \$'000	Revenue \$'000	Rate \$'000	Revenue \$'000	Rate \$'000	Revenue \$'000	Rate \$'000	Revenue \$'000	Rate \$'000	Revenue \$'000
Gross rental valuations (GRV)													
GRV Residential	Gross rental valuation	9.8215	4,975	115,509	11,374	(279)	22	11,118	11,375	-	11,375	11,420	
GRV Commercial/Industrial	Gross rental valuation	9.8215	523	5,1633	5,071	-	-	5,071	5,052	-	5,052	5,052	
GRV Mass and Tourist Accommodation	Gross rental valuation	19.5935	18	14,149	2,772	-	-	2,772	2,751	-	2,751	2,729	
Unimproved valuations (UV)													
UV Pastoral	Unimproved valuation	11.3001	10	1,827	206	-	-	206	250	-	250	185	
UV Mining and Other	Unimproved valuation	20.1463	257	176,669	35,995	1,690	346	38,031	33,113	-	33,113	32,474	
Sub-Total			5,783	362,187	55,418	1,412	368	57,198	62,541	-	52,541	51,860	
Minimum payment													
Gross rental valuations (GRV)													
GRV Residential	Gross rental valuation	1.300	1,457	12,462	1,893	-	-	1,893	1,893	-	1,893	2,063	
GRV Commercial/Industrial	Gross rental valuation	1.900	205	1,724	390	-	-	390	371	-	371	378	
GRV Mass and Tourist Accommodation	Gross rental valuation	1.900	-	-	-	-	-	-	-	-	-	-	
Unimproved valuations (UV)													
UV Pastoral	Unimproved valuation	1.900	240	183	49	-	-	49	49	-	49	2	
UV Mining and Other	Unimproved valuation	200	1,802	14,369	2,332	-	-	2,332	2,313	-	2,313	2,493	
Sub-Total			7,685	376,556	57,750	1,412	368	69,530	54,854	-	54,854	54,353	
								(431)				(63)	
								68,865				54,708	
								(234)				(167)	
								68,865				54,133	
								68,865				54,133	

Discounts on general rates (Refer note 27(a))

Concessions on general rates (Refer note 27(a))

Total amount raised from general rates

(b) Total Rates

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

27. RATING INFORMATION (Continued)

(a) Discounts, Incentives, Concessions, & Write-offs

Rate or Fee	Type	Discount %	2022 Actual \$'000	2022 Budget \$'000	2021 Actual \$'000	Circumstances in which Discount is Granted
Exemption, refunds and waivers	Rate		-	-	53	Determined by Council decisions, lease agreements and other agreements the Town has with other parties.
Port Hedland International Airport	Rate		431	-	-	Rates raised in error - refunded according to lease conditions.
Total Rate or Fee Discount Granted			431	-	53	

Waivers and Concessions

To provide relief to community groups within the Town of Port Hedland municipality that provide a benefit to the community.

Rate or Fee and Charge to which the waiver or concession is granted

Rate or Fee	Type	Waiver/Concession	Discount %	2022 Actual \$'000	2022 Budget \$'000	2021 Actual \$'000
Bloodwood Tree Association Inc.	Rate	Concession	50%	4	5	5
Care For Hedland	Rate	Concession	50%	1	1	1
Cooke Point Playgroup	Rate	Concession	100%	2	2	-
Grand Lodge Freemasons	Rate	Concession	100%	4	4	4
Hedland BMX Club	Rate	Concession	100%	2	1	2
Hedland Kart Club	Rate	Concession	100%	2	2	1
Hedland Sporting Shooters Club	Rate	Concession	100%	13	13	12
Hedland Well Womens Centre	Rate	Concession	100%	2	1	-
One Tree Community Services	Rate	Concession	0%	3	-	5
Port Hedland Motorcycle Club	Rate	Concession	100%	32	32	31
Port Hedland Netball Association	Rate	Concession	100%	2	1	-
Port Hedland Pony Club	Rate	Concession	100%	2	2	2
Port Hedland Speedway Club Inc	Rate	Concession	100%	24	24	24
Volunteer Marine Rescue Group	Rate	Concession	100%	4	4	4
Rose Nowers Child Care	Rate	Concession	50%	2	2	4
RSL Port Hedland Sub Branch	Rate	Concession	100%	3	3	3
Port Hedland Peace Memorial Seafarers Centre	Rate	Concession	100%	6	6	3
South Hedland Owners & Trainers	Rate	Concession	100%	43	43	42
St John Ambulance	Rate	Concession	100%	83	-	-
Royal Flying Doctors	Rate	Concession	100%	-	-	15
Port Hedland Yacht Club	Rate	Concession	100%	-	-	12
Total rate or fee waiver or concessions (Note 27)				234	146	167

Meets the requirement of being a "Not for Profit" Community Group as per policy 2014 Rates Concession Policy (Rateable Land)

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

27. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	7/09/2021	-	0.00%	7.00%
Option Two				
First instalment	7/09/2021	-	5.50%	7.00%
Second instalment	9/11/2021	14	5.50%	7.00%
Third instalment	17/01/2022	14	5.50%	7.00%
Fourth instalment	21/03/2022	14	5.50%	7.00%
		2022 Actual	2022 Budget	2021 Actual
		\$'000	\$'000	\$'000
Interest on unpaid rates		174	250	210
Interest on instalment plan		85	100	96
Charges on instalment plan		62	60	59
		321	410	365

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

28. RATE SETTING STATEMENT INFORMATION

		2021/22 (30 June 2022 Carried Forward)	Budget (30 June 2022 Carried Forward)	2020/21 (30 June 2021 Carried Forward)
Note		\$'000	\$'000	\$'000
(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 Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
	Less: Profit on asset disposals	10(c) (29)	(126)	(26)
	Add: Loss on disposal of assets	10(c) 567	153	1,252
	Add: Depreciation	10(a) 12,870	10,534	9,838
Non-cash movements in non-current assets and liabilities:				
	Financial assets at amortised cost	-	-	(2)
	Revaluation of Investment property	13 7,307	-	(1,632)
	Assets held for sale	7 -	-	49
	Employee benefit provisions	495	-	20
	Movement in other provisions non-current	-	-	(3,093)
	Non-Current/Current movements	(278)	-	-
	Movement in lease premium prepaid	(924)	(924)	(924)
	Movement in prepayments	32	-	(274)
	Inventory	1,266	-	1,775
Non-cash amounts excluded from operating activities				
		21,305	9,637	6,983
(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 Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to investing activities				
	Non cash Intangible asset recognition	12,997	-	-
	Movement in current capital expenditure provision associated with restricted cash	-	-	(10,507)
Non-cash amounts excluded from investing activities				
		12,997	-	(10,507)
(c) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement 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				
	Less: Reserve accounts	30 (202,624)	(183,782)	(221,551)
	Less: Financial assets at amortised cost - self supporting loans	4(a) (11)	-	(53)
	- Land held for resale	6 (1,710)	(1,344)	(1,310)
	Add: Current liabilities not expected to be cleared at end of year			
	- Current portion of borrowings	15 -	25,743	-
	- Lease premium prepaid	11 924	924	924
	- Current portion of lease liabilities	11(b) 145	276	188
	- Employee benefit provisions	2,122	876	2,178
	- Rehabilitation provisions	400	13,637	400
Total adjustments to net current assets				
		(200,753)	(143,670)	(219,224)
Net current assets used in the Rate Setting Statement				
	Total current assets	223,695	194,022	237,565
	Less: Total current liabilities	(22,857)	(50,213)	(21,715)
	Less: Total adjustments to net current assets	(200,753)	(143,670)	(219,224)
Net current assets used in the Rate Setting Statement				
		86	139	(3,374)

TOWN OF PORT HEDLAND
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

29. BORROWING AND LEASE LIABILITIES

(e) Borrowings

Purpose	Note	Actual					Budget		
		Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Staff Housing		-	-	-	-	9,100	(359)	8,741	
Depot Masterplan		-	-	-	-	8,700	(343)	8,357	
Seawalls		-	-	-	-	9,000	(355)	8,645	
Total		-	-	-	-	26,800	(1,057)	25,743	

Purpose	Note	Function and activity	Interest Rate		Actual for year ending 30 June 2022		Budget for year ending 30 June 2021	
			Loan Number	Institution	\$	\$	\$	\$
Staff Housing					-	(467)	-	-
Depot Masterplan					-	(447)	-	-
Seawalls					-	(492)	-	-
Total					-	(1,376)	-	-

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

29. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2021/22

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges \$'000	Actual Balance Unrepaid \$'000
					2021 Actual \$'000	2022 Budget \$'000	2021 Actual \$'000	2022 Budget \$'000		
Staff Housing	Not yet determined	Principal & interest	20	2.40%	9,100	-	-	-	-	-
Depot Masterplan	Not yet determined	Principal & interest	20	2.40%	8,700	-	(9,219)	-	-	-
Seawalls	Not yet determined	Principal & interest	20	2.40%	9,000	-	(9,000)	-	-	-
					26,800	-	(18,219)	-	-	-

*WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Actual		Principal at 30 June 2021	New Leases During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Principal at 30 June 2022
		2021	2022									
Staff Housing Lease		37	-	37	-	37	-	-	-	-	-	40
Staff Housing Lease		-	47	(6)	41	(41)	-	-	-	-	-	(40)
Port Hedland Library		144	-	(46)	98	(48)	49	-	-	98	-	(50)
Grantwick Gym Equipment		150	-	(78)	274	(86)	176	-	-	249	-	(69)
Depot Offices		340	-	(326)	413	(188)	225	-	-	448	-	(178)
Total Lease Liabilities	11(b)											287

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June		Lease Term Yrs
						2021	2022	
Staff Housing Lease		Housing		Crawford Realty	2.20%	(2)	(1)	1
Port Hedland Library		Recreation and culture		Metropolitan Council	1.50%	(1)	(1)	3
Grantwick Gym Equipment		Recreation and culture		Metropolitan Council	1.20%	(1)	(1)	3
Depot Offices		Other property and services		Portables	2.00%	(6)	(6)	
Total Interest Repayments	2(b)					(10)	(9)	

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

30. RESERVE ACCOUNTS

Restricted by council

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Closing Balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reserves cash backed - Employee Leave Reserve	1,376	-	1,376	1,376	-	1,376	1,376	-	1,376
(b) Reserves cash backed - Plant Reserve	1,405	1,581	2,986	2,875	1,520	4,395	915	490	1,405
(c) Reserves cash backed - Unfinished Works & Committed Works Reserve	1,425	-	1,425	2,389	-	2,389	6,047	-	1,425
(d) Reserves cash backed - Housing Reserve	584	-	584	584	-	584	584	-	584
(e) Reserves cash backed - Airport Reserve	4,286	-	4,286	4,792	-	4,792	14,792	-	4,286
(f) Reserves cash backed - Spillbank Reserve	36,357	-	36,357	12,357	-	12,357	36,459	-	36,357
(g) Reserves cash backed - Asset Management Reserve	5,242	920	6,162	5,192	1,375	6,567	3,158	2,112	5,242
(h) Reserves cash backed - Waste Management Reserve	6,573	2,174	8,747	6,549	300	3,839	6,634	637	6,573
(i) Reserves cash backed - Strategic Reserve	139,171	(22,982)	116,189	142,747	-	122,200	148,102	2,151	139,172
(j) Reserves cash backed - Cyclone/Emergency Response Reserve	80	-	80	80	-	80	80	-	80
(k) Reserves cash backed - Financial Risk Reserve	25,052	-	25,052	25,113	-	18,613	21,941	12,807	25,052
(l) Reserves cash backed - Landfill establishment reserve	221,551	11,179	232,730	204,054	9,685	213,739	240,088	17,997	221,551

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	Anticipated date of use	Purpose of the reserve
(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 - Spillbank Reserve		To fund the Port Hedland Spillbank 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 against 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 2022**

31. 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 2021	Amounts Received	Amounts Paid	30 June 2022
	\$'000	\$'000	\$'000	\$'000
Public Open Space	376	-	-	376
Mosquito Control	2	1	-	3
Nomination bond	-	1	-	1
	378	2	-	380

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

32. MAJOR LAND TRANSACTIONS

(a) Details

The Town purchased 2 parcels of land at 29-31 Barramine Loop, South Hedland and 36 Longtom Loop, South Hedland in the 2019/20 year for staff housing. The Town intends designing and developing these lots beginning in the 2020/21 year with the potential for up to 9 properties on Barramine Loop and potentially 5 on Longtom Loop.

These projects are required to assist with solving the current staff housing shortage that is restricting the Town's ability to attract and maintain a highly skilled workforce, and refresh aging housing stock.

(b) Current year transactions

Other revenue

Capital Expenditure

Construction costs

	2022 Actual \$'000	2022 Budget \$'000	2021 Actual \$'000
	(4,751)	(6,629)	(2,471)
	(4,751)	(6,629)	(2,471)

(c) Expected future cash flows

	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	Total \$'000
Cash outflows					
Interest on loans	(434)	(415)	(395)	(375)	(1,619)
Building Maintenance	(33)	(34)	(35)	(36)	(138)
Loan Principal Payments	(374)	(383)	(392)	(402)	(1,551)
	(841)	(832)	(822)	(813)	(3,308)
Cash inflows					
- Sale proceeds	-	-	-	-	-
	-	-	-	-	-
Net cash flows	(841)	(832)	(822)	(813)	(3,308)



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Town of Port Hedland

To the Councillors of the Town of Port Hedland

Opinion

I have audited the financial report of the Town of Port Hedland (Town) which comprises:

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Town for the year ended 30 June 2022 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

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

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer of the Town is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Town's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Town.

The Council is responsible for overseeing the Town's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality control relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Town of Port Hedland for the year ended 30 June 2022 included in the annual report on the Town's website. The Town's management is responsible for the integrity of the Town's website. This audit does not provide assurance on the integrity of the Town's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Town to confirm the information contained in the website version.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
8 December 2022



Town of Port Hedland

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Town of
Port Hedland