

**Special Audit, Risk & Compliance Committee Meeting Agenda -  
11 December 2024 Attachments**

**10.1 Audited Financial Statements - Financial Year 2023-2024.....2**

**10.1.3 Audited Financial Statements - Financial Year 2023-2024.....2**

**TOWN OF PORT HEDLAND**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	50

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

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

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



**TOWN OF PORT HEDLAND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>Revenue</b>				
Rates	2(a),28	68,960,590	68,058,059	63,097,421
Grants, subsidies and contributions	2(a)	4,271,845	2,462,176	8,591,191
Fees and charges	2(a)	15,814,225	15,881,597	16,540,956
Interest revenue	2(a)	10,612,181	4,834,500	7,069,794
Other revenue	2(a)	1,817,429	1,366,914	12,054,525
		101,476,270	92,603,246	107,353,887
<b>Expenses</b>				
Employee costs	2(b)	(34,114,373)	(36,846,869)	(30,000,441)
Materials and contracts		(23,941,592)	(25,282,701)	(57,813,798)
Utility charges		(5,371,259)	(4,802,618)	(4,772,779)
Depreciation		(24,956,554)	(18,075,833)	(18,644,166)
Finance costs		(1,749,553)	(1,053,627)	(887,814)
Insurance		(1,691,508)	(1,359,997)	(1,487,081)
Other expenditure	2(b)	(1,934,114)	(2,454,470)	(3,139,610)
		(93,758,953)	(89,876,115)	(116,745,689)
		7,717,317	2,727,131	(9,391,802)
Capital grants, subsidies and contributions	2(a)	5,718,558	5,511,216	9,583,965
Profit on asset disposals		212,402	-	166,616
Loss on asset disposals		-	(207,312)	-
Fair value adjustments to investment property	12	(3,340,355)	-	(2,241,765)
Asset write off	8(a), 9(a)	(426,119)	-	(146,947)
Asset impairment - (Specialised Buildings)	8(a)	(511,885)	-	(509,884)
Asset impairment - (Infrastructure)	9(a)	(467,524)	-	(3,625,464)
		1,185,077	5,303,904	3,226,521
<b>Net result for the period</b>	27(b)	<b>8,902,394</b>	<b>8,031,035</b>	<b>(6,165,281)</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	19	3,435,590	-	169,018,341
<b>Total other comprehensive income for the period</b>	19	<b>3,435,590</b>	<b>-</b>	<b>169,018,341</b>
<b>Total comprehensive income for the period</b>		<b>12,337,984</b>	<b>8,031,035</b>	<b>162,853,060</b>

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

**TOWN OF PORT HEDLAND  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	NOTE	2024 Actual \$	2023 Actual \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	64,045,945	14,839,729
Trade and other receivables	5	5,123,068	3,654,175
Other financial assets	4(a)	120,000,000	166,010,505
Inventories	6	1,034,335	790,369
Other assets	7	2,416,230	1,568,958
<b>TOTAL CURRENT ASSETS</b>		<b>192,619,578</b>	<b>186,863,736</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	32,084	17,051
Other financial assets	4(b)	142,442	396,421
Other assets	7	1,296,052	1,327,663
Property, plant and equipment	8	144,461,652	143,422,681
Infrastructure	9	424,614,864	417,106,583
Right-of-use assets	11(a)	41,111	110,475
Investment property	12	41,686,907	45,027,262
Rehabilitation asset	13	11,369,154	11,896,893
<b>TOTAL NON-CURRENT ASSETS</b>		<b>623,644,266</b>	<b>619,305,029</b>
<b>TOTAL ASSETS</b>		<b>816,263,844</b>	<b>806,168,765</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	4,295,013	5,916,011
Other liabilities	15	5,048,422	3,895,936
Lease liabilities	11(b)	36,498	133,000
Borrowings	16	2,008,577	1,922,253
Employee related provisions	17	2,182,510	1,940,522
Other provisions	18	2,391,971	2,391,971
<b>TOTAL CURRENT LIABILITIES</b>		<b>15,962,991</b>	<b>16,199,693</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	14	13,471	13,471
Other liabilities	15	37,607,350	38,531,510
Lease liabilities	11(b)	-	34,425
Borrowings	16	19,970,392	21,978,966
Employee related provisions	17	461,137	459,227
Other provisions	18	13,799,284	12,840,238
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>71,851,634</b>	<b>73,857,837</b>
<b>TOTAL LIABILITIES</b>		<b>87,814,625</b>	<b>90,057,530</b>
<b>NET ASSETS</b>		<b>728,449,219</b>	<b>716,111,235</b>
<b>EQUITY</b>			
Retained surplus		326,174,034	319,315,471
Reserve accounts	31	174,082,205	172,038,374
Revaluation surplus	19	228,192,980	224,757,390
<b>TOTAL EQUITY</b>		<b>728,449,219</b>	<b>716,111,235</b>

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 2024**

	NOTE	2024 Actual \$	2023 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		67,647,308	63,820,004
Grants, subsidies and contributions		4,350,210	8,954,478
Fees and charges		16,736,051	16,562,330
Interest revenue		10,612,181	7,069,794
Goods and services tax received		4,476,197	557,527
Other revenue		947,295	4,243,479
		<u>104,769,242</u>	<u>101,207,612</u>
<b>Payments</b>			
Employee costs		(33,761,481)	(30,220,171)
Materials and contracts		(32,175,834)	(64,196,697)
Utility charges		(5,580,833)	(4,772,779)
Finance costs		(1,208,896)	(180,774)
Insurance paid		(1,692,167)	(1,487,081)
Other expenditure		(1,720,722)	(3,158,677)
		<u>(76,139,933)</u>	<u>(104,016,179)</u>
<b>Net cash provided by / (used in) operating activities</b>	20(a)	28,629,309	(2,808,567)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	8(a)	(10,810,580)	(14,826,901)
Payments for construction of infrastructure	9(a)	(19,940,491)	(46,905,540)
Capital grants, subsidies and contributions		6,875,935	6,534,049
Proceeds from financial assets at amortised cost		46,000,000	3,641,981
Proceeds from sale of property, plant & equipment		505,220	292,845
<b>Net cash provided by (used in) investing activities</b>		<u>22,630,084</u>	<u>(51,263,566)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	30(a)	(1,922,250)	(367,781)
Payments for principal portion of lease liabilities	30(b)	(130,927)	(163,122)
Proceeds from new borrowings	30(a)	-	24,269,000
<b>Net cash provided by / (used in) financing activities</b>		<u>(2,053,177)</u>	<u>23,738,097</u>
<b>Net increase / (decrease) in cash held</b>		49,206,216	(30,334,036)
Cash at beginning of year		14,839,729	45,173,765
<b>Cash and cash equivalents at the end of the year</b>	20(a)	<u><u>64,045,945</u></u>	<u><u>14,839,729</u></u>

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 2024**

	<b>NOTE</b>	<b>RETAINED SURPLUS</b>	<b>RESERVE ACCOUNTS</b>	<b>REVALUATION SURPLUS</b>	<b>TOTAL EQUITY</b>
		\$	\$	\$	\$
<b>Balance as at 1 July 2022</b>		<b>294,895,858</b>	<b>202,623,268</b>	<b>55,739,049</b>	<b>553,258,175</b>
Comprehensive income for the period					
Net result for the period		(6,165,281)	-	-	(6,165,281)
Other comprehensive income for the period	19	-	-	169,018,341	169,018,341
Total comprehensive income for the period		(6,165,281)	-	169,018,341	162,853,060
Transfers from reserve accounts	31	77,011,342	(77,011,342)	-	-
Transfers to reserve accounts	31	(46,426,448)	46,426,448	-	-
<b>Balance as at 30 June 2023</b>		<b>319,315,471</b>	<b>172,038,374</b>	<b>224,757,390</b>	<b>716,111,235</b>
Comprehensive income for the period					
Net result for the period		8,902,394	-	-	8,902,394
Other comprehensive income for the period	19	-	-	3,435,590	3,435,590
Total comprehensive income for the period		8,902,394	-	3,435,590	12,337,984
Transfers from reserve accounts	31	43,706,355	(43,706,355)	-	-
Transfers to reserve accounts	31	(45,750,186)	45,750,186	-	-
<b>Balance as at 30 June 2024</b>		<b>326,174,034</b>	<b>174,082,205</b>	<b>228,192,980</b>	<b>728,449,219</b>

**TOWN OF PORT HEDLAND  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	28	68,960,590	68,058,059	63,097,421
Grants, subsidies and contributions		4,271,845	2,462,176	8,591,191
Fees and charges		15,814,225	15,881,597	16,540,956
Interest revenue		10,612,181	4,834,500	7,069,794
Other revenue		1,817,429	1,366,914	12,054,525
Profit on asset disposals		212,402	-	166,616
		101,688,672	92,603,246	107,520,503
<b>Expenditure from operating activities</b>				
Employee costs		(34,114,373)	(36,846,869)	(30,000,441)
Materials and contracts		(23,941,592)	(25,282,701)	(57,813,798)
Utility charges		(5,371,259)	(4,802,618)	(4,772,779)
Depreciation		(24,956,554)	(18,075,833)	(18,644,166)
Finance costs		(1,749,553)	(1,053,627)	(887,814)
Insurance		(1,691,508)	(1,359,997)	(1,487,081)
Other expenditure		(1,934,114)	(2,454,470)	(3,139,610)
Impairment loss		(979,409)	-	(4,135,348)
Asset write off		(426,119)	-	(146,947)
Loss on asset disposals		-	(207,312)	-
Fair value adjustments to investment property	12	(3,340,355)	-	(2,241,765)
		(98,504,836)	(90,083,427)	(123,269,749)
Non cash amounts excluded from operating activities	29(a)	29,412,401	18,469,241	17,594,986
<b>Amount attributable to operating activities</b>		32,596,237	20,989,060	1,845,740
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		5,718,558	5,511,216	9,583,965
Proceeds from disposal of assets		505,220	899,000	292,845
		6,223,778	6,410,216	9,876,810
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment	8(a)	(10,810,580)	(31,533,878)	(23,976,067)
Purchase and construction of infrastructure	9(a)	(19,940,491)	(25,460,831)	(44,643,260)
		(30,751,071)	(56,994,709)	(68,619,327)
Non-cash amounts excluded from investing activities	29(b)	-	-	6,886,886
<b>Amount attributable to investing activities</b>		(24,527,293)	(50,584,493)	(51,855,631)
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from borrowings	30(a)	-	4,000,000	24,269,000
Transfers from reserve accounts	31	43,706,355	41,518,000	77,011,342
		43,706,355	45,518,000	101,280,342
<b>Outflows from financing activities</b>				
Repayment of borrowings	30(a)	(1,922,250)	(1,922,263)	(367,781)
Payments for principal portion of lease liabilities	30(b)	(130,927)	(133,161)	(163,122)
Transfers to reserve accounts	31	(45,750,186)	(19,032,000)	(46,426,448)
		(47,803,363)	(21,087,424)	(46,957,351)
<b>Amount attributable to financing activities</b>		(4,097,008)	24,430,576	54,322,991
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	29(c)	4,399,196	5,367,674	86,096
Amount attributable to operating activities		32,596,237	20,989,060	1,845,740
Amount attributable to investing activities		(24,527,293)	(50,584,493)	(51,855,631)
Amount attributable to financing activities		(4,097,008)	24,430,576	54,322,991
<b>Surplus or deficit after imposition of general rates</b>	29(c)	<b>8,371,132</b>	<b>202,817</b>	<b>4,399,196</b>

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



**TOWN OF PORT HEDLAND  
FOR THE YEAR ENDED 30 JUNE 2024  
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Leases	22
Note 12	Investment Property	23
Note 13	Rehabilitation asset	25
Note 14	Trade and Other Payables	26
Note 15	Other Liabilities	27
Note 16	Borrowings	28
Note 17	Employee Related Provisions	29
Note 18	Other Provisions	30
Note 19	Revaluation Surplus	31
Note 20	Notes to the Statement of Cash Flows	32
Note 21	Contingent Liabilities	33
Note 22	Capital Commitments	33
Note 23	Related Party Transactions	34
Note 24	Financial Risk Management	36
Note 25	Events occurring after the end of the reporting period	40
Note 26	Other Material Accounting Policies	41
Note 27	Function and Activity	42
 <b>Information required by legislation</b>		
Note 28	Rating Information	44
Note 29	Determination of Surplus or Deficit	45
Note 30	Borrowing and Lease Liabilities	46
Note 31	Reserve accounts	48
Note 32	Trust Funds	49

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**1. BASIS OF PREPARATION**

The financial report of the Town of Port Hedland which is a Class 1 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

**Local Government Act 1995 requirements**

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

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

The Local Government (Financial Management) Regulations 1996 provide that: - land and buildings classified as property, plant and equipment; or - infrastructure; or - vested improvements that the local government controls; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 Property, Plant and Equipment, which would have required the Town to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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.

**Critical accounting estimates and judgements**

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 amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment - note 8
  - Infrastructure - note 9

(Where useful life of the above assets has been reduced, impairment is provided for.)

- Expected credit losses on financial assets - note 5
- Investment property - note 12
- Estimated useful life of rehabilitation assets - note 13
- Measurement of employee benefits - note 17
- Measurement of provisions - note 18

Fair value hierarchy information can be found in note 26

**The local government reporting entity**

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

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

**Initial application of accounting standards**

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

- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

**New accounting standards for application in future years**

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

- *AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- *AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*

These amendments are not expected to have any material impact on the financial report on initial application.

- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

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

- *AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

These amendments may result in additional disclosures in the case of applicable finance arrangements.

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**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:

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

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

**Revenue recognition**

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

**For the year ended 30 June 2024**

<b>Nature</b>	<b>Contracts with customers</b>	<b>Capital grant/contributions</b>	<b>Statutory requirements</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates	-	-	68,960,590	-	68,960,590
Grants, subsidies and contributions	4,271,845	-	-	-	4,271,845
Fees and charges	15,510,329	-	303,896	-	15,814,225
Interest revenue	-	-	456,915	10,155,266	10,612,181
Other revenue	-	-	-	1,817,429	1,817,429
Capital grants, subsidies and contributions	-	5,718,558	-	-	5,718,558
<b>Total</b>	<b>19,782,174</b>	<b>5,718,558</b>	<b>69,721,401</b>	<b>11,972,695</b>	<b>107,194,828</b>

**For the year ended 30 June 2023**

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

Note	2024 Actual	2023 Actual
	\$	\$
<b>Assets and services acquired below fair value</b>		
Contributed assets	-	6,886,886
	-	6,886,886
<b>Interest revenue</b>		
Interest on investments	10,155,266	6,782,472
Trade and other receivables overdue interest	456,915	287,322
	10,612,181	7,069,794
The 2024 original budget estimate in relation to: Trade & other receivables overdue interest was \$372,600		
<b>Fees and charges relating to rates receivable</b>		
Charges on instalment plan	45,538	62,062
The 2024 original budget estimate in relation to: Charges on instalment plan was \$68,310		
<b>(b) Expenses</b>		
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	164,741	126,372
- Internal audit	75,805	40,339
	240,546	166,711
<b>Employee Costs</b>		
Employee benefit costs	32,325,292	27,806,117
Other employee costs	1,789,081	2,194,324
	34,114,373	30,000,441
<b>Finance costs</b>		
Provisions: unwinding of discount	540,657	534,813
Borrowings	1,206,715	344,732
Lease liabilities	2,181	8,269
	1,749,553	887,814
<b>Other expenditure</b>		
Impairment losses on rates and statutory receivables	(29,637)	40,448
Impairment losses on trade receivables	(21,455)	(19,067)
Bad debt expenditure	355,680	-
Cost of land - land sales	-	1,710,031
Elected members remuneration	565,535	532,254
Grants	702,648	614,725
Sundry expenses	361,343	261,219
	1,934,114	3,139,610

23

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**3. CASH AND CASH EQUIVALENTS**

	Note	2024 \$	2023 \$
Cash at bank and on hand		24,044,945	14,838,729
Term deposits		40,001,000	1,000
<b>Total cash and cash equivalents</b>	20(a)	64,045,945	14,839,729
Held as			
- Unrestricted cash and cash equivalents		9,963,740	8,801,355
- Restricted cash and cash equivalents	20(a)	54,082,205	6,038,374
		64,045,945	14,839,729

**MATERIAL ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

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

**Restricted financial assets**

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

**4. OTHER FINANCIAL ASSETS**

	Note	2024 \$	2023 \$
<b>(a) Current assets</b>			
Financial assets at amortised cost		120,000,000	166,010,505
		120,000,000	166,010,505
<b>Other financial assets at amortised cost</b>			
Self supporting loans receivable	29(c)	-	10,505
Term deposits		120,000,000	166,000,000
		120,000,000	166,010,505
Held as			
- Unrestricted other financial assets at amortised cost		-	10,505
- Restricted other financial assets at amortised cost	20(a)	120,000,000	166,000,000
		120,000,000	166,010,505
<b>(b) Non-current assets</b>			
Financial assets at amortised cost		-	253,979
Financial assets at fair value through profit or loss		142,442	142,442
		142,442	396,421
<b>Financial assets at amortised cost</b>			
Self supporting loans receivable		-	253,979
Term deposits		-	-
		-	253,979
<b>Financial assets at fair value through profit or loss:</b>			
Units in Local Government House Trust - opening balance		142,442	142,442
Units in Local Government House Trust - closing balance		142,442	142,442

**MATERIAL ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

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

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

**Financial assets at fair value through profit or loss**

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

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

**Impairment and risk**

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**5. TRADE AND OTHER RECEIVABLES**

Note	2024	2023
	\$	\$
<b>Current</b>		
Rates and statutory receivables	2,978,725	1,372,285
Trade receivables	1,541,009	1,588,205
GST receivable	761,446	902,889
Allowance for credit losses of rates and statutory receivables	(107,095)	(136,732)
Allowance for credit losses of trade receivables	24(b) (51,017)	(72,472)
	5,123,068	3,654,175
<b>Non-current</b>		
Pensioner rates and ESL deferred	32,084	17,051
	32,084	17,051

**MATERIAL ACCOUNTING POLICIES**

**Rates and statutory receivables**

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

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

**Trade receivables**

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

**Other receivables**

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts received as grants for the construction of recognisable non financial assets.

**Measurement**

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

**Classification and subsequent measurement**

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

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

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

**Impairment and risk exposure**

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**6. INVENTORIES**

Note	2024	2023
<b>Current</b>	<b>\$</b>	<b>\$</b>
Inventory - Depot	1,025,967	780,167
Inventory - JD Hardie	1,370	1,093
Inventory - Leisure	1,382	6,151
Inventory - Matt Dann Theatre & Cinema	5,616	2,958
	1,034,335	790,369
The following movements in inventories occurred during the year:		
<b>Balance at beginning of year</b>	790,369	2,183,807
Inventories expensed during the year	425,755	(316,562)
Additions to inventory	(181,789)	(1,076,876)
<b>Balance at end of year</b>	1,034,335	790,369

**MATERIAL 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.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**7. OTHER ASSETS**

	2024	2023
	\$	\$
<b>Other assets - Current</b>		
Prepayments	1,195,935	879,699
Accrued income	1,220,295	689,259
	2,416,230	1,568,958
<b>Non-current</b>		
Prepayments	1,296,052	1,327,663
	1,296,052	1,327,663

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



**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**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.

	Assets not subject to operating lease			Total Property	Plant and equipment			Total property, plant and equipment
	Buildings -		Buildings - specialised		Furniture and equipment	Plant and equipment	Property, plant & equipment - work in progress	
	Land	non-specialised						
	\$	\$	\$	\$	\$	\$	\$	
<b>Balance at 1 July 2022</b>	9,777,000	22,863,266	71,984,349	104,624,615	3,355,110	5,262,787	14,739,350	127,981,863
Additions	1,488,277	4,507,075	5,031,264	11,026,616	657,871	3,273,596	9,017,984	23,976,067
Disposals	-	-	(127,185)	(127,185)	-	(126,230)	-	(253,415)
Impairment (loss) / reversals transferred to profit or loss	-	-	(509,884)	(509,884)	-	-	-	(509,884)
Depreciation	-	(1,221,387)	(4,242,786)	(5,464,173)	(937,882)	(1,369,895)	-	(7,771,950)
<b>Balance at 30 June 2023</b>	<b>11,265,277</b>	<b>26,148,954</b>	<b>72,135,758</b>	<b>109,549,989</b>	<b>3,075,099</b>	<b>7,040,258</b>	<b>23,757,335</b>	<b>143,422,681</b>
<b>Comprises:</b>								
Gross balance amount at 30 June 2023	11,265,277	33,632,907	110,649,250	155,547,434	7,028,997	12,374,840	23,757,335	198,708,606
Accumulated depreciation at 30 June 2023	-	(7,483,953)	(38,003,608)	(45,487,561)	(3,953,898)	(5,334,582)	-	(54,776,041)
Accumulated impairment loss at 30 June 2023	-	-	(509,884)	(509,884)	-	-	-	(509,884)
<b>Balance at 30 June 2023</b>	<b>11,265,277</b>	<b>26,148,954</b>	<b>72,135,758</b>	<b>109,549,989</b>	<b>3,075,099</b>	<b>7,040,258</b>	<b>23,757,335</b>	<b>143,422,681</b>
Additions	116,740	5,790,656	11,136,023	17,043,419	1,317,236	3,654,504	(11,204,579)	10,810,580
Disposals	-	-	-	-	-	(292,819)	-	(292,819)
Impairment (loss) / reversals transferred to profit or loss	-	(4,550)	(507,335)	(511,885)	-	-	-	(511,885)
Depreciation	-	(1,495,378)	(4,714,436)	(6,209,814)	(981,216)	(1,775,875)	-	(8,966,905)
<b>Balance at 30 June 2024</b>	<b>11,382,017</b>	<b>30,439,682</b>	<b>78,050,010</b>	<b>119,871,709</b>	<b>3,411,119</b>	<b>8,626,068</b>	<b>12,552,756</b>	<b>144,461,652</b>
<b>Comprises:</b>								
Gross balance amount at 30 June 2024	11,382,017	39,419,012	120,768,053	171,569,082	8,328,384	14,896,317	12,552,756	207,346,539
Accumulated depreciation at 30 June 2024	-	(8,974,780)	(41,700,824)	(50,675,604)	(4,917,265)	(6,270,249)	-	(61,863,118)
Accumulated impairment loss at 30 June 2024	-	(4,550)	(1,017,219)	(1,021,769)	-	-	-	(1,021,769)
<b>Balance at 30 June 2024</b>	<b>11,382,017</b>	<b>30,439,682</b>	<b>78,050,010</b>	<b>119,871,709</b>	<b>3,411,119</b>	<b>8,626,068</b>	<b>12,552,756</b>	<b>144,461,652</b>

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying amount measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value - as determined at the last valuation date</b>					
<b>Land and buildings</b>					
Land	Level 2	Market approach	Independent registered valuer	June 2021	Price per square metre
Buildings - non-specialised	Level 2	Market approach	Independent registered valuer	June 2021	Price per square metre
Buildings - specialised	Level 3	Cost approach	Independent registered valuer	June 2021	Construction costs and current condition, residual values and remaining useful life assessment inputs.
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
<b>(ii) Cost</b>					
Furniture and equipment	Level 2	Cost approach	Cost	NA	Direct cost
Plant and equipment	Level 2	Cost approach	Cost	NA	Direct cost
Right of use - land and buildings	Level 2	Market approach	Cost	March 2024	Present value of future lease payments
Right of use - property, plant and equipment	Level 2	Market approach	Cost	September 2020	Present value of future lease payments

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**9. INFRASTRUCTURE**

**(a) Movements in balances**

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

	Infrastructure - roads and bridges	Infrastructure - drainage	Infrastructure - paths and cycles	Infrastructure - parks and ovals	Infrastructure - other	Infrastructure - bus shelters	Infrastructure - depot	Infrastructure - work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	102,453,572	25,818,511	19,045,634	32,515,124	15,489,154	240,117	1,918,806	19,928,732	217,409,650
Additions	6,198,407	8,601,656	3,232,977	3,963,269	24,711,626	80,832	279,279	(2,424,786)	44,643,260
Revaluation increments / (decrements) transferred to revaluation surplus	149,201,935	1,016,668	18,455,077	576,963	(489,000)	262,069	(540,184)	-	168,483,528
Revaluation (loss) / reversals transferred to profit or loss	-	-	-	(9,290)	(2,579,766)	-	(1,056,170)	-	(3,645,226)
Depreciation	(2,500,685)	(700,175)	(750,574)	(4,311,382)	(1,322,008)	(20,912)	(178,894)	-	(9,784,630)
Transfers	1,600,620	(1,493,457)	63,061	(11,943,078)	11,772,854	-	-	-	-
<b>Balance at 30 June 2023</b>	256,953,849	33,243,203	40,046,175	20,791,606	47,582,860	562,106	422,837	17,503,947	417,106,583
<b>Comprises:</b>									
Gross balance at 30 June 2023	389,994,029	40,953,429	59,534,503	33,619,836	57,555,760	763,442	476,492	17,503,947	600,401,438
Accumulated depreciation at 30 June 2023	(133,040,180)	(7,710,226)	(19,488,328)	(12,828,230)	(9,972,900)	(201,336)	(53,655)	-	(183,294,855)
Accumulated impairment loss at 30 June 2023	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2023</b>	256,953,849	33,243,203	40,046,175	20,791,606	47,582,860	562,106	422,837	17,503,947	417,106,583
Additions	4,790,155	3,112,381	1,456,232	56,321	7,914,692	-	-	2,610,710	19,940,491
(Disposals)	-	-	-	-	(426,119)	-	-	-	(426,119)
Revaluation increments / (decrements) transferred to revaluation surplus	376,013	(1,837,051)	233,902	3,378,317	985,424	-	297,684	-	3,434,289
Impairment (loss) / reversals transferred to profit or loss	-	-	-	(215,936)	(251,588)	-	-	-	(467,524)
Depreciation	(9,171,009)	(469,198)	(1,055,519)	(1,956,052)	(2,247,381)	(39,340)	(34,357)	-	(14,972,856)
<b>Balance at 30 June 2024</b>	252,949,008	34,049,335	40,680,790	22,054,256	53,557,888	522,766	686,164	20,114,657	424,614,864
<b>Comprises:</b>									
Gross balance at 30 June 2024	395,321,341	42,124,187	61,324,880	36,436,821	64,893,855	763,443	901,754	20,114,657	621,880,938
Accumulated depreciation at 30 June 2024	(142,372,333)	(8,074,852)	(20,644,090)	(14,166,630)	(11,084,379)	(240,677)	(215,590)	-	(196,798,551)
Accumulated impairment loss at 30 June 2024	-	-	-	(215,935)	(251,588)	-	-	-	(467,523)
<b>Balance at 30 June 2024</b>	252,949,008	34,049,335	40,680,790	22,054,256	53,557,888	522,766	686,164	20,114,657	424,614,864

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**9. INFRASTRUCTURE (Continued)**

(b) Carrying amount measurements

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value - as determined at the last valuation date</b>					
<b>Infrastructure - roads and bridges</b>	Level 3	Cost approach, using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
<b>Infrastructure - drainage</b>	Level 3	Cost approach, using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
<b>Infrastructure - paths and cycles</b>	Level 3	Cost approach, using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
<b>Infrastructure - parks and ovals</b>	Level 3	Cost approach, using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
<b>Infrastructure - other</b>	Level 3	Cost approach, using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
<b>Infrastructure - bus shelters</b>	Level 3	Cost approach, using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
<b>Infrastructure - depot</b>	Level 3	Cost approach, using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.

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

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**10. FIXED ASSETS**

**(a) Depreciation**

**Depreciation rates**

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

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

**(b) Fully Depreciated Assets in Use**

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Buildings - specialised	1,190,000	1,186,000
Furniture and equipment	1,746,430	1,573,419
Plant and equipment	1,494,582	592,362
Infrastructure - parks and ovals	731,399	1,359,479
Infrastructure - other	39,732	185,802
Infrastructure - roads and bridges	6,482	-
	<b>5,208,625</b>	<b>4,897,062</b>

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**10. FIXED ASSETS (Continued)**

**MATERIAL ACCOUNTING POLICIES**

**Initial recognition**

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the 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. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Town's revaluation policy, are recognised at cost and disclosed as being at reportable value.

**Measurement after recognition**

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

**Reportable Value**

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are *land and buildings classified as property, plant and equipment*, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

**Revaluation**

Land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued 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 land vested in the Town.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Town to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

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

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

**Depreciation on revaluation**

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

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

**Impairment**

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Town is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**Gains or losses on disposal**

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**11. LEASES**

**(a) Right-of-use assets**

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

Note	Right-of-use assets - land and buildings	Right-of-use assets - plant and equipment	Right-of-use assets Total
	\$	\$	\$
<b>Balance at 1 July 2022</b>	35,321	128,384	163,705
Additions	106,008	-	106,008
Depreciation	(52,989)	(106,249)	(159,238)
<b>Balance at 30 June 2023</b>	88,340	22,135	110,475
Depreciation	(47,229)	(22,135)	(69,364)
<b>Balance at 30 June 2024</b>	41,111	-	41,111
Gross balance amount at 30 June 2024	264,951	318,747	583,698
Accumulated depreciation at 30 June 2024	(223,840)	(318,747)	(542,587)
<b>Balance at 30 June 2024</b>	41,111	-	41,111

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

	2024 Actual	2023 Actual
	\$	\$
Depreciation on right-of-use assets	(69,364)	(159,238)
Finance charge on lease liabilities	(2,181)	(8,269)
<b>Total amount recognised in the statement of comprehensive income</b>	<b>(71,545)</b>	<b>(167,507)</b>
Total cash outflow from leases	(133,108)	(171,391)
<b>(b) Lease liabilities</b>		
Current	36,498	133,000
Non-current	-	34,425
	<b>36,498</b>	<b>167,425</b>

**MATERIAL ACCOUNTING POLICIES**

**Leases**

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

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

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

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

**Right-of-use assets - measurement**

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

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

**Right-of-use assets - depreciation**

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**12. INVESTMENT PROPERTY**

**Airport land**

Carrying balance at 1 July	45,027,262	45,277,056
Capitalised subsequent expenditure	-	1,991,971
Net (loss) from fair value adjustment	(3,340,355)	(2,241,765)
Closing balance at 30 June	41,686,907	45,027,262

**Investment property**

41,686,907 45,027,262

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

Rental income	924,160	924,160
Direct operating expenses from property that generated rental income	(31,611)	(31,611)
Fair value (loss) recognised in profit or loss	(3,340,355)	(2,241,765)

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 2024 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	106,993	106,998
Lot 15 on Deposited Plan 161311	Whole	34,423	34,398
Lot 29 on Deposited Plan 404824	Whole	105,145	105,091
Part of Lot 9006 on Deposited Plan 404823	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
		8,458,486	8,178,958

**Amounts recognised in income statement for investment property**

The investment property is leased out as an operating lease over 50 years. The lease paid upfront for the use of the investment property. The rental income amount of \$924,160 for the period 1 July 2023 to 30 June 2024 is included in revenue.

	Note	2024	2023
		\$	\$
Lease premium prepaid received		46,207,830	46,207,830
Amount recognised		(7,676,320)	(6,752,160)
		38,531,510	39,455,670
Current liability - lease premium prepaid	15	924,160	924,160
Non-current liability - lease premium prepaid	15	37,607,350	38,531,510
		38,531,510	39,455,670



**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**12. INVESTMENT PROPERTY (Continued)**

**(b) Net carrying value of Airport Reserve**

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

	Note	2024 Actual \$ '000	2024 Budget \$ '000	2023 Actual \$ '000
Airport Reserve	31	3,385,991	3,385,991	4,285,991

**(c) Additional information**

An upside agreement was signed, ensuring an additional ten million dollars income over the next 50 years based on passenger number growth. This is billable yearly in arrears when passenger growth exceeds a set baseline passenger number. During the current year \$266,210 was recognised as revenue.

**MATERIAL ACCOUNTING POLICIES**

**Investment property**

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

**Fair value of investment property**

An independent valuation was performed to determine the fair value of investment property. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties on a vacant possession basis.

As the property is subject to a lease the fair value has been determined on the present value of the towns remainder interest and the value of unearned lease payments received in advance.

These inputs are determined to be level 3 inputs.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**13. REHABILITATION ASSET**

	<b>2024 Actual</b>	<b>2023 Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current</b>		
Landfill rehabilitation	13,244,931	12,825,241
Less: Accumulated amortisation	(1,875,777)	(928,348)
	11,369,154	11,896,893
<b>Balance at 1 July</b>	11,896,893	12,997,468
Amortisation	(947,429)	(928,348)
Revaluation of landfill	419,690	(172,227)
<b>Balance at 30 June</b>	11,369,154	11,896,893
<b>TOTAL REHABILITATION ASSET</b>	11,369,154	11,896,893

**Amortisation**

The estimated useful life of rehabilitation assets is 14 years for the current, prior and future years.

**MATERIAL 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 2024**

**14. TRADE AND OTHER PAYABLES**

**Current**

Trade creditors	5,708
Prepaid rates	892,341
Accrued salaries and wages	1,022,364
Statutory liabilities	195,379
Bonds and levies	110,599
Accrued expenditure	1,925,576
Retentions	143,046
Suspense	-

**Non-current**

Bonds and levies	13,471
------------------	--------

	2024	2023
	\$	\$
	5,708	1,775,192
	892,341	599,183
	1,022,364	938,280
	195,379	7,591
	110,599	79,302
	1,925,576	2,422,100
	143,046	94,368
	-	(5)
	4,295,013	5,916,011
	13,471	13,471
	13,471	13,471

**MATERIAL ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

**Prepaid rates**

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**15. OTHER LIABILITIES**

	2024	2023
	\$	\$
<b>Current</b>		
Income in advance	-	4,890
Operating grant/contributions liabilities	778,151	715,806
Capital grant/contributions liabilities	3,346,111	2,251,080
Lease premium prepaid	924,160	924,160
	5,048,422	3,895,936
<b>Non-current</b>		
Lease premium prepaid	37,607,350	38,531,510
	37,607,350	38,531,510
<b>Reconciliation of changes in capital grant/contribution liabilities</b>		
Opening balance	2,251,080	5,449,887
Additions	5,349,735	1,109,455
Revenue from capital grant/contributions held as a liability at the start of the period	(4,254,704)	(4,308,262)
	3,346,111	2,251,080
<b>Expected satisfaction of capital grant/contribution liabilities</b>		
Less than 1 year	3,346,111	2,251,080
	3,346,111	2,251,080

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.

**MATERIAL ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**16. BORROWINGS**

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
WATC loans		2,008,577	19,970,392	21,978,969	1,922,253	21,978,966	23,901,219
<b>Total secured borrowings</b>	30(a)	2,008,577	19,970,392	21,978,969	1,922,253	21,978,966	23,901,219

**MATERIAL ACCOUNTING POLICIES**

**Borrowing costs**

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 26(i)) due to the unobservable inputs, including own credit risk.

**Risk**

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

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**17. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	<b>2024</b>	<b>2023</b>
<b>Current provisions</b>	<b>\$</b>	<b>\$</b>
Annual leave	1,642,355	1,537,676
Long service leave	540,155	412,648
Other employee leave provisions	-	(9,802)
	<u>2,182,510</u>	<u>1,940,522</u>
<b>Total current employee related provisions</b>	<b>2,182,510</b>	<b>1,940,522</b>
<b>Non-current provisions</b>		
Long service leave	461,137	459,227
	<u>461,137</u>	<u>459,227</u>
<b>Total non-current employee related provisions</b>	<b>461,137</b>	<b>459,227</b>
<b>Total employee related provisions</b>	<b>2,643,647</b>	<b>2,399,749</b>

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:**

Less than 12 months after the reporting date  
More than 12 months from reporting date

<b>Note</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
	1,074,540	1,940,522
	1,569,107	459,227
	<u>2,643,647</u>	<u>2,399,749</u>

**MATERIAL 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 2024**

**18. OTHER PROVISIONS**

	Landfill rehabilitation	Airport project	Library reinstatement	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2023</b>				
Current provisions	-	2,391,971	-	2,391,971
Non-current provisions	12,825,241	-	14,997	12,840,238
	12,825,241	2,391,971	14,997	15,232,209
Additional provision	418,389	-	-	418,389
Charged to profit or loss - unwinding of discount	540,331	-	326	540,657
<b>Balance at 30 June 2024</b>	13,783,961	2,391,971	15,323	16,191,255
<b>Comprises</b>				
Current	-	2,391,971	-	2,391,971
Non-current	13,783,961	-	15,323	13,799,284
	13,783,961	2,391,971	15,323	16,191,255

**MATERIAL ACCOUNTING POLICIES**

**Provisions**

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

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

**Airport Project**

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

**Landfill Rehabilitation Provision**

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

**Library reinstatement**

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**19. REVALUATION SURPLUS**

	<b>2024 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2024 Closing Balance</b>	<b>2023 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2023 Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Property, plant and equipment</b>						
Revaluation Surplus - Land	7,359,718	-	7,359,718	7,359,718	-	7,359,718
Revaluation Surplus - Buildings	6,039,604	-	6,039,604	6,039,604	-	6,039,604
<b>Subtotal</b>	<b>13,399,322</b>	<b>-</b>	<b>13,399,322</b>	<b>13,399,322</b>	<b>-</b>	<b>13,399,322</b>
<b>Infrastructure</b>						
Revaluation Surplus - Roads & bridges	149,201,935	376,013	149,577,948	-	149,201,935	149,201,935
Revaluation Surplus - Drainage	6,712,610	(2,326,051)	4,386,559	5,695,942	1,016,668	6,712,610
Revaluation Surplus - Paths & cycleways	28,553,486	233,902	28,787,388	10,098,409	18,455,077	28,553,486
Revaluation Surplus - Open spaces	576,963	3,378,319	3,955,282	-	576,963	576,963
Revaluation Surplus - Other infrastructure	-	1,474,423	1,474,423	489,000	(489,000)	-
Revaluation Surplus - Bus shelters	482,609	-	482,609	220,540	262,069	482,609
Revaluation Surplus - Depot	-	297,683	297,683	540,184	(540,184)	-
<b>Subtotal</b>	<b>185,527,603</b>	<b>3,434,289</b>	<b>188,961,892</b>	<b>17,044,075</b>	<b>168,483,528</b>	<b>185,527,603</b>
<b>Investment property</b>						
Revaluation Surplus - Airport land	25,293,347	-	25,293,347	25,293,347	-	25,293,347
<b>Subtotal</b>	<b>25,293,347</b>	<b>-</b>	<b>25,293,347</b>	<b>25,293,347</b>	<b>-</b>	<b>25,293,347</b>
<b>Intangibles</b>						
Revaluation Surplus - Landfill	534,813	1,301	536,114	-	534,813	534,813
<b>Subtotal</b>	<b>534,813</b>	<b>1,301</b>	<b>536,114</b>	<b>-</b>	<b>534,813</b>	<b>534,813</b>
<b>Financial assets at fair value through other comprehensive income</b>						
Revaluation Surplus - Local government trust investment	2,305	-	2,305	2,305	-	2,305
	<b>2,305</b>	<b>-</b>	<b>2,305</b>	<b>2,305</b>	<b>-</b>	<b>2,305</b>
<b>Revaluation surplus</b>	<b>224,757,390</b>	<b>3,435,590</b>	<b>228,192,980</b>	<b>55,739,049</b>	<b>169,018,341</b>	<b>224,757,390</b>



**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**20. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of cash**

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

	Note	2024 Actual \$	2023 Actual \$
Cash and cash equivalents	3	64,045,945	14,839,729
<b>Restrictions</b>			
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	54,082,205	6,038,374
- Financial assets at amortised cost	4	120,000,000	166,000,000
		174,082,205	172,038,374
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	31	174,082,205	172,038,374
<b>Total restricted financial assets</b>		174,082,205	172,038,374
Net result		8,902,394	(6,165,281)
Adjustments to fair value of investment property		3,340,355	2,241,765
Depreciation/amortisation		24,956,554	18,644,166
(Profit)/loss on sale of asset		(212,402)	(166,616)
Loss on revaluation of fixed assets	8(a), 9(a)	1,405,528	4,282,295
Prepaid lease premium		-	(924,160)
Intangible finance costs		-	707,040
Bad debt write off - SSL		264,484	-
Assets received for substantially less than fair value		-	(6,886,886)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(1,483,926)	2,037,749
(Increase)/decrease in other assets		(815,661)	(544,260)
(Increase)/decrease in inventories		(243,966)	1,393,438
Increase/(decrease) in trade and other payables		(1,620,998)	(7,274,747)
Increase/(decrease) in employee related provisions		243,898	(359,127)
Increase/(decrease) in other provisions		540,657	(157,230)
Increase/(decrease) in other liabilities		228,326	(3,102,664)
Capital grants, subsidies and contributions		(6,875,934)	(6,534,049)
Net cash provided by/(used in) operating activities		28,629,309	(2,808,567)
<b>(b) Undrawn borrowing facilities</b>			
<b>Credit standby arrangements</b>			
Credit card limit		215,000	100,000
Credit card balance at balance date		(46,399)	(61,488)
<b>Total amount of credit unused</b>		168,601	38,512
<b>Loan facilities</b>			
Loan facilities - current		2,008,577	1,922,253
Loan facilities - non-current		19,970,392	21,978,966
<b>Total facilities in use at balance date</b>		21,978,969	23,901,219
<b>Unused loan facilities at balance date</b>		168,601	38,512

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**21. CONTINGENT LIABILITIES**

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

Details of those sites are:

- Port Hedland International Airport

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

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

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

In addition, the Town in conjunction with PHIA have commenced a project to construct a formalised Asbestos Containment Cell to remove historically disposed of ACM to an approved centralised containment cell on site. This will effectively eliminate future risk and provide compliant containment in line with DWER requirements.

**22. CAPITAL COMMITMENTS**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	12,411,594	10,315,079
- plant & equipment purchases	109,616	776,883
	<b>12,521,210</b>	<b>11,091,962</b>
Payable:		
- not later than one year	11,371,382	9,633,871
- payable later than one year	1,149,828	1,458,091

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**23. RELATED PARTY TRANSACTIONS**

**(a) Elected member remuneration**

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

	Note	2024 Actual	2024 Budget	2023 Actual
		\$	\$	\$
Mayor's annual allowance		80,840	80,000	91,579
Mayor's meeting attendance fees		49,384	49,435	48,483
Mayor's other expenses		7,783	-	7,797
Mayor's annual allowance for ICT expenses		3,500	3,500	3,500
Mayor's travel and accommodation expenses		18,223	-	23,749
		159,730	132,935	175,108
Deputy Mayor's annual allowance		20,210	20,000	25,534
Deputy Mayor's meeting attendance fees		32,921	32,955	29,617
Deputy Mayor's other expenses		9,491	-	2,672
Deputy Mayor's annual allowance for ICT expenses		3,500	3,500	3,500
Deputy Mayor's travel and accommodation expenses		7,146	-	4,133
		73,268	56,455	65,456
All other council member's meeting attendance fees		219,517	230,685	225,679
All other council member's All other council member expenses		66,545	-	16,432
All other council member's annual allowance for ICT expenses		23,345	24,500	24,500
All other council member's travel and accommodation expenses		23,130	-	25,079
		332,537	255,185	291,690
	23(b)	565,535	444,575	532,254

**(b) Key management personnel (KMP) compensation**

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

Short-term employee benefits		1,485,333		1,231,042
Post-employment benefits		170,995		148,022
Employee - other long-term benefits		164,461		194,043
Employee - termination benefits		179,317		76,345
Council member costs	23(a)	565,535		532,254
		2,565,641		2,181,706

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Termination benefits*

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

*Council member costs*

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**23. RELATED PARTY TRANSACTIONS (Continued)**

**(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:

	<b>2024 Actual</b>	<b>2023 Actual</b>
	\$	\$
Purchase of goods and services	34,672	-

**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 Town, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 23(a) and 23(b).*

*ii. Other related parties*

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

*iii. Entities subject to significant influence by the Town*

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**24. FINANCIAL RISK MANAGEMENT**

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

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<b>Market risk - interest rates</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Trade receivables	Aging analysis Credit analysis	Credit limits
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

Financial risk management is carried out by the finance department under policies approved by the council. The finance department 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.

**(a) Interest rate risk**

**Cash and cash equivalents**

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.

**Borrowings**

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**24. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

***Trade and other receivables***

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

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

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

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2023 or 1 July 2024 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2024</b>					
Trade receivables					
Expected credit loss	0.53%	2.29%	8.91%	31.33%	
Gross carrying amount	1,285,860	71,524	60,744	118,548	1,536,676
Loss allowance	6,821	1,639	5,413	37,144	51,017

**30 June 2023**

Trade receivables					
Expected credit loss	0.09%	0.26%	1.62%	45.40%	
Gross carrying amount	1,318,619	109,455	6,774	153,357	1,588,205
Loss allowance	1,243	282	110	70,837	72,472

***Rates receivable***

Most rates receivable are debts arising from outstanding rates and interest charges. The ECL has been calculated based on known and anticipated changed circumstances, that may impact the recoverability of receivables for rateable properties for which a lease is held.

	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
<b>30 June 2024</b>					
Rates receivables less prepaid rates					
Expected credit loss	0.89%	6.24%	9.85%	40.37%	
Gross carrying amount	1,651,847	182,127	85,711	179,610	2,099,295
Loss allowance	14,781	11,365	8,446	72,503	107,095

**30 June 2023**

Rates receivables less prepaid rates					
Expected credit loss	14.23%	144.29%	27.00%	12.89%	
Gross carrying amount	337,260	24,718	132,450	278,102	772,530
Loss allowance	47,986	17,130	35,759	35,857	136,732

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**24. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

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

	Trade receivables		Rates receivables	
	2024 Actual	2023 Actual	2024 Actual	2023 Actual
<b>Opening loss allowance as at 1 July</b>	\$ 72,472	\$ 91,539	\$ 136,732	\$ 96,284
Increase in loss allowance recognised in profit or loss during the year	(21,455)	(19,067)	(29,637)	40,448
Receivables written off during the year as uncollectible				
Unused amount reversed		-		
<b>Closing loss allowance at 30 June</b>	<b>51,017</b>	<b>72,472</b>	<b>107,095</b>	<b>136,732</b>

Trade and other receivables 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 rates and statutory receivables, trade and other receivables are presented as net impairment losses within other expenditure. 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 2024**

**24. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both 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 20(b).

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

	<b>Due within 1 year</b>	<b>Due between 1 &amp; 5 years</b>	<b>Due after 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying amount</b>
	\$	\$	\$	\$	\$
<b>2024</b>					
Trade and other payables	4,295,013	-	-	4,295,013	4,295,013
Borrowings	2,008,574	9,284,731	10,685,664	21,978,969	21,978,969
Lease liabilities	36,498	-	-	36,498	36,498
	<u>6,340,085</u>	<u>9,284,731</u>	<u>10,685,664</u>	<u>26,310,480</u>	<u>26,310,480</u>
<b>2023</b>					
Trade and other payables	5,916,011	13,471	-	5,929,482	5,929,482
Borrowings	3,189,233	15,617,871	24,172,131	42,979,235	23,901,219
Lease liabilities	133,000	34,425	-	167,425	167,425
	<u>9,238,244</u>	<u>15,665,767</u>	<u>24,172,131</u>	<u>49,076,142</u>	<u>29,998,126</u>



**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**25. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

No events occurred after the end of the reporting period.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**26. OTHER MATERIAL ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

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

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

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

**b) Current and non-current classification**

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

**g) Fair value of assets and liabilities**

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

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

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

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

**h) Interest revenue**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

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 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**27. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**27. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

	<b>2024 Actual</b>	<b>2023 Actual</b>
	\$	\$
<b>Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions</b>		
Governance	113,686	3,581
General purpose funding	79,618,503	63,489,563
Law, order, public safety	119,771	1,037,579
Education and welfare	153,052	228,994
Housing	-	433,557
Community amenities	10,765,475	13,157,057
Recreation and culture	2,779,353	3,202,852
Transport	92,354	7,981,308
Economic services	1,690,899	-
Other property and services	2,083,734	9,394,821
	<b>97,416,827</b>	<b>98,929,312</b>
<b>Grants, subsidies and contributions and capital grants, subsidies and contributions</b>		
General purpose funding	7,171,935	-
Law, order, public safety	133,906	5,490,630
Education and welfare	147,548	83,070
Community amenities	39,146	111,457
Recreation and culture	454,304	420,348
Transport	438,757	9,569,643
Economic services	45,000	-
Other property and services	1,559,807	2,500,008
	<b>9,990,403</b>	<b>18,175,156</b>
<b>Total Income</b>	<b>107,407,230</b>	<b>117,104,468</b>
<b>Expenses</b>		
Governance	(7,860,035)	(2,313,669)
General purpose funding	(17,385,965)	(409,610)
Law, order, public safety	(1,802,688)	(1,822,501)
Health	(593,690)	-
Education and welfare	(3,294,213)	(4,938,930)
Housing	-	(2,421,724)
Community amenities	(7,873,691)	(38,765,862)
Recreation and culture	(16,935,952)	(30,791,636)
Transport	(2,947,519)	(6,441,063)
Economic services	(2,391,502)	(1,130,741)
Other property and services	(37,419,581)	(34,234,013)
<b>Total expenses</b>	<b>(98,504,836)</b>	<b>(123,269,749)</b>
<b>Net result for the period</b>	<b>8,902,394</b>	<b>(6,165,281)</b>
<b>(c) Total assets</b>		
Governance	20,687,929	162,861
General purpose funding	189,343,539	128,857,392
Law, order, public safety	554,784	1,768,679
Health	196,339	1,168,961
Education and welfare	23,607,422	8,444,738
Housing	47,176,001	37,073,806
Community amenities	57,979,486	67,122,511
Recreation and culture	154,867,079	151,725,697
Transport	301,302,752	342,635,446
Economic services	3,157,255	2,852,589
Other property and services	17,391,251	23,211,268
Unallocated	7	41,144,817
	<b>816,263,844</b>	<b>806,168,765</b>

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**28. RATING INFORMATION**

**(a) General Rates**

<b>RATE TYPE</b> <b>Rate Description</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>2023/24 Actual Rateable Value*</b> \$	<b>2023/24 Actual Rate Revenue</b> \$	<b>2023/24 Actual Interim Rates</b> \$	<b>2023/24 Actual Total Revenue</b> \$	<b>2023/24 Budget Total Revenue</b> \$	<b>2022/23 Actual Total Revenue</b> \$
<b>(i) General rates</b>								
GRV Residential	0.067000	5,403	184,497,180	12,361,311	32,562	12,393,873	13,113,141	13,991,624
GRV Commercial	0.089570	577	63,880,118	5,462,398	34,683	5,497,081	5,848,619	5,691,687
GRV Mass accomodation	0.133000	19	18,023,140	2,397,078	68,495	2,465,573	2,399,073	2,070,662
UV Pastoral	0.120000	11	1,525,239	183,029	-	183,029	168,029	158,199
UV Mining	0.214690	465	214,495,444	46,050,027	1,021,702	47,071,729	46,085,291	40,798,579
UV Other	0.107500	6	744,000	79,980	-	79,980	83,280	-
<b>Total general rates</b>		6,481	483,165,121	66,533,823	1,157,442	67,691,265	67,697,433	62,710,751
<b>(ii) Minimum payment</b>								
			<b>Minimum Payment \$</b>					
GRV Residential	1,300	874	11,049,422	1,136,200	-	1,136,200	395,889	375,744
GRV Commercial	1,900	168	1,695,505	319,200	-	319,200	167,334	178,281
GRV Mass accomodation	1,900	-	-	-	-	-	-	1,900
UV Pastoral	1,900	-	-	-	-	-	-	-
UV Mining	200	68	34,786	13,600	-	13,600	6,368	8,047
UV Other	1,900	5	30,700	9,500	-	9,500	6,200	-
<b>Total minimum payments</b>		1,115	12,810,413	1,478,500	-	1,478,500	575,791	563,972
<b>Total general rates and minimum payments</b>		7,596	495,975,534	68,012,323	1,157,442	69,169,765	68,273,224	63,274,723
Discounts								
Concessions						(209,175)	(215,165)	(177,302)
<b>Total Rates</b>						68,960,590	68,058,059	63,097,421
Rate instalment interest						45,538		93,032
Rate overdue interest						403,705		224,612

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

\*Rateable Value at time of raising of rate.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**29. DETERMINATION OF SURPLUS OR DEFICIT**

		2023/24 (30 June 2024 Carried Forward)	2023/24 Budget (30 June 2024 Carried Forward)	2022/23 (30 June 2023 Carried Forward)
	Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals		(212,402)	-	(166,616)
Less: Gifted assets		-	-	(6,886,886)
Less: Premium prepaid		(924,160)	(924,160)	(924,160)
Add: Loss on disposal of assets		-	207,312	-
Add: Legal fees prepaid		31,611	31,608	31,537
Add: Impairment and asset write off	8 (a), (9a)	1,405,528	-	4,282,295
Add: Write off SSL		233,315	-	-
Add: Depreciation	10(a)	24,956,554	18,075,833	18,644,166
Intangible Asset adjustment		-	928,648	707,040
Balance carried forward from prior year				
Non-cash movements in non-current assets and liabilities:				
Non-cash adjustments to non-current		19,641	-	-
Revaluation of Investment property	12	3,340,355	-	2,241,765
Pensioner deferred rates		(15,033)	-	-
Employee benefit provisions		1,910	150,000	(176,925)
Other provisions		540,657	-	(157,230)
Lease liabilities		34,425	-	-
<b>Non-cash amounts excluded from operating activities</b>		<b>29,412,401</b>	<b>18,469,241</b>	<b>17,594,986</b>
<b>(b) Non-cash amounts excluded from investing activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to investing activities</b>				
Property, plant and equipment received for substantially less than fair value	8(a)	-	-	150,944
Infrastructure received for substantially less than fair value	9(a)	-	-	6,735,942
<b>Non-cash amounts excluded from investing activities</b>		<b>-</b>	<b>-</b>	<b>6,886,886</b>
<b>Non-cash amounts excluded from financing activities</b>				
<b>(c) Surplus or deficit after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	31	(174,082,205)	(112,082,123)	(172,038,374)
Less: Financial assets at amortised cost - self supporting loans	4(a)	-	-	(10,505)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	16	2,008,577	2,156,927	1,922,253
- Lease premium prepaid		924,160	-	924,160
- Current portion of lease liabilities	11(b)	(36,498)	(110,728)	133,000
- TAG fee prepaid		(31,615)	-	-
- Employee benefit provisions		540,155	2,465,612	412,648
- Airport provisions		2,391,971	-	2,391,971
<b>Total adjustments to net current assets</b>		<b>(168,285,455)</b>	<b>(107,570,312)</b>	<b>(166,264,847)</b>
<b>Net current assets used in the Statement of Financial Activity</b>				
Total current assets		192,619,578	157,019,447	186,863,736
Less: Total current liabilities		(15,962,991)	(44,472,167)	(16,199,693)
Less: Total adjustments to net current assets		(168,285,455)	(107,570,312)	(166,264,847)
<b>Surplus or deficit after imposition of general rates</b>		<b>8,371,132</b>	<b>4,976,968</b>	<b>4,399,196</b>

TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

30. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at	New Loans	Principal	Principal at	New Loans	Principal	Principal at	New Loans	Principal	Principal at	
		1 July 2022	During 2022-23	Repayments During 2022-23	30 June 2023	During 2023-24	Repayments During 2023-24	30 June 2024	During 2023-24	Repayments During 2023-24	30 June 2024	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff housing		-	9,900,000	(73,050)	9,826,950	-	(304,988)	9,521,962	9,780,183	-	(304,251)	9,475,932
Staff housing		-	100,000	(738)	99,262	-	(2,340)	96,922	100,000	-	(3,081)	96,919
Seawalls		-	5,200,000	(53,783)	5,146,217	-	(478,539)	4,667,678	5,095,857	-	(428,180)	4,667,677
Seawalls		-	4,869,000	(50,360)	4,818,640	-	(356,868)	4,461,772	4,869,000	-	(407,229)	4,461,771
Depot facility		-	4,200,000	(189,850)	4,010,150	-	(779,515)	3,230,635	4,010,150	-	(779,522)	3,230,628
Pond liner		-	-	-	-	-	-	-	-	4,000,000	-	4,000,000
<b>Total</b>		-	24,269,000	(367,781)	23,901,219	-	(1,922,250)	21,978,969	23,855,190	4,000,000	(1,922,263)	25,932,927

Borrowing finance cost payments

Purpose	Loan Number	Institution	Interest Rate	Term years	Actual for year ending	Budget for year ending	Actual for year ending
					30 June 2024	30 June 2024	30 June 2023
					\$	\$	\$
Staff housing	393250	WATC*	4.85%	20	(468,937)	(468,937)	(159,556)
Staff housing	425341	WATC	4.90%	20	(4,818)	(4,818)	(150)
Seawalls	393249	WATC	4.18%	5	(214,690)	(213,745)	(57,177)
Seawalls	425344	WATC	4.39%	10	(207,907)	(208,852)	(75,386)
Depot facility	393246	WATC	4.49%	10	(150,030)	(150,030)	(6,682)
<b>Total</b>					(1,046,382)	(1,046,382)	(298,951)
<b>Total finance cost payments</b>					(1,046,382)	(1,046,382)	(298,951)

\* WA Treasury Corporation

TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

30. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024
Port Hedland library		\$ 48,588	\$ 106,008	\$ (66,950)	\$ 87,646	\$ -	\$ (51,148)	\$ 36,498	\$ 86,121	\$ -	\$ (53,499)	\$ 32,622
Gratwick gym equipment		175,951	-	(96,172)	79,779	-	(79,779)	-	177,208	-	(79,662)	97,546
<b>Total lease liabilities</b>	11(b)	<b>224,539</b>	<b>106,008</b>	<b>(163,122)</b>	<b>167,425</b>	<b>-</b>	<b>(130,927)</b>	<b>36,498</b>	<b>263,329</b>	<b>-</b>	<b>(133,161)</b>	<b>130,168</b>

Lease finance cost payments

Purpose	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023	Lease Term
Port Hedland library		Sentinel Countrywide Retail	1.60%		\$ (2,181)	\$ (2,161)	\$ (4,492)	3 years
Gratwick gym equipment		MAIA	1.20%		-	(3,894)	(3,777)	3 years
<b>Total finance cost payments</b>					<b>(2,181)</b>	<b>(6,055)</b>	<b>(8,269)</b>	



**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**31. RESERVE ACCOUNTS**

	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance	2024 Budget Opening Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Reserves cash backed - Employee leave reserve	1,375,612	806,897	-	2,182,509	2,315,612	150,000	-	2,465,612	1,375,612	-	-	1,375,612
(b) Reserves cash backed - Plant reserve	2,749,607	8,425,522	(6,074,827)	5,100,302	405,000	6,283,000	(5,963,000)	725,000	2,986,300	1,603,099	(1,839,792)	2,749,607
(c) Reserves cash backed - Unfinished works & committed works reserve	16,715,475	11,440,863	(13,449,302)	14,707,036	16,715,475	-	(15,928,000)	787,475	1,425,475	15,290,000	-	16,715,475
(d) Reserves cash backed - Housing reserve	583,965	3,050,000	(2,264,727)	1,369,238	1,243,965	-	(200,000)	1,043,965	583,965	-	-	583,965
(e) Reserves cash backed - Airport reserve	4,285,991	-	(900,000)	3,385,991	3,785,991	-	(400,000)	3,385,991	4,285,991	-	-	4,285,991
(f) Reserves cash backed - Spoilbank reserve	123,202	-	-	123,202	123,201	-	-	123,201	36,357,233	-	(36,234,031)	123,202
(g) Reserves cash backed - Asset management reserve	16,878,358	5,359,801	(7,295,056)	14,943,103	323,659	9,200,000	(7,769,000)	1,754,659	6,161,533	26,132,424	(15,415,599)	16,878,358
(h) Reserves cash backed - Waste management reserve	10,790,246	6,775,419	(4,513,605)	13,052,060	3,541,000	1,925,000	(1,020,000)	4,446,000	8,127,912	3,400,925	(738,591)	10,790,246
(i) Reserves cash backed - Strategic reserve	93,404,698	6,974,000	(8,726,907)	91,651,791	87,483,000	474,000	(9,938,000)	78,019,000	116,188,027	-	(22,783,329)	93,404,698
(j) Reserves cash backed - Cyclone emergency response reserve	80,410	1,082,660	-	1,163,070	80,410	-	-	80,410	80,410	-	-	80,410
(k) Reserves cash backed - Financial risk reserve	18,550,810	-	-	18,550,810	12,050,810	700,000	-	12,750,810	18,550,810	-	-	18,550,810
(l) Reserves cash backed - Landfill establishment reserve	6,500,000	1,835,024	(481,931)	7,853,093	6,500,000	300,000	(300,000)	6,500,000	6,500,000	-	-	6,500,000
	172,038,374	45,750,186	(43,706,355)	174,082,205	134,568,123	19,032,000	(41,518,000)	112,082,123	202,623,268	46,426,448	(77,011,342)	172,038,374

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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

Name of reserve account	Purpose of the reserve account
<b>Restricted by council</b>	
(a) Reserves cash backed - Employee leave reserve	To ensure that adequate funds are available to finance employee leave entitlements.
(b) Reserves cash backed - Plant reserve	To fund the plant replacement program.
(c) Reserves cash backed - Unfinished works & committed works reserve	To transfer unspent municipal funded expenditure on specific projects to enable identification of carryover expenditure into the next financial year.
(d) Reserves cash backed - Housing reserve	To fund the maintenance, refurbishment, redevelopment and construction of Local Government provided housing.
(e) Reserves cash backed - Airport reserve	To fund the future Port Hedland International Airport Capital Works commitments.
(f) Reserves cash backed - Spoilbank reserve	To fund the Port Hedland Spoilbank development.
(g) Reserves cash backed - Asset management reserve	To fund the ongoing maintenance, refurbishment, renewal, replacement and development of Council owned infrastructure assets within the Town.
(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 situated at North Circular road, South Hedland while also planning for the design, development and construction of a new landfill facility on a suitable designated site.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**32. TRUST FUNDS**

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

	<b>1 July 2023</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Public open space	376,379	-	-	376,379
Mosquito control	4,005	384	-	4,389
Nomination bond	-	2,700	(2,600)	100
	<b>380,384</b>	<b>3,084</b>	<b>(2,600)</b>	<b>380,868</b>