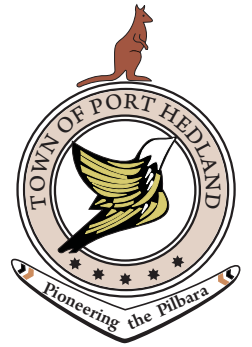


Town of  
Port Hedland

# Annual Report 2010/11



**PORT  
HEDLAND**  
PILBARA'S  
PORT CITY









# Council's Mission

To enhance our social, environmental and economic well-being by providing leadership and working in partnership with the community

## A vision for Hedland's future, today

The Town of Port Hedland: A nationally significant, friendly City where people want to live and are proud to call home.





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# Town Profile

The Town of Port Hedland is located in the North West of Western Australia, approximately 1800km north of Perth, covering an area of 11,844 square kilometres. Port Hedland is surrounded by the Shires of Roebourne, East Pilbara and Broome.

The Town of Port Hedland is home to 19,500 residents and this number is growing exponentially. It is estimated the Town will grow to a population of 27,000 by 2015 and Council's long-term vision is for the Town to become a Pilbara City of 50,000 by 2035.

Works are currently underway to achieve our vision of becoming Pilbara's Port City - a lively, vibrant, attractive and sustainable regional City. One of the key projects which commenced this year was the Pilbara's Port City Growth Plan which is an important document outlining the key issues that need to be addressed to achieve our vision.

In the past financial year, the Town of Port Hedland has commenced a number of infrastructure projects to create a sustainable, regional City. These projects, as well as a number of highlights, are outlined in the Chief Executive Officer's Report.

Port Hedland boasts the largest tonnage export port in the world – in 2010/11 shipping 199 million tonnes per (mtpa), worth \$40 billion. In the next three years, the Port Hedland Port Authority has confirmed this export will grow to 450mtpa, more than double what is being currently shipped.

Plans are underway to expand the inner harbour and to construct a new outer harbour which will dramatically increase the ability to export minerals and resources out of Port Hedland.

Electricity Supply	Horizon Power
Water Supply	De Grey River and Yule River Borefields
Length of Sealed Roads	178.72 km
Length of Unsealed Roads	484.31 km
Number of Electors	5,455
Number of Dwellings	5,278
Total Rates Levied	\$13,571,692
Total Operating Revenue	\$43,940,181
Number of Elected Members	8 with 1 vacancy
Number of Employees	173







# Town of Port Hedland Councillors July 2010 to June 2011



## Councillors July 2010 to June 2011



Mayor Kelly A Howlett  
(Term Expiring in 2013)



Deputy Mayor Arnold Carter  
(Term Expiring in 2013)



Cr Stan R Martin  
(Term Expiring in Oct 2011)



Cr George Daccache  
(Term Expiring in Oct 2011)



Cr Steve Coates  
(Term Expiring in Oct 2011)



Cr Jan Gillingham  
(Term Expiring in 2013)



Cr David Hooper  
(Term Expiring in 2013)



Cr Bill Dziombak  
(Term Expiring in 2013)



# Management as of 30 June 2011

## CEO's Office

Chief Executive Officer Paul Martin  
Executive Assistant Kate Bale

## Corporate Services

Director Corporate Services Natalie Octoman  
Manager Finance Suma George  
Manger Information Services Kate Reid  
Manager Organisational Development Debra Summers

## Community Development

Director Community Development Gordon MacMile  
Manager Recreation Services and Facilities Graeme Hall  
Manager Community Development Lorna Secrett

## Planning and Development

Director Regulatory Services Eber Butron  
Manager Environmental Health and Rangers Darryal Eastwell  
Manager Planning Services Leonard Long  
Manager Building Services David Giles  
Manager Economic & Land Development Richard Bairstow

## Engineering Services

Director Engineering Russell Dyer  
Manager Engineering Services Stephen Campbell  
Manager Infrastructure Development Jenella Voitkevich  
Manager Airport Bob Couzens  
Manager Business Investment and Development Jasmine Person

Number of Staff Receiving Remuneration \$100,000 pa and over as of 30 June 2011

	100,000 - 109,999	110,000 - 119,999	120,000 - 129,999	130,000 - 139,999	140,000 - 149,999	150,000 - 159,999	180,000 - 189,999	190,000 - 199,999	200,000- 249,999
2010/11	3	0	6	2	2	1	0	0	1





# Mayor & Chief Executive Officer's Report



# Port Hedland Wastewater Treatment Plant

provide  
and for  
up to  
and  
led project



I am pleased to present the Town of Port Hedland Annual Report for the 2010/2011 financial year. The Audited Statements demonstrate that the Town's systems, structures and management are coping well and are being administered appropriately.

The Town is continuing to grow rapidly and is constantly changing. It is pleasing that some of the long touted projects are progressing significantly and in some instances complete. This is fantastic and is instilling confidence, both internally and externally, and assisting Council as an organisation with the planning for much needed future projects.

The support of the State Government, particularly Pilbara Cities, the Royalties for Regions Program, LandCorp and our local project partners in BHP Billiton Iron Ore and Fortescue Metals Group has been very welcome and appreciated, and together assisted the Town greatly to provide much needed infrastructure.

Throughout 2010/2011, Council again focused investment on the priorities that the community had identified in the Town's Annual Community Survey. This Survey consistently tells us that the community needs better quality community infrastructure including family amenities, parks, footpaths, lighting, youth services and sporting facilities. The community tells us that they want cleaner streets, more family events and better planning for the future of the Town. Council has and continues to listen to the community and has undertaken a range of projects to address these issues. The improvements are noticeable, but all Elected Members understand that more work is required to deliver the quality of services and infrastructure "Pilbara's Port City" desires.

There has been a flurry of activity focused around works across the community to achieve our vision for the Town of Port Hedland in 2035: A city with a minimum of 50,000 people that has a diversity of housing styles, entertainment and recreational facilities – a safe city with a distinct friendly relaxed "Hedland" feel. A significant priority for the Town of Port Hedland in 2010/2011 was the commencement of the creation of the "Port Hedland City Growth Plan". This is one of the most important documents that will be prepared by the Town of Port Hedland and will ensure that the transition of Port Hedland from a Town to a City is sustainable and advocates proper and orderly planning.

It was an honour to have around 14 different consultants and individuals, all experts in their fields, most known nationally and some internationally all coming together and assisting with the future development of our City. The buzz, chatter, energy and excitement was something I had not seen before and something that not only made me proud of what we were embarking on, but instilled the confidence that what we were doing for the Town of Port Hedland was a once-in-a-lifetime opportunity. The future City of Port Hedland is going to be all that we aspire it to be and so much more. The journey of cementing our place as a City of national importance began in 2010/2011 and will continue for the next few years.

I would like to take this opportunity to thank the Town of Port Hedland Councillors who have worked closely with me throughout 2010/2011. Being a Councillor can be a thankless task for which there is often unwarranted criticism and few accolades. While issues are regularly debated, the 2010/2011 Council has worked hard on behalf of the community and I believe, made sound policy and resource allocation decisions.







I would like to personally thank Deputy Mayor Arnold Carter, Cr Stan Martin, Cr George Daccache, Cr Steve Coates, Cr Jan Gillingham, Cr David Hooper and Cr Bill Dziombak.

I would also like to thank wholeheartedly the staff of the Town of Port Hedland. I consider ourselves to be quite fortunate with the team we have working at the Town of Port Hedland. From the CEO, to the Directors, Managers, Coordinators, Officers, Casual and Temporary staff, we have been very fortunate in being able to attract and retain a very high quality group of staff who are working hard and dedicated to delivering the very best results possible for our community.

2011/2012 will shape up to be a very significant year for the Town of Port Hedland. Now more than ever we need to continue to strive and make sure our residents have the opportunities, facilities and services that is in keeping with being a City: a City wherein parents can raise their children, young people can come and make their mark, grandparents can enjoy the times with grandchildren and long term residents chose to retire and remain living locally. I look forward to striving towards this challenge, together with my fellow Councillors in the years ahead.

Kelly A Howlett

Mayor

# Chief Executive Officer's Report 2011



The past year has seen us build on the successes of 2009/10 and achieve more milestones in our journey to become a nationally significant, friendly City of 50,000 by 2035.

The Town of Port Hedland, in partnership with Pilbara Cities, Royalties for Regions and the WA Department of Planning, took the first steps towards producing the Port Hedland City Growth Plan. Development of this key strategic planning document commenced in early 2011, with the appointment of lead and sub-consultants to undertake studies and community engagement on a range of issues and topics such as economic diversity and sustainability, community development, infrastructure and land, housing and accommodation. A number of forums were held in June with stakeholders from the resource industry, business leaders and community representatives in attendance. Results from these forums will be finalised in the coming months and collated for inclusion in the draft Growth Plan which will be presented to Council in late 2011.

The Town of Port Hedland undertook a number of projects in 2010/11 aimed at improving community amenities and quality of life, such as Boulevard Tree Planting, construction of a Stairway to the Moon Viewing Platform, implementation of CCTV in Port and South Hedland (all completed) and the construction of the new Colin Matheson Oval Clubhouse, which commenced in 2009 and will be completed in mid to late 2011. These projects were a result of past Community Surveys where many residents expressed a desire to see improvements in their town that would enhance the quality of their lifestyle and provide incentives for making Port Hedland their permanent home. The Town always strives to deliver what the community wants and continues to plan for the future.

2009/2010 saw the commencement of a number of major infrastructure projects such as the state-of-the-art Multi Purpose Recreation Centre (worth \$33 million), the \$10.5 million JD Hardie Centre and Marquee Park (worth \$13 million). In 2010/11 we started planning for projects such as the relocation and redevelopment of the South Hedland Skate Park, Cemetery Beach Park Duplication, construction of General Practitioners Housing and the new South Hedland Community Centre and Library, which received \$655,000 of funding from Royalties for Regions in April 2011. Projects of this scale cannot be achieved without strong partnerships with State Government, Pilbara Cities and industry such as BHP Billiton Iron Ore, Fortescue Metals Group and Atlas Iron.

The new and improved JD Hardie Centre was completed in late May 2011 on time and within budget. Minister Brendon Grylls, BHP Billiton Iron Ore Vice President Health, Safety, Environment and Community Carl Binning and Mayor Kelly Howlett officially opened the building in June and celebrated with funding partners, local youth and other community stakeholders. The renovations of JD Hardie Centre saw the facility become the largest youth precinct in WA with an aim to transforming the building into a Youth Centre when the Multi-Purpose Recreation Centre is completed in May 2012. Kevin Scott Oval has also been improved after much feedback from the sporting community on how it could become more user-friendly. The oval itself was made bigger, with new 500 lux lights installed enabling the local cricket teams to compete in the evening during summer.

In early 2011, the Town of Port Hedland was invited to join the WA Regional Cities Alliance – an organisation made up of regional city Councils who work together to make regional WA a better place to live.





The invitation is a significant recognition by other Local Government Authorities of our continuous planning and development towards achieving our Pilbara Cities vision.

In 2011 the Town of Port Hedland started developing the Integrated Strategic Planning and Reporting Framework as part of Local Government Reforms. This will improve organisational processes and provide a better understanding of how the organisation functions. It will also provide increased transparency between Council and the community as we are required to produce a number of strategic documents such as a 10 Year Strategic Community Plan, a 10 Year Financial Plan, a 4 Year Workforce Plan, a 10 Year Asset Management Plan and an ICT Strategy by June 2012. These plans will assist the Town in delivering outcomes and planning for the future.

In 2010/11 we appointed three new directors: Director Corporate Services Natalie Octoman; Director Planning and Development Eber Butron; and Director Community Development Gordon MacMile. Our new directors bring with them a wealth of experience in Local Government. I look forward to working with them over the next 12 months in achieving goals and many milestones.

Achieving the Pilbara Cities vision is not an easy task – everything we have achieved so far is thanks to the combined efforts of our staff. As the Town continues to grow, our staff members become our most valuable asset as they work behind the scenes to make it all possible. I'd like to take this opportunity to thank my staff – you should be equally proud of all we have achieved this year and know that you have contributed to something that has never been accomplished before in Port Hedland history.

In a final note, great thanks must go out to the Mayor and Councillors – due to your continued leadership, vision, guidance and support we have been able to lead this organisation forward as we become a Pilbara City. Council has always shown commitment to engaging with the community and ensuring their needs and concerns are placed first when making important decisions on the strategic direction of their Town and home.

Paul Martin

Chief Executive Officer



## Progress – Disability Services Plan

Listed below are works completed by The Town of Port Hedland in 2010/2011 financial year to provide and improve disabled access as prioritised in our current Disability Access and Inclusion Plan (DAIP).

### Outcome 1

*People with disabilities have the same opportunities as other people to access services of, and any event organised by, a public authority.*

- » Increased large print formats (at library)
- » Investigations of Adaptive Technology resources suited to people living with disabilities i.e. bigger mouse, keyboards
- » A catalogue of products and services has been produced in an audio format
- » A “Housebound” service is offered to people living with mobility challenges
- » Ongoing training and partnerships for staff at the JD Hardie Centre have increased the participation by children with disabilities in the centre’s holiday programs.

### Outcome 2

*People with disabilities have the same opportunities as other people to access the buildings and other facilities of public authority.*

- » Consultation with Hedland Community Living Association (HCLA), and the DAIP committee into playground facilities. Toilets in parks replaced with accessible and self cleaning toilets
- » Clear visual signage installed at Andrew McLaughlin Centre.
- » Purchase of two disabled toilets to be used at community events
- » Completion of the Finucane Island boat ramp to give access to people of all abilities
- » Accessible toilet installed at Emergency Evacuation Centre (JD Hardie Centre) as part of the centre’s upgrade.





## Outcome 3

*People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.*

- » A catalogue of products and services has been produced in an audio format

## Outcome 4

*People with disabilities receive the same level and quality service from the staff of a public authority as other people receive from the staff of that public authority.*

- » All Town of Port Hedland staff attended Disability Awareness Training facilitated by Dr. Bob Jackson
- » All Town of Port Hedland staff undertook online training in Equal Employment Opportunity practices.

## Outcome 5

*People with disabilities have the same opportunities as other people to make complaints to a public authority.*

- » A grievance procedure is introduced to Town of Port Hedland staff as part of the induction process for new employees.

## Outcome 6

*People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.*

- » Public forums are held in facilities accessible to people of all abilities.



## PORT HEDLAND CITY GROWTH PLAN - PRECINCT 16

Port and South Hedland Surrounds

Town of Port Hedland	CLIENT
1:50,000 (1:40,000)	SCALE
9 June 2011	DATE
016 / 2010/11	PLAN No.
-	REVISION
R.S.	PLANNER
L.M.	DRAWN
N.T.	CHECKED



RPS Environment and Planning Pty Ltd  
ACN 108 680 977  
ABN 45 108 680 977  
PO Box 465 Subiaco WA 6904  
38 Station Street  
Subiaco WA 6008  
T +61 8 9211 1111  
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W [rpsgroup.com.au](http://rpsgroup.com.au)

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**“The Port Hedland City Growth Plan is one of the most important documents that will be prepared by the Town of Port Hedland and will ensure the transition from a Town to a City is sustainable and advocates proper and orderly planning.”**

# National Competition Policy Statement



The Principles of the National Competition Policy requires local government authorities to market test activities, which generate user income in excess of \$200,000.

The objective of competitive neutrality is to introduce measures which effectively remove any net competitive advantages arising as result of government ownership of a business entity.

An activity requiring scrutiny in this regard for the Town of Port Hedland, and is not a public monopoly, is that of private works on private property; however during 2010/11 no individual private works project exceeded \$200,000.

The Town provides quotations or submits tenders in order to win private works. This process ensures the activity of private works is open to competitive market testing.

In relation to structural review of public monopolies, the Town of Port Hedland discloses the following:

- » Structural review principles have not been applied to any activities during the reporting period.
- » Structural review principles have not been considered for any activities during the reporting period.

As no structural reform has been applied to any activities, the review requirements of principle SR.3 of clause 7 of the Competition Policy Statement have not been undertaken.

The Port Hedland International Airport (PHIA) is a significant business activity, as defined by Clause 7 of the Competition Policy Statement, as it has an annual income from fees in excess of \$200,000.

A Competitive Neutrality Review was undertaken where it was concluded that the Port Hedland International Airport is not seen as unfairly taking advantage of its local government ownership. Competitive Neutrality Reviews will continue to be undertaken for the PHIA annually.

For all other activities within the Town, opportunities are continually being examined in order to generate efficiency improvements. This must be balanced with the type and level of service provision and statutory and other regulatory measures the Town is bound to implement.









# Records Keeping Plan & Register of Complaints



## Training:

- » Records Management Training is provided to all relevant staff on commencement of employment with the organisation to ensure document capture
- » The following practices have been implemented to reduce outstanding correspondence:
  - » Monthly report to the CEO documenting all outstanding organisation correspondence with instruction from CEO for accountable staff to action as required
  - » System modification is currently being implemented to assist staff in managing corporate records

## Cemetery:

- » All cemetery plots have been accurately updated and registered

## Procedures and policies:

- » Review 90 percent complete

## Register of Complaints:

- » The Town of Port Hedland received no complaints as defined by Section 5.121 of the Local Government Act 1995 during the reportable period





# Town of Port Hedland Strategic Plan Plan 2010-2015





Our Strategic Plan focuses on the following key result areas:

- » Infrastructure
- » Community Pride
- » Community Development
- » Economic Development
- » Environment
- » Governance

Across these key result areas, Council has identified 22 critical success factors which are reported on quarterly to Council.

The following tables identifies the activities undertaken against the plan in the 2010/11 financial year, being the second year of the Strategic Plan.



## Key Result Area 1

# Infrastructure

A Town that is growing into a city needs improved civil and civic infrastructure.

The Council is committed to maintaining, upgrading and expanding its infrastructure network.

## Goal 1 – Roads, Footpaths and Drainage

To have a developed network of road, footpaths and verges that are well maintained.

Immediate Priorities:	2010 - 11 Achievements
1. Undertake road works in South Hedland to improve road permeability (particularly in the CBD).	Works on Murdoch Drive completed. Tender awarded for construction on Limpet Crescent. Report being prepared to make recommendations on modifications to road layouts in South Hedland and Port Hedland. Hamilton Road design tender to be awarded in July 2011. Hedditch to Forrest Circle road complete.
2. Implement Council's 5 year infrastructure maintenance and development plans across a each infrastructure asset type (i.e. roads, footpaths, drainage, etc.).	Current five year plan is being maintained. Project scope currently being developed to secure consultancy to develop 10 year Asset Management Framework as part of the Integrated Planning and Reporting Framework.
3. Construct a bridge on Wallwork Road to improve traffic access between Port and South Hedland.	Finalising funding agreement with BHP Billiton Iron Ore.
Other Actions:	2010-11 Achievements
1. Ensure that the \$200 million Port Hedland Road Project progresses in a timely manner.	Main Roads WA were finalising design and tender documentation.
2. Review current and future public transport needs within the Town and commence planning for improvements.	Current and future public transport needs within the Town has been investigated and included in the draft City Growth Plan.



Other Actions	2010-11 Achievements
3. Develop the Port to South Hedland cycle path	Seven kilometres have been constructed; remainder of construction will commence on completion of civil works on Wastewater Treatment Plant Relocation. Funding required for remainder of project currently being sought.
4. Review resources that are required to maintain current and future assets	Project scope currently being developed to secure consultancy to develop 10 year Asset Management Framework as part of Integrated Strategic Planning and Reporting Framework. Tender for consultancy required to be called early in the next financial year.
5. Undertake traffic study	Traffic count data is complete. Report is being prepared with recommendations on modifications to road layouts in Port and South Hedland as part of the City Growth Plan.

### Goal 2 – Airport

That the Port Hedland International Airport is recognized as a leading regional airport in the area of passenger and freight movements and customer satisfaction.

Immediate Priorities:	2010-11 Achievements
1. Complete the development of the Airport Plan and commence implementation of the key initiatives that are identified.	Draft Airport Land Development plan advertised for public comment in December 2010. Submissions being assessed. Report to Council being prepared for first quarter of next financial year.
2. Upgrade runways, taxiways and aprons to facilitate efficient aircraft movement.	Project funded by RADS and the Town of Port Hedland. Tender for taxiway extension awarded. Works to commence early in the next financial year. Main apron extension and strengthening will be undertaken in the new financial year. The northern apron reseal completed.
3. Progress planning and design for an upgraded and extended terminal building.	Investigation on commercial and retail demand services and stakeholder consultation complete. Concept design being reviewed including cost estimates to be presented to the Airport Committee early in the new financial year.
Other Actions:	2010-11 Achievement
4. Undertake upgrades to the terminal and surrounds to improve the functionality of the facility including:	
a. Creating more common-user check in points	Negotiations continuing with QANTAS.
b. Improving airport security screening arrangements	Project commencing in 2011/12





**“The airport is also important in terms of freight, transport and logistics handling as it is the only airport in the North West with the capacity to handle Antonov aircraft.”**

Other Actions	2010-11 Achievements
<p>5. Review parking options and implement an agreed Airport Parking Plan</p>	<p>Preliminary studies completed and endorsed by Council in November 2010. The tender for the implementation of the airport parking plan was awarded in March 2011. Council endorsed the fee structure for the paid parking in May 2011. First stage of construction will commence in July 2011.</p>
<p>6. Develop a Capital Improvement Plan for airport infrastructure that ensures Airport infrastructure can cater for projected growth.</p>	<p>Engineering have developed a 5 year Capital Expenditure &amp; Maintenance Plan and are working with the Airport Committee to extend this out to 10 years.</p>



## Key Result Area 2

# Community Pride

A key component of the Towns Vision for the future is developing a City where people are 'proud to call home'. Council will improve community pride through developing a cleaner and more connected community.

## Goal 1 – Townscape

That Council's parks are recognised by the community as being well maintained, well utilised, safe and accessible.

Immediate Priorities:	2010-11 Achievement
1. Undertake projects that upgrade the appearance of verges and streetscapes along major thoroughfares within the District.	Boulevard Tree Planting project is complete. Street lighting program for 2010/11 completed. McGregor Street lighting upgrade complete. Town of Port Hedland staff input provided into BHP Billiton Iron Ore public amenity improvement projects to ensure optimal community facilities are provided.
2. Construct the Marquee Park and ensure that a new park is built in Koombana.	Marquee Park: Shade structure footings complete and steel work fabricated ready for transportation. Sewerage diversion works commenced and construction of built form pump station. Car park and bus bay works nearing completion with caretakers residence to be delivered on site in the new financial year.  Koombana Park: Project complete with funds committed from South Hedland New Living Public Open Space contribution.
3. Develop plans for the upgrades of existing parks (Cemetery Beach, Rock of Ages and Marrapikurinya) plus the development of new parks. Install public art to improve sense of place.	Marrapikurinya Park and Rock of Ages: Upgrade deferred - awaiting recommendation from draft City Growth Plan.  Cemetery Beach Park: Detailed design 50 percent complete. Once design complete community consultation on design will be undertaken. Tender for construction to be advertised early in the new financial year.
4. Establish an incentive scheme for residents to develop the verge adjacent to their property.	Action not yet commenced.



Immediate Priorities:	2010-11 Achievements
5. Install more shade in parks and public areas (both trees and shade structures), including shade facilities at skate parks.	Shade structures installation at Marie Marland complete. Off-site fabrication of Port Hedland Skate Park shade structure complete. Erection of structure to commence after July school holidays. Gratwick Aquatic Centre shade structure tender awarded on 13 April and works commenced on 15 June 2011.
6. Implement a whole-of-community anti litter education, information and action campaign, including:	
a. Allocate more Council resources towards the enforcement of the Litter Act.	Development and introduction of a community litter report card project to assist ToPH officers to reduce litter. Seven day a week ranger patrols commenced.
b. Explore additional statutory alternatives to achieve Council's Local Laws with a focus on Litter Act	Project to be completed in the new financial year.
c. Tidy Towns	A submission to the Tidy Town's competition resulted in the Town of Port Hedland winning the Enhancing Cultural Heritage and Water Conservation Awards in 2010
7. Investigate options of increasing uptake of collection of white goods and bulk items.	Regular collections of large waste items now undertaken.
8. Ensure that regular audits of the functionality of streetlights and other public lighting are undertaken, with faulty lights being repaired in a timely manner.	Solar lighting ordered for Marie Marland playground. Port Hedland Skate Park lighting designed to consider new shade structure and will be included in the structure. Gratwick Aquatic Centre lighting completed. Kevin Scott Oval lighting installation complete and operational including solar lighting to be installed near clubrooms.
Other Actions:	2010-11 Achievement
1. Develop attractive, usable rest nodes along cycle and pedestrian links	Murdoch Drive Nodes complete.
2. Upgrade the appearance of Council's cemeteries	Significant capital upgrades has enhanced the appearance in previous years. Engineering was provided a capital expenditure budget in 2010/11 which only allowed maintenance works. Engineering would like to develop a Master Plan for the expansion of the cemetery.



## Goal 2 – Events

That the Town annually hosts a series of well attended community events.

Immediate Priorities:	2010-11 Achievement
1. Play an integral role in the coordination, operation and communication of community events by:	
a. Assisting Celebrate Hedland Inc. in the management and operation of major community events per annum.	Celebrate Hedland Inc. presented the 2010/11 Heritage Festival. ToPH presented the Australia Day event, Spinifex Spree, Portbound Youth Festival, Welcome to Hedland event.
b. Developing and operating a series of smaller community events.	Annual calendar of smaller community events was completed including regular West End Movies, regular movies at the Matt Dann and Sunset Sessions. Introduced annual Matt Dann program of events including live shows for adults and children.
c. Supporting community groups who are operating community events through training, support, advice and, where appropriate, financial support.	A revised Donations Policy was endorsed and is now operated through the Council Donations Working Group. Several community events were supported through the allocation of financial and in kind support from the Town of Port Hedland.
d. Operating neighbourhood events and competitions.	Regular Welcome to Hedland BBQ's were held. Relevant ToPH staff participated in facilitating Neighbour Day 2010, Christmas Lights competition, and the Local Government Banners in the Terrace competition, NAIDOC Week, Mother's Day Classic Breast Cancer Walk and the annual Walk-It Hedland Program.
2. Install new signage on thoroughfares that promotes upcoming events	Project will be undertaken in the next financial year.
Other Actions:	2010-11 Achievement
1. Actively seek to attract 'draw card' entertainers and events to the Town of Port Hedland	Spiderbait performed at Spinifex Spree, Andrew Winton performed at Australia Day 2011, Beccy Cole and Adam Harvey performed at 2011 Sunset Sessions. Highlights at the Matt Dann were Melbourne Comedy Festival, Arj Barker, Comedy Gold Cabaret (Anthony Lamond, Big Al and 'The Old Fella' Rod Gregory) and a personal appearance by Andrew Krakoeur supporting the live play about his life.
2. Actively seek to attract or establish a nationally significant event to Port Hedland	Sunset Events were contracted to undertake a feasibility study inclusive of a business development plan. Once feasibility study is endorsed by Council, funding will be secured.



## Key Result Area 3

# Community Development

One of the Town's biggest positives is the strong sense of community that exists. The Town Council plans on building on this positive by providing a more extensive range of facilities, services and opportunities for community interaction.

## Goal 1 – Youth and Children

That parents and young people in the Town have access to a range of facilities and services that is comparable to a metropolitan area.

Immediate Priorities:	2010-11 Achievement
1. Convert the JD Hardie Centre into an integrated Youth Centre.	Construction completed in May 2011. Official opening occurred in June 2011. A interim Management and Operational Plan to convert the JD Hardie Centre into an integrated youth centre has been developed and presented to Council in June 2011.
2. Support and operate Youth Leadership and Development programs.	Two sub-projects have been developed to feed into longer term youth development strategy. Working groups have been formed and funding is currently being sought. The kick-off event (Vibe 3-on-3) was held on 24th June.
3. Attract and retain young people in our Town through operating a series of events, information and activities.	Portbound Festival held in 2010; National Youth Week Celebrations were held and supported by ToPH. Interim JD Hardie Management and Operational Plan identifies initiatives and services to support local youth.
4. Develop and implement a Town of Port Hedland Child Care Plan.	Stage One of Child Care Plan completed and implemented, which saw the transferral of the Pilbara Family Day Care Centre to a national child care provider. Stage Two of the plan to support all child care facilities and services within the Town will commence in 2011/12.
5. Plan for the development of a new library and community centre in South Hedland	Concept designs presented to Council and to be integrated with the new South Hedland Town Centre adjacent to South Hedland Aquatic Centre. Royalties for Regions funding secured in April 2010 to undertake detailed feasibility and design.
Other Actions:	2010-11 Achievement
1. Pursue improved education facilities and additional education choice within the Town.	ToPH Mayor appointed to Hedland Senior High School Board.





## Goal 2 – Sports and Leisure

That the community has access to sports and leisure facilities at or above the quality that they would be able to access in the metropolitan area.

Immediate Priorities:	2010-11 Achievement
1. Build the Multi Purpose Recreation Centre	Significant progress achieved (all internal major services installed, structural steel complete, roof structure and internal 'skin' of external walls complete). Entire building on schedule to be waterproof by August 2011. Construction program on schedule for April/May 2012 completion.
2. Undertake sports facility developments including:	
a. Construction of the Colin Matheson Oval Clubhouse.	Structure complete including roof and facade sheeting, electrical and plumbing services complete. Fire safety design submitted for ToPH assessment in May. Water connection to be established and agreed on early in the new financial year. Expected completion date 18 July 2011.
b. Construction of a new Tennis/Bowling Club in South Hedland.	Initial concept design undergone several revisions to ensure project can be delivered within budget. Draft Management Plan for the facility currently being undertaken in consultation with the South Hedland Bowls and Tennis Club Management Committee.
c. Stage 1 of the South Hedland Aquatic Centre re-development.	Design and construction tender closed on 8 April 2011. Funding secured from Royalties for Regions and BHP Billiton Iron Ore to facilitate the upgrade inclusive of additional features to ensure a state-of-the-art facility. SHAC Redevelopment tender awarded June 2011.
d. Upgrading of lights at sports facilities	Solar lighting ordered for Marie Marland playground. Port Hedland Skate Park lighting designed to consider new shade structure and will be included in this structure. Gratwick Aquatic Centre lighting completed. Kevin Scott Oval lighting installation complete and operational including solar lighting to be installed near clubrooms. Oval lighting installed to 500 lux to promote night cricket. Colin Matheson Oval lighting to be upgraded in consultation with surrounding residents.
3. Plan for the development of fishing wharfs/jetties within the Town and expand coastal recreational opportunities.	Coastal access and managed camping project being included with the wider Pilbara Regional Council Coastal Access and Rest Stops Development Plan. Draft City Growth Plan will provide direction on the development of fishing wharfs/jetties, and the expansion of coastal recreation opportunities
4. Operate a range of programs and initiatives that promote an active, integrated community.	Comprehensive annual calendar has been delivered this year inclusive of sporting programs, youth programs and cultural programs. ToPH presents a number of activities within these programs and works with other community and sporting groups on facilitating and delivering others.





**“The \$32 million Multi-Purpose Recreation Centre will see Port Hedland host State sports competitions, including WAFL, NBL and netball matches.”**

Other Actions:	2010-11 Achievement
<p>1. Establish plans for the managed public access to key coastal areas.</p>	<p>Coastal access and managed camping project being included with the wider Pilbara Regional Council Coastal Access and Rest Stops Development Plan. Draft City Growth Plan will provide direction on managed public access to key coastal areas.</p>
<p>2. Develop plans for future recreation and leisure facility upgrades to accommodate population growth.</p>	<p>An audit of ToPH Sporting Facilities was completed. A first draft of the Active Open Space Strategy which will consider the future needs of the community inclusive of the McGregor Street Reserve Master Plan was presented to the community in May 2011 through a series of workshops. The final report will be presented to Council in July 2011 with outcomes from this strategy forming part of the City Growth Plan Implementation Plan.</p>
<p>3. Actively seek funding for implementing Stage 2 and 3 of the Upgrade and Redevelopment of the South Hedland Aquatic Centre</p>	<p>Funding secured from Royalties for Regions and BHP Billiton Iron Ore to facilitate the upgrade inclusive of additional features to ensure a state-of-the-art facility. Includes several features originally identified for Stage 2 and 3. The concept design for the South Hedland Community Centre and Library includes some of these features previously identified as being included in the later stages of the Aquatic Centre Upgrade. Total Stage One funding increased by \$750,000 to \$8.2 million</p>





**part.ner (noun):**  
**A friend who shares a common interest or participates in achieving a common goal**





## Goal 3 – Arts and Culture

That the Town is recognised as a location where arts and culture is promoted and quality art work is produced.

Immediate Priorities:	2010-11 Achievement
1. Work with stakeholders to develop an Aboriginal Arts and Culture Centre	Aboriginal Arts Centre Working Group has submitted an application to Royalties for Regions for a Feasibility Study and a Business Case. The outcome of this funding application is expected early in the new financial year. The Aboriginal Culture Centre Steering Committee has completed an initial design and is currently considering a governance and funding model.
2. Undertake a feasibility study on the potential development of an entertainment complex/ cinema in South Hedland.	Project plan and brief have been finalised for internal review with request for tender being advertised early in the 2011/12 Financial Year.
3. Implement the recommendations of the Library Services Plan.	A trial of free internet access has been undertaken, plus a proposal to align library opening hours with community expectation is being presented to Council during the first quarter of the next financial year. The concept design to construct a new central library has been progressed this year. A Collection Development Policy has also been endorsed by Council.
Other Actions:	2010-11 Achievement
1. Work with the Port Hedland Port Authority to develop the Marrapikurinya Tower project	A MOU has been drafted between the Port Hedland Port Authority and ToPH. This project was placed on hold pending the Port's review and internal audit expected to be completed in August 2011.
2. Develop and implement TOPH Cultural Plan	Funds being sought in the 2011/12 Budget to progress this project.





## Goal 4 – Healthy Community

That the community has access to high quality health services and facilities and the Town is taking appropriate preventative measures to ensure a healthy environment.

Immediate Priorities:	2010-11 Achievement
1. Implement plans for the development of subsidised housing for General Practitioners	A tender to design and construct seven houses on Dempster Street was awarded in May 2011. This project is jointly funded by Town of Port Hedland, BHP Billiton Iron Ore and Royalties for Regions. Expected completion date is September 2011.
2. Establish a program for control of unwanted dogs in disadvantaged communities.	Program has been implemented which has been well received by community members. Each community is being visited once quarterly.
3. Implement the Public Health Plan, including the Town’s Mosquito Management Plan.	Recommendations from this plan, presented to Council in February 2011, have been implemented during this year including larviciding, fogging, testing and setting up traps. The community continues to be educated in preventing and minimising mosquito-borne diseases.
Other Actions:	2010-11 Achievement
1. Ensure that future planning for health services covers both Port and South Hedland’s growth plans, including attracting and retaining specialist health services.	The GP Housing Project and wider initiatives to attract and retain specialist health services is being considered as part of the development of the City Growth Plan.
2. Explore opportunities for the development of a lifestyle/retirement village within the Town	Development of a lifestyle village in Port Hedland is being considered as part of the development of the City Growth Plan.







Goal 5 – Indigenous Community

That traditional owners and aboriginal are informed about, and involved with, the provision of Council / Town services and facilities.

Immediate Priorities:	2010-11 Achievement
<p>1. Work with the State Government and Federal Government's to develop and implement a sustainable model for the delivery of municipal services to Aboriginal communities.</p>	<p>Pilbara Regional Council has been representing the ToPH along with other Pilbara Council's on a working group inclusive of State and Local Government organisations to scope out the issues and costs of the provision of municipal services to remote Aboriginal communities. The ToPH has also participated in a Pilbara Regional Council costing and scoping study as part of a pilot project to support this wider initiative.</p>
<p>2. Develop and implement new mechanisms for the engagement and involvement of traditional owners and aboriginal people in Town of Port Hedland related activities.</p>	<p>A forum was held in December 2010 to develop a consultation mechanism to support two way communication between Aboriginal people and the ToPH.</p>
Other Actions:	2010-11 Achievement
<p>1. Engage in forums that seek to develop tangible strategies relating to reducing the gap between indigenous and non-indigenous Australians.</p>	<p>Quarterly forums have commenced from September 2010. Topics discussed include housing, youth and education. Recommendations from the Forums have been progressed by the Town of Port Hedland through lobbying relevant State and Federal agencies.</p>





## Goal 6 – Community and Crime Prevention

That Town of Port Hedland is recognized as a safe place to live.

Immediate Priorities:	2010-11 Achievement
<p>1. Ensure that the CCTV network is working at its optimum and identify further CCTV growth opportunities.</p>	<p>CCTV network in South Hedland and Port Hedland commissioned in November 2010. Additional cameras will be included in the network as new facilities are constructed. Funding for the project was provided by BHP Billiton Iron Ore, the Office of Crime Prevention, the State Government's Royalties for Regions scheme through the Pilbara Development Commission and the Town of Port Hedland.</p>
<p>2. Develop and implement a new Community Safety Crime Prevention Plan which supports achievable grass roots outcomes to benefit members of the community.</p>	<p>A three year Community Safety Crime Prevention Plan was endorsed by Council in February 2011 with an aim to reduce domestic violence, anti-social behaviour and increase reporting of crime. First year strategies implemented this year include investigating the possibility of a Family Violence Court, developing and implementing a Port Hedland Alcohol and Management Strategy and Implementation Plan and supporting and implementing the Hedland Family Violence Action Plan plus the launching of the Hedland Safety Network website.</p>
<p>3. Investigate community security alternatives and implement agreed action plan</p>	<p>This initiative was identified in the Community Safety Crime Prevention Plan.</p>
Other Actions:	2010-11 Achievement
<p>1. Continue working with the police and the courts to provide avenues to ensure that offenders help fix the damage they cause.</p>	<p>A successful young offenders graffiti removal project has been introduced this year.</p>



**“The rollout of CCTV is another step forwards towards making Pilbara’s Port City a safer place for our residents.”**





## Planning and Development

# Statistics

- » 62 percent increase in building application approvals (worth \$324 million)
- » An \$199 million increase in the financial worth of planning improvals (\$342 million in 2009/10 versus \$541 million in 2010/11)
- » The Town of Port Hedland introduced a Internal Development Assessment Panel - an initiative which will speed up the application and approval process for builders and developers and improve relationships
- » Identification of 6,156 rateable properties



## Key Result Area 4

# Economic Development

A key element in the transformation from a regional Town to a regional City is the development of diverse, sustainable economic base.

To achieve this, support is required for other industries including tourism, agriculture, light industrial and small business operators.

## Goal 1 – Tourism

That Tourism is a significant industry within the Town.

Immediate Priorities:	2010-11 Achievement
1. Ensure that new caravan park/backpackers facilities are developed within the Town.	Project brief to be prepared during the next financial year.
2. Progress the development of the Spoilbank Marina Precinct.	Spoilbank Marina Stakeholder Committee has been established comprising of representatives from key project stakeholders. The committee has met to develop a draft concept design. This concept design will be the subject of a community forum and other consultation mechanisms during the first quarter of the next financial year.
3. Construct the Turtle Boardwalk project and the Stairway to the Moon project and work with stakeholders to identify other tourism product development initiatives.	Stairway to the Moon: Platform works complete. Concept plan including interpretive signage currently being prepared. Turtle Interpretive Loop: Original project complete. Enhanced scope inclusive of disabled access ramp to pavilion and improved dune walkway access and audio information will be undertaken in 2011/12.
4. Develop additional tourist information at Town entry points and other focal points within the Town.	To be considered as part of the Draft City Growth Plan and separate Tourism Plan.
Other Actions:	2010-11 Achievement
1. Develop camping facilities at popular coastal and river bed recreation areas.	Coastal access and managed camping project being included with the wider Pilbara Regional Council Coastal Access and Rest Stops Development Plan. Draft City Growth Plan will provide direction.
2. Develop a Tourism Plan that focuses on the tourism strengths that exist within the Town such as industrial/port tourism, ecology/ biology and indigenous culture.	Considered as part of the Draft City Growth Plan. Separate Tourism Plan to be developed thereafter.





## Goal 2 – Mining / Roads

That the Town has strong working relationships with the mining industry that are achieving sustainable outcomes for the local community, while minimising negative impacts.

Immediate Priorities:	2010-11 Achievement
1. Actively seek funding partnerships with mining companies and contractors on the development of services and facilities within the community.	A new partnership framework for the BHP Billiton Iron Ore partnership is being developed which will be a template for all partnerships. Meetings have been established with Fortescue Metal Group and Atlas Iron.
2. Actively pursue integration of FIFO workers into the local community.	An Integration Committee has met regularly to ensure FIFO workers housed at Port Haven are considered when planning and informed about activities and events. Consultation undertaken by the ToPH this year has considered innovative ways to seek input from FIFO workers.
Other Actions:	2010-11 Achievement
1. Ensure that integrated accommodation options are available for resource related projects that do not artificially inflate the local real estate market.	Expression of Interest developed and advertised for temporary TWA on South Hedland Recreation Reserve. Submissions received and will be assessed in the first quarter of 2011/12 financial year.  Precinct 2: Discussions held with BHP Billiton Iron Ore and Compass Group regarding expansion of Port Haven.





## Goal 3 – Business Development

That the Town of Port Hedland is recognised as a local government authority that works closely with business to achieve sustainable economic growth and a broad economic base

Immediate Priorities:	2010-11 Achievement
1. Participate in the development of a Port Hedland Economic Development Strategy	The development of the Draft City Growth Plan will provide a strong basis for the development of the Port Hedland Economic Development Strategy
2. Review the alternatives for additional business opportunities at the PHIA including air freight, aircraft maintenance, tourism and industrial uses.	<p>Council has endorsed a Request for Proposal for an international freight hub and endorsed the relocation of the hire car facilities.</p> <p>Development of 11 agreements with relation to hire car operations at the airport.</p> <p>Aircraft maintenance, tourism and industrial land opportunities have been identified in the Port Hedland International Airport Land Use Master Plan and supported by the developing Draft City Growth Plan.</p>
3. Actively seek extension of air services with a focus on additional interstate and international services	Port Hedland International Airport in discussions with interested airlines regarding establishment of direct passenger flight service to Singapore. Flight services to Melbourne, Brisbane and Bali continued this year without Council subsidy.
4. Investigate new business / revenue streams for the Town	A whole of organisation focus this year on identifying additional revenue streams and business opportunities has resulted in the commencement of the development of the following initiatives: the selling of waste water; development of Precinct 3; development of management plans for Multi Purpose Recreation Centre, Aquatic Centres, and JD Hardie Centre; Airport Hotel Expression of Interest; Airport Master Plan; Green House Expression of Interest; audit of existing leases and progression of new leases.
Other Actions:	2010-11 Achievement
1. Identify land areas for the development of market gardens, aquaculture and agriculture development.	Some of these elements examined through Draft City Growth Plan in public and stakeholder discussions.
2. Provide support and incentives for entrepreneurs who are interested in establishing tourism related within the Town.	A new Business Unit was created with the purpose of sourcing additional business opportunities and revenue streams. Some outcomes of this year specifically focused on tourism opportunities have included: the development of and calling for Expressions of Interest for a tourist-based industry to operate from the Green House (Old Port Hedland Medical Quarters), the development and calling for Expressions of Interest for an Airport-based hotel and general upgrades to the airport to attract tourists to the Town.



## Goal 4 – Land Development Projects

That land is being released and developed to meet the needs of a growing community.

Immediate Priorities:	2010-11 Achievement
1. Fast-track the release and development of commercial, industrial and residential land.	Discussions have occurred with Pilbara Cities, Landcorp, Department of Housing and private developers.
2. Develop and maintain a register of development sites and project opportunities within the municipality. Promote this register widely.	Data on development sites is being maintained through being registered, mapped and updated.
3. Undertake Council operated land and building projects including:	
a. Catamore Court housing development	Continued discussions with Department of Housing. Options currently being reviewed and a Business Plan need to be developed early in new financial year.
b. Airport Housing	Stage One earthworks complete, utilities run-in complete, retaining wall complete, 2 of 3 houses delivered to site.
c. Land Rationalisation Land Projects	Project implementation commenced in 2010/11 and will continue in 2011/12.
d. Relocation of the Wedgefield Depot to the Airport	Project on hold.
e. Civic Centre Redevelopment Project	Project to provide additional office accommodation needed revision of brief to fit within project budget.
Other Actions:	2010-11 Achievement
1. Work with the State Government to enact civil infrastructure projects that will enable additional land developments to occur including:	
a. Port Hedland Infill Sewerage	ToPH staff in regular communication with WaterCorp on this project.
b. Relocation of the Port Hedland Sewerage Treatment Ponds	Funding for \$160 million project announced in January 2011. ToPH staff in regular communication with WaterCorp on this project.
c. Upgrading water pressure in the West End	ToPH staff in regular communication with WaterCorp on this project.
2. Ensure that the South Hedland Underground Power Project proceeds in a timely manner.	Financial modelling has commenced with draft funding agreement between ToPH and Horizon Power to be presented to Council early in the new 2011/12 Financial Year. KvA data matching in conjunction Horizon Power has commenced. PUPP steering meetings continued during the year.





Other Actions	2010-11 Achievements
3. Where appropriate, support private sector and land and development developments to proceed in a timely manner	Discussions continued with Pilbara Cities, Landcorp, Department of Housing and private developers.
4. Regularly update the community on the status of key land development projects	<p>Status of projects identified on Council's website in the Land, Housing and Community Infrastructure Update. Regular media releases and communications (e-newsletter and North West Telegraph double page spread).</p> <p>Gearing Up Forums held July 2 2010 (launch of Strategic Plan 2010-15 and Council Projects), November 4 2010 (Land Releases), February 2 2011 (land, housing and infrastructure) and June 16 2011 (mining expansions) with another planned for October 2011 (mining expansions part two).</p>

### Goal 5 – Town Planning and Building

That Town Planning and Building control policy and practices within the Town are facilitating the rapid development of a sustainable community.

Immediate Priorities:	2010-11 Achievement
1. Develop a Town Plan that identifies opportunities for the following initiatives:	<p>The lead consultancy to develop the City Growth Plan was appointed in March 2011. Sub consultancies were appointed shortly after. Development of plan commenced with community forums held in June 2011 and more scheduled for early in next financial year.</p> <p>The Draft Plan will be presented to Council in September 2011.</p>
a. Identification of new areas for future growth (urban and industrial)	Considered as part of the development of the City Growth Plan.
b. Bulky goods retail area development along Port Hedland Road	Considered as part of the development of the City Growth Plan.
c. New entry ways into South Hedland	Landcorp design presented to the community in June 2010. Construction continued in 2010/2011.
d. Water related developments in South Hedland	Town of Port Hedland working with State Government on Waste Water Treatment Plant Relocation. Considered as part of the development of the City Growth Plan.
e. The re-zoning of Wedgefield in accordance with the Land Use Master Plan	Considered as part of the development of the City Growth Plan.
f. Location of community and government facilities	Considered as part of the development of the City Growth Plan.
g. Ensure that provision is made for industrial and transport corridors within the District.	Considered as part of the development of the City Growth Plan.



**“The total cost of planning approvals increased 58 percent from \$342 million in 2009/10 to \$541 million in 2010/11, demonstrating the level of major development which had occurred in the past financial year.”**

Immediate Priorities:	2010-11 Achievements
<p>2. Develop Structure Plans for key precinct areas with a particular focus on the Spoilbank Precinct, Airport and Pretty Pool.</p>	<p>Port Hedland International Airport Land Use Master Plan is complete. Development plans for Area A in South Hedland and Telstra site in Port Hedland. Development plan progressed for Hamilton Road Precinct/Subdivision. Development Plan being progressed for Osprey Subdivision.</p>
<p>3. Review building and planning resources and ensure that turn-around times for applications are at or above industry best practice.</p>	<p>Application processing times have been significantly reduced following the appointment of additional resources both in-house and outsourcing.</p> <p>The ToPH introduced pre-application meetings with an internal Development Assessment Panel to ensure timely handling of all applications.</p>
Other Actions:	2010-11 Achievement
<p>4. Play a leadership role in good design by building Council facilities that are aesthetically pleasing, environmentally sustainable and promote new technology within the District</p>	<p>All new infrastructure projects undertaken this year have included as a selection criteria proven experience in design and technical expertise to ensure buildings that are aesthetically pleasing, environmentally sustainable and have state of the art technology.</p>





## Key Result Area 5

# Environment

The Town of Port Hedland needs and wants to be part of the global response to climate change. The Council recognizes that by acting locally, it can assist globally.

## Goal 1 – Waste Management

That the Town of Port Hedland is recognised as a regional leader in Waste Management.

Immediate Priorities:	2010-11 Achievement
1. Progressively re-develop the South Hedland Landfill Facility in accordance with the Landfill Strategic Plan.	Wash down bay designs being finalised prior to requesting quotes for works. Designs and costs presented to Council early in the new financial year. New septage ponds complete.
2. Develop strategies that encourage separation of waste by ratepayers to promote more effective and efficient landfill management and additional reuse/recycling opportunities.	Project to commence in 2011/12.
3. In conjunction with other Pilbara Regional Council's review the feasibility of establishing a domestic recycling service.	Project to commence in 2011/12
4. Install improved waste water re-use facilities to Baler Primary School, Cassia Primary School, Hedland Senior High School and South Hedland Primary School.	<p>Baler Primary: New treatment process introduced on a trial basis.</p> <p>Cassia Primary: Reconfigured irrigation system to maximise water usage.</p> <p>Hedland Senior High: Project to commence in 2011/12 following upgrade to Oval.</p> <p>South Hedland Primary: Project to commence in 2011/12.</p>

Other Actions:	2010-11 Achievement
1. Explore opportunities for the expansion of the Town's waste water re-use scheme.	Significant upgrade in the quality of re-used water to Colin Matheson Oval, Kevin Scott Oval and McGregor Street Oval has being achieved through working in partnership with WaterCorp to improve facility infrastructure.
2. Commence planning for the construction of a new or expanded Landfill site.	Site to be identified as part of Draft City Growth Plan.

Goal 2 – Natural Resources

That the Town of Port Hedland is managing its unique environment and using its resources in a sustainable manner

Immediate Priorities:	2010-11 Achievement
1. Implement reticulation projects where bore water is used as an alternative to mains water.	Project to commence in 2011/2012.
2. Actively protect dune, creek and wetland eco-systems from degradation by off-road vehicles and other inappropriate uses.	Town of Port Hedland and BHP Billiton Iron Ore currently undertaking a foreshore preservation and rehabilitation project in Cooke Point.
3. Explore opportunities for the installation of additional solar lighting.	Solar lighting installed at Marie Marland and Kevin Scott Oval. Also installed at the tourist information stands at entry points.

Other Actions:	2010-11 Achievement
1. Partner with other agencies on foreshore rehabilitation/protection projects.	Town of Port Hedland and BHP Billiton Iron Ore currently undertaking a foreshore preservation and rehabilitation project in Cooke Point.
2. Water Planning – partner with State Government to implement water initiatives to support the growing community and industry based in Town.	Port Hedland Infill Sewerage Project currently in planning stages. Discussions ongoing with WaterCorp. Town of Port Hedland also working with State Government on Waste Water Treatment Plant relocation and increasing water pressure in the West End.  Draft City Growth Plan will identify further water initiatives and opportunities.



Key Result Area 6

# Governance

The Town of Port Hedland has developed to become a medium/large sized West Australian Local Government Authority. Council recognises that, as significant business, it must have the governance structures, systems and procedures in place to lead this community to bigger, better, brighter and more sustainable future.

## Goal 1 – Leadership

That the community acknowledges that the Town is leading the future development and management of the municipality in an effective and accountable manner.

Immediate Priorities:	2010-11 Achievement
<p>1. Actively market the achievements that the Town has made and the plans that are in place for the future.</p>	<p>Actively markets through regular communications (e-newsletter, Town Talk spread, emails) to a database of over 800 residents and stakeholders. The Town is also working towards regular contributions in intrastate and interstate publications such as WA Local Government Associations Western Councillor magazine. Also regular inserts/articles in local newspapers.</p>
<p>2. In conjunction with other stakeholders, develop and implement a coordinated, lobby campaign for additional resources from the State and Federal Governments for infrastructure and community projects that are needed to transform the Town into a City.</p>	<p>Relaunched the Hedland's Future Today document which identifies Council's top ten priority projects requiring funding and commitment from State and Federal Governments.</p> <p>Established a Port Hedland Steering Committee consisting of representatives from ToPH, LandCorp, Pilbara Cities and Department of Housing.</p>

Other Actions:	2010-11 Achievement
<p>1. Ensure that the Pilbara Regional Council grows and develops into an organization that clearly delivers value for money for Pilbara residents</p>	<p>Town of Port Hedland has participated in the Pilbara Regional Council's Indigenous Communities project, IT Governance Audit and ensured Elected Member participation at Pilbara Regional Council Meetings. Funds have been contributed to the Pilbara Regional Council to ensure delivery of its newly adopted Strategic Plan.</p> <p>Town of Port Hedland has also participated in the Country Local Government Funds initiative of Roadside Stops.</p> <p>Town of Port Hedland also participating in affordable housing project across the region spearheaded by the Pilbara Regional Council.</p>

## Goal 2 – Marketing and Communication

That the Town of Port Hedland is managing its unique environment and using its resources in a sustainable manner.

Immediate Priorities:	2010-11 Achievement
<p>1. Undertake a comprehensive local, intrastate and interstate marketing campaign that details both the importance of the Port Hedland community and the positive achievements and attributes of the community.</p>	<p>Commenced development of "Pilbara's Port City" marketing campaign. Meetings have taken place with LandCorp and Pilbara Cities to ensure all marketing activities are consistent and aligned with this new campaign.</p>
<p>2. Town of Port Hedland corporate style guidelines that ensure a consistent clear image of the Town is being delivered.</p>	<p>Corporate Style Guide developed and distributed to the organisation in May. Activity undertaken to ensure the branding devices are applied correctly and consistently in all advertising and marketing activity (including signage). A progressional project of rebranding all corporate documents has commenced.</p>
<p>3. Redevelop and regularly update the Town of Port Hedland website and other social networking mechanisms, ensuring that it is both interactive and contemporary.</p>	<p>A draft Community Engagement Strategy was developed and presented to Council in June which included a draft Social Media Policy. An internal project team has been formed to update Town of Port Hedland website.</p> <p>This website update will be undertaken a part of network upgrade in 2011/12.</p>



## Other Actions:

## 2010-11 Achievement

1. Continue to inform and consult with the community regarding local events, issues and decisions through a variety of communication mechanisms.

Development of a Local Communications Strategy which includes:

- » Information on Council's website including all Council meeting minutes and agendas
- » What's On in Hedland page in local newspaper
- » Monthly events calendar distributed to all businesses and residents
- » Monthly double page spread in local newspaper
- » Weekly e-newsletter to over 800 residents and stakeholders
- » Weekly Mayor radio chat on Spirit Radio and weekly column in local newspaper
- » Aboriginal Quarterly Forums
- » Gearing Up forums
- » Community participation in council meetings
- » Community information workshops and forums, ie: President's Evening and project based workshops



## Goal 3 – Systems Development

That the Towns internal operating systems are structured in a manner that assists in providing timely accurate information to the community.

Immediate Priorities:	2010-11 Achievement
<p>1. Work with other Pilbara Local Government Authorities to develop a standard Information Technology platform as the precursor to potentially regionalise of some local government service delivery.</p>	<p>Town of Port Hedland has participated in the Pilbara Regional Council Information Technology Governance Audit which is the first step towards the investigation of a shared regional IT platform.</p>
<p>2. Expand opportunities for the community to interact with Council via the internet including electronic lodgment of applications, GIS expanded payment alternatives and customer comments/ complaints.</p>	<p>The e-communications opportunities is included in the scope of work for the 5 year Information, Communications and Technology (ICT) Strategy to be developed as part of the Integrated Strategic Planning and Reporting Framework project to be undertaken in 2011/12. A further initiative of this strategy will be a significant network upgrade to facilitate enhanced two-way online communication.</p>
Other Actions:	2010-11 Achievement
<p>1. Redesign the financial system to allow for more effective and efficient financial management</p>	<p>A 10 Year Financial Plan is currently undergoing project scoping. This plan will allow for more effective and efficient financial management and will form part of the Integrated Strategic Planning and Reporting Framework to be introduced by June 2012.</p>
<p>2. Review Council's Standing Orders Local Law.</p>	<p>Project has commenced with an audit of Council's Standing Orders and Local Laws. Three priority laws have been identified for first review and will be completed by June 2012.</p>





**“As the Town continues to grow, our staff members become our most valuable asset as they work behind the scenes to make it all possible”**





# Town of Port Hedland Financial Report For Year Ended 30 June 2011





## INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE TOWN OF PORT HEDLAND

### *Report on the Financial Report*

We have audited the accompanying financial report of the Town of Port Hedland, which comprises the statement of financial position as at 30 June 2011, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

### *Management's Responsibility for the Financial Report*

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as Management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Auditor's Opinion*

In our opinion, the financial report of the Town of Port Hedland is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a giving a true and fair view of the Town's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).





**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE TOWN OF PORT HEDLAND (Continued)**

***Report on Other Legal and Regulatory Requirements***

During the course of the audit we became aware of the following instances where the Council did not comply with the Local Government (Financial Management) Regulations 1996 (as amended).

***Annual Financial Report***

The Annual Financial Report for the year ended 30 June 2010 was not submitted to the Director General of the Department of Local Government within 30 days of the auditor's report becoming available as required by Financial Management Regulation 51 (2).

***Budget Review***

A copy of the budget review was not submitted to the Department within 30 days of its adoption as required by Financial Management Regulation 33A (4).

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Town.
- b) Except as detailed above, no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) All necessary information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON  
CHARTERED ACCOUNTANTS



GREG GODWIN  
PARTNER

Date: 29 November 2011  
Perth, WA



**TOWN OF PORT HEDLAND**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

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# Annual Financial Report & Auditor's Report

## TOWN OF PORT HEDLAND

### FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2011

LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

### STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Town of Port Hedland being the annual financial report and other information for the financial year ended 30th June 2011 are in my opinion properly drawn up to present fairly the financial position of the Town of Port Hedland at 30th June 2011 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 29th day of November 2011



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Paul Martin  
Chief Executive Officer





## Annual Financial Report &amp; Auditor's Report

**TOWN OF PORT HEDLAND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	NOTE	2011 \$	2011 Budget \$	2010 \$
<b>REVENUE</b>				
Rates	22	13,571,692	13,318,745	11,335,260
Operating Grants, Subsidies and Contributions	28	6,470,557	4,947,347	3,316,330
Fees and Charges	27	21,207,469	18,226,272	17,888,849
Interest Earnings	2(a)	2,195,662	2,397,928	1,863,451
Other Revenue		494,801	519,137	434,907
		<u>43,940,181</u>	<u>39,409,429</u>	<u>34,838,797</u>
<b>EXPENSES</b>				
Employee Costs		(13,440,726)	(13,064,860)	(11,170,036)
Materials and Contracts		(12,515,128)	(10,517,160)	(9,848,939)
Utility Charges		(1,659,674)	(1,293,270)	(1,677,418)
Depreciation on Non-Current Assets	2(a)	(6,140,570)	(4,442,873)	(4,847,366)
Interest Expenses	2(a)	(438,565)	(962,202)	(340,626)
Insurance Expenses		(708,908)	(622,760)	(655,814)
Other Expenditure		(1,862,589)	(5,042,308)	(1,170,847)
		<u>(36,766,160)</u>	<u>(35,945,433)</u>	<u>(29,711,046)</u>
		7,174,021	3,463,996	5,127,751
Non-Operating Grants, Subsidies and Contributions	28	21,822,577	42,892,658	9,610,522
Profit on Asset Disposals	20	1,491	60,700	10,532
Loss on Asset Disposal	20	(23,430)	(153,400)	(15,634)
<b>NET RESULT</b>		<b>28,974,659</b>	<b>46,263,954</b>	<b>14,733,171</b>
<b>Other Comprehensive Income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Other Comprehensive Income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>28,974,659</u></b>	<b><u>46,263,954</u></b>	<b><u>14,733,171</u></b>

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

## Annual Financial Report &amp; Auditor's Report

**TOWN OF PORT HEDLAND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	NOTE	2011 \$	2011 Budget \$	2010 \$
<b>REVENUE</b>				
Governance		92,818	45,560	176,539
General Purpose Funding		19,334,947	18,572,781	15,169,559
Law, Order, Public Safety		600,884	604,497	227,383
Health		71,845	68,750	81,601
Education and Welfare		334,713	536,724	293,628
Housing		3,280,387	3,272,536	222,248
Community Amenities		7,504,098	5,835,770	5,476,777
Recreation and Culture		10,786,599	9,635,149	2,164,771
Transport		13,137,940	32,429,904	12,438,818
Economic Services		10,364,266	11,105,785	7,699,327
Other Property and Services		255,752	255,331	509,200
	2 (a)	<u>65,764,249</u>	<u>82,362,787</u>	<u>44,459,851</u>
<b>EXPENSES EXCLUDING FINANCE COSTS</b>				
Governance		(1,485,539)	(1,564,153)	(1,362,029)
General Purpose Funding		(367,773)	(374,480)	(397,272)
Law, Order, Public Safety		(1,240,196)	(1,055,102)	(903,831)
Health		(486,096)	(481,656)	(397,748)
Education and Welfare		(956,184)	(882,408)	(766,235)
Housing		(617,505)	(501,351)	(540,466)
Community Amenities		(6,970,489)	(5,316,383)	(5,190,501)
Recreation & Culture		(12,792,658)	(14,100,269)	(10,275,380)
Transport		(9,202,724)	(8,307,876)	(8,021,382)
Economic Services		(1,788,306)	(2,156,602)	(1,001,617)
Other Property and Services		(443,555)	(396,350)	(529,593)
	2 (a)	<u>(36,351,025)</u>	<u>(35,136,630)</u>	<u>(29,386,054)</u>
<b>FINANCE COSTS</b>				
Governance		(4,499)	(4,496)	(6,340)
Law, Order, Public Safety		(17,882)	(18,497)	(19,515)
Education and Welfare		(21,288)	(22,020)	(25,714)
Housing		(285,892)	(372,494)	(185,186)
Community Amenities		(10,688)	(10,804)	(23,856)
Recreation & Culture		(91,137)	(526,709)	(71,054)
Transport		(2,901)	(2,905)	(4,436)
Economic Services		(4,278)	(4,278)	(4,525)
	2 (a)	<u>(438,565)</u>	<u>(962,203)</u>	<u>(340,626)</u>
<b>NET RESULT</b>		<u>28,974,659</u>	<u>46,263,954</u>	<u>14,733,171</u>
<b>Other Comprehensive Income</b>		0	0	0
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>28,974,659</u></u>	<u><u>46,263,954</u></u>	<u><u>14,733,171</u></u>

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



**TOWN OF PORT HEDLAND  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2011**

	NOTE	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	35,458,967	44,937,866
Trade and Other Receivables	4	6,915,465	6,858,704
Inventories	5	14,451	7,334
<b>TOTAL CURRENT ASSETS</b>		<u>42,388,883</u>	<u>51,803,904</u>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	4	955,808	879,846
Property, Plant and Equipment	6	67,587,176	36,059,859
Infrastructure	7	116,744,977	104,661,136
<b>TOTAL NON-CURRENT ASSETS</b>		<u>185,287,961</u>	<u>141,600,841</u>
<b>TOTAL ASSETS</b>		<u>227,676,844</u>	<u>193,404,745</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	7,274,177	5,363,064
Long Term Borrowings	9	634,820	697,759
Provisions	10	1,491,158	1,331,128
<b>TOTAL CURRENT LIABILITIES</b>		<u>9,400,155</u>	<u>7,391,951</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	9	9,288,722	5,994,359
Provisions	10	100,166	105,293
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>9,388,888</u>	<u>6,099,652</u>
<b>TOTAL LIABILITIES</b>		<u>18,789,043</u>	<u>13,491,603</u>
<b>NET ASSETS</b>		<u>208,887,801</u>	<u>179,913,142</u>
<b>EQUITY</b>			
Retained Surplus		180,557,880	138,687,643
Reserves - Cash Backed	11	27,477,393	40,372,971
Reserves - Asset Revaluation	12	852,528	852,528
<b>TOTAL EQUITY</b>		<u>208,887,801</u>	<u>179,913,142</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 30TH JUNE 2011**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2009		129,914,564	34,412,879	852,528	165,179,971
Net Result		14,733,171	0	0	14,733,171
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers		(5,960,092)	5,960,092	0	0
<b>Balance as at 30 June 2010</b>		<b>138,687,643</b>	<b>40,372,971</b>	<b>852,528</b>	<b>179,913,142</b>
Net Result		28,974,659	0	0	28,974,659
Total Other Comprehensive Income		0	0	0	0
Reserve Transfers		12,895,578	(12,895,578)	0	0
<b>Balance as at 30 June 2011</b>		<b>180,557,880</b>	<b>27,477,393</b>	<b>852,528</b>	<b>208,887,801</b>

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



## Annual Financial Report &amp; Auditor's Report

**TOWN OF PORT HEDLAND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2011**

	NOTE	2011 \$	2011 Budget \$	2010 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		13,669,902	13,052,370	11,335,260
Operating Grants, Subsidies and Contributions		6,470,557	4,947,347	3,316,330
Fees and Charges		21,169,768	16,707,416	17,875,980
Interest Earnings		2,195,662	2,397,928	1,863,451
Goods and Services Tax		2,710,938	0	1,754,826
Other Revenue		494,801	519,137	591,629
		<u>46,711,628</u>	<u>37,624,198</u>	<u>36,737,476</u>
<b>Payments</b>				
Employee Costs		(13,241,218)	(12,969,098)	(11,030,257)
Materials and Contracts		(10,660,080)	(9,640,730)	(10,548,112)
Utility Charges		(1,659,674)	(1,138,077)	(1,677,418)
Insurance Expenses		(708,908)	(622,760)	(655,814)
Interest expenses		(434,222)	(962,202)	(340,626)
Goods and Services Tax		(2,710,938)	0	(1,911,548)
Other Expenditure		(1,862,589)	(5,042,308)	(1,170,847)
		<u>(31,277,629)</u>	<u>(30,375,175)</u>	<u>(27,334,622)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>15,433,999</u>	<u>7,249,023</u>	<u>9,402,854</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment		(34,524,473)	(37,138,870)	(6,564,248)
Payments for Construction of Infrastructure		(15,387,879)	(32,463,273)	(12,288,822)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		21,352,577	42,892,658	9,610,522
Proceeds from Sale of Plant & Equipment		138,686	357,000	146,819
<b>Net Cash Provided By (Used In) Investing Activities</b>		<u>(28,421,089)</u>	<u>(26,352,485)</u>	<u>(9,095,729)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(698,576)	(889,194)	(793,539)
Transfer from Trust - Public Open Space		470,000	100,000	
Transfer of Self Supporting Loan		(250,000)	0	(500,000)
Proceeds from Self Supporting Loans		56,767	51,208	28,873
Proceeds from New Debentures		3,930,000	19,878,000	2,703,000
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>3,508,191</u>	<u>19,140,014</u>	<u>1,438,334</u>
<b>Net Increase (Decrease) in Cash Held</b>		<u>(9,478,899)</u>	<u>36,552</u>	<u>1,745,459</u>
Cash at Beginning of Year		44,937,866	27,407,153	43,192,407
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u><u>35,458,967</u></u>	<u><u>27,443,705</u></u>	<u><u>44,937,866</u></u>

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

## Annual Financial Report &amp; Auditor's Report

**TOWN OF PORT HEDLAND  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2011**

	NOTE	2011 \$	2011 Budget \$
<b>REVENUE</b>			
Governance		92,818	45,560
General Purpose Funding		5,763,255	5,254,036
Law, Order, Public Safety		600,884	604,497
Health		71,845	68,750
Education and Welfare		334,713	536,724
Housing		3,280,387	3,272,536
Community Amenities		7,504,098	5,835,770
Recreation and Culture		10,786,599	9,635,149
Transport		13,137,940	32,429,904
Economic Services		10,364,266	11,105,785
Other Property and Services		255,752	255,330
		<u>52,192,557</u>	<u>69,044,041</u>
<b>EXPENSES</b>			
Governance		(1,490,038)	(1,568,649)
General Purpose Funding		(367,773)	(374,480)
Law, Order, Public Safety		(1,258,078)	(1,073,599)
Health		(486,096)	(481,656)
Education and Welfare		(977,472)	(904,428)
Housing		(903,397)	(873,844)
Community Amenities		(6,981,177)	(5,327,186)
Recreation & Culture		(12,883,795)	(14,626,978)
Transport		(9,205,625)	(8,310,781)
Economic Services		(1,792,584)	(2,160,880)
Other Property and Services		(443,555)	(396,350)
		<u>(36,789,590)</u>	<u>(36,098,831)</u>
<b>Net Operating Result Excluding Rates</b>		15,402,967	32,945,210
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Revenue</b>			
(Profit)/Loss on Asset Disposals		21,939	92,700
Movement in Accrued Interest		4,343	0
Movement in Deferred Pensioner Rates (non-current)		82,474	0
Movement in Accrued Salaries and Wages		44,605	0
Movement in Employee Benefit Provisions		154,903	0
Depreciation and Amortisation on Assets		6,140,570	4,442,873
<b>Capital Expenditure and Revenue</b>			
Purchase Land and Buildings		(32,007,635)	(36,538,347)
Purchase Infrastructure Assets - Roads		(2,206,369)	(31,056,566)
Purchase Infrastructure Assets - Other		(13,181,510)	(9,522,525)
Purchase Plant and Equipment		(2,188,022)	(2,310,750)
Purchase Furniture and Equipment		(328,816)	(244,450)
Proceeds from Disposal of Assets		138,686	357,000
Repayment of Debentures		(698,576)	(889,194)
Transfer to Self Supporting Loans		(250,000)	(500,000)
Proceeds from New Debentures		3,930,000	17,175,000
Self-Supporting Loan Principal Income		56,767	57,294
Transfer from Trust		0	100,000
Transfers to Reserves (Restricted Assets)		(19,657,640)	(15,888,111)
Transfers from Reserves (Restricted Assets)		32,553,218	24,376,617
<b>ADD</b> Estimated Surplus/(Deficit) July 1 B/Fwd		6,144,881	4,084,504
<b>LESS</b> Estimated Surplus/(Deficit) June 30 C/Fwd		7,728,477	0
<b>Amount Required to be Raised from Rates</b>	<b>22</b>	<u><b>(13,571,692)</b></u>	<u><b>(13,318,745)</b></u>

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



# Annual Financial Report & Auditor's Report

## TOWN OF PORT HEDLAND NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2011

### 1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

#### (a) Basis of Preparation

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the local Government Act 1995 and accompanying regulations.

The report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of the selected non-current assets, financial assets and liabilities.

#### Critical Accounting Estimates

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

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

#### (b) The Local Government Reporting Entity

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

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 19 to these financial statements.

#### (c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the statement of financial position are stated inclusive of applicable GST.

#### (d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks, 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 and bank overdrafts.

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

#### (e) Trade and Other Receivables

Collectibility of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.



## Annual Financial Report &amp; Auditor's Report

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(f) Inventories****General**

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

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

**Land Held for Resale**

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until Finance costs and holding charges incurred after development is completed are expensed.

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional contract of sale.

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

**(g) Fixed Assets**

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or impairment losses.

**Initial Recognition**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

**Revaluation**

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases in the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.



## Annual Financial Report &amp; Auditor's Report

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(g) Fixed Assets (Continued)*****Land under Roads***

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

***Depreciation of Non-Current Assets***

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Parks	10 to 40 years
Ovals	40 years
Street Verges	40 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

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



## Annual Financial Report &amp; Auditor's Report

TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## (g) Fixed Assets (Continued)

**Depreciation of Non-Current Assets (Continued)**

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

Gains and losses on disposals are determined by comparing proceeds with with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**Capitalisation Threshold**

Expenditure on items of equipment under \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

## (h) Financial Instruments

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or at cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.





**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Financial Instruments (Continued)**

***Classification and Subsequent Measurement (Continued)***

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and
- (d) less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

***(i) Financial assets at fair value through profit and loss***

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

***(ii) Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

***(iii) Held-to-maturity investments***

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

Held-to-maturity financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period (classified as current assets).

If the Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Financial Instruments (Continued)**

***Classification and Subsequent Measurement (Continued)***

***(iv) Available-for-sale financial assets***

Available-for-sale financial assets, are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period (classified as current assets).

***(v) Financial liabilities***

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

***Impairment***

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

**(i) Estimation of Fair Value**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.





**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

## **1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **(j) Impairment**

In accordance with Australian Accounting Standards the Council'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 estimate of the recoverable amount of the asset is made in accordance with AASB 136 '*Impairment of Assets*' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

### **(k) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### **(l) Employee Benefits**

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

#### **(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)**

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Council has a present obligation to pay resulting from employees services provided to reporting date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

#### **(ii) Long Service Leave (Long-term Benefits)**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

### **(m) Borrowing Costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.



## Annual Financial Report &amp; Auditor's Report

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(n) Provisions**

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result to settle the obligation; and
- c) 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.

Provisions are not recognised for future operating losses.

**(o) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

**(p) Joint Venture**

The Council's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 16.

**(q) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.



**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(r) Superannuation**

The Council contributes to a number of superannuation funds on behalf of employees.

**(s) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council 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 even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

**(t) Rounding Off Figures**

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

**(u) Comparative Figures**

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

**(v) 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.



## Annual Financial Report &amp; Auditor's Report

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(w) New Accounting Standards and Interpretations for Application in Future Periods**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2011.

Council's assessment of these new standards and interpretations is set out below:

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments	December 2009	1 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 124 – Related Party Disclosures	December 2009	1 January 2011	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
(iii) AASB 1053 - Application of Tiers of Australian Accounting Standards	June 2010	1 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iv) AASB 2009 -12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	December 2009	1 January 2011	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.



**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)**

Title and Topic	Issued	Applicable (*)	Impact
<p>(v) AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 &amp; 1038 and Interpretations 10 &amp; 12]</p>	December 2009	1 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
<p>(vi) AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, &amp; 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 &amp; 1052]</p>	June 2010	1 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
<p>(vii) AASB 2010 - 4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101, 134, and Interpretation 13]</p>	June 2010	1 January 2011	Nil - The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

# Annual Financial Report & Auditor's Report



**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)**

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 2010 - 5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	October 2010	1 January 2011	Nil - The revisions embodied in this standard are largely editorial in nature or relate to standards not applicable to the Council and will have minimal effect (if any) on the accounting practices of the Council.
(ix) AASB 2010 - 6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & 7]	November 2010	1 July 2011	Nil - The revisions embodied in this standard amend disclosures required on transfers of financial assets. The Council is not expected to have any qualifying transfers.
(x) AASB 2010 - 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	December 2010	1 January 2013	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(xi) AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 1 & 7]	December 2010	1 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.



**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)**

(xi) (Continued)	Title and Topic	Issued	Applicable (*)	Impact
	AASB 2010 - 9 Amendments to Australian Accounting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]	December 2010	1 July 2011	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2009- 14 Amendments to Australian Interpretations - Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	December 2009	1 January 2011	
	AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7]	December 2010	1 January 2013	

Notes:

(\*) Applicable to reporting periods commencing on or after the given date.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(x) Adoption of New and Revised Accounting Standards**

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 2009 - 5  
AASB 2009 - 8  
AASB 2009 - 10  
AASB 2009 - 13  
AASB 2010 - 1  
AASB 2010 - 3

Interpretation 19

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.



## Annual Financial Report &amp; Auditor's Report

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

<b>2. REVENUE AND EXPENSES</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net Result includes:		
(i) Charging as an Expense:		
<b>Auditors Remuneration</b>		
- Audit	21,200	27,433
- Other Services	18,510	13,950
	<u>39,710</u>	<u>41,383</u>
<b>Depreciation</b>		
Buildings	1,325,246	929,950
Furniture and Equipment	310,856	315,230
Plant and Equipment	1,200,430	938,717
Roads	1,378,856	1,341,316
Infrastructure - Airport	526,864	503,234
Infrastructure - Other	1,398,318	818,919
	<u>6,140,570</u>	<u>4,847,366</u>
<b>Interest Expenses (Finance Costs)</b>		
Debentures ( <i>refer Note 21(a)</i> )	438,565	340,626
	<u>438,565</u>	<u>340,626</u>
<b>Rental Charges</b>		
- Operating Leases	276,360	188,811
	<u>276,360</u>	<u>188,811</u>
(ii) Crediting as Revenue:	<b>2011</b>	<b>2011</b>
	<b>\$</b>	<b>Budget</b>
		<b>\$</b>
<b>Interest Earnings</b>		
Investments		
- Reserve Funds	1,758,074	936,400
- Other Funds	229,611	1,294,000
- Loans	51,860	67,528
Other Interest Revenue ( <i>refer note 26</i> )	156,117	100,000
	<u>2,195,662</u>	<u>2,397,928</u>
		<u>1,863,451</u>

## TOWN OF PORT HEDLAND NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2011

### 2. REVENUE AND EXPENSES (Continued)

#### (b) Statement of Objective

The Town of Port Hedland is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

#### **GOVERNANCE**

Objective: To provide a decision making process for the efficient allocation of scarce resources.

Activities: Administration and operation of facilities and services to members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

#### **GENERAL PURPOSE FUNDING**

Objective: To collect revenue to allow for the provision of services.

Activities: Rates, general purpose government grants and interest revenue.

#### **LAW, ORDER, PUBLIC SAFETY**

Objective: To provide services to help ensure a safer community.

Activities: Supervision of various by-laws, fire prevention, emergency services and animal control.

#### **HEALTH**

Objective: To provide an operational framework for good community health.

Activities: Food quality and pest control, and Aboriginal environmental health.

#### **EDUCATION AND WELFARE**

Objective: To meet the needs of the community in these areas.

Activities: Operation of senior and frail citizens' centres, day care centres and theatre; and assistance to playgroups, aged care and other voluntary services.

#### **HOUSING**

Objective: Help ensure adequate housing.

Activities: Maintenance of staff and community housing.

#### **COMMUNITY AMENITIES**

Objective: Provide services required by the community.

Activities: Rubbish collection services, operation of tips, administration of the town planning scheme, maintenance of cemeteries, maintenance of rest centre and storm water drainage maintenance.

#### **RECREATION AND CULTURE**

Objective: To establish and manage efficiently infrastructure and resources which will help the social well being of the community.

Activities: Maintenance of halls, aquatic centres, recreation centres and various reserves; operation of library and arts centre operations.

#### **TRANSPORT**

Objective: To provide effective and efficient transport services to the community.

Activities: Airport operations; construction and maintenance of streets, roads, bridges; cleaning and lighting of streets and depot maintenance.

#### **ECONOMIC SERVICES**

Objective: To help promote the Town and improve its economic wellbeing.

Activities: The regulation and provision of tourism, area promotion, building control, and cattleyards.

#### **OTHER PROPERTY AND SERVICES**

Activities: Private works operation, plant repairs and operation costs.



# Annual Financial Report & Auditor's Report

TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Function/ Activity	Opening Balance (*) 1-Jul-09 \$	Received (+) 2009/10 \$	Expended (#) 2009/10 \$	Closing Balance (*) 30-Jun-10 \$	Received (+) 2010/11 \$	Expended (#) 2010/11 \$	Closing Balance 30-Jun-11 \$
Grant/Contribution							
BHP - Environmental Projects	49,838	0	0	49,838	0	(49,838)	0
Building Safety (Fire) Grant	25,000	0	(10,000)	15,000	0	0	15,000
Office of Crime Prevention (CSCPP)	20,000	0	0	20,000	0	(20,000)	0
Walk It Hedland	12,826	0	(12,391)	435	0	(435)	0
BHP - Hedland Turf Club Grandstand	100,000	0	0	100,000	0	(48,399)	51,601
PH Enhancement Scheme - Boat Ramp	33,012	0	(5,450)	27,562	0	(27,562)	0
PH Enhancement Scheme - Foreshore Park	145,000	0	(74,154)	70,846	0	(60,958)	9,888
PH Enhancement Scheme - Spoilbank Masterplan	896,104	0	(348,803)	547,301	0	(547,301)	0
Royalties for Regions - CLGF	1,308,594	0	(1,251,589)	57,005	0	(57,005)	0
Community Safety Contrib. CCTV	101,200	0	(101,200)	0	0	0	0
Foreshore Protection Grant	10,284	0	(10,284)	0	0	0	0
Pilbara Development Commission - Turtle BW	392,500	0	(251,527)	140,973	0	(140,973)	0
Regional and Community Grant	194,411	0	(194,411)	0	0	0	0
RADS Grant - Airport Development	155,848	0	(155,848)	0	0	0	0
DOTARS Grant - Airport Development	44,581	0	0	44,581	0	(44,581)	0
BHP - Town Entry Statement	46,709	0	(46,709)	0	0	0	0
Local Road Grant	0	439,607	0	439,607	0	(439,607)	0
R4R (Design for Port Hedland Today)	0	35,000	0	35,000	0	(35,000)	0
BHP Billion Contrib. Port Hedland Future Today	0	60,000	0	60,000	0	(60,000)	0
R4R CCTV Stage 2	0	100,000	0	100,000	0	(100,000)	0
Dept of Racing, Liquor & Gambling - Club Funding	0	60,000	(53,798)	6,202	0	(6,202)	0
Lotteries Grant - Playground Development	0	105,000	(23,089)	81,931	0	(81,931)	0
Dept of Housing - 0910 Walkway Lighting 50%	0	27,500	(25,948)	1,552	0	(1,552)	0
BHP Billion Cont. Walkwork Road Bridge 09-10	0	763,636	(20,562)	743,074	0	(743,074)	0
Federal Aboriginal Road Grant	0	31,500	(5,922)	25,578	0	(25,578)	0
Black Spot Funding Grant	0	52,000	(24,746)	27,254	0	(27,254)	0
MRWA Direct Grant	0	99,766	(26,330)	73,436	0	(73,436)	0
Roads to Recovery 10-11 Carry over	0	356,155	0	356,155	0	(356,155)	0
Grant from DEWR - 40% Payment for Dole Participation	0	41,212	0	41,212	0	(41,212)	0
BHP/Dept RDL - Joint Project Officer	0	36,364	(3,413)	32,951	0	(32,951)	0
OCP - Graffiti Removal Programme	0	0	0	0	11,000	0	11,000
OCP - Reduce the number of burglary and theft offences	0	0	0	0	20,000	(16,485)	3,515
BHP Sponsorship 2010 - Dune Restoration	0	0	0	0	20,000	0	20,000
BHP Sponsorship 2010 - Port Hedland International Airport Development Plan Project	0	0	0	0	77,273	(77,273)	0
BHP Contribution 2010 - GP Housing Project	0	0	0	0	1,500,000	0	1,500,000
Royalties for Regions 2010/2011 - GP Housing	0	0	0	0	1,500,000	(72,840)	1,427,160
Royalties for Regions 2010/2011 - Cemetery Park	0	0	0	0	3,000,000	(120,472)	2,879,528
Royalties for Regions - Sith Hedland Aquatic Centre	0	0	0	0	1,230,000	0	1,230,000
Royalties for Regions - Sith Hedland Library & Community Centre	0	0	0	0	665,000	0	665,000
Regional Local Council Incentive Program - Sith Hedland Aquatic Centre Upgrade	0	0	0	0	136,364	(33,843)	102,521
Pilbara Cities Port Hedland Growth Plan	0	0	0	0	100,000	(100,000)	0
PDC - Pilbara Regional Grant - Coastal Access & Managed Camping	0	0	0	0	50,000	(6,325)	43,675
<b>Total</b>	<b>3,535,907</b>	<b>2,207,740</b>	<b>(2,646,154)</b>	<b>3,097,493</b>	<b>8,309,637</b>	<b>(3,448,242)</b>	<b>7,958,888</b>

Notes:

(\*) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(+) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(#) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

## Annual Financial Report &amp; Auditor's Report

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	2011 \$	2010 \$
<b>3. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand - Municipal (Unrestricted)	5,230	5,570
Cash at Bank - Municipal	7,976,344	4,559,325
Cash at Bank - Reserves (Restricted)	<u>27,477,393</u>	<u>40,372,971</u>
	<u>35,458,967</u>	<u>44,937,866</u>
<u>Cash at Bank - Municipal</u>		
Unrestricted Balance	(467,368)	1,461,832
Restricted Balance	<u>8,443,712</u>	<u>3,097,493</u>
	<u>7,976,344</u>	<u>4,559,325</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	909,268	941,931
Airport Reserve	11,256,168	6,808,985
Plant Reserve	272,663	260,000
Car Parking Reserve	158,275	150,924
Planning Projects Reserve	0	0
Waste Management Reserve	614,645	323,852
Bushfire Management Reserve	0	0
Lights Replacement Reserve	21,333	36,380
Depot Facilities Reserve	15,420	14,704
Oval Development Reserve	0	0
BHP - TPRH Alliance Reserve	0	0
South Hedland Library Reserve	13,602	12,970
SES Shed Reserve	32,903	31,375
Planning Permeability Reserve	0	0
Waste Management Recycle Reserve	422,895	403,255
BHP Reserve	8,347,897	13,384,242
Civil Building/Infrastructure Reserve	87,593	83,525
Newcrest Reserve	2,385	2,274
Spoilbank Reserve	514,333	490,446
Royalties for Regions Reserve	3,246,157	17,189,695
Community Facilities Reserve	<u>1,561,856</u>	<u>238,413</u>
	<u>27,477,393</u>	<u>40,372,971</u>
Unspent Grants	7,958,888	3,097,493
Unspent Loans	<u>484,824</u>	<u>0</u>
	<u>8,443,712</u>	<u>3,097,493</u>
Total Restricted Funds	<u>35,921,105</u>	<u>43,470,464</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	132,589	148,325
Sundry Debtors	5,189,198	6,514,076
Provision for Doubtful Debts	(24,981)	(24,981)
Loans - Clubs/Institutions	60,642	25,846
Other Receivables	76,410	91,753
Accrued Income	1,481,607	103,685
	<u>6,915,465</u>	<u>6,858,704</u>
<b>Non-Current</b>		
Rates Outstanding - Pensioners	19,279	19,279
Service Charges - Underground Power	1,105	83,579
Loans - Clubs/Institutions	<u>935,424</u>	<u>776,988</u>
	<u>955,808</u>	<u>879,846</u>
<b>5. INVENTORIES</b>		
<b>Current</b>		
Fuel	7,842	2,993
Matt Dann Kiosk	4,270	2,597
JD Hardie Centre	<u>2,339</u>	<u>1,744</u>
	<u>14,451</u>	<u>7,334</u>



**TOWN OF PORT HEDLAND  
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	2011 \$	2010 \$
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land - Cost	<u>1,403,748</u>	<u>1,290,632</u>
	1,403,748	1,290,632
Land and Buildings - Cost	68,153,650	36,259,132
Less Accumulated Depreciation	<u>(11,093,672)</u>	<u>(9,768,427)</u>
	57,059,978	26,490,705
Furniture and Equipment - Cost	4,877,321	4,551,608
Less Accumulated Depreciation	<u>(3,596,502)</u>	<u>(3,288,513)</u>
	1,280,819	1,263,095
Plant and Equipment - Cost	15,647,164	13,751,527
Less Accumulated Depreciation	<u>(7,804,533)</u>	<u>(6,736,100)</u>
	7,842,631	7,015,427
	<u>67,587,176</u>	<u>36,059,859</u>



**TOWN OF PORT HEDLAND  
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**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Movements in Carrying Amounts**

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

	Land \$	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Total \$
Balance as at the beginning of the year	1,290,632	26,490,705	1,263,095	7,015,427	36,059,859
Additions	113,116	31,894,519	328,816	2,188,022	34,524,473
(Disposals)	0	0	(236)	(160,388)	(160,624)
Revaluation - Increments - (Decrements)	0 0	0 0	0 0	0 0	0 0
Impairment - (losses) - reversals	0 0	0 0	0 0	0 0	0 0
Depreciation (Expense)		(1,325,246)	(310,856)	(1,200,430)	(2,836,532)
<b>Carrying amount at the end of year</b>	<b>1,403,748</b>	<b>57,059,978</b>	<b>1,280,819</b>	<b>7,842,631</b>	<b>67,587,176</b>

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	2011	2010
	\$	\$
<b>7. INFRASTRUCTURE</b>		
Roads - Cost	80,944,790	78,738,421
Less Accumulated Depreciation	<u>(20,075,424)</u>	<u>(18,696,568)</u>
	60,869,366	60,041,853
Footpaths - Cost	9,591,999	8,684,053
Less Accumulated Depreciation	<u>(2,414,326)</u>	<u>(2,405,995)</u>
	7,177,673	6,278,058
Drainage - Cost	9,865,516	9,720,025
Less Accumulated Depreciation	<u>(3,216,416)</u>	<u>(3,084,996)</u>
	6,649,100	6,635,029
Parks & Ovals - Cost	34,345,613	26,267,692
Less Accumulated Depreciation	<u>(6,206,435)</u>	<u>(5,039,817)</u>
	28,139,178	21,227,875
Bridges - Cost	2,358,926	643,910
Less Accumulated Depreciation	<u>(390,523)</u>	<u>(332,892)</u>
	1,968,403	311,018
Bus Shelters - Cost	205,185	205,185
Less Accumulated Depreciation	<u>(118,787)</u>	<u>(98,268)</u>
	86,398	106,917
Depot - Cost	656,292	549,029
Less Accumulated Depreciation	<u>(138,591)</u>	<u>(124,793)</u>
	517,701	424,236
Airport - Cost	22,507,777	20,279,905
Less Accumulated Depreciation	<u>(11,170,619)</u>	<u>(10,643,755)</u>
	11,337,158	9,636,150
	<u>116,744,977</u>	<u>104,661,136</u>

Council have adopted a policy of re-valuing with sufficient regularity to ensure the carrying amount of each road asset is fairly stated at reporting date.

This policy also accords with AASB 116.



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**7. INFRASTRUCTURE (Continued)****Movements in Carrying Amounts**

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

	Roads \$	Footpaths \$	Drainage \$	Parks and Ovals \$	Bridges \$	Bus Shelters \$	Depots \$	Airport \$	Total \$
Balance at the beginning of the year	60,041,853	6,278,058	6,635,029	21,227,875	311,018	106,917	424,236	9,636,150	104,661,136
Additions	2,206,369	907,947	145,491	8,077,920	1,715,017	0	107,263	2,227,872	15,387,879
(Disposals)	0	0	0	0	0	0	0	0	0
Revaluation - Increments - (Decrements)	0	0	0	0	0	0	0	0	0
Impairment - (losses) - reversals	0	0	0	0	0	0	0	0	0
Depreciation (Expense)	(1,378,856)	(8,332)	(131,420)	(1,166,617)	(57,632)	(20,519)	(13,798)	(526,864)	(3,304,038)
<b>Carrying amount at the end of year</b>	<b>60,869,366</b>	<b>7,177,673</b>	<b>6,649,100</b>	<b>28,139,178</b>	<b>1,968,403</b>	<b>86,398</b>	<b>517,701</b>	<b>11,337,158</b>	<b>116,744,977</b>

**TOWN OF PORT HEDLAND  
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	2011	2010
	\$	\$
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	6,534,847	3,641,782
Income in Advance	621,980	1,652,880
Accrued Interest on Debentures	24,132	19,789
Accrued Salaries and Wages	93,218	48,613
	<u>7,274,177</u>	<u>5,363,064</u>
<b>9. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by Floating Charge Debentures	<u>634,820</u>	<u>697,759</u>
	<u>634,820</u>	<u>697,759</u>
<b>Non-Current</b>		
Secured by Floating Charge Debentures	<u>9,288,722</u>	<u>5,994,359</u>
	<u>9,288,722</u>	<u>5,994,359</u>
Additional detail on borrowings is provided in Note 21.		
<b>10. PROVISIONS</b>		
<b>Current</b>		
Provision for Annual Leave	862,559	782,743
Provision for Long Service Leave	198,129	144,260
Provision for Sick Leave	430,470	404,125
	<u>1,491,158</u>	<u>1,331,128</u>
<b>Non-Current</b>		
Provision for Long Service Leave	<u>100,166</u>	<u>105,293</u>
	<u>100,166</u>	<u>105,293</u>

**TOWN OF PORT HEDLAND  
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	2011 \$	2011 Budget \$	2010 \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Leave Reserve</b>			
Opening Balance	941,931	931,183	897,283
Amount Set Aside / Transfer to Reserve	44,156	41,900	44,648
Amount Used / Transfer from Reserve	(76,819)	0	
	<u>909,268</u>	<u>973,083</u>	<u>941,931</u>
<b>(b) Airport Reserve</b>			
Opening Balance	6,808,985	5,586,698	4,175,516
Amount Set Aside / Transfer to Reserve	7,086,763	4,195,659	4,312,782
Amount Used / Transfer from Reserve	(2,639,580)	(3,956,544)	(1,679,313)
	<u>11,256,168</u>	<u>5,825,813</u>	<u>6,808,985</u>
<b>(c) Plant Reserve</b>			
Opening Balance	260,000	260,000	0
Amount Set Aside / Transfer to Reserve	12,663	11,700	260,000
Amount Used / Transfer from Reserve	0	0	0
	<u>272,663</u>	<u>271,700</u>	<u>260,000</u>
<b>(d) Car Parking Reserve</b>			
Opening Balance	150,924	150,196	144,896
Amount Set Aside / Transfer to Reserve	7,351	6,800	6,028
Amount Used / Transfer from Reserve	0	0	0
	<u>158,275</u>	<u>156,996</u>	<u>150,924</u>
<b>(e) Planning Projects Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	130
Amount Used / Transfer from Reserve	0	0	(130)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(f) Waste Management Reserve</b>			
Opening Balance	323,852	1,460,565	837,075
Amount Set Aside / Transfer to Reserve	1,748,366	1,851,972	1,752,483
Amount Used / Transfer from Reserve	(1,457,573)	(1,541,867)	(2,265,706)
	<u>614,645</u>	<u>1,770,670</u>	<u>323,852</u>
<b>(g) Bushfire Management Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	183
Amount Used / Transfer from Reserve	0	0	(183)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(h) Lights Replacement Reserve</b>			
Opening Balance	36,380	35,656	34,656
Amount Set Aside / Transfer to Reserve	1,772	1,600	1,724
Amount Used / Transfer from Reserve	(16,819)	(35,000)	0
	<u>21,333</u>	<u>2,256</u>	<u>36,380</u>
<b>(i) Depot Facilities Reserve</b>			
Opening Balance	14,704	14,607	14,007
Amount Set Aside / Transfer to Reserve	716	700	697
Amount Used / Transfer from Reserve	0	0	0
	<u>15,420</u>	<u>15,307</u>	<u>14,704</u>





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	2011 \$	2011 Budget \$	2010 \$
<b>11. RESERVES - CASH BACKED (continued)</b>			
<b>(j) Oval Development Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	15
Amount Used / Transfer from Reserve	0	0	(15)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(k) BHP - TOPH Alliance Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	938
Amount Used / Transfer from Reserve	0	0	(938)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(l) South Hedland Library Reserve</b>			
Opening Balance	12,970	12,855	12,355
Amount Set Aside / Transfer to Reserve	632	600	615
Amount Used / Transfer from Reserve	0	0	0
	<u>13,602</u>	<u>13,455</u>	<u>12,970</u>
<b>(m) SES Shed Reserve</b>			
Opening Balance	31,375	31,088	29,888
Amount Set Aside / Transfer to Reserve	1,528	1,400	1,487
Amount Used / Transfer from Reserve	0	0	0
	<u>32,903</u>	<u>32,488</u>	<u>31,375</u>
<b>(n) Planning Permeability Reserve</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	256
Amount Used / Transfer from Reserve	0	0	(256)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(o) Waste Management &amp; Recycling Reserve</b>			
Opening Balance	403,255	399,840	384,140
Amount Set Aside / Transfer to Reserve	19,640	18,000	19,115
Amount Used / Transfer from Reserve	0	0	0
	<u>422,895</u>	<u>417,840</u>	<u>403,255</u>
<b>(p) BHP Reserve</b>			
Opening Balance	13,384,242	10,344,959	7,137,115
Amount Set Aside / Transfer to Reserve	8,596,208	8,465,500	8,501,138
Amount Used / Transfer from Reserve	(13,632,553)	(18,743,206)	(2,254,011)
	<u>8,347,897</u>	<u>67,253</u>	<u>13,384,242</u>
<b>(q) Civil Building/Infrastructure Reserve</b>			
Opening Balance	83,525	76,903	76,896
Amount Set Aside / Transfer to Reserve	4,068	3,500	6,629
Amount Used / Transfer from Reserve	0	0	0
	<u>87,593</u>	<u>80,403</u>	<u>83,525</u>

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	2011 \$	2011 Budget \$	2010 \$
<b>11. RESERVES - CASH BACKED (continued)</b>			
<b>(r) Newcrest Reserve</b>			
Opening Balance	2,274	5,953	1,853
Amount Set Aside / Transfer to Reserve	100,111	100,300	421
Amount Used / Transfer from Reserve	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
	<u>2,385</u>	<u>6,253</u>	<u>2,274</u>
<b>(s) Spoilbank Reserve</b>			
Opening Balance	490,446	418,798	467,198
Amount Set Aside / Transfer to Reserve	23,887	18,800	23,248
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>514,333</u>	<u>437,598</u>	<u>490,446</u>
<b>(t) Royalties for Regions Reserve</b>			
Opening Balance	17,189,695	0	20,200,000
Amount Set Aside / Transfer to Reserve	686,336	0	647,554
Amount Used / Transfer from Reserve	<u>(14,629,874)</u>	<u>0</u>	<u>(3,657,859)</u>
	<u>3,246,157</u>	<u>0</u>	<u>17,189,695</u>
<b>(u) Community Facilities Reserve</b>			
Opening Balance	238,413	1,078,672	0
Amount Set Aside / Transfer to Reserve	1,323,443	1,169,680	238,413
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1,561,856</u>	<u>2,248,352</u>	<u>238,413</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u><u>27,477,393</u></u>	<u><u>12,319,467</u></u>	<u><u>40,372,971</u></u>

All of the reserve accounts are supported by money held in financial institutions and match the amounts shown as restricted cash of this financial report.

In accordance with council resolutions in relation to each reserve account, the purpose for which the funds are set aside are as follows:

**Leave Reserve**

- to be used to fund annual and long service leave requirements.

**Airport Reserve**

- to fund the ongoing and future operation of the Port Hedland International Airport.

**Plant Reserve**

- to be used for the purchase of major plant on an ongoing basis.

**Car Parking Reserve**

- to be used to fund new car parking facilities when required. Funds come from developers and are restricted to specific purposes.

**Planning Projects Reserve**

- to be used to fund any unexpected costs should the needs arise and is ongoing.

**Waste Management Reserve**

- to fund Council's waste management facilities, including landfill and waste collection operations.

**Bushfire Management Reserve**

- to be used for the replacement of Bush Fire plant and equipment.

**Lights Replacement Reserve**

- to be used for the upgrading and replacement of oval lights on an ongoing basis.

**Depot Facilities Reserve**

- to be used for the depot upgrade.



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## **11. RESERVES - CASH BACKED (continued)**

### Oval Development Reserve

- to be used for future upgrade and maintenance of the sporting ovals within the municipality.

### BHP Billiton - ToPH Alliance Reserve

- to be used to support Community Services and such projects as agreed upon by BHP Billiton and Town of Port Hedland.

### South Hedland Library Reserve

- to be used to fund South Hedland library upgrade/extension.

### SES Shed Reserve

- to hold funds associated with the construction of the SES Shed at the Airport.

### Planning Permeability Reserve

- to fund future traffic permeability management facilities.

### Waste Management & Recycling Reserve

- to fund future waste recycling products.

### BHP Reserve

- to hold funds contributed by BHP to assist the Council in achieving the Strategic Plan.

### Civic Building /Infrastructure Reserve

- to fund the upgrade of existing buildings, the construction of existing buildings, and the establishment of associated infrastructure.

### Newcrest Reserve

- to hold funds contributed by Bewcreat Mining to assist Council in achieving the Strategic Plan.

### Spoilbank Reserve

- for development projects on the Port Hedland Spoilbank Reserve.

### Royalties for Regions Reserve

- to hold funds associated with contributions from the State Government to fund Royalties for Regions projects to assist Council in achieving the Strategic Plan.

### Community Facilities Reserve

- for the development and upgrade of community infrastructure within the Town of Port Hedland.

Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.



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<b>12. RESERVES - ASSET REVALUATION</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:		
<b>(a) Land and Buildings</b>		
Opening balance	662,217	662,217
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2011	<u>662,217</u>	<u>662,217</u>
<b>(b) Roads</b>		
Opening Balance	190,311	190,311
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2011	<u>190,311</u>	<u>190,311</u>
<b>TOTAL ASSET REVALUATION RESERVES</b>	<u><u>852,528</u></u>	<u><u>852,528</u></u>



**TOWN OF PORT HEDLAND  
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**13. 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:

	2011 \$	2011 Budget \$	2010 \$
Cash and Cash Equivalents	<u>35,458,967</u>	<u>27,443,705</u>	<u>44,937,866</u>

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

Net Result	28,974,659	46,263,954	14,733,171
Depreciation	6,140,570	4,442,873	4,847,366
(Profit)/Loss on Sale of Asset	21,939	92,700	5,102
(Increase)/Decrease in Receivables	60,509	(471,022)	(12,869)
(Increase)/Decrease in Inventories	(7,117)	(2,000)	23,810
Increase/(Decrease) in Payables	1,911,113	(241,204)	(722,983)
Increase/(Decrease) in Employee Provisions	154,903	56,380	139,779
Grants/Contributions for the Development of Assets	<u>(21,822,577)</u>	<u>(42,892,658)</u>	<u>(9,610,522)</u>
Net Cash from Operating Activities	<u>15,433,999</u>	<u>7,249,023</u>	<u>9,402,854</u>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank Overdraft limit	50,000	50,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	13,000	11,000
Credit Card Balance at Balance Date	<u>(5,919)</u>	<u>(680)</u>
<b>Total Amount of Credit Unused</b>	<u>57,081</u>	<u>60,320</u>

**Loan Facilities**

Loan Facilities - Current	634,820	697,759
Loan Facilities - Non-Current	<u>9,288,722</u>	<u>5,994,359</u>
<b>Total Facilities in Use at Balance Date</b>	<u>9,923,542</u>	<u>6,692,118</u>

<b>Unused Loan Facilities at Balance Date</b>	<u>57,081</u>	<u>60,320</u>
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**14. CONTINGENT LIABILITIES**

There were no known contingent liabilities as at 30 June 2011.

<b>15. CAPITAL AND LEASING COMMITMENTS</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Finance Lease Commitments</b>		
Nil		
<b>(b) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	104,273	70,399
- later than one year but not later than five years	140,926	38,851
- later than five years	<u>0</u>	<u>0</u>
	<u><u>245,199</u></u>	<u><u>109,250</u></u>
<b>(c) Capital Expenditure Commitments</b>		
Contracted for:		
- Building expenditure projects	13,238,870	584,793
- Road expenditure projects	1,487,881	1,758,059
- Airport expenditure projects	888,103	5,995
- Drainage expenditure projects	133	20,844
- Footpaths expenditure projects	28,248	151,383
- Parks expenditure projects	6,969,996	2,313,674
- Land development expenditure projects	7,118	28,300
- Furniture & equipment purchases	24,030	76,089
- Plant & equipment purchases	<u>383,496</u>	<u>1,230,146</u>
	<u><u>23,027,875</u></u>	<u><u>6,169,283</u></u>
Payable:		
- not later than one year	23,027,875	6,169,283



## Annual Financial Report &amp; Auditor's Report

**TOWN OF PORT HEDLAND**  
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**16. JOINT VENTURE**

The Town of Port Hedland together with the Pilbara Arts Craft Design Aboriginal Corporation (PACADC) have a joint venture arrangement to purchase the "Court House" in Edgar Street Port Hedland on a 50/50 basis. The purpose of the joint venture is to establish a community arts facility. The operations of the facility are recorded in the financial statements under Education and Welfare and described within Function 8 of the schedules. The only asset of the joint venture is the court house building. Council's half of the building is included in the asset register under Buildings as follows:

	2011 \$	2010 \$
<b>Non-Current Assets</b>		
Buildings	455,350	445,668
Less: Accumulated Depreciation	<u>(78,898)</u>	<u>(67,514)</u>
	<u>376,452</u>	<u>378,154</u>

**17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

Governance	1,408,167	420,295
General Purpose Funding	151,868	9,290,806
Law, Order, Public Safety	1,959,751	3,698,979
Health	451,174	96,334,822
Education and Welfare	2,190,439	4,164,903
Housing	10,459,571	22,816,873
Community Amenities	6,659,957	439,588
Recreation and Culture	66,445,490	2,260,400
Transport	118,649,302	771,782
Economic Services	642,534	373,974
Other Property and Services	4,135,317	148,573
Unallocated	<u>14,523,274</u>	<u>52,683,750</u>
	<u>227,676,844</u>	<u>193,404,745</u>

**TOWN OF PORT HEDLAND  
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18. FINANCIAL RATIOS	2011	2010	2009
Current Ratio	1.489	1.245	1.530
Untied Cash to Unpaid Trade Creditors Ratio	0.002	0.385	0.841
Debt Ratio	0.083	0.071	0.070
Debt Service Ratio	0.026	0.033	0.030
Gross Debt to Revenue Ratio	0.226	0.192	0.150
Gross Debt to Economically Realisable Assets Ratio	0.089	0.075	0.060
Rate Coverage Ratio	0.209	0.258	0.160
Outstanding Rates Ratio	0.010	0.013	0.010

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

**TOWN OF PORT HEDLAND**  
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**19. TRUST FUNDS**

Funds held at balance date over which the Shire has no control and which are not included in the financial statements are as follows:

	Balance 1-Jul-10 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-11 \$
Special Projects	1,300	0	0	1,300
Building Retention	4,616	0	0	4,616
Staff Bonds	13,596	7,010	(2,330)	18,276
Nomination Election Bonds	0	0	0	0
Ranger Services	1,100	1,397	(1,337)	1,160
Community Bank	960	0	0	960
Deposits - Halls	24,250	58,534	(67,234)	15,550
Deposits - Trailer/Comm Bus	400	500	0	900
Deposits - Sportsgrounds	14,040	21,500	(21,150)	14,390
POS Reserve	470,898	0	(470,000)	898
Blackrock Stakes Donations	178	0	0	178
Airport Cafe	16,129	0	(16,129)	0
BRB Levy	1,216	18,668	(16,753)	3,131
BCITF Levy	59,203	639,737	(643,546)	55,394
Unclaimed Money	2,547	0	0	2,547
Sundry	601	0	0	601
Garden Competition	4,850	0	0	4,850
MDCC Hire Events	0	500	(500)	0
Building Bonds	22,280	550	(550)	22,280
Cyclone George	130,256	3,766	(5,282)	128,740
	<u>768,420</u>			<u>275,771</u>

**20. DISPOSALS OF ASSETS - 2010/11 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>MDCC</b>						
F642Popcorn Machine MDCC	236	0	0	0	(236)	0
<b>Plant &amp; Equipment - Transport</b>						
PH9684 - Rodeo 4x4 Dual Cab	17,152	20,600	9,092	21,000	(8,060)	400
PH10045 - Hilux 4x2 Dual Cab	18,425	21,700	14,636	15,000	(3,789)	(6,700)
PH9861 - Hilux 4x4 Dual Cab	20,149	23,800	20,546	21,000	397	(2,800)
PH10069 - Hilux 4x4 Dual Cab	23,000	27,000	20,591	21,000	(2,409)	(6,000)
PH9872 - Hilux 4x4 Dual Cab	21,659	25,600	22,727	21,000	1,068	(4,600)
PH9904 - Hilux 4x4 Dual Cab	22,701	26,500	22,727	21,000	26	(5,500)
PH10018 - Landcruiser 4x4 Single Cab	25,626	0	22,455	0	(3,171)	0
PH9383 - Hilux 4x4 Dual Cab	11,676	0	5,912	0	(5,765)	0
PH 125 - Domestic Garbage Truck	0	109,900	0	50,000	0	(59,900)
PH9876 - Camry Altise	0	17,900	0	10,000	0	(7,900)
PH9083 - Camry Sportivo	0	12,400	0	11,000	0	(1,400)
PH10290 - Hilux 4x4 Dual Cab	0	29,000	0	21,000	0	(8,000)
PH9382 - Hilux 4x2 Single Cab	0	10,900	0	14,000	0	3,100
PH8474 - Loader	0	0	0	10,000	0	10,000
P12082609 - 4WD Motorbike	0	3,200	0	5,000	0	1,800
9JX622 - Roadsweeper	0	0	0	1,000	0	1,000
PH5171 - Kubota Tractor	0	0	0	15,000	0	15,000
PH5575 - John Deere Tractor	0	17,300	0	15,000	0	(2,300)
PH9870 - John Deere Tractor	0	50,600	0	80,000	0	29,400
P12083607 - Combination Roller	0	53,300	0	5,000	0	(48,300)
	<u>160,624</u>	<u>449,700</u>	<u>138,686</u>	<u>357,000</u>	<u>(21,939)</u>	<u>(92,700)</u>



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TOWN OF PORT HEDLAND  
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## 21. INFORMATION ON BORROWINGS

## (a) Repayments - Debentures

Particulars	Principal 1-Jul-10 \$	New Loans \$	Principal Repayments		Principal 30-Jun-11		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Governance</b>								
Admin/Civic Centre Upgrade	90,787		34,852	34,852	55,935	88,956	4,496	4,496
<b>Law, Order &amp; Public Safety</b>								
State Emergency Services Shed(*)	297,072		25,363	25,363	271,709	295,532	18,497	18,497
<b>Education &amp; Welfare</b>								
HACC House Upgrade	353,656		30,194	30,194	323,462	351,823	22,020	22,020
<b>Housing</b>								
Staff Housing	465,622		104,809	104,809	360,813	458,729	30,439	30,439
Staff Housing	221,504		50,892	50,892	170,612	218,779	11,660	11,660
Staff Housing - Morgans Street	1,462,863		39,686	39,686	1,423,177	1,460,314	99,015	98,085
Staff Housing - Morgans Street	2,134,485		55,121	55,121	2,079,364	2,147,879	145,109	143,799
Staff Housing Airport	0	1,300,000	0	18,876	1,300,000	1,481,124	0	51,090
Catamore Court Housing	0		0	13,330	0	1,081,870	0	37,421
GP Housing	0		0	0	0	1,500,000	0	0
<b>Community Amenities</b>								
Underground Power	200,033		200,033	200,033	0	186,950	10,804	10,804
<b>Recreation &amp; Culture</b>								
Aquatic Centres	512,201		59,508	59,508	452,693	508,401	37,731	33,387
Swimming Pool Extensions	302,708		33,277	33,277	269,431	300,862	17,052	17,052
JD Hardie Upgrade	0	1,550,000	0	18,869	1,550,000	1,531,131	0	52,777
Tennis Courts	24,422		9,356	9,356	15,066	23,907	1,269	1,269
PH Gold Club (*)	5,998		5,114	5,114	884	5,700	222	222
Yacht Club (Carried Forward*)	495,023		20,732	20,732	474,291	479,268	31,469	31,469
Yacht Club Additional (*)	0	250,000	817	0	249,183	0	1,308	0
Marquee Park	0	830,000	0	10,104	830,000	819,896	0	28,477
Multi-purpose Recreation Centre	0		0	124,169	0	10,075,831	0	344,715
South Hedland Bowling Club	0		0	6,087	0	493,913	0	17,340
<b>Transport</b>								
Depot	50,810		24,594	24,594	26,216	49,288	2,905	2,905
<b>Economic Services</b>								
Port Hedland Visitors' Centre	74,934		4,228	4,228	70,706	74,699	4,278	4,278
	6,692,118	3,930,000	698,576	889,194	9,923,542	23,634,652	438,565	962,202

(\*) Self supporting loan financed by payments from third parties.  
All other loan repayments were financed by general purpose revenue.

TOWN OF PORT HEDLAND  
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21. INFORMATION ON BORROWINGS (Cont'd)

(b) New Debentures - 2010/11

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Staff Housing Airport	1,300,000	1,500,000	WATC	Debenture	20	0	6.04%	815,176	1,500,000	484,824
Catamore Court Housing	0	1,095,000						0	1,095,000	0
GP Housing	0	1,500,000						0	1,500,000	0
JD Hardie Upgrade	1,550,000	1,550,000	WATC	Debenture	20	0	6.05%	1,550,000	1,550,000	0
Yacht Club Additional (*)	250,000	500,000	WATC	Debenture	15	1,308	6.02%	250,000	500,000	0
Multi-purpose Recreation Centre	0	10,200,000						0	10,200,000	0
Marquee Park	830,000	830,000	WATC	Debenture	20	0	6.05%	830,000	830,000	0

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-10 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-11 \$
Staff Housing Airport	30-Jun-11	0	1,300,000	815,176	484,824

(d) Overdraft

Council established an overdraft facility of \$50,000 with National Australia Bank to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2010 and 30 June 2011 was \$Nil.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**22. RATING INFORMATION - 2010/11 FINANCIAL YEAR**

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$	
<b>Differential General Rate</b>												
GRV Residential	4.2640	4,323	183,710,496	7,833,416	317,693	63,031	8,214,140	7,831,465	300,000	0	8,131,465	
GRV Commercial	5.0762	187	15,629,115	793,365	9,032	(95)	802,302	795,543	0	0	795,543	
GRV Industrial	4.2640	283	20,769,931	885,630	14,066	1,635	901,331	885,630	0	0	885,630	
GRV Shopping Centre	8.5280	2	6,801,360	580,020	0	0	580,020	580,020	0	0	580,020	
GRV Mass Accommodation	8.5280	16	17,740,980	1,512,951	9,932	26,586	1,549,469	1,512,951	0	0	1,512,951	
UV Mining Improved	27.2218	50	1,500,110	408,357	10,879	199	419,435	408,357	0	0	408,357	
UV Mining Vacant	27.2217	42	526,125	143,220	73,445	10,886	227,551	143,220	0	0	143,220	
UV Pastoral	4.4390	8	1,611,665	71,542	312	488	72,342	71,542	0	0	71,542	
UV Other	9.0201	14	1,302,560	117,492	(12,908)	488	105,072	117,492	0	0	117,492	
UV Other Vacant	10.2393	1	100,000	10,239	0	0	10,239	10,239	0	0	10,239	
<b>Sub-Totals</b>		4,926	249,692,342	12,356,232	422,451	103,218	12,881,901	12,356,459	300,000	0	12,656,459	
<b>Minimum Rates</b>												
GRV Residential	800	489	3,798,854	391,200	0	0	391,200	391,200	0	0	391,200	
GRV Commercial	800	182	1,562,600	144,800	0	0	144,800	145,600	0	0	145,600	
GRV Industrial	800	33	300,560	26,400	0	0	26,400	26,400	0	0	26,400	
UV Mining Improved	800	49	60,153	39,200	0	0	39,200	39,200	0	0	39,200	
UV Mining Vacant	800	233	175,582	186,400	0	0	186,400	186,400	0	0	186,400	
UV Pastoral	800	4	32,623	3,200	0	0	3,200	3,200	0	0	3,200	
UV Other Vacant	800	9	48	7,200	0	0	7,200	7,200	0	0	7,200	
<b>Sub-Totals</b>		999	5,930,420	798,400	0	0	798,400	799,200	0	0	799,200	
Ex-Gratia Rates							13,680,301				13,455,659	
Specified Area Rate (refer note 23)							0				0	
Discounts (refer note 25)							13,680,301				13,455,659	
<b>Totals</b>							(108,609)				(136,914)	
							13,571,692				13,318,745	



**23. SPECIFIED AREA RATE - 2010/11 FINANCIAL YEAR**

No specified area rates were raised in 2010/11.

**24. SERVICE CHARGES - 2010/11 FINANCIAL YEAR**

No service charges were imposed in 2010/11.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2010/11 FINANCIAL YEAR**

**Discounts**

Council does not offer any discount for early payment of rates.

**Incentives**

Council has expanded their Rates Incentive Program that provides an incentive to ratepayers who elect to pay their rates as per option 1 by 27 August 2010.

**Platinum Sponsors**

\* Town of Port Hedland:-

\$15,500 - 2010 Nissan Micra including on-road costs

\$2,142 - Holiday Package for 2 to Bali including return flights, 7 nights accommodation, breakfast and transfers.

\*Airmorth:-

\$2,800 - 2 return flight tickets from Port Hedland to Darwin

\* First Choice Conveyancing:-

\$2,000 - Cash

\* North West Telegraph:-

\$2,000 - Advertising for business or personal advertisements

**Gold Sponsors**

\* Harvey Norman (in conjunction with the Town of Port Hedland):-

\$1,699 - Laptop Computer

\$949 - Stainless Steel 4 Burner BBQ

\$499 - Digital Camera

\$399 - Wii Computer Package

\$199 - Ipod Nano

\* Dampier Salt:-

\$1,000 - Cash

\* Real World Strength & Conditioning

\$1,000 - 2 x Memberships and 2 Workshops

**Silver Sponsors**

\* Pike Plumbing & Gas & South Bound Electrical Joint Venture:-

\$500 - Cash

**Bronze Sponsors**

\* The Esplanade Hotel:-

\$470 - Overnight accommodation including breakfast for 2 people plus dinner for 2 in the restaurant

\* Goodearth Hotel - Perth:-

\$296 - Overnight accommodation in a one bedroom apartment including Full Buffet Breakfast for 4 guests. Expire May 2011.

\* Perth Ambassador Hotel:-

\$255 - Two nights accommodation in a Corporate Room including Full Buffet Breakfast for 2 people. Expire May 2011.

\* Elisi Therapies:-

\$110 - Beauty Therapy

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**Concessions**

Council in accordance with Section 6.47 of the Local Government Act 1995 (as amended) allowed for a concession of rates on the following properties:

**100% Concession**

A113872 - Lot 43, 10 Steamer Avenue, South Hedland	Baptist Church Manse
A109930 - 36 Roberts Street, South Hedland	Bloodwood Tree Association
A130239 - Lot 5826 Forrest Circle, South Hedland	Bloodwood Tree Association
A106284 - 9 Hamilton Road, South Hedland	Bloodwood Tree Association
A130290 - Lot 5915 McGregor Street, Port Hedland	Freemasons Homes for Aged
A113927 - 22 Beroona Loop, South Hedland	Frontier Services - Uniting Church
A400610 - 10 Smith Street, South Hedland	Frontier Services - Uniting Church
A802446 - 23 Boronia Close, South Hedland	Hedland Women's Refuge
A130114 - Sub Lot 5812 Reserve 39012, South Hedland	Lotteries House
A401480 - 32 Demarchi Road, South Hedland	Pilbara Family Violence Prevention Legal Service
A156490 - Lot 5164 Shoata Road, South Hedland	Port Hedland Golf Club
A803051 - P48 Wharf Road, Port Hedland	Port Hedland Peace Memorial Seafarers Centre
A130005 - 29 Johnson Lane, Port Hedland	Port Hedland Pony Club
A156730 - Lot 2032 Stevens Street, Port Hedland	Port Hedland Retirement Village
A156260 - Location 118 Madigan Road, Port Hedland	Port Hedland Speedway Club
A802155 - Lot 5164 Shoata Road, South Hedland	South Hedland Owners & Trainers
A156550 - Lots 55, 56, 57 McKay Sreet, Port Hedland	Volunteer Marine Rescue Service
A803501 - Lot 309, Hamilton Road, South Hedland	Wangka Maya Pilbara Aboriginal Language Centr
A106282 - 1-5 Hamilton Road, South Hedland	Wirraka Maya Health Service
A406870 - Lot 2916 Stanley Street, South Hedland	Youth Involvement Centre
A802207 - Lot 2466 Lawson Street, South Hedland	Youth Involvement Centre

**50% Concession**

A402430 - Lot 2513 Dempster St, Port Hedland	Len Taplin Centre
A130286 - Lot 5653 Styles Road, Port Hedland	Port Hedland Turf Club
A154780 - 4 Treloar Street, South Hedland	Treloar Child Care Centre

**Write-offs**

Council in accordance with Section 6.12 of the Local Government Act 1995 (as amended) wrote-off debts amounting to \$11,040 during the financial year.

**26. INTEREST CHARGES AND INSTALMENTS - 2010/11 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.50%	59	112,056	60,000
Interest on Instalments Plan	5.50%		44,061	40,000
Charges on Instalment Plan		59	41,512	42,000
			197,629	142,000

Ratepayers had the option of paying rates in four equal instalments, due on 22nd September 2010, 24th November 2010, 2nd February 2011 and 6th April 2011. Administration charges and interest applied for the final three instalments.

<b>27. FEES &amp; CHARGES</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Governance	7,754	3,015
General Purpose Funding	100,072	82,320
Law, Order, Public Safety	86,006	99,805
Health	51,581	56,668
Community Amenities	6,741,180	5,475,127
Recreation and Culture	491,947	612,756
Transport	11,429,088	9,327,587
Economic Services	2,161,511	2,057,131
Other Property and Services	138,330	174,440
	<u>21,207,469</u>	<u>17,888,849</u>

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

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**28. GRANT REVENUE**

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

	2011	2010
	\$	\$
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	6,470,557	3,316,330
Non-Operating Grants, Subsidies and Contributions	<u>21,822,577</u>	<u>9,610,522</u>
	<u>28,293,134</u>	<u>12,926,852</u>
<b>By Program:</b>		
Governance	66,697	115,416
General Purpose Funding	3,519,381	1,917,124
Law, Order, Public Safety	496,381	107,542
Health	20,264	24,933
Education and Welfare	292,134	205,511
Housing	3,023,056	5,093
Community Amenities	756,584	1,650
Recreation and Culture	10,115,098	1,490,636
Transport	1,696,563	3,095,701
Economic Services	8,202,755	5,642,196
Other Property and Services	<u>104,221</u>	<u>321,050</u>
	<u>28,293,134</u>	<u>12,926,852</u>

**29. ELECTED MEMBERS REMUNERATION**

	2011	2011	2010
	\$	Budget	\$
		\$	

The following fees, expenses and allowances were paid to council members and/or the president.

Meeting Fees	60,083	63,000	68,193
Mayor's Allowance	60,000	60,000	60,000
Deputy Mayor's Allowance	11,250	15,000	18,750
Travelling Expenses	27,004	5,000	19,823
Telecommunications Allowance	18,200	19,200	20,981
Technology Allowance	6,833	7,000	7,492
	<u>183,370</u>	<u>169,200</u>	<u>195,239</u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

	2011	2010
	<u>150</u>	<u>134</u>





### 31. MAJOR LAND TRANSACTIONS

#### Port Hedland International Airport: Transient Workforce Accommodation

(a) Details

In March 2009 the Town of Port Hedland entered into a lease agreement with Compass Group Pty Ltd for the development of a Transient Workforce Accommodation area at the Port Hedland International Airport. The land associated with the venture is owned freehold by the Town of Port Hedland, and the major land transaction requires no expenditure by the Town other than staff time and legal costs associated with the preparation of the lease and deed of covenant documents. The financial return of approximately \$8.6 million over the term of the lease will increase the net operating income of the Town, which will consequently give additional funds to provide improved services and facilities for Town of Port Hedland residents.

(b) Current year transactions	2011 \$	2011 Budget \$	2010 \$
<b>Operating Revenue</b>			
- Rental Income	785,739	785,528	815,251
<b>Capital Revenue</b>			
- Sale Proceeds	0	0	0
<b>Capital Expenditure</b>			
- Purchase of Land	0	0	0
- Development Costs	0	0	0
	0	0	0
	0	0	0

The above capital expenditure is included in land held for resale (refer Note 5).

There are no liabilities in relation to this land transaction as at 30 June 2011.

(c) Expected Future Cash Flows

	2012 \$	2013 \$	2014 \$	2015 \$	2016 \$	Total \$
<b>Cash Outflows</b>						
- Development Costs	0	0	0	0	0	0
- Loan Repayments	0	0	0	0	0	0
	0	0	0	0	0	0
<b>Cash Inflows</b>						
- Lease Revenue	785,528	808,094	833,367	858,368	884,119	4,169,476
	785,528	808,094	833,367	858,368	884,119	4,169,476
<b>Net Cash Flows</b>	785,528	808,094	833,367	858,368	884,119	4,169,476

#### Port Hedland International Airport: Transient Workforce Accommodation

(a) Details

In December 2009 the Town of Port Hedland entered into a lease agreement with Mia Mia Port Hedland International Airport Pty Ltd for the development of a Transient Workforce Accommodation area at the Port Hedland International Airport. The lease revenue incorporated into the 2011/12 Budget is \$183,065 plus an additional contribution from the lessor of \$147,000 as an unconditional contribution to the Town of Port Hedland's community projects.

#### Doctors Accommodation

(a) Details

During 2010/11 the Town of Port Hedland commenced a doctor housing project in conjunction with BHP Billiton and the State Government to facilitate the development and construction of housing for general practitioners throughout the Town of Port Hedland. The development is a staged project that is anticipated to be delivered in three phases. The proposal at this present time has a maximum yield of 23 lots with a central park and loop road. The first stage, and the only stage funded at this time will see the construction of 7 executive style residences. The total project incorporates funding of \$4.5 million from all parties (including a \$1.5 million self supporting loan from the Town which has been factored into the 2011/12 Budget. A Business Plan was developed and adopted by the Council in 2010/11. The project is still underway with construction anticipated during 2011/12.

**TOWN OF PORT HEDLAND  
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**31. MAJOR LAND TRANSACTIONS (continued)**

**South Hedland Recreation Centre**

Expressions of Interest from small business and industry were called for part of Lot 5530 Hamilton Road, South Hedland for temporary transient workers accommodation of not more than 250 persons. Submissions have been received and awaiting assessment.

**Mineral Resources Limited Lease Negotiations**

Negotiations are underway with Mineral Resources Limited for the lease of land on Lot 2444, Great Northern Highway for Transient Workers Accommodation.

**Transient Workforce Accommodation Portion Lot 2444**

A request for proposal will be issued in October for the use of the 117,500sqm land on Lot 2444.

**Airport Hotel**

Expressions of Interest (EOI) was called for a Hotel at the Port Hedland International Airport. EOIs were received and assessments are completed. A request for proposal will be prepared and advertised.

**32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2010/11 financial year.

## Annual Financial Report &amp; Auditor's Report

**TOWN OF PORT HEDLAND**  
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**FOR THE YEAR ENDED 30TH JUNE 2011**

**33. FINANCIAL RISK MANAGEMENT**

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

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

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	35,458,967	44,937,866	35,458,967	44,937,866
Receivables	<u>7,871,273</u>	<u>7,738,550</u>	<u>7,871,273</u>	<u>7,738,550</u>
	<u><u>43,330,240</u></u>	<u><u>52,676,416</u></u>	<u><u>43,330,240</u></u>	<u><u>52,676,416</u></u>
<b>Financial Liabilities</b>				
Payables	(7,274,177)	(5,363,064)	(7,274,177)	(5,363,064)
Borrowings	<u>(9,923,542)</u>	<u>(6,692,118)</u>	<u>(8,900,352)</u>	<u>(6,088,188)</u>
	<u><u>(17,197,719)</u></u>	<u><u>(12,055,182)</u></u>	<u><u>(16,174,529)</u></u>	<u><u>(11,451,252)</u></u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.



**TOWN OF PORT HEDLAND  
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**33. FINANCIAL RISK MANAGEMENT (Continued)**  
**(a) Cash and Cash Equivalents**

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2011	2010
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	354,590	448,223
- Statement of Comprehensive Income	354,590	448,223

**Notes:**

(\*) Sensitivity percentages based on management's expectation of future possible market movements.

Recent market volatility has seen large market movements for certain types of investments.

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

**(b) Receivables**

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

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

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

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	2011	2010
Percentage of Rates and Annual Charges		
- Current	68.96%	97.85%
- Overdue	31.04%	2.15%
Percentage of Other Receivables		
- Current	77.65%	70.58%
- Overdue	22.35%	27.83%

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**33. FINANCIAL RISK MANAGEMENT (Continued)**  
**(c) Payables**  
**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. Council 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.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	<u>2011</u>	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	7,274,177			0	7,274,177	7,274,177
Borrowings	1,262,734	4,366,875	10,558,004	0	16,187,613	9,923,542
	<u>8,536,911</u>	<u>4,366,875</u>	<u>10,558,004</u>	<u>0</u>	<u>23,461,790</u>	<u>17,197,719</u>
Payables	5,363,064			0	5,363,064	5,363,064
Borrowings	1,028,678	3,742,450	5,833,996	0	10,605,124	6,692,118
	<u>6,391,742</u>	<u>3,742,450</u>	<u>5,833,996</u>	<u>0</u>	<u>15,968,188</u>	<u>12,055,182</u>

2010



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

**(c) Payables  
Borrowings (Continued)**

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council 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 following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<b>Year Ended 30 June 2011</b>								
<b>Borrowings</b>								
Fixed Rate Debentures	27,100	71,000	0	531,425	0	9,294,017	9,923,542	6.36%
Weighted Average Effective Interest Rate	6.38%	5.43%	0.00%	6.42%	0.00%	6.37%		
<b>Year Ended 30 June 2010</b>								
<b>Borrowings</b>								
Fixed Rate Debentures	200,033	56,808	802,335	0	0	5,632,942	6,692,118	6.60%
Weighted Average Effective Interest Rate	6.88%	6.44%	6.35%	0.00%	0.00%	6.62%		





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