



Town of  
Port Hedland



# 2012/13 Annual Report

# Contents

Town of Port Hedland Council as of 30 June 2013 .....	3
Town Profile .....	4
Management as of 30 June 2013 .....	5
Chief Executive Officer's Report .....	6
Mayor's Report .....	7
Disability Services Plan .....	8 - 9
National Competition Policy Statement .....	10 - 11
Register of Complaints .....	11
Strategic Community Plan 2012 - 2022 .....	12 - 26
Financial Report for Year Ended 30 June 2013 .....	27

# Town of Port Hedland Council as of 30 June 2013

## 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.



Mayor Kelly A Howlett  
(Term Expiring in Oct 2013)



Deputy Mayor George Daccache  
(Term Expiring in Oct 2015)



Cr Arnold Carter  
(Term Expiring in Oct 2013)



Cr Jan Gillingham  
(Term Expiring in Oct 2013)



Cr Bill Dziombak  
(Term Expiring in Oct 2013)



Cr David Hooper  
(Term Expiring in Oct 2013)



Cr Julie Hunt  
(Term Expiring in Oct 2015)



Cr Gloria Jacob  
(Term Expiring in Oct 2015)



Cr Penny Taylor  
(Term Expiring in Oct 2015)

*NB: Councillor Stan Martin resigned from Council on 30 August 2012 and Councillor Penny Taylor was sworn in on 16 December 2012.*



# 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 has as its neighbours, the Shires of Roebourne, East Pilbara and Broome.

Over the past 12 months, the Town of Port Hedland has proven once again why it is the powerhouse of the state and national economy.

As of June 2013, the Town had received an increasing number of development and building applications indicating the continuing high level of interest from external stakeholders in transforming Port Hedland into an attractive regional city where people want to live and are proud to call home.

The Port Hedland Port Authority also demonstrated their strong contribution to the local economy, beating last year's export figures (288.4 million tonnes per annum, a 17 per cent increase from 2011/12).

The Town was pleased to announce the opening of our first water-play park Marquee Park Splash & Play, and the reopening of the South Hedland Aquatic Centre following its \$10.5 million redevelopment during 2012. Together with the completion of the GP Housing Project and Cemetery Beach Park Duplication, we had a successful year in delivering community amenities.

## Electricity Supply Water Supply

**Length of Sealed Roads**

**Length of Unsealed Roads**

**Number of Electors**

**Total Rates Levied**

**Total Operating Revenue**

**Total Operating Expenditure**

**Number of Elected Members**

**Number of Employees**

## Horizon Power De Grey River and Yule River Borefields

**167 kilometres**

**404 kilometres**

**5,822**

**\$22,035,451**

**\$64,325,526**

**\$69,748,699**

**9**

**193**

## 2012/2013 Development Application Stats for Year Ending 30 June 2013

	Applications Received	Applications Determined
Development Applications	243	239
Subdivisions	39	39 (comment/conditions provided only. Subdivisions are approved by WAPC)
Home Occupations	5	5
Home Occupation Renewals	0	0

## Building Applications Received and Approved for Year Ending 30 June 2013

Demolition	39
Dwellings	153
Sheds	43
Pools & Fences	96
Commercial/Industrial	70
Strata Approvals	8
Refused (all classes)	7



## Management as of 30 June 2013

### CEO's Office

<b>Chief Executive Officer</b>	Mal Osborne
<b>Program Director Airport Redevelopment</b>	Brett Reiss
<b>Manager Organisational Development</b>	Debra Summers
<b>Manager Marketing and Public Affairs</b>	Rebecca Nicol

### Corporate Services

<b>Director Corporate Services</b>	Natalie Octoman
<b>Manager Financial Services</b>	Kalwant Dhillon
<b>Manager ICT Operations</b>	David Benci

### Community Development

<b>Director Community Development</b>	Gordon MacMile
<b>Manager Recreation Facilities and Services</b>	Graeme Hall
<b>Manager Community Development</b>	Lorna Secrett

### Planning and Development

<b>Director Planning and Development</b>	Eber Butron
<b>Manager Environmental Health</b>	Darryal Eastwell
<b>Manager Planning Services</b>	Leonard Long
<b>Manager Building Services</b>	Mark Riordan
<b>Manager Economic Development and Strategy</b>	David Westbury

### Engineering Services

<b>Director Engineering</b>	Russell Dyer
<b>Manager Engineering Operations</b>	Gavin Pollock
<b>Manager Infrastructure Development</b>	Jenella Voitkevich
<b>Manager Airport</b>	Bob Couzens
<b>Manager Business and Investment Development</b>	Sara Bryan
<b>Manager Technical Services</b>	Anup Paudel

#### Number of employees receiving remuneration \$100,000 pa and over as of 30 June 2013

100,000 - 109,999	13
110,000 - 119,999	12
140,000 - 149,999	14
150,000 - 159,999	2
180,000 - 189,999	3
190,000 - 199,999	1
\$300,000 +	2

# Chief Executive Officer's Report

To summarise the past 12 months in just a couple of hundred words is impossible. As everyone is aware, the Town of Port Hedland as a local government is in a unique position. In a short period of time, we have commenced and completed over 50 projects, all worth from between \$10,000 to \$36 million and that is more than is what is expected of any local government in Australia.

To say that the organisation and Council were under extreme pressure would be an understatement. However, I've come to realise that working under constant pressure is normal at the Town as our Staff and Elected Members work tirelessly towards delivering services, facilities and infrastructure that meet the needs of our growing community.

Look back at the past 12 months alone, we have celebrated the completion of many projects, with major ones being the opening of Marquee Park Splash & Play, the reopening of the redeveloped South Hedland Aquatic Centre, Cemetery Beach Park Duplication and Stage One of the GP Housing Project. All of these projects have a combined total of approximately \$33 million, which is an impressive figure and a massive accomplishment by all involved.

In addition to completing these projects, the Town of Port Hedland had the privilege of hosting the Regional Cabinet Meeting of the then State Government Cabinet in July 2012. This was a fantastic and rare opportunity to show our Ministers the reality of living in the North West and the possibilities of investing in Port Hedland and the wider region to help the Town achieve our Pilbara's Port City vision.

When I stepped into this role in late October 2012, I was faced with an organisation that had just gone through three CEOs in rapid succession and a Council which had been under recent negative scrutiny by local and State media for a series of occurrences which were out of their control.

It is important to remember that behind the politics and negativity we face every day, every single one of us at the Town of Port Hedland is committed to our community and everything we do is with the community in mind.

All of our Elected Members and Staff live, work and play in the Town of Port Hedland, so no one understands the highs and lows of living in Port Hedland more so than we do. The only difference is that it is our jobs to make Port Hedland the best place for you to call home. We experience the same issues, frustrations and moments of satisfaction as everyone else and we all have as much interest in doing the best for the Town as everyone else.

We are extremely lucky to be supported during this rapid growth phase by the resources industry, State Government and our community stakeholders and without their continuous contribution and assistance, Port Hedland would not be as developed as it is now.

In the 2011/12 CEO Report, I talked about the 'Precinct 3' development within the Port Hedland International Airport precinct. It is with delight that I follow up on this topic with positive news: the precinct has since been renamed Kingsford Business Park (after the aviation pioneer Sir Charles Kingsford-Smith) and an investor has already been secured. It is hoped that this development will encourage further investment by other developers and businesses at Kingsford Business Park.

The next 12 months promises to be no different than the previous 12 months – exciting, challenging, frustrating and overall, productive. There is never a dull moment at the Town of Port Hedland as we all work together to achieve small and large goals each day.

In October 2013, all the Local Governments in WA will be holding an Ordinary Local Government Election. For the Town this means the election of four Councillors and a Mayoral election, the outcome of which will shape the direction and future of Port Hedland. Due to legislative requirements, the 2013 Local Government Election for the Town of Port Hedland comprises a Mayoral election and five Councillor positions: four positions of four-year terms and one position of a two-year term.

Our planning team will be embarking on a mammoth project, the development of the Local Planning Scheme 6, which in conjunction with the creation of two new documents (Housing Strategy and Residential Design Guidelines) will feed into the Pilbara's Port City Growth Plan. This suite of documents will assist the Town to carry out the vision outlined in the Growth Plan, to shape our Town into a vibrant and attractive regional city.

Other projects on the horizon include the redevelopment of the South Hedland Bowling and Tennis Club, the dual laning of Hamilton Road and construction of a new entry into Wanangkura Stadium, commencement of building the new South Hedland Youth Space and Skate Park and the preliminary designs for the South Hedland Integrated Community Facilities.

Ending on a light note, I'm glad to say I've survived my first year at the Town of Port Hedland! My survival has been made all the more easier thanks to the unconditional support of my Executive Team, who have provided valued feedback and assistance while I navigated my way through this job. My Staff have also been wonderful and I'd like to thank them for their patience and never-ending optimism as we braved the battlefield together. While I'd like to reassure our Staff that it all gets better from here – and it will eventually – there are still plenty of challenges facing us on this steep climb to becoming Pilbara's Port City, but overcoming these challenges and learning from them will only make us a stronger team and more prepared to confront whatever life, or the community, throws in our way.



To the Council: I can only hope that I have delivered above and beyond your expectations. Thank you for your guidance over the past year. Your role is to serve the community and to act as a Board of Directors of the Town of Port Hedland, and to ensure that I steer the organisation in a direction which allows us all to meet the needs of the community. Your advice, comments and feedback have helped me understand Port Hedland and our community more intimately and what is needed to make this place thrive.

**M.J. (Mal) Osborne**  
**Chief Executive Officer**

# Mayor's Report

It is with pleasure that I present the Town of Port Hedland annual report for the financial year ending June 2013. A brief reflection of the past 12 months shows how much the Town has grown – yet again – and how we will continue to grow over the next 10 to 20 years.

At the end of the 2012/13 financial year, many of the Town's major projects are completed or nearing completion, and with a smaller number of projects on the horizon, the 'construction' phase of the Town's growth is winding up as we move forward into the consolidation period.

This is not a negative sign – this merely indicates that the Council has reached its next stage of the growth cycle. Now that the organisation has completed a raft of civic and infrastructure projects necessary to achieve our vision of Pilbara's Port City, we are focused on supporting residential developments and addressing the critical issue of housing shortages affecting current and potential residents.

This year, the Council was delighted to have been able to deliver the Strategic Community Plan 2012-22, which is a key document which identifies the community's priorities over the next 10 years. The Town and Council carried out extensive consultation during the strategy development process with a broad cross section of the community and we feel that we have accurately captured their aspirations for the future of their home town.

The Strategic Community Plan will allow Council to make more informed decisions about the short and long term future of Port Hedland, ensuring our actions match the desired outcomes identified by the community. This document has also allowed the Town to create a raft of documents for increased transparency between the organisation and Council and community, and provide a better direction and structure for the organisation going forward into the next ten years.

Two of our major projects were completed this year. I think it is fair to say they were two of our most highly anticipated projects, so to have them completed and opened to the public was a major achievement for everyone involved – Council, the organisation, funding partners and the wider community.

Marquee Park Splash and Play, Port Hedland's first water-play park, and the redeveloped South Hedland Aquatic Centre opened in April and June 2013 respectively and since opening, they have been very well received by the community, especially young families. Both projects have experienced some challenges since they started and the Town has been able to learn from these challenges for future projects. The challenges and the long waits for the completion of the projects were well worth it as we now have a water park which is the largest in the North West, and a leading regional aquatic centre with an Olympic sized lap pool,

WA's only Latitude wave rider and a children's aqua tower similar to what you would find at Adventure World theme park in Perth.

All of our achievements this year have been due to the hard work, commitments and diligence of the Elected Members, Staff, stakeholders and the community and I'd like to take this opportunity to thank everyone who has contributed towards another successful year of achievements.

The Councillors have worked tirelessly behind the scenes to address the needs of the community and support the organisation in their efforts. The role of an Elected Member is rewarding, yet there are times when negative criticism from the press and community can get you down.

I'd like to thank my fellow Councillors: Deputy Mayor George Daccache, Arnold Carter, Jan Gillingham, Bill Dziombak, David Hooper, Gloria Jacob, Julie Hunt and Penny Taylor, for continuing to persevere when the chips were down and having faith in their actions and decisions. It is important to be reminded that regardless of the politics often highlighted in the media, the Elected Members' first priority is to serve the community to the best of their ability and everything they do is in the best interest of the people who call Port Hedland home.

To the Staff of the Town of Port Hedland – I'd like to thank you for your efforts and contributions over the past 12 months to deliver the services, operate the facilities and complete the projects which make Port Hedland a great place to live. As our team continues to grow, the Town of Port Hedland is fortunate to be able to have team members of a high calibre and quality who strive to provide the best for our local community. What people often forget is our Staff members are also members of the community and no one is more committed to the improvement of Port Hedland.

In October 2013, the Ordinary Local Government Elections will be held and my seat will be up for re-election, as well as another four Councillor positions. This has been my first term as the popularly elected Mayor of the Town of Port Hedland and it has been a very remarkable three and a half years for me. In this time I've seen the Town's annual budget grow from \$75 million to \$181 million, and the value of projects completed increase exponentially each year. The growth this Town has experienced is so significant and indicates the importance of Port Hedland and the Pilbara in the national economy. Everyone who lives and works here should remember this and be proud to be a part of this amazing growth phase which has seen Australia emerge as a key player in the global economy.

**Kelly A Howlett**

**Mayor.**



**The Elected Members' first priority is to serve the community to the best of their ability and everything they do is in the best interest of the people who call Port Hedland home.**



# Disability Services Plan

## Progress – Disability Services Plan

Listed below are works completed by The Town of Port Hedland in 2012/13 financial year to provide and improve disabled access as prioritised in our current Disability Access and Inclusion Plan (DAIP).

The Town of Port Hedland has initiated the annual five yearly review of the DAIP with assistance of a qualified consultant, and is also using the opportunity to increase awareness amongst new staff of the DAIP and disability awareness. This process will be concluded in the 13/14 financial year.

## Outcome 1

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

- » There has been an emphasis on supporting inclusive activities for all community members at TOPH events and programs. The Town has booked band 'Rudely Interrupted' for the Spinifex Spree community festival, and has regularly played movies and short films promoting inclusiveness at the West End Movies outdoor cinema program which runs on a monthly basis.
- » Expansion of the current library outreach service has assisted in inclusion of community members who cannot access the facility due to age, disability or other circumstances.
- » Community Development Officer has assisted recreation staff to ensure events and programs are accessible and inclusive. This has included seeking feedback from people with disability.

- » Partnerships commenced with local Service providers to encourage participation at events and activities. These have included the Kids Club activity at the JD Hardie Youth Zone in collaboration with Lifestyle Solutions and its clients.
- » Monitoring of disabled parking to continue by Ranger Services. Ranger Services continues to lobby providers of non-council facilities re obligations re the correct signage and provision of disabled parking bays.

## Outcome 2

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

- » Removal of the liberty swing from Cemetery Beach Park following community and stakeholder concerns regarding access and inclusion of the equipment. The swing has been replaced with a 'birds nest', and original fencing removed to encourage greater inclusion and use by children of all abilities.



# Disability Services Plan

- » As part of renovation works to South Hedland Library, appropriate spacing of shelving and work stations has been implemented to further improve accessibility of the facility.
- » Portable toilets purchased by TOPH and provided at key community events (NW Festival, Welcome to Hedland, Turf Club).
- » TOPH events provide accessible toilets, whether TOPH provided or hired.
- » TOPH encourages external hirers of facilities to provide accessible toilets at their events.
- » Access to all new facilities raised in development assessment process by Community Development, Building and Planning departments
- » Accessible ramp to Cemetery Beach as part of Turtle Loop has been completed
- » Old Port Hedland Cemetery Upgrade project has focused on accessibility across the site.

## Outcome 3

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

- » In order to improve the clarity of information from the TOPH to community members, the following initiatives have included elements to improve accessibility. These initiatives include the following which have been completed or are underway:

- » Reworking of TOPH internal and external websites
- » Simplification of language used in TOPH communication materials
- » Simplification of graphic design on marketing materials
- » Continued upgrade of accessible resources (audio, large print format, CALD) in Port and South Hedland libraries.
- » Simplification of text actioned where appropriate – especially on community event marketing. Alternative formats made available on request.
- » Community Development has continued to inform organization of appropriate design guidelines.
- » People of all Abilities Welcome included on information where appropriate

## Outcome 4

*People with disability 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.*

- » Communication still ongoing, also updates in e-newsletter. Information of access and inclusion at major events provided on marketing materials.
- » Review of position descriptions to ensure selection criteria have been updated for identified positions. Human Resources have been supportive in implementing where appropriate.

## Outcome 5

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

- » Positive undertakings have been promoted through the Marketing department by way of press releases, newspaper advertorials and internal emails.

## Outcome 6

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

- » Engagement and consultation with community members and stakeholders by way of site meetings and walk throughs of key developments – include town centre renovations, and public open space upgrades.
- » Review of the public and internal websites is currently underway, and project to revise the TOPH website is underway by the IT department. Revisions to the internal website have already been completed.
- » Alternative format offered to be provided upon request. Audio recordings have been made available
- » Advertising that persons of all abilities welcome at TOPH meetings.

# National Competition Policy Statement

## **The Competition Principles Agreement is an Inter-government Agreement between the Commonwealth and State/Territory Governments that sets out how government will apply National Competition Policy principles to public sector organisations within their jurisdiction.**

The State Government released a Policy Statement effective from July 1996 called the Clause 7 Statement, which forms part of the Competition Principles Agreement. The Clause 7 policy document sets out nominated principles from the Agreement that now apply to Local Government. The provisions of Clause 7 of the Competition Principles Agreement require local government to report annually as to the implementation, application and effects of the Competition Policy.

The Competition Principles Agreement, under Clause 7, specifies three broad areas of reporting. These are:

- Competitive Neutrality
- Structural Review of Public Monopolies
- Legislative Review

In accordance with the requirements of the National Competition Policy, the Town of Port Hedland makes the following disclosures for 2012/2013.

## Competitive Neutrality

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

The Town of Port Hedland has previously assessed its operations and considers that it has two business activities that would be classed as significant under the current guidelines.

The Town of Port Hedland does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise.

The Port Hedland International Airport (PHIA) and the Town of Port Hedland Landfill are both significant business activity, as defined by Clause 7 of the Competition Policy Statement, as they both have an annual income from fees in excess of \$200,000.

A Competitive Neutrality Review has previously been 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 in the future.

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. 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 2012/13 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.

The number of activities to which competitive neutrality principles have been applied in the reporting period is Zero (0).

The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is Zero (0).

During the reporting period the Town of Port Hedland did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Town.

## Structural Review of Public Monopolies

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

- Structural reform principles have been applied to the following number of activities in the reporting period: Zero (0); and
- Structural reform principles have been considered but not applied to the following number of activities in the reporting period: Zero (0).

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

## Legislative Review

Parties to the National Competition Policy package agreed that legislation should not restrict competition unless:

The benefits of the restriction to the community as a whole outweigh the costs; and

The objectives of the legislation can only be achieved by restricting competition.

Accordingly, the Town of Port Hedland is required to implement a systematic review of all of its existing legislation to determine whether there are any direct or indirect effects on competition.

The Local Government Act 1995 requires all existing Local Laws to be reviewed every eight years. As part of this process the intention to review Local Laws is advertised in the media giving residents and rate payers the opportunity to comment on any proposed changes, additions or deletions to the Town's Local Laws.



# National Competition Policy Statement and Register of Complaints

Accordingly, the Town of Port Hedland is required to implement a systematic review of all of its existing legislation to determine whether there are any direct or indirect effects on competition.

The Local Government Act 1995 requires all existing Local Laws to be reviewed every eight years. As part of this process the intention to review Local Laws is advertised in the media giving residents and rate payers the opportunity to comment on any proposed changes, additions or deletions to the Town's Local Laws. The Town, at the reporting date had engaged a consultant to review all its current Local Laws. A report had been considered by the Town of Port Hedland which identified which local laws should be repealed, amended or replace in their entirety. This same report also sought the approval of the Council to give statewide public notice in the 2013/2014 financial year that it proposes to conduct a review.

For the 2012/2013 financial year there were no changes to the Shire's Local Laws:

- As at the reporting date the number of by-laws and Local Laws which have been reviewed and reformed as a result of any legislative review is Zero (0)
- As at the reporting date the number of by-laws and Local Laws which the application of any legislative review principles were considered but not applied is Zero (0)

## Disability Services

The Town has developed a Disability Access and Inclusion Plan (DAIP). The DAIP is a legislative requirement of the Disability services Act 2006, which outlines how public authorities will make their services, information and buildings accessible for people with disabilities. The Town continues to meet its obligations outlined within the DAIP. See pages 8 to 9 for more details on the Town's DAIP.

## Record Keeping

Government legislation and regulations mandate the Town's roles and functions. The Town creates and maintains proper and adequate records of these activities to ensure a sufficient evidence of the Town's performance of these functions. The Town's records are consistent with any written law to which the Town of Port Hedland is subject when performing its functions. The Town continues to provide training to all staff to ensure they are advised of their record keeping obligations and responsibilities. The Town offers:

Record keeping inductions – focusing on record keeping processes at the Town:

- Record keeping awareness training – focusing on obligations under the State Records Act, 2000
- Record keeping systems training – focusing on how to use the Synergy system to manage records.
- As per the Town's approved Record Keeping Plan, the record keeping induction and online training are mandatory courses for all new staff

## Information Statement

The updated Information Statement as required by the Freedom of Information Act 1992 can be obtained from the Town's website, Administration Office or on request.

The Town has processed 19 Freedom of Information Applications since July 2012.

Two internal reviews were requested with no change to decision. No external reviews were requested to date.

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

## 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.



# Strategic Community Plan 2012 - 2022

This Strategic Community Plan is the foundation stone of building an integrated planning and reporting framework which will ensure the Town of Port Hedland's policies and services are aligned to the aspirations of the community.

Enhancing the quality of life for Port Hedland's residents will involve responding to the needs and aspirations of people by enhancing local amenity, expanding job and related opportunities, addressing service shortfalls, and ensuring current and future settlements are built to meet the challenges of the region's climatic conditions.

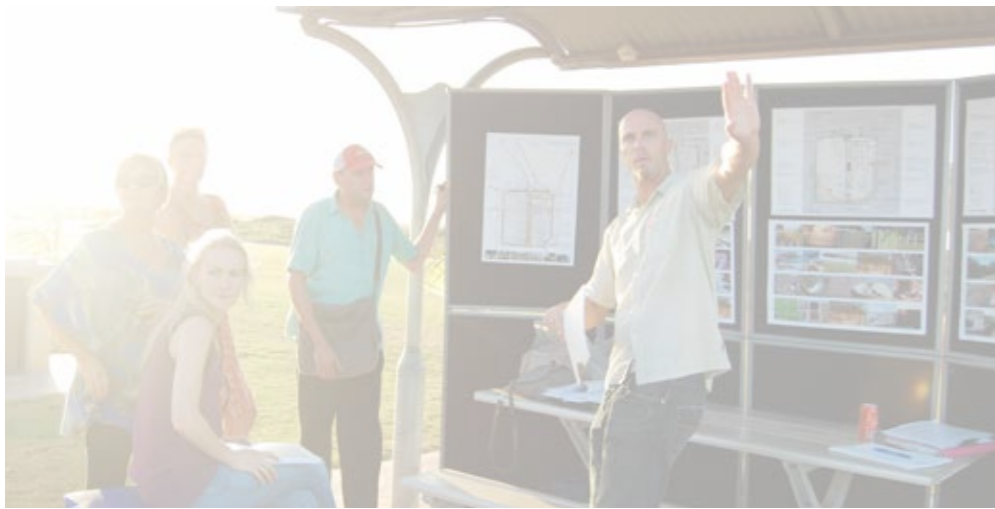
The following pages illustrate how the Town has demonstrated its commitment to delivering a strong and vibrant community.

Using the four Strategic Themes (Community, Economic, Environment and Local Leadership) the Town has measured our performance for the past 12 months to ensure we are achieving the goals we have set.





# Community



We are a friendly, exciting city of neighbours that is vibrant and diverse.

1.1 - Unified Build a unified and connected community functionally, physically and culturally.			Priority: High	
Outcomes Sought:				
<ul style="list-style-type: none"> <li>Port Hedland is recognised as a safe and integrated city with a large proportion of the population living in South Hedland and the remaining living in Port Hedland and its surrounding communities</li> <li>All members of our community feel they are adequately informed about, and involved with, the provision of Council and Town services and facilities.</li> </ul>				
Actions	Success Indicators	Indicative ToPH Budget	Responsible Directorate	Progress Comments
Develop a Remote Community Infrastructure & Servicing Strategy for remote communities	Strategy is developed and ready for implementation by June 2014.	\$126,000	Community Development	The Town of Port Hedland completed the business plan as required by the Department of Local government in 2010. The next stage of the project is dependent on the State Government concluding preplanning work and to initiate the strategy and funding model.
Engage the community by obtaining feedback in relation to ToPH's future and keep the community informed about ToPH's services and facilities	Communication tools are in place to keep the community informed (E.g. Council website) by June 2013.	\$105,000	Corporate Services	A review of the Town of Port Hedland website was commenced this year and is expected to be complete by October 2013.
	Public safety signboards are installed.	\$22,000	Planning and Development	New cyclone signage boards have been sourced this year and will be erected prior to the commencement of the next cyclone season.
Develop an Active Transport (Walking and Cycling) Plan – includes review of Trails Master Plan and Cycling Plan	Cycle Plan is reviewed and modified before being ready for implementation by July 2013.	\$56,000	Community Development	A Foreshore Management Plan and a Trails Master Plan has been produced this year to be considered by Council early in the next financial year.
	Development of the Trails Master Plan is complete by June 2013.	\$11,000	Community Development	Trails Master Plan is completed and will seek the endorsement of Council at the August 2013 Ordinary Council Meeting.
1.2 - Vibrant Become recognised as a vibrant destination by local residents as well as national and international tourists.			Priority: High	
Outcomes sought:				
<ul style="list-style-type: none"> <li>Provide a wide variety of recreational and entertainment activities for residents and visitors to Port Hedland that are equal to those found in a metropolitan city.</li> <li>Increase attendance at Council events and festivals.</li> <li>Strong sense of ownership, pride and spirit amongst the community.</li> <li>Visitors are attracted to the region.</li> </ul>				
Actions	Success indicator	Indicative ToPH Budget	Responsible Directorate	Progress Comments
Support a high profile event featuring an international drawcard performer	A high profile event featuring drawcard performer has been held annually.	\$2.05 million	Community Development	Planning in final stages for 2013 event to be held at Turf club on 24 August with confirmed strong performer line up including Paul Kelly and Bernard Fanning.
Develop airport hotel site	Construction of airport hotel has commenced by July 2013.	\$45,000	Engineering Services	Request for proposal for hotel development was released in FYE13. However, an acceptable commercial agreement could not be reached and the proposal has been placed on hold pending an internal review.
Develop Spoil Bank Marina and Precinct - Stage One Project	Engineering and place making strategy completed by June 2014.	\$7.310 million	Planning and Development	Matter is now with the EPA and needs to be discussed at Minister/Director-General level.
Conduct analysis and preparation for Coastal/Foreshore Redevelopment	Integrated Foreshore Masterplan has been developed by July 2013.	\$22,000	Community Development	Final master planning report has been received and will be presented to the Council early in the financial year.
Develop a tourism strategy	Tourism strategy is developed by June 2013.	\$22,000	Planning and Development	A way finding strategy is being implemented by the completely revamped Port Hedland Visitors Centre as in interim measure to promote tourism.

Design and construct a Youth Skate Park in South Hedland Town Centre	Skate park in South Hedland CBC commenced by June 2013.	\$217,000	Engineering Services	Detailed design (construction drawings) are 90 percent complete. Progression to construction stage pending confirmation of budget, funding and asset management strategy.
Multi-purpose recreation centre - completion of civil works	Civil works completed by June 2013.	\$22,000	Engineering Services	Continuation of construction works delayed due to unexpected flooding in other areas affecting resource availability. Detailed designs for Hudson Way culverts complete.
Implementation of Equestrian Masterplan	Master planning completed by June 2014.	\$22,000	Community Development	Master Plan has been developed this year and will be presented to Council early in the next financial year.
Undertake the redevelopment of South Hedland Bowling and Tennis Club	Facility is operating and available for use in July 2014.	\$22,000	Engineering Services	Design and Construction tender has been awarded. Design development complete. Development Application submitted (for July approval). Construction due to commence in August.
Undertake upgrade of Matt Dann Cultural Centre	Technical upgrade complete by June 2013.	\$421,000	Community Development	Project completed - Stage One undertaken in January 2013, Stage Two in March 2013 and Stages Three and Four in April 2013.
Design and construct of South Hedland Library and Community Centre	Design completed by June 2014.	\$23,000	Community Development	Request for Tender for Architectural Services advertised on June 29 through WALGA Procurement Services.
Undertaken improvements to JD Hardie Centre to increase safety and quality of the facilities	Improved quality of courts, car park and landscaping by June 2013.	\$22,000	Engineering Services	Scope of funding altered to include external master plan prior to progressing with design development. Consultation and draft master plan complete. Pending traffic and parking data, cost estimates and Council approval. Remainder of project will be deferred to 2013/14.
Prepare Master Plan and redevelop Aquatic Facilities	Stage One SHAC redevelopment complete by November 2012.	\$22,000	Engineering Services	SHAC redevelopment 1A complete and open to the public on 12 June 2013. Ongoing works include lighting; car park and shade over learn to swim pool. Tenders have been advertised for these elements
	Aquatic Facilities Master Plan developed by June 2016.	\$25,000	Community Development	Concept plan for Stage Two of the South Hedland Aquatic Centre to be integrated into the Integrated Community Facility Plan.
Develop Golf Master Plan	Master Plan developed by June 2013.	\$11,000	Community Development	Project completed, Master Plan to be presented to the Council at the August 2013 meeting.

**1.3 Rich in Culture**  
**Support the development and delivery of cultural activities that enrich the quality of life for Port Hedland's residents and visitors.**

**Priority: High**

Outcomes sought:  
• A diverse range of cultural activities are available in Port Hedland that are well attended and utilised.

<b>Actions</b>	<b>Success Indicator</b>	<b>Indicative ToPH budget</b>	<b>Responsible Directorate</b>	<b>Progress Comments</b>
Delivery of an Aboriginal Arts Centre facility in line with Aboriginal Arts Development Strategy	Planning complete and construction commenced by July 2014.	\$22,000	Community Development	Development of assessment approved at March Ordinary Council Meeting, followed by an endorsement of cancellation of Management Order with the Town and transfer to FORM at the June Ordinary Council Meeting.

Our economy is resilient and provides choice and opportunities.





<b>2.1 - Diverse Economy</b> <b>Build a diversified economy that facilitates commercial, industry and town growth.</b>	<b>Priority: High</b>
---	-----------------------

Outcomes sought:

- Provide a wide range of local employment and investment opportunities.
- Families are able to grow and prosper in the community and do not need to move away from Port Hedland.
- There are an increased number of businesses established.
- Create strong links between education, training and employment that supports Port Hedland's economic growth and development.

Actions	Success indicator	Indicative ToPH Budget	Responsible Directorate	Progress Comments
Develop ToPH commercial land at Precinct 3 site and Business Attraction Strategy	Precinct 3 subdivision complete by December 2013.	\$32,000	Engineering Services	Project to be completed first quarter 2014
	Sales and Business Attraction Strategy developed by June 2013.	\$145,000	Planning and Development	The Town of Port Hedland has secured contracts on three parcels of land a proposed lease on 4.5 hectares of the TWA sites. An Investment Prospectus has also been developed.
Develop local planning policy design guidelines	Guidelines adopted by June 2013.	\$213,000	Planning and Development	Consultant has been appointed. Community Consultation associated with the development of the guidelines will commence early in the next financial year.
Negotiate development of hospitality businesses in the West End	Cafe development is underway by July 2013.	\$49,000	Engineering Services	Development application has been progressed throughout the year.

<b>2.2 - Gateway City &amp; an Attractive Destination</b> <b>Develop Port Hedland as a domestic and international gateway into and out of Western Australia and a major distribution and transport hub in the Pilbara.</b>	<b>Priority: High</b>
---	-----------------------

Outcomes sought:

- Wide variety of transportation goods and services available.
- Increased tourist visitation.
- Increased number of transportation businesses located within the city.
- Port Hedland's sea, air and road transport infrastructure are developed as the main access hub for the Pilbara.

Actions	Success Indicator	Indicative ToPH Budget	Responsible Directorate	Progress Comments
Implement the Port Hedland International Airport Land Use Master Plan	Expansion of TWA facilities is implemented by June 2013.	\$50,000	Engineering Services	Expansion planning of TWA facilities has been progressed throughout this year which will continue into the next financial year.
	Terminal Buildings Redevelopment is staged in accordance with Plan and complete by June 2016.	\$16.09 million	Engineering Services	Airport Program Director has identified early wins with tender documents being developed. Construction proposed for 4Q 2013. Terminal Buildings Redevelopment is staged in accordance with Plan and Phase One Stage One in December 2015.
	International freight and logistics facilities are operational by December 2013.	\$10.6 million	Engineering Services	Construction drawings complete for logistics subdivision. Cost estimates being prepared. Progression to construction pending business case and economic analysis. Interim international freight facility to be operational by December 2013.
	Airside infrastructure upgrade is complete by June 2015.	\$10.6 million	Engineering Services	A tender for this upgrade was awarded this year.
	Development of aeronautical facilities commenced by September 2012.	\$8.33 million	Engineering Services	A review of the proposed works has been reviewed by the Airport Program Director.

Undertake the replacement and upgrades of airport service (power, water, sewer, drainage)	Airport services upgrade is undertaken in accordance with the Five Year Airport Upgrade Plan and is complete by June 2015.	\$9.05 million	Engineering Services	Works associated with these activities are undertaken as business as usual works across the year.
Undertake a capital works program for road related construction and upgrades	Road renewal and upgrade capital works program is being undertaken and progressing to agreed budget and time requirements in accordance with the five year plan and asset strategy.	\$2.367 million	Engineering Services	Works associated with these activities are undertaken as business as usual works across the year.
	Road construction capital works program is being undertaken and progressing to agreed budget and time requirements in accordance with five year plan and asset strategy.	\$1.983 million	Engineering Services	Hamilton Road construction tenders rejected due to budget constraints. Design is currently under review for value management opportunities. Additional funding is also being explored.
	Construct the Wallwork Road and Bridge by June 2014.	\$859,000	Engineering Services	The tender for construction has been awarded. All contractual documentation signed and BHPBIO payment received.
Implement the McGregor Street and Cooke Point Drive development.	Outline developmetn plan for subdivision has been completed by June 2013.	\$55,000	Planning and Development	Scoping work being undertaken by Landcorp.
	McGregor Street Active Open Space Master Plan completed by June 2013.	\$11,000	Community Development	Project brief for Master Plan developed by April 2013. Procurement of project to occur in 2013/14 financial year.
	Planning and de-constraining phase one to be completed by June 2013.	\$11,000	Planning and Development	Scoping work being undertaken by Landcorp.

**2.3 - Nationally Recognised Port Hedland is recognised as an economic force of Australia and has a powerful voice with Federal and State Governments for the development of the town.**

**Priority: Medium**

Outcomes sought:

- Increase the amount of State and Federal funds awarded to Port Hedland to support the growth of the town.
- Become an influential partner with Federal and State Governments.

<b>Actions</b>	<b>Success Indicator</b>	<b>Indicative ToPH Budget</b>	<b>Responsible Directorate</b>	<b>Progress Comments</b>
Prepare and implement a Marketing Plan that places an emphasis on brand awareness and promotion of the Town's unique history	Plan has been developed by June 2013.	\$27,000	Office of the CEO	A Marketing Plan has been developed this year which has been revised due to budgetary constraints.
Represent Port Hedland at a State and Federal level	Establish a 'Committee for Port Hedland' by June 2013.	\$50,000	Planning and Development	Late this year, Ms Marion Fulker, CEO of Committee for Perth, visited the Town and met with Town of Port Hedland and business representatives.
	Port Hedland is engaged on issues, investments and government initiatives.	\$22,000	Planning and Development	The Town is constantly engaging State and Federal Government on issues that have a direct effect on Port Hedland.
Liaise and provide input into the Pilbara Regional Council	The Town of Port Hedland is engaged by the Pilbara Regional Council on topics that impact the Town.	\$850,000	Office of the CEO	The Town provided information to develop a regional Business Continuity Planning project.



# Envisonment



A city in which we live in balance with our unique surrounds.

<b>3.1 - Housing</b> <b>Develop a safe, modern and attractive city with adequate supply of residential and commercial land that meets the requirements of the community.</b>	<b>Priority: High</b>
---	-----------------------

Outcomes sought:

- Address housing shortage and affordability.
- Attract and retain new residents to increase the population to 50,000 by 2025.
- Increase residential home ownership.
- Increase/expansion in commercial business

Actions	Success Indicator	Indicative ToPH Budget	Responsible Directorate	Progress Comments
Develop Business Cases and Implementation Plans for land rationalisation projects	Business Case is developed and ready for implementation by July 2013.	\$111,000	Planning and Development	Business Case is completed and accepted by the State Government. The Town requires revenue from other economic development projects to be used to build new housing on these lots.
Ensure adequate key worker housing is available in the region	Key Worker Housing Project is developed by June 2013.	\$454,000	Planning and Development	During this year 125 houses have been delivered with 293 additional units expected to be delivered by December 2013.
Undertake ToPH owned Land Redevelopment to increase staff housing stock	Housing Strategy adopted by June 2013.	\$177,000	Corporate Services	Town of Port Hedland Housing Strategy is being included in draft Long-Term Financial Plan and will be modified to support revised Workforce Plan being developed. Activity against this strategy for the 2013.14 financial year has been factored into the draft budget for Council adoption.
	Undertake by June 2014 various real estate transactions associated with the acquisition and development of various properties from recreation reserves for land development projects such as: Traine Crescent Oriole Way Limpet Crescent Murdoch Drive and Koombana Avenue Captains Way and Yanderra Crescent Master Way and Dowitcher Avenue Egret Crescent Kybra Close Butler Way Masters Way	\$665,000	Planning and Development	Business Case is completed and accepted by the State Government. The Town requires revenue from other economic development projects to be used to build new housing on these lots.
	Catamore Court is planned and developed by June 2014 as a mix of private market and staff housing.	\$1.702 million	Planning and Development	Civil infrastructure is to be completed by December 2013 and eight new Council homes delivered ten months from issue of Certificate of Title.
	Land around JD Hardie Youth Zone is planned to be developed by January 2015 as a mix of private market and staff housing.	\$197,000	Planning and Development	Request for Proposals have been called for this year. Early in the new financial year, responses which have been received will be assessed.

**3.2 - Community Facilities**  
**Create a vibrant and diverse place to live that connects its people and provides for their needs**

**Priority: High**

Outcomes sought:

- Generations of residents choose to live and remain in the Port Hedland community.
- The community's health and wellbeing is adequately provided for.
- Connected communities bring neighbours together.

<b>Actions</b>	<b>Success Indicator</b>	<b>Indicative ToPH Budget</b>	<b>Responsible Directorate</b>	<b>Progress Comments</b>
Develop and implement the District Open Space Master Plans	Osprey Master Plan developed by June 2013	\$87,000	Community Development	Project is subject to funding outcome which if successful will see the project commencing in December 2013.
	Western Edge Master Plan developed by June 2013.	\$82,000	Community Development	Project is subject to funding outcome which if successful will see the project commencing in December 2013
Deliver Active Open Space Strategy	Koombana Park upgraded by June 2013.	\$22,000	Engineering Services	Completion of detailed designs have been delayed due to feedback from service providers. Negotiation with the Department of Housing is ongoing for access to the park during their maintenance period. Construction works deferred to 2013/14.
	Colin Matheson Oval parking and clubroom complete by June 2013.	\$22,000	Engineering Services	Project scope changed approved to include minor works to existing change rooms only. Majority of project will now focus on consultation, master plan and design of extensions to existing club house to include change rooms and associated amenities. Intent is to demolish existing change rooms once extension is complete, making way for better access and increased parking space.
Develop Marie Marland Reserve Master Plan	Master Plan developed by June 2014.	\$51,000	Community Development	Project is subject to funding outcome which if successful will see the project commencing in December 2013.
Install lighting at Marie Marland Reserve	Installation of lighting by June 2013.	\$11,000	Engineering Services	Project has been delayed due to investigations into power capacity to accommodate lighting. This has now been confirmed however has impacted on funding agreement. Funding to be reconfirmed prior to proceeding to construction tender.
Develop the Marquee Park and its associated facilities	Provision of CCTV at Marquee Park by June 2013.	\$11,000	Corporate Services	This has been commissioned and functional, sign-off completed.
	Cafe expansion completed by June 2014.	\$33,000	Engineering Services	Detailed designs for cafe expansion are complete and awaiting feedback from Horizon Power regarding power supply. Construction tender to be issued in January 2014.
	Fencing and shade installation by June 2013.	\$11,000	Engineering Services	Fencing to Cottier Drive complete. Shade sails over dry playground installed June 2013.
Undertake building refurbishment program for Council houses and facilities	Council houses and facilities refurbished in accordance with the five year plan and asset management strategy.	\$2.089 million	Engineering Services	2012/13 program has been completed within the budget allocation.
Provide adequate housing to attract General Practitioners (GPs) to the region	Construction of Stage One of GP Housing Project completed by December 2012.	\$22,000	Engineering Services	Construction of Stage One GP Housing Project was completed in December 2012.
	Stage Two planned by June 2013 and constructed by June 2014.	\$34,000	Engineering Services	Stage Two planning discussions commenced with interested parties. Currently reviewing business model.
Actions	Success Indicator	Indicative ToPH Budget	Responsible Directorate	Progress Comments

Undertake improvement to the Old Port Hedland Cemetery	Stage Two of the Old Port Hedland Cemetery Upgrade completed by June 2014.	\$33,000	Engineering Services	Consultant appointed to undertake concept and detailed design and to prepare tender documentation/development approval. Project underway and scheduled for completion in the first quarter of the next financial year inclusive of additional community consultation.
Undertake coastal rehabilitation and improve access and infrastructure	Dune restoration plans are ready for implementation by July 2014.	\$72,000	Planning and Development	Council operating budget has been significantly reduced in this area and only some maintenance items can be completed in 2013/14.
	Coastal Access Strategy developed by June 2014.	\$70,000	Planning and Development	Further consultation to be undertaken with working group and landholder.
	Improvements conducted on walkways, lighting and increase in CCTVs in accordance with Master Plan and five year plans.	\$644,000	Engineering Services	Budget dependant on grant funding. Some works planned at the airport, Marquee Park and JD Hardie Youth Zone.

<b>3.3 - Education</b> <b>Education and training choices support employment in the region and provide individuals and families with a variety of options.</b>	<b>Priority: Medium</b>
--	-------------------------

Outcome sought:

- Increased tertiary education opportunities are available for residents.
- Skilled resources are available locally and reduce the need for FIFO workforce.

Actions	Success Indicator	Indicative ToPH Budget	Responsible Directorate	Progress Comments
Collaborate with the government, industry and community partners to attract secondary and tertiary education options to the Pilbara region	Increased secondary and tertiary options available.	\$22,000	Community Development	The Town has participated in the University of Western Australia (UWA) Pilbara feasibility study.
	Increased number of apprenticeships available.	\$22,000	Community Development	Trade training facility underway through Department of Education.
Undertake community education and information sessions to support a clean and safe community	Reduction in the level of crime in the Town of Port Hedland.	\$22,000	Planning and Development	Operating capital has been significantly reduced in this area and proactive activities are largely funded by grants.
	Reduction in the amount of litter in the community.	\$22,000	Community Development	
Support education, research and strategic investment opportunities for 'clean technology' industrial development	Improved support for education or research development into 'clean technology'.	\$50,000	Planning and Development	The Town has issued a Request for Proposal for a 20 hectare solar farm adjacent to the Kingsford Business Park.

<b>3.4 - Environment</b> <b>In balance with the unique natural elements of our surroundings, environment and cultural heritage.</b>	<b>Priority: High</b>
--	-----------------------

Outcome sought:

- Natural resources are used sustainably
- Reduction in dust and noise pollution levels
- Quality of life improved for residents

Actions	Success Indicator	Indicative ToPH Budget	Responsible Directorate	Progress Comments
Development of a Waste Management Strategy	Approval of a Waste Management Strategy by December 2013.	\$45,000	Engineering Services	Specialist consultant engaged to complete investigations, feasibility and business case into waste management requirements. Project Reference Group has been established.
Deliver the Mosquito Works Program	Mosquito Works Program delivered by June 2013.	\$29,000	Planning and Development	Operating capital in this area has been significantly reduced for 2013/14 and some proposed works can be undertaken.



We are leaders in the community, with a structured commitment to transforming Port Hedland



Local Leadership



**4.1 - Strategic**  
**The Council Administration is governed in an ethically responsible manner that meets all of its legislative and community obligations.**

**Priority: High**

Outcome sought:

- Responsible management of Council assets, infrastructure, resources and technology.
- Governance processes and associated policies and procedures that are aligned with leading practice and are up to date with legislative requirements.
- Fiscal accountability.

<b>Actions</b>	<b>Success Indicator</b>	<b>Indicative ToPH Budget</b>	<b>Responsible Directorate</b>	<b>Progress Comments</b>
Deliver an Integrated Strategic Planning and Reporting Framework	Endorsement of the Corporate Business Plan by June 2013.	\$29,000	Corporate Services	The Town of Port Hedland Four Year Corporate Business Plan is currently being reviewed to ensure long-term financial sustainability. It is expected that a 2013-2014 Annual Corporate Plan will be presented to Council to support the 2013-2014 budget and a final version of the Four Year Corporate Business Plan put to the Council for endorsement with a One Year Long Term Financial Plan in the first quarter of the next financial year.
	10 Year Long Term Financial Plan in place by June 2013.		Corporate Services	The Long Term Financial Plan model is currently being developed to be finalised.
	Four Year Workforce Plan developed including Office Accommodation and Housing Strategy by June 2013.		Corporate Services	The Town of Port Hedland Four Year Workforce Plan is currently being revised in concert with the review of the Four Year Corporate Business Plan to ensure the Town's long-term financial sustainability. It is anticipated that a revised Workforce Plan will be presented to Council to support the 2013/2014 budget. The Housing Strategy will be modified accordingly as actions from the Strategy now included in the Corporate Business Plan Contract awarded in June for the design of refurbished office space at the Civic Centre including current downstairs offices and Gratwick Hall. Detailed designs will be completed by November 2013.
	Asset Management Framework and associated plans developed and in place by June 2013.		Engineering Services	The Asset Management Framework was presented to the Council at the December 2012 Ordinary Council Meeting. The resulting Asset Management Policy will be effective from June 2013. The Asset Engineer has commenced collecting related data as an ongoing business as usual activity.
	ICT Plan in place by June 2013.		Corporate Services	The Town of Port Hedland ICT Strategic Plan 2012-2017 and Implementation Plan were endorsed in principle in December 2012. Identified actions for 2013-2014 in the Plan will be considered as part of the draft 2013/2014 budget.
Develop and implement a Disaster Recovery Plan and Business Continuity Plan	Disaster Recovery Plan developed by December 2013.	\$122,000	Corporate Services	This is currently being discussed with Telstra, Comcentre and Geraldton Data Centre as part of the WALGA subscriptions.



Delivery of the ICT Strategy Implementation Plan	Recommendations from Stages One and Two implemented by June 2013: Network upgrade Windows 7/Office 2010 migration Intranet upgrade External website upgrade	\$1.607 million	Corporate Services	The following has been completed: Windows 7 and Office 2010 rollout Intranet rolled out and adopted External website is being designed and commissioned to be launched by October 2013 as per the community schedule
	Recommendations from Stage 3a and 3b are developed and ready for implementation by June 2013: GIS E-business solutions Mobility options Licensing and training	\$2.293 million	Corporate Services	This is being pushed out for 12 months give current adoption by Council activities. Mobility options are available to connectivity to iPhones, iPads and VPN-SLL connections with a full remote Windows 7 virtual desktop capability.
Develop and OSH (occupational safety and health) Framework	OSH Framework complete and in place by June 2014.	\$45,000	Corporate Services	Draft Town of Port Hedland Safety Management Plan and supporting documentation endorsed by the Executive Group. Awaiting final approval from the CEO.
Implement the recommendations of the corporate governance audit	The Town of Port Hedland is compliant with local government governance regulations by June 2013.	\$11,000	Corporate Services	The recommendations from the report have been included in the draft Four Year Corporate Business Plan.
Implement Vehicle Replacement Programs	Light vehicle replacement program implemented in accordance with five year plan and asset management strategy.	\$1.613 million	Engineering Services	Works associated with these activities are undertaken as business as usual works across the year.
	Heavy vehicle replacement program implemented in accordance with five year plan and asset management strategy.	\$3.136 million	Engineering Services	Works associated with these activities are undertaken as business as usual works across the year.
Upgrade of the Network Communications	Network communications are upgraded by June 2013.	\$22,000	Corporate Services	This has been completed with the use of DragonWave links to the Depot, the full contract to be completed by December 2013 given that half the WAN links are under contract with Comcentre and will not expire until Dec/Jan 2014. Therefore current links are in place till contract expiration.
Participate in the Pilbara Local Government Shared Technology Platform	Active participation in the Pilbara Local Government Shared Technology Platform working group.	\$22,000	Corporate Services	This participation is ongoing.
Implement Office Accommodation Strategy	Immediate office accommodation works completed by December 2013.	\$5.044 million	Engineering Services	Contract awarded in June for the design of refurbished office space at the Civic Centre including current downstairs offices and Gratwick Hall. Detailed designs will be completed by November 2013.
Undertake a review of Local Laws	Local Laws are updated by June 2014.	\$108,000	Corporate Services	All Town of Port Hedland Local Laws are now consolidated and a review paper was endorsed by the Council at the April Ordinary Council Meeting. Consultant preparing draft Standing Orders Local Law following workshops with staff and Elected Members in March.
Undertake a review of the Town of Port Hedland Chart of Accounts	Town of Port Hedland Chart of Accounts are simplified and updated to suit the organisation's requirements by June 2013.	\$84,000	Corporate Services	Due to resourcing this project has been postponed until 2013/14.

Implement an Online Leave Approval System	Online Leave Approvals system is implemented by June 2013.	\$28,000	Corporate Services	This has been placed on hold as per the Manager Finance due to current resources within the Finance team and payroll capabilities; module has not been purchased for IT Vision to date as this is in trial mode.
Undertake a review of the rateable properties	Rateable properties are reviewed and updated by June 2013.	\$73,000	Corporate Services	
Conduct an Emergency Management Exercise	Emergency Management Exercise is conducted annually.	\$110,000	Planning and Development	Operating capital in this area has been reduced in 2013/2014 which will affect the Town's Emergency Management section to conduct an exercise.

<b>4.2 - Community Focused</b> <b>Focused on strengthening Port Hedland's community, providing growth opportunities and diversifying the local economy, the Town of Port Hedland are local leaders in the community.</b>	<b>Priority: Medium</b>
---	-------------------------

Outcome sought:

- Bringing transformation to the Pilbara.
- Effective, open communication and engagement takes place with the community.
- Council is a proactive advocate for community needs and aspirations.

Actions	Success Indicator	Indicative ToPH Budget	Responsible Directorate	Progress Comments
Engage the community in civic governance	Increased participation in Council elections. Improved awareness of local government requirements in accordance with Legislation. Elected Members are representative of the community.	\$99,000	Corporate Services	WA Electoral Commission engaged to undertake Council Elections.

<b>4.3 - Capable</b> <b>The Town of Port Hedland provides committed strategic planning, leadership and high quality customer service skills.</b>	<b>Priority: Medium</b>
---	-------------------------

Outcome sought:

- The Council Administration is adequately resourced, skilled and supported.
- Council is able to attract and retain an effective workforce.

Action	Success Indicator	Indicative ToPH Budget	Responsible Directorate	Progress Comments
Review Record Keeping Plan inclusive of Records Retention and Disposal Project	Records Retention and Disposal Project to Complete by June 2014.	\$307,000	Corporate Services	Retention and Disposal process ongoing annually.



## Financial Report for Year Ended 30 June 2013

The Town of Port Hedland's financial report for the 2012/13 financial year, ending 30 June 2013 provides a detailed overview of our financial management and operations.

This financial year's report illustrates the significant capital investment in civic and infrastructure projects, and growth in our rates revenue.

**TOWN OF PORT HEDLAND**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Rate Setting Statement	9
Notes to and Forming Part of the Financial Report	10 to 58
Independent Audit Report	59 & 60

**TOWN OF PORT HEDLAND**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2013**

**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 2013 are in my opinion properly drawn up to present fairly the financial position of the Town of Port Hedland at 30th June 2013 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 *16<sup>th</sup>* day of December 2013



---

M.J. (Mal) Osborne  
Chief Executive Officer

**TOWN OF PORT HEDLAND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>REVENUE</b>				
Rates	23(a)	18,857,082	22,035,451	15,450,679
Operating Grants, Subsidies and Contributions	29	6,073,976	5,293,131	7,135,769
Fees and Charges	28	31,942,545	31,785,205	26,983,048
Interest Earnings	2(a)	2,791,436	4,022,284	1,839,080
Other Revenue		12,192,857	1,189,455	935,464
		<u>71,857,896</u>	<u>64,325,526</u>	<u>52,344,040</u>
<b>EXPENSES</b>				
Employee Costs		(22,551,292)	(23,463,268)	(16,770,805)
Materials and Contracts		(16,516,713)	(28,238,877)	(15,941,066)
Utility Charges		(3,153,107)	(3,007,997)	(2,296,862)
Depreciation on Non-Current Assets	2(a)	(9,739,767)	(9,858,394)	(7,982,279)
Interest Expenses	2(a)	(1,252,379)	(2,040,885)	(886,991)
Insurance Expenses		(1,217,139)	(1,230,580)	(921,331)
Other Expenditure		(14,828,140)	(1,908,697)	(1,918,157)
		<u>(69,258,537)</u>	<u>(69,748,698)</u>	<u>(46,717,492)</u>
		2,599,360	(5,423,172)	5,626,548
Non-Operating Grants, Subsidies and Contributions	29	57,569,404	27,821,031	26,741,647
Profit on Asset Disposals	20	48,539	100,100	11,000
Loss on Asset Disposal	20	(155,895)	(118,500)	-
Changes on revaluation of non-current assets	6	(635,037)	-	-
<b>NET RESULT</b>		<u><u>59,426,370</u></u>	<u><u>22,379,459</u></u>	<u><u>32,379,195</u></u>

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

**TOWN OF PORT HEDLAND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>REVENUE</b>				
Governance		103,014	49,260	74,429
General Purpose Funding		24,391,405	26,715,059	19,797,838
Law, Order, Public Safety		252,137	254,879	284,163
Health		81,413	72,520	87,642
Education and Welfare		108,341	142,709	804,545
Housing		258,845	384,955	226,684
Community Amenities		21,832,654	13,120,001	8,758,086
Recreation and Culture		3,402,785	5,117,737	3,123,744
Transport		17,730,808	14,561,542	15,006,094
Economic Services		3,063,335	3,334,516	3,142,784
Other Property and Services		633,159	572,347	1,038,031
		<u>71,857,896</u>	<u>64,325,525</u>	<u>52,344,040</u>
<b>EXPENSES EXCLUDING FINANCE COSTS</b>				
Governance		(2,148,800)	(2,150,615)	(2,033,948)
General Purpose Funding		(555,188)	(548,443)	(382,952)
Law, Order, Public Safety		(3,404,326)	(1,813,692)	(1,573,000)
Health		(750,105)	(770,493)	(560,984)
Education and Welfare		(1,394,451)	(1,504,824)	(1,136,448)
Housing		(1,117,668)	(3,814,523)	(685,017)
Community Amenities		(19,858,015)	(18,596,765)	(7,959,351)
Recreation & Culture		(20,628,575)	(21,374,192)	(16,069,441)
Transport		(15,041,765)	(13,057,120)	(13,031,980)
Economic Services		(1,985,495)	(3,269,941)	(1,600,903)
Other Property and Services		(1,121,769)	(807,205)	(796,477)
		<u>(68,006,157)</u>	<u>(67,707,813)</u>	<u>(45,830,501)</u>
<b>FINANCE COSTS</b>				
Governance		(521)	(125,524)	(2,550)
Law, Order, Public Safety		(14,406)	(15,113)	(16,214)
Education and Welfare		(30,497)	(17,992)	(19,302)
Housing		(254,911)	(279,366)	(343,616)
Community Amenities		-	(624,377)	-
Recreation & Culture		(872,053)	(876,839)	(499,569)
Transport		(76,225)	(97,907)	(1,710)
Economic Services	2(a)	(3,766)	(3,767)	(4,030)
		<u>(1,252,379)</u>	<u>(2,040,885)</u>	<u>(886,991)</u>
<b>NON-OPERATING GRANT, SUBSIDIES AND CONTRIBUTIONS</b>				
Law, Order, Public Safety		-	-	100,000
Education and Welfare		-	850,000	-
Housing		-	-	-
Community Amenities		-	-	-
Recreation & Culture		2,242,162	872,745	3,704,383
Transport		21,575,329	22,611,286	4,987,949
Economic Services		33,751,913	3,487,000	17,949,315
Other Property and Services		0	0	0
		<u>57,569,404</u>	<u>27,821,031</u>	<u>26,741,647</u>
<b>PROFIT / (LOSS) ON DISPOSAL OF ASSETS</b>				
Transport	20	48,539	50,700	11,000
Transport	20	(155,895)	(69,100)	-
Transport (Changes on revaluation of non-current assets)	14(b)	(635,037)	-	-
		<u>(742,393)</u>	<u>(18,400)</u>	<u>11,000</u>
<b>NET RESULT</b>		<u><b>59,426,370</b></u>	<u><b>22,379,459</b></u>	<u><b>32,379,195</b></u>

**TOWN OF PORT HEDLAND  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	76,243,152	77,118,725
Trade and Other Receivables	4	32,215,372	10,981,715
Inventories	5	12,250	4,885
<b>TOTAL CURRENT ASSETS</b>		<u>108,470,774</u>	<u>88,105,325</u>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	4	823,294	891,065
Property, Plant and Equipment	6	101,201,177	90,200,438
Infrastructure	7	131,142,058	129,210,527
<b>TOTAL NON-CURRENT ASSETS</b>		<u>233,166,529</u>	<u>220,302,030</u>
<b>TOTAL ASSETS</b>		<u>341,637,303</u>	<u>308,407,356</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	11,837,020	43,933,897
Current portion of Long Term Borrowing:	10	1,304,847	1,008,734
Provisions	11	2,288,682	1,516,073
<b>TOTAL CURRENT LIABILITIES</b>		<u>15,430,549</u>	<u>46,458,704</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	10	25,359,507	20,564,243
Provisions	11	153,881	117,412
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>25,513,388</u>	<u>20,681,655</u>
<b>TOTAL LIABILITIES</b>		<u>40,943,937</u>	<u>67,140,359</u>
<b>NET ASSETS</b>		<u>300,693,366</u>	<u>241,266,996</u>
<b>EQUITY</b>			
Retained Surplus		225,281,826	202,881,530
Reserves - Cash/ Investment Backed	12	74,559,012	37,532,938
Revaluation Surplus	13	852,528	852,528
<b>TOTAL EQUITY</b>		<u>300,693,366</u>	<u>241,266,996</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 2013**

NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011	180,557,880	27,477,393	852,528	<b>208,887,801</b>
Restated Balance	180,557,880	27,477,393	852,528	208,887,801
Comprehensive Income				
Net Result	32,379,195	-	-	32,379,195
Total Comprehensive Income	32,379,195	-	-	32,379,195
Transfer from/(to) Reserves	(10,055,545)	10,055,545	-	-
<b>Balance as at 30 June 2012</b>	<b>202,881,530</b>	<b>37,532,938</b>	<b>852,528</b>	<b>241,266,996</b>
Comprehensive Income				
Net Result	59,426,370	-	-	59,426,370
Total Other Comprehensive Income	59,426,370	-	-	59,426,370
Transfer from/(to) Reserves	(37,026,074)	37,026,074	-	-
<b>Balance as at 30 June 2013</b>	<b>225,281,826</b>	<b>74,559,012</b>	<b>852,528</b>	<b>300,693,366</b>

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

**TOWN OF PORT HEDLAND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		18,503,553	21,594,742	15,530,245
Operating Grants, Subsidies and Contributions		6,073,976	4,763,818	9,358,687
Fees and Charges		39,255,636	29,136,438	22,841,333
Interest Earnings		2,791,436	4,022,284	1,839,080
Goods and Services Tax		5,837,327	0	7,364,997
Other Revenue		<u>12,192,857</u>	<u>1,165,666</u>	<u>935,464</u>
		84,654,785	60,682,948	57,869,806
<b>Payments</b>				
Employee Costs		(21,618,520)	(23,612,441)	(16,633,921)
Materials and Contracts		(58,235,494)	(22,591,102)	(12,003,201)
Utility Charges		(3,153,107)	(2,857,597)	(2,296,862)
Insurance Expenses		(1,217,139)	(1,230,580)	(921,331)
Interest expenses		(1,229,409)	(2,040,885)	(623,895)
Goods and Services Tax		(8,268,163)	0	(7,364,997)
Other Expenditure		<u>(11,197,593)</u>	<u>(1,908,697)</u>	<u>(1,918,162)</u>
		(104,919,425)	(54,241,302)	(41,762,369)
<b>Net Cash Provided By (Used In) Operating Activities</b>	14	<u>(20,264,640)</u>	<u>6,441,646</u>	<u>16,107,437</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment		(16,982,308)	(34,662,014)	(26,340,051)
Payments for Construction of Infrastructure		(6,786,095)	(36,425,030)	(16,721,040)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		37,648,480	27,821,031	56,892,332
Proceeds from Sale of Plant & Equipment		<u>353,974</u>	<u>515,500</u>	<u>11,000</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>		14,234,051	(42,750,513)	13,842,241
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(1,008,733)	(3,215,202)	(607,563)
Transfer from Trust - Public Open Space		-	-	-
Transfer of Self Supporting Loan		-	(500,000)	-
Proceeds from Self Supporting Loans		63,638	2,149,816	60,642
Proceeds from New Debentures		<u>6,100,111</u>	<u>26,946,853</u>	<u>12,257,000</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>		5,155,016	25,381,467	11,710,079
<b>Net Increase (Decrease) in Cash Held</b>		(875,573)	(10,927,400)	41,659,757
Cash at Beginning of Year		77,118,725	70,020,271	35,458,967
<b>Cash and Cash Equivalents at the End of the Year</b>	14(a)	<u><u>76,243,152</u></u>	<u><u>59,092,871</u></u>	<u><u>77,118,725</u></u>

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

**TOWN OF PORT HEDLAND  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2013**

NOTE	2013 \$	2013 Budget \$	2012
<b>REVENUE</b>			
Governance	103,014	49,260	74,429
General Purpose Funding	5,534,323	4,679,608	4,347,158
Law, Order, Public Safety	252,137	254,879	384,163
Health	81,413	72,520	87,642
Education and Welfare	108,341	992,709	833,931
Housing	258,845	384,955	226,684
Community Amenities	21,832,654	13,170,701	8,728,700
Recreation and Culture	5,644,947	5,990,482	6,828,127
Transport	39,354,676	37,222,228	20,005,043
Economic Services	36,815,249	6,821,516	21,092,100
Other Property and Services	633,159	572,347	1,038,031
	<b>110,618,758</b>	<b>70,211,205</b>	<b>63,646,008</b>
<b>EXPENSES</b>			
Governance	(2,149,321)	(2,276,138)	(2,036,497)
General Purpose Funding	(555,188)	(548,443)	(382,952)
Law, Order, Public Safety	(3,418,732)	(1,828,805)	(1,589,214)
Health	(750,105)	(770,493)	(560,984)
Education and Welfare	(1,424,948)	(1,522,816)	(1,155,750)
Housing	(1,372,579)	(4,093,889)	(1,028,633)
Community Amenities	(19,858,015)	(19,221,142)	(7,959,351)
Recreation & Culture	(21,500,628)	(22,251,031)	(16,569,009)
Transport	(15,908,923)	(13,273,528)	(13,033,690)
Economic Services	(1,989,261)	(3,273,708)	(1,604,934)
Other Property and Services	(1,121,769)	(807,205)	(796,477)
	<b>(70,049,469)</b>	<b>(69,867,198)</b>	<b>(46,717,491)</b>
<b>Net Operating Result Excluding Rates</b>	40,569,289	344,007	16,928,517
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Revenue</b>			
Initial Recognition of Assets Due to Change to Regulations			
- Land	-	-	-
- Intangibles	-	-	-
(Profit)/Loss on Asset Disposals	20 107,356	18,400	11,000
Movement in Accrued Interest	-	-	263,096
Movement in Deferred Pensioner Rates (non-current)	-	-	(1,105)
Movement in Accrued Salaries and Wages	-	-	94,722
Movement in Other Non Current Assets/ Liabilities	49,766	-	-
Movement in Employee Benefit Provisions	(36,469)	-	42,161
Loss in Revaluation Surplus	6 635,037	-	-
Depreciation and Amortisation on Assets	2(a) 9,739,767	9,858,394	7,982,279
<b>Capital Expenditure and Revenue</b>			
Purchase Land and Buildings	6 (11,634,073)	(32,757,200)	(23,423,847)
Purchase Infrastructure Assets - Roads	7 (1,642,022)	(40,842,956)	(1,023,755)
Purchase Infrastructure Assets - Other	7 (5,144,073)	(4,688,332)	(15,697,285)
Purchase Plant and Equipment	6 (3,178,940)	(3,238,630)	(1,493,105)
Purchase Furniture and Equipment	6 (2,169,295)	(490,500)	(1,423,099)
Proceeds from Disposal of Assets	20 353,974	515,500	11,000
Repayment of Debentures	22(a) (981,478)	(3,215,202)	(634,818)
Transfer to Self Supporting Loans	-	(500,000)	-
Proceeds from New Debentures	22(a) 6,100,111	30,891,853	12,257,000
Self-Supporting Loan Principal Income	63,638	2,149,816	60,642
Transfer from Unspent Grants	4,024,603	-	-
Transfer from Unspent Loans	3,229,515	-	-
Transfer to Restricted Receivables	(19,920,924)	-	-
Transfers to Reserves (Restricted Assets)	(83,050,868)	(25,792,248)	(45,467,628)
Transfers from Reserves (Restricted Assets)	46,024,795	38,563,689	35,412,082
Estimated Surplus/(Deficit) July 1 B/Fwd	(4,435,311)	7,147,958	7,728,477
Estimated Surplus/(Deficit) June 30 C/Fwd	(2,438,520)	-	7,077,017
<b>Amount Required to be Raised from Rates</b>	23 <b>(18,857,082)</b>	<b>(22,035,451)</b>	<b>(15,450,683)</b>

The surplus/deficit for 2011/12 has been recalculated in line with the new requirements of the Department of Local Government and the revised deficit of \$4,435,311 for 2011/12 has been brought forward to 2012/13. This statement is to be read in conjunction with the accompanying notes.

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**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.

Except for cash flow and rate setting information, 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 18 to these financial statements.

**(c) Goods and Services Tax**

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

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

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(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 in the statement of financial position.

**(e) Trade and Other Receivables**

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

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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.

**(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 completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in the statement of comprehensive income at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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.

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(g) Fixed Assets (Continued)**

***Mandatory Requirement to Revalue Non-Current Assets***

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at fair value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every three years.

Council has commenced the adoption of Fair Value, in line with the Regulations, and will be carrying out the Fair Valuation in a phased manner as follows:

Plant & Equipment - Financial Year Ended 30th June 2013

Land & Building - Financial Year Ending 30th June 2014

Infrastructure and remaining assets - Financial Year Ending 30th June 2015

Thereafter the valuation will be carried out every three years.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

***Land Under Control***

In accordance with local Government (Financial Management) Regulation 16 (a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the Local Government as a golf course, showground, racecourse or other sporting or recreational facility of State or

The Council has reviewed its facilities in relation to the above regulation and the Council do not have any "Land Under Control" to report as an asset as at 30th June 2013.

***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 overheads.

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(g) Fixed Assets (Continued)**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

***Revaluation***

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date. (Level 1 inputs in the fair value hierarchy)

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) 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 (Level 3 inputs in the fair value hierarchy).

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 recognised against revaluation surplus directly in equity. All other decreases are recognised as profit or loss.

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, will be revalued at least every three years.

***Transitional Arrangement***

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(g) Fixed Assets (Continued)**

Those assets carried at cost will be carried in accordance with the policy detailed in the *Initial Recognition* section as detailed above.

Those assets carried at fair value will be carried in accordance with the *Revaluation* methodology section as detailed above.

***Early Adoption of AASB 13 - Fair Value Measurement***

Whilst the new accounting standard in relation to fair value, *AASB 13 - Fair Value Measurement* does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to adopt AASB 13 early (as allowed for in the standard).

As a consequence, the principles embodied in *AASB 13 - Fair Value Measurement* have been applied to the reporting period commencing financial year ended 30 June 2013.

Due to the nature and timing of the adoption (driven by legislation), the adoption of this standard has had no effect on previous reporting periods.

***Land under Roads***

In Western Australia, all land under roads is Crown Land but the responsibility for managing 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 that 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 (excluding freehold land) 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.



**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(g) Fixed Assets (Continued)**

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

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 seal	50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads formation	not depreciated
pavement	50 years
Footpaths - slab	20 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.

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 surplus.

**(h) Intangible Assets**

**Easements**

Due to legislative changes, Easements are required to be recognised as assets.

The easements registered to the Council mainly provide access and in view of this, the Council is unable to put a value on these easements.

**(i) 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).

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

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

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.

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 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 where they are expected to mature within 12 months after the end of the reporting period.

***(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. They are subsequently measured at amortised cost.

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

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

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

***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.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to the asset previously recognised in other comprehensive income, is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as non-current.

*(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 profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

***Derecognition***

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continued involvement in the risks and benefits associated with the asset.

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

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(i) 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 of impairment.

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

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

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**

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for the benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

**(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.

**(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; 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.

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(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 17.

When the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(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.

**(r) Superannuation**

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

**(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.

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

**(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.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

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

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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

Management's assessment of the new and amended pronouncement that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows.

	<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(i)	AASB 9 – Financial Instruments	December 2009	01 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.
	AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	September 2012	Deferred AASB 9 until 1 January 2015	
(ii)	AASB 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 9	December 2009	01 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).
	[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)			

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

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

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

Title and Topic	Issued	Applicable (*)	Impact
<p>(iii) 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, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Interpretations 2, 5, 10, 12, 19 &amp; 127]</p>	December 2010	01 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>(iv) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards  [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 &amp; 1038 and Interpretations 5, 9, 16 &amp; 17]</p>	August 2011	01 January 2013	Nil - None of these, except for AASB 128 , are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.



**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

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

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

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2011 - 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.  It effects presentation only and is not expected to significantly impact the Council.
(vi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2012-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(vii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	01 January 2013	Principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.  This Standard is not expected to significantly impact on the Council's financial statements.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**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 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	01 January 2014	<p>This Standard adds application guidance to AASB 132: <i>Financial Instruments: Presentation</i> to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>This Standard is not expected to significantly impact on the Council’s financial statements.</p>
(ix) AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, 101, 116, 132, 134 and Interpretation 2]	June 2012	01 January 2013	<p>Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council’s financial statements.</p>
(x) AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	December 2012	01 January 2013	<p>Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.</p>

(\*) 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 2013**

**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 2010 – 8  
AASB 2011 - 3  
AASB 2011 - 13

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.

The Council also chose to early adopt *AASB 13 – Fair Value Measurement* as allowed for in the standard. For further details with respect to this early adoption, refer to Note 1(g).

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

<b>2. REVENUE AND EXPENSES</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net Result includes:		
(i) Charging as an Expense:		
<b>Auditors Remuneration</b>		
- Audit of the financial report	27,689	49,462
- Financial Management Review	8,000	-
- Assistance with the finalisation of the annual financial report	4,500	2,000
	<u>40,189</u>	<u>51,462</u>
<b>Depreciation</b>		
Buildings	2,569,007	2,099,341
Furniture and Equipment	915,541	345,334
Plant and Equipment	1,603,764	1,282,114
Roads	1,432,759	1,397,119
Infrastructure- Airport	694,455	663,021
Infrastructure- Other	2,524,241	2,195,350
	<u>9,739,767</u>	<u>7,982,279</u>
<b>Interest Expenses (Finance Costs)</b>		
Debentures	1,217,686	622,997
Others	34,693	263,994
	<u>1,252,379</u>	<u>886,991</u>
<b>Rental Charges</b>		
- Operating Leases	141,240	321,207
	<u>141,240</u>	<u>321,207</u>
	<b>2013</b>	<b>2013</b>
	<b>\$</b>	<b>Budget</b>
		<b>\$</b>
<b>Interest Earnings</b>		
Investments		
- Reserve Funds	1,098,909	1,322,983
- Other Funds	1,511,986	2,002,500
Other Interest Revenue ( <i>refer note 26</i> )	180,541	206,051
	<u>2,791,436</u>	<u>4,022,283</u>
		<u>1,839,080</u>

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(b) Statement of Objective**

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

Council operations as disclosed in this budget encompass the following service orientated activities/programs:

**COMMUNITY VISION**

The Town of Port Hedland's vision is to create "a nationally significant, friendly city, where people want to live and are proud to call home."

**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 & animal control.

**HEALTH**

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

Activities: Food quality and pest control, and Aboriginal Environment 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 play groups 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.

**RECREATION AND CULTURE**

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

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(b) Statement of Objective (Continued)**

**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.

**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 cattle yards.

**OTHER PROPERTY SERVICES**

Objective: To help maintain the Town's assets and carry out repairs and maintenance

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

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(c) Conditions Over Grants/Contributions**

Grant/Contribution	Function/ Activity	Opening	Received (+)	Expended (#)	Closing	Received (+)	Expended (#)	Closing
		Balance (*) 1-Jul-11 \$	2011/2012 \$	2011/2012 \$	Balance (*) 30-Jun-12 \$	2012/2013 \$	2012/2013 \$	Balance 30-Jun-13 \$
Building Safety (Fire) Grant		15,000			15,000	-	-	15,000
Walk It Hedland		-			-			0
BHP - Hedland Turf Club Grandstand		51,601		(51,396)	205	-	-	205
PH Enhancement Scheme - Foreshore Park		9,888			9,888	-	-	9,888
Federal Aboriginal Road Grant		-	44,000		44,000	-	-	44,000
Royalties for Regions 2010/2011 - GP Housing		1,427,160	-	(800,125)	627,035	92,511	(719,546)	0
Royalties for Regions- Sth Hedland Aquatic Centre		1,230,000	2,370,000	(1,817,024)	1,782,976	-	(1,782,976)	(0)
Royalties for Regions - Sth Hedland Library &Community Centre		665,000	-	-	665,000	-	-	665,000
Royalties for Regions - South Hedland Bowls and Tennis Club		-	-	-	-	500,000	-	500,000
Pilbara Development Commission - South Hedland Bowls and Tennis Club		-	-	-	-	250,000	-	250,000
Pilbara Development Commission -Wayfinding Signage (Formally Coastal Access Managed Cam		43,675	-	(82)	43,593	-	(8,361)	35,232
CLGF 2010/11 - Town Entry Statement		-	100,000	-	100,000	-	(100,000)	0
CLGF 2011/2012 - South Hedland Aquatic Centre		-	-	-	-	807,745	(807,745)	0
Community Contribution - Bicycle Plan		-	32,273	-	32,273	-	-	32,273
Children Book Council of Aust		-	3,600	-	3,600	3,600	(3,600)	3,600
BHP Contribution 2010 - GP Housing Project		1,500,000	750,000	(842,135)	1,407,865	-	(1,407,865)	0
BHP - Wallwork Bridge		(974,879)	3,015,440	(1,594,177)	446,384	-	(1,794)	444,590
Dept of Local Government - Long Term Financial Plan		-	30,000	(30,000)	-	-	-	0
Dept of Local Government - Workforce Plan		-	-	-	-	25,000	(25,000)	0
Grant - Atlas Iron - Move It Hedland		-	-	-	-	4,545	(4,545)	0
Atlas Iron - Trails Master Plan		-	-	-	-	35,000	(35,000)	0
Dept of Regional Lands - PH Integrate Foreshore Redevelopment Masterplan		-	-	-	-	30,000	(30,000)	0
Lotterywest - Trails Master Plan		-	-	-	-	-	-	0
FMG - GP Housing Rent Contribution		-	54,545	(54,545)	-	75,000	(75,000)	0
Pilbara Development Commission - Port Hedland Infrastructure Capacity Study		-	-	-	-	18,182	-	18,182
Department of Housing - Port Hedland Infrastructure Capacity Study		-	-	-	-	18,182	-	18,182
Kidsport Grant		-	-	-	-	60,000	(2,689)	57,311
Regional Roads Group		-	-	-	363,331	468,667	(630,559)	201,439
Land Corp - Port Hedland Infrastructure Capacity Study		-	-	-	-	18,182	(9,420)	8,762
<b>Total</b>		<b>3,967,445</b>	<b>6,399,858</b>	<b>(5,189,484)</b>	<b>5,541,150</b>	<b>2,406,614</b>	<b>(5,644,100)</b>	<b>2,303,664</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.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

	2013 \$	2012 \$
<b>3. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand - Municipal (Unrestricted)	5,186	5,230
Cash at Bank - Municipal	1,678,954	39,580,611
Cash at Bank - Reserves (Restricted)	74,559,012	37,532,884
	76,243,152	77,118,725
 <u>Cash at Bank - Municipal</u>		
Unrestricted Balance	(624,709)	30,022,829
Restricted Grants Balance	2,303,664	9,557,782
	1,678,955	39,580,611
 The following restrictions have been imposed by regulations or other externally imposed requirements:		
Leave Reserve	13 894,612	949,398
Airport Reserve	13 19,059,736	12,832,619
Plant Reserve	13 54	284,697
Car Parking Reserve	13 231,597	226,624
Planning Projects Reserve	13 -	-
Waste Management Reserve	13 4,203,609	1,284,198
Bushfire Management Reserve	13 -	-
Lights Replacement Reserve	13 23,145	22,559
Depot Facilities Reserve	13 16,520	16,101
Oval Development Reserve	13 -	-
BHP - TPRH Alliance Reserve	13 -	-
South Hedland Library Reserve	13 14,571	14,202
SES Shed Reserve	13 35,247	34,355
Planning Permeability Reserve	13 -	-
Waste Management Recycle Reserve	13 453,024	441,559
BHP Reserve	13 5,637,835	7,778,997
Civil Building/Infrastructure Reserve	13 8,475	91,459
Newcrest Reserve	13 2,555	2,490
Spoilbank Reserve	13 40,759,626	10,386,348
Royalties for Regions Reserve	13 927,208	248,958
Community Facilities Reserve	13 1,258,124	2,219,262
GP Housing	13 194,298	699,113
Asset Management Reserve	13 184,665	-
Underground Power Reserve	13 654,111	-
	74,559,012	37,532,939
Unspent Grants	2c 2,303,664	6,328,267
Unspent Loans	-	3,229,515
	2,303,664	9,557,782
 Total Restricted Funds	 76,862,676	 47,090,721



**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	407,657	54,128
Sundry Debtors	30,564,911	8,572,925
Provision for Doubtful Debts	(500,736)	(243,256)
Loans - Clubs/Institutions	67,770	63,638
Other Receivables	217,196	167,849
Accrued Income	1,458,574	2,366,431
	<u>32,215,372</u>	<u>10,981,715</u>
<b>Non-Current</b>		
Rates Outstanding - Pensioners	19,279	19,279
Service Charges - Underground Power	-	-
Loans - Clubs/Institutions	804,015	871,786
	<u>823,294</u>	<u>891,065</u>

**5. INVENTORIES**

<b>Current</b>		
Fuel	6,420	1,445
Matt Dann Kiosk	4,370	3,440
JD Hardie Centre	1,460	-
	<u>12,250</u>	<u>4,885</u>

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land - Cost	1,403,748	1,403,748
	<u>1,403,748</u>	<u>1,403,748</u>
Land and Buildings - Cost	103,211,570	91,577,497
Less Accumulated Depreciation	(15,762,020)	(13,193,013)
Reclassification of Assets	(144,924)	-
	<u>87,304,626</u>	<u>78,384,484</u>
Furniture and Equipment - Cost	8,469,715	6,300,420
Less Accumulated Depreciation	(4,857,377)	(3,941,836)
Reclassification of Assets	(824,022)	-
	<u>2,788,316</u>	<u>2,358,584</u>
Plant and Equipment - Independent Valuation 2013	19,162,144	17,079,570
Less Accumulated Depreciation	(10,629,712)	(9,025,948)
	<u>1,172,055</u>	<u>8,053,622</u>
	<u>9,704,487</u>	<u>8,053,622</u>
	<u>101,201,177</u>	<u>90,200,438</u>

**Plant and Equipment:**

The Town's Plant & Equipment was revalued at 30 June 2013 by independent valuers. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy).

The revaluation resulted in a net decrease of \$635,037 in the net value of the Town's Plant & Equipment. All of this decrease was debited to Other Comprehensive Income in the Statement of Comprehensive Income (refer to Note 14(b) for further details).

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

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

**Movements in Carrying Amounts**

	<b>Land</b>	<b>Land &amp; Buildings</b>	<b>Furniture &amp; Equipment</b>	<b>Plant and Equipment (Level 2)</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance as at the beginning of the year 1/7/2012	1,403,748	78,384,484	2,358,584	8,053,622	90,200,438
Additions	-	11,634,073	2,169,295	3,178,940	16,982,308
(Disposals)	-	-	-	(461,329)	(461,329)
Revaluation - Increments	-	-	-	621,066	621,066
- (Decrements)	-	-	-	(1,256,103)	(1,256,103)
Impairment - (losses)	-	-	-	-	-
- reversals	-	-	-	-	-
Initial Recognition of assets Due to Changes to Regulations					-
Depreciation (Expense)	-	(2,569,007)	(915,541)	(1,603,764)	(5,088,312)
Reclassification of Assets		(144,924)	(824,022)	1,172,055	203,109
<b>Carrying amount at the end of year 30/6/2013</b>	<b><u>1,403,748</u></b>	<b><u>87,304,626</u></b>	<b><u>2,788,316</u></b>	<b><u>9,704,487</u></b>	<b><u>101,201,177</u></b>

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>7. INFRASTRUCTURE</b>		
Roads - Cost	83,610,567	81,968,545
Less Accumulated Depreciation	<u>(22,905,302)</u>	<u>(21,472,543)</u>
	60,705,265	60,496,002
Footpaths - Cost	9,633,479	9,593,029
Less Accumulated Depreciation	<u>(2,431,191)</u>	<u>(2,422,744)</u>
	7,202,288	7,170,285
Drainage - Cost	9,915,686	9,880,203
Less Accumulated Depreciation	<u>(3,480,098)</u>	<u>(3,347,988)</u>
	6,435,588	6,532,215
Parks & Ovals - Cost	47,338,934	43,843,009
Less Accumulated Depreciation	<u>(10,393,673)</u>	<u>(8,147,875)</u>
	<u>(203,109)</u>	<u>(203,109)</u>
	36,742,152	35,695,134
Bridges - Cost	4,794,897	3,953,103
Less Accumulated Depreciation	<u>(567,295)</u>	<u>(467,440)</u>
	4,227,602	3,485,663
Bus Shelters - Cost	205,185	205,185
Less Accumulated Depreciation	<u>(159,825)</u>	<u>(139,306)</u>
	45,360	65,879
Depot - Cost	671,326	666,027
Less Accumulated Depreciation	<u>(172,587)</u>	<u>(155,075)</u>
	498,739	510,952
Airport - Cost	27,813,161	27,088,038
Less Accumulated Depreciation	<u>(12,528,097)</u>	<u>(11,833,641)</u>
	15,285,064	15,254,397
	<u>131,142,058</u>	<u>129,210,527</u>

This policy also accords with AASB 116.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**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.

	<u>Roads</u> \$	<u>Footpaths</u> \$	<u>Drainage</u> \$	<u>Parks and Ovals</u> \$	<u>Bridges</u> \$	<u>Bus Shelters</u> \$	<u>Depots</u> \$	<u>Airport</u> \$	<u>Total</u> \$
Balance at the beginning	60,496,002	7,170,285	6,532,215	35,695,134	3,485,663	65,879	510,952	15,254,397	129,210,527
of the year 1.7.2012									
Additions	1,642,022	40,450	35,483	3,495,925	841,794		5,299	725,122	6,786,095
(Disposals)	-	-	-	-	-	-	-	-	-
Revaluation - Increments	-	-	-	-	-	-	-	-	-
- (Decrements)	-	-	-	-	-	-	-	-	-
Impairment - (losses)	-	-	-	-	-	-	-	-	-
- reversals	-	-	-	-	-	-	-	-	-
Depreciation (Expense)	(1,432,759)	(8,447)	(132,110)	(2,245,798)	(99,855)	(20,519)	(17,512)	(694,455)	(4,651,455)
Reclassification				(203,109)					(203,109)
<b>Carrying amount at the end of year 30 June 2013</b>	<b><u>60,705,265</u></b>	<b><u>7,202,288</u></b>	<b><u>6,435,588</u></b>	<b><u>36,742,152</u></b>	<b><u>4,227,602</u></b>	<b><u>45,360</u></b>	<b><u>498,739</u></b>	<b><u>15,285,064</u></b>	<b><u>131,142,058</u></b>

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**8. INTANGIBLES**

The Easements registered to Town of Port Hedland at 30th June 2013 mainly provide right of access for the purpose of water, sewerage, storm water and similar activities. For most of the easements, the access is for Government Agencies like Water Corporation, State Energy Commission and other similar agencies.

The Town is of the view that due to the nature of the easements which mainly provide access only, it is not able to put a value to these easements which will provide future economic benefits to the organisation.

**9. TRADE AND OTHER PAYABLES**

	2013	2012
	\$	\$
<b>Current</b>		
Sundry Creditors	9,099,082	11,085,122
Income in Advance	2,116,106	32,373,607
Accrued Interest on Debentures	310,198	287,228
Accrued Salaries and Wages	311,634	187,940
	<u>11,837,020</u>	<u>43,933,897</u>

**10. LONG-TERM BORROWINGS**

	2013	2012
	\$	\$
<b>Current</b>		
Secured by Floating Charge Debentures	<u>1,304,847</u>	<u>1,008,734</u>
	<u>1,304,847</u>	<u>1,008,734</u>
<b>Non-Current</b>		
Secured by Floating Charge Debentures	<u>25,359,507</u>	<u>20,564,243</u>
	<u>25,359,507</u>	<u>20,564,243</u>

Additional detail on borrowings is provided in Note 23.

**11. PROVISIONS**

	2013	2012
	\$	\$
Analysis of Total Provisions		
Current	2,288,682	1,516,073
Non-Current	153,881	117,412
	<u>2,442,563</u>	<u>1,633,485</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Sick Leave \$	Total \$
Opening balance as at 1 July 2012	1,000,056	423,096	210,333	1,633,485
Additional provisions	575,634	257,454	(24,010)	809,078
Balance at 30 June 2013	<u>1,575,690</u>	<u>680,550</u>	<u>186,323</u>	<u>2,442,563</u>

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**12. RESERVES - CASH/INVESTMENT BACKED**

	2013 \$	2013 Budget \$	2012 \$
<b>(a) Leave Reserve</b>			
Opening Balance	949,398	951,369	909,268
Amount Set Aside / Transfer to Reserve	25,934	42,800	40,130
Amount Used / Transfer from Reserve	<u>(80,720)</u>	<u>-</u>	<u>-</u>
	<u>894,612</u>	<u>994,169</u>	<u>949,398</u>
<b>(b) Airport Reserve</b>			
Opening Balance	12,832,620	7,524,206	11,256,168
Amount Set Aside / Transfer to Reserve	37,996,262	5,833,144	17,628,189
Amount Used / Transfer from Reserve	<u>(31,769,146)</u>	<u>(11,015,481)</u>	<u>(16,051,737)</u>
	<u>19,059,736</u>	<u>2,341,869</u>	<u>12,832,620</u>
<b>(c) Plant Reserve</b>			
Opening Balance	284,697	285,263	272,663
Amount Set Aside / Transfer to Reserve	6,579	12,800	12,034
Amount Used / Transfer from Reserve	<u>(291,222)</u>	<u>-</u>	<u>-</u>
	<u>54</u>	<u>298,063</u>	<u>284,697</u>
<b>(d) Car Parking Reserve</b>			
Opening Balance	226,624	690,529	158,275
Amount Set Aside / Transfer to Reserve	4,973	32,600	68,349
Amount Used / Transfer from Reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>231,597</u>	<u>723,129</u>	<u>226,624</u>
<b>(f) Waste Management Reserve</b>			
Opening Balance	1,284,198	132,561	614,645
Amount Set Aside / Transfer to Reserve	4,469,751	3,248,479	2,791,793
Amount Used / Transfer from Reserve	<u>(1,550,340)</u>	<u>(1,670,378)</u>	<u>(2,122,240)</u>
	<u>4,203,609</u>	<u>1,710,662</u>	<u>1,284,198</u>
<b>(h) Lights Replacement Reserve</b>			
Opening Balance	22,559	21,533	21,333
Amount Set Aside / Transfer to Reserve	586	1,000	1,226
Amount Used / Transfer from Reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>23,145</u>	<u>22,533</u>	<u>22,559</u>
<b>(i) Depot Facilities Reserve</b>			
Opening Balance	16,101	16,121	15,420
Amount Set Aside / Transfer to Reserve	419	700	681
Amount Used / Transfer from Reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>16,520</u>	<u>16,821</u>	<u>16,101</u>
<b>(l) South Hedland Library Reserve</b>			
Opening Balance	14,202	14,202	13,602
Amount Set Aside / Transfer to Reserve	369	600	600
Amount Used / Transfer from Reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>14,571</u>	<u>14,802</u>	<u>14,202</u>

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**12. RESERVES - CASH/INVESTMENT BACKED CONTINUED**

	2013 \$	2013 Budget \$	2012 \$
<b>(m) SES Shed Reserve</b>			
Opening Balance	34,355	34,403	32,903
Amount Set Aside / Transfer to Reserve	892	1,500	1,452
Amount Used / Transfer from Reserve	-	-	-
	<u>35,247</u>	<u>35,903</u>	<u>34,355</u>
<b>(o) Waste Management &amp; Recycling Reserve</b>			
Opening Balance	441,559	492,629	422,895
Amount Set Aside / Transfer to Reserve	11,465	22,200	18,664
Amount Used / Transfer from Reserve	-	-	-
	<u>453,024</u>	<u>514,829</u>	<u>441,559</u>
<b>(p) BHP Reserve</b>			
Opening Balance	7,778,996	6,095,618	8,347,897
Amount Set Aside / Transfer to Reserve	3,800,529	3,823,983	10,686,781
Amount Used / Transfer from Reserve	(5,941,690)	(9,919,601)	(11,255,682)
	<u>5,637,835</u>	<u>0</u>	<u>7,778,996</u>
<b>(q) Civil Building/Infrastructure Reserve</b>			
Opening Balance	91,459	91,592	87,593
Amount Set Aside / Transfer to Reserve	2,333	4,100	3,866
Amount Used / Transfer from Reserve	(85,317)	-	-
	<u>8,475</u>	<u>95,692</u>	<u>91,459</u>
<b>(r) Newcrest Reserve</b>			
Opening Balance	2,490	6,985	2,385
Amount Set Aside / Transfer to Reserve	65	300	105
Amount Used / Transfer from Reserve	-	-	-
	<u>2,555</u>	<u>7,285</u>	<u>2,490</u>
<b>(s) Spoilbank Reserve</b>			
Opening Balance	10,386,348	40,537,932	514,333
Amount Set Aside / Transfer to Reserve	30,424,234	24,200	9,872,015
Amount Used / Transfer from Reserve	(50,956)	(1,500,000)	0
	<u>40,759,626</u>	<u>39,062,132</u>	<u>10,386,348</u>
<b>(t) Royalties for Regions Reserve</b>			
Opening Balance	248,958	-	3,246,157
Amount Set Aside / Transfer to Reserve	3,220,510	-	146,168
Amount Used / Transfer from Reserve	(2,542,260)	-	(3,143,367)
	<u>927,208</u>	<u>-</u>	<u>248,958</u>
<b>(u) Community Facilities Reserve</b>			
Opening Balance	2,219,262	1,522,059	1,561,856
Amount Set Aside / Transfer to Reserve	530,011	1,144,708	1,196,338
Amount Used / Transfer from Reserve	(1,491,149)	(920,000)	(538,932)
	<u>1,258,124</u>	<u>1,746,767</u>	<u>2,219,262</u>

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**12. RESERVES - CASH/INVESTMENT BACKED CONTINUED**

	2013 \$	2013 Budget \$	2012 \$
<b>(v) GP Housing Reserve</b>			
Opening Balance	699,113	2,344,800	-
Amount Set Aside / Transfer to Reserve	1,535,109	38,300	2,999,238
Amount Used / Transfer from Reserve	<u>(2,039,924)</u>	<u>(2,343,200)</u>	<u>(2,300,125)</u>
	<u>194,298</u>	<u>39,900</u>	<u>699,113</u>
<b>(u) Asset Management Reserve</b>			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	366,735	365,805	-
Amount Used / Transfer from Reserve	<u>(182,070)</u>	<u>0</u>	<u>-</u>
	<u>184,665</u>	<u>365,805</u>	<u>-</u>
<b>(w) Underground Power Reserve</b>			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	654,111	11,195,029	-
Amount Used / Transfer from Reserve	<u>-</u>	<u>(11,195,029)</u>	<u>-</u>
	<u>654,111</u>	<u>-</u>	<u>-</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u><u>74,559,013</u></u>	<u><u>47,990,361</u></u>	<u><u>37,532,939</u></u>

**12. RESERVES - CASH BACKED**

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.

**Waste Management Reserve**

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

**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.

**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.

**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 Newcrest 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.

**Asset Management Reserve**

- for the ongoing maintenance, refurbishment and development of Council owned assets within the Town of Port Hedland

**Underground Power Reserve**

- being for the installation of Underground Power 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.



**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

<b>13. ASSET REVALUATION</b>	<b>2013</b>	<b>2012</b>
<b>Reserves</b>	<b>\$</b>	<b>\$</b>
Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:		
<b>(i) Land and Buildings</b>		
Opening balance	662,217	662,217
Revaluation Increment	-	-
Revaluation Decrement	-	-
	<u>662,217</u>	<u>662,217</u>
<b>(ii) Roads</b>		
Opening Balance	190,311	190,311
Revaluation Increment	-	-
Revaluation Decrement	-	-
	<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>

**14. 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:

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Cash and Cash Equivalents	<u>76,243,152</u>	<u>59,092,871</u>	<u>77,118,725</u>

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

Net Result	59,426,370	22,379,458	32,379,195
Depreciation	9,739,767	9,858,394	7,982,279
(Profit)/Loss on Sale of Asset	107,356	18,400	(11,000)
Loss on Revaluation of Assets	635,037		
Increase/(Decrease) in Employee Provisions	809,078	4,305,074	42,161
(Increase)/Decrease in Receivables	(21,229,526)	(1,859,613)	(4,062,154)
(Increase)/Decrease in Inventories	(7,365)	(10,000)	9,566
Increase/(Decrease) in Payables	(32,096,877)	(429,037)	36,659,720
Grants/Contributions for the Development of Assets	<u>(37,648,480)</u>	<u>(27,821,031)</u>	<u>(26,741,647)</u>
Net Cash from Operating Activities	<u><u>(20,264,640)</u></u>	<u><u>6,441,645</u></u>	<u><u>46,258,120</u></u>

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank Overdraft limit	-	-
Bank Overdraft at Balance Date	-	-
Credit Card limit	13,000	13,000
Credit Card Balance at Balance Date	7,964	7,787
<b>Total Amount of Credit Unused</b>	<u>5,036</u>	<u>5,213</u>
<b>Loan Facilities</b>		
Loan Facilities - Current	1,304,847	1,008,734
Loan Facilities - Non-Current	25,359,507	20,564,243
<b>Total Facilities in Use at Balance Date</b>	<u>26,664,354</u>	<u>21,572,977</u>
<b>Unused Loan Facilities at Balance Date</b>	<b>NIL</b>	<b>NIL</b>
<b>Unused Credit Card Facilities at Balance Date</b>	<u>5,036</u>	<u>5,213</u>

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**15. CONTINGENT LIABILITIES**

Two claims for damages have been brought against the Council. The first claim relates to personal injury and this is being investigated by the Council's insurer who, at this stage, will cover the cost if it is payable with the exception of the initial \$5,000.

The second claim relates to litigation and the action is being defended by the Council. The matter has been referred to mediation. At this stage, the quantum of the claim cannot be assessed.

**16. CAPITAL AND LEASING COMMITMENTS**

**(a) Finance Lease Commitments**

Nil

**(b) Operating Lease Commitments**

	2013 \$	2012 \$
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	141,240	302,899
- later than one year but not later than five years	86,534	377,800
- later than five years	-	-
	<u>227,774</u>	<u>680,699</u>

**(c) Capital Expenditure Commitments**

	2013 \$	2012 \$
Contracted for:		
- Building expenditure projects	4,458,480	10,183,515
- Road expenditure projects	210,737	1,231,157
- Airport expenditure projects	82,122	
- Drainage expenditure projects	-	125,718
- Footpaths expenditure projects	68,860	89,768
- Parks expenditure projects	524,007	2,064,682
- Land development expenditure projects	-	187
- Furniture & equipment purchases	220,493	672,804
- Plant & equipment purchases	343,389	254,696
	<u>5,908,088</u>	<u>14,622,526</u>
Payable:		
- not later than one year	5,908,088	14,588,838

**17. JOINT VENTURE**

The Town of Port Hedland together with the Pilbara Arts Craft Design Aboriginal Corporation (PACDAC) 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:

	2013 \$	2012 \$
<b>Non-Current Assets</b>		
Buildings	471,860	463,811
Less: Accumulated Depreciation	(102,128)	(91,334)
	<u>369,732</u>	<u>372,477</u>

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**18. TRUST FUNDS**

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

	Balance 1-Jul-12 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-13 \$
Special Projects	2,200			2,200
Building Retention	4,616			4,616
Staff Bonds	23,906	14,489	1,060	37,335
Nomination Election Bonds	-	160	160	-
Ranger Services	1,404	3,409	2,236	2,577
Community Bank	960			960
Deposits - Halls	11,500	16,650	13,000	15,150
Deposits - Trailer/Comm Bus	1,400	2,080	3,080	400
Deposits - Sportsgrounds	17,540	25,800	23,100	20,240
POS Reserve	898			898
Blackrock Stakes Donations	178			178
Airport Cafe	-			-
BRB Levy	14,791	429,070	380,809	63,051
BCITF Levy	36,439	835,010	819,186	52,264
Unclaimed Money	2,547			2,547
Sundry	695			695
Garden Competition	4,850			4,850
MDCC Hire Events	-	1,000		1,000
Building Bonds	22,280			22,280
DAP	11,506	85,300	73,185	23,621
Cyclone George Note 1	103,410			103,410
Tech Services Bonds	-	30,500	13,500	17,000
	<u>261,120</u>	<u>1,443,468</u>	<u>1,329,316</u>	<u>375,272</u>

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

	2013 \$	2012 \$
Governance	5,124,906	4,531,999
General Purpose Funding	426,936	73,407
Law, Order, Public Safety	5,610,606	4,411,756
Health	387,657	420,262
Education and Welfare	3,632,854	8,102,184
Housing	15,382,578	12,829,502
Community Amenities	6,974,799	6,429,289
Recreation and Culture	96,370,942	91,270,443
Transport	167,112,222	121,670,226
Economic Services	732,827	553,933
Other Property and Services	2,629,347	3,575,749
Unallocated	37,251,630	54,538,606
	<u>341,637,304</u>	<u>308,407,356</u>

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**20. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR**

The following assets were disposed of during the year.

2012/13	Net Book Value		Sale Proceeds		Profit (Loss)	
	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
	\$	\$	\$	\$	\$	\$
<b>Plant and Equipment</b>						
PH9876 - Camry Altise	-	11,600	-	-	-	(11,600)
PH9879 - Landcruiser S/Wagon	34,582	35,800	32,727	50,000	(1,855)	14,200
1DFB088 - Mitsubishi Pajero	33,823	34,700	19,090	26,000	(14,733)	(8,700)
1DGC955 - Mitsubishi Pajero	32,394	34,100	27,182	26,000	(5,212)	(8,100)
PH10814 - Hilux 4x4 Extra Cab	-	27,000	-	20,000	-	(7,000)
PH10279 - Corolla Hatch	9,237	9,600	6,818	10,000	(2,419)	400
PH10209 - Corolla Sedan	8,901	9,200	4,545	10,000	(4,356)	800
PH10688 - Hilux 4x2 Single Cab	-	15,900	-	14,000	-	(1,900)
PH10290 - Hilux 4x4 Dual Cab	-	18,600	-	20,000	-	1,400
PH10849 - Hilux Extra Cab	-	27,000	-	21,000	-	(6,000)
PH10277 - Hilux 4x2 Single Cab	-	13,700	-	14,000	-	300
PH10673 - Colorado 4x4 Dual Cab	-	24,000	-	15,000	-	(9,000)
PH10698 - Prius	18,488	19,000	8,182	10,000	(10,306)	(9,000)
1DFB089 - Mitsubishi Pajero	33,823	34,200	24,545	26,000	(9,278)	(8,200)
1DGC464 - Mitsubishi Pajero	33,823	34,200	20,909	26,000	(12,914)	(8,200)
PH10695 - Hilux 4.2 Single Cab	-	15,400	-	14,000	-	(1,400)
P12081707 - Toro Z-Master Mower	9,923	10,400	4,455	4,000	(5,468)	(6,400)
P120813-04 - John Deere Mower	4,370	5,000	1,818	4,000	(2,552)	(1,000)
P12100807 - John Deere Mower	-	5,300	-	4,000	-	(1,300)
P12081807 - Toro Groundmaster 4WD Mower	8,678	9,100	2,182	4,000	(6,496)	(5,100)
P12083507 - Mitsubishi 4x2 Truck	13,421	14,700	8,182	18,000	(5,239)	3,300
P12083307 - Mitsubishi 4x2 Truck	21,697	22,700	10,455	18,000	(11,242)	(4,700)
P12084307 - Mitsubishi 4x2 Truck	20,709	22,700	6,662	18,000	(14,047)	(4,700)
P12080808 - Clark Bobcat S205	-	26,200	-	10,000	-	(16,200)
P30218 - John Deere Tractor	-	(9,000)	-	15,500	-	24,500
P19737 - Iveco Tip Truck	-	30,200	-	70,000	-	39,800
PH10214	16,628	-	9,091	-	(7,537)	-
PH10278	15,589	-	10,000	-	(5,589)	-
PH10280	17,916	-	9,182	-	(8,734)	-
PH10732	28,227	-	20,227	-	(8,000)	-
PH9083	6,870	-	6,591	-	(279)	-
PH10283	15,345	-	11,818	-	(3,527)	-
PH9382	6,076	-	4,773	-	(1,303)	-
Trailers	1,040	-	664	-	(376)	-
P12083007 - PH9743 Toyota Camry	10,525	-	9,545	-	(980)	-
PH10281 - Hilux 4x4	15,101	-	5,000	-	(10,101)	-
PH9742	8,807	-	5,455	-	(3,352)	-
P20400 - International Domestic Garbage Truck	-	35,100	-	46,000	0	10,900
	<b>425,993</b>	<b>536,400</b>	<b>270,098</b>	<b>513,500</b>	<b>(155,895)</b>	<b>(22,900)</b>

	Net Book Value		Sale Proceeds		Profit (Gain)	
	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
	\$	\$	\$	\$	\$	\$
<b>Plant and Equipment</b>						
Minor equipment	-	-	6,230	-	6,230	-
P1077 - PH5196	-	-	1,909	-	1,909	-
P12091-03 - John Deere Mower	-	(2,500)	1,909	2,000	1,909	4,500
Reimbursement of insurance for write off of PH11206	23,023	-	27,882	-	4,859	-
Reimbursement of insurance for write off of PH8474	-	-	23,200	-	23,200	-
Reimbursement of insurance for write off of PH11492	12,314	-	22,745	-	10,432	-
	<b>35,337</b>	<b>(2,500)</b>	<b>83,875</b>	<b>2,000</b>	<b>48,539</b>	<b>4,500</b>

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**21. FINANCIAL RATIOS**

	2013	2012	2011	2010
Current Ratio	0.804	0.965	1.489	1.245
Asset Sustainability Ratio	2.440	5.395	8.128	3.889
Debt Service Cover Ratio	5.777	11.349	11.940	8.950
Operating Surplus Ratio	0.031	0.119	0.187	0.158
Own Source Revenue Ratio	0.847	1.078	1.118	1.157
Asset Consumption Ratio	-	-	-	-
Asset Renewal Funding Ratio	-	-	-	-

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$
Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciated assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

**Notes**

**Asset Consumption Ratio**

The assets are being valued over a three year period in line with Local Government (Financial Management) Regulations as follows:

Plant & Equipment - Financial Year ended 30 June 2013

Land & Buildings- Financial Year ending 30 June 2014

Infrastructure and remaining assets - Financial Year ending 30 June 2015

In view of the above, we are unable to complete this ratio for the Financial Year ended 2012/13 and the previous years

**Asset Renewal Funding Ratio**

The Town of Port Hedland is currently developing the Long Term Financial Plan and is not able to complete this ratio for the Financial Year ended 30 June 2012/13 and the previous years

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**22. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal 1-Jul-12 \$	New Loans		Principal Repayments		Principal 30-Jun-13		Interest Repayments	
		Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Governance</b>									
<b>Law, Order &amp; Public Safety</b>									
State Emergency Services Shed(*) 123	244,707			28,746	28,746	215,961	242,962	15,113	15,113
<b>Education &amp; Welfare</b>									
HACC Housing Upgrade 122	291,318			34,221	34,221	257,097	289,241	17,992	17,992
GP Housing Loan 135	-	1,500,000	1,500,000	-	44,509	1,500,000	1,455,491	-	75,000
<b>Housing</b>									
Staff Housing 106	248,624			120,085	120,085	128,539	240,727	15,163	15,163
Staff Housing 107	116,841			56,814	56,814	60,028	113,799	5,738	5,738
Staff Housing - Morgans Street 125	1,380,768			45,321	45,321	1,335,448	1,377,857	92,450	93,380
Staff Housing - Morgans Street 127	2,020,444			62,984	62,984	1,957,460	2,016,381	135,936	137,245
Staff Housing Airport 131	1,265,156			36,981	36,981	1,228,175	1,263,019	75,865	76,657
Catamore Court Housing	-	-	1,095,000	-	16,246	-	1,078,754	-	27,840
<b>Community Amenities</b>									
Underground Power 124	-	-	6,871,853	-	2,078,759	-	4,793,094	-	549,377
Underground Power 134	-	654,111	-	-	-	654,111	-	-	-
<b>Recreation &amp; Culture</b>									
PH Golf Club (*) 111	-			-	-	-	883	-	-
Aquatic Centre Upgrade 112	389,126			67,905	67,905	321,221	384,788	24,990	24,990
Swimming Pool Extension 114	234,199			37,301	37,301	196,897	232,129	13,028	13,028
Civic Centre Upgrade 117	19,151			19,150	19,150	1	36,784	524	524
Civic Centre	-	-	5,000,000	-	74,181	-	4,925,819	-	125,000
Tennis Courts 120	5,165			5,165	5,165	0	9,901	148	148
Yacht Club (*) 126	452,176			23,592	23,592	428,584	450,700	28,609	28,900
Yacht Club Additional (*) 128	238,541			11,301	11,301	227,241	237,883	14,052	14,196
JD Hardie Upgrade 129	1,508,501			44,048	44,048	1,464,453	1,505,952	90,608	91,553
Marquee Park 130	807,778			23,587	23,587	784,191	806,413	48,519	49,025
Marquee Park Loan B 132	4,438,000			130,181	130,181	4,307,819	130,181	229,987	232,635
Multi-purpose Recreation Centre 133	7,819,000			229,357	229,357	7,589,643	229,357	405,197	409,864
South Hedland Bowling Club	-	-	500,000	-	7,418	-	492,582	-	12,500
JD Hardie Facility Upgrade 136	-	1,446,000	-	-	-	1,446,000	-	-	-
Wanangkura Stadium 137	-	2,500,000	-	-	-	2,500,000	-	-	-
<b>Transport</b>									
Depot 113	-			-	-	-	26,216	-	-
Wallwork Road Bridge	-	-	850,000	-	12,611	-	837,389	-	21,250
Airport Redevelopment	-	-	15,075,000	-	-	-	15,075,000	-	-
<b>Economic Services</b>									
Port Hedland Visitors Centre 116	66,230			4,739	4,739	61,491	65,967	3,767	3,767
	21,545,725	6,100,111	30,891,853	981,478	3,215,202	26,664,357	37,600,193	1,217,686	2,040,886

(\*) Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**22. INFORMATION ON BORROWINGS (Cont'd)**

(b) New Debentures - 2012/13

Particulars/Purpose		Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
		Actual \$	Budget \$						Actual \$	Budget \$	
GP Housing Loan	135	1,500,000	1,500,000	WATC	Debenture	20		4.73%	1,500,000		-
Underground Power	124	654,111	6,871,853	WATC	Debenture	5		3.67%	654,111		-
Multi-purpose Recreation Centre	137	2,500,000	-	WATC	Debenture	20		4.82%	2,500,000		-
JD Hardie Facility Upgrade	136	1,446,000	-	WATC	Debenture	20		4.82%	1,446,000		-
Total											-

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-12 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-13 \$

(d) Overdraft

Council did not have an overdraft facility in place for the year ended 30 June 2013.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**23. RATING INFORMATION - 2012/13 FINANCIAL YEAR**

(a) Rates

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	3.1025	4,712	354,834,239	11,071,437	442,431	23,659	11,537,527	15,025,212	-	-	15,025,212
GRV Commercial	3.1340	162	26,455,289	931,682	35,591	6,992	974,265	829,109	-	-	829,109
GRV Industrial	3.1025	310	45,002,488	1,427,160	6,182	2,088	1,435,429	1,396,202	-	-	1,396,202
GRV Shopping Centre	6.2050	2	8,681,850	538,709	-	-	538,709	538,709	-	-	538,709
GRV Ex Gratia	3.1025	0	-	-	-	-	-	-	-	-	-
GRV Mass Accommodation	7.4551	16	29,432,520	2,085,678	183,118	-	2,268,796	2,194,224	-	-	2,194,224
UV Mining Improved	35.3748	51	1,581,308	559,061	11,007	(595)	569,473	559,385	-	-	559,385
UV Mining Vacant	35.3747	66	1,149,692	406,727	21,264	(14,480)	413,511	406,700	-	-	406,700
UV Pastoral	5.7685	8	1,611,162	92,940	9,563	(6)	102,497	92,940	-	-	92,940
UV Other	11.7216	13	1,566,560	183,626	(1,040)	-	182,586	183,626	-	-	183,626
UV Other Vacant	13.3060	1	200,000	26,612	-	-	26,612	26,612	-	-	26,612
<b>Sub-Totals</b>		5,341	470,515,108	17,323,632	708,116	17,658	18,049,406	21,252,719	-	-	21,252,719
<b>Minimum Rates</b>	<b>Minimum \$</b>										
GRV Residential	1040	439	7,232,482	456,560	-	-	456,560	460,000	-	-	425,360
GRV Commercial	1040	72	1,145,508	74,880	-	-	74,880	199,000	-	-	76,960
GRV Industrial	1040	54	933,914	56,160	-	-	56,160	31,000	-	-	47,840
GRV Shopping Centre	1040	-	-	-	-	-	-	-	-	-	0
GRV Ex Gratia	1040	-	-	-	-	-	-	-	-	-	0
UV Mining Improved	1070	-	-	-	-	-	-	46,000	-	-	0
UV Mining Vacant	1040	47	59,526	48,880	-	-	48,880	291,000	-	-	48,880
UV Pastoral	1040	249	182,709	258,960	-	-	258,960	3,000	-	-	256,880
UV Other	1040	2	27,000	2,080	-	-	2,080	-	-	-	2,080
UV Other Vacant	1040	1	102	1,040	-	-	1,040	-	-	-	1,040
UV Other Vacant	1040	10	48	10,400	-	-	10,400	9,000	-	-	9,360
<b>Sub-Totals</b>		874	9,581,289	908,960	-	-	908,960	1,039,000	-	-	868,400
Discounts (refer note 26)							18,958,366 (101,284)				22,121,119 (85,667)
<b>Total Amount Raised from General Rate</b>							18,857,082				22,035,452
Specified Area Rate (refer note 24)											
<b>Total Rates</b>							18,857,082				22,035,452



**SHIRE OF SOMEWHERE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**23. RATING INFORMATION - 2012/13 FINANCIAL YEAR**

(b) Information on Surplus/(Deficit) Brought Forward	<b>2013</b> <b>(30 June 2013</b> <b>Carried</b> <b>Forward)</b> <b>\$</b>	<b>2013</b> <b>(1 July 2012</b> <b>Brought</b> <b>Forward)</b> <b>\$</b>
<b>Surplus/(Deficit) - Rate Setting Statement</b>	<u>(2,438,520)</u>	<u>7,077,017</u>
<b>Comprises:</b>		
Current Assets		
Cash - Unrestricted	(619,523)	30,028,059
Cash - Restricted	76,862,676	47,090,721
Investments - Restricted		0
Rates - Current	407,657	54,128
Sundry Debtors	30,564,911	8,572,925
Provisions for Doubtful Debts	(500,736)	(243,256)
Other Receivables	217,196	167,849
Loans - Clubs/ Institutions	67,770	63,638
GST Receivable	-	-
Accrued Income	1,458,574	2,366,431
Inventories		
- Fuel	6,420	1,445
- Matt Dann Kiosk	4,370	3,440
- JD Hardie Centre	1,460	-
	<u>108,470,772</u>	<u>88,105,381</u>
<b>Current Liability</b>		
Sundry Creditors	9,099,082	11,085,122
Accrued Interest on Debentures	310,198	287,228
Accrued Salaries and Wages	311,634	187,940
Current Employee Benefits Provision	2,288,682	1,516,073
Income in advance	2,116,106	32,373,607
Current Loan liability	1,304,847	1,008,734
	<u>15,430,549</u>	<u>46,458,705</u>
<b>Net current assets</b>	<b>93,040,223</b>	<b>41,646,676</b>
Less		
Reserves - Restricted Cash	74,559,012	37,532,939
Restricted Receivables	19,920,924	-
Unspent grants	2,303,664	6,328,267
Unspent loans	-	3,229,515
Add		
Current Loan liability	1,304,847	1,008,734
<b>Surplus/(Deficit)</b>	<u><b>(2,438,530)</b></u>	<u><b>(4,435,311)</b></u>

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**24. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR**

No specified area rates were raised in 2012/13.

**25. SERVICE CHARGES - 2012/13 FINANCIAL YEAR**

The Town of Port Hedland, partnered with Horizon Power and the State Government through Royalties for Regions are installing underground power to the residents within the Town of Port Hedland, specifically South Hedland and Wedgefield.

The Town of Port Hedland will contribute 25% of the project costs.

The Town will impose a service charge under section 6.38 of the Local Government Act 1995, to collect the charges associated with installing underground power to each property within the project area.

**Charges**

The fees have been determined as follows:

Connection Fee	1027.58
kVA Fee	137.58

**Rebates**

The Town of Port Hedland will offer the following rebates (reductions to the total charge per property) as follows:

1. Pensioners	0.05
2. Not For Profit Organisations	0.05
3. Small Business	0.05

All rebates will be subject to eligibility tests as follows:

*Pensioner Rebate Test*

Eligible pensioner as per the Rates and Charges (Rebates and Deferments Act 1992).

*Not for Profit Rebate Test*

Those receiving Rates Concessions or Rates Exemptions as per Council Policies.

*Small Businesses*

Must satisfy the following conditions:

1. must have less than 20 employees; and
2. turnover of less than \$2,000,000 per annum

*Payment Options*

1. One payment, due on the 29 October 2012
2. Five payments over five years due on the date that the first instalment for rates is due and payable in each year.

Properties opting for option 2 will be subject to a nominal interest charge equal to the cost to the Council of borrowing the funds to support payments by instalments.

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2012/13 FINANCIAL YEAR**

**Discounts**

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

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2012/13 FINANCIAL YEAR CONTINUED**

**Incentives**

Council has continued the Rates Incentive Program that provides an incentive to ratepayers who elect to pay their rates as per option 1 by 29 October 2012.

Draw prizes and their approximate values this year consist of:

***Platinum Sponsors***

\* Airnorth:-

\$2,400 - 2 return flight tickets from Port Hedland to Broome (valid till 31 October 2013)

\* Big Sky Building Society

\$2,000 - Cash

\* BJ Young Earthmoving:-

\$2,000 - Cash

\* Pilbara Logistics:-

\$2,000 - Cash

\* Subway North West:-

1 x 21 piece subway platter every four weeks for one year

1 x \$20 subway voucher weekly for one year

\* Shane Jacob Settlements:-

\$2,000 - Settlement fees as prescribed under the Settlement Agents Act

\* North West Telegraph:-

\$2,000 - Advertising for business or personal advertisements (must be used within 6 months of acceptance)

\* Walkabout Hotel:-

20 x \$100 vouchers for the Serenity Restaurant

***Gold Sponsors continued***

\*O'Donnell Griffin: -

\$1,000 – Cash

\*National Australia Bank: -

\$1,000 – Cash

***Silver Sponsors***

\* LMCD Construction:-

\$500 - Cash

\* South Hedland Shopping Centre

\$500 - Cash

\* Port Hedland Shopping Centre

\$500 - Cash

***Bronze Sponsors***

\* Goodearth & Ambassador Hotels Perth

\$305 Winner's Choice Accommodation Package

\* The Esplanade Hotel

10 x \$35 Bloo Moons Restaurant Vouchers

**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:

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2012/13 FINANCIAL YEAR CONTINUED**

**100% Concession**

A113927 – 22 Beroona Loop, South Hedland	Frontier Services/ Uniting Church
A400610 – 10 Smith Street, South Hedland	Frontier Services/ Uniting Church
A803051 – P48 Wharf Road, Port Hedland	Port Hedland Peace Memorial
A130005 – 29 Johnson Lane, Port Hedland	Seafarers Centre
A802155 – Lot 5164 Shoata Road, South Hedland	Port Hedland Pony Club
A156550 – Lot 55, 56, 57 McKay Street, Port Hedland	South Hedland Owners & Trainers
A106282 – 1-5 Hamilton Road, South Hedland	Volunteer Marine Rescue Service
A406870 – Lot 2916 Stanley Street, South Hedland	Wirraka Maya Health Service
A802207 – Lot 2466 Lawson Street, South Hedland	Youth Involvement Centre
A156260 – Loc 118 Madigan Road, Port Hedland	Youth Involvement Centre
A130165 - L2529 Great Northern Highway, Port Hedland	Port Hedland Speedway Club
A805022 - 29 Johnson Lane, Port Hedland	Port Hedland Kart Club
A106283 - 19 Hamilton Road, South Hedland	Port Hedland Turf Club
A115030 - 2 Thompson Street, Port Hedland	Bloodwood Tree Association
A155850 - 5/22-26 Throssell Road, South Hedland	Hedland Women's Refuge
A152556 - 6/25-35 Egret Crescent, South Hedland	Pilbara Family Violence Prevention Centre
	UCA Assembly Limited (Frontier Services)

**50% Concession**

A402430 - Lot 2513 Dempster St, Port Hedland	Len Taplin Centre
A154780 - 4 Treloar Street, South Hedland	Treloar Child Care Centre
A130114 – 2 Leake Street, South Hedland	Lotteries House

**33% Concession**

A102320 - 3 Finlay Street, Port Hedland	Royal Flying Doctor Services
A116509 - 8 Martin Court, South Hedland	Royal Flying Doctor Services
A117190 - 15 Woodman Street, Port Hedland	Royal Flying Doctor Services
A117310 - 3 Thetis Place, Port Hedland	Royal Flying Doctor Services
A119270 - 17 Woodman Street, Port Hedland	Royal Flying Doctor Services
A121420 - 15 Craig Street, Port Hedland	Royal Flying Doctor Services
A123140 - 1 Neptune Place, Port Hedland	Royal Flying Doctor Services
A125790 - 185 Athol Street, Port Hedland	Royal Flying Doctor Services
A125800 - 2 Hall Street, Port Hedland	Royal Flying Doctor Services
A125810 - 4 Hall Street, Port Hedland	Royal Flying Doctor Services
A125820 - 187 Athol Street, Port Hedland	Royal Flying Doctor Services
A127350 - 5 Grant Place, Port Hedland	Royal Flying Doctor Services
A153246 - 16B Spoonbill Crescent, South Hedland	Royal Flying Doctor Services
A300057 - 33 Styles Road, Port Hedland	Royal Flying Doctor Services

**Write-offs**

Council in accordance with Section 6.12 of the Local Government Act 1995 (as amended) wrote-off debts amounting to \$43.48 during the financial year.

**27. INTEREST CHARGES AND INSTALMENTS - 2012/13 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Actual Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.50%	59	116,001	90,000
Interest on Instalments Plan	5.50%		64,540	60,000
Total Interest on Instalment Plan			180,541	150,000
Charges on Instalment Plan	0.00%	12.10	52,317	-
Total Charges on Instalment Plan			52,317	-

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**27. INTEREST CHARGES AND INSTALMENTS - 2012/13 FINANCIAL YEAR CONTINUED**

Ratepayers had the option of paying rates in four equal instalments, due on 29th October 2012, 31st December 2012, 4th March 2013 and 2nd May 2013. Administration charges and interest applied for the final three instalments.

<b>28. FEES &amp; CHARGES</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Governance	10,835	4,555
General Purpose Funding	114,657	88,296
Law, Order, Public Safety	120,467	153,457
Health	77,213	57,767
Education and Welfare	-	29,386
Community Amenities	10,693,053	7,841,724
Recreation and Culture	579,613	754,310
Transport	17,635,830	14,937,668
Economic Services	2,572,547	2,977,555
Other Property and Services	138,330	138,330
	<u>31,942,545</u>	<u>26,983,048</u>

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

**29. GRANT REVENUE**

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

<b>By Nature and Type:</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Operating Grants, Subsidies and Contributions	6,073,976	7,135,769
Non-Operating Grants, Subsidies and Contributions	57,569,404	26,741,647
	<u>63,643,380</u>	<u>33,877,416</u>
<b>By Program:</b>		
Governance	57,607	49,299
General Purpose Funding	2,628,230	2,481,879
Law, Order, Public Safety	131,670	213,848
Health	4,200	29,875
Education and Welfare	108,341	804,545
Housing	9,611	7,655
Community Amenities	4,507	886,976
Recreation and Culture	4,533,573	5,855,323
Transport	21,650,127	5,033,819
Economic Services	34,242,702	18,114,545
Other Property and Services	272,812	399,652
	<u>63,643,380</u>	<u>33,877,416</u>

**30. EMPLOYEE NUMBERS**

	<b>2013</b>	<b>2012</b>
The number of full-time equivalent employees at year end	<u>206</u>	<u>161</u>

**31. ELECTED MEMBERS REMUNERATION**

The following fees, expenses and allowances were paid to council members and the Mayor.

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Meeting Fees	69,438	70,000	67,062
Mayor's Allowance	60,000	60,000	60,000
Deputy Mayor's Allowance	15,000	15,000	15,000
Travelling Expenses	37,927	5,000	44,476
Telecommunications Allowance	21,704	21,600	20,296
Technology Allowance	8,044	8,000	7,457
	<u>212,113</u>	<u>179,600</u>	<u>214,291</u>

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**32. POST BALANCE DATE EVENT**

There were no material events after 30 June 2013 that require inclusion in the notes to the financial statements.

**33. MAJOR LAND TRANSACTIONS**

(a) **Port Hedland International Airport: Transient Workforce Accommodation**

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 is approximately \$8.6 million over the term of the lease which will increase the net operating income of the Town, and will provide give additional funds to provide improved services and facilities for Town of Port Hedland residents.

(b) Current year transactions	2013 \$	2013 Budget \$	2012 \$
<b>Operating Revenue</b>			
- Rental Income	820,115	811,744	810,627
<b>Capital Revenue</b>			
- Sale Proceeds	-	-	-
<b>Capital Expenditure</b>			
- Purchase of Land	-	-	-
- Development Costs	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

There are no liabilities in relation to this land transaction as at 30 June 2013.

**TOWN OF PORT HEDLAND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2013**

**34. MAJOR LAND TRANSACTIONS continued**

**(b) Port Hedland International Airport: Development of Precinct 3**

Details

During 2011/12 the Town entered into a private treaty arrangement with BHP Billiton Iron Ore to facilitate the subdivision of a portion of 'Precinct 3' by BHPB to create 40 lots, 39 of which would be serviced lots, and 38 of which would be retained by the Town (the balance lot will not be serviced and will be incorporated into the rest of the airport land); the lease of proposed Lot 35 to BHPB to facilitate the development of a 4,000 bed Transient Workforce Accommodation facility for a construction workforce; the sale of proposed Lot 34 to BHPB for a warehouse facility.

The terms agreed between Council and BHPB indicate overall revenue generated by the Town of \$178,852,345 for a 10 year period.

The proceeds from the sale of Lot 34 and the initial prepayment for the lease of Lot 35 were agreed by Council to be redirected from the Airport Reserve to the Spoilbank Reserve to facilitate the development of the Spoilbank Precinct, with the \$40 million being 'made good' with the cashflows generated thereafter.

(b) Current year transactions	<b>2013</b>	<b>2012</b>
	\$	\$
<b>Operating Revenue</b>		
- Rental Income recognised in 11/12	-	849,315
- Rental Income received in 11/12 but relating to 12/13	-	30,150,685
<b>Capital Revenue</b>		
- Sale Proceeds	-	9,000,000
<b>Capital Expenditure</b>	-	-
<b>Net Cash Flows</b>	<u>-</u>	<u>40,000,000</u>

In 2012/13 no cashflow was generated from the proposal on the basis that the \$40 million was received in the 2011/12 financial year.

**(c) Bunnings**

On 27 March 2013 Council approved the preparation of a Business Plan outlining the proposed sale of a 1.54 hectare (subject to survey on completion) portion of Lot 12 within the Kingsford Business Park to Bunnings Properties Pty Ltd via a private treaty for the amount of \$2,695,000. That Business Plan was prepared and advertised from 2 April 2013 until 14 May 2013 and Council approved the major land transaction to proceed on 22 May 2013. It is anticipated that this project will be completed in 2013/14. This is predicated upon the completion of the Kingsford Business Park infrastructure being completed and access to the site being available.

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**35. 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	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	76,243,152	77,118,725	76,243,152	77,118,725
Receivables	33,038,668	11,872,780	33,038,668	11,872,780
	<u>109,281,819</u>	<u>88,991,505</u>	<u>109,281,819</u>	<u>88,991,505</u>
<b>Financial Liabilities</b>				
Payables	(11,837,020)	(43,933,897)	(11,837,020)	(43,933,897)
Borrowings	(26,664,354)	(21,572,977)	(26,664,354)	(21,572,977)
	<u>(38,501,374)</u>	<u>(65,506,874)</u>	<u>(38,501,374)</u>	<u>(65,506,874)</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Investments – based on quoted market prices at the reporting date or at independent valuation.
- 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  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

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

**(a) Cash and Cash Equivalents**

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

**Available for sale financial assets**

**Held-to-maturity investments**

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.

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	385,000	80,000
- Statement of Comprehensive Income	385,000	80,000

**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  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**35. 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:

	<b>2013</b>	<b>2012</b>
<b>Percentage of Rates and Annual Charges</b>		
- Current	90%	73%
- Overdue	10%	27%
<b>Percentage of Other Receivables</b>		
- Current	83%	52%
- Overdue	17%	48%

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**35. 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:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<b>2013</b>					
Payables	11,837,020	-	-	11,837,020	11,837,020
Borrowings	2,759,001	10,126,752	29,149,017	42,034,771	26,664,354
	<u>14,596,022</u>	<u>10,126,752</u>	<u>29,149,017</u>	<u>53,871,791</u>	<u>38,501,374</u>
<b>2012</b>					
Payables	43,933,897	-	-	43,933,897	43,933,897
Borrowings	2,211,396	7,834,963	24,601,997	34,648,356	21,572,977
	<u>46,145,293</u>	<u>7,834,963</u>	<u>24,601,997</u>	<u>78,582,253</u>	<u>65,506,874</u>

**TOWN OF PORT HEDLAND  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2013**

**35. 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 2013</b>								
Payables	11,837,020							
Borrowings	1,304,847	1,177,971	1,243,170	1,312,084	1,265,308	20,360,975	26,664,355	
<b>Fixed Rate</b>								
Debentures	188,567	-	-	321,220	1,265,308	20,360,975	22,136,070	5.48%
Weighted Average Effective Interest Rate	6.49%	0.00%	0.00%	6.71%	5.38%	5.46%		
<b>Year Ended 30 June 2012</b>								
Payables	43,933,897							
Borrowings								
<b>Fixed Rate</b>								
Debentures	24,315	-	365,466	-	389,125	20,766,816	21,545,722	6.18%
Weighted Average Effective Interest Rate	5.43%	0.00%	6.42%	0.00%	6.61%	6.17%		

Grant Thornton Audit Pty Ltd  
ACN 130 913 594

Level 1  
10 Kings Park Road  
West Perth WA 6005

Correspondence to:  
PO Box 570  
West Perth WA 6872

**T** +61 8 9480 2000  
**F** +61 8 9322 7787  
**E** [info.wa@au.gt.com](mailto:info.wa@au.gt.com)  
**W** [www.grantthornton.com.au](http://www.grantthornton.com.au)

## **Independent Auditor's Report To the Ratepayers of the Town of Port Hedland**

We have audited the accompanying financial report of the Town of Port Hedland (“the Town”), which comprises the statement of financial position as at 30 June 2013 and the statement of comprehensive income by nature or type, the statement of comprehensive income by program, the statement of changes in equity, the 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 to the financial report and the statement by the Chief Executive Officer.

### **Responsibility of Management for the financial report**

Management of the Town of Port Hedland is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes such internal controls as the Town determines is necessary to enable the preparation of the financial report to be 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 which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 Town's preparation and fair presentation of the financial report 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 Town's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Town, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

### **Auditor's Opinion**

In our opinion, the financial report of the Town of Port Hedland:

- i presents fairly, in all material respects, the Town's financial position as at 30 June 2013 and of its performance and cash flows for the year then ended;
- ii complies with Australian Accounting Standards and the relevant legislation; and
- iii is prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and the Regulations under the Act.

### **Statutory Compliance**

We note that in Note 21 to the financial report that the Town of Port Hedland has not been able to calculate the Asset Renewal Ratio and Asset Consumption Ratio as required by the Local Government (Financial Management) Regulations 1996. Other than this matter, I did not, during the course of my audit, become aware of any instance where the Council did not comply with the requirements of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996 as they relate to the financial statements.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M J Hillgrove  
Partner - Audit & Assurance

Perth, 16 December 2013



## Town of Port Hedland

Civic and Administration Centre, McGregor Street | PO Box 41 | Port Hedland WA 6721

**PH:** (08) 9158 9300 **F:** (08) 9158 9399

**E:** [council@porthedland.wa.gov.au](mailto:council@porthedland.wa.gov.au) **W:** [www.porthedland.wa.gov.au](http://www.porthedland.wa.gov.au)

**Like us on Facebook:** [www.facebook.com/townofporthedland](http://www.facebook.com/townofporthedland)

**PORT  
HEDLAND**  
PILBARA'S  
PORT CITY

