Annual Report

2019

Town of
Port Hedland

Town of
Port Hedland

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

Advice

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

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Port Hedland Profile

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

We are home to approximately 14,500 people from diverse cultural backgrounds and cover 11,844 square kilometres. Our Traditional Custodians, the Kariyarra people, call Port Hedland Marapikurrinya for the hand shaped formation of the tidal creeks coming off the natural harbour.

Our lifestyle is relaxed and our location on the ocean provides for a variety of leisure activities. Our two main residential centres, Port and South Hedland, offer a range of community services including cultural, recreation and shopping facilities. The Wedgefield Industrial Area contains a variety of light and service industry premises and the iron ore crushing and shipping facilities are features synonymous with our rugged landscape, along with the expanded port facilities.

We are home to the Boodarie Strategic Industrial Area, which is ideally positioned to accommodate downstream resource processing industries related to the iron ore and gas resources of the region. The Kingsford Smith Business Park will provide an important mix of uses and form an important part of Hedland's continued growth into the future. It will provide a range of lot types and sizes and thereby encourage a diverse mix of light and service industrial, warehousing and bulky goods commercial business opportunities.

We are proud to be Australia's largest bulk export port. The Pilbara Ports Authority recorded a record annual tonnage of over 697.2 million tonnes in 2018/19 with 513.3 million tonnes from Port Hedland. A record monthly throughput of 49.3 million tonnes was recorded in June 2019.

Our role is well established on the national and international stage, attracting internationally prominent resource companies and contributing at a nationally recognised level to the broader Australian economy. Port Hedland International Airport provides a welcoming gateway to the Pilbara, the North West of Australia and a direct link to the world's largest bulk tonnage export port.

Commissioner's Message

> The 2018/19 financial year saw many of the structural changes made in 2017/18 come to fruition.

On behalf of the Town of Port Hedland, I am pleased to present our 2018/19 Annual Report to the community.

I was appointed to the position of Commissioner in July 2019, following the State Government's decision to suspend Elected Members. Since commencing, I have had the pleasure of getting to know the Hedland community and working with the Town's Executive Team and staff. In October 2019, the Minister for Local Government, the Hon. David Templeman, declared all of the Town of Port Hedland Council seats vacant. Due to this decision, a new Commission was created which I was appointed to serve until October 2020.

The 2018/19 financial year saw many of the structural changes made in 2017/18 come to fruition. The rating strategy adopted in 2018 fundamentally changed how the Town collects rates yields, with the mining and industrial categories paying a more significant share than previous years. The Town's overall rates yield increase has secured reinvestment in core infrastructure assets, such as roads, footpaths, lighting, playgrounds and more. Further, our guiding principle for rates collection is now property values, giving local ratepayers more certainty and equitability. Increasing rates revenue derived from mining and industry has eased the pressure felt by households, evening the playing field.

The 2018/19 period was also the first financial year since the adoption of the *Strategic Community Plan 2018-2028* at the May 2018 OCM. This document has given Elected Members, the Executive Team and staff a blueprint to align decision making with community expectation. In December 2018, the

Town conducted the annual perception survey to gauge how we were tracking on delivering the Plan's outcomes. We received a total of 1,002 responses, painting a rich picture of Hedland's community and views. People were generally optimistic about living in Hedland and enjoy the lifestyle, having high regard for waste management services and annual events. However, there were concerns about anti-social behaviour, litter, lighting adequacy and the lack of childcare places.

In October 2018, Council took a bold step in responding to community concern on childcare. Elected Members endorsed action on the chronic shortage of childcare places across Hedland, an issue not traditionally the jurisdiction of local government. This decision was based on data from the community perception survey, which highlighted the extent of the concern. A report was presented in February 2019, which investigated the viability of transitioning the Port Hedland Library into space for childcare service delivery, which is now being refurbished. Given the unchartered territory of the Town's involvement in this space, I commend the Council for stepping up and taking much-needed action.

In October 2018, the McGowan Government released its response to the Port Hedland Dust Taskforce Report. A critical report recommendation was for the Western Australian Planning Commission to consider an Improvement Scheme for the West End, giving both industry and residents more certainty on the area's future. In July 2019, the State Government announced it would approve the Improvement Plan. October 2018 was also when the first concept plans for the new Spoilbank Marina development were unveiled, a highly anticipated project for decades. From the outset, the Town played a central role in getting this project moving, with the establishment of the Spoilbank Community Reference Group in 2019. This group is responsible for providing a community perspective, making sure final designs meet local seafarer and stakeholder expectation. The draft masterplans were unveiled to the community in early November 2019 in Gratwick Hall.

Strategic thinking and decision making was a priority over the last year, with the adoption of key plans. The *Coastal Hazard Risk Management Plan (CHRMAP)* was adopted in May 2019, recognising the reality of climate change and the need for all levels of government to mitigate future risks. The plan provides a framework for the Town to plan for flooding and coastal erosion in the Port Hedland LGA, occurrences set to increase in severity over the coming years. We're now in the process of implementing the CHRMAP, which requires the sourcing of external funds from the State and Federal Government. Again, this is an issue which in the 21st century, local government needs to take an active interest in.

In February 2019, we asked the community to contribute to the *Community Safety Plan 2019-2021.* This plan seeks to bring together all local stakeholders around health and safety priorities, moving towards a more holistic approach.

The future of sports and leisure in Hedland was secured with masterplans completed for a South Hedland Integrated Sports Complex, a renewed JD Hardie Youth and Community Zone and a McGregor Street Sports Precinct. These masterplans will impact how sports and leisure services are delivered in the community for decades to come, and I'm exceptionally proud of the work staff undertook to achieve this. The South Hedland Integrated sports precinct will incorporate Wanangkura Stadium and develop new outdoor courts, with the JD Hardie masterplan expanding on its youth focus towards a community hub for all ages. The McGregor Street Sports Precinct will incorporate the Turf Club oval and include new sports ovals. All of these plans deliver on the Town's SCP outcome to provide well utilised and valued community facilities and services.

Once again, I would like to thank the Port Hedland community for welcoming me since my appointment as Commissioner. It has been a pleasure getting to know you, and I look forward to continuing my service at the Town until October 2020.

Yours Sincerely,

Hon. Fredrick Riebeling
Town of Port Hedland Commissioner

Elected Members* 2018/19

Terms of Office

Mayor

Camilo Blanco
2017 - 2021

Deputy Mayor

Louise Newbery
2015 – 2019

Councillor

Julie Arif
2015 – 2019

Councillor

Warren McDonogh
2017 – 2021

Councillor

George Daccache
2017 – 2021

Councillor

Tricia Hebbard
2017 – 2019

***Council suspended in July 2019 and officially dissolved in October 2019.**

Councillor

Richard Whitwell
2015 – 2019

Councillor

Telona Pitt
2017 – 2021

Councillor

Peter Carter
2017 – 2021

Meeting attendance

	Ordinary Council Meetings		Special Council Meetings		Electors Meetings		Total	
	# held during term of office	# attended during term of office	# held during term of office	# attended during term of office	# held during term of office	# attended during term of office	# held during term of office	# attended during term of office
Mayor Camilo Blanco	11	9	8	8	1	1	20	18
Deputy Mayor Louise Newbery	11	10	8	7	1	1	20	18
Councillor Julie Arif	11	9	8	8	1	1	20	18
Councillor Richard Whitwell	11	9	8	8	1	1	20	18
Councillor Telona Pitt	11	8	1	1	1	0	11	9
Councillor Peter Carter	11	10	8	6	1	1	20	17
Councillor Warren McDonogh	11	10	8	6	1	1	20	17
Councillor George Daccache	11	9	8	6	1	1	20	16
Councillor Tricia Hebbard	11	9	8	8	1	1	20	18

CEO's Report

On behalf of the Town's Administration, I'm proud to present the Hedland Community with the 2018/19 Annual Report. We have made significant progress across several key areas, implementing our Strategic Community Plan to make Hedland a better place to call home.

I was pleased to see the development of the Town's *Strategic Resource Plan*, which incorporates asset management planning and long term financial planning. Essentially, the plan maps out how the Council will respond to change over the next 15 years and how it will pay for our priorities. The plan covers topics such as forecasted rates revenue, expenditure, income and asset renewal. To deliver the outcomes set out in the *Strategic Community Plan*, we need to be financially prudent.

Our financial position has benefited from an increase in the rates yield, particularly from the mining and industrial categories. An indepth review conducted in 2018 uncovered a significant amount of land which had gone unrated. In late June, we adopted the 2019/20 budget, which featured a record capital works investment program. Over the next 12 months, we've allocated $3 million for a road renewal program, $1 million for a footpath renewal program, $1.2 million for a playground replacement program and $4 million to commence a potential rebuild of the Stevens Street Retirement Village. These investments will make Hedland a more liveable and attractive town for families to call home.

In 2018, we embarked on the process of changing our organisational structure. The Development, Lifestyle and Sustainability Directorate has separated into the Community Services Directorate and the Regulatory Services Directorate. The rationale for this decision was due to the Town's leisure services coming in house, previously run by YMCA WA. By bringing Wanangkura Stadium, South Hedland Aquatic

> "I want to thank everyone: Elected Members, the Executive Team, residents and stakeholders, for supporting my tenure and empowering me to make positive changes."

Centre and Gratwick Aquatic Centre in house, we had a significant increase to our staff. Port Hedland Leisure is now a fresh, modern brand which seeks to help locals meet their health and fitness goals. The expectation of local government taking an active role in community development compounded our decision to split the Directorate.

Our regional economy continued to serve the national interest over the past year, contributing significant tax to the State and Commonwealth Government. A particularly exciting economic development in 2018 was Pilbara Minerals' first shipment of lithium to Atlas Iron Ltd, marking yet another milestone for the Pilbara. With demand expected to double by 2023 and an estimated value chain of $2 trillion, Hedland is well placed to reap the rewards of lithium mining. For the remainder of my tenure, I look forward to working with my State and Federal counterparts to maximise opportunities for the town.

Community development is a central focus of the Town through engagement initiatives and events. In August 2018, North West Festival once again cemented its place as the Pilbara's premier music festival. Bliss N Eso, Sheppard, Abbe May, Hands Like Houses, Sam Perry and Carla Geneve lit up the Civic Centre Stage and provided world-class entertainment. Other events held included the Spinifex Spree, Festive Lights Competition, Citizen of the Year Awards, and Community Sports Awards, to name just a few. The Town continued its delivery of the Aboriginal and Torres Strait Islander Forum, aiming to close the gap by bringing together local service providers around common goals.

Council adopted three masterplans this year which will fundamentally transform the delivery of sports and leisure in Hedland. The South Hedland Integrated Sports Complex, McGregor Street Sports Precinct and JD Hardie Youth Zone masterplans have now moved into the detailed design stage. I look forward to seeing these venues evolve over the coming years.

In December 2018, Council approved Port Hedland International Airport's Development extension. This decision will result in plans for a refined terminal passenger capacity scope, higher capital works standards, and a redevelopment deadline extension. The definition of capital works was amended so that designs need to accommodate a potential 700,000 passengers per annum, recognising the region's growth in the coming decades. I was pleased to see this progress on the airport's redevelopment.

In June, two motions put forward by the Town at the Australian Local Government Association's (ALGA) 2019 National General Assembly (NGA) were passed. The Town's motions advocated for more policies to support population growth, investment and job creation in regional areas. Further, plans to manage anti-social behaviour and strategies to counter the impacts of illicit substance abuse were advocated. These motions put the Federal focus on Hedland, influencing the policy direction of the Morrison Government. The regions face unique challenges when it comes to attracting and retaining people, competing against the opportunities on offer in metropolitan centres. We also face statistically higher rates of substance abuse and anti-social behaviour, requiring all levels of government to work together to develop solutions in partnership with the community.

This will be my last contribution to a Town of Port Hedland Annual Report. Since commencing at the Town in January 2017, I have steered the organisation through significant changes. In particular, the development of the Strategic Community Plan and 2018/19 rating strategy stand out to me.

I want to thank everyone: Elected Members, the Executive Team, residents and stakeholders, for supporting my tenure and empowering me to make positive change.

I'm sure Hedland's brightest days are still ahead,
Yours sincerely

David Pentz
Town of Port Hedland CEO

Executive Team

Chief Executive Officer

David Pentz

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

Anthea Bird, David Pentz, Robert Leeds, Gerard Sherlock.

Director Infrastructure and Town Services

Gerard Sherlock - Resigned April 2019

Peter Chandler - Acting Director since June 2019

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

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

Director Corporate and Performance

Anthea Bird

The Town's Corporate and Performance directorate delivers high quality services to the community and organisation through the following teams:

- Financial Services;
- Governance;
- Procurement;
- Legal Services;
- Corporate Planning;
- Information Communications Technology;
- Records;
- Human Resources; and
- Workplace Health and Safety

Director Development, Sustainability and Lifestyle

Robert Leeds - Resigned July 2019

The Development, Sustainability and Lifestyle directorate delivers high quality services to the community and organisation through the following teams:

- Facilities;
- Recreation and Sports;
- Libraries;
- Youth Services;
- Marketing;
- Events;
- Communications;
- Customer Service;
- Community Engagement;
- Environmental Health;
- Rangers Services;
- Community Safety;
- Planning; and
- Development

2018/19 Highlights

4,069
Tonnes of ashphalt for road renewal

11,844
Total land area in square km

4,784
Internal correspondences

3,413
Metres of kerbs renewed

7,666
Electors

138
Live shows and movies

30
Km of unsealed roads resheeted

5
Citizenship ceremonies

58
New citizens

19
Events held

7,633
Residential dwellings

10,796
Incoming correspondences

14
Aquatic facilities regulated

14,469
Town of Port Hedland population

2,094
Outgoing correspondence

211
Health inspections on food premises

282
Aquatic samples

61,208
Visits to Port and South Hedland Library

108
Licenced food premises

2,688
Ranger jobs

161
Building permits issued within timeframe

454,444
Squared metres of turf mowed

81,447
Metric tonnes of landfill waste intake

$29.9M
Value of building permits issued

12
Licenced mobile food vendors

167
Cats registered

1,207
Active library members

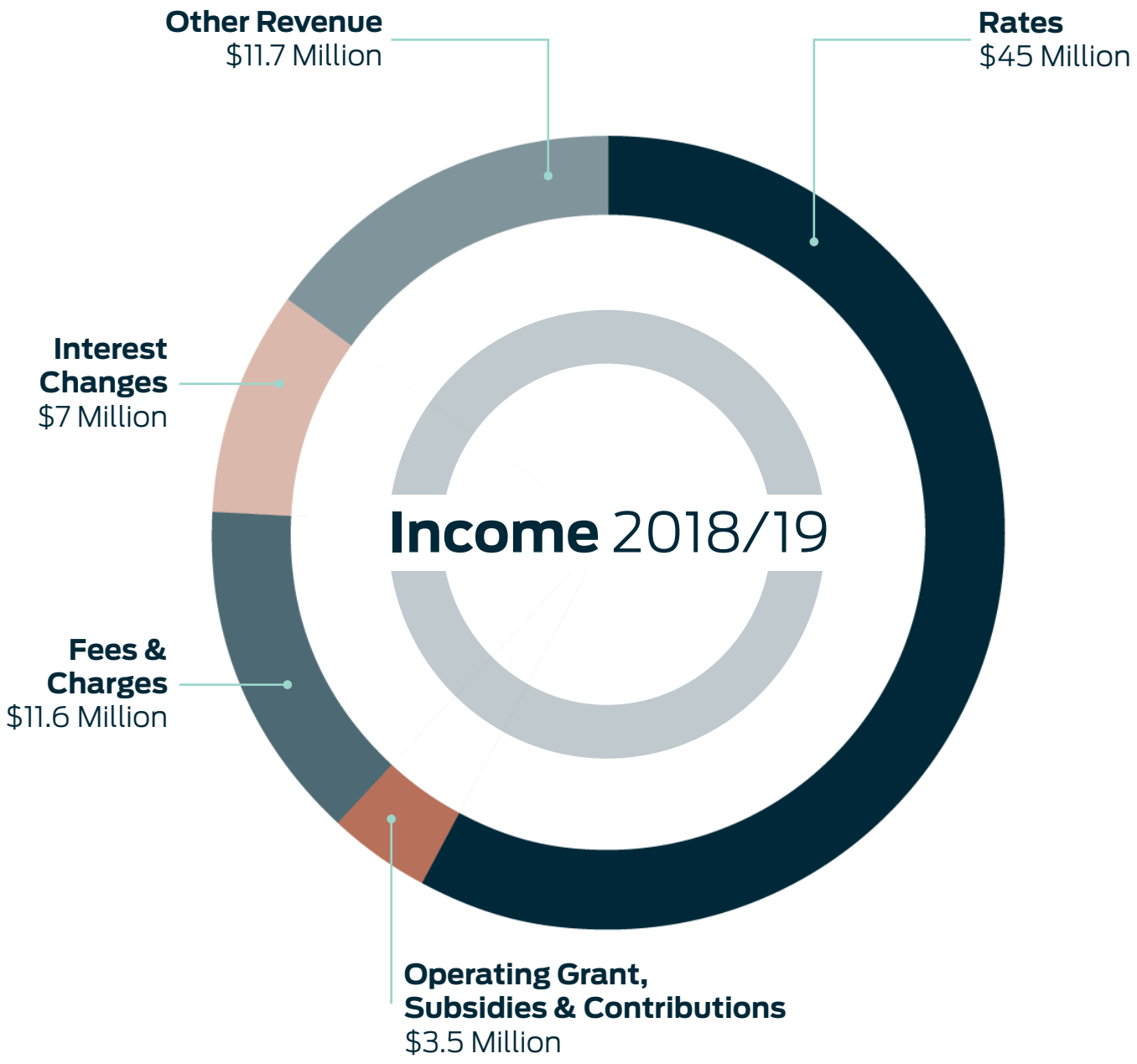
965
Internal & external engineering enquiries

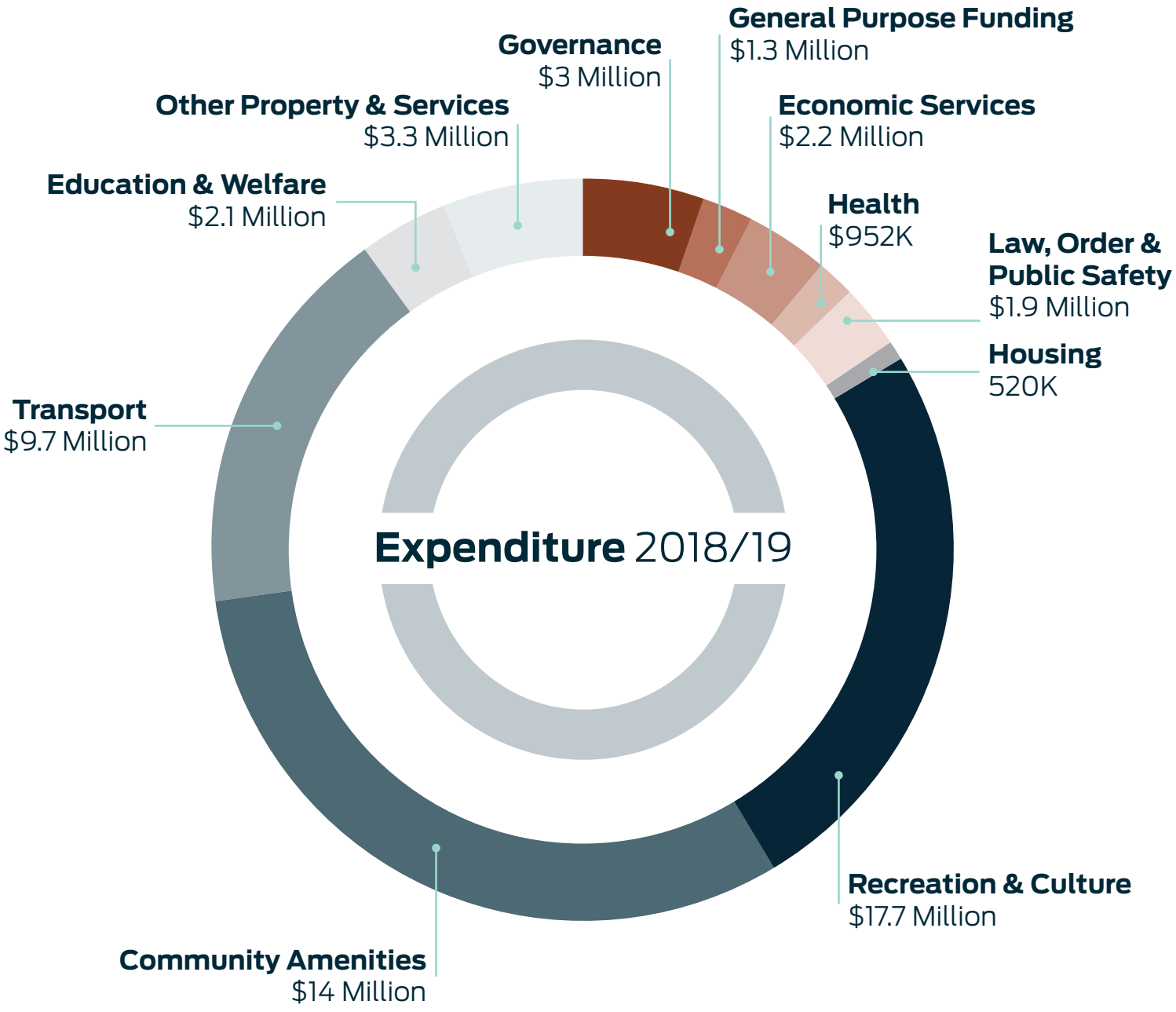
1,353
Dogs registered

22,965
Library items borrowed

31
Fires attended by the Ranger Services Team

Breakdown of income and expenditure




General Purpose Funding
$1.3 Million
Governance
$3 Million
Economic Services
$2.2 Million
Other Property & Services
$3.3 Million
Education & Welfare
$2.1 Million
Health
$952K
Law, Order & Public Safety
$1.9 Million
Housing
520K
Transport
$9.7 Million
Expenditure 2018/19
Recreation & Culture
$17.7 Million
Community Amenities
$14 Million

Strategic Planning

The Town of Port Hedland's 2018-2028 Strategic Community Plan's Vision states:

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

Central to this vision are four themes and outcomes:

- Building a Unified and Vibrant Community
- Supporting a Diverse Economy
- Balancing our Built and Natural Environment
- Leading our Community

The subsequent pages reflect the successes that the Town has achieved under these themes throughout the 2018/19 financial year.

Building a Unified & Vibrant Community

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

"We are committed to building an inclusive, liveable community which provides residents with the opportunity to grow and prosper."

North West Festival Flies High in 2018

The North West Festival once again secured its place as the Pilbara's premier music event in August 2018, with Bliss N Eso, Sheppard, Abbe May, Hands Like Houses, Bella Blakemore, JoKeira, Sam Perry and Carla Geneve lighting up the stage.

The Festival serves as an important point of community activation on the Hedland calendar, as well as drawing tourists to the region which contributes to the local economy.

This event demonstrates the Town's aptitude in running events with widespread appeal to intrastrate visitors.

Citizenship Ceremonies

The Town of Port Hedland held 5 Citizenship Ceremonies, where 58 new Australian Citizens were welcomed to the community from many corners of the globe, including:

- South Africa
- UK
- Britain
- Republic of North Macedonia
- Sri Lanka
- Philippines
- Thailand
- India
- Ireland
- Republic of Ireland
- New Zealand
- Pakistan
- Brazil
- France
- Scotland
- Turkey
- Nigeria
- Zimbabwe

Olympic Gold Medalist, Libby Trickett, was the special guest at the 2018 Hedland Community Sports Awards.

Hedland Sporting Stars Celebrated

Talent, sportsmanship and athleticism were celebrated and awarded in November 2018 at the Hedland Community Sports Awards.

The Town was proud to host Olympic gold medallist, Libby Trickett, as the Ceremony's special guest. A number of the award recipients had been involved in Hedland's sporting community for years, giving countless volunteer hours to strengthening local clubs.

Recipients were awarded across the categories of Junior Sportswoman of the Year, Junior Sportsman of the Year, Sportswoman of the Year, Sportsman of the Year, Volunteer of the Year and Club of the Year.

The Awards delivered on the Town's *Strategic Community Plan's* commitments to foster an inclusive and involved community, with well utilised and valued facilities.

Twilight Movie Series

The Twilight Movie Series is an initiative run by the Town with the support of the Pilbara Ports Authority, providing locals with an outdoor movie experience to rival any metropolitan centre.

Held in the Civic Centre Gardens under the Pilbara night sky, a range of family friendly films were screened in 2018 and 2019 which brought in the crowds. Complementing the experience were a selection of food vendors for families to choose from.

Movies screened in 2018 and 2019 included Arthur Christmas, The Incredibles 2, The Greatest Showman, The Mighty Ducks and Sing. Hundreds of local families attended the screenings in the ambient Civic Gardens setting.

Town of Port Hedland Libraries

The Libraries have continued their delivery of high quality services to the community, engaging a cross section of local residents with a range of initiatives. Some of the highlights for this year included:

- Children's Book Week 2018 featured author Wendy Binks, featuring 17 sessions conducted for 10 schools, 3 day care centres and home school families. Around 1106 children and 113 adults attended sessions throughout the week
- Hundreds of rhyme time, story time, Lego Club, outreach to day care centres and OWLS (Older Wiser Library Seniors) sessions were held throughout the year
- The West Australian Ballet visited twice with sessions held for children and adults with 104 children and 60 adults in attendance
- STEM animatronics program run by SciTech at South Hedland Library
- The Port Hedland History Project collated historical photos and publications to be digitised for the Town's collection, in collaboration with the Pilbara Development Commission
- Participation in the National Simultaneous Storytime event, held annually by the Australian Library and Information Association (ALIA). This initiative seeks to promote literary through the simultaneous reading of an Australian children's book across hundreds of locations
- In total, the libraries ran 236 activities and events which were attended by 3,098 people

Port Hedland Youth Week

Youth Week was held in April 2019, bringing together community organisations from across Hedland for a week of fun filled entertainment for 12 to 25 year olds.

Once again, community collaboration made the event a success, with the JD Hardie Youth Zone, the Youth Involvement Council (YIC), Headspace and Hedland Youth Stakeholders Action Group (HYSAG) working together across the week to offer safe, inclusive and diverse activities.

The slogan for 2019 was *Stronger Together*, a rallying call recognising that more is achieved together than alone.

JD Hardie Youth Zone

In 2018 and 2019, the JD Hardie Youth Zone continued to be the premier venue for youth services in the Hedland community. Throughout the school term and school holidays, staff at the JD facilitated a cross section of activities for young people to enjoy.

Activities rostered on include Box Fit, South Side Sk8, Streetball, SLAM Basketball, kids club, youth lounge and much more. Further, a number of local community groups have a presence at the JD, including Headspace Pilbara, WA Police and EPIC.

During 2018 and 2019, Town staff began to utilise the JD more for office space to be closer to the South Hedland community.

CCTV Upgrades for a Safer Hedland Community

In May 2019, Council endorsed the awarding of the contract for the Safer Community's CCTV Network upgrade, made possible through Commonwealth Grant funding.

The Safer Communities Fund is a Federal Government initiative, providing local councils with grants of up to $1 million for security infrastructure to help alleviate crime and anti-social behaviour.

CCTV was upgraded in South Hedland Skate Park, Centenary Park, South Hedland McDonald's car park, McLarty Boulevard, Marquee Park, Wilson and McGregor Streets, Great Northern Highway and Wanangkura Stadium.

The new CCTV gives local law enforcement the information they need to track down offenders, improving liveability for all families.

A New Chapter for Port Hedland Leisure

In April 2019, the Town commenced in-house management of Wanangkura Stadium, South Hedland Aquatic Centre and Gratwick Aquatic Centre under the Port Hedland Leisure Brand.

Since 2003, YMCA WA had been contracted to manage the facilities on behalf of the Town.

The decision to transition to in-house management stemmed from a desire to have more control over the facilities' direction and provide more responsive customer service.

An extensive re-branding exercise gave Port Hedland Leisure a fresh face, and new staff positions were created to enhance the customer experience.

Since the transition, fitness programs are more targeted based on local preferences and there are more trainers on site.

There are a range of group fitness classes for members to enjoy, as well as swimming classes at the South Hedland Aqautic Centre. The Team provides a high standard of swimming instruction to Hedland's young people.

Information on class changes, new programs and community initiatives are delivered in real-time through an active digital and social media presence.

The whole Port Hedland Leisure team is striving to build on these initial successes for an even stronger year ahead.

Port Hedland
leisure

Supporting a diverse economy

"We build prosperity for all - enabling sustained economic growth."

Commercial Property Upgrades

The Town of Port Hedland has a diverse property portfolio which spans across commercial facilities, residential housing for staff and land assets. These assets are located throughout the Port Hedland area including the three major suburbs – Port Hedland, South Hedland and Wedgefield.

Key developments over the last year include upgrades to ablutions, oval turf renewal and upgrades to staff housing. The ablutions at Gratwick Aquatic Centre were upgraded in March 2019, ultimately improving the usability and accessibility of the Gratwick Pool once it reopens in late 2019. Works consisted of retiling and upgrading all fixtures and fittings in the facility's male, female and accessible toilets.

The refurbishment of Gratwick Hall completed in June 2019, a treasured community asset which had been converted to staff office space in 2014. The Hall has undergone significant structural and aesthetic renovations, improving accessibility and usability. These improvements will serve the community for decades to come, reactivating the Hall as a hub of congregation and activity.

The Hall was officially rededicated back to the Hedland community by the Hon. Kim Beazley AC, Governor General of Western Australia, in a Civic Reception held in the hall in July 2019.

Gratwick Hall upgrades were defined by modernity, accessibility and usability.

Recreational Vehicle Overflow

2019 heralded a record for Hedland's RV tourist season, with more than $1 million injected into the local economy by visitors to the Town of Port Hedland's RV Overflow Park.

Over the course of this year's season, 2,160 vans and caravans visited the park adjacent to the Port Hedland Racecourse. Statistics show there was a direct positive flow for local businesses by allowing free access to a place within Hedland for self-contained travellers.

Average expenditure per day was just over $12,000, with average expenditure per RV vehicle estimated at nearly $500.

The 2019 RV Overflow season signifies the consistent strength of the 'grey nomad' tourist market, providing a significant boost to small businesses.

Hedland Economic and Resources Forum 2018

On Wednesday 4 July 2018, the Hedland Economic and Resources Forum was held at the Matt Dann Theatre and Cinema. The event was organised by the Port Hedland Chamber of Commerce Incorporated, and supported by the Town. The purpose of this forum was to bring together local business, community and government representatives to identify strategic avenues to leverage the region's economy for better community outcomes. Mayor Blanco addressed the audience, delivering a speech which sought to highlight the issues of population retention, youth unemployment and economic diversification in the regions.

A common theme brought up at the Forum was economic diversification. Clearly the iron ore mining sector will continue to dominate the region's economy, yet there was a broad acceptance of growing all industries and sectors in Hedland. In recent years, the construction, transport and warehousing job market has strengthened. There is also untapped potential in the agriculture, aquaculture and tourism industries which can provide tomorrow's jobs. A number of Forum speakers also spoke to the importance of leveraging new technologies to create new business opportunities and jobs.

In attendance was Member for Durack, the Hon. Melissa Price, at the time the Federal Assistant Minister for the Environment. Also in attendance was Member for Mining and Pastoral, the Hon. Stephen Dawson MLC and the Hon. Kevin Michel MLA, Member for the Pilbara.

Balancing our Built & Natural Environment

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

Hedland Wins Tidy Town Award

Hedland took home the State wide Award for Litter Prevention and Waste Management at the 2018 Keep Australia Beautiful WA Tidy Town Awards.

This Award is in recognition of the collaborative work between The Town of Port Hedland and the community to improve Hedland's liveability and environmental sustainability.

In line with the *Litter Prevention Strategy for WA 2015-2020*, the Town has made it a top priority to reduce litter in public spaces and improve waste management processes.

Tyre Management Project Resolves 13 Year Legacy Issue

The onsite shredding and burial of historical tyre stockpiles at South Hedland Landfill has been completed, resolving a 13 year old legacy compliance issue.

The project included processing nearly 2,000 oversized tyres and constructing 11,000 cubic metres of storage space.

The tyre management project was a resounding success, with operations coming in on budget and completed in a relatively short time frame.

In less than six months, 13 years' worth of significant tyre stockpiles were shredded, processed and buried to comply with the Department of Water and Environmental Regulation.

Local contractor Ronileeh Pty Ltd (AK Evans) was awarded the tender for the sustainable onsite shredding and burial of 6,000 tonnes of tyre waste in 2018.

Record Green Waste Clean Up for Cyclone Season

The Town of Port Hedland's annual green waste collection service concluded in October 2018, with record tonnage collected by the Town's Works crews.

In total, 350 tonnes of green waste was picked up from the verge, the equivalent to 343 truckloads, representing a 46% increase compared with previous years.

This collection improved community safety by reducing the potential for green waste to become flying debris hazards during cyclonic weather events

Adoption of the Town of Port Hedland Waste Strategy

Council made progress on its commitment to sustainability with the adoption of the T*own of Port Hedland Waste Strategy* in September 2018. This strategy provides Elected Members, the Executive Team and staff with a framework for aligning waste management practices with community expectation.

Key outcomes include implementing a kerbside recycling service, long-term community waste management planning and encouraging more community engagement with waste management. Recycling is a core component of waste services in a majority of Australian Councils, with local government at the forefront of creating sustainable communities.

The Town's consultation process for the *Strategic Community Plan 2018-2028* found that 93% of locals desire kerbside recycling. The strategy's recommendations also include a community recycling centre with a container deposit scheme. A tender for the provision of a recycling service will be awarded in late 2019.

Cassia Footbridge Renewal Project Widens Access

Works were completed on the Cassia footbridge renewal project in South Hedland, providing locals with better usability and accessibility in the area.

Three concrete pedestrian bridges surrounding Cassia Primary School were replaced with wider steel structures, which are resilient to the elements and provide more room for pedestrian foot traffic.

This project was a key component of the 2018/19 budget's focus on reinvesting in Hedland's core infrastructure assets.

South Hedland Taxi Rank Improvements

In early 2019, the Town upgraded the South Hedland taxi rank on Wise Terrace to improve usability and safety for both drivers and pedestrians, ensuring it was no longer located in the designated pedestrians.

Works involved relocating the bus stop to taxi zone: the bus stop is now 40 metres further along Wise Terrace than before. The Town also addressed the subsidence issues which were causing sunken pavers in the taxi rank.

Active Oval Renovation Program

In early 2019, the Town commenced the renovation of sporting ovals across Hedland to improve play for local sporting clubs. The renovations included verti-mowing, which is the process of removing excessive thatch which collects near the lawns' surface. Verti-draining was also undertaken, the process of alleviating water logging to promote healthy turf growth.

Ovals which were part of this program included Marie Marland, Kevin Scott, Colin Matheson, McGregor Street Oval and the Turf Club track.

Sutherland Street Traffic Calming

Significant improvements were made to Sutherland Street in April 2019, with 2.15km of road between Howe and Lukis Street receiving an upgrade. Works included demolition, pavement, construction, kerb construction, line marking and landscaping. As a result, there is now better line marking, more offsite parking and solid verges which all improves safety. This stretch of road and footpath receives heavy foot traffic.

Kevin Scott Oval Park Upgrade

The Kevin Scott Oval playground received a significant upgrade in May 2019, incorporating interactive play technology for the first time in a Hedland playground. The *NEOS 360* was installed, a system which combines the thrill of video games with physical interaction for kids.

The upgrade also included vastly improved accessibility elements, delivering on the Town's commitment to the *Disability Access and Inclusion Plan*. Further, the playground's structure and aesthetics were modernised. Now, Kevin Scott Oval is home to one of the most advanced playgrounds in the Pilbara region.

Marapikurrinya Park Revitalisation Works

Marapikurrinya Park revitalisation works were completed in June 2019, modernising the park and opening up the view of the port for visitors.

There is now improved pathways, new plants, better lighting and more accessibility for locals and visitors to enjoy. The park is often one of the first points of call for RV visitors, providing the perfect view of the world's biggest bulk exporting port.

The Town is planning on activating the refreshed space with the Sunset Food Markets, a new event which will bring together Hedland's diverse local food vendors under ambient festoon lighting.

Planning Highlights

The Building team issued 161 building permits, with a total value $29.9 million. All permits were issued within the statutory timeframes. Four developments had an estimated value of $2 million and over. There were 83 development applications determined with an average processing time of 23 days and 75 Crown land matters that were responded to.

The Planning Team led the finalisation of the following strategic plans and policies:

- Port Hedland town site Coastal Hazard Risk Management Adaptation Plan (CHRMAP)
- Public Open Space Strategy
- Port Hedland International Airport Masterplan and Capital Works Plan
- Planning Policy to reduce red tape for Home Based Family Day Care
- Osprey Rural Structure Plan (nearing finalisation)

The team were successful in securing grant funding for the development of a Coastal Reserves Management Plan.

Extensive community consultation informed the development of CHRMAP

Coastal Hazard Risk Management Adaptation Plan (CHRMAP)

The Town made strides in managing the future risks of climate change with the adoption of the Coastal Hazard Risk Management Adaptation Plan (CHRMAP) in May 2019. This plan provides a framework for the Town to mitigate the risks of flooding and coastal erosion in the Port Hedland town site. The CHRMAP is both short and long term focussed, with planning to address increasing risk until the year 2120. As was witnessed during Tropical Cyclone Veronica, the Port Hedland coastline is vulnerable to erosion.

To deal with the reality of coastal erosion, the Plan recommends interim protection and managed retreat options for segments of the Port Hedland town site. The Plan wasn't developed in isolation: extensive community consultation was undertaken, with information sessions held in October 2018. The next stage will be to progressively implement the Plan, with the help of external funding sources.

Public Open Space Strategy

In early 2019, the Planning Team commenced the development of a new Public Open Space Strategy. This document assessed and evaluated public open space and movement networks within the town, identifying improvements to be made. Consultations sessions were held in March, inviting the community to have their say on the improvements they'd like to see in Hedland's paths and parks.

The goal of the Town is to provide a quality public open space network that responds to the needs of the whole community and is connected to surrounding urban areas. The Town currently maintains over 30 recreational and communal public spaces across Port and South Hedland, making Hedland a more active and engaged place for local families. The final Public Open Space Strategy will be adopted in late 2019.

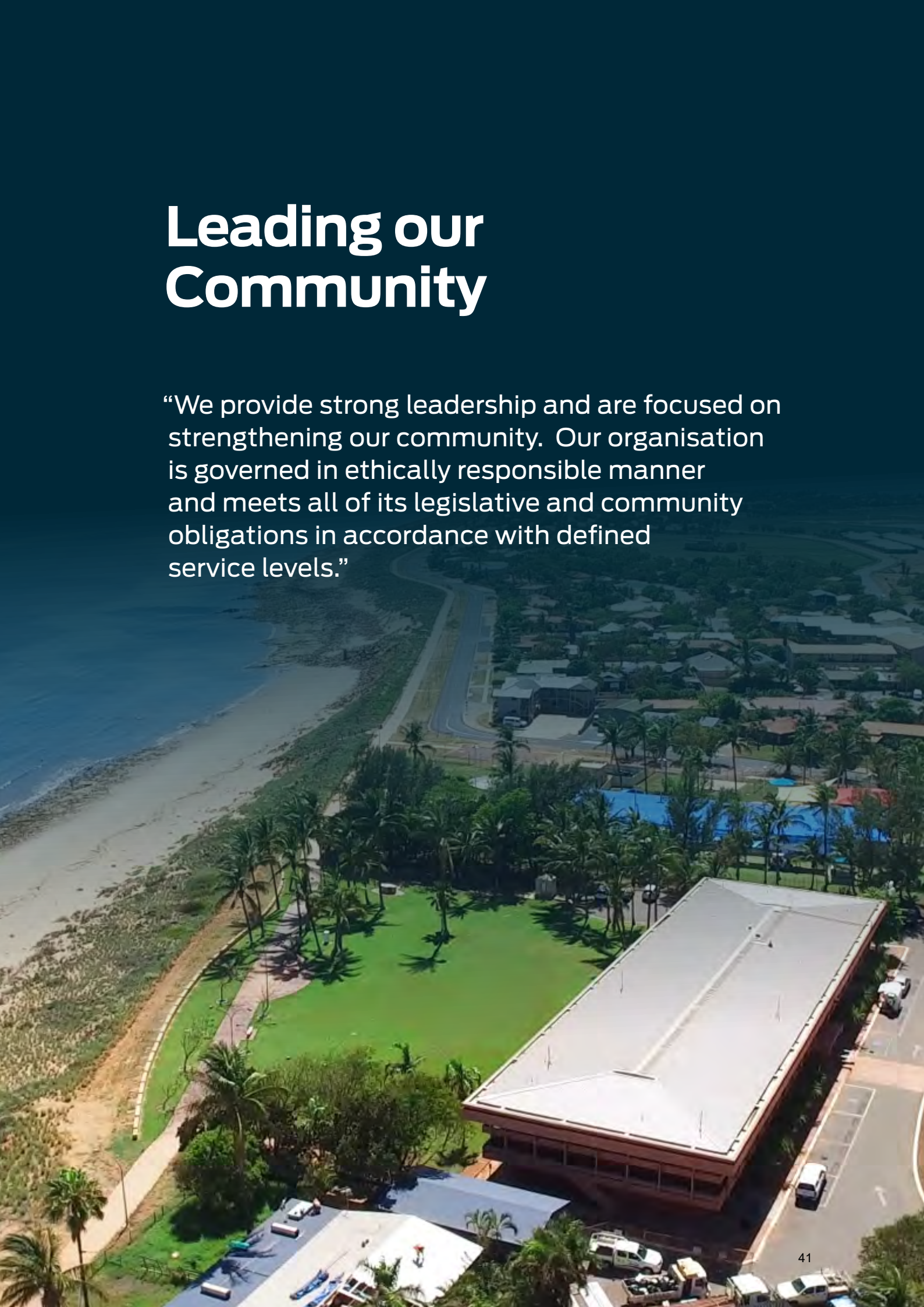
Yandeyarra Upgrade Project

As part of the Town's commitment to core infrastructure renewal, Yandeyarra Road was upgraded in October 2018 to improve drivability. Works included:

- Repairing existing concrete floodway pavements
- Building new concreate floodway pavements
- De-silting and the re-establishment of drains and gutters
- Constructing new drainage culverts
- Repairing and stabilising scoured road sections
- General maintenance grading of the surface to improve smoothness

Leading our Community

"We provide strong leadership and are focused on strengthening our community. Our organisation is governed in ethically responsible manner and meets all of its legislative and community obligations in accordance with defined service levels."



Visiting Dignitaries

- Hon. Mark McGowan, Premier of Western Australia
- Hon. David Templeman, Minister for Local Government
- Hon. Sue Ellery, Minister for Education and Training
- Hon. Simone Frances McGurk, Minister for Child Protection, Women's Interests, Prevention of Family and Domestic Violence and Community Services
- Hon. Melissa Price, Member for Durack
- Hon. Francis Logan, Minister for Emergency Services
- Hon. Kevin Michel MLA, Member for Pilbara

Advocacy

During the 2018/19 financial year, the Town has provided many coordinated responses in relation to a number of State, Federal and local issues, including submissions for:

- Planning reforms
- Mining sector support for regional economies
- Regional telecommunications
- Local Government Act reforms
- Homelessness Strategy
- Response on Updating the 2009 National Waste Strategy
- Waste Authority Draft Waste Strategy
- Parliamentary inquiry into short-stay accommodation
- Container Deposit Scheme
- Regional airfares
- Controlling the spread of cane toads
- Review of salary bands and Elected Member allowance
- Review of Aboriginal Heritage Act - Phase 2
- Regional Inequality in Australia
- Planning guidelines for bushfire prone areas
- Shared path and cycling guidelines
- Local Government Act Review - Phase 2

Audit and Risk Management

The Town of Port Hedland has drafted a proposed Risk Management Strategic Plan in accordance with the International Standard for Risk Management, AS/NZS ISO 31000:2009. It will form the foundation of identifying and analysing issues that may have an adverse effect on the Town achieving its objectives and will apply to Councillors, volunteers and contractors (stakeholders).

It is paramount that all employees and stakeholders understand their roles and responsibilities in the risk management process.

This plan will also ensure that the Town continues to focus on areas of better practice in relation to legislative compliance, effective and efficient internal controls, as well as transparency, accuracy and completeness in reports issued.

Government Relationships

In 2018/19, Elected Members continued to advocate for Hedland and its interests across all levels of Government.

On Tuesday 3 July 2018, Mayor Blanco met with the Deputy Consul-General of Japan, Mr Kenju Miyata. The strategic proximity of Hedland to Asian trading routes was discussed during this meeting.

WALGA Week 2018

The 2018 WA Local Government Association (WALGA) Convention ran from Wednesday 1 August to Friday 3 August. The theme for 2018 was *Ready and Relevant*, which urged attendees to take on the challenges local government faces in the future.

There exists a consensus that the role of local government is shifting to incorporate more digitisation and a greater focus on community development. The Convention gave Mayor Blanco and CEO David Pentz the opportunity to meet with state and federal counterparts to advocate for Hedland's interests. Commissioner Riebeling attended the 2019 Convention.

Key meetings were held with representatives from across the Department of Primary Industries and Regional Development, Department of Planning, Lands and Heritage and Department of Communities.

Notable attendees at the State and Local Government Forum included:

- Hon David Templeman MLA, Minister for Local Government; Heritage; Culture and the Arts
- Hon Dave Kelly MLA, Minister for Water; Fisheries; Forestry; Innovation and ICT; Science
- Hon Fran Logan MLA, Minister for Emergency Services; Corrective Services
- Hon Rita Saffioti MLA, Minister for Transport; Planning; Lands
- Hon Ben Wyatt MLA, Treasurer; Minster for Finance; Energy; Aboriginal Affairs
- Niegel Grazia, A/Deputy Director General, Department of Primary Industries and Regional Development
- Gail McGowan, Director General, Department of Planning, Lands & Heritage
- Andrew Geddes, Executive Director, Department of Communities

Business Breakfast Series

The Town continued to foster its strong relationship with the Port Hedland Chamber of Commerce Incorporated through the Business Breakfast Series. This series seeks to support Hedland's business community by providing an opportunity to network, collaborate and be inspired.

The Town is committed to supporting business leaders, stakeholders and community organisations in Hedland to thrive and prosper. Special guest speakers over the past year included Tom O'Toole, Dianne Wolfer and Bob Ansett.

Community Cabinet Held in Port Hedland

In early August 2018, the WA Government held a Community Cabinet in Port Hedland. An initiative of the McGowan Government, these Cabinets are held to foster greater engagement between local leaders and the State Government.

Mayor Blanco, Deputy Mayor Newbery and CEO David Pentz welcomed the opportunity to meet the Premier as well as the Minister for Local Government, the Hon. David Templeman; the Minister for Education and Training, the Hon. Sue Ellery; and Minister for Child Protection, Women's Interests, Prevention of Family and Domestic Violence and Community Services, the Hon. Simone Frances McGurk.

More than 100 representatives from the local business, not-for-profit and community sectors were in attendance to discuss governance, education, training and social issues. Key issues raised in the Cabinet included the Spoilbank Marina, development of the *West End* and the Government's plans to tackle social issues and healthcare in the community. In addition to the Cabinet, a Community Reception was held by Member for the Pilbara, Kevin Michel, which was attended by Premier McGowan and State Cabinet Ministers.

Reconciliation Action Plan

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

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

In the Financial Year 2018/19, the Town has continued implementing the activities started last Financial Year, and initiated new ones.

These activities include:

- Supported Wirraka Maya Health Services Aboriginal Corporation's Be at Your Best Basketball Tournament at Wanangkura Stadium for Reconciliation Week.
- Continued to host the Aboriginal and Torres Strait Islander Consultation Forum
- Had Welcome to Country at a number of events
- Kept flying the Aboriginal and Torres Strait Island flags alongside the Australian and Town flag at the Civic Centre and South Hedland Town Square
- Kept strengthening our relationships with the First Australian community leaders and our senior management and Elected Members
- Participated in NAIDOC Week events

Statutory Reporting

Disability, Access and Inclusion Plan

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

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

1. People with disability have the same opportunities as other people to access services of, and any event, organised by the Town of Port Hedland.
2. People with disability have the same opportunities as other people to access the buildings and other facilities of the Town of Port Hedland.
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.
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 at the Town of Port Hedland.
5. People with disability have the same opportunities as other people to make complaints to the Town of Port Hedland.
6. People with disability have the same opportunities as other people to participate in any public consultation by the Town of Port Hedland.
7. People with disability have the same opportunities as other people to obtain and maintain employment with the Town of Port Hedland.

A number of projects were undertaken in 2018/19 to implement, improve access and inclusion. These include:

- Upgrades to the Kevin Scott Oval were undertaken, creating a more inclusive and accessible community space. The new and improved playground includes the addition of the *NEOS 360*, which combines the thrill of video games with physical interaction.
- The North West Festival and Sundowner offered free tickets for Companion Card holders.
- The Town now engages contractors to provide free accessible transport to and from events such as North West Festival and Australia Day in South and Port Hedland.
- The Town of Port Hedland successfully replaced the Anderson Street bus shelter, adjacent to Port Hedland's Boulevard Shopping Centre. The works included upgrading footpaths, pram ramps and tactile indicators from the bus stop to the shopping centre.
- The Town now provides fact sheets on environmental health for areas such a wastewater systems and noise. These can now be used with ReadSpeaker to ensure the whole community can access this information.

Employee Remuneration

Salary Range

Employee Remuneration – Salary Range		
100,000	109,999	**16**
110,000	119,999	**4**
120,000	129,999	**1**
130,000	139,999	**4**
140,000	149,999	**3**
180,000	189,999	**3**
290,000	299,999	**1**

Regulation 19B of Local Government (Administration) Regulations 1996 requires disclosure ofn the number of employees within the Town of Port Hedland with an annual salary of $100,000 or more.

Records Management

The Town manages its corporate records in accordance with the legislative requirements of the *State Records Act 2000*. Records are a core resource for the Town and good record keeping practices contribute to the Towns efficiency and accountability to its shareholders. An audit of physical and electronic files has begun in this financial year and should be completed in the next financial year, the objective of this audit is to ensure rapid responses to requests for information and certainty of the Towns holdings.

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

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

- Increasing its registered items into the corporate record keeping system by 16.7% from last financial year
- Digitising and registering 1942 property files, an increase of 81% on last financial year
- Submitting the Town's five year record keeping plan to the State Records Commission before required date
- Providing training on the corporate record keeping system to 54 new employees within a month of their appointment and 5 refresher sessions to current staff
- Creating 817 new files in this financial year
- Closing 741 file/volumes in this financial year
- Destruction of approximately 200 boxes of source records (within their disposal time frame)
- 110 boxes described into corporate record keeping system

2019 National General Assembly of the Australian Local Government Association

In June 2019, Elected Members and Members of the Executive Team attended the *Australian Local Government Association's (ALGA) National General Assembly (NGA)* in Canberra. The Assembly attracted more than 870 representatives from councils across the states and territories, shining a spotlight on the important role local government plays in shaping civic life.

The 2019 theme was *Future Focussed*, reflecting the challenges local governments face within a rapidly evolving operating environment. The NGA provided attendees with an opportunity to probe and influence the policies of the recently re-elected Morrison Government by putting forth motions for debate.

Two motions put forth by the Town of Port Hedland passed: advocacy for more policies to support population growth, investment and regional job creation, as well as policies to manage anti-social behaviour and illicit substance abuse in regional areas. These motions were then referred to ALGA's board for consideration when determining Federal Department policy initiatives.

The 2020 theme is *Working Together for our Communities.*

Review of Local Laws

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

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

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

On 26 September 2018, Council adopted the *Town of Port Hedland Waste Local Law 2018.* This local law was established for the purpose of providing a statutory framework for the management and enforcement of laws relating to waste management within the Town of Port Hedland.

Once in a Generation Change to the Local Government Act

In 2017, the McGowan Government announced a review of the *Local Government Act 1995.* This was the first significant reform of local government conducted in more than two decades, addressing outdated aspects of the original act. In recent years, rapid technological change has changed how local governments deliver services, disseminate information and engage with local residents.

The objective of reviewing the act was for Western Australia to have a new, modern act that empowers local government to better deliver for the local community. The review focussed on the themes of *Agile, Smart* and *Inclusive*, reflecting the desire for more accountable and transparent local government across the State.

During key speeches and meetings in 2018/19, members of the Executive Team and Elected Members reflected on the changing nature of local government and shifting community expectation. In decades past, local government took care of the essentials: roads, rates and rubbish. Now, local governments are actively involved in community development, arts, culture, events, public health and more.

A consultation paper was released in November 2017, focussing on priority reforms in the areas of meeting community expectations of standards and performance, transparency, online information availability and red tape reduction.

In November 2018, community members and stakeholders were invited to attend an interactive information session in Chambers to suggest changes they would like to see to the Act. Session attendees had the opportunity to comment on whether local government elections should be compulsory, whether charities should pay rates, the extent to which the Town is responsible for community engagement and more.

The perspectives gathered during this session informed the submission to state Parliament in March 2019, which was followed by the *Local Government Legislation Amendment Act 2019* passing Parliament in June.

On Thursday 27 June, Minister Templeman issued a media statement commenting on the new reforms bringing councils into the 21st Century as a result of the legislation's passage. These reforms:

- Require all candidates for future local government elections will be required to do an induction
- Improve standards of behaviour through a mandatory code of conduct for council members and candidates;
- Introduce new standards for CEO recruitment and performance management to help elected members select a CEO and assess their performance;
- Provide clarity for elected members to manage real and perceived conflicts of interest related to gifts; and
- Require local governments to publish information on their website such as local laws, approved council policies and all documents contained within a meeting agenda allowing instant access to council information for everyone 24/7

The Town is committed to continually improving its processes to become more accountable, transparent and responsive to community need.

Official Conduct Report

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

The Town of Port Hedland received two complaints of this nature that resulted in action under section 5.110(6)(b)(ii) during the 2018/19 financial year. The following table contains details of each complaint:

Name of Complainant	Name of Complainee	Description of Minor Breach	How the breach is to be dealt with
Camilo Blanco	George Daccache	On 12 October 2018, the Local Government Standards Panel found that George Daccache, a Councillor of the Town of Port Hedland, committed: a. one minor breach of Regulation 4(1) of the Local Government (Rules of Conduct) Regulations 2007 (WA) ("the Regulations") and b. one minor breach of Regulation 7(1)(b) of the Regulations, when he made adverse comments in relation to Mayor Camilo's Blanco's past Conduct at the Town's Ordinary Council Meeting of 23 May 2018.	In accordance with section 5.110(6)(b)(ii) of the *Local Government Act 1995*, George Daccache is ordered to publicly apologise to Mayor Camilo Blanco, the public and his fellow Town Councillors, in terms of his breach. At the Ordinary Council Meeting held on 27 March 2019, Councillor Daccache publicly apologised to Mayor Camilo Blanco, the public and his fellow Town Councillors, in terms of his breach.
Camilo Blanco	George Daccache	On 12 October 2018, the Local Government Standards Panel found that George Daccache, a Councillor of the Town of Port Hedland, committed: a. one minor breach of Regulation 4(1) of the Local Government (Rules of Conduct) Regulations 2007 (WA) ("the Regulations") and b. one minor breach of Regulation 7(1)(b) of the Regulations, when he made comments at the Town's Ordinary Council Meeting of 23 May 2018 in relation to an interview given by him and the subsequent newspaper article published in the North West Telegraph.	In accordance with section 5.110(6)(b)(ii) of the *Local Government Act 1995*, George Daccache is ordered to publicly apologise to Mayor Camilo Blanco, the public and his fellow Town Councillors, in terms of his breach. At the Ordinary Council Meeting held on 27 March 2019, Councillor Daccache publicly apologised to Mayor Camilo Blanco, the public and his fellow Town Councillors, in terms of his breach.

The Register of Complaints is available on the Town's website.

FOI Statistics

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

Access Type	Personal	Non-Personal	Total
Access in full	0	0	0
No documents found	0	2	2
Withdrawn by applicant	0	1	1
Not finalised	0	0	0

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 2018/19. The objective of competitive neutrality is introducing measures which effectively remove any net competitive advantages arising as a result government ownership of a business entity. The Town of Port Hedland has previously assessed its operations and considers that it has one business activity that would be classed as significant under the current guidelines. While 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 Town considers the Landfill operation as a significant business activity. This is defined by Clause 7, Principle CN.5 of the Competition Policy Statement, as the Landfill has an annual income from fees in excess of $200,000. Full cost attribution is considered when determining the Landfill fees and charges each financial year as a basis for ensuring that prices charged for goods and services take into account competitive neutrality advantages.

All activities within the Town are continually being examined to identify opportunities to generate efficiency improvements. This must be balanced with the type and level of service provision and statutory requirements. An activity requiring scrutiny in this regard for the Town, and is not a public monopoly, is that of private works on private property; however during 2018/19 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 one (l).The number of activities to which competitive neutrality principles have been considered but not applied in the reportir;ig period is one (l).

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

Regional Price Preference

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

To be consider "Regional", a Contractor/ Supplier must fulfil the following conditions:

a) Have had a permanent office and permanent staff in the prescribe area for at least 6 months before to bids being sought; and

b) Be registerd or licensed in Western Australia; and

c) Demonstrate a majority of all of the good or services are to be supplied from ToPH sources; or

d) Be located within neighbouring municipalities with reciprocal similar Regional Pricing Preference Policies which benefit ToPH businesses.

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

During the 2018/19 Financial year, the Town released 18 Public Request for Tenders, EOI, Panels and Proposals. Of these tenders 31 of the successful respondents applied for regional price preference, at a **total preference of $3,392,067.00.**

Financial Reports

Community Vision to be Australia's leading Port Town embracing community, culture and environment

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TOWN OF PORT HEDLAND

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2019

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COMMUNITY VISION

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

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

TOWN OF PORT HEDLAND
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Town of Port Hedland for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the Town of Port Hedland at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 20th day of November 2019

Chief Executive Officer
David Pentz

	NOTE	2019 Actual $ '000	2019 Budget $ '000	2018 Actual $ '000
Revenue				
Rates	26(a)	45,025	30,228	25,570
Operating grants, subsidies and contributions	2(a)	3,452	2,526	2,605
Fees and charges	2(a)	11,630	10,568	10,442
Interest earnings	2(a)	7,044	6,659	6,894
Other revenue	2(a)	11,659	970	3,442
		78,810	50,951	48,953
Expenses				
Employee costs		(19,647)	(18,842)	(17,629)
Materials and contracts		(20,659)	(23,907)	(17,043)
Utility charges		(2,745)	(2,723)	(2,621)
Depreciation on non-current assets	11(c)	(8,561)	(14,259)	(11,042)
Interest expenses	2(b)	(5,581)	(1,131)	(1,367)
Insurance expenses		(773)	(817)	(707)
Other expenditure		(4,593)	(1,749)	(3,670)
		(62,559)	(63,428)	(54,079)
		16,251	(12,477)	(5,126)
Non-operating grants, subsidies and contributions	2(a)	6,825	2,340	2,209
Profit on asset disposals	11(a)	8	0	10
(Loss) on asset disposals	11(a)	(1,275)	(14)	(160)
(Loss) on revaluation of Infrastructure - Roads and bridges	10(a)	0	0	(985)
(Loss) on revaluation of Infrastructure - Parks and ovals	10(a)	0	0	(7,172)
(Loss) on revaluation of Infrastructure - Other infrastructure	10(a)	0	0	(4,557)
		5,558	2,326	(10,655)
Net result for the period		**21,809**	**(10,151)**	**(15,781)**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	12	62	0	(78,905)
Total other comprehensive income for the period		**62**	**0**	**(78,905)**
Total comprehensive income for the period		**21,871**	**(10,151)**	**(94,686)**

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

	NOTE	2019 Actual	2019 Budget	2018 Actual
		$ '000	$ '000	$ '000
Revenue				
General purpose funding		63,200	39,462	35,103
Law, order, public safety		394	371	156
Health		384	468	438
Education and welfare		254	170	211
Housing		16	19	147
Community amenities		8,809	7,747	7,693
Recreation and culture		2,404	1,689	2,214
Transport		1,001	374	129
Economic services		1,689	234	2,193
Other property and services		659	417	669
		78,810	50,951	48,953
Expenses				
Governance		(3,053)	(3,321)	(3,031)
General purpose funding		(1,327)	(238)	(552)
Law, order, public safety		(1,972)	(2,375)	(1,882)
Health		(952)	(1,107)	(1,020)
Education and welfare		(2,106)	(2,654)	(2,127)
Housing		(520)	(542)	(522)
Community amenities		(14,068)	(8,203)	(8,095)
Recreation and culture		(17,684)	(20,148)	(20,142)
Transport		(9,741)	(22,562)	(12,547)
Economic services		(2,240)	(767)	(2,606)
Other property and services		(3,315)	(380)	(188)
		(56,978)	(62,297)	(52,712)
Finance Costs				
Law, order, public safety		0	0	(4)
Health		(278)	(58)	(69)
Education and welfare		(622)	(127)	(149)
Housing		(1,247)	(255)	(295)
Community amenities		0	0	(3)
Recreation and culture		(3,299)	(691)	(806)
Transport		(1)	0	0
Other property and services		(134)	0	(41)
		(5,581)	(1,131)	(1,367)
		16,251	(12,477)	(5,126)
Non-operating grants, subsidies and contributions	2(a)	6,825	2,340	2,209
Profit on disposal of assets	11(a)	8	0	10
(Loss) on disposal of assets	11(a)	(1,275)	(14)	(160)
(Loss) on revaluation of Infrastructure - Roads and bridges	10(a)	0	0	(985)
(Loss) on revaluation of Infrastructure - Parks and ovals	10(a)	0	0	(7,172)
(Loss) on revaluation of Infrastructure - Other infrastructure	10(a)	0	0	(4,557)
		5,558	2,326	(10,655)
Net result for the period		**21,809**	**(10,151)**	**(15,781)**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	12	62	0	(78,905)
Total other comprehensive income for the period		**62**	**0**	**(78,905)**
Total comprehensive income for the period		**21,871**	**(10,151)**	**(94,686)**

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

	NOTE	2019	2018
		$ '000	$ '000
CURRENT ASSETS			
Cash and cash equivalents	3	30,231	3,149
Trade receivables	5	13,075	10,700
Other financial assets at amortised cost	8	201,928	229,663
Inventories	6	2,148	1,842
Other current assets	7	442	475
TOTAL CURRENT ASSETS		247,824	245,829
NON-CURRENT ASSETS			
Trade receivables	5	1,471	1,503
Other non-current assets	7	140	0
Other financial assets at amortised cost	8(b)	628	812
Inventories	6	4,448	6,052
Property, plant and equipment	9	117,712	116,519
Infrastructure	10	168,195	171,585
Investment property	13	50,952	42,363
TOTAL NON-CURRENT ASSETS		343,546	338,834
TOTAL ASSETS		591,370	584,662
CURRENT LIABILITIES			
Trade and other payables	14	11,984	4,931
Borrowings	15(b)	0	1,120
Employee related provisions	16	1,789	1,566
Other provisions	17	14,810	14,994
TOTAL CURRENT LIABILITIES		28,583	22,611
NON-CURRENT LIABILITIES			
Borrowings	15(b)	0	20,238
Employee related provisions	16	112	86
Trade and other payables	14	42,228	43,152
TOTAL NON-CURRENT LIABILITIES		42,340	63,476
TOTAL LIABILITIES		70,923	86,087
NET ASSETS		520,447	498,576
EQUITY			
Retained surplus		204,319	181,813
Reserves - cash backed	4	232,038	232,735
Revaluation surplus	12	84,090	84,028
TOTAL EQUITY		520,447	498,576

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

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		$ '000	$ '000	$ '000	$ '000
Balance as at 1 July 2017		**190,875**	**239,454**	**162,933**	**593,262**
Comprehensive income					
Net result for the period		(15,781)	0	0	(15,781)
Other comprehensive income	12	0	0	(78,905)	(78,905)
Total comprehensive income		(15,781)	0	(78,905)	(94,686)
Transfers from/(to) reserves		6,719	(6,719)	0	0
Balance as at 30 June 2018		**181,813**	**232,735**	**84,028**	**498,576**
Comprehensive income					
Net result for the period		21,809	0		21,809
Other comprehensive income	12	0	0	62	62
Total comprehensive income		21,809	0	62	21,871
Transfers from/(to) reserves		697	(697)	0	0
Balance as at 30 June 2019		**204,319**	**232,038**	**84,090**	**520,447**

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

	NOTE	2019 Actual $ '000	2019 Budget $ '000	2018 Actual $ '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		46,595	30,957	24,003
Operating grants, subsidies and contributions		1,566	2,527	2,605
Fees and charges		11,630	10,444	10,442
Interest received		7,044	6,659	5,242
Goods and services tax received		1,943	0	132
Other revenue		1,150	970	2,874
		69,928	51,557	45,298
Payments				
Employee costs		(19,170)	(18,842)	(18,333)
Materials and contracts		(15,458)	(22,407)	(19,429)
Bank charges		(4,416)	0	0
Utility charges		(2,745)	(2,723)	(2,624)
Interest expenses		(907)	(1,131)	(1,197)
Insurance paid		(773)	(817)	(706)
Goods and services tax paid		(1,990)	0	(245)
Other expenditure		(4,584)	(1,749)	(2,821)
		(50,043)	(47,669)	(45,355)
Net cash provided by (used in) operating activities	18	19,885	3,888	(57)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(3,096)	(5,650)	(3,887)
Payments for construction of infrastructure		(3,511)	(9,322)	(7,727)
Non-operating grants, subsidies and contributions		6,825	2,340	2,209
Proceeds from sale of property, plant & equipment		538	1,591	301
Proceeds from disposal of financial assets		27,735	0	0
Net cash provided by (used in) investment activities		28,491	(11,041)	(9,104)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(21,358)	(1,120)	(1,284)
Proceeds from self supporting loans		64	69	138
Net cash provided by (used In) financing activities		(21,294)	(1,051)	(1,146)
Net increase (decrease) in cash held		27,082	(8,204)	(10,307)
Cash at beginning of year		3,149	232,676	13,456
Cash and cash equivalents at the end of the year	18	30,231	224,472	3,149

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

	NOTE	2019 Actual	2019 Budget	2018 Actual
		$ '000	$ '000	$ '000
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		7,140	1,102	4,125
		7,140	1,102	4,125
Revenue from operating activities (excluding rates)				
General purpose funding		18,180	9,234	9,533
Law, order, public safety		394	371	156
Health		384	468	438
Education and welfare		254	170	211
Housing		16	19	147
Community amenities		8,809	7,747	7,693
Recreation and culture		2,404	1,689	2,214
Transport		1,001	374	129
Economic services		1,689	234	2,193
Other property and services		662	417	679
		33,793	20,723	23,393
Expenditure from operating activities				
Governance		(3,053)	(3,321)	(3,031)
General purpose funding		(1,327)	(238)	(552)
Law, order, public safety		(1,972)	(2,375)	(1,886)
Health		(1,230)	(1,165)	(1,089)
Education and welfare		(2,735)	(2,781)	(2,276)
Housing		(1,946)	(797)	(817)
Community amenities		(14,229)	(8,203)	(8,098)
Recreation and culture		(21,476)	(20,839)	(20,948)
Transport		(9,866)	(22,562)	(12,547)
Economic services		(2,240)	(777)	(2,606)
Other property and services		(3,760)	(384)	(13,103)
		(63,834)	(63,442)	(66,953)
Non-cash amounts excluded from operating activities	27(a)	226	13,349	24,536
Amount attributable to operating activities		(22,675)	(28,268)	(14,899)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	6,825	2,340	2,209
Proceeds from disposal of assets	11(a)	538	1,591	301
Purchase of property, plant and equipment	9(a)	(3,096)	(5,650)	(3,887)
Purchase and construction of infrastructure	10(a)	(3,511)	(9,322)	(7,727)
Amount attributable to investing activities		756	(11,041)	(9,104)
FINANCING ACTIVITIES				
Repayment of borrowings	15(b)	(21,358)	(1,120)	(1,284)
Proceeds from self supporting loans	15(b)	64	69	138
Transfers to reserves (restricted assets)	4	(27,420)	(5,794)	(9,155)
Transfers from reserves (restricted assets)	4	28,117	16,212	15,874
Amount attributable to financing activities		(20,597)	9,367	5,573
Surplus/(deficit) before imposition of general rates		(42,516)	(29,942)	(18,430)
Total amount raised from general rates	26(a)	45,025	30,228	25,570
Surplus/(deficit) after imposition of general rates	27(b)	**2,509**	**286**	**7,140**

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

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of AASB 1051 *Land Under Roads paragraph 15* and AASB 116 *Property, Plant and Equipment paragraph 7.*

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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. A separate statement of those monies appears at Note 29 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	$ '000	$ '000	$ '000
Operating grants, subsidies and contributions			
General purpose funding	1,482	1,570	1,662
Law, order, public safety	290	289	66
Health	3	3	5
Education and welfare	14	0	30
Recreation and culture	639	495	688
Transport	1,017	169	126
Economic services	0	0	4
Other property and services	7	0	24
	3,452	2,526	2,605
Non-operating grants, subsidies and contributions			
Law, order, public safety	411	412	0
Recreation and culture	18	0	179
Transport	6,396	1,878	2,030
Other property and services	0	50	0
	6,825	2,340	2,209
Total grants, subsidies and contributions	10,277	4,866	4,814

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

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 25. 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 operations for the current reporting period.

Grants, donations and other contributions (Continued)

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2019 Actual $ '000	2019 Budget $ '000	2018 Actual $ '000
Significant revenue			
Fees and Charges - rental income - other council properties	0	0	577
Other revenue			
Reimbursements and recoveries	1,407	825	1,988
Sale of inventory	1,101	0	1,430
Revaluation of Investment property	8,590	0	0
Other	561	145	24
	11,659	970	3,442
Fees and Charges			
General purpose funding	1,011	1,025	1,018
Law, order, public safety	29	69	80
Health	371	446	414
Education and welfare	185	158	158
Community amenities	8,536	7,747	7,694
Recreation and culture	832	541	390
Transport	(39)	205	3
Economic services	705	209	682
Other property and services	0	168	3
	11,630	10,568	10,442
There were no changes during the year to the amount of the fees or charges detailed in the original budget.			
Interest earnings			
Loans receivable - clubs/institutions*	38	49	60
Reserve accounts interest	6,297	6,051	6,075
Rates instalment and penalty interest (refer Note 26(c))	547	445	647
Other interest earnings	162	114	112
	7,044	6,659	6,894

*This figure does not match Note 15 due to timing differences between when interest is paid and received.

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	2019 Actual $ '000	2019 Budget $ '000	2018 Actual $ '000
Significant expense			
Bad debts	253	0	9
Loss from Fair Value adjustment	0	0	13,662
Revaluation of Investment property	568	0	0
	821	0	13,671
Auditors remuneration			
Audit of the Annual Financial Report	84	90	47
Other services	20	0	0
	104	90	47
Interest expenses (finance costs)			
Borrowings (refer Note 15(b))	1,080	1,131	1,179
Early payout premium of loans	4,416	0	0
Other interest expenses	85	0	188
	5,581	1,131	1,367
Rental charges			
Operating leases	51	0	51
	51	0	51

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 $ '000	2018 $ '000
Cash at bank and on hand		30,231	3,149
		30,231	3,149
Comprises:			
- Unrestricted cash and cash equivalents		44	0
- Restricted cash and cash equivalents		30,187	3,149
		30,231	3,149
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Spoilbank Reserve	4	11,690	3,149
Financial Risk Reserve	4	18,493	0
		30,183	3,149
Other restricted cash and cash equivalents			
Unspent grants/contributions		4	0
Total restricted cash and cash equivalents		30,187	3,149

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Cash and cash equivalents (Continued)

changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position. This note has changed since our 2018 Financial statements to reflect accounting standard changes during 2019 financial year.

4. RESERVES - CASH BACKED

		2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Transfer (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance
		$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
(a)	Employee Leave Reserve	876	0	0	876	876	0	0	876	876	0	0	876
(b)	Developer Contributions - Car Parking	0	0	0	0	0	0	0	0	270	0	(270)	0
(c)	Airport Reserve	14,976	0	(184)	14,792	14,903	0	(10,685)	4,218	15,075	0	(99)	14,976
(d)	Spoilbank Reserve	37,569	0	(50)	37,519	37,594	0	(110)	37,484	37,713	0	(144)	37,569
(e)	Asset Management - Community Facilities	0	0	0	0	0	0	0	0	247	0	(247)	0
(f)	GP Housing	185	0	0	185	185	0	0	185	184	1	0	185
(g)	Waste Management Reserve	7,652	0	(947)	6,706	7,659	0	(1,445)	6,214	10,540	0	(2,888)	7,652
(h)	Plant Reserve	2,455	487	(1,132)	1,809	2,441	612	(1,013)	2,040	2,147	613	(305)	2,455
(i)	Unfinished Works & Committed Works Reserve	1,464	2,441	(72)	3,832	1,459	0	(1,337)	122	762	1,296	(594)	1,464
(j)	Staff Housing Reserve	276	349	(266)	360	276	0	(276)	0	645	0	(369)	276
(k)	Strategic Reserve	500	0	0	500	500	0	0	500	587	0	(87)	500
(l)	Unspent Grants, Loans & Contributions Reserve	392	470	(65)	797	334	0	(13)	321	1,464	59	(1,131)	392
(m)	PHIA Long Term Lease Proceeds Reserve	168,026	0	(24,570)	143,456	165,827	0	0	165,827	165,849	4,288	(2,111)	168,026
(n)	Historical	11	3	0	14	11	3	0	14	9	2	0	11
(o)	Insurance Reserve	124	0	0	124	124	0	(124)	0	124	0	0	124
(p)	Cyclone Emergency Support Response	80	0	0	80	80	0	0	80	103	0	(23)	80
(q)	Developer Contributions - Public Open Spaces	259	0	(259)	0	259	0	0	259	259	270	(270)	259
(r)	Asset Management - Infrastructure Reserve	2,099	968	(572)	2,495	2,089	2,179	(1,209)	3,059	2,600	2,626	(3,127)	2,099
(s)	Unallocated Internal Overdraft Facility	(4,209)	4,209	0	0	0	0	0	0	0	0	(4,209)	(4,209)
(t)	Financial Risk Reserve	0	18,493	0	18,493	0	3,000	0	3,000	0	0	0	0
		232,735	27,420	(28,117)	232,038	234,617	5,794	(16,212)	224,199	239,454	9,155	(15,874)	232,735

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 and Other Financial assets at amortised costs in Note 8 to this financial report.

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

	Name of Reserve	Anticipated date of use	Purpose of the reserve
(a)	Employee Leave Reserve	Ongoing	To ensure that adequate funds are available to finance employee leave entitlements such as annual leave, long service leave, sick leave and redundancies.
(b)	Developer Contributions - Car Parking	*Closed*	Amalgamated with the Developer Contributions - Public Open Space reserve during 2017/18 Annual Budget.
(c)	Airport Reserve	2019/20	To fund the future Port Hedland International Airport major works commitments.
(d)	Spoilbank Reserve	Ongoing	Funding the development of the Port Hedland Spoilbank Precinct.
(e)	Asset Management - Community Facilities	*Closed*	Amalgamated with the Asset Management - Infrastructure reserve during 2017/18 Annual Budget.
(f)	GP Housing	Ongoing	To fund the development, maintenance and management of GP Housing.
(g)	Waste Management Reserve	Ongoing	To fund the development, operation, maintenance and capital expenditure for the Council's waste management facilities including the landfill and waste collection operations and any associated repayments of borrowings and employee entitlements.
(h)	Plant Reserve	Ongoing	To fund the Plant Replacement Program (plant with motor vehicle registration).
(i)	Unfinished Works & Committed Works Reserve	Ongoing	To transfer unspent Municipal funded expenditure on specific projects to enable identification of carryover expenditure into the next financial year.
(j)	Staff Housing Reserve	Ongoing	To fund the maintenance, refurbishment, redevelopment and construction of staff housing.
(k)	Strategic Reserve	Ongoing	To fund strategic projects (excluding renewal and replacement) as included in the Town's Strategic Community Plan and Corporate Business Plan. To fund strategic projects (excluding renewal and replacement) as included in the Town's Strategic Community Plan and Corporate Business Plan; and to fund the formulation and maintenance of the plans.
(l)	Unspent Grants, Loans & Contributions Reserve	Ongoing	To restrict unspent grants, loans and contributions at the end of the financial year.

4. RESERVES - CASH BACKED (continued)

(m)	PHIA Long Term Lease Proceeds Reserve	Ongoing	To account for the lease proceeds from the long term lease of the Port Hedland International Airport and disburse funds as per the Wealth Management Framework*.
(n)	Historical	Ongoing	To fund historical building refurbishment projects.
(o)	Insurance Reserve	Ongoing	To restrict unspent insurance income at the end of the financial year.
(p)	Cyclone Emergency Support Response	2018/19	To fund cyclone and emergency related projects.
(q)	Developer Contributions - Public Open Spaces	Ongoing	To hold contributions which arise from conditions applied to a Development Application for car parking and public open space.
(r)	Asset Management - Infrastructure Reserve	Ongoing	To fund the ongoing maintenance, refurbishment, renewal, replacement and upgrade of Council owned infrastructure assets within the Town of Port Hedland and community facilities within the Town of Port Hedland, specifically (but not limited to): Wanangkura Stadium, South Hedland Aquatic Centre, Gratwick Aquatic Centre, Marquee Park and JD Hardie Centre.
(s)	Unallocated Internal Overdraft Facility	Ongoing	The Town does not currently have access to an overdraft facility on its normal operating bank account. It is the Town's intention to utilise the funds held in Reserves for the purpose of not utilising external overdraft facilities for short periods from time to time during the financial year. The benefit to the Town is that financing costs are reduced by minimising the use of overdraft facilities. This is aligned to the adopted 2017/18 Annual Budget Note 7(d).
(t)	Financial Risk Reserve	Ongoing	To provide funds to mitigate against Financial Risks including legal cases with penalties awarded against the Town, SAT rulings upholding valuation objections on high value properties likely to cause significantly large refunds and other unknown events potentially resulting in financial loss to the Town.

*Wealth Management Framework has not yet been adopted by council.

5. TRADE RECEIVABLES

	2019	2018
	$ '000	$ '000
Current		
Rates receivable	2,673	4,243
Sundry receivables	1,802	3,668
GST receivable	677	636
Allowance for impairment of receivables	(2)	(967)
Accrued income	7,925	3,120
	13,075	10,700
Non-current		
Pensioner's rates and ESL deferred	17	17
Prepaid expenses	1,454	1,486
	1,471	1,503
Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:		
Rates outstanding (including non-current pensioners)		
Includes:		
Past due and not impaired	2,690	3,583
Impaired	0	677
	2,690	4,260
The table below illustrates the rates outstanding aging analysis (including non-current pensioners)		
Up to one year	1,620	2,896
One to three years	990	1,327
Three or more years	80	37
	2,690	4,260
Sundry debtors		
Includes:		
Past due and not impaired	1,800	3,378
Impaired	2	290
	1,802	3,668
The table below illustrates sundry debtors aging analysis		
Up to one month	1,406	1,342
One to three months	219	1,082
Three months to one year	177	153
Older than one year	0	1,091
	1,802	3,668
Accrued income		
The following illustrates the accrued income aging analysis		
Up to one month	263	336
One to three months	690	704
Three months to one year	6,972	2,080
Older than one year	0	0
	7,925	3,120

5. TRADE RECEIVABLES (continued)

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 28.

Previous accounting policy: Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

Classification and subsequent measurement

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.

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

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

6. INVENTORIES

	2019	2018
	$ '000	$ '000
Current		
Depot	906	653
Matt Dann	4	7
JD Hardie	2	1
Port Hedland Leisure	5	0
Land held for resale - cost		
Cost of acquisition	1,231	1,181
	2,148	1,842
Non-current		
Land held for resale - cost		
Development costs	4,448	6,052
	4,448	6,052
The following movements in inventories occurred during the year:		
Carrying amount at 1 July	7,894	8,499
Inventories expensed during the year	(776)	(605)
Write down of inventories to net realisable value	(522)	0
Carrying amount at 30 June	6,596	7,894

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

7. OTHER ASSETS

	2019	2018
	$ '000	$ '000
Other current assets		
Prepayments	442	475
	442	475
Other non-current assets		
Investment in Local Government House Trust	140	0
	140	0

The Town holds 8 units in the Local Government House Trust which was established in 1980, with the vesting date of the current deed being in 2072. The Town is unable to sell or transfer its holding in the trust.
The investment in the trust is being recognised for the first time in this financial year with valuation provided by Western Australian Local Government Association.

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

SIGNIFICANT ACCOUNTING POLICIES

Other non-current assets

Other non-current non-financial assets include long term investments which are unable to be sold.

8. OTHER FINANCIAL ASSETS

	2019	2018
	$ '000	$ '000
(a) Current assets		
Other financial assets at amortised cost	201,855	229,586
Other loans and receivables	73	77
	201,928	229,663
Other financial assets at amortised cost		
- Financial assets at amortised cost - term deposits	201,855	229,586
	201,855	229,586
Financial assets previously classified as loans and receivables		
- Loans receivable - clubs/institutions	73	77
	73	77
(b) Non-current assets		
Other loans and receivables	748	812
Allowance for impairment	(120)	0
	628	812
Financial assets previously classified as loans and receivables		
- Loans receivable - clubs/institutions	628	812
	628	812

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 15 as self supporting loans.

The following restrictions over other financial assets have been imposed by regulations or other externally imposed requirements:

Reserve accounts			
Employee Leave Reserve	4	876	876
Airport Reserve	4	14,792	14,976
Spoilbank Reserve	4	25,829	34,420
GP Housing	4	185	185
Waste Management Reserve	4	6,706	7,652
Plant Reserve	4	1,809	2,455
Unfinished Works & Committed Works Reserve	4	3,832	1,464
Staff Housing Reserve	4	360	276
Strategic Reserve	4	500	500
Unspent Grants, Loans & Contributions Reserve	4	797	392
PHIA Long Term Lease Proceeds Reserve	4	143,456	168,026
Historical	4	14	11
Insurance Reserve	4	124	124
Cyclone Emergency Support Response	4	80	80
Developer Contributions - Public Open Spaces	4	0	259
Asset Management - Infrastructure Reserve	4	2,495	2,099
Unallocated Internal Overdraft Facility	4	0	(4,209)
		201,855	229,586

8. OTHER FINANCIAL ASSETS (continued)

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 28.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: available for sale financial assets

Available-for-sale financial assets were non-derivative financial assets that were either not suitable to be classified as 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 payments.

Previous accounting policy: Loans and receivables

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

Refer to Note 31 for explanations regarding the change in accounting policy and reclassification of available for sale financial assets to financial assets at fair value through profit and loss.

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Work in Progress	Total property, plant and equipment
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Balance at 1 July 2017	7,530	4,337	11,867	45,665	50,385	96,050	107,917	2,588	7,674	1,810	119,989
Additions	0	0	0	39	2,853	2,892	2,892	584	411	0	3,887
(Disposals)	0	0	0	0	0	0	0	0	(451)	0	(451)
Impairment loss transfered to revaluation surplus	0	0	0	0	(3,019)	(3,019)	(3,019)	0	0	0	(3,019)
Depreciation (expense)	0	0	0	(189)	(1,362)	(1,551)	(1,551)	(478)	(1,188)	0	(3,217)
Transfers	4,797	(4,337)	460	(30,505)	31,138	633	1,093	47	0	(1,810)	(670)
Carrying amount at 30 June 2018	12,327	0	12,327	15,010	79,995	95,005	107,332	2,741	6,446	0	116,519
Comprises:											
Gross carrying amount at 30 June 2018	12,327	0	12,327	15,584	98,953	114,537	126,864	3,655	8,613	0	139,132
Accumulated depreciation at 30 June 2018	0	0	0	(574)	(15,939)	(16,513)	(16,513)	(914)	(2,167)	0	(19,594)
Accumulated impairment loss at 30 June 2018	0	0	0	0	(3,019)	(3,019)	(3,019)	0	0	0	(3,019)
Carrying amount at 30 June 2018	12,327	0	12,327	15,010	79,995	95,005	107,332	2,741	6,446	0	116,519
Additions	0	0	0	0	0	0	0	0	0	3,096	3,096
(Disposals)	(356)	0	(356)	(334)	(237)	(571)	(927)	(37)	(389)	0	(1,353)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	62	62	62	0	0	0	62
Depreciation (expense)	0	0	0	(240)	(1,481)	(1,721)	(1,721)	(548)	(976)	0	(3,245)
Transfers*	0	0	0	334	1,596	1,930	1,930	293	938	(528)	2,633
Carrying amount at 30 June 2019	11,971	0	11,971	14,770	79,935	94,705	106,676	2,449	6,019	2,568	117,712
Comprises:											
Gross carrying amount at 30 June 2019	11,971	0	11,971	15,584	97,303	112,887	124,858	3,831	8,873	2,568	140,130
Accumulated depreciation at 30 June 2019	0	0	0	(814)	(17,368)	(18,182)	(18,182)	(1,382)	(2,854)	0	(22,418)
Carrying amount at 30 June 2019	11,971	0	11,971	14,770	79,935	94,705	106,676	2,449	6,019	2,568	117,712

*Transfers between asset classes net position includes expenses of previous years work in progress, reviewed with completed projects.

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	Level 2	Market Approach	Independent Registered Valuer	June 2017	Observable Market Evidence
Land - vested in and under the control of Council	Level 2	Market Approach	Independent Registered Valuer	June 2017	Observable Market Evidence
Buildings - non-specialised	Level 2	Market Approach	Independent Registered Valuer	June 2017	Observable Market Evidence
Buildings - specialised	Level 3	Cost Approach	Independent Registered Valuer	June 2017	Non-observable market evidence and valuation relies on significant assumptions
Furniture and equipment	Level 2	Market Approach	Management Valuation	June 2016	Observable Market Evidence
Plant and equipment	Level 2	Market Approach	Management Valuation	June 2016	Observable Market Evidence

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

10. INFRASTRUCTURE

(a) 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.

	Infrastructure - Roads and bridges	Infrastructure - Drainage	Infrastructure - Footpaths	Infrastructure - Parks and ovals	Infrastructure - Other infrastructure	Infrastructure - Bus shelters	Infrastructure - Depot	Infrastructure - Work in progress	Total Infrastructure
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Balance at 1 July 2017	158,519	24,060	18,793	44,481	9,187	92	1,150	3,332	259,614
Additions	6,793	257	0	224	31	0	58	364	7,727
Revaluation increments / (decrements) transferred to revaluation surplus	(68,441)	(3,427)	(1,164)	(3,531)	234	121	322	0	(75,886)
Revaluation (loss) / reversals transferred to profit or loss	(985)	0	0	(7,172)	(4,557)	0	0	0	(12,714)
Depreciation (expense)	(3,494)	(452)	(745)	(2,694)	(356)	(8)	(76)	0	(7,825)
Transfers	0	3	0	1,478	(232)	1	16	(597)	669
Carrying amount at 30 June 2018	92,392	20,441	16,884	32,786	4,307	206	1,470	3,099	171,585
Comprises:									
Gross carrying amount at 30 June 2018	92,392	20,441	16,884	32,786	4,307	206	1,486	3,099	171,601
Accumulated depreciation at 30 June 2018	0	0	0	0	0	0	(16)	0	(16)
Carrying amount at 30 June 2018	92,392	20,441	16,884	32,786	4,307	206	1,470	3,099	171,585
Additions	0	0	0	0	0	0	0	3,511	3,511
(Disposals)	(58)	(17)	(23)	(337)	(16)	0	(1)	0	(452)
Depreciation (expense)	(2,274)	(178)	(512)	(2,056)	(226)	(14)	(56)	0	(5,316)
Transfers*	1,656	112	840	698	197	0	(53)	(4,583)	(1,133)
Carrying amount at 30 June 2019	91,716	20,358	17,189	31,091	4,262	192	1,360	2,027	168,195
Comprises:									
Gross carrying amount at 30 June 2019	93,990	20,536	17,701	33,147	4,489	206	1,419	2,027	173,515
Accumulated depreciation at 30 June 2019	(2,274)	(178)	(512)	(2,056)	(227)	(14)	(59)	0	(5,320)
Carrying amount at 30 June 2019	91,716	20,358	17,189	31,091	4,262	192	1,360	2,027	168,195

*Transfers between asset classes net position includes expenses of previous years work in progress, reviewed with completed projects.

10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads and bridges	Level 3	Cost Approach	Independent Registered Valuer	June 2018	Non-observables market evidence and valuation relies on significant assumptions
Infrastructure - Drainage	Level 3	Cost Approach	Independent Registered Valuer	June 2018	Non-observables market evidence and valuation relies on significant assumptions
Infrastructure - Footpaths	Level 3	Cost Approach	Independent Registered Valuer	June 2018	Non-observables market evidence and valuation relies on significant assumptions
Infrastructure - Parks and ovals	Level 3	Cost Approach	Independent Registered Valuer	June 2018	Non-observables market evidence and valuation relies on significant assumptions
Infrastructure - Other infrastructure	Level 3	Cost Approach	Independent Registered Valuer	June 2018	Non-observables market evidence and valuation relies on significant assumptions
Infrastructure - Bus shelters	Level 3	Cost Approach	Independent Registered Valuer	June 2018	Non-observables market evidence and valuation relies on significant assumptions
Infrastructure - Depot	Level 3	Cost Approach	Independent Registered Valuer	June 2018	Non-observables market evidence and valuation relies on significant assumptions

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

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

10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above $5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at 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 Town includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

In accordance with *Local Government (Financial Management) Regulation 16(a)(ii),* the Town was 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 Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Land under roads

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 *Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

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

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

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

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

(a) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Land - freehold land	356	177	0	(179)	1,189	1,179	0	(10)	0	0	0	0
Buildings - non-specialised	334	184	0	(150)	0	0	0	0	0	0	0	0
Buildings - specialised	237	0	0	(237)	0	0	0	0	0	0	0	0
Furniture and equipment	37	0	0	(37)	0	0	0	0	0	0	0	0
Plant and equipment	389	177	8	(220)	416	412	0	(4)	451	301	10	(160)
Infrastructure - Roads and bridges	58	0	0	(58)	0	0	0	0	0	0	0	0
Infrastructure - Drainage	17	0	0	(17)	0	0	0	0	0	0	0	0
Infrastructure - Footpaths	23	0	0	(23)	0	0	0	0	0	0	0	0
Infrastructure - Parks and ovals	337	0	0	(337)	0	0	0	0	0	0	0	0
Infrastructure - Other infrastructure	16	0	0	(16)	0	0	0	0	0	0	0	0
Infrastructure - Depot	1	0	0	(1)	0	0	0	0	0	0	0	0
	1,805	538	8	(1,275)	1,605	1,591	0	(14)	451	301	10	(160)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	$ '000	$ '000	$ '000	$ '000
Land				
12 Janice Way	120	47	0	(73)
4 Janice Way	86	40	0	(46)
3 Mitchie Crescent	150	90	0	(60)
	356	177	0	(179)
Buildings - non specialised				
12 Janice Way	100	50	0	(50)
4 Janice Way	114	42	0	(72)
3 Mitchie Crescent	120	92	0	(28)
	334	184	0	(150)
Buildings - specialised				
CIVIC CENTRE	91	0	0	(91)
JD HARDIE CENTRE	3	0	0	(3)
MARAPIKURRINYA PARK ABLUTIONS	143	0	0	(143)
	237	0	0	(237)
Furniture and Equipment				
CISCO 3010 SWITCH	1	0	0	(1)
LATITUDE 6530	1	0	0	(1)
L6630	1	0	0	(1)
SMALL SOUND SYSTEM AND ASSOCIATED EQUIPMENT	1	0	0	(1)
CONFERENCE TABLE AND BLACK LEATHER OFFICE CHAIRS	3	0	0	(3)
DIVIDING NET FOR STADIUM HALL AT THE JD HARDIE CENTRE	2	0	0	(2)
SOUND SYSTEM EQUIPMENT FOR THE MPRC	1	0	0	(1)
TAN OTTOMAN WITH HALF BACK ON 150MM HEIGHT LEGS	2	0	0	(2)
SMART UPS 3KVA	0	0	0	0
SMART UPS RT ONLINE 20KVA	2	0	0	(2)
FURNITURE & EQUIPMENT FIT OUT MPRC	2	0	0	(2)
460UX-3	0	0	0	0
MS310D	0	0	0	0
ICE MAKER ICE-O-MATIC	1	0	0	(1)
AQUATIC CLEANER DOLPHIN	0	0	0	0
TICKET PRINTER - BOCA	0	0	0	0
POS SYSTEM	0	0	0	0
ICE MAKER MANITOWOC	2	0	0	(2)
POOL BLANKET ELITE	1	0	0	(1)
VERITON X6620G	0	0	0	0
L6620	0	0	0	0
OPTIPLEX 9010	0	0	0	0
TM P645	0	0	0	0
SOUTH HEDLAND POLICE STATION CCTV NETWORK	0	0	0	0
SOUTH HEDLAND AQUATIC CENTRE CCTV NETWORK	0	0	0	0
CIVIC CENTRE CCTV MONITORS	0	0	0	0
ULTRAMAX ROBOTIC POOL CLEANER (GRATWICK POOL) X 1	1	0	0	(1)
AQUA RUN - HURDLES FUN RUN	3	0	0	(3)
HYDRAULIC LIFT AND SLING	1	0	0	(1)
LATITUDE E6530	1	0	0	(1)
SG200 - 26P	0	0	0	0
Acer Desktop Computer M6620G	0	0	0	0
FILM SCANNER SCAN PRO 200	0	0	0	0
AQUA RUN INCLUDING TROLLEY	0	0	0	0
FOOD DISPLAY ROBAND ERX23	2	0	0	(2)
AUDIO SYSTEM Wanangkura Stadium	1	0	0	(1)
9 X 2 BAY COMPACTUS	2	0	0	(2)
50 BAY COMPACTUS	0	0	0	0
DIGITAL PROJECTOR	1	0	0	(1)
VERITON L6620	0	0	0	0
OPTIPLEX9020	0	0	0	0
POWEREDGE R620	2	0	0	(2)
VERITON L6630	0	0	0	0
GRATWICK AQUATIC CENTRE CCTV	0	0	0	0
APC RACKMOUNT UPS 1000VA 2U SURT1000XLI	0	0	0	0
APC SMART UPS 1000VA	2	0	0	(2)
ACER VERITON M6640G	0	0	0	0
DELL OPTIPLEX 9020	0	0	0	0
ACER VERITON N4640G	1	0	0	(1)
	37	0	0	(37)

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (continued)

	2019 Actual Net Book Value $ '000	2019 Actual Sale Proceeds $ '000	2019 Actual Profit $ '000	2019 Actual Loss $ '000
Plant and Equipment				
TOYOTA PRADO GXL 1ECL660 VEL128	29	24	0	(6)
VEH093 Garbage Truck - UD Nissan Truck MK 11 250	79	16	0	(64)
Holden Colorado 2.8L TD TX Lx 4x4 Auto (VEL138)	12	13	3	0
TOYOTA PRADO GXL 7SEAT WAGON 1EBZ250 VEL127	29	24	0	(5)
1DWY765 200 series Compact Sweeper	20	6	0	(14)
2012 Toyota Camry Sedan Altise PH12445	7	6	0	(1)
HOLDEN COLORADO 4X4 UTILITY 1EAI674 VEL117	40	10	0	(30)
HOLDEN COLORADO 4 X 4 1EBS268 VEL104	15	11	0	(4)
YAMAHA GRIZZLY QUAD BIKE PH9668	1	0	0	(1)
DWYER & FELTON DOUBLE CLUTCH DC 26" MOW MASTER	2	0	0	(2)
SOUTHERN CROSS TX-250FX TRAVELLING IRRIGATORS	1	0	0	(1)
GRAVE SHORING SYSTEM	3	0	0	(3)
LECO VECTOR - FOGGER	2	0	0	(2)
SOUTHERN CROSS TRAVELLING IRRIGATOR MODEL 250	1	0	0	(1)
SOUTHERN CROSS TRAVELLING IRRIGATOR MODEL 250	1	0	0	(1)
HOWARD ROTASLASHER - MODEL EHD180	2	0	0	(2)
Stihl Shop Redcliffe Chainsaw 201T - P&G	2	0	0	(2)
2 x Spraymaster Spray Shop Hardikit with Electric Start mounted to VEL131 a	1	0	0	(1)
Bend-Pak Mower Hoist	1	0	0	(1)
Infinity Plus Compressor -Nessco Pressure System	2	0	0	(2)
ESB 91 MAGNET WITH CONTROL BOX CABLE & LIFTING CHAINS	1	0	0	(1)
Auger Attachment 15C (150mm 300mm & 600mm) - For Bobcat T630 Track	1	0	0	(1)
Grundfos Water pump - McGregor Street Oval	2	0	0	(2)
Mild Steel Mixing hopper	1	0	0	(1)
Screening Bucket - Landfill	2	0	0	(2)
2.0m Mud bucket - Landfill	2	0	0	(2)
Line marker	1	0	0	(1)
Water pump - Depot (Nursery)	2	0	0	(2)
Contrainer Self Bunded Transtank (Landfill)	1	0	0	(1)
4 Post Vehicle hoist Ravaglioli RAV422N	1	0	0	(1)
Steam cleaner Spitwater SW151	0	0	0	0
20' sea container - Royal Wolf	2	0	0	(2)
72 Rake Bucket	1	0	0	(1)
Grundfos Variable Speed Controlled Water pump - Kevin Scott Oval	3	0	0	(3)
Southern Cross Irrigation pump - South Hedland High School	0	0	0	0
Southern Cross Irrigation pump - Marie Marland Oval	0	0	0	0
Chemical dosing - Kevin Scott Oval	1	0	0	(1)
Chemical dosing - Baler Primary	1	0	0	(1)
Water Quality monitoring - Kevin Scott Oval	1	0	0	(1)
Weather Station - Kevin Scott Oval	1	0	0	(1)
Lowra Irrigation pump - Skate Park South Hedland	2	0	0	(2)
Grundfos Submersible Water pump - South Hedland Town Centre	2	0	0	(2)
Grundfos Irrigation pump - Limestone Park CR15	2	0	0	(2)
Grundfos Irrigation pump - Wanangkura Stadium CR6	2	0	0	(2)
Grundfos Water pump - McGregor Street Oval	2	0	0	(2)
JARRET PARK RIDE ON MOWER TS360	1	0	0	(1)
Komatsu Forklift Attachment WA250CAT	3	0	0	(3)
QZ Grab	1	0	0	(1)
Digga Cleana 6' Road broom	1	0	0	(1)
20' sea container	2	0	0	(2)
DNB 110IIS Hydraulic breaker	2	0	0	(2)
Sea Container (storage shed) Environmental Health - new 2012	2	0	0	(2)
Brushcutter Attachment 264-9600	2	0	0	(2)
Isuzu D-Max MY12 SX Crew Cab Utility 1DXR791 VEL097	15	8	0	(7)
Toyota Hilux KUN 16R MY10 SR 4x2 Sing cab utility PH11501 VEL070	6	8	2	0
Holden Colorado RG MY14 LX Crew Cab Utility PH14152 VEL147	17	14	0	(3)
Holden Colorado RG MY13 LX 4x2 Crew Cab Utility 1EBS251 VEL118	15	8	0	(7)
Holden Colorado RG MY13 LX 4x2 Crew Cab Utility 1EBS269 VEL099	15	9	0	(6)
Holden Colorado RG MY13 LX 4x2 Crew Cab Utility 1DZX373 VEL114	6	8	2	0
Isuzu D-MAX MY12 SX Crew Cab Utility 1DXR792 VEL107	15	11	0	(4)
20' Sea container	0	1	1	0
Brush Fork Grapple	2	0	0	(2)
	389	177	8	(220)
Road and Bridges				
SURFACE - SINGLE CHIP SEAL - 20YR	1	0	0	(1)
SURFACE - SINGLE CHIP SEAL - 20YR	57	0	0	(57)
	58	0	0	(58)
Drainage				
STORM WATER DRAIN	10	0	0	(10)
PIT DEPRECIATION RATE 1.3333	5	0	0	(5)
CULVERT DEPRECIATION RATE 1.3333	2	0	0	(2)
	17	0	0	(17)
Footpaths				
FOOTPATH DEPRECIATION RATE 3.3333	9	0	0	(9)
FOOTPATH DEPRECIATION RATE 3.3333	14	0	0	(14)
	23	0	0	(23)

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (continued)

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	$ '000	$ '000	$ '000	$ '000
Parks and Ovals				
Kevin Scott Oval Play Equipment	18	0	0	(18)
Marie Marland Oval Signage	1	0	0	(1)
Faye Gladstone Netball Courts Signage	1	0	0	(1)
Daylesford Park Signage	1	0	0	(1)
Kevin Scott Oval Signage	1	0	0	(1)
Marquee Park Water Filtration	219	0	0	(219)
Colin Matheson Oval Fence	0	0	0	0
Koombana Park Fence	1	0	0	(1)
Spoilbank Gazebos	20	0	0	(20)
Cricket Nets	6	0	0	(6)
South Hedland - Cottier Drive Irrigation	40	0	0	(40)
Sutherland Street - General Shelter	10	0	0	(10)
Sutherland Street - General Shelter	5	0	0	(5)
Sutherland Street General Shelters	1	0	0	(1)
Sutherland Street - Picnic Shelter	3	0	0	(3)
Footbridge SHTC Forrest Circle	2	0	0	(2)
SHAC Shade Sail	0	0	0	0
Sutherland Street Nodes Seating	8	0	0	(8)
	337	0	0	(337)
Other Infrastructure				
LANDFILL ENTRANCE GATES	1	0	0	(1)
LANDFILL RETIC	3	0	0	(3)
LANDFILL Fence	12	0	0	(12)
	16	0	0	(16)
Depot				
DEPOT AUTOMATIC DOUBLE GATES	1	0	0	(1)
	1	0	0	(1)
	1,805	538	8	(1,275)

(b) Fully Depreciated Assets in Use

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

	2019	2018
	$ '000	$ '000
Furniture and equipment	11	0
Infrastructure - Parks and ovals	29	0
	40	0

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(c) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	$ '000	$ '000	$ '000
Buildings - non-specialised	240	175	189
Buildings - specialised	1,481	3,447	1,362
Furniture and equipment	548	622	478
Plant and equipment	976	1,909	1,188
Infrastructure - Roads and bridges	2,274	4,174	3,494
Infrastructure - Drainage	178	338	452
Infrastructure - Footpaths	512	802	745
Infrastructure - Parks and ovals	2,056	2,587	2,694
Infrastructure - Other infrastructure	226	0	356
Infrastructure - Bus shelters	14	11	8
Infrastructure - Depot	56	194	76
	8,561	14,259	11,042

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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

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

Depreciation (Continued)

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

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

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 100 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	40 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	30 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

12. REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation Increment	Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	Total Movement on Revaluation	2018 Closing Balance
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Revaluation surplus - Land - freehold land	35,700	0	0	35,700	35,700	0	0	0	35,700
Revaluation surplus - Buildings - non-specialised	18,810	0	0	18,810	18,810	0	0	0	18,810
Revaluation surplus - Buildings - specialised	10,988	62	62	11,050	14,007	0	(3,019)	(3,019)	10,988
Revaluation surplus - Plant and equipment	1,485	0	0	1,485	1,485	0	0	0	1,485
Revaluation surplus - Infrastructure - Roads and bridges	1	0	0	1	68,442	0	(68,441)	(68,441)	1
Revaluation surplus - Infrastructure - Drainage	5,696	0	0	5,696	9,123	0	(3,427)	(3,427)	5,696
Revaluation surplus - Infrastructure - Footpaths	10,098	0	0	10,098	11,262	0	(1,164)	(1,164)	10,098
Revaluation surplus - Infrastructure - Parks and ovals	0	0	0	0	3,531	0	(3,531)	(3,531)	0
Revaluation surplus - Infrastructure - Other infrastructure	490	0	0	490	256	234	0	234	490
Revaluation surplus - Infrastructure - Bus shelters	221	0	0	221	100	121	0	121	221
Revaluation surplus - Infrastructure - Depot	539	0	0	539	217	322	0	322	539
	84,028	62	62	84,090	162,933	677	(79,582)	(78,905)	84,028

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

13. INVESTMENT PROPERTIES

	2019 Actual $ '000	2019 Budget $ '000	2018 Actual $ '000
(a) Non-current assets - at fair value			
Carrying balance at 1 July	42,363	42,363	42,290
Additions	0	0	73
Net gain/(loss) from fair value adjustment	8,589	0	0
Closing balance at 30 June	50,952	42,363	42,363
Amounts recognised in profit or loss for investment properties			
Rental income	924	924	924
Direct operating expenses from property that generated rental income	(32)	0	(32)

Port Hedland International Airport

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

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

Valuation of investment property

The investment property was revalued in April 2019 in line with AASB 13 *Fair Value Measurement* .

Description of investment property

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

(b) Amounts recognised in income statement for investment properties

The investment property is leased out as an operating lease over 50 years. The lease paid upfront for the use of the investment property. The rental income amount of $924,160 for the period 1 July 2018 to 30 June 2019 is included in revenue.

	2019 Actual	2019 Budget	2018 Actual
	$ '000	$ '000	$ '000
Lease premium prepaid received	46,208	46,208	46,208
Amount recognised	(3,056)	(3,056)	(2,132)
	43,152	43,152	44,076
Lease premium prepaid - Current liabilities	924	924	924
Lease premium prepaid - Non-current liabilities	42,228	42,228	43,152
	43,152	43,152	44,076

(c) Net carrying value of Airport Major Works Reserve

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

	2019 Actual	2019 Budget	2018 Actual
	$ '000	$ '000	$ '000
Airport Major Works Reserve	14,792	4,218	14,976

(d) Additional information

An upside agreeement was signed, ensuring an additional ten million dollars income over the next 50 years based on passenger number growth. This is billable yearly in arrears when passenger growth exceeds a set baseline passenger number. Passenger numbers increased by 5.2% in the financial year ended 30 June 2019 (2018: increase 0.7%).

SIGNIFICANT ACCOUNTING POLICIES

Investment properties

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the Town. They are carried at fair value. Changes in the fair values are presented in profit or loss as a part of other revenue.

Fair value of investment properties

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

14. TRADE AND OTHER PAYABLES

	2019	2018
	$ '000	$ '000
Current		
Sundry creditors	5,028	2,273
Rates paid in advance	258	0
Accrued salaries and wages	481	259
Retentions	38	0
Accrued expenditure	5,025	813
Income in advance	175	392
Lease premium prepaid - income in advance	924	924
Accrued interest on long term borrowings	0	270
Statutory liabilities	(117)	0
Bonds and levies	172	0
	11,984	4,931
Non-Current		
Lease premium prepaid	42,228	43,152
	42,228	43,152

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Town prior to the end of the financial year that are unpaid and arise when the Town becomes obliged to make future payments in respect

Trade and other payables (Continued)

of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

15. INFORMATION ON BORROWINGS

(a) Borrowings

	2019	2018
	$ '000	$ '000
Current	0	1,120
Non-current	0	20,238
	0	21,358

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Actual Principal 1 July 2018	30 June 2019 Actual New Loans	30 June 2019 Actual Interest repayments	30 June 2019 Actual Principal outstanding	Budget Principal 1 July 2018	30 June 2019 Budget New Loans	30 June 2019 Budget Interest repayments	30 June 2019 Budget Principal outstanding	Actual Principal 1 July 2017	30 June 2018 Actual New Loans	30 June 2018 Actual Interest repayments	30 June 2018 Actual Principal outstanding
			$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Health														
GP Housing	135	WATC*	1,245	0	56	0	1,245	0	58	1,186	1,301	0	60	1,245
Education and welfare														
JD Hardie Upgrade	129	WATC*	1,200	0	42	0	1,200	0	72	1,137	1,259	0	75	1,200
JD Hardie Upgrade	136	WATC*	1,198	0	79	0	1,198	0	55	1,141	1,252	0	57	1,198
Housing														
Morgan Street Staff Housing	125	WATC*	1,058	0	50	0	1,058	0	70	991	1,121	0	74	1,058
Morgan Street Staff Housing	127	WATC*	1,569	0	70	0	1,569	0	105	1,475	1,659	0	110	1,569
Catamore Court Housing	139	WATC*	1,412	0	89	0	1,412	0	73	1,354	1,468	0	74	1,412
Catamore Court Housing	143	WATC*	280	0	36	0	280	0	7	248	311	0	8	280
Community amenities														
Underground Power	137	WATC*	0	0	0	0	0	0	0	0	141	0	3	0
Recreation and culture														
Marquee Park	130	WATC*	643	0	19	0	643	0	38	609	675	0	40	643
Marquee Park	132	WATC*	3,548	0	191	0	3,548	0	183	3,371	3,716	0	188	3,548
Wanangkura Stadium	133	WATC*	6,247	0	349	0	6,247	0	322	5,934	6,544	0	331	6,247
Wanangkura Stadium	137	WATC*	2,078	0	52	0	2,078	0	99	1,981	2,171	0	103	2,078
			20,478	0	1,033	0	20,478	0	1,082	19,427	21,618	0	1,123	20,478
Self Supporting Loans														
Law, order, public safety														
SES Shed	132	WATC*	0	0	0	0	0	0	0	0	79	0	4	0
Recreation and culture														
Yacht Club	126	WATC*	284	0	18	0	284	0	17	249	317	0	20	284
Yacht Club	128	WATC*	159	0	8	0	159	0	9	143	174	0	10	159
South Hedland Bowls and Tennis Club	138	WATC*	437	0	21	0	437	0	23	419	454	0	22	437
			880	0	47	0	880	0	49	811	1,024	0	56	880
			21,358	0	1,080	0	21,358	0	1,131	20,238	22,642	0	1,179	21,358

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 8 as other financial assets at amortised cost.

All other loan repayments were financed by general purpose revenue.

15. INFORMATION ON BORROWINGS (Continued)

(c) Undrawn Borrowing Facilities	2019 $ '000	2018 $ '000
Credit Standby Arrangements		
Credit card limit	100	100
Credit card balance at balance date	(36)	(55)
Total amount of credit unused	64	45
Loan facilities		
Loan facilities - current	0	1,120
Loan facilities - non-current	0	20,238
Total facilities in use at balance date	0	21,358

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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

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 until such time as the asset is substantially ready for its intended use or sale.

Risk

Information regarding exposure to risk can be found at Note 28.

16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions	Provision for Annual Leave	Provision for Sick Leave	Provision for Long Service Leave	Total
	$ '000	$ '000	$ '000	$ '000
Opening balance at 1 July 2018				
Current provisions	960	77	529	1,566
Non-current provisions	0	0	86	86
	960	77	615	1,652
Additional provision	1,523	0	29	1,552
Amounts used	(1,216)	(6)	(70)	(1,292)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	0	0	(11)	(11)
Balance at 30 June 2019	1,267	71	563	1,901
Comprises				
Current	1,267	71	451	1,789
Non-current	0	0	112	112
	1,267	71	563	1,901

Amounts are expected to be settled on the following basis:	2019 $ '000	2018 $ '000
Less than 12 months after the reporting date	1,789	1,566
More than 12 months from reporting date	112	86
	1,901	1,652

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

The Town's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Provisions

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

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

17. OTHER PROVISIONS

	Provision for Airport Projects	Total
	$ '000	$ '000
Opening balance at 1 July 2018		
Current provisions	14,994	14,994
	14,994	14,994
Amounts used	(184)	(184)
Balance at 30 June 2019	14,810	14,810
Comprises		
Current	14,810	14,810
	14,810	14,810

18. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2019 Actual $ '000	2019 Budget $ '000	2018 Actual $ '000
Cash and cash equivalents	30,231	224,472	3,149
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	21,809	(10,151)	(15,781)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	120	0	0
Depreciation	8,561	14,259	11,042
(Profit)/loss on sale of asset	1,267	14	150
Reversal of loss on revaluation of fixed assets	0	591	0
Loss on revaluation of fixed assets	0	0	12,714
Expense of previous financial year work in progress	(1,500)	0	0
Loss on revaluation of land held for sale	0	0	948
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(2,343)	5,893	(3,788)
(Increase)/decrease in other assets	(107)	0	0
(Increase)/decrease in inventories	1,298	0	927
Increase/(decrease) in payables	6,129	(132)	(3,494)
Increase/(decrease) in provisions	65	(4,246)	(493)
Increase in investment property	(8,589)	0	(73)
Grants contributions for the development of assets	(6,825)	(2,340)	(2,209)
Net cash from operating activities	19,885	3,888	(57)

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	$ '000	$ '000
General purpose funding	166,646	173,162
Law, order, public safety	1,384	1,220
Health	8,217	8,346
Education and welfare	14,465	14,758
Housing	9,942	10,623
Community amenities	10,704	12,843
Recreation and culture	85,174	91,445
Transport	147,485	152,573
Economic services	96,232	89,323
Other property and services	7,149	1,603
Unallocated	43,972	28,767
	591,370	584,663

20. CONTINGENT LIABILITIES

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

Details of those sites are:
- Port Hedland International Airport;
- South Hedland Landfill; and
- Mia Mia Accommodation Village.

Until the Town conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Environment Regulation on the need and criteria for remediation of a risk based approach, the Town is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Environment Regulation Guidelines.

Due to the current status of the Mia Mia Accommodation Village the Town is unable to ascertain the potential liability that may exist for remediation. Until the Deed of Company Arrangement of the leaseholders is finalised we will not be able to confirm if any liability will fall to the Town.

21. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

	2019 $ '000	2018 $ '000
Contracted for:		
- capital expenditure projects	1,233	1,815
- plant & equipment purchases	202	294
	1,435	2,109
Payable:		
- not later than one year	1,435	2,109

The capital expenditure projects outstanding at the end of the current reporting period represent the construction, project management and site supervision services for various capital projects, supply and lay of bituminous asphalt and other civil works, and purchase of new plant.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:	2019 $ '000	2018 $ '000
- not later than one year	51	51
- later than one year but not later than five years	21	77
	72	128

SIGNIFICANT ACCOUNTING POLICIES

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 Town, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower of 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.

Leases (Continued)

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 on a straight line basis over the lease term.

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

22. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

The following fees, expenses and allowances were paid to council members and/or the President.	2019 Actual $ '000	2019 Budget $ '000	2018 Actual $ '000
Meeting fees	268	268	242
Mayor's allowance	80	80	80
Deputy Mayor's allowance	20	20	19
Travelling expenses	5	40	53
Telecommunications allowance	31	32	45
	404	440	439

Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the Town during the year are as follows:	2019 Actual $ '000	2018 Actual $ '000
Short-term employee benefits	977	889
Post-employment benefits	114	92
Other long-term benefits	19	13
Termination benefits	136	0
	1,246	994

Short-term employee benefits
These amounts include all salary, fringe benefits awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

Post-employment benefits
These amounts are the current-year's estimated cost of providing for the Town's superannuation contributions made during the year.

Other long-term benefits
These amounts represent long service benefits accruing during the year.

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

22. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:	2019 Actual $ '000	2018 Actual $ '000
Sale of goods and services	0	10
Purchase of goods and services	18	19
Short term employee benefits - other related parties	0	24

Related Parties

The Town's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

ii. Other Related Parties

The associate person of KMP was employed by the Town under normal employement terms and conditions.

iii. Entities subject to significant influence by the Town

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

23. JOINT ARRANGEMENTS

Share of joint operations

Details

The Town of Port Hedland has a joint venture arrangement with the Department of Communities for the provision of 22 x 1 bedroom units for aged persons.

The Town has determined that all buildings at the Stevens Street Retirement Village are structurally unsound and no longer fit for purpose. In accordance with Australian Accounting Standard AASB 136 *Impairment of Assets* , the Town has determined that all assets at Stevens Street are fully impaired.

	2019 Actual $ '000	2018 Actual $ '000
Non-current assets		
Land and Buildings	0	4,676
Less: impairment loss	0	(3,019)
Less: accumulated depreciation	0	(1,657)
	0	0

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Town's share of net assets of the associate. In addition, the Town's share of the profit or loss of the associate is included in the Town's profit or loss.

Interests in joint arrangements (Continued)

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Town's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

24. MAJOR LAND TRANSACTIONS

From time to time, the Town enters in to major land transactions with third parties or on its own. Set out below is a summary of major land transactions previously entered into by the Town, with financial implications relating to the 2018/19 financial year and beyond, together with new major land transactions anticipated to be entered into, that may have financial implications for the 2018/19 financial year and beyond. For the purpose of future year estimates, 1.0% CPI increase has been assumed for expenditure and 3% for lease revenue in line with the low inflationary economic environment. Loan repayments are as per individual loan payment schedules.

(a) Kingsford Smith Business Park (KSBP)

Kingsford Smith Business park is an area of land between Wallwork Road and the Port Hedland International Airport. In June 2012, the Town entered into a private treaty arrangement with BHP Billiton to facilitate the subdivision of a portion of an area of land previously known as Precinct 3, now formally known as Kingsford Smith Business Park. Under the arrangement, BHP Billiton constructed a 40 lot subdivision, 38 lots of which to be retained by the Town. Lot 34 of the development has been sold to BHP Billiton, utilising the site for a warehouse facility. Should BHP Billiton wish to dispose of the site, the Town holds the first right of refusal. Lot 35 was the subject of a lease agreement between the Town and BHP Billiton which has now been transferred to the Port Hedland International Airport under their lease agreement. The term of the lease is 10 years. In accordance with the terms of the lease, it was proposed that BHP Billiton would utilise the land for the purposes of non-residential workforce accommodation, up to 4,000 beds. The current planning approval for this development has lapsed and should BHP Billiton wish to construct the non-residential workforce accommodation a new planning approval will be required.

Handover of the land from BHP Billiton to the Town occurred in the 2014/15 financial year and as such the Town will recognise a non-cash contribution and corresponding non cash asset acquisition (Real Estate Inventory). The Town now has a number of fully serviced lots within the KSBP, available for sale or lease. Proceeds from the sale of all lots will be allocated by the Town to the Asset Management - Infrastructure and Community Facilities reserve as per Council Decision CM201718/111 to fund asset renewal requirements for the Town in line with the Strategic Community Plan 2018-2028 and the Corporate Business Plan. Any associated rates revenue generated as a result of sale or lease will remain within normal Municipal operations, as will any interest earned on the investment of any such proceeds.

(b) Current year transactions

	2019 Actual	2019 Budget	2018 Actual
	$ '000	$ '000	$ '000
Operating income			
- Profit on sale	0	0	142
	0	0	142
Operating expenditure			
- Advertising, promotion and marketing	(2)	(4)	(7)
- Legal expenses	(6)	(3)	(11)
- Valuation, survey & search fees	(1)	0	(1)
- Commission on sales	(12)	0	0
- Loss on sale	(114)	(10)	(16)
	(135)	(17)	(35)
Capital income			
- Sale proceeds	0	1,179	1,399
	0	1,179	1,399
Capital expenditure			
- Development costs	0	0	(133)
	0	0	(133)

The above capital expenditure is included in land held for resale.

24. MAJOR LAND TRANSACTIONS (continued)

(c) Expected future cash flows

	2019/20	2020/21	2021/22	2022/23	Total
	$ '000	$ '000	$ '000	$ '000	$ '000
Cash outflows					
- Development costs	(10)	(10)	(10)	(10)	(40)
	(10)	(10)	(10)	(10)	(40)
Cash inflows					
- Sale proceeds	300	300	300	300	1,200
	300	300	300	300	1,200
Net cash flows	290	290	290	290	1,160

(d) Assets and liabilities

Land held for resale per Note 6	2019	2018
	$ '000	$ '000
Current		
Land held for resale - cost		
Cost of acquisition	1,231	1,181
	1,231	1,181
Non-Current		
Land held for resale - cost		
Development costs	4,448	6,052
	4,448	6,052

25. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance [1] 1/07/17	Received [2] 2017/18	Expended [3] 2017/18	Closing Balance [1] 30/06/18	Received [2] 2018/19	Expended [3] 2018/19	Closing Balance 30/06/19
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
General purpose funding							
Dept of Local Government & Communities - General Purpose Grant	0	988	(988)	0	726	(726)	0
Dept of Local Government & Communities - Formula Local Road Grant				0	756	(756)	0
Law, order, public safety							
Department of Fire & Emergency Services - State Emergency Service	0	35	(35)	0	27	(27)	0
Department of Fire & Emergency Services - Volunteer Bush Fire Brigade	0	31	(31)	0	13	(13)	0
Safer Communities Fund	0	0	0	0	411	(411)	0
Health							
Department of Health - Mosquito Control	3	6	(9)	0	3	(3)	0
Main Roads WA - Roadside Litter Clean-up Campaign	19	0	(1)	18	0	0	18
Education and welfare							
Atlas - North West Festival Sponsor	0	25	(25)	0	0	0	0
BHP - North West Festival Sponsor	0	250	(250)	0	0	0	0
Conway Highbury - North West Festival Sponsor	0	3	(3)	0	0	0	0
Fortescue Metals Group - North West Festival Sponsor	0	25	(25)	0	0	0	0
Goodline - North West Festival Sponsor	0	10	(10)	0	0	0	0
Landcorp - North West Festival Sponsor	0	5	(5)	0	0	0	0
Pilbara Minerals - North West Festival Sponsor	0	15	(15)	0	0	0	0
Pilbara Ports Authority - North West Festival Sponsor	0	25	(25)	0	0	0	0
Roy Hill Holdings - North West Festival Sponsor	0	50	(50)	0	0	0	0
Western Australian Tourism Commission - North West Festival Sponsor	0	20	(20)	0	0	0	0
Department of Local Government and Communities - Youth Traineeship	5	0	(5)	0	0	0	0
Horizon Power - Lights & Decoration Competition Sponsor	1	3	(3)	1	0	0	1
Recfishwest - Fishing Clinics 2016	2	0	0	2	0	(2)	0
Lotterywest - Spinifex Spree	0	20	(20)	0	0	0	0
Pilbara Ports Authority - Australia Day Celebrations	0	25	(25)	0	0	0	0
Pilbara Ports Authority - Spinifex Spree	0	10	(10)	0	0	0	0
BHP - Community Safety and Crime Prevention	0	0	0	0	250	(250)	0
Various providers - Community Events sponsorship	0	0	0	0	99	(99)	0
Community amenities							
Pilbara Development Commission - Wayfinding Signage	9	0	0	9	0	0	9
WALGA - Transportable Change Room Facility	46	44	(90)	0	0	0	0
Recreation and culture							
Atlas Iron - Have a Try Night	0	3	(3)	0	0	0	0
Atlas Iron - Trails Master Plan	8	0	0	8	0	(8)	0
BHP - Faye Gladstone Netball Courts	868	134	(981)	21	0	0	21
Charter Hall - Deadly Skate Youth Diversion	0	5	(5)	0	0	0	0
Charter Hall - Youth Engagement Program	0	2	0	2	0	0	2
Childrens Book Council of Australia - Book Week	0	4	(4)	0	3	(3)	0
Coles Supermarket - National Reconciliation Week	0	5	(5)	0	0	0	0
Community Contribution - Bicycle Plan	32	0	(30)	2	0	(2)	0
Department of Sport & Recreation - SLAM 2016-2018	22	0	(22)	0	0	0	0
Department of Sport & Recreation- Club Development Officer	0	40	(40)	0	0	0	0
Department of Sport & Recreation- Kidsport	0	6	(6)	0	0	0	0
Department of Local Government and Communities - The Engaging Port Hedla	0	10	0	10	0	(10)	0
Fortescue Metals Group - Colour Run	0	5	(5)	0	0	0	0
Horizon Power - Citizenship of Year/ Sports Awards 2018	0	2	(2)	0	0	0	0
Horizon Power - Colour Run	0	1	(1)	0	0	0	0
Horizon Power - Spinifex Spree 2016	0	6	(6)	0	0	0	0
Horizon Power - Teddy Bear Picnic	0	1	(1)	0	0	0	0
Itochu Minerals - Citizenship of Year/ Sports Awards 2018	0	3	(3)	0	0	0	0
Monadelphous - National Reconciliation Week	0	16	(16)	0	0	0	0
Mothers Day Classic Foundation	0	3	(3)	0	0	0	0
Port Hedland Netball Association - Faye Gladstone Netball Courts	68	0	(68)	0	0	0	0
Regional Development Australia - National Reconciliation Week	0	2	(2)	0	0	0	0
Rio Tinto - Citizenship of Year/ Sports Awards 2018	0	1	(1)	0	0	0	0
RSL - Citizenship of Year/ Sports Awards 2018	0	2	(2)	0	0	0	0
Roy Hill Holdings - Citizenship of Year/ Sports Awards 2018	0	3	(3)	0	0	0	0
Roy Hill Holdings - Colour Run	0	3	(3)	0	0	0	0
Roy Hill Holdings - Living Library	0	5	(5)	0	0	0	0
Roy Hill Holdings - SLAM 2018	0	20	(20)	0	0	0	0
Royalties for Regions - South Hedland Library & Community Centre	231	0	0	231	26	(5)	252
Shire of East Pilbara - Regional Library Model	0	1	(1)	0	0	0	0
State Library of Western Australia - Regional Library Model	0	15	(15)	0	0	0	0
Australian Sports Commission - Sport Australia	0	0	0	0	18	(18)	0
Fortescue Metals Group - SLAM court repair	0	0	0	0	10	(10)	0
Various Community Groups - Northwest Festival	0	0	0	0	385	(385)	0
Lotterywest - Spinifex spree	0	0	0	0	23	(23)	0

25. CONDITIONS OVER GRANTS/CONTRIBUTIONS (continued)

Grant/Contribution	Opening Balance [1] 1/07/17	Received [2] 2017/18	Expended [3] 2017/18	Closing Balance [1] 30/06/18	Received [2] 2018/19	Expended [3] 2018/19	Closing Balance 30/06/19
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Recreation and culture (continued)							
Fortescue Metals Group - Spin bikes contribution	0	0	0	0	46	(46)	0
Sports & Recreation programming	0	0	0	0	37	(37)	0
SLAM 2019	0	0	0	0	14	(14)	
Transport							
Department of Local Government & Communities - Local Road Grant	0	728	(728)	0	0	0	0
Main Roads WA - Pinga Street Upgrade	0	404	(404)	0	0	0	0
Main Roads WA - Direct Grant	0	94	(94)	0	169	(169)	0
Main Roads WA - Street Lighting	0	27	(27)	0	0	0	0
Main Roads WA - Yandeyarra Road Project	0	24	(24)	0	27	(27)	0
Main Roads WA - Pippingarra Road Resheeting	0	60	(60)	0	0	0	0
Main Roads WA - Blackspot - Intersection Lukis & Mcgregor Streets	0	122	(122)	0	0	0	0
Main Roads WA - Blackspot - Intersection Murdoch Drive & Brolga Way	0	87	(87)	0	0	0	0
Main Roads WA - Blackspot - Intersection Murdoch Drive & Masters Way	0	87	(87)	0	0	0	0
Main Roads WA - WANDRRA - Disaster Relief & Recovery Arrangements	0	525	(525)	0	258	(258)	0
Department of Infrastructure and Regional Development - Roads to Recovery	0	665	(665)	0	1,267	(1,267)	0
Pilbara Development Commission - Line Marking & Traffic Calming	0	50	(7)	43	0	(43)	0
Public Transport Authority - Bus Shelter Maintenance Subsidy	0	5	(5)	0	0	0	0
Economic services							
Pilbara Development Commission - Retail/Franchise Attraction Strategy	42	0	0	42	0	0	42
City of Karratha - Tourism Signage	26	0	(26)	0	0	0	0
Pilbara Development Commission - Tourism Signage	27	0	(27)	0	0	0	0
Regional Development Australia - Port Hedland Community Directory	0	2	(2)	0	0	0	0
Western Australia Primary Health - Port Hedland Community Directory	0	2	(2)	0	0	0	0
Other property and services							
BHP Kingsford Smith Business Park Landscaping	55	0	(54)	1	0	0	1
Department of Local Government - Youth Development Scholarships	0	24	(20)	4	0	0	4
Total	1,464	4,794	(5,864)	394	4,568	(4,612)	350

Notes:

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

(2) - 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.

(3) - 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.

26. RATING INFORMATION

(a) Rates

RATE TYPE Differential general rate / general rate	Rate in $	Number of Properties	2018/19 Actual Rateable Value	2018/19 Actual Rate Revenue	2018/19 Actual Interim Rates	2018/19 Actual Back Rates	2018/19 Actual Total Revenue	2018/19 Budget Rate Revenue	2018/19 Budget Interim Rate	2018/19 Budget Total Revenue	2017/18 Actual Total Revenue
			$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Gross rental valuations											
Residential	9.3483	4,482	110,238	10,307	0	0	10,307	10,308	50	10,358	14,452
Residential Vacant	9.3483	1	23	2	0	0	2	0	0	0	0
Commercial/Industrial	9.3483	496	48,329	4,532	228	40	4,800	4,514	0	4,514	3,442
Commercial / Industrial - Vacant	14.0225	11	431	60	0	4	64	79	0	79	360
Mass Accommodation	32.6058	8	10,754	3,506	0	0	3,506	3,506	0	3,506	3,429
Tourist Accommodation	22.3154	10	3,688	823	0	0	823	823	0	823	936
Unimproved valuations											
Pastoral	10.7558	9	1,101	120	0	0	120	120	0	120	118
Mining	37.1665	378	3,554	1,333	95	83	1,511	1,343	0	1,343	1,296
Other*	19.1760	51	29,355	6,631	14,497	0	21,128	6,622	0	6,622	217
Sub-Total		5,446	207,473	27,314	14,820	127	42,261	27,315	50	27,365	24,250
Minimum payment	**Minimum $ '000**										
Gross rental valuations											
Residential	1,300	1,421	17,359	1,852	0	0	1,852	1,849	0	1,849	1,285
Residential Vacant	1,900	451	839	857	0	0	857	863	0	863	105
Commercial/Industrial	1,900	116	1,414	221	0	0	221	222	0	222	138
Commercial / Industrial - Vacant	1,900	88	330	175	0	0	175	171	0	171	62
Mass Accommodation	1,900	0	0	0	0	0	0	0	0	0	0
Tourist Accommodation	1,900	0	0	0	0	0	0	0	0	0	0
Unimproved valuations											
Pastoral	1,900	1	17	2	0	0	2	2	46	48	2
Mining	270	67	34	18	0	0	18	18	0	18	17
Other*	1,900	10	0	19	0	0	19	19	0	19	18
Sub-Total		2,154	19,993	3,144	0	0	3,144	3,144	46	3,190	1,627
		7,600	227,466	30,458	14,820	127	45,405	30,459	96	30,555	25,877
Discounts/concessions (refer Note 26(b))							(380)			(327)	(307)
Total amount raised from general rate							45,025			30,228	25,570

*This rating category applies to all UV rated land owned or leased within the Town's municipal boundaries that are: predominately used for the purpose of resource processing, or stock piling, or does not have the characteristics of any other UV differential rate category.

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

26. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount $ '000	2019 Actual $ '000	2019 Budget $ '000	2018 Actual $ '000	Circumstances in which Discount is Granted
Pensioners			3	17	8	Capping gap top up
			3	17	8	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount $ '000	2019 Actual $ '000	2019 Budget $ '000	2018 Actual $ '000	Circumstances in which Discount is Granted
Port Hedland Peace Memorial Seafarers Centre	Concession	100.00%		5	0	3	Community based organisation
Port Hedland Peace Memorial Seafarers Centre	Concession	50.00%		0	0	1	Community based organisation
RSL Port Hedland	Concession	100.00%		3	3	2	Community based organisation
Youth Involvement Council	Concession	100.00%		20	20	18	Community based organisation
Youth Involvement Council	Concession	100.00%		4	4	4	Community based organisation
Hedland BMX Club	Concession	100.00%		2	2	1	Community based organisation
Hedland Sporting Shooters Club	Concession	100.00%		13	13	14	Community based organisation
Port Hedland Pony Club	Concession	100.00%		2	2	2	Community based organisation
Port Hedland Speedway Club	Concession	100.00%		23	23	25	Community based organisation
Port Hedland Turf Club	Concession	100.00%		6	6	3	Community based organisation
Port Hedland Kart Club	Concession	100.00%		2	2	2	Community based organisation
South Hedland Bowling & Tennis Club	Concession	100.00%		9	9	4	Community based organisation
Port Hedland Motorcycle Club	Concession	100.00%		30	30	33	Community based organisation
South Hedland Owners and Trainers	Concession	100.00%		41	41	45	Community based organisation
Training Ship Pilbara (Naval Cadets)	Concession	100.00%		4	4	2	Community based organisation
Hedland Womens Refuge	Concession	100.00%		3	3	4	Community based organisation
Port Hedland Golf Club	Concession	100.00%		4	4	1	Community based organisation
Port Hedland Yacht Club	Concession	100.00%		12	6	3	Community based organisation
Rose Nowers Early Learning Centre	Concession	50.00%		2	2	0	Community based organisation
Royal Flying Doctors Services - PHIA	Concession	100.00%		14	14	0	Community based organisation
Bloodwood Tree / Dept Of Housing	Concession	50.00%		7	0	0	Community based organisation
Grand Lodge Freemasons	Concession	100.00%		6	0	0	Community based organisation
Foundation Housing	Exemption	100.00%		9	0	0	
University of WA	Exemption	100.00%		6	0	0	
Freemasons Home For Aged	Exemption	100.00%		15	0	0	
Port Hedland Volunteer Sea Rescue Group	Exemption	100.00%		4	0	0	
PHIA International Airport	Refund	100.00%		131	122	131	
				377	310	298	

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
A concession of 50% to 100% per Council discretion	Owner of property must be listed as a Charitable Institution as well as use the property for a charitable purpose only.	At the discretion of the Town, to grant concessions to community groups or associations that operate as a Body Corporate or an Incorporated Association and	In accordance with section 6.47 of the *Local Government Act 1995* , a local government may at the time of imposing a rate or service charge or at a later date resolve to waive a rate or service charge or resolve to grant other concessions in relation to a rate or service charge. The framework for the rates concessions are set out in the Town's Rates Concessions (Rateable Land) Policy.

26. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		$	%	%
Option One				
Single full payment	02 Nov 2018	0	0.00%	11.00%
Option Two				
First instalment	02 Nov 2018	14	5.50%	11.00%
Second instalment	18 Jan 2019	14	5.50%	11.00%
Third instalment	15 Mar 2019	14	5.50%	11.00%
Fourth instalment	24 May 2019	14	5.50%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	$ '000	$ '000	$ '000
Interest on unpaid rates	399	350	578
Interest on instalment plan	148	95	69
Charges on instalment plan	64	75	69
	611	520	716

27. RATE SETTING STATEMENT INFORMATION

	Note	2019 Actual $ '000	2019 Budget $ '000	2018 Actual $ '000
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32.*				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(8)	0	(10)
Less: Fair value adjustments to financial assets at amortised cost	8(b)	120	0	0
Movement in land held for sale		1,557	0	1,733
Movement in employee benefit provisions (non-current)	16	26	0	(57)
Movement in other provisions	17	(184)	0	(81)
Movement in investment properties	13	(8,590)	0	(73)
Movement in prepayments - non-current	7	(107)	0	32
Add: Loss on disposal of assets	11(a)	1,275	14	160
Add: Loss on revaluation of fixed assets	10(a)	0	0	12,714
Recognition of the portion of lease premium prepaid		(924)	(924)	(924)
Less: Expense of previous financial year work in progress	9 & 10	(1,500)	0	0
Add: Depreciation on assets	11(c)	8,561	14,259	11,042
Non cash amounts excluded from operating activities		226	13,349	24,536
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - restricted cash	4	(232,038)	(224,199)	(232,735)
Less: Land held for resale	6	(1,231)	(1,528)	(1,181)
Less: Loans receivable - clubs/institutions	8(a)	(73)	(69)	(77)
Add: Borrowings	15(a)	0	1,120	1,120
Add: Lease premium prepaid	13	924	924	924
Add: Cash backed employee provisions	4	876	876	876
Add: Provision for airport projects	17	14,810	10,600	14,994
Total adjustments to net current assets		(216,732)	(212,276)	(216,079)
Net current assets used in the Rate Setting Statement				
Total current assets		247,824	230,828	245,829
Less: Total current liabilities		(28,583)	(18,266)	(22,610)
Less: Total adjustments to net current assets		(216,732)	(212,276)	(216,079)
Net current assets used in the Rate Setting Statement		2,509	286	7,140

28. FINANCIAL RISK MANAGEMENT

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

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

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

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

28. FINANCIAL RISK MANAGEMENT (continued)

(a) Interest rate risk

Cash and cash equivalents

The Town's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Town to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	$ '000	$ '000	$ '000	$ '000
2019					
Cash and cash equivalents	1.50%	30,231	0	30,231	0
Financial assets at amortised cost - term deposits	2.02%	201,855	201,855	0	0
2018					
Cash and cash equivalents	2.00%	3,149	0	3,149	0
Financial assets at amortised cost	2.29%	229,586	229,586	0	0

Sensitivity

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

	2019	2018
	$ '000	$ '000
Impact of a 1% movement in interest rates on statement of comprehensive income and equity*	2,321	2,327

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Town manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Town does not consider there to be any interest rate risk in relation to borrowings. The Town currently does not have any long term borrowings.

28. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

The Town's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Town manages this risk by monitoring outstanding debt and employing debt recovery policies.

Credit risk on rates and annual charges is minimised by the ability of the Town to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Town is 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.

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2019	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,766	622	232	70	2,690
Loss allowance	0	0	0	0	0
01 July 2018					
Rates receivable					
Expected credit loss	9.36%	26.79%	38.81%	0.00%	
Gross carrying amount	2,896	907	420	37	4,260
Loss allowance	271	243	163	0	677

28. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019	**$ '000**	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Sundry Receivables					
Expected credit loss	0.04%	0.17%	0.42%	0.58%	
Gross carrying amount	1,406	219	0	177	1,802
Loss allowance	1	0	0	1	2
01 July 2018					
Sundry Receivables					
Expected credit loss	0.04%	0.17%	0.42%	0.58%	
Gross carrying amount	1,342	723	359	1,244	3,668
Loss allowance	0	5	15	270	290

	Lifetime expected credit loss Total
30 June 2019	**$ '000**
Self supporting loans	
Expected credit loss	15%
Gross carrying amount	798
Loss allowance	120

28. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
2019	$ '000	$ '000	$ '000	$ '000	$ '000
Payables	11,984	0	0	11,984	11,984
Borrowings	0	0	0	0	0
	11,984	0	0	11,984	11,984
2018					
Payables	4,931	0	0	4,931	4,931
Borrowings	1,120	5,128	15,110	21,358	21,358
	6,051	5,128	15,110	26,289	26,289

The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk for 30 June 2018. No table applies for 30 June 2019 as all loans were repaid during the financial year.

Year ended 30 June 2018	< 1 year $ '000	>1< 2 years $ '000	>2<3 years $ '000	>3<4 years $ '000	>4<5 years $ '000	>5 years $ '000	Weighted Average Effective Interest Rate %
Borrowings							
Fixed rate							
Long term borrowings	20,238	19,057	17,811	16,497	15,110	13,647	5.26%
Weighted average effective interest rate	5.30%	5.29%	5.27%	5.26%	5.24%	5.21%	

29. TRUST FUNDS

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

	1 July 2018	Amounts Received	Amounts Paid	Reclassified*	30 June 2019
	$ '000	$ '000	$ '000		$ '000
BCITF Levy	3	62	(57)	(8)	0
BRB Levy	52	61	(58)	(55)	0
Building Bonds	22	0	0	(22)	0
Building Retention	5	0	0	(5)	0
Community Bank	1	0	0	(1)	0
DAP Levy	10	0	0	(10)	0
Garden Competition	5	0	0	(5)	0
Grants for Special Projects	2	0	0	(2)	0
Hall Hire Bonds	7	0	(4)	(3)	0
BBQ Trailer/Bus Bonds	6	6	(11)	(1)	0
Nomination Election Bonds	2	0	(1)	0	1
Public Open Space	1	375	0	0	376
Ranger Service Bonds	5	2	(4)	(3)	0
Sports Grounds	36	32	(30)	(38)	0
Staff Bonds	5	0	(1)	(4)	0
Sundry Receipts	1	0	0	(1)	0
Technical Services Bonds	4	0	0	(4)	0
Unclaimed Money	10	0	0	(10)	0
Matt Dann Hire Events	0	4	(4)	0	0
	177	542	(170)	(172)	377

30. EVENTS AFTER REPORTING PERIOD

The Town has evaluated events from 30 June 2019 through the date the financial statements were issued. There were no subsequent events that need disclosure.

31. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments* .

(a) AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Town applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Town has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit).

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Town's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Town's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Town. The following are the changes in the classification of the Town's financial assets:
- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.

- The Town did not designate any financial assets as at fair value through statement of comprehensive income.

31. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (continued)

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Town's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Town to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, the Town recognised an additional impairment on the Town's loan receivables of $120,000 which resulted in a decrease in accumulated surplus/(deficit) of $120,000 as at 1 July 2019.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined, in accordance with AASB 9:

	Impairment under AASB 139 as at 30 June 2019	Remeasurement	ECL under AASB 9 as at 01 July 2019
	$ '000	$ '000	$ '000
Loans and receivables under AASB 139 / Financial assets at amortised cost under AASB 9	0	120	120
	0	120	120

32. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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 Town.

This note explains management's assessment of the new and amended pronouncements that are relevant to the Town, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers* , AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities* . These standards are applicable to future reporting periods and have not yet been adopted.

(a) Revenue from Contracts with Customers

The Town will adopt AASB 15 *Revenue from Contracts with Customers* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions of AASB 15, the Town will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments are expected to be made to the amounts recognised in the balance sheet at the date of initial application (1 July 2019):

	Note	AASB 118 carrying amount 30 June 2019	Reclassification	AASB 15 carrying amount 01 July 2019
		$ '000	$ '000	$ '000
Contract liabilities - current				
Unspent grants, contributions and reimbursements		350	103	453
Contract liabilities non-current				
Adjustment to retained surplus from adoption of AASB 15	32(d)		(103)	

(b) Leases

The Town adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Town has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying the AASB 16 under the specific transition provisions chosen, the Town will not restate comparatives for prior reporting periods.

On adoption of AASB 16, the Town will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 is 2.0%.

	Note	2019
		$ '000
Operating lease commitments disclosed as at 30 June 2019		72
Lease liability recognised as at 1 July 2019		
Discounted using the Town's incremental borrowing rate of 2.0%		72
Right-of-use-asset recognised at 1 July 2019		72
Low-value leases recognised on a straight-line basis as an expense		0

On adoption of AASB 16, the Town will recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019. Property, plant and equipment increases by $71,697 on 1 July 2019 resulting in no impact on retained earnngs on 1 July 2019.

On adoption of AASB 16 *Leases* (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Town is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under $5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)* .

In applying AASB 16 for the first time, the Town will use the following practical expedient permitted by the standard.
- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

32. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Continued)

(c) Income For Not-For-Profit Entities

The Town will adopt AASB 1058 *Income for Not-for-Profit Entities* (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Town will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes will occur to the following financial statement line items by application of AASB 1058 as compared to AASB 1004 *Contributions* before the change:

	Note	AASB 1004 carrying amount 30 June 2019	Reclassification	AASB 1058 carrying amount 01 July 2019
		$ '000	$ '000	$ '000
Trade and other payables		11,984	736	12,720
Adjustment to retained surplus from adoption of AASB 1058	32(d)		(736)	

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 prepaid rates will be recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Town. When the taxable event occurs the financial liability will be extinguished and the Town will recognise income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Town to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

(d) Impact of changes to Retained Surplus

The impact on the Town of the changes as at 1 July 2019 is as follows:

	Note	Adjustments	2019
			$ '000
Retained surplus - 30 June 2019			204,319
Adjustment to retained surplus from adoption of AASB 15	32(a)	(103)	
Adjustment to retained surplus from adoption of AASB 16	32(b)	0	
Adjustment to retained surplus from adoption of AASB 1058	32(c)	(736)	(839)
Retained surplus - 1 July 2019			203,480

33. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

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

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

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

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

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

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

33. OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Impairment of assets

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

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

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

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

34. ACTIVITIES/PROGRAMS

Town operations as disclosed in these financial statements encompass the following service orientated activities/programs.

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Includes all activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of providing legal services on all matters.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, interest income, general purpose government grants, interest revenue and the cost of assets sold.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Fire prevention and volunteer bush fire brigade, animal control, support of State Emergency Services, emergency services, the Town's CCTV network, and community safety and crime prevention initiatives.
HEALTH To provide an operational framework for environmental and community health.	Vermin control, environmental health, food and public health regulation and compliance, and health.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.	Community partnership funding, disability access initiatives, community services administration, facilities including the JD Hardie Centre and asset management associated with key community buildings.
HOUSING To provide and maintain adequate housing.	Primarily centred around the provision of housing to employees, and asset management activities.
COMMUNITY AMENITIES To provide services required by the community.	Strategic town planning and development control, all aspects of waste management such as waste collection, landfill operations, and waste minimisation; cemeteries, public toilets, cyclone preparation and response, and sanitation and litter collection.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the social well-being of the community.	Maintenance of public halls, civic centres, aquatic centres, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of libraries, galleries and other cultural facilities. Facilitation of Town events including North West Festival, Spinifex Spree and other community events.
TRANSPORT To provide safe, effective and efficient transport services to the community.	All activities relating to the Port Hedland International Airport. Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities, and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
ECONOMIC SERVICES To help promote the Town and its economic well-being.	Tourism and area promotion, strategic projects, leasing and administration of commercial properties, building regulation, land development, and saleyards and markets.
OTHER PROPERTY AND SERVICES To monitor and control Council's overheads operating accounts.	Remaining activities not directly attributable to other programs such as private works, plant operations, public works overheads, and building maintenance overheads. The income and expenditure for Corporate Management, Financial Services, Human Resources and OHS, Governance, Records Management, Customer Services, Marketing and Communication, and Information Technology is also included here. The majority of costs are distributed across other programs of Council, to better reflect the total cost of service delivery.

35. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	1.22	1.94	1.26
Asset consumption ratio	0.91	0.94	0.82
Asset renewal funding ratio	0.88	0.91	1.04
Asset sustainability ratio	0.61	1.02	0.83
Debt service cover ratio	1.08	(2.34)	1.84
Operating surplus ratio	0.23	(0.42)	(0.21)
Own source revenue coverage ratio	1.02	0.64	0.76

The above ratios are calculated as follows:

Current ratio

$$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$$

Asset consumption ratio

$$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$$

Asset renewal funding ratio

$$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$$

Asset sustainability ratio

$$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$$

Debt service cover ratio

$$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$$

Operating surplus ratio

$$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$$

Own source revenue coverage ratio

$$\frac{\text{own source operating revenue}}{\text{operating expense}}$$

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INDEPENDENT AUDITOR'S REPORT

To the Commissioner of the Town of Port Hedland

Report on the financial report

Opinion

We have audited the annual financial report of the Town of Port Hedland (**Town**), which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In our opinion, the annual financial report of the Town:

(i) Is based on proper accounts and records; and

(ii) Fairly represents, in all material respects, the results of the operations of the Town for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (**Act**) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

We conducted our audit in accordance with the Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Town in accordance with the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (**Code**) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter – basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Town's financial reporting responsibilities under the Act. Regulation 16 of the *Local Government (Financial Management) Regulations 1996* (**Regulations**), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. Our opinion is not modified in respect of this matter.

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

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

The Chief Executive Officer (**CEO**) of the Town is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Town.

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

Auditor's responsibility for the audit of the financial report

The objectives of our audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Commissioner and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

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

(i) In our opinion, the following financial ratio, which is disclosed in the notes to the financial report, indicates significant adverse trends in the financial position or the financial management practices of the Town:

  (a) The Debt Service Cover Ratio is below the Department of Local Government, Sport and Cultural Industries (**DLGSC**) standard in the current year.

(ii) No instances of material non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other written law were identified during our audit.

(iii) All required information and explanations were obtained by us.

(iv) All audit procedures were satisfactorily completed.

(v) In our opinion, the Asset Consumption Ratio and the Asset Renewal Ratio, disclosed in the notes to the financial report, were supported by verifiable information and reasonable assumptions.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the annual financial report of the Town for the year ended 30 June 2019 included on the Town's website. The Town's management is responsible for the integrity of the Town's website. This audit does not provide assurance on the integrity of the Town's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

DAVID WALL
Director
RSM AUSTRALIA PTY LTD

Perth, Western Australia
20 November 2019

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Town of
Port Hedland