



MINUTES

Annual General Meeting of Electors Thursday, 29 April 2021

Date: Thursday, 29 April 2021

Time: 5:30pm

Location: Civic Centre
McGregor St
Port Hedland

Distribution Date: 13 May 2021

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Item 1 Opening of Meeting

The Presiding Member declared the meeting open at 5:30pm.

Item 2 Acknowledgement of Traditional Owners and Dignitaries

The Presiding Member acknowledged the Kariyarra people as the Traditional Custodians of the land that the Council met on, and recognised their strength and resilience and paid respect to elders past, present and emerging.

Item 3 Recording of Attendance

Important note:

This meeting is being audio recorded to facilitate community participation and for minute-taking purposes, which may be released upon request to third parties. In accordance with Section 6.16 of the Town of Port Hedland Local Law on Standing Orders members of the public are not permitted to use any visual or vocal electronic device or instrument to record the proceedings of any meeting unless that person has been given permission by the Presiding Member to do so. Members of the public are also reminded that in accordance with section 6.17(4) of the Town of Port Hedland Standing Orders Local Law mobile telephones must be switched off and not used during the meeting.

3.1 Attendance

Scheduled Present: Mayor Peter Carter
Cr Tim Turner
Cr Kylie Unkovich
Cr Elmar Zielke
Cr Jan Gillingham (Arrived 5:34pm)

Scheduled for Attendance: Carl Askew (Chief Executive Officer)
Karren MacClure (Director Corporate Services)
Josephine Bianchi (Director Community Services)
Craig Watts (Director Regulatory Services)
Lee Furness (Director Infrastructure Services)
Mark Dawson (Manager of Governance)
Joshua Brown (Governance Advisor)
Lisa Duggan (Corporate Support Officer / Minute Taker)

Staff: 2
Electors: 1
Media: 0

3.2 Attendance by Telephone / Instantaneous Communications

Nil.

3.3 Apologies

Deputy Mayor Coles.

Councillor Kew Ming.

Councillor McDonogh.

3.4 Approved Leave of Absence

Councillor Bartho (22 April 2021 until 9 May 2021).

3.5 Disclosure of Interests

Nil.

Item 4 Annual Report

RECOMMENDATION / DECISION

MOVED: CR UNKOVICH

SECONDED: CR ZIELKE

That the Town of Port Hedland Annual General Meeting of Electors receive the Presiding Member's Report, Chief Executive Officer's Report and the Annual Report for the 2019/20 Financial Year.

CARRIED

Item 5 Response to Previous Questions

5.1 Response to Questions taken on notice from the Annual General Meeting of Electors held on 19 December 2019.

5.1.1 MR ARNOLD CARTER

A written response was provided to Mr Carter on 23 January 2020, detailing the below:

1. *My main concern tonight is regarding an article I gave to Council at the meeting held in March this year which referred to the aquatic centre. My comments are as follows: A continuation of the question asked at the AGM held on 27 March 2019, taking into consideration Council's response. You state that the delay in contract completion was the lead time in supplying new filters. Why was there such a delay*

from October 2018 to approximately 7 months in advising Council of filter availability which gave you a completion date of May 2019?

The Director Infrastructure Services provided the following response:

There was no delay in advising the Council of filter availability. The below table provides a timeline of events from project award through to completion.

In summary the filters experienced a catastrophic failure during pressure testing in early September 2018. At the confidential briefing held on 12 September 2018, Elected Members were briefed about the failure and the likely impact on the opening of the facility for the 2018/19 summer season. A recommendation was made to close the GAC for the 2018/19 summer season due to the timeframe to complete the filter replacement works.

Repair options were immediately investigated and presented to the Executive Team in early October. At the October 2018 Ordinary Council Meeting (OCM), the agenda item recommending the replacement of the filters, closure of the facility for the 2018/19 season and amendment of the project budget from \$606k to \$905k was carried, by absolute majority.

The GANTT chart on page 3 was provided to the Elected Members to demonstrate the schedule of works for the filter replacement. The chart notes a 'readiness for water tests' dated on 10 September 2018.

On 19th February 2019 a response to a Request for Information (RFI), on the status of the project, was provided to the Elected Members that indicated a potential completion date of mid-May 2019. This response was based on information provided by the contractor at that point in time. On the 30th April a further update was provided to the Elected Members advising of delays due to adverse weather and a revised planned completion date of mid-June.

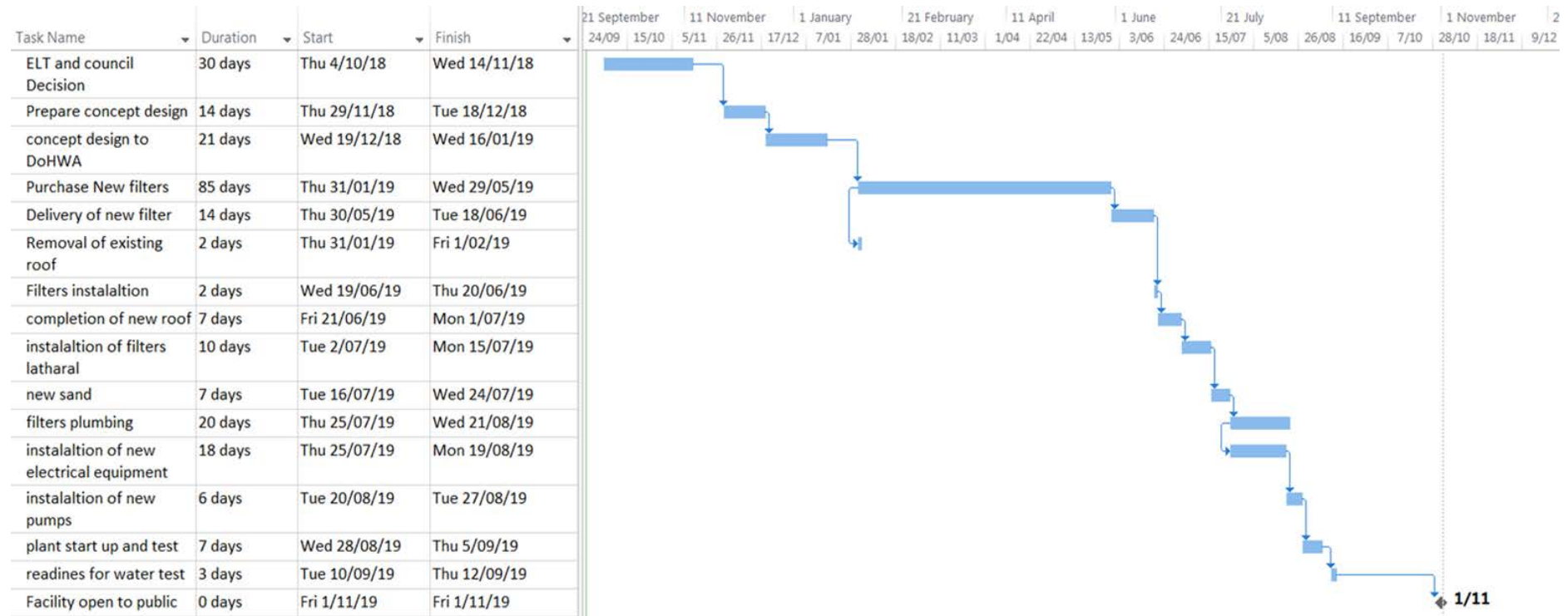
Lastly the project completion date was further extended so that additional works as recommended by the Project Team could be completed. The additional works were recommended to extend the asset life and improve the overall quality of the facility. The works and additional budget were approved by the Council at the 28 August 2019 OCM.

The additional works included:

- Painting and refinishing a various deteriorated items including shade structure posts, lighting posts, diving board, water feature car to toddler pool and store room wall;
- Installation of stainless steel sink and work station in the plant room for water testing;
- Replacement of the plant room fence;
- Additional concrete pavement;
- Balance tank and backwash tank remedial works (replacement of flashings, roof panels and install access ladder hatch);
- Replacement of the toddler pool floor tiling;

- Replacement of the basketball back board and hoop;
- Replacement of water feature pump;
- Installation of turf to remove beach volley ball area;
- Installation of access ladder to valve pit; and
- Installation of replacement OHS deluge shower.

Gratwick Aquatic Centre Filter Replacement Works GANTT Chart – As provided to the Elected Members in October 2018:



Gratwick Aquatic Centre Remedial Works – Timeline of Events:

Date:	Event /Milestone:
23 April 2018	RFT 2018-06 awarded to Dynamic Pools. Separable Portion 1 for \$291k. Separable Portion 2 for \$409k (subject to 18/19 budget allocation).
May 2018	Upgrade works Separable Portion 1 commence.
August 2018	Upgrade works Separable Portion 2 commence.
September 2018	Pressure test of filters resulted in catastrophic failure of filter number 1 at 150kpa.
12 September 2018	Elected Members were briefed about the catastrophic failure and the likely impact on the GAC operations for summer 2018/19 at the 12 September confidential briefing. A recommendation was made to close the GAC for the summer season whilst an analysis was conducted to determine solution options.
October 2018	Repair options presented to Executive Team.
October OCM 2018	Agenda item Gratwick Aquatic Centre – Filter Replacement (File No.05/09/0055) carried by absolute majority 9/0. Recommendation to close the facility for the 2018/19 season and replace the filters. Budget amended from \$606K to \$905K. The below program of works was provided indicating a readiness for water test date on 10 September 2019. The program noted it did not factor in potential weather delays and that adverse weather will have an impact on delivery timelines.
19 February 2019	Response provided to Elected Members for RFI of project status. Response indicated an anticipated project completion date of mid-May.
30 April 2019	Response provided to Elected Members for RFI of project status. Response indicated an anticipated project completion date of mid-June due to a 4 week delay as a result of cyclonic conditions. Filters held in Perth due to the inability to stage the works and lack of safe storage of the filters on site.
June 2019	Additional minor works identified that delayed the project schedule. Works included installation of insulated ceiling to plant room required to protect new plant room equipment and extend asset life and additional balance tank and tank compound work.
10 July 2019	Meeting held with Facilities to coordinate completion of the project and handover of the site to Facilities for opening on the 2019/20 summer season. As a result of the meeting a number of additional works items were requested by Facilities to bring the facility to a higher standard and other works as preventative maintenance.
06 August 2019	Briefing Note presented to ELT advising of the additional works requested/required.

Date:	Event /Milestone:
August 2019 OCM	Agenda item Gratwick Aquatic Centre – Additional Remedial Works (File No. 05/09/0055) carried by absolute majority. 2019/20 Budget for the project amended to complete additional works identified bring the facility to a higher standard and other works as preventative maintenance.
September 2019 to November 2019	Additional works completed with the facility opening on 23rd November.
14 November 19	1st round of water tests undertaken.
18 November 19	2nd round of water tests undertaken.
19 November 19	1st round of water tests results received – Passed.
23 November 19	Pool reopened.

2. *Who authorised the pool was available for public use under the health requirements regulations? Was this notified to the Town of Port Hedland prior to the opening?*

The Director Regulatory Services provided the following response:

The new pump and filtration system design was approved by the Department of Health (DoH) as per the Aquatic Facilities Regulations 2007 (Regulations). The pool tiles installed were approved by the DoH as they met the provisions of the same Regulations. Pool chemistry was assessed by the Towns Environmental Health Officers and microbiology was analysed by PathWest (as per arrangements with Department of Health) which confirmed both chemistry and microbiology was compliant with the requirements of the Regulations. Advice from the Projects Team was that the certification for the installation etc. had been received. Based on the GAC meeting the requirements of the Regulations, the Town's Executive Team authorised opening of the pool to the public on the weekend of 23 November 2019.

3. *When did the Council receive further acknowledgement of the chemical analysis of the pool that waylaid the original definition that closed the pool?*

The Director Regulatory Services provided the following response:

Non-compliant microbiology results were received from PathWest on Monday 25 November 2019 which noted the presence of Thermophilic Amoeba. As this indicates a potential risk to public safety, the Regulations require the pool to be closed and actions undertaken to eliminate the Amoeba. The non-compliant results were received after the opening of the pool on the weekend of 23 November 2019.

4. *Was there an apology for such a reversal in the chemical analysis?*

The Director Regulatory Services provided the following response:

No formal apology has been received from either DoH who directed the closure of the pool and subsequent media release, or PathWest who provided the water analysis on behalf of the DoH and the Town. DoH have indicated that they intend to review their processes with PathWest to minimise any false positive results in the future.

5. *What is your present procedure for the pool to become available for public use as per the Health Act? What has been implemented to eliminate the possibility of such an occurrence happening in the future that would restore faith in the public for the use of this wonderful facility?*

The Director Regulatory Services provided the following response:

The current procedure for opening a pool is as per the Regulations and associated Code of Practice. If the pool is determined to meet the construction requirements and water quality requirements, and operation complies with the Code of Practice, the pool will be opened to the public.

The water body which was found to be non-compliant (diving pool) has been isolated from the remainder of the aquatic facility. Given the recent repeated microbiological issues with the water body, the Town will be considering future options for the dive pool at the February Council Meeting. Subsequent water analysis of the children's pool and 50m pool have

confirmed that both maintain compliance with water quality standards specified with the Code of Practice.

6. *In October 2018 Council amended the budget to \$905,295.00, were the filters ordered before the amended budget was confirmed by Council which would have agreed with your May time line, which happened in six months between May 2019 and the completion date of November 2019?*

The Director Infrastructure Services provided the following response:

A Contract Variation was completed after the amended budget was approved by Council at the October 2018 OCM. The filters were ordered after the budget was amended.

7. *I find it incomprehensible that the upgrade of the pool extended over a period of 20 months. On behalf of the Rate Payers Association could you please advise conditions of these contracts negotiations and supervision of the construction and repairs that were to be carried out under the contract agreement?*

The Director Infrastructure Services provided the following response:

The contract was awarded to Dynamic Pools at the 23 April 2018 OCM. Works commenced the following month, May 2018, and concluded in October 2019 for a period of 18 months.

The duration of the contract was effected by the following factors:

- Catastrophic failure of the existing filter vessels which required replacement. These parts are “made to order” and have a long lead time. This prevented the facility from opening for the 2018/19 season;
- The 2018/19 cyclone season & Tropical Cyclone Veronica delayed the schedule of works on site. As agreed with the contractor the replacement filters were stored in Perth of a period of 4 weeks during the peak of the cyclone season as there was no secure storage for the filters on site prior to installation; and
- Prior to completion of the project the scope of works were extended to include additional works that would improve the quality of the facility and extend the asset’s life.

The project was managed by the Projects business unit within the Infrastructure Services Directorate. The project was delivered within the Town’s project delivery framework.

8. *Could I please have a breakdown of all the costs including wading pool expended on this facility?*

The Director Infrastructure Services provided the following response:

RFT 2018-06 Gatwick Aquatic Centre Upgrade Works comprised of:

- Separable Portion 1 (Leak Works); and
- Separable Portion 2 (Other Works).

Works under **Separable Portion 1** comprised of:

- Inspection and remediation works to the pool concourse paving;
- Sand blasting and painting of the dive pool;
- Inspection, cleaning and remediation works to tile grout, silicon, and expansion joints to the main and toddler pool;
- Remediation works to balance tank return lines;
- Pressure testing of pipe work;
- Cleaning, inspection and chemically coating of the balance tank;
- Replacement of Chlorguard, foot valve and Suction Line; and
- Replacement signage to plant room and chemical store.

The above works had a **contract value of \$298,400 inc GST**.

During the execution of **Separable Portion 1** there were variations to the contract totalling **\$45,808.09**. The variations were to complete the below:

- Strip, inspect and report on inoperable pump;
- Hand grinding and re-grouting of grout joins due to excessive mould;
- Reconstruction of balance tank pit;
- Repair and reinstall lights;
- Supply and install 90 l/m of waterline tiles;
- Supply and install finger grip tiles to main pool;
- Replace failed valve on suction line; and
- Supply of vac truck to clean hydrostatic vent/soakwell.

Works under **Separable Portion 2** comprised of:

- Painting to various steel structures around the pool;
- Inspect and replacement of lighting around the pools to meet current Australian Standards. Supply of Lux plot;
- Inspect and reseal pool bulkhead to ensure water tightness;
- Replacement of pool line tiles;
- Thorough cleaning of existing tiles to as new condition;
- Replacement of wet deck to all pools;
- Replacement of depth markers;
- Cleaning of ladder and disable ramp to as new condition;
- Removal of redundant electrical components;
- Filling of all cavities and penetrations left over from previous works and removal of old equipment;
- Supply and installation of Aqua Demand water level controller and 50mm make up with valve to balance tank;
- Supply and installation of replacement vacuum and pressure gauges to each pump;
- Supply and installation of suitable sized circulation pumps each with their own pre pump strainers and gearbox driven butterfly valves;

- Supply and installation of new pool control panel;
- Construction of a new manifold from pumps to filters and from filters to flanges at wall penetrations;
- Supply and installation of replacement No Flow switches;
- Supply and installation of new bracketing and supports as appropriate;
- Supply and installation of new filter vacuum and air release valves;
- Supply and installation of new chemical venturi pipe, booster pump, rotameter and injector;
- Supply and installation of new cyclone D rated roller doors to the pump and store room; and
- Supply and installation of new racking to the chemical store for the compliant storage of chemicals.

The above works had a **contract value of \$407,371.80 inc GST.**

During the execution of **Separable Portion 2** there were variations to the contract totalling **\$58,847.48**. The variations were to complete the below:

- Inspect and remedy any faults to earthing to meet current standards;
- Supply and installation of 5 x deck sockets for main pool starting blocks;
- Painting of water feature car in toddler pool;
- Supply and installation of foot valve for second suction line & pipe;
- Supply and installation of close coupled pump;
- Painting of storeroom walls;
- Supply and installation of backflow prevention device;
- Supply and installation of custom orb steel sheeting and insulation to plant room ceiling;
- Toddler pool works including re-tiling of seating area, replacement of waterline tiles and replacement of pool wall capping; and
- Supply and installation of replacement water feature pump.

Additionally as part of the execution of Separable Portion 2 the below filter testing and replacement works were completed through variation to the **contract totalling \$340,312.50 inc GST.**

- Engage 3rd party consultant and provide a detailed report on condition of existing filters/plant due to evidence of potential delamination;
- Conduct pressure testing of existing filters;
- Supply and installation of new filters including;
 - Design an engineering;
 - Supply of 3x MHS3500 filters;
 - Filter freight;
 - Removal of old filters inc sand removal via vacuum truck;
 - Filter room repairs and upgrades to accommodate new filters;
 - Plant room roof removal and reinstallation to facilitate installation of new filters;
 - Installation of new filters including provision for lifting;

- o New substrate sand; and
- o Disposal fees and all labour.

Throughout the execution of the project additional goods and services were procured outside of the main contract through various local businesses and in line with the Town's procurement policies. The goods and services have a total value of **\$168,327.66** and are detailed below:

- Complete an engineering assessment of plant room roof structure to ensure suitability of design;
- Disposal of old chemicals in chemical store;
- Grading of tank area and installation of crusher dust to facilitate water run off away for balance and backwash tanks;
- Supply and installation of new turf and irrigation to old beach volley ball area;
- Supply and place concrete to plant room external areas to facilitate the compliant unloading of chemicals;
- Supply and Install or replacement Basketball backboard and hoop;
- Repair shade sail post & brace to toddler pool;
- Removal and re-Installation of kid's pool shade sail due to cyclone season;
- Supply and installation of replacement floor tiling to toddler pool beach entry;
- Additional external painting to various items;
- Supply and install Brayco sink and splashback work station in plant room;
- Equipment & Materials - Light pole material, LED Light Fitting, GPO & consumables;
- Removal or redundant spigot lights and PA system;
- Replacement of BBQ area GPO;
- Installation of aircon units to plant room;
- Supply and installation of new OHS deluge shower;
- Repair or basketball backboard mounting frame and post;
- Fabricate and fit perimeter flashing to balance tank;
- Fabricate and fit lockable aluminium access hatch to balance tank;
- Fabrication and fit 4x new wheels to large equipment trolley; and
- Replace Shade Sails to kids play equipment area, seating structures at the end of the main pool and the seated grassed area to the RHS of the main pool.

Lastly a total of \$18,188.29 in costs were incurred over the duration of the project to accommodate the main contractor's work force.

In summary the below provides a breakdown of the costs:

Portion 1	\$298,400.00
Portion 1 variations	\$45,808.09
Portion 2	\$407,371.80
Portion 2 variations	\$58,847.48
Filter works	\$340,312.50
Addition remedial works outside of main contract	\$168,327.66
<u>Accommodation</u>	<u>\$18,188.29</u>
Total	\$1,337,255.82

9. *What is the position regarding the financial advice we were going to organise and has been mentioned a couple of times regarding the allocation and the budget for the airport trust fund?*

The Manager Financial Services provided the following response:

The Town is currently reviewing all reserves, including the Port Hedland International Airport (PHIA) Long Term Lease Proceeds Reserve. The Town will be presenting an agenda item for consideration by Council, aligning purposes with strategic direction of the Town at the 26 February 2020 Ordinary Council Meeting.

Item 6 Confirmation of Minutes of Previous Meeting

6.1 Confirmation of Minutes of the Annual General Meeting of Electors held on 19 December 2019.**RECOMMENDATION / DECISION****MOVED: CR ZIELKE****SECONDED: CR TURNER**

That the Minutes of the Annual General Meeting of Electors held on 19 December 2019 are a true and correct record.

CARRIED

Item 7 General Business

7.1 MR ARNOLD CARTER

I have read the report and there are a few concerns that I would like to bring to the attention of Council.

It amazes me when I look at the Reserve account and see what is in there.

First of all, I would like to express my great concern regarding the lateness in which you made the audit report available. I think it is quite ludicrous that the Audit Report in April which was for last June, so almost 12 months ago, was not available for the public until last Friday. If you think I am going through that document in a week, then there is no chance. There is so much information and the audit report completely varies from the budget and it is not right. I also might mention Councillors that this Audit Report cost you \$75,000 and if you can pay that much for a report, then it should be made available earlier to the rate payers for comment. That was the most important thing and it delayed me in doing the analysis.

- 1. Once again, following on from comments from the Minutes of the last meeting, I am still going to ask for information regarding the swimming pools. Can I please have details on the recreation expenditure of \$21,000,000 against a budget of \$17,000,000 for both swimming pools. I would like a breakdown of those two expenses, well not the \$17,000,000, but the other expenditure of \$4,000,000, I would like to have a look at that.*
- 2. I can find no trace of income received or expenditure for cyclone expenditure and then in the reserves, we have \$80,000. I know that there are quite a lot of areas up in Pretty Pool that were damaged by cyclone Veronica and have still not been repaired and so I can't understand how you can have \$80,000 in reserves and still have cyclone damage. What worries me most of all is I construct these expenses all of the time as I do go through the expenses and all of this time they haven't finished this project. Surely somewhere in this Audit Report that has been passed, identification of cyclone money received and the*

expenditure of it, there is none. I have looked through it and it does not exist in the Audit Report. I would like to have a break down of those please.

3. *Rate Revenue was most interesting. Gross Payable Revenue in your Audit Report, \$85,884,000 including \$67,149,000 from mining companies, which according to the Audit Report, incurred an amount of \$34,278,000 of all debt. I would like to know what that means? And the nett income of \$53,700,000. The amount of money and there was a list of all the people that received gratias rates amounted to over \$35,000,000, but I could not find anywhere in the report where that figure came from. It was just in the Ordinary report where it stated the amount of money and deferred payments [...inaudible].*
4. *Going through your Tenders, I noticed that a couple of times during the year that there was a lot of tenders that were over expenditure. One of them was cleaning and one was \$100,000,000 over 3 years. Why is it that when you are doing your summaries of the assessments of the tenders, why isn't the price taken into consideration? It is not in your component, I have checked it. Surely the price must come in there somewhere and when making recommendation to Council, it does not include it and I don't know why it isn't?*
5. *Why and who decided to remove the Bougainvilleas in the centre of Anderson Street outside of the Police Station? Was a tender called for the grass planting to the West End and what was the tender price? I am in full view of trying to make the West End look a bit better but some of the damage to the trees, the shrubs, the greenery have all been ripped up and I have not seen the finished project yet... [inaudible]. My next question is who is going to pay for the water? If you remember 10 years ago, BHP and the whole of the West End, the trees, the shrubs, it was beautiful, until someone forgot to turn the water on and within three to four months they were all dead..... So let's hope to save them. The grass looks great but they're sick and they're desperate.*
6. *Could I please have the details of the tender documents, the value, not necessarily the detail but the value of tenders let during the last financial year? What worries me is who passes and verifies the value of progressive payments and who authorises these? Have you your Finance Manager do it, do you have engineering do it? Some of those progressive payments are very steep and I don't know where a proportion of that comes from and that is why I want to know the value of the contracts you let during the year.*
7. *The architectural design that recently you put out in the paper. The maps of expenditure for the five hubs. I would like to know what your architectural design costs were for those five things?*
8. *What is the future of Mia Mia? I have seen in the audit report that it is operated [inaudible] from the waste out there and also the sewerage. What do you propose to do with Mia Mia now?*

9. *I know it was addressed very briefly this morning, but what are you going to do with Stevens Street? I heard the report this morning that your not going to do anything with it for three and half years, is that correct? If it is correct, why are we not putting something in to State Government? Because the land would go back to the State Government. Surely that responsibility is theirs and not yours?*

I would also like to send some questions in regarding the financials, to Council. Thank you.

The Presiding Member thanked Mr Carter for his questions and advised that he will take all of the questions on notice and advised he is happy for Mr Carter to come in and speak with the Executive Team about some of those other issues as well.

7.2 COUNCILLOR JAN GILLINGHAM

1. *I did have contact from a member of a family from South Hedland who said that they had a problem with the terrible smell coming from the Kevin Scott Oval. They were having a meal at the South Hedland Bowling Club last night and the stench from the watering of the oval was overpowering and took over the whole area. I know we used to have this in Cooke Point and I am just wondering what is happening with that? I thought that all of these problems with the reticulation were dealt with but this is obviously a problem and it was obviously a problem last night.*
2. *Just talking about Stevens Street as we did last night. Where will our future seniors be housed now that Stevens Street is no longer. The remaining residents that have been now emergency housed, will those houses that they are in remain as senior housing? What is the future? There are many new senior people in Town who have come to live with their families because of Covid from other States and they are living with their families but they are really entitled I guess to be on their own. What do they do, what is the procedure?*

The Presiding Member thanked Councillor Gillingham for her questions and advised that they will be taken on notice.

Item 8 Closure

There being no further business, the Presiding Member declared the meeting closed at 5:53pm.

Annual Report

2019-2020



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 Town of Port Hedland lands. We recognise their strength and resilience and pay our respects to their Elders past and present.

We extend that respect to all Aboriginal & Torres Strait Islander people of the local community and recognise their rich cultures and their continuing connection to land and waters.



Advice

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

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Port Hedland Profile

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



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

We are home to approximately 15,000 people from diverse cultural backgrounds and cover 18,467 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 relaxed lifestyle 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 majority of our residents are in South Hedland, which includes a vibrant shopping district. The Wedgefield Industrial Area contains a variety of light and service industry premises; the iron ore crushing and shipping facilities are features synonymous with our rugged landscape, along with the expanded port facilities.

We are also 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 provides an important mix of uses and form an important part of Hedland's continued growth into the future.

We are proud to be Australia's largest bulk export port. The Pilbara Ports Authority recorded a record annual tonnage of over 717.2 million tonnes in 2019/20 with 538.2 million tonnes from Port Hedland.

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

Although my tenure as Commissioner has concluded, I would like to contribute a few words to the Town's 2019/20 Annual Report. I served as the Town's Commissioner from August 2019 until October 2020, a position which resulted from the State Government's decision to suspend the Town's Mayor and Elected Members in July 2019. During my tenure, I had the pleasure of getting to know the Port Hedland community, work through complicated and at times contentious issues, and lead Council in adopting a number of significant items with long term ramifications for the town's future. Reflecting on my time in Hedland, I'm pleased I played a central role in shaping key strategic issues and laying the groundwork for a brighter future for generations to come.

"I'd like to thank the Hedland community for welcoming me during my tenure."

Firstly, I'd like to commend the Town for its response to COVID-19, joining local governments around Australia in delivering impactful public health advice and evolving traditional notions of government service delivery. I can say with confidence that the Town's leadership responded effectively and with purpose to a challenging, unprecedented situation which tested the role of government in everyone's lives. The State Government provided timely updates to restrictions on trading, gatherings and travel throughout 2020, information which was adapted by the Town for a local audience across traditional and digital media. The Town's staff did a fantastic job in keeping up a high standard of sanitation and cleaning throughout the pandemic, keeping publically accessible spaces safe. Due to everyone heeding the health advice from the get go, the Pilbara was able to keep the virus at bay and enjoy a vibrant communal lifestyle, enviable to other parts of the country. I think this period was a case study example of how local government can support national objectives through regional action.

In August 2019, the Town gained certainty on the long held issue of dust mitigation, with the Western Australian Planning Commission recommending that the West End district be subject to Improvement Plan 50. Following approval from the Minister for Planning and the Governor, this guaranteed that future land use planning and development west of McGregor St and Lukis Street would come under the jurisdiction of the Planning Commission, rather than the Town. The issue of dust in the West End has been ongoing for years, with all stakeholders recognising the need to minimise its impacts on households. Another key State Government decision was the allocation of \$85 million in the 2019/20 state budget for the Spoilbank Marina development, set to create a new standard of seafarer amenity on the Hedland coast. This development has been highly anticipated by the community and is set to create 221 locally based jobs during its two year construction period. The development will include a marina waterbody with long term capacity for up to 80 boat pens, a four lane boat ramp, recreation spaces and space for trading, further boosting the local economy.

Perhaps the most significant point of progress this year was the endorsement of the Hedland Recreation Hubs Masterplans, the biggest infrastructure projects Hedland has seen in decades. In the 2020/21 annual budget, the Town allocated a record \$76.3 million to the delivery of a record capital works program which will lay the site groundwork for the long term construction of the Hubs. We listened to community groups, businesses and residents who indicated a preference to invest in Hedland's core infrastructure assets for the future. With Hedland's projected population increases in the years ahead, it was vital for the Town to ensure public amenities are developed to a high standard. I'd like to commend the work of the Town's Infrastructure Services Teams for making the Hubs a reality by working in partnership with the community.

This year, the Town continued to take steps to address the risks of coastal erosion and inundation, phenomena exacerbated by climate change. In March 2019, Tropical Cyclone Veronica reminded us all that local government must play an active role in securing valuable coastal assets from stronger storm surges and wind gusts. This Cyclone inflicted significant damage around Cemetery Beach, destroying pathways and surrounding infrastructure. In March 2020, Council endorsed the design and construction of seawalls along the coastline to reduce the incidents of destruction like this in the future. I'm pleased the Town has now joined

other coastal WA local governments in planning for the future impacts of climate change.

A highlight of my tenure was welcoming Governor Beazley to Hedland to officially rededicate Gratwick Hall back to the community in July 2019. This much loved facility had undergone extensive refurbishment works, including improved accessibility, usability and a modern design celebrating the Hall's history and view of the port. Due to the Town's commitment to the Hall's longevity, a new generation of recitals, rehearsals and training sessions will take place there. A well-attended Civic Reception was held to celebrate the occasion, bringing together local residents to reflect on the Hall's community value and significance.

Finally, I'd like to say what a privilege it was to be involved with the Town's Citizenship Ceremonies, welcoming new residents to town from countries all over the world. The uniqueness of Hedland is its transient nature and multi-cultural social tapestry, weaved by those who choose to call this place home. Hedland's multiculturalism is strengthened by the culture of the Kariyarra people, Hedland's traditional owners, whose connection to the land and waters should be respected and cherished by all.

Once again, I'd like to thank the Hedland community for welcoming me during my tenure. With continued strong growth projected in the mining and resources sector, key infrastructure investment by all levels of government, an enthusiastic community and a Town leadership team with a long term vision, Hedland has a bright future ahead.

Kind Regards,



Hon. Fred Riebeling AM JP
Fmr. Town of Port Hedland Commissioner



Mayor's Message

As Mayor of the Town of Port Hedland, it is with great pleasure that I present our Annual Report for 2019/20.

Looking at the local economy and challenges – it's quite clear that Hedland is forging ahead with some significant environmental and development opportunities.

We have adopted tight fiscal measures and focused on building stronger relationships, improving efficiencies and increasing our community consultation.

We are strategically positioned for future growth – don't forget we are the world's largest bulk tonnage export port and we must remind ourselves of the potential and abundance that we have – right here on our doorstep.

As a Town, we are beginning to see a coordinated approach across the three levels of government in planning our future direction. Since my election to Council, I have been working to strengthen the relationships with State and Federal Government, to ensure our voices are heard. Tackling real issues impacting our community and championing change when necessary, will always remain at the forefront.

There has been an extensive change in leadership over the past twelve months which has provided a fresh opportunity to review our strategic direction. This past year reflects these changes as we look to consolidate our internal processes and the way we do business with the community.

“We have adopted tight fiscal measures and focused on building stronger relationships.”

Our new organisational direction is demonstrating this and proving accountability, real development outcomes and a focus on addressing and solving the real issues facing Hedland. Effective fiscal management, improved efficiencies, innovation and solid leadership, are essential as we return to core business for the community.

We need structure, stability and new ways of doing things - and of course, a community that is engaged, informed and entirely connected.

My priorities for Hedland are to maintain a fair and equitable rating strategy, invest in the town's core infrastructure assets, foster a vibrant and liveable community and build strong partnerships.

Being the Mayor of the Town of Port Hedland is about being part of a great team that is working hard and is totally committed. The success of the past year would not be possible without the support of The Commissioner, the Town's Chief Executive Officer, Executive Team, employees, the community and, of course, the volunteers who contributed every day to the combined success of 2019/20.

Kind Regards,



Peter Carter
Town of Port Hedland Mayor



CEO's Report



On behalf of the Town's administration, I'm proud to present the Hedland community with the 2019/20 annual report. This is the first annual report I have presented since beginning my tenure as CEO in February 2020, and I'd like to thank the community for their hospitable welcome to my family and I since our arrival. It's been a pleasure to work alongside the Town's Executive Team, staff, businesses, community groups and residents in delivering positive outcomes for our town.

I'd like to thank the Hon. Commissioner Riebeling, who served as the Town's Commissioner from July 2019 until October 2020. He worked constructively with the administration to deliver a number of key items: of particular note was the endorsement of the Hedland Recreation Hub masterplans, representing some of the biggest public infrastructure projects in our town's history. I'd like to thank him for his service and wish him well into the future.

Clearly, COVID-19 changed how local government was delivered across the country. None of us could have foreseen the rapid changes which began in March: event cancellations, facility closures, travel restrictions and an unprecedented focus on public health. We recognised that our proximity and familiarity with the local community placed us in a trusted position to reinforce state and federal government advice and restrictions. We provided up to date information on our website, in news items and on social media, keeping locals up to date with developments. Our facilities teams acted quickly, launching free virtual workouts, a homebound library delivery service and delivering youth programming from alternative venues. Council adopted \$3.1 million worth of economic assistance measures, establishing a \$360,000 community group assisted fund and a \$625,000 support local small business fund. We also froze increases to fees, charges and the rate in the dollar, and reduced our creditor payment terms from 30 days to 15 days. It's been incredibly tough for large sectors of the economy, particularly hospitality, retail and tourism, so we sought to ease the hardship where we could. On a personal level, it's been challenging for us all to pause travel plans interstate and be away from friends and family. As WA continues on its recovery pathway, I'm confident regional communities like ours can foster job creation and prosperity through our resilient and hardy spirit.

A major change to the Town's administration occurred in early 2019, with the establishment of the Regulatory Services and Community Services directorates. This change sought to streamline the Town's operations and recognised the transition of Port Hedland Leisure to in-house management. We also established a Corporate Affairs function, which reports to the Office of the CEO and is tasked with communications, economic development and tourism functions, and building partnerships with industry. We believe our region's significant contribution to the state and national economies warrants world class infrastructure and enviable amenity: we're seeking to partner with organisations more significantly to deliver positive community outcomes. I'm also enthusiastic about refocussing on tourism and economic development into the future, telling the Hedland story nationally and internationally.

In February 2020, Council endorsed retrospective rating on select landholdings, representing a fundamental shift to the Town's rates revenue. This decision has yielded a projected \$10 million increase to the Town's revenue, vital funds to support the Town's infrastructure investment program. The decision imposed 25% of the total retrospective rates cost to the ratepayers, waiving the remaining 75%. This percentage sought to strike a fair balance between obtaining additional revenue the Town was entitled to, without placing too great an imposition on ratepayers. For decades, landholdings of significant value across the mining and industrial rating categories in Hedland went unrated; I'm pleased we've moved towards a more equitable and fair rating strategy which doesn't overburden households.

A major development this year was the progress we made on delivering the Hedland Recreation Hubs, which represent the biggest public infrastructure projects in Hedland in decades. The Town administration's focus is targeting rate payer's money towards reinvesting in our core infrastructure assets, improving public amenity and liveability. The South Hedland Integrated Sports Hub (SHISH), JD Hardie Youth & Community Hub (JDYCH) and Port Hedland Sports & Community Hub (PHSCH) will transform sport and recreation for the future. In July 2019, we adopted the site masterplan for the JDYCH, and in June 2020 awarded local construction company MJW Building with a \$7 million contract to complete new roofing works, structural modifications, HVAC installation and demolitions at the site. Detailed design of the SHISH and PHSCH is underway, and I look forward to these projects being shovel ready in 2021. In June 2020, I was pleased to help deliver the first annual budget since my tenure began: this included a record capital works program worth \$76.3 million, laying the groundwork for the delivery of the Hedland Recreation Hubs.

This financial year, the Town took a number of important steps in addressing the chronic shortage of child care placements working families face. In August 2019, Council endorsed the conversion of the Dempster Street Port Hedland Library site into space for the delivery of child care, now administered by One Tree Len Taplin. In November 2019, Council awarded the tender for South Hedland TAFE refurbishment works, with local grassroots impact organisation Hedland Collective funding the works. These two sites will drastically cut down on the estimated 400 waitlisted child care placements in Hedland, contributing to our strategic goal of being an attractive destination for local families to call home.

We've made significant investments in Hedland's road and pathway network this year, building on the strong focus on core infrastructure renewal spearheaded in recent years. In 2019/20, we installed 10,912 metres of kerb, laid 2,683 tonnes of asphalt over 17 streets and car parks, installed 5,314 metres of concrete footpaths in 14 locations, installed 1,850 metres of asphalt at North Circular Road and installed 800 square metres of concrete floodway through Yule Rive Crossing. Due to our community's proximity to industry, it's important that we continue to maintain a strong and robust road network to support heavy vehicles, particularly through the Wedgefield Estate. Projected increases in port activity over the next decade will also benefit from the road upgrades.

Council endorsed a number of key strategic documents and actions that will impact how our Town allocates resources in the years ahead. In May 2019, we launched the Creative Hedland consultation process to garner insights for the development of the Arts and Culture Strategy 2019-2022, which was endorsed in July 2019. Key insights included establishing unique 'points of pride' in our town and identifying ways of amplifying local participation and engagement in the arts. This strategy has successfully brought local stakeholders onto the same page, providing new and novel opportunities for people to get involved with the arts, particularly at the West End's Courthouse Gallery+ Studio. In November 2019, we launched Shaping Hedland's Future, giving the community a chance to have a say on the next 10 to 20 years of land use planning and development. This feedback informed the preparation of the draft Local Planning Scheme 7, which once adopted will determine how land in our LGA is lawfully used and developed. In January 2020, Council endorsed my predecessor, David Pentz, to begin investigating funding opportunities to implement stage one of the Coastal Hazard Risk Management and Adaptation Plan (CHRMAP).

This Plan, adopted in May 2019, serves as the Town's framework for mitigating the risks of erosion and inundation into the future. We're committed to delivering the key recommendations of the Plan, which include the construction of sea walls located along Sutherland Street between Crawford Street and Moseley Street, northern Goode Street foreshore to the east of Barker court and in the West End precinct along Marapikurrinya Park.

To conclude, I'd like to comment on the fantastic community events which ran this year. In September 2019, we launched the Sunset Food Markets in Marapikurrinya Park, bringing together local vendors for a celebration of diverse cuisines. Locals could come and enjoy a bite to eat under ambient festoon lighting, accompanied by live entertainment and family activities. These had to be cancelled in March 2020 due to COVID-19 restrictions, but we brought them back in September 2020. We also held a number of Twilight Movie screenings in the Civic Centre Gardens, giving families the chance to enjoy a relaxing evening of cinema. Amy Shark headlined the August 2019 Northwest Festival, the Pilbara's premier music event and a key driver of regional tourism and economic activity. Spinifex Spree kicked off on the Turf Club oval in July 2019, providing locals with a big carnival experience featuring fairy floss, rides and show bags. Despite COVID-19 compelling us to cancel the 2020 dates, we look forward to bringing back these much loved community events.

Once again, I'd like to thank the community for continuing to work with me to deliver a brighter future for Hedland.

Regards,



Carl Askew
Town of Port Hedland CEO

Elected Members 2019/20



Commissioner

Hon. Fredrick Riebeling AM JP
2019 - 2020

Meeting Attendance

	Ordinary Council Meetings		Special Council Meetings		Elector 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
Commissioner Riebeling	17	17	3	3	0	0	20	20



Executive Team

Chief Executive Officer

David Pentz
July 2019 to January 2020

Carl Askew
February 2020 to present

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

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

- Corporate Affairs
- Human Resources
- Workplace Health and Safety

Deputy CEO Director Corporate Services

Anthea Bird

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

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



Director Infrastructure Services

Peter Chandler (Acting – July 2019)
Lee Furness – November 2019 to present

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

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

Director Regulatory Services

Craig Watts - November 2019 to present

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

- Environmental Heath
- Rangers Services
- Community Safety
- Waste Operations
- Building
- Planning
- Development

Director Community Services

Josephine Bianchi - November 2019 to present

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

- Sports and Recreation Facilities
- Libraries
- Youth Services
- Community Development
- Events
- Arts & Culture
- Community Engagement
- Aquatics
- Leisure

2019/20 Highlights



4,533
Tonnes of
asphalt for
road renewal



18,467
Total land
area in
square km



10,776
Internal
correspondences



10,912
Metres of
kerbs
renewed



8,330
Electors



4
Live shows
and movies



5,314
Meters of
concrete
footpaths



5
Citizenship
ceremonies
133
New citizens



15
Events held



7,667
Residential
dwellings



275
Engineering
Technical
Enquiries



14
Aquatic
facilities
regulated



15,144
Town of Port
Hedland
population



5,284
Outgoing
correspondence



232
Health inspections
on food premises



800
Meters of
concrete
Yule River
crossing



43
Inspections
carried out on
beauty salons
and hairdressers



23
Inspections
carried out on
public buildings



306
Aquatic
samples
taken



38,674
Visits to Port and
South Hedland
Library



145
Licenced food
premises



51,500
Tonnes of
solid waste



3,492
Ranger jobs



161
Building permits
issued within
timeframe



499,671
Squared metres
of turf mowed in
Port and South
Hedland / fortnight



19,400
Tonnes of
liquid waste



148
Cats registered



110
environmental
health public
complaints;
investigated and
answered enquiries



17
Licenced
mobile food
vendors



495
Dogs registered



2,471
Active library
members



19
Fires attended by
the Ranger
Services Team



1,554
Total dogs
registered in
the district



22,212
Library items
borrowed



42
No. of fires attended
by the Bush Fire
Brigade



4
Registrations
caravan parks
and camping



4,781
No. of library
event and
activity
attendees



4
No. of joint attendance
of fires by the Ranger
Services Team and
Bush Fire Brigade

An aerial night photograph of Port Hedland, Australia. The image shows a large industrial port area with several large ships docked at piers, illuminated by bright lights. The water reflects the lights, creating a shimmering effect. In the foreground, there is a residential area with houses and buildings, also lit up. The background shows a dark, expansive landscape with some distant lights. The overall scene is a vibrant depiction of a busy port town at night.

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."



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:

- **Our Community:** we honour our people and our cultural heritage- ensuring wellbeing, diversity, creativity and a strong civic dialogue.
- **Our Economy:** We build prosperity for all – enabling sustained economic growth.
- **Our Built and Natural Environment:** We treasure and protect our natural environmental and provide sustainable and resilient infrastructure and built form.
- **Our Leadership:** We are united in our actions to connect, listen, support and advocate thereby leveraging the potential of our people, places and resources.

The subsequent pages reflect the successes that the Town has achieved under these themes throughout the 2019/20 financial year.



A background image showing three young girls from behind, running on a track. They are wearing black singlets with 'HEDLAND School of Sport' and a starburst pattern, and black shorts. The image is faded to allow text to be overlaid.

Building a Unified & Vibrant Community

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

The logo features a stylized, 3D geometric shape composed of three interlocking triangles in orange, teal, and white, creating a sense of depth and movement.

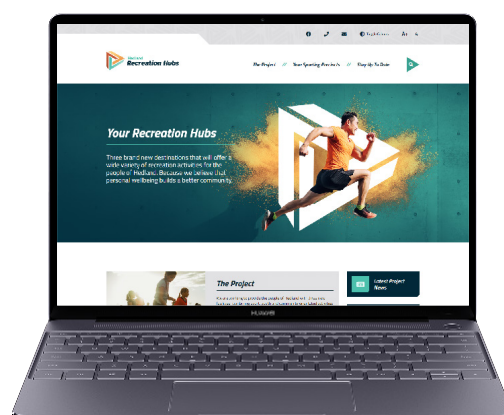
Hedland **Recreation Hubs**

The development of well utilised and valued community facilities and services is a key objective in achieving the Town's vision, to be Australia's leading Port Town embracing community, culture and environment.

The Town are working to provide the people of Hedland with three new facilities, combining sport, youth and community orientated activities and attractions. The Hedland Recreation Hubs include the JD Hardie Youth and Community Hub (JDHYCH), South Hedland Integrated Sports Hub (SHISH), and Port Hedland Sports and community Hub (PHSCH).

These sites will radically upscale Hedland's sporting and recreation amenity for the future. Wanangkura Stadium will be expanded and new sports courts will be constructed on the site, as well as a permanent off leash Dog Park for residents' canine companions. The Turf Club site will be transformed into a two story community centre, containing function and communal spaces, commercial kitchens, decks and outdoor areas. The JD Hardie site, which recently underwent roof and HVAC replacement works, will continue on its course of upgrades with the construction of new courts, shaded areas and new parking.

Our local sporting clubs, organisations and community members have informed these masterplans, which lay the foundations for the most significant upgrade to our sporting capabilities in decades. The 2020/21 Town budget includes a record \$76 million capital works program to support the delivering of the masterplans.



JD Hardie Youth Zone

In 2019 and 2020, the JD Hardie Youth Zone continued to be the premier venue for youth services in the Hedland community. The venue was temporarily closed from June to October 2020 with the refurbishment, as part of the facility's master plan, however activities were still implemented across Hedland. 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 included Box Fit, Skate & Chill, The Splash, 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 2019 and 2020, Town staff began to utilise the JD more for office space to have a greater presence in South Hedland.





Port Hedland Leisure Fitness for All

Port Hedland Leisure was launched in April 2019 with the objective of helping the community reach its health, fitness and wellness goals in a friendly and welcoming environment.

Leisure encompasses South Hedland Aquatic Centre, Gratwick Aquatic and Fitness Centre and the Wanangkura Stadium, providing 24/7 gym access, swimming lessons, community sport and space for hiring.

Throughout this year, the Wanangkura Stadium gym served the community as the Town's premier fitness facility. Members have a high quality section of cardio equipment, weights, weights equipment, squash courts, group fitness classes and more to choose from. Leisure's dedicated group fitness instructors provide a range of classes, including the delivery of the Les Mills suite of classes, Strong, TeenFit, MetaFit, Yoga and more. Members are encouraged to approach the friendly trainers and seek advice, guidance and support along their health and fitness journey.

Extensive renovations of the Gratwick Aquatic and Fitness Centre occurred in the first half of 2020, including the heightening of ceilings, improved accessibility, new signage, the installation of state of the art cardio and strength equipment, the construction of more shaded areas, re-tiling pools and more. The Town acted on long held sentiment that the site should be upgraded, with longevity and amenability in mind. The refurbished site reopened to the community in September 2020.

COVID-19 presented Port Hedland Leisure with a unique opportunity to expand its service delivery. With gyms and pools needing to shut, the team came together and decided to offer free virtual workouts which anyone could access from any device. The friendly faces of Port Hedland Leisure recorded cardio sessions, strength workouts, yoga classes and more, delivering daily updates into people's news feeds. A testament to a dedicated and passionate team, the virtual gym built the Leisure brand and further strengthened its reputation for inclusive, accessible fitness in any circumstance. Each video was viewed thousands of time, reflecting the initiative's popularity in the community.

Citizenship Ceremonies

The Town of Port Hedland held five Citizenship Ceremonies, where 133 new Australian Citizens were welcomed to the community from many corners of the globe including:

- Bangladesh
- Britain
- Canada
- China
- Egypt
- Fiji
- France
- India
- Indonesia
- Iran
- Ireland
- Kenya
- Myanmar
- New Zealand
- Philippines
- Papua New Guinea
- Seychelles
- Scotland
- Sweden
- South Africa
- Thailand
- United Kingdom
- Vietnam
- Zimbabwe



Australia Day

Australia Day festivities returned in 2020, with the Town hosting three community events. The event-filled day commenced with an Australia Day Breakfast for Community Citizen of the Year nominees and the Citizenship Ceremony in the morning.

This was followed by the free BHP Community Pool Party at the South Hedland Aquatic Centre and the Pilbara Ports Authority Fireworks Spectacular at the Kevin Scott Oval, including food trucks and live entertainment.

Hedland Sports Stars Celebrated

Talent, sportsmanship and athleticism were celebrated and awarded in November 2019 at the Hedland Community Sports Awards. The Town was proud to host Former Australian Cricketer and Lifeline WA Ambassador, Brad Hogg, 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.



A photograph of four young Indigenous Australian girls standing on a rocky, reddish-brown shore. They are all wearing bright orange tank tops. The girl on the far left has a pink flower in her hair and a serious expression. The girl next to her is also looking forward. The girl in the middle is being held by the girl on the right, who is smiling. The girl on the far right is also smiling. The background shows the ocean and more rocks.

Community Grants Program

The Town of Port Hedland adopted a new grants program in October 2018 to encourage greater diversity of applications and provide support to individual, as well as new and existing organisations that were previously ineligible. Grants between \$250 and \$10,000 are available through a number of new streams including a Business and Tourism Innovation Grant, Youth Leadership and Development Grant and a Friendly Neighbourhood Grant. Community awareness of the Program has grown and the Town was able to award 68 applications with a total value of \$146,671.

Some of the initiatives supported this year include:

- Royal Lifesaving Society WA Access & Equity Project
- New club uniforms for Illusions Netball Club
- Out of the Flames – Bushfire Benefit Concert
- Race Track Improvement.

The Town launched the COVID-19 Community Assistance Grant in May 2020, to specifically target Hedland based community organisations and businesses experiencing economic hardship as a direct result of the pandemic. The Town allocated \$625,000 to a support local business fund and \$360,000 to a community group assistance fund. The organisations who were successful in obtaining funding from this initiative will be notified in late 2020.

Town of Port Hedland Libraries

The Libraries have continued their delivery of high quality services to the community and with the additional challenges of COVID-19, engaging a cross section of local residents with a range of unique initiatives. Some of the highlights for this year included:

- The new Port Hedland Library at the Port Boulevard opened in May 2020. It has already proven to be significantly more popular than the old Port Library location
- Hundreds of Rhyme Time, Story Time, Lego Club, and outreach to day care centre sessions were held throughout the year. In addition, Older Wiser Library Sessions (OWLS) has successfully continued as well as the number of one-off events including involvement in Indigenous Literacy Day
- The Town was fortunate to receive a Children's Book Council WA grant to continue running Children's Book Week in August 2019. The guest author was Rebecca Laffar-Smith and 1,253 children attended sessions from schools across Port Hedland, Strelley and East Pilbara
- The implementation of a new library management system has provided the community with easy access to all our print and online resources via our library catalogue. This has been particularly useful during COVID-19
- A range of new services was implemented during the COVID-19 shutdown. These included the introduction of a homebound library service for our older, more vulnerable community members, a Click & Collect Service, and an online membership registration. In addition, the libraries organised mystery bags of books for the community which were available outside grocery stores in both Port and South Hedland
- A project to add historical photos to the library catalogue was initiated to make the Local History collection more accessible to the community.
- New signage utilising the Libraries' new branding gave South Hedland Library a fresh look and street appeal.



Improved Public Art Increasing Hedland's Cultural Value

In 2019, the Town embarked on a period of engagement to inform the development of the Public Art Strategy. The Strategy provides a vision for a future public art program which is cohesive, engaging innovative and authentic to Hedland. Importantly, the Strategy emphasises the talents and contributions of local creatives, fostering pride and community spirit.

The community contributed to the Public Art Strategy through a series of workshops, surveys and polls. These invaluable insights have helped develop the Strategy, grounded in key actions which stakeholders can work towards.

Public art is a highly visible indicator of a community's creativity, expressing the vision of local creatives and telling unique place based stories. Public art educates people, promotes cultures and traditions and builds connections.

The Strategy covers the collection, conservation and care, procurement, management, access, development and funding of public art in Hedland.

The Strategy is grounded in a number of tangible objectives, including to improve and beautify public spaces, celebrate cultural identity and heritage, boost tourism and visitor attraction and support the local creative community.

Public art plays a central role in our broader strategic goals of attracting tourists and investment to the Town.

The final Public art strategy will be considered by Council for adoption in late 2020.



Virtual Events

COVID-19 placed a hold on traditional events, including the 2020 Spinifex Spree and Northwest Festival. However, the events and communications teams came together and utilised digital technology to keep events at the forefront of the Town's operations in an unprecedented year. Welcome to Hedland Digital transitioned the South Hedland Community Expo into the online space, allowing local businesses and community groups the opportunity to create a free online 'stall', accessible to anyone in the world. In the first two days of the digital event, the online platform garnered over 3,000 page hits. Delivering new standards of sponsorship value, digital ads across Pilbara News and the North West Telegraph websites were delivered 41,667 times. The feedback on the new format was overwhelmingly positive, with digital stallholders remarking on the ability to send the online profiles to family and friends interstate or overseas.

Mother's Day Classic Virtual was spearheaded by a national committee, with the Town's events team championing local involvement. Residents and businesses could still raise money for breast cancer research by registering online and racking up steps throughout the campaign, in place of a one day physical event. Digital ads encouraging involvement were booked via Seven West, delivering ads to 18,246 devices throughout the campaign and garnering 28 clicks to the national Mother's Day Classic website. Video played a central role in raising awareness of the event, with interviews recorded with Commissioner Riebeling and the Well Women's Centre published via the Town's social media channels. These online events demonstrate the diversity of event delivery and serve as a blueprint for the future.



Matt Dann Theatre and Cinema

The Matt Dann Theatre and Cinema continued to be Hedland's premier movie and live entertainment venue, showing a selection of blockbuster movies, diverse live shows and providing space for hirers to utilise.

Movie screenings continue to be the most popular entertainment at the facility; however, the team remains committed to delivering diversity and novelty through live stage performances. From magic to dance and everything in between, offerings appeal to diverse cross sections of the Hedland community and tourists alike.

In July 2019, WA's Magician of the Year, Pierre Ulric, put on two magic stage shows for children and adults. His Confessions of a Magician show gave attendees a look behind the scenes of the magic, sharing the secrets of some of the world's favourite tricks. In Wacky Magic and Mad Science, Pierre entertained children with a sci-fi show incorporating storytelling, visual illusions, strong moments of magic, educational science and more.

In November 2019, A Night Out! By Natalie Allen and collaborators gave people the chance to learn dance moves on stage and get involved with the production. From the Charleston to Hip Hop, the audience was treated to a moving history of dance and discovery. This production aligned with the Town's goals of providing more participatory and interactive art experiences.

COVID-19 put a hold on screenings and shows from March 2020; however, the facility is set to be back to normal operations for the dance season, in line with COVID-19 public health advice.



Sunset Food Markets

In a new initiative combining food and community, the Town of Port Hedland introduced the Sunset Food Markets at Marapikurrinya Park in September 2019.

The monthly family-friendly event hosts a range of local food vendors, in addition to kids' activities and live music.

Set under ambient festoon lighting, the Markets highlight the improved accessibility and usability of Marapikurrinya Park following its recent refurbishment.

Highlights of the refurbished park include improved accessibility, refined landscaping, better seating and more open space for people.



Town Delivers on Child Care Commitment

Additional child care services are now being delivered from the previous Port Hedland Library site by One Tree Community Services, delivering on the Town's commitment to improving access to child care in Hedland.

This refurbished site is an extension of the existing One Tree Len Taplin Children's Service, provides more placements for local families.

The site has undergone a refurbishment stemming from the August 2019 Council endorsement of the site's conversion from a library to a child care facility.

Local contractors refurbished the internal and external features of the site, ensuring it is fit for child care service delivery.

Numerous rounds of community engagement exercises, including the annual perception survey, uncovered a shortage of child care placements which hindered the liveability of local families.

Facilitating a site for child care service delivery aligns with a number of the Town's strategic goals, such as the Town planning for and developing future facilities that meet community need.



Supporting a strong economy

“We build prosperity for all - enabling sustained economic growth.”





Our Response to COVID-19

The Town stepped up to rapidly adapt to the new reality of COVID-19 throughout 2020. From the beginning, the Town played an active role in reinforcing public health advice and restrictions released by the state and federal government. Despite the challenges, the situation presented the Town with unique opportunities to evolve and expand service delivery by utilising digital technology. Broadly, residents across regional WA communities have been satisfied with how local governments have responded to the pandemic. According to the Local Government Professional's Community Resilience Scorecard, respondents in the Pilbara gave the sector's response a score of 75/100, with 73% using social media as their primary medium for keeping up to date and 71% indicating the amount of COVID-19 content from local government was 'just right.'

In April 2020, the Town adopted \$3.1 million worth of measures to ease the economic hardship faced by local businesses and community organisations. The Town recognised the severe financial hardship faced by small businesses, particularly in the hospitality, tourism and entertainment sectors, many of which had to shut up shop. Key support measures included the establishment of a \$360,000 community group assistance fund, as well as a \$625,000 support local small business fund. The Town also committed to a 0% increase on existing Town fees and charges in 2020/21, as well as a rate in the dollar freeze and a commitment to a temporary reduction in creditor payment terms from 30 to 15 days. Community engagement sessions were held to allow Hedland based organisations the opportunity to learn more about the Town's support measures.

The Town released over 40 news items dedicated to important COVID-19 community updates, published social media posts amassing a cumulative reach of 300,000 and delivered five targeted campaigns. This included the Stop Coronavirus in Your Mob campaign, which featured the voices of Aboriginal Elders speaking in traditional language about the importance of remote communities heeding public health advice. Broadcast on GWN7, the campaign reached a cumulative audience of 800,000 and was shared via the Town's online channels. To serve as a central point of trusted information, a dedicated webpage was established on the Town's website, which was accessed and viewed thousands of times.

Traditional event delivery transitioned to digital events. Welcome to Hedland Digital swapped the South Hedland Town Square for the screen, allowing local businesses and community organisations to upload a free profile to introduce their services to a bigger online audience. These online profiles were accessible to anyone in the world, sharing Hedland's story to a new audience and showcasing the town to prospective residents and tourists. Mother's Day Classic Virtual gave locals the chance to keep up their steps while raising money for vital breast cancer research, giving participants access to a range of online resources.



The Town's community facilities stepped up to the challenge of changing their operations, which in some weeks was on a daily basis. The Port Hedland Leisure gym staff delivered free digital at-home workouts, giving members the chance to work out with their favourite trainers from home. The Libraries launched a click and collect service and a homebound delivery service, reaching out to vulnerable members of the community and connecting them to friendly faces. The youth services team were still able to engage Hedland's young people through programming held in outdoor locations with social distancing. All of the changes implemented by the Town's facilities were communicated across the Town's website, social media channels, the North West Telegraph and on the radio.

Although WA continues along its recovery path, the Town recognises that large sectors of the economy will feel the economic impact of COVID-19 for years to come. By building partnerships, administering community grants, supporting promotional needs and listening to the community, the Town intends to ease the burden felt by local community groups and small businesses moving forward. A record capital works program will engage local building contractors in the years ahead, providing a boost to local job creation.

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 extensions and upgrades to the Gratwick Aquatic and Fitness Centre; Civic Centre; new Ablutions at Yikara Park; Port Hedland Library and South Hedland TAFE refurbishments to incorporate One Tree Child Care Centres.

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. These well-attended sessions attract expert speakers/panellists and strong representation from business; industry; and government leaders.

In September 2019, the series welcomed former Fremantle Dockers player, Heath Black, as the special guest speaker. Heath discussed his battles both on and off the field, overcoming anxiety associated with fear of failure and a battle with depression. Heath explained the parallels between the business world and the world of competitive sports, commenting on the importance of teamwork and leadership.





Balancing our Built & Natural Environment

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



The Town delivered a \$1.2 million playground replacement program, incorporating Crime Prevention through Environmental Design

Playground renewal at Cemetery Beach Park and Shay Gap Park

In late 2019 and early 2020, new playgrounds were constructed at Cemetery Beach Park and Shay Gap Memorial Park, works were part of the Town's \$1.2 million playground replacement

program in the capital works budget. Yurra Pty Ltd were awarded a contract valued at \$824,945 to rebuild the Shay Gap Park playground and Active Discovery were awarded a contract valued at \$406,554 to rebuild the Cemetery Beach Park playground following the damage incurred by Tropical Cyclone Veronica. A key feature of the playgrounds' design was the inclusion of Crime Prevention through Environmental Design (CPTED), seeking to reduce incidents of anti-social behaviour in parks and public spaces by creating more open space and reducing hiding. Both playground designs provided more open space, more features for children to explore and aesthetics which complement the natural environment. The new Cemetery Beach playground was officially opened by Commissioner Riebeling, with a ribbon cutting, cake and family friendly activities to cap off the day.



Continuation of the Town of Port Hedland Waste Strategy

Council is continuing to progress its commitment to sustainability, in line with the Town of Port Hedland Waste Strategy adopted in 2018.

The proposed Town of Port Hedland Waste Local Law 2020 includes provisions relating to kerbside recycling, helping the Town meet its sustainability goals. Following public consultation, the Town intends to rescind the 2018 Law and replace it with this updated version to reflect implementation of the new collection service.

The Town has procured Cleanaway to provide a kerbside waste and recycling service. The recycling service is intended to commence once a suitable transfer station and recyclables receive facility is constructed. Once kerbside recycling is a reality, Port Hedland will join the majority of Australian local governments in offering the service to rate payers.

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 revealed 93% of locals desired kerbside recycling. The strategy's recommendations also included a Community Recycling Centre and a Container Deposit Scheme drop-off point, which are being planned for inclusion at the South Hedland landfill.



New Ablution at Yikara Park

Works commenced in December 2019 to install new ablutions at Yikara Park. Contractors MJW Building completed the work, which included the installation of an accessible toilet, baby change station and external hand basin for park patrons. The new ablutions were in line with the Town's DAIP, which seeks to provide better accessibility at public facilities.

Planning Highlights

The Building team issued 168 building permits, with a total value of \$52.9 million. All permits were issued within the statutory timeframes. One development had an estimated value of \$15 million and over. There were 91 development applications determined with an average processing time of 29 days, 14 planning compliance matters, 47 crown land matters, and 3 subdivision matters that were responded to.

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

- Spoilbank Marina Masterplan approved and detailed design finalised for Stage 1 works
- Shaping Hedland's Future – Local Planning Strategy and Local Planning Scheme review project substantially progressed, set to be considered at the September Council meeting.
- Athol Street and Stables Structure Plans progressed in collaboration with Development WA
- Commenced preparation of a Coastal Foreshore Management Plan
- Updated the local planning policy framework on workforce accommodation facilities and social impact assessment.

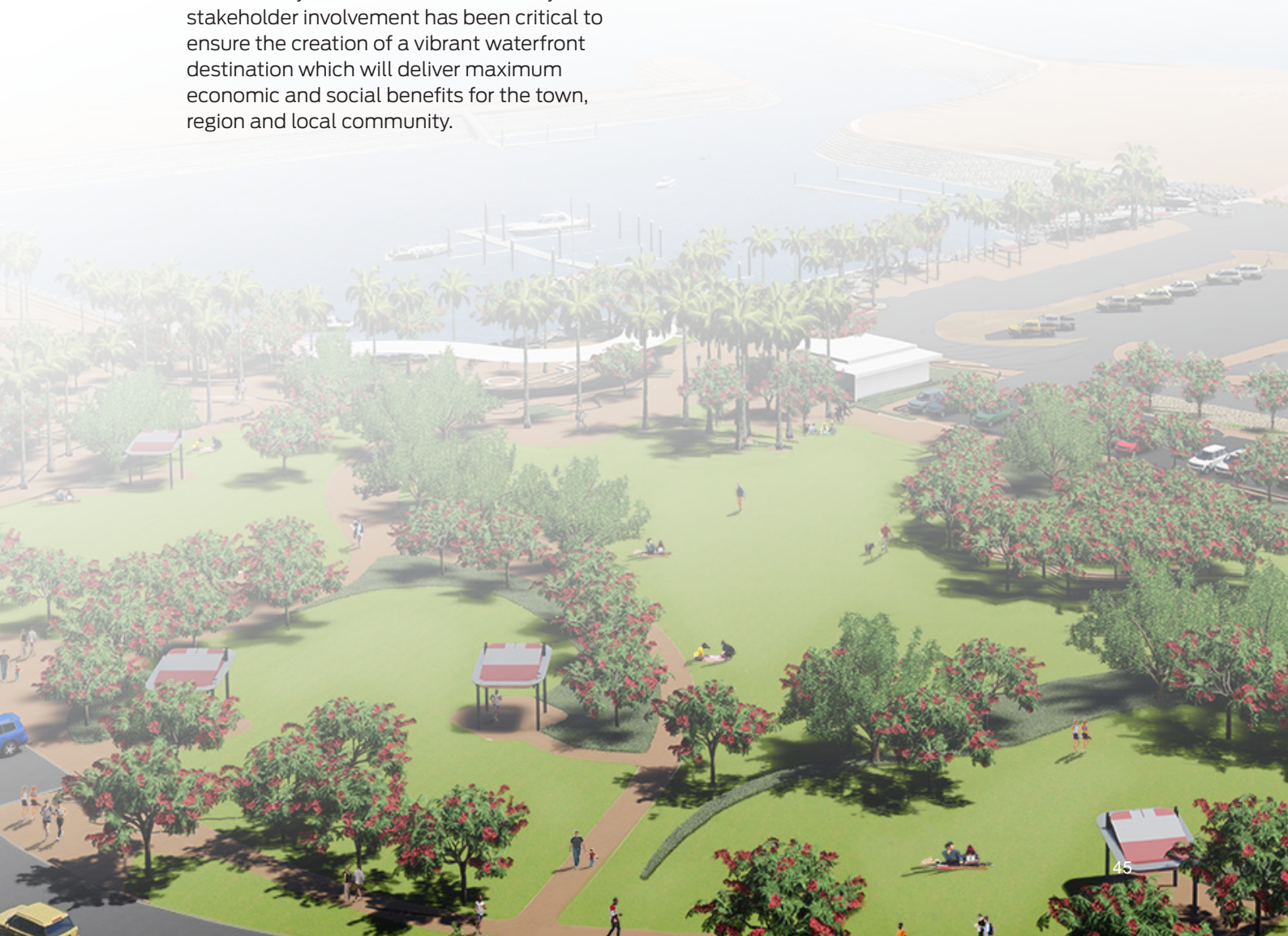


Spoilbank Marina

Following an announcement of the 2019 WA State Government to commit funding to the Spoilbank Marina Development Project, the Town has been working with the Department of Transport, Pilbara Development Commission, Development WA and the Pilbara Ports Authority in the delivery of the \$121.5 million Spoilbank Marina Project. An expert consultant team has been formed to engage with key stakeholders and the community, undertake detailed design work and secure necessary approvals.

The Town was integral in driving the Spoilbank Community Reference Group, which provided a user perspective in relation to the design functionality of the Marina. Community and stakeholder involvement has been critical to ensure the creation of a vibrant waterfront destination which will deliver maximum economic and social benefits for the town, region and local community.

The detailed design phase of the Spoilbank Marina project is nearing completion which will mark a major milestone for the much-anticipated community project. Significant work has been undertaken to reach this stage, including technical studies, data analysis and modelling and design work. The project aims to transform Port Hedland's waterfront into an attractive and popular destination for locals and visitors.



Shaping Hedland's Future

Under the branding 'Shaping Hedland's Future' the Town's review of its Local Planning Strategy and Local Planning Scheme has substantially progressed during the year.

Shaping Hedland's Future – Community and Stakeholder Engagement Outcomes Report informed the preparation of the Local Planning Strategy and Local Planning Scheme No. 7. These documents will guide the next 10 to 20 years of land use planning and development within the Town of Port Hedland, having long term implications for the future of development in Hedland.

The Local Planning Strategy is a blueprint which guides the development of the Town towards its vision to be Australia's leading port town. It seeks to contain more realistic goals for population, economic growth and land use aspirations in Hedland, revising down the estimates which were used to inform the Pilbara's Port City Growth Plan. The previous strategy was prepared in the height of the mining boom, when significantly high population targets were projected.

The Local Planning Strategy sets out the long term planning direction for the Town of Port Hedland and provides the rationale for any zoning or classification of land under the Local Planning Scheme No. 7.

Athol Street and Stables Structure Plans

Athol Street and Stables Structure Plans progressed in collaboration with Development WA. Element (the applicant), on behalf of Development WA, prepared the Athol Street and Stables Structure Plans which when combined, covers an area of approximately 76 hectares and is bound by Athol Street, Cooke Point Road, Styles Road and Pretty Pool Creek.

The Structure Plans consider previous work undertaken for this land in 2015, with review and engagement with key stakeholders identifying Pretty Pool Creek, heritage and coastal processes as key environmental attributes which have resulted in revised Structure Plans that more appropriately balance planning, heritage and environmental matters.

The Structure Plans provide a planning framework for future land use comprised of predominantly residential zoned land of low (R20) medium (R40) and high (R60) residential densities, a limited tourism/hospitality coastal node, public open space and an environmental conservation reserve (foreshore reserve). Support for both structure plans will facilitate de-constraining land in the east end of Port Hedland and support future growth in the locality.

Local Policy Framework - Social Impact Assessment and Workforce Accommodation Facilities

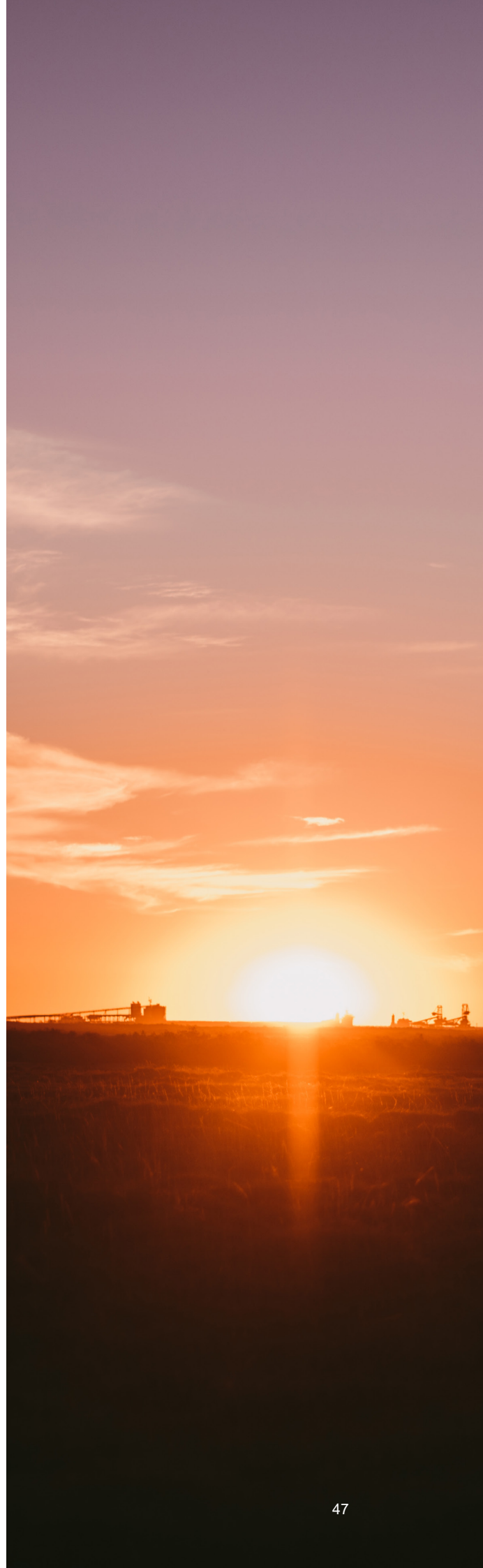
Fostering Understanding of the Workforce Accommodation Policy

A Position Statement has been prepared by the Town to assist users understanding the Town's policy position and rationale concerning approval, construction and management of workforce accommodation facilities ("workforce accommodation"). The Statement covers: demand-driven, proximity, design standard, location, and social impact, ensuring developments realise sustainable community value and maximum social benefits for industry workforces and the local community.

The Position Statement is founded on the principles of corporate social responsibility, collaboration, genuine community engagement, transparency and honesty, community development and cultural respect and enhancement.

The purpose of the Position Statement is to:

- Outline the Town's rationale when responding to development applications or referrals for workforce accommodation
- Provide underlying principles for the community, industry and stakeholders to consider when proposing workforce accommodation
- Support the formulation of Local Planning Policies relating to Workforce Accommodation and Social Impact Assessment.



Social Impact Assessment

Proposed planning developments often impact broad cross sections of the community. A Social Impact Assessment (SIA) seeks to manage how a proposed plan may impact the community in a positive or negative capacity, across factors such as way of life, culture, community, political systems, environment, health and wellbeing, personal and property rights and people's fears and aspirations. It is important for individuals or organisations who submit planning proposals to consider the broader social and communal implications of developments.

The Town's Strategic Community Plan seeks to build Australia's leading port town embracing community, culture and environment. At times, these elements may present the Town with conflicting priorities or complex issues. SIA's encourage developers to take a more holistic view of developments, recognising that actions may have wide ranging ramifications.

The Town's SIA policy describes when a SIA is required for a planning proposal, what it should address and the ongoing management and implementation of a Social Impact Management Plan (SIMP). The policy assists applicants, the community and industry to identify and address the potential social impacts of certain developments and supports the Town making informed decision. The objectives of the Town's SIA policy are:

- To encourage early identification and assessment of positive and negative social impacts of a planning proposal, through development of a Social Impact Assessment and Social Impact Management Plan to mitigate adverse impacts and maximise positive social outcomes for the impacted community.
- To outline the Town's expectations concerning the key elements of a Social Impact Assessment, including genuine engagement with stakeholders.
- To support informed decision-making through the incorporation of quality, evidence-based information, and management measures monitored through Key Performance Indicators.

Organisations have a degree of social responsibility not only for the economic consequences of their activities, but also for the social and environmental implications. The development of meaningful partnerships between all levels of government, industry and community is required in realising the strategic vision for Port Hedland.

Workforce Accommodation Policy

The mining and resources industry forms the backbone of the Port Hedland economy, requiring adequate workforce accommodation to support its labour needs. The Town's Workforce Accommodation Policy outlines the planning and development requirements for this type of accommodation in the Hedland LGA. The Policy relates to three types of workforce accommodation: short-term workforce, intermittent workforce and long-term workforce accommodation. The objectives of the Policy are to:

- Integrate workforce accommodation into the fabric of town centres and residential areas
- Ensure a design that can perform longer-term functions, rather than be demolished after a short life
- Encourage urban based workforce accommodation that is located close to commercial centres, to serve multi-purpose functions within the Hedland community
- Achieve integration of aesthetically designed built form with the local environment
- Improve building, landscaping, street and town appeal
- Provide high-quality, aesthetically pleasing and locally appropriate design that reflects a neighbourhood-like environment.

How is the Policy Applied?

The Workforce Accommodation Policy should be read in conjunction with the Town's Local Planning Scheme No. 7 and the Planning and Development (Local Planning Schemes) Regulations 2015. The Town recognises that the policy positions within the Position Statement cannot be unilaterally imposed on workforce accommodation approved pursuant to State Agreements which are ratified by Acts of Parliament or the Mining Act 1978. It is acknowledged that such proposals are exempt to the extent that the provisions of those Acts override the *Planning and Development Act 2005* and the Town's Local Planning Scheme.

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.”



Civic Centre Upgrades

Civic Centres welcome communities into the process of Local Government. Serving both symbolic and operational functions, it is often the first building that visitors to Hedland will enter. As well as delivering the administrative and leadership functions of government, it should also be a modern and confident architectural statement which imparts confidence to those passing through its doors.

A new Civic Centre, inclusive of an Administrative Centre for the Town, is a once in a 30 year opportunity to make a statement about Port Hedland and to underpin the vision, strategies and objectives of the Town Strategic Community Plan. The current Civic Centre was opened in the 1970s, and underwent extensive renovations in 2019 to improve amenity for staff and visitors. However, due to projected increases to staffing levels in the years ahead, a site with larger floor space will be required.

The opportunity for a new Civic Centre is being embraced by leadership, with options being explored that ensures funds are invested for the long-term benefit of the Town. This will create lasting value, rather than short term fixes.



Visiting Dignitaries

Date	Visit
9 July 2019	Liza Harvey MLA Leader of Opposition – WA Government, Ken Baston MLC, Jim Chown MLC and Ian Blayney MLA
22 July 2019	Civic Reception in celebration of the visit of His Excellency the Honourable Kim Beazley AC Governor of WA
23 July 2019	Town Briefing Honourable Kim Beazley AC Governor of WA
30 July 2019	Commissioner meeting with Hon. Alannah MacTiernan
6 August 2019	Commissioner & CEO meeting with Premier Mark McGowan (Perth)
6 August 2019	Commissioner & CEO meeting with Minister MacTiernan (Perth)
6 August 2019	Commissioner & CEO meeting with Minister Saffioti (Perth)
6 August 2019	Commissioner & CEO meeting with Minister Templeman (Perth)
8 August 2019	Commissioner & CEO meeting with Minister Tinley (Perth)
8 August 2019	Commissioner & CEO meeting with Minister Wyatt (Perth)
26 August 2019	Commissioner meeting with Indonesian Consul General of WA – Mrs. Dewi Gustina Tobing
30 August 2019	Commissioner meeting with Hon. Melissa Price
13 September 2019	Commissioner meeting with Minister Logan (Perth)
14 November 2019	Minister MacTiernan – Regional Development Grants announcement
14 November	Commissioner meeting with Minister MacTiernan
20 December 2020	Commissioner & CEO meeting with Minister Papalia
5 May 2020	Commissioner meeting with Minister MacTiernan (Perth)
6 May 2020	Commissioner meeting with Minister Templeman (Perth)
6 May 2020	Commissioner meeting with Minister Ellery (Perth)
12 June 2020	Commissioner meeting with Minister MacTiernan

Advocacy

During the 2019/20 financial year, the Town has provided many coordinated responses in relation to a number of State, Federal and local issues, including submissions for:

- Northern Australia Insurance Inquiry (teleconference)
 - Regional Capitals Australia (Policy Feedback Survey)
 - Education in Remote and Complex Environments - Parliamentary Enquiry
 - Mobile Black Spot Program
 - Royal Commission into National Natural Disaster Arrangements - opportunity to comment
 - DFES Recovery Survey
 - Waste Reform – Consultation
 - WALGA – The WA Local Governments Sectors Response to COVID-19
 - Local Government Research Invitation from LG Professionals Australia
 - WALGA – Covid-19 Impacts on LGA Sector Workforce Survey
 - “Regional Capitals Australia – Request for Information re Jobkeeper programme”
 - DLGSC Covid-19 Survey
 - Draft WA Aviation Strategy 2020
 - Public Health Planning SurveyDraft
 - Heavy Vehicle Productivity Plan 2020–2025
 - Regional Capitals Australia - Housing Affordability Issue Brief
 - Pilbara Economic Development Consultation Paper
 - Research into Language Services Offered by Local Governments
 - New Regulatory framework for drinking water in WA
 - DWER Draft Compliance and Enforcement Policy Consultation
 - Managing Public Health Risks associated with Offensive Trades and Air Handling and Water Systems Review - waiting for Offensive Trades review to be completed
 - Suicide Prevention Action Plan (2021-25) Engagement
 - Review of Dog and Cat Acts
 - Climate Health WA Inquiry
 - Parliamentary Inquiry into Local Government
 - Changes to Australian Standards for Storage and Handling of Liquefied Chlorine Gas
 - Managing Public Health Risk Associated with Pesticides in WA
 - Local Government as the collection agency for the Construction Training Fund
 - Migration in Regional Australia
 - Local Government’s Role in Addressing Family and Domestic Violence
 - Remote Area Tax Concessions and Payments
 - WALGA State Budget Submission
 - Size and Scale compliance regime
 - State Council and Zone Structure and process Working Group
 - Climate Change Issues Paper Released for Comment
 - Draft Local Government Guidelines for Restoration and Reinstatement in WA
 - Climate Resilient Councils
 - Consultation of proposed Code of Conduct and CEO Standards
 - Draft Shared Path Guidelines
 - National Drought Response Resilience Plan
 - Residential Aged Care Position Statement
 - Environmental Protection Act 1986 amendments consultation
 - Amendments to the Planning and Development (Local Planning Scheme) Regulations 2015
 - CEO and Elected Member Remuneration - Salaries and Allowances Tribunal - 24/01/2020
 - Entertainment Precincts – Position Statement and Regulations
 - Draft Local Animal Welfare in Emergencies Plan Guide and Template
- Open for Comment
- Consultation on a new Online Safety Act
 - Consultation on livestock regulations

Audit and Risk Management

The Town decided to outsource an internal audit function to assist in adherence to documented policies and procedures as well as identification of internal control weaknesses.

William Buck Consulting (WA) Pty Ltd ('William Buck') were engaged by the Town to act as the Town's internal audit function and commenced work in that role effective 24 February 2020. Following the engagement in February 2020, William Buck was requested to prepare the Strategic 3 Year Rolling and Annual Internal Audit Plan.

The current draft of the proposed Risk Management Strategic Plan in accordance with the International Standard for Risk Management, AS/NZS ISO 31000:2009 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 2019/20, the Commissioner continued to advocate for Hedland and its interests across all levels of Government.

On Monday, 26 August 2019 Commissioner Riebeling met with Indonesian Consul General of WA, Mrs. Dewi Gustina Tobing. The strategic proximity of Hedland to Asian trading routes was discussed during this meeting.



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.

A RAP is a strategic document that supports an organisation's business plan. It includes practical actions that will drive an organisation's contribution to reconciliation both internally and in the communities in which it operates.

The Town of Port Hedland Reconciliation Action Plan (RAP) 2016 – 2019 has shaped 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 and was formally closed with the final report submitted to Reconciliation Australia in January. As part of this process, we sought feedback from the community at the November Aboriginal and Torres Strait Islander Consultation Forum which is also helping to inform the development of our next Plan.

Due to COVID-19 restrictions in 2020, we didn't hold an event for Reconciliation Week but were able to light up the South Hedland Water Tower in the colours of the Aboriginal flag. The Town continues to include Welcome to Country at events and forums and to fly the Aboriginal and Torres Strait Island flags alongside the Australian and Town flag at the Civic Centre and South Hedland Town Square.



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

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

A number of projects were undertaken in 2019/20 to implement, improve access and inclusion. These include:

- partnering with local disability services provider, Hedland Community Living Association (HCLA), and hosting a "Sensory Movie Cinema" session in celebration of International Day of People with Disability
- new playground equipment at Cemetery Beach Park and Shay Gap Park which incorporates inclusive play items and allows for all ability access pathways to play equipment
- the installation of universally accessible toilets at Yikara Park in Pretty Pool
- adding an auto-captioning service for live streamed council meetings on social media
- establishing a home-bound library delivery service for those unable to attend local library facilities.

Employee Remuneration Salary Range

100,000	109,999	17
110,000	119,999	10
120,000	129,999	5
130,000	139,999	5
140,000	149,999	8
200,000	209,999	2
220,000	229,999	2
320,000	329,999	1

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

*For positions covered by Town of Port Hedland Enterprise Agreement 2019; the above figures include the Port Hedland Allowance of \$18,831.28 and negotiated annual salary rates.

Records Management

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

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

All staff are expected to record keep as part of their day to day operations.

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 recordkeeping practice by:

- Increasing its registered items into the corporate recordkeeping system by 44.75% from last financial year (31,097 registered items)
- Digitising and registering 2,461 property files, an increase of 26.72% on last financial year
- Providing training on the Corporate Recordkeeping system to 59 new employees and 9 refresher sessions to current staff
- Creating 4,182 new files in this financial year
- Closing 2,061 file/volumes in this financial year
- Destruction of approximately 300 boxes of source records
- Audit of records holdings – physical and electronic
- Return of cemeteries administrative process to the Infrastructure Directorate
- 117 boxes described into the corporate record keeping system
- Description and evaluation of the Town's art collection

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.

The Town did not adopt any Local Laws for the FY 2019/20. However, the Town is in the process of reviewing a proposed Waste Local Law 2020.

Council Decision passed in May 2020

That Council:

1. Adopt the proposed Town of Port Hedland Waste Local Law 2020 for advertising purposes.
2. Give state wide public notice that it intends to make the proposed Town of Port Hedland Waste Local Law 2020 as per Attachment 1, as required under section 3.12 of the *Local Government Act 1995*:
 - a) With the purpose being to provide a statutory framework to regulate the collection, disposal and storage of waste and recyclable materials; and
 - b) With the effect being to stipulate the responsibilities of the Town and its residents in relation to waste management, including the collection, disposal and storage of waste and recycling materials for the benefit of the community and protection of the environment, and to provide capacity to enforce contraventions to the laws.
3. Authorise the CEO to submit a copy of the proposed Town of Port Hedland Waste Local Law 2020 to the Minister for Local Government and the Minister for Environment.

Current status on process

10/06/2020 - Correspondence was sent to Minister for local Government and Minister of Environment. Submission to close 22 July 2020.

02/09/2020 - Correspondence was received from the Director General, DWER, requesting minor administrative changes to the proposed Waste Local Law 2020. The Town have made these changes and the final draft was sent to the Director General, DWER for his consideration and consent.

Once correspondence has been received from Director General, DWER, an agenda item will be presented to Council for adoption of the Waste Local Law 2020. Proposed November 2020.

Official Conduct Report

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

No complaints received in accordance with Section 5.121 for the financial year. We have no Elected Members. None for Commissioner

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.

The Town had fourteen applications, six did not proceed and five were outside the FOI, with one having no contact from the applicant.

Of the eight completed FOI applications there were no personal FOI's.

The following table indicates the applications received and the type of access granted by the Town in 2019/20.

Access Type	Personal	Non-Personal	Total
Access in full	0	1	1
Edited access	0	7	7
No documents found	0	0	0
Withdrawn by applicant	0	6	6
Not finalised	0	0	0
Total	0	14	14

TOWN OF PORT HEDLAND
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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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 30 JUNE 2020**

*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 2020 is based on proper accounts and records to present fairly the financial position of the Town of Port Hedland at 30 June 2020 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

11th

day of

March

2021



Chief Executive Officer

Carl Askew
Name of Chief Executive Officer



TOWN OF PORT HEDLAND
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000
Revenue				
Rates	28(a)	53,700	54,104	45,025
Operating grants, subsidies and contributions	2(a)	2,438	7,981	3,452
Fees and charges	2(a)	13,060	13,622	11,630
Interest earnings	2(a)	5,376	4,598	7,044
Other revenue	2(a)	3,223	1,699	11,659
		77,797	82,004	78,810
Expenses				
Employee costs		(24,381)	(23,465)	(19,647)
Materials and contracts		(16,825)	(45,592)	(20,659)
Utility charges		(4,300)	(3,748)	(2,745)
Depreciation on non-current assets	11(c)	(9,125)	(8,472)	(8,561)
Interest expenses	2(b)	(2)	(2)	(5,581)
Insurance expenses		(841)	(858)	(773)
Other expenditure		(3,181)	(2,039)	(4,593)
		(58,655)	(84,176)	(62,559)
		19,142	(2,172)	16,251
Non-operating grants, subsidies and contributions	2(a)	4,485	1,928	6,825
Profit on asset disposals	11(a)	39	0	8
(Loss) on asset disposals	11(a)	(3,044)	(71)	(1,275)
		1,480	1,857	5,558
Net result for the period		20,622	(315)	21,809
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	2	0	62
Total other comprehensive income for the period		2	0	62
Total comprehensive income for the period		20,624	(315)	21,871

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



TOWN OF PORT HEDLAND
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000
Revenue	2(a)			
General purpose funding		61,579	61,268	63,200
Law, order, public safety		148	119	394
Health		438	476	384
Education and welfare		217	226	254
Housing		0	1	16
Community amenities		9,680	8,628	8,809
Recreation and culture		3,459	4,105	2,404
Transport		217	5,861	1,001
Economic services		1,542	1,102	1,689
Other property and services		517	218	659
		<u>77,797</u>	<u>82,004</u>	<u>78,810</u>
Expenses	2(b)			
Governance		(2,375)	(710)	(3,053)
General purpose funding		(236)	(2,793)	(1,327)
Law, order, public safety		(1,568)	(1,751)	(1,972)
Health		(1,253)	(867)	(952)
Education and welfare		(3,095)	(2,753)	(2,106)
Housing		(1,165)	(1,199)	(520)
Community amenities		(7,609)	(6,788)	(14,068)
Recreation and culture		(21,583)	(17,515)	(17,684)
Transport		(12,538)	(37,194)	(9,741)
Economic services		(1,760)	(1,525)	(2,240)
Other property and services		(5,471)	(11,079)	(3,315)
		<u>(58,653)</u>	<u>(84,174)</u>	<u>(56,978)</u>
Finance Costs	2(b)			
Health		0	0	(278)
Education and welfare		0	0	(622)
Housing		0	0	(1,247)
Recreation and culture		0	0	(3,299)
Transport		0	0	(1)
Other property and services		(2)	(2)	(134)
		<u>(2)</u>	<u>(2)</u>	<u>(5,581)</u>
		19,142	(2,172)	16,251
Non-operating grants, subsidies and contributions	2(a)	4,485	1,928	6,825
Profit on disposal of assets	11(a)	39	0	8
(Loss) on disposal of assets	11(a)	<u>(3,044)</u>	<u>(71)</u>	<u>(1,275)</u>
		1,480	1,857	5,558
Net result for the period		<u>20,622</u>	<u>(315)</u>	<u>21,809</u>
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	13	2	0	62
Total other comprehensive income for the period		<u>2</u>	<u>0</u>	<u>62</u>
Total comprehensive income for the period		<u>20,624</u>	<u>(315)</u>	<u>21,871</u>

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



TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	NOTE	2020 \$ 000	2019 \$ 000
CURRENT ASSETS			
Cash and cash equivalents	3	36,712	30,231
Trade and other receivables	6	7,887	13,075
Other financial assets	5(a)	205,417	201,928
Inventories	7	2,253	2,148
Other assets	8	365	442
TOTAL CURRENT ASSETS		252,634	247,824
NON-CURRENT ASSETS			
Trade and other receivables	6	1,439	1,471
Other financial assets	5(b)	456	628
Inventories	7	3,041	4,448
Other non-current assets	8	142	140
Property, plant and equipment	9	124,963	117,712
Infrastructure	10	176,764	168,195
Investment property	14	50,952	50,952
Right of use assets	12(a)	277	0
TOTAL NON-CURRENT ASSETS		358,034	343,546
TOTAL ASSETS		610,668	591,370
CURRENT LIABILITIES			
Trade and other payables	15	11,001	11,984
Contract liabilities	16	445	0
Lease liabilities	17(a)	242	0
Employee related provisions	19	2,354	1,789
Other provisions	20	14,810	14,810
TOTAL CURRENT LIABILITIES		28,852	28,583
NON-CURRENT LIABILITIES			
Lease Premium Payable	15	41,304	42,228
Long Term Bonds	15	19	0
Lease liabilities	17(a)	98	0
Employee related provisions	19	121	112
TOTAL NON-CURRENT LIABILITIES		41,542	42,340
TOTAL LIABILITIES		70,394	70,923
NET ASSETS		540,274	520,447
EQUITY			
Retained surplus		216,094	204,319
Reserves - cash/financial asset backed	4	240,088	232,038
Revaluation surplus	13	84,092	84,090
TOTAL EQUITY		540,274	520,447

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



TOWN OF PORT HEDLAND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

		RESERVES CASH/FINANCIAL		
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS
		\$ 000	\$ 000	\$ 000
Balance as at 1 July 2018		181,813	232,735	84,028
Comprehensive income				
Net result for the period		21,809	0	0
Other comprehensive income	13	0	0	62
Total comprehensive income		21,809	0	62
Transfers from reserves	4	28,117	(28,117)	0
Transfers to reserves	4	(27,420)	27,420	0
Balance as at 30 June 2019		204,319	232,038	84,090
Change in accounting policy	31(c)	(797)	0	0
Restated total equity at 1 July 2019		203,522	232,038	84,090
Comprehensive income				
Net result for the period		20,622	0	0
Other comprehensive income	13	0	0	2
Total comprehensive income		20,622	0	2
Transfers from reserves	4	170,998	(170,998)	0
Transfers to reserves	4	(179,048)	179,048	0
Balance as at 30 June 2020		216,094	240,088	84,092

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

TOWN OF PORT HEDLAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		51,864	54,104	46,595
Operating grants, subsidies and contributions		8,435	7,982	1,566
Fees and charges		13,060	13,622	11,630
Interest received		4,214	4598	7,044
Goods and services tax received		1,930	0	1,943
Other revenue		3,223	1,699	1,150
		82,726	82,005	69,928
Payments				
Employee costs		(24,011)	(23,465)	(19,170)
Materials and contracts		(15,138)	(45,592)	(15,458)
Bank Charges		0	0	(4,416)
Utility charges		(4,300)	(3,748)	(2,745)
Interest expenses		(2)	(2)	(907)
Insurance paid		(841)	(859)	(773)
Goods and services tax paid		(1,926)	0	(1,990)
Other expenditure		(3,173)	(1,920)	(4,584)
		(49,391)	(75,586)	(50,043)
Net cash provided by (used in) operating activities	21	33,335	6,419	19,885
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(11,601)	(20,047)	(3,096)
Payments for construction of infrastructure	10(a)	(16,922)	(15,649)	(3,511)
Non-operating grants, subsidies and contributions	2(a)	4,485	1,928	6,825
Proceeds from sale of property, plant & equipment	11(a)	739	224	538
Proceeds/(Commitments) from financial assets - term deposits		(3,501)	0	27,735
Net cash provided by (used in) investment activities		(26,800)	(33,544)	28,491
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	18(b)	0	0	(21,358)
Proceeds from self supporting loans		50	0	64
Payments for principal portion of lease liabilities	17(b)	(103)	0	0
Net cash provided by (used in) financing activities		(53)	0	(21,294)
Net increase (decrease) in cash held		6,481	(27,125)	27,082
Cash at beginning of year		30,231	232,390	3,149
Cash and cash equivalents at the end of the year	21	36,712	205,265	30,231

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

TOWN OF PORT HEDLAND
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	29 (b)	2,509	2,509	7,140
		2,509	2,509	7,140
Revenue from operating activities (excluding rates)				
General purpose funding		(26,798)	6,956	18,180
Law, order, public safety		148	119	394
Health		438	476	384
Education and welfare		217	226	254
Housing		0	1	16
Community amenities		9,680	8,628	8,809
Recreation and culture		3,459	4,105	2,404
Transport		217	5,861	1,001
Economic services		1,542	1,102	1,689
Other property and services		556	218	662
		(10,541)	27,692	33,793
Expenditure from operating activities				
Governance		(2,375)	(710)	(3,053)
General purpose funding		(236)	(2,793)	(1,327)
Law, order, public safety		(1,568)	(1,751)	(1,972)
Health		(1,253)	(867)	(1,230)
Education and welfare		(3,095)	(2,753)	(2,735)
Housing		(1,379)	(1,199)	(1,946)
Community amenities		(7,609)	(6,788)	(14,229)
Recreation and culture		(21,583)	(17,515)	(21,476)
Transport		(12,538)	(37,194)	(9,866)
Economic services		(1,760)	(1,525)	(2,240)
Other property and services		(8,303)	(11,152)	(3,760)
		(61,699)	(84,247)	(63,834)
Non-cash amounts excluded from operating activities	29(a)	12,305	7,619	226
Amount attributable to operating activities		(57,426)	(46,427)	(22,675)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	4,485	1,928	6,825
Proceeds from disposal of assets	11(a)	739	224	538
Purchase of property, plant and equipment	9(a)	(11,601)	(20,047)	(3,096)
Purchase and construction of infrastructure	10(a)	(16,922)	(15,649)	(3,511)
Amount attributable to investing activities		(23,299)	(33,544)	756
FINANCING ACTIVITIES				
Repayment of borrowings	18(b)	0	0	(21,358)
Proceeds from self supporting loans		50	30	64
Current portion of lease liabilities	17	242	0	0
Payments for principal portion of lease liabilities	17(b)	(103)	0	0
Transfers to reserves (restricted assets)	4	(179,048)	(31,013)	(27,420)
Transfers from reserves (restricted assets)	4	170,998	57,484	28,117
Amount attributable to financing activities		(7,861)	26,501	(20,597)
Surplus/(deficit) before imposition of general rates		(88,586)	(53,470)	(42,516)
Total amount raised from general rates	28(a)	88,377	54,312	45,025
Surplus/(deficit) after imposition of general rates	29(b)	(209)	842	2,509

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

TOWN OF PORT HEDLAND
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FOR THE YEAR ENDED 30 JUNE 2020

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TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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.

AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Prior to 1 July 2019, *Financial Management Regulation 16* arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. 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 pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the Town. This was not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

From 1 July 2019, the Town has applied AASB 16 *Leases* which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Town to measure any vested improvements at zero cost.

The Town has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparative year amounts have been retained as AASB 16 does not require comparatives to be restated in the year of transition.

Therefore the departure from AASB 1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

Refer to Note 31 for the impact on initial application of AASB 15, AASB 1058 and AASB 16.

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.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

On 1 July 2020 the following new accounting standards are to be adopted:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*

AASB 1059 *Service Concession Arrangements: Grantors* is not expected to impact the financial report.

Specific impacts of AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*, have not been identified.

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 33 to these financial statements.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/Registrations/Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	kiosk stock at various facilities	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000
Operating grants, subsidies and contributions			
General purpose funding	1,540	1,570	1,482
Law, order, public safety	25	41	290
Health	9	3	3
Education and welfare	25	3	14
Community amenities	18	250	
Recreation and culture	561	290	639
Transport	212	5,824	1,017
Economic services	43	0	
Other property and services	5	0	7
	2,438	7,981	3,452
Non-operating grants, subsidies and contributions			
Law, order, public safety	773	159	411
Education and welfare	740	423	0
Community amenities	66	82	0
Recreation and culture	765	351	18
Transport	2,140	913	6,396
Economic services	1	0	0
	4,485	1,928	6,825
Total grants, subsidies and contributions	6,923	9,909	10,277
Fees and charges			
General purpose funding	1,006	1,022	1,011
Law, order, public safety	107	66	29
Health	409	453	371
Education and welfare	127	155	185
Community amenities	8,445	8,238	8,536
Recreation and culture	2,233	2,663	832
Transport	5	13	(39)
Economic services	728	1,011	705
	13,060	13,622	11,630

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

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Town was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	2,438	7,981	3,452
Fees and charges	13,060	13,622	11,630
Other revenue	3,223	1,699	7,044
Non-operating grants, subsidies and contributions	4,485	1,928	11,659
	23,206	25,230	33,785
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Town is comprised of:			
Other revenue from contracts with customers recognised during the year	18,721	23,302	22,126
Other revenue from performance obligations satisfied during the year	4,485	1,928	11,659
	23,206	25,230	33,785
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	1,204	0	1,802
Contract liabilities from contracts with customers	(445)	0	0

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'. Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met. Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less. Consideration from contracts with customers is included in the transaction price. Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000
General rates	88,377	53,943	45,405
Statutory permits and licences	106	99	180
Fines	70	55	52
	88,553	54,097	45,637
Assets and services acquired below fair value			
Contributed assets	482	0	0
	482	0	0
Other revenue			
Reimbursements and recoveries	1,713	212	1,407
Sale of inventory	876	854	1,101
Revaluation of investment property	0	0	8,590
Other	634	633	561
	3,223	1,699	11,659
Interest earnings			
Financial assets at amortised cost - self supporting loans	37	0	38
Interest on reserve funds	4,233	3,947	6,297
Rates instalment and penalty interest (refer Note 28(c))	451	485	547
Other interest earnings	655	166	162
	5,376	4,598	7,044

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Note	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000
Auditors remuneration			
- Audit of the Annual Financial Report	71	85	84
- Other services	4	5	20
	75	90	104
Interest expenses (finance costs)			
Borrowings	18(b) 0	0	1,080
Interest expense	0	0	4,416
Lease liabilities	17(b) 2	2	85
	2	2	5,581
Other expenditure			
Impairment loss on trade and other receivables	12	0	2
Sundry expenses	3,169	2,039	4,591
	3,181	2,039	4,593

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

3. CASH AND CASH EQUIVALENTS

NOTE	2020 \$ 000	2019 \$ 000
Cash at bank and on hand	36,712	30,231
Total cash and cash equivalents	36,712	30,231

Restrictions

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	35,177	30,183
- Financial assets at Fair Value	205,356	201,855
	240,533	232,038

The restricted assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash/financial asset backed	4	240,088	232,038
Contract liabilities from contracts with customers	16	445	0
Total restricted assets		240,533	232,038

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

4. RESERVES - CASH/FINANCIAL ASSET	2020 Actual Opening Balance \$ 000	2020 Actual Transfer to \$ 000	2020 Actual Transfer (from) \$ 000	2020 Actual Closing Balance \$ 000	2020 Budget Opening Balance \$ 000	2020 Budget Transfer to \$ 000	2020 Budget Transfer (from) \$ 000	2020 Budget Balance \$ 000	2019 Actual Opening Balance \$ 000	2019 Actual Transfer to \$ 000	2019 Actual Transfer (from) \$ 000	2019 Actual Closing Balance \$ 000
(a) Employee Leave Reserve	876	500	0	1,376	876	0	0	876	876	0	0	876
(b) Airport Reserve	14,792	0	0	14,792	14,792	0	0	14,792	14,976	0	(184)	14,792
(c) Spoilbank Reserve	37,519	0	(1,060)	36,459	37,519	0	(25,400)	12,119	37,569	0	(50)	37,519
(d) Asset Management - Community Facilities and In	0	0	0	0	2,495	335	(1,850)	980	0	0	0	0
(e) GP Housing	185	0	(185)	0	185	0	0	185	185	0	0	185
(f) Waste Management Reserve	6,706	293	(364)	6,635	6,706	600	(1,264)	6,042	7,653	0	(947)	6,706
(g) Plant Reserve	1,809	507	(1,401)	915	1,809	600	(1,446)	963	2,454	487	(1,132)	1,809
(h) Unfinished Works & Committed Works Reserve	3,832	5,004	(2,789)	6,047	3,832	0	(2,967)	865	1,463	2,441	(72)	3,832
(i) Housing Reserve	360	573	(349)	584	360	0	(349)	11	277	349	(266)	360
(j) Strategic Reserve	500	150,133	(2,532)	148,101	500	0	0	500	500	0	0	500
(k) Unspent Grants, Loans & Contributions Reserve	797	0	(797)	0	797	0	(150)	647	392	470	(65)	797
(l) PHIA Long Term Lease Proceeds Reserve	143,456	2,532	(145,988)	0	143,456	0	(7,775)	135,681	168,026	0	(24,570)	143,456
(m) Historical	14	0	(14)	0	14	3	0	17	11	3	0	14
(n) Insurance Reserve	124	0	(124)	0	124	0	0	124	124	0	0	124
(o) Cyclone Emergency Support Response	80	0	0	80	80	0	0	80	80	0	0	80
(p) Developer Contributions - Public Open Spaces	0	0	0	0	0	0	0	0	259	0	(259)	0
(q) Asset Management Reserve	2,495	1,444	(781)	3,158	0	0	0	0	2,099	968	(572)	2,495
(r) Unallocated Internal Overdraft Facility	0	0	0	0	0	0	0	0	(4,209)	4,209	0	0
(s) Financial Risk Reserve	18,493	18,062	(14,614)	21,941	18,493	29,475	(16,282)	31,686	0	18,493	0	18,493
	232,038	179,048	(170,998)	240,088	232,037	31,013	(57,483)	205,567	232,735	27,420	(28,117)	232,038

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

4. RESERVES - CASH/FINANCIAL ASSET BACKED (CONTINUED)

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) 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) Airport Reserve	Ongoing	To fund the future Port Hedland International Airport Capital Works commitments.
(c) Spoilbank Reserve	Ongoing	To fund the Port Hedland Spoilbank development.
(d) GP Housing	Closed	Reserve closed in 2019/20 and consolidated into the Housing reserve as per CM201920/199.
	Ongoing	To fund the development, operation, maintenance and capital expenditure for the Council's waste management facilities including the landfill and waste collection operations.
(e) Waste Management Reserve	Ongoing	To fund the plant replacement program.
(f) Plant Reserve	Ongoing	To transfer unspent municipal funded expenditure on specific projects to enable identification of carryover expenditure into the next financial year.
(g) Unfinished Works & Committed Works Reserve	Ongoing	To fund the maintenance, refurbishment, redevelopment and construction of Local Government provided housing.
(h) Housing Reserve	Ongoing	To fund strategic projects as included in the Town's Strategic Community Plan and Corporate Business Plan.
(i) Strategic Reserve	Ongoing	To restrict unspent grants, loans and contributions at the end of the financial year.
(j) Unspent Grants, Loans & Contributions Reserve	Ongoing	Reserve closed in 2019/20 and funds consolidated into the Strategic Reserve as per CM201920/199.
(k) PHIA Long Term Lease Proceeds Reserve	Closed	Reserve closed in 2019/20 and funds consolidated into the Strategic Reserve as per CM201920/199.
(l) Historical	Closed	Reserve closed in 2019/20 and funds consolidated into the Unfinished Works & Committed Works Reserve as per CM201920/199.
(m) Insurance Reserve	Closed	To fund cyclone and emergency related projects.
(n) Cyclone Emergency Support Response	Ongoing	To fund the ongoing maintenance, refurbishment, renewal, replacement and development of Council owned infrastructure assets within the Town of Port Hedland.
(o) Asset Management 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.
(p) Financial Risk Reserve	Ongoing	

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

5. OTHER FINANCIAL ASSETS

	2020	2019
	\$ 000	\$ 000
(a) Current assets		
Financial assets at fair value cost	205,356	201,855
Loans receivable - Clubs/Institutions	61	73
	<u>205,417</u>	<u>201,928</u>
Other financial assets		
Term deposits	205,356	201,855
	<u>205,356</u>	<u>201,855</u>
Financial assets at fair values		
Loans receivable - clubs/institutions	61	73
	<u>61</u>	<u>73</u>
(b) Non-current assets		
Other loans and receivables	710	748
Allowance for impairment	(254)	(120)
	<u>456</u>	<u>628</u>
Financial assets previously classified as loans and receivables		
Loans receivable - clubs/institutions	456	628
	<u>456</u>	<u>628</u>

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 18(b) as self supporting loans.

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 30.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	4,602
Trade and other receivables	1,204
GST receivable	673
Allowance for impairment of receivables	(12)
Accrued Income	1,420

Non-current

Pensioner's rates and ESL deferred	17
Prepaid expenses	1,422

2020	2019
\$ 000	\$ 000
4,602	2,673
1,204	1,802
673	677
(12)	(2)
1,420	7,925
7,887	13,075
17	17
1,422	1,454
1,439	1,471

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 30.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

7. INVENTORIES

Current
Depot
Matt Dann
JD Hardie
Port Hedland Leisure
Land held for resale - cost

Non-current
Land held for resale - cost

The following movements in inventories occurred during the year:

Carrying amount at beginning of period
Inventories expensed during the year
Write down of inventories to net realisable value
Carrying amount at end of period

2020	2019
\$ 000	\$ 000
587	906
6	4
2	2
7	5
1,651	1,231
2,253	2,148
3,041	4,448
3,041	4,448
6,596	7,894
(846)	(776)
(456)	(522)
5,294	6,596

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

8. OTHER ASSETS

	2020	2019
	\$ 000	\$ 000
Other assets - current		
Prepayments	365	442
	365	442
Non-current assets		
Investment in Local Government House Trust	142	140
	142	140

Investment in Local Government House Trust

The Town holds 8 units in the Local Government House Trust which was established in 1980, with the vesting date of the current deed being in 2072. The Town is unable to sell or transfer its holding in the trust.

The investment in the trust was recognised in the 2018/19 accounts for the first time with valuation provided each year 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.

Other non-current assets

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

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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 \$ 000	Land - vested in and under the control of Council \$ 000	Total land \$ 000	Buildings - non- specialised \$ 000	Buildings - specialised \$ 000	Total buildings \$ 000	Total land and buildings \$ 000	Furniture and equipment \$ 000	Plant and equipment \$ 000	Work in Progress \$ 000	Total property, plant and equipment \$ 000
Balance at 1 July 2018	12,327	0	12,327	15,010	79,758	94,768	107,095	2,741	6,446	0	116,282
Additions	0	0	0	0	0	0	0	0	0	3,096	3,096
(Disposals)	(356)	0	(356)	(334)	0	(334)	(690)	(37)	(389)	0	(1,116)
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
Additions	1,133	0	1,133	1,034	1,919	2,953	4,086	1,292	2,562	3,661	11,601
(Disposals)	(280)	0	(280)	(299)	(24)	(323)	(603)	(14)	(374)	0	(991)
Depreciation (expense)	0	0	0	(260)	(1,505)	(1,765)	(1,765)	(579)	(1,015)	0	(3,359)
Carrying amount at 30 June 2020	12,824	0	12,824	15,245	80,325	95,570	108,394	3,148	7,192	6,229	124,963
Comprises:											
Gross carrying amount at 30 June 2020	12,824	0	12,824	16,296	99,138	115,434	128,258	4,795	10,681	6,229	149,963
Accumulated depreciation at 30 June 2020	0	0	0	(1,051)	(18,813)	(19,864)	(19,864)	(1,647)	(3,489)	0	(25,000)
Carrying amount at 30 June 2020	12,824	0	12,824	15,245	80,325	95,570	108,394	3,148	7,192	6,229	124,963

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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.

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy.

Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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 \$ 000	Infrastructure - Drainage \$ 000	Infrastructure - Footpaths \$ 000	Infrastructure - Parks and Ovals \$ 000	Infrastructure - Other Infrastructure \$ 000	Infrastructure - Bus Shelters \$ 000	Infrastructure - Depot \$ 000	Infrastructure - Work in Progress \$ 000	Total Infrastructure \$ 000
Balance at 1 July 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.									
Additions	8,888	0	1,758	4,114	0	0	0	2,162	16,922
(Disposals)	(2,251)	0	0	(502)	0	0	0	0	(2,753)
Depreciation (expense)	(2,394)	(179)	(548)	(2,127)	(285)	(13)	(54)	0	(5,600)
Carrying amount at 30 June 2020	95,959	20,179	18,399	32,576	3,977	179	1,306	4,189	176,764
Comprises:									
Gross carrying amount at 30 June 2020	100,626	20,714	19,458	36,631	4,489	206	1,421	4,189	187,734
Accumulated depreciation at 30 June 2020	(4,667)	(535)	(1,059)	(4,055)	(512)	(27)	(115)	0	(10,970)
Carrying amount at 30 June 2020	95,959	20,179	18,399	32,576	3,977	179	1,306	4,189	176,764

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

11. FIXED ASSETS

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

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Town includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between 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 land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Town. At the end of each period the 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 land, buildings, infrastructure, investment properties and vested improvements 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 prior to 1 July 2019

In accordance with the then *Local Government (Financial Management) Regulation 16(a)(ii)*, the Town was previously required to include as an asset (by 30 June 2013), vested 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.

Land under roads prior to 1 July 2019

In Western Australia, most 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 then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then *Local Government (Financial Management) Regulation 16(a)(i)* prohibited 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 was not included as an asset of the Town.

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, are treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

The Town has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Town to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 12 that details the significant accounting policies applying to leases (including right of use assets).

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

11. FIXED ASSETS

(a) Disposals of Assets

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$ 000	\$ 000	\$ 000	\$ 000	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	280	203	0	(77)	0	0	0	0	356	177	0	(179)
Buildings - non-specialised	299	203	0	(96)	0	0	0	0	334	184	0	(150)
Buildings - specialised	24	0	0	(24)	0	0	0	0	237	0	0	(237)
Furniture and equipment	14	0	0	(14)	0	0	0	0	37	0	0	(37)
Plant and equipment	374	333	39	(80)	295	224	0	(71)	389	177	8	(220)
Infrastructure - Roads and Bridges	2,251	0	0	(2,251)	0	0	0	0	58	0	0	(58)
Infrastructure - Drainage	0	0	0	0	0	0	0	0	17	0	0	(17)
Infrastructure - Footpaths	0	0	0	0	0	0	0	0	23	0	0	(23)
Infrastructure - Parks and Ovals	502	0	0	(502)	0	0	0	0	337	0	0	(337)
Infrastructure - Other infrastructure	0	0	0	0	0	0	0	0	16	0	0	(16)
Infrastructure - Depot	0	0	0	0	0	0	0	0	1	0	0	(1)
	3,744	739	39	(3,044)	295	224	0	(71)	1,805	538	8	(1,275)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$ 000	\$ 000	\$ 000	\$ 000
Plant and Equipment				
Other Property and Services				
VEH144 - Hino Roadsweeper - 1EQJ486	94	130	36	0
PX Ford Ranger 4x4 (Rangers) VEL134 1EDZ083	20	10	0	(10)
VEH010 Komatsu WA250PZ -Loader Tractor 1CZJ542	60	50	0	(10)
PVEH143 TORO Grandmaster 360	13	10	0	(3)
PVEH152 TORO Grandmaster 360	13	10	0	(3)
PVEH142 TORO Grandmaster 360	12	10	0	(2)
VEH005 Fuso Rosa Deluxe Bus PH10540	15	8	0	(8)
PX Ford Ranger 4x4 VEL133 1EDZ082	20	13	0	(7)
Komatsu PC300LC Crawler Excavator VEH040	80	65	0	(15)
Isuzu Ute 2012 4 x 4 SX Ute 1DXR794 VEL106	15	9	0	(6)
VEL142 Holden Colorado Space Cab-4x4- PH13673	15	18	3	0
Isuzu Ute 2012 4 x4 SX Ute 1DXR793 VEL105	15	0	0	(15)
Sea Container - Depot	2	1	0	(1)
	374	333	39	(80)
Buildings - Non-Specialised				
Housing				
14 Koolama Crescent	136	105	0	(31)
4B Kabbarli Loop	163	98	0	(65)
	299	203	0	(96)
Buildings - Specialised				
Recreation and culture				
Club Precinct Ablutions McGregor	24	0	0	(24)
	24	0	0	(24)
Land - freehold Land				
Housing				
14 Koolama Crescent	142	105	0	(37)
4B Kabbarli Loop	138	98	0	(40)
	280	203	0	(77)
Furniture and equipment				
Other Property and Services				
MARQUEE PARK CCTV NETWORK	2	0	0	(2)
PORT HEDLAND CCTV NETWORK	0	0	0	0
WEDGEFIELD CCTV NETWORK	2	0	0	(2)
SOUTH HEDLAND CCTV NETWORK	1	0	0	(1)
Travelmate P633	0	0	0	0
Acer Travelmat P645	0	0	0	0
JD Hardie Music Fit Out	3	0	0	(3)
CFAX2	0	0	0	0
Smart UPS RT Online 10KVA	3	0	0	(3)
Travelmate P645	0	0	0	0
2920 Fax	0	0	0	0
Diving Board 4.9mts	3	0	0	(3)
Ricoh MPC3003	0	0	0	0
Inspiron 15 3000 Servies	0	0	0	0
	14	0	0	(14)
Parks and Ovals				
Recreation and culture				
Marapikurrinya Park Lights	11	0	0	(11)
Marapikurrinya Park BBQ	2	0	0	(2)
Marapikurrinya Park BBQ	0	0	0	0
Cemetery Beach Playground Area	36	0	0	(36)
Shay Gap Park Play Equipment	53	0	0	(53)
Cricket Nets	1	0	0	(1)
Shay Gap Park Lights	0	0	0	0
Gratwick Aquatic Centre Playground Area	24	0	0	(24)
Boy and puppy on seat	11	0	0	(11)
Marie Marland Oval Play Equipment	7	0	0	(7)
Captain Bert Madigan Park Bins	0	0	0	0
Cemetery Beach Park Bins	10	0	0	(10)
Gratwick Aquatic Centre Bike Racks	3	0	0	(3)
Gratwick Aquatic Centre Bike Racks	4	0	0	(4)
Cemetery Beach Irrigation Control	21	0	0	(21)
Gratwick Aquatic Internal Fence	6	0	0	(6)
Osprey Estate Irrigation Control	25	0	0	(25)

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

FIXED ASSETS

	2020 Actual Net Book Value \$ 000	2020 Actual Sale Proceeds \$ 000	2020 Actual Profit \$ 000	2020 Actual Loss \$ 000
(a) Disposals of Assets continued				
Parks and Ovals continued				
Cemetery Beach Limestone Walls 0-0.5 m	104	0	0	(104)
Gratwick Diving Pool	160	0	0	(160)
Gratwick Aquatic Centre - Shade Sail	3	0	0	(3)
Gratwick Aquatic Centre - Shade Sail	1	0	0	(1)
Gratwick Aquatic Centre - Poles for Shade Sail	0	0	0	0
Gratwick Aquatic Centre - General Shelter	1	0	0	(1)
Basketball Backboards And Ring	4	0	0	(4)
Daylesford Park Drink Fountain	0	0	0	0
Murdoch Drive Nodes Drink Fountain	3	0	0	(3)
Gratwick Aquatic Centre Drink Fountain	0	0	0	0
Wedgfield Information Bay Irrigation	0	0	0	0
Redbank Irrigation	1	0	0	(1)
Captain Bert Madigan Park Irrigation	7	0	0	(7)
South Hedland - Forrest Circle Drink Fountain	4	0	0	(4)
South Hedland CBD Town Centre Drink Fountain	0	0	0	0
Shay Gap Park Drink Fountain	0	0	0	0
	502	0	0	(502)
Roads				
Various Roads - damage TC Damien	2,251	0	0	(2,251)
	2,251	0	0	(2,251)
	3,744	739	39	(3,044)

(b) Fully Depreciated Assets in Use

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

	2020 \$ 000	2019 \$ 000
Buildings - specialised	161	0
Furniture and equipment	60	11
Infrastructure - Parks and Ovals	28	29
	249	40

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

11. FIXED ASSETS

(c) Depreciation

	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000
Buildings - non-specialised	260	130	240
Buildings - specialised	1,505	1,038	1,481
Furniture and equipment	579	399	548
Plant and equipment	1,015	1,373	976
Infrastructure - Roads and Bridges	2,394	2,278	2,274
Infrastructure - Drainage	179	348	178
Infrastructure - Footpaths	548	512	512
Infrastructure - Parks and Ovals	2,127	2,097	2,056
Infrastructure - Other infrastructure	285	227	226
Infrastructure - Bus Shelters	13	14	14
Infrastructure - Depot	54	56	56
Right of use assets - buildings	166	0	0
	9,125	8,472	8,561

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 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 seal	50 years
bituminous seals	20 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
Infrastructure - Parks and Ovals	10 to 80 years
Infrastructure - Bus Shelters	15 years
Infrastructure - Depot	20 to 50 years
Right of use (buildings)	Based on the remaining lease
Right of use (plant and equipment)	Based on the remaining lease

Depreciation on revaluation

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:

- 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
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

12. LEASES

(a) Right of Use Assets

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

	Right of use assets - buildings \$ 000	Right of use assets Total \$ 000
Carrying amount at 30 June 2019	0	0
Recognised on initial application of AASB 16	284	284
Restated total equity at the beginning of the financial year	284	284
Additions	159	159
Depreciation (expense)	(166)	(166)
Carrying amount at 30 June 2020	277	277
(b) Cash outflow from leases		
Interest expense on lease liabilities	2	2
Lease principal expense	103	103
Total cash outflow from leases	105	105

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Leases for right-of-use assets are secured over the asset being leased.

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 11 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

13. REVALUATION SURPLUS

	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Revaluation surplus - Land - freehold land	35,700	0	0	0	35,700	35,700	0	0	0	35,700
Revaluation surplus - Buildings - non-specialised	18,810	0	0	0	18,810	18,810	0	0	0	18,810
Revaluation surplus - Buildings - specialised	11,050	0	0	0	11,050	10,988	62	0	62	11,050
Revaluation surplus - Plant and equipment	1,485	0	0	0	1,485	1,485	0	0	0	1,485
Revaluation surplus - Infrastructure - Roads and Bridges	1	0	0	0	1	1	0	0	0	1
Revaluation surplus - Infrastructure - Drainage	5,696	0	0	0	5,696	5,696	0	0	0	5,696
Revaluation surplus - Infrastructure - Footpaths	10,098	0	0	0	10,098	10,098	0	0	0	10,098
Revaluation surplus - Infrastructure - Other infrastructure	490	0	0	0	490	490	0	0	0	490
Revaluation surplus - Infrastructure - Bus Shelters	221	0	0	0	221	221	0	0	0	221
Revaluation surplus - Infrastructure - Depot	539	0	0	0	539	539	0	0	0	539
Revaluation surplus - LG Trust Investment	0	2	0	2	2	0	0	0	0	0
	84,090	2	0	2	84,092	84,028	62	0	62	84,090

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.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

14. INVESTMENT PROPERTY

(a) Non-current assets - Airport Land at fair value

	2020 Actual \$ '000	2020 Budget \$ '000	2019 Actual \$ '000
Carrying balance at 1 July	50,952	42,363	42,363
Net gain/(loss) from fair value adjustment	0	0	8,589
Closing balance at 30 June	50,952	42,363	50,952

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)

Leasing arrangements

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 Deposited Plan 404824	Part	329,316	302,831
Part of Lot 9007 on Deposited Plan 404824	Part	2,472,149	2,458,909
Part of Lot 9008 on Deposited Plan 404824	Part	3,104,307	2,864,578
		<u>8,458,402</u>	<u>8,178,948</u>

(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 2019 to 30 June 2020 is included in revenue.

	Note	2020 Actual \$ '000	2020 Budget \$ '000	2019 Actual \$ '000
Lease premium prepaid received		46,208	46,208	46,208
Amount recognised		(3,980)	(3,980)	(3,056)
		<u>42,228</u>	<u>42,228</u>	<u>43,152</u>
Lease premium prepaid - Current liabilities	15	924	924	924
Lease premium prepaid - Non-current liabilities	15	41,304	41,304	42,228
		<u>42,228</u>	<u>42,228</u>	<u>43,152</u>

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

14 Investment Property continued

(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.

	2020 Actual \$ '000	2020 Budget \$ '000	2019 Actual \$ '000
Airport Major Works Reserve	14,792	14,792	14,792

(d) Additional information

An upside agreement was signed, ensuring an additional ten million dollars income over the next 50 years based on passenger number growth. This is billable yearly in arrears when passenger growth exceeds a set baseline passenger number. Passenger numbers decreased by 13.9% in the financial year ended 30 June 2020 due to the Covid-19 pandemic and restrictions on travel (2019: increase 5.2%).

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.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

15. TRADE AND OTHER PAYABLES

	Note	2020 \$ 000	2019 \$ 000
Current			
Sundry creditors		6,089	5,028
Prepaid rates		351	258
Accrued salaries and wages		277	481
Retentions		119	38
Accrued expenditure		3,079	5,025
Income in advance		0	175
Lease premium prepaid - income in advance	14(b)	924	924
Statutory liabilities		34	(117)
Bonds and levies		128	172
		11,001	11,984
Non-Current			
Lease premium prepaid	14(b)	41,304	42,228
Long term bonds		19	0
		41,323	42,228

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 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

Prepaid rates

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

16. CONTRACT LIABILITIES

Current
Grants and Contributions Liability

2020	2019
\$ 000	\$ 000
445	0
445	0

Performance obligations from contracts with customers are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

445
445

SIGNIFICANT ACCOUNTING POLICIES

Contract Liabilities

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

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

TOWN OF PORT HEDLAND
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FOR THE YEAR ENDED 30 JUNE 2020

17. LEASE LIABILITIES

(a) Lease Liabilities

	2020	2019
	\$ '000	\$ '000
Current	242	0
Non-current	98	0
	340	0

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual Lease Principal 1 July 2019 \$ '000	30 June 2020 Actual New Leases \$ '000	30 June 2020 Actual Lease Principal Repayments \$ '000	30 June 2020 Actual Lease Principal Outstanding \$ '000	30 June 2020 Actual Lease Interest Repayments \$ '000	Budget Lease Principal 1 July 2019 \$ '000	30 June 2020 Budget New Leases \$ '000	30 June 2020 Budget Lease Principal Repayments \$ '000	30 June 2020 Budget Lease Principal Outstanding \$ '000	30 June 2020 Budget Lease Interest Repayments \$ '000
Housing														
Staff Housing Lease		Crawford Realty	2.20%	23 months	74	0	37	37	1	0	0	0	0	0
Recreation and culture														
Port Hedland Library		Sentinel Countrywide	1.60%	36 months	0	159	15	144	1	0	0	0	0	0
Other property and services														
Depot Offices		Complete Portables	2.00%	24 months	210	0	51	159	1	0	0	0	0	2
					284	159	103	340	3	0	0	0	0	2

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

18. INFORMATION ON BORROWINGS

			2020	2019
(a) Borrowings			\$ '000	\$ '000
Current			0	0
Non-current			0	0
			0	0

			2020	2019																	
(b) Repayments - Borrowings			\$ '000	\$ '000																	
Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2020	Actual	30 June 2020	Actual	30 June 2020	Budget	30 June 2020	Budget	30 June 2020	Budget	30 June 2020	Actual	30 June 2019	Actual	30 June 2019	Actual	30 June 2019
				Principal	New Loans	Principal repayments	Interest repayments	Principal outstanding	Principal	New Loans	Principal repayments	Interest repayments	Principal outstanding	Principal	New Loans	Principal repayments	Interest repayments	Principal outstanding	Principal	New Loans	Principal repayments
				\$ '000	\$ '000	\$ '000	\$ '000	\$ '000		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	
Health																					
GP Housing	135	WATC*		0	0	0	0	0	0	0	0	0	0	0	0	1,245	0	1,245	56	0	
Education and welfare																					
JD Hardie Upgrade	129	WATC*		0	0	0	0	0	0	0	0	0	0	0	0	1,200	0	1,200	42	0	
JD Hardie Upgrade	136	WATC*		0	0	0	0	0	0	0	0	0	0	0	0	1,198	0	1,198	79	0	
Housing																					
Morgan Street Staff Housing	125	WATC*		0	0	0	0	0	0	0	0	0	0	0	0	1,058	0	1,058	50	0	
Morgan Street Staff Housing	127	WATC*		0	0	0	0	0	0	0	0	0	0	0	0	1,569	0	1,569	70	0	
Catamore Court Housing	129	WATC*		0	0	0	0	0	0	0	0	0	0	0	0	1,412	0	1,412	69	0	
Catamore Court Housing	143	WATC*		0	0	0	0	0	0	0	0	0	0	0	0	280	0	280	36	0	
Recreation and culture																					
Marquee Park	130	WATC*		0	0	0	0	0	0	0	0	0	0	0	0	643	0	643	19	0	
Marquee Park	132	WATC*		0	0	0	0	0	0	0	0	0	0	0	0	3,548	0	3,548	191	0	
Wanangkura Stadium	133	WATC*		0	0	0	0	0	0	0	0	0	0	0	0	6,247	0	6,247	349	0	
Wanangkura Stadium	137	WATC*		0	0	0	0	0	0	0	0	0	0	0	0	2,078	0	2,078	52	0	
				0	0	0	0	0	0	0	0	0	0	0	0	20,476	0	20,476	1,033	0	
Self Supporting Loans																					
Recreation and culture																					
Yacht Club	126	WATC*	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	284	0	284	18	0	
Yacht Club	128	WATC*	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	159	0	159	8	0	
South Hedland Bowls and Tennis Clt	138	WATC*	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	437	0	437	21	0	
				0	0	0	0	0	0	0	0	0	0	0	0	880	0	880	47	0	
				0	0	0	0	0	0	0	0	0	0	0	0	21,358	0	21,358	1,080	0	

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost.
All other loan repayments were financed by general purpose revenue.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

19 EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2019
Current provisions
Non-current provisions

Additional provision
Amounts used
Balance at 30 June 2020

Comprises
Current
Non-current

Provision for Annual Leave \$ 000	Provision for Long Service Leave \$ 000	Provision for Sick Leave \$ 000	Total \$ 000
1,267	451	71	1,789
0	112	0	112
1,267	563	71	1,901
1,009	370	0	1,379
(712)	(22)	(71)	(805)
1,564	911	0	2,475
1,564	790	0	2,354
0	121	0	121
1,564	911	0	2,475

Amounts are expected to be settled on the following basis:
Less than 12 months after the reporting date
More than 12 months from reporting date

2020 \$ 000	2019 \$ 000
2,354	1,789
121	112
2,475	1,901

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. These 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.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

20. OTHER PROVISIONS

	Provision for Airport Projects \$ 000	Total \$ 000
Opening balance at 1 July 2019		
Current provisions	14,810	14,810
Non-current provisions	0	0
	14,810	14,810
Balance at 30 June 2020	14,810	14,810
Comprises		
Current	14,810	14,810
Non-current	0	0
	14,810	14,810

Provision for remediation costs

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

The Agreement includes clauses whereby the Town is responsible for removal and remediation of contamination known within the site at the time the Agreement was signed. Some works have been completed with the balance of works being negotiated with PHIA.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

21. 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:

	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000
Cash and cash equivalents	36,712	205,265	30,231
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	20,622	(315)	21,809
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	0	0	120
Depreciation on non-current assets	9,125	8,472	8,561
(Profit)/loss on sale of asset	3,005	71	1,267
Expense of previous financial year work in progress	0	0	(1,500)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	4,432	(520)	(2,343)
(Increase)/decrease in other assets	77	0	(107)
(Increase)/decrease in inventories	1,302	(6)	1,298
(Increase)/decrease in investment property	0	0	(8,589)
Increase/(decrease) in payables	(965)	1,569	6,129
Increase/(decrease) in provisions	574	(924)	65
Increase/(decrease) in contract liabilities	(352)	0	0
Non-operating grants, subsidies and contributions	(4,485)	(1,928)	(6,825)
Net cash from operating activities	33,335	6,419	19,885

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

22. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020 \$ 000	2019 \$ 000
Governance	552	-
General purpose funding	187,951	173,162
Law, order, public safety	1,405	1,220
Health	7,910	8,346
Education and welfare	16,234	14,758
Housing	18,860	10,623
Community amenities	10,764	12,843
Recreation and culture	94,281	91,445
Transport	152,555	152,573
Economic services	88,025	89,323
Other property and services	1,689	1,603
Unallocated	30,442	35,474
	610,668	591,370

23. 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; and
- South Hedland Landfill.

Except for the provision disclosed in note 20, 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 with 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.

Mia Mia Accommodation Village

Based on legal advice, the Town is not required to clean up the Mia Mia Accommodation Village site under the terms of the Airport lease and has therefore been removed from this disclosure.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

24. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	1,002	1,233
- plant & equipment purchases	0	202
	1,002	1,435

Payable:

- not later than one year	1,002	1,435
---------------------------	-------	-------

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.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

Payable:

- not later than one year	0	51
- later than one year but not later than five years	0	21
	0	72

SIGNIFICANT ACCOUNTING POLICIES

Leases - AASB 116

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

25. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000
Commissioner Fees	307	0	0
Elected Members fees	7	301	268
Mayor's allowance	2	42	80
Deputy Mayor's allowance	1	11	20
Travelling expenses	69	70	5
Telecommunications allowance	3	14	31
	389	438	404

Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual \$ 000	2019 Actual \$ 000
Short-term employee benefits	1,049	977
Post-employment benefits	134	114
Other long-term benefits	55	19
Termination benefits	167	136
	1,405	1,246

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses 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*).

25. 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, provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:	2020	2019
	Actual	Actual
	\$ 000	\$ 000
Purchase of goods and services	29	18

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 employment 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.

26 JOINT ARRANGEMENTS

(a) Share of joint operations

The Town of Port Hedland had 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 determined that all assets at Stevens Street were fully impaired in the 2017/18 year.

On 4th September 2020, the Town reached agreement with the Department of Communities for termination and release from the existing joint venture arrangement. The Town will demolish the existing village as full settlement of the arrangement.

It is not anticipated the Town will be party to any joint venture arrangements during 2020/21.

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.

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.

27. MAJOR LAND TRANSACTIONS

From time to time, the Town enters into 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 2019/20 financial year and beyond, together with new major land transactions anticipated to be entered into, that may have financial implications.

Kingsford Smith Business Park

(a) Details

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 recognised 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

	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000
Other revenue			
- Sale proceeds	708	600	915
Other expenditure			
Cost of Sales - Land held for sale	(531)	(520)	(883)
Commission on Sales	(16)	(15)	(9)
Costs associated with selling	(12)	(13)	(7)
	149	52	16

(c) Expected future cash flows

	2020/21 \$ 000	2021/22 \$ 000	2022/23 \$ 000	2023/24 \$ 000	Total \$ 000
Cash outflows					
Cost of Sales - Land held for sale	(225)	(468)	(478)	(488)	(1,659)
Commission on sales	(8)	(15)	(15)	(16)	(54)
Costs associated with selling	(5)	(11)	(11)	(11)	(38)
	(238)	(494)	(504)	(515)	(1,751)
Cash inflows					
Sale Proceeds	300	624	637	650	2,211
	300	624	637	650	2,211
Net cash flows	62	130	133	135	460

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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27. MAJOR LAND TRANSACTIONS continued

(d) Assets and liabilities

Land held for resale included within Note 7

	2020	2019
	\$ 000	\$ 000
Current Inventory		
Land held for resale - cost		
Cost of acquisition	1,651	1,231
	1,651	1,231
Non-Current Inventory		
Land held for resale - cost		
Development costs	3,041	4,448
	3,041	4,448

28. RATING INFORMATION

RATE TYPE

Gross rental valuations

Minimum payment

Residential
Residential Vacant
Commercial/Industrial
Commercial/Industrial - vacant

Total amount raised from general rate

Waivers (Note 28(b))

Totals

TOWN OF PORT HEDLAND
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(a) Rates continued

SIGNIFICANT ACCOUNTING POLICIES	
Rates	
Control over assets acquired from rates is obtained at the commencement of the rating period.	
Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer.	
Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Town recognises revenue for the prepaid rates that have not been refunded.	

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

28. RATING INFORMATION (Continued)

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

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$ 000	Waiver \$ 000	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000	
Port Hedland Golf Club	Concession	100%	4	0	4	4	4	4 Meets the requirement of being a "Not for Profit" Community Group as per policy 2/014
RSL Port Hedland Sub Branch	Concession	100%	3	0	3	3	3	2 Rates Concession Policy (Rateable Land)
Rose Nowers Early Learning Centre Inc	Concession	100%	4	0	4	4	4	2
Hedland Kart Club	Concession	100%	2	0	2	2	2	2
Hedland Bmx	Concession	100%	2	0	2	2	2	2
Cooke Point Playgroup	Concession	100%	0	0	0	0	0	0
South Hedland Owners And Trainers Association	Concession	100%	42	0	42	42	41	41
Port Hedland Yacht Club	Concession	100%	12	0	12	12	12	12
Port Hedland Turf Club	Concession	100%	6	0	6	6	6	6
Hedland Sporting Shooters Club	Concession	100%	13	0	13	13	13	13
Port Hedland Pony Club	Concession	100%	2	0	2	2	2	2
Port Hedland Motorcycle Club	Concession	100%	31	0	31	31	30	30
Hedland Women's Refuge	Concession	100%	3	0	3	3	3	3
Port Hedland Peace Memorial Seafarers Centre	Concession	100%	6	0	6	6	5	5
Port Hedland Peace Memorial Seafarers Centre	Concession	0%	0	0	0	0	0	0
Port Hedland Peace Memorial Seafarers Centre	Concession	0%	0	0	0	0	0	0
Chamber of Commerce	Concession	100%	6	0	6	6	6	6
One Tree Len Taplin	Concession	100%	5	0	5	5	5	5
Bloodwood Tree / Dept Of Housing	Concession	100%	9	0	9	9	9	9
Grand Lodge Freemasons	Concession	100%	4	0	4	4	4	4
Port Hedland Netball Association	Concession	100%	0	0	0	0	0	0
Hedland Well Womens Centre	Concession	100%	0	0	0	0	0	0
Port Hedland Speedway Club	Concession	100%	24	0	24	24	23	23 (Rateable Land)
Pilbara Indigenous Women's Aboriginal Corp	Concession	100%	1	0	1	1	1	1
South Hedland Bowling And Tennis Club	Concession	100%	10	0	10	10	9	9
Training Ship Pilbara (Naval Cadets)	Concession	100%	4	0	4	4	4	4
Royal Flying Doctors Service - PHIA Lease	Concession	100%	7	0	7	7	7	7
Royal Flying Doctors Service - PHIA Lease	Concession	100%	7	0	7	7	7	7
State Emergency Services - PHIA Lease	Concession	100%	0	0	0	0	0	0

TOWN OF PORT HEDLAND
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FOR THE YEAR ENDED 30 JUNE 2020

28. RATING INFORMATION (Continued)

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

Rate or fee to which the Concession is Granted	Type	Discount %	Discount \$ 000	Waiver \$ 000	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000
Youth Involvement Council	Exemption	100%	20	0	20	20	20 Exempt under LG Act
Housing Authority / Youth Involvement Council	Exemption	100%	5	0	5	5	4 Exempt under LG Act
Port Hedland Volunteer Sea Rescue Group	Exemption	100%	4	0	4	4	4
Kariyarra Land Aboriginal Corporation	Exemption	100%	0	0	0	0	0 Exempt under LG Act
Wirraka Maya Health Service	Exemption	100%	2	0	2	2	0 Exempt under LG Act
Foundation Housing	Exemption	100%	2	0	2	2	2 Exempt under LG Act
Foundation Housing	Exemption	100%	2	0	2	2	2 Exempt under LG Act
Foundation Housing	Exemption	100%	2	0	2	2	0 Exempt under LG Act
Foundation Housing	Exemption	100%	1	0	1	1	1 Exempt under LG Act
Foundation Housing	Exemption	100%	2	0	2	2	0 Exempt under LG Act
University of WA	Exemption	100%	3	0	3	3	3 Exempt under LG Act
Freemasons Home For Aged	Exemption	100%	15	0	15	15	15 Exempt under LG Act
PHIA Airport Terminal	Refund	100%	125	0	125	125	122 Under the lease agreement all rates directly
Vacant Land - 9 Bayley Retreat	Refund	100%	2	0	2	2	2 related to the operation of the Port Hedland
Vacant Land - 11 Bayley Retreat	Refund	100%	2	0	2	2	2 International Airport are to be refunded.
Airservices Transmitter	Refund	100%	2	0	2	2	
PHIA Airport Operations Workshop	Refund	100%	2	0	2	2	
Vacant Lot	Refund	100%	2	0	2	2	
Rate Waiver due to CM201920/145*	Waiver			34,278	34,278	34,240	
Total (Note 28(a))			399	34,278	34,677	34,639	369

* Rate Waivers due to CM201920/145: During the financial year the Town identified certain port and associated leases as being rateable. However, the properties had not been previously rateable. On the 5 February 2020, the Town resolved to impose 25% of the retrospective rates relating to the period FY2014-15 to FY2017-18 and waiver the balance.

28. 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	23/08/2019	0.00	0.0%	11.0%
Option Two				
First instalment	23/08/2019	0.00	5.5%	11.0%
Second instalment	22/11/2019	14.00	5.5%	11.0%
Third instalment	21/02/2020	14.00	5.5%	11.0%
Fourth instalment	15/05/2020	14.00	5.5%	11.0%

	2020 Actual \$ 000	2020 Budget \$ 000	2019 Actual \$ 000
Interest on unpaid rates	331	350	399
Interest on instalment plan	120	135	148
Charges on instalment plan	67	65	64
	518	550	611

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

29. RATE SETTING STATEMENT INFORMATION

		2019/20 Budget	2019/20	2018/19
	2019/20 (30 June 2020 Carried Forward)	(30 June 2020 Carried Forward)	(1 July 2019 Brought Forward)	(30 June 2019 Carried Forward)
Note	\$ 000	\$ 000	\$ 000	\$ 000
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(39)	0	(8)
Less: Non-cash grants and contributions for assets		(482)	0	0
Less: Movement in liabilities associated with restricted cash		(500)	0	0
Less: Fair value adjustments to financial assets		254	0	120
Adjustment for write down of land held for sale	7	456	0	0
Movement in investment property (non-current)	14	0	0	(8,590)
Movement in prepayments (non-current)		(77)	0	(107)
Movement in employee benefit provisions (non-current)		9	0	26
Movement in other provisions (non-current)		32	0	(184)
Movement of land held for sale		1,407	0	1,557
Recognition of the portion of lease premium prepaid		(924)	(924)	(924)
Less: Expense of previous financial year work in progress		0	0	(1,500)
Add: Loss on disposal of assets	11(a)	3,044	71	1,275
Add: Depreciation on non-current assets	11(c)	9,125	8,472	8,561
Non cash amounts excluded from operating activities		12,305	7,619	226
(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 <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - cash/financial asset backed	4	(240,087)	(205,567)	(232,038)
Less: Current assets not expected to be received at end of year				
- Land held for resale	7	(1,651)	(189)	(1,231)
- Loans receivable - clubs/institutions		(61)	(69)	(73)
- Adjustment of land held for sale		456		
Add: Current liabilities not expected to be cleared at end of year				
- Lease premium prepaid		924	924	924
- Current portion of lease liabilities	17	242	0	0
- Employee benefit provisions		1,376	876	876
- Provision for airport projects		14,810	14,995	14,810
Total adjustments to net current assets		(223,991)	(189,030)	(216,732)
Net current assets used in the Rate Setting Statement				
Total current assets		252,634	209,541	247,824
Less: Total current liabilities		(28,852)	(19,669)	(28,583)
Less: Total adjustments to net current assets		(223,991)	(189,030)	(216,732)
Net current assets used in the Rate Setting Statement		(209)	842	2,509
(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards				
Total current assets at 30 June 2019				247,824
- Contract assets	31(a)			0
Total current assets at 1 July 2019				247,824
Total current liabilities at 30 June 2019				(28,583)
Total current liabilities at 1 July 2019				(28,583)

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

30. 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	Availability of committed credit lines and borrowing facilities

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

Financial risk management is carried out by the finance 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.

(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. Most Cash and cash equivalents required for working capital are held in the at call variable interest rate account 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 \$ 000	Fixed Interest Rate \$ 000	Variable Interest Rate \$ 000	Non Interest Bearing \$ 000
2020					
Cash and cash equivalents	0.75%	36,712	0	36,712	0
Financial assets at amortised cost - term deposits	1.53%	205,356	205,356	0	0
2019					
Cash and cash equivalents	1.50%	30,231	0	30,231	0
Financial assets at amortised cost	2.02%	201,855	201,855	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.

	2020 \$ 000	2019 \$ 000
Impact of a 1% movement in interest rates on profit and loss and equity*	367	302

* 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 as currently the Town has no borrowings.

30. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other 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 2019 or 1 July 2020 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 2020 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
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	3,509	644	293	173	4,619
Loss allowance	0	0	0	0	0
30 June 2019					
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

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
30 June 2020					
Trade and other receivables					
Expected credit loss	0.34%	1.28%	3.28%	3.28%	
Gross carrying amount	872	71	117	144	1,204
Loss allowance	3	1	4	4	12
30 June 2019					
Trade and other 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

30. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

	Lifetime expected credit loss
	Total
30 June 2020	\$ '000
Self supporting loans	
Expected credit loss	36%
Gross carrying amount	710
Loss allowance	254

30. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

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 are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year \$ 000	Due between 1 & 5 years \$ 000	Due after 5 years \$ 000	Total contractual cash flows \$ 000	Carrying values \$ 000
2020					
Payables	11,001	0	0	11,001	11,001
Contract liabilities	445	0	0	445	445
Lease liabilities	242	98	0	340	340
	11,688	98	0	11,786	11,786
2019					
Payables	11,984	0	0	11,984	11,984
	11,984	0	0	11,984	11,984

TOWN OF PORT HEDLAND
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FOR THE YEAR ENDED 30 JUNE 2020

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.

(a) AASB 15: Revenue from Contracts with Customers

The Town adopted 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 AASB 15, the Town adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments were 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 \$ 000	Reclassification \$ 000	AASB 15 carrying amount 01 July 2019 \$ 000
Contract liabilities - current				
Contract liabilities from contracts with customers	16	797	(797)	0
Adjustment to retained surplus from adoption of AASB 15	31(c)		(797)	

(b) AASB 1058: Income For Not-For-Profit Entities

The Town adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which has resulted in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Town adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not 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 occurred to the following financial statement line items by application of AASB 1058 as compared to AASB 118: Revenue and AASB 1004: Contributions before the change:

	Note	AASB 118 and AASB 1004 carrying amount 30 June 2019 \$ 000	Reclassification \$ 000	AASB 1058 carrying amount 01 July 2019 \$ 000
Trade and other payables				
Rates paid in advance	15	0	0	0
Adjustment to retained surplus from adoption of AASB 1058	31(c)		0	

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 gave rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were 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 occurred, the financial liability was extinguished and the Town recognised 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.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

31. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

		2020 \$ 000		2020 \$ 000
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
Statement of Comprehensive Income				
Revenue				
Rates	28(a)	53,700	351	54,051
Operating grants, subsidies and contributions	2(a)	2,438	445	2,883
Fees and charges	2(a)	13,060	0	13,060
Non-operating grants, subsidies and contributions	2(a)	4,485	0	4,485
Net result		20,622	796	21,418
Statement of Financial Position				
Trade and other payables	15	11,001	(479)	10,522
Contract liabilities	16	445	(445)	0
Net assets		540,274	924	541,198
Statement of Changes in Equity				
Net result		20,622	796	21,418
Retained surplus		216,094	796	216,890

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

(c) AASB 16: 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 AASB 16, under the specific transition provisions chosen, the Town has not restated comparatives for prior reporting periods.

On adoption of AASB 16, the Town recognised leased liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117 (excluding short term and low value leases). These lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted averages lessee's incremental borrowing rate applied to the lease liabilities on 1st July ranged from 1.6% to 2.2%.

	Note	2020 \$ 000
Operating lease commitments at 30 June 2019 applying AAS 117		293
Discount applied using incremental borrowing rate		(9)
Lease liability recognised as 1 July 2019 discounted using the Town's incremental average borrowing rate of 2.1%	17(b)	284
Lease liability - current		89
Lease liability - non-current		195
Right-of-use assets recognised at 1 July 2019		284

On adoption of AASB 16, the Town recognised a right-of-use asset in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is deemed to be equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

31 INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

On adoption of AASB 116 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. Asset 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 has used 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.

TOWN OF PORT HEDLAND

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FOR THE YEAR ENDED 30 JUNE 2020

32 CHANGE IN ACCOUNTING POLICIES

(a) Change in Accounting Policies due to regulation changes

Effective 6 November 2020, *Local Government (Financial Management) Regulation 16* was deleted and *Local Government (Financial Management) Regulation 17A* was amended with retrospective application. The changes were effective for financial years ending on or after 30 June 2020 so are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the Town was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. These assets have been measured as concessionary lease right-of-use assets at zero cost in accordance with AASB 16. For further details relating to these changes, refer to Note 11.

In summary the following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2019):

	Note	Carrying amount 30 June 2019 \$	Reclassification \$	Carrying amount 01 July 2019 \$
Property, plant and equipment	9	117,712	0	117,712
Revaluation surplus	5	0	0	0

Also, following changes to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously or during the year were not reversed as it was deemed fair value approximates cost at the date of the change.

(b) Changes in equity due to change in accounting policies

The impact on the Town's opening retained surplus due to the adoption of AASB 15 and AASB 1058 as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			204,319
Adjustment to retained surplus from adoption of AASB 15	12(a)	(797)	
Adjustment to retained surplus from adoption of AASB 1058	12(b)	0	(797)
Retained surplus - 1 July 2019			203,522

The impact on the Town's opening revaluation surplus resulting from *Local Government (Financial Management) Regulation 16* being deleted and the amendments to *Local Government (Financial Management) Regulation 17A* as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Revaluation surplus - 30 June 2019			84,090
Adjustment to revaluation surplus from deletion of FM Reg 16	32(a)	0	
Adjustment to revaluation surplus from deletion of FM Reg 17	32(a)	0	0
Revaluation surplus - 1 July 2019			84,090

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33 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 2019	Amounts Received	Amounts Paid	30 June 2020
	\$ 000	\$ 000	\$ 000	\$ 000
Nomination Election Bonds	1	0	(1)	0
Public Open Space	376	0	0	376
Mosquito Control (CLAG)	0	2	0	2
	<u>377</u>	<u>2</u>	<u>(1)</u>	<u>378</u>

TOWN OF PORT HEDLAND
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34. 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).

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.

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 regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

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35. 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.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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36. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	0.95	1.22	1.94
Asset consumption ratio	0.89	0.91	0.94
Asset renewal funding ratio	0.91	0.88	0.91
Asset sustainability ratio	2.02	0.61	1.02
Debt service cover ratio	N/A	1.08	(2.34)
Operating surplus ratio	0.22	0.23	(0.42)
Own source revenue coverage ratio	1.20	1.02	0.64

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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council@porthedland.wa.gov.au
www.porthedland.wa.gov.au

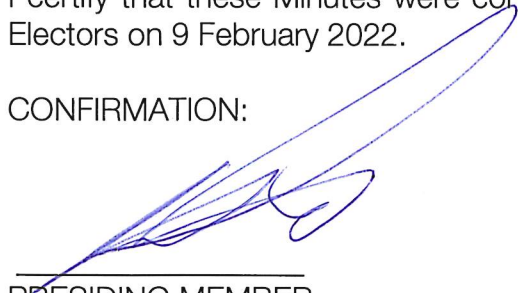


Town of
Port Hedland

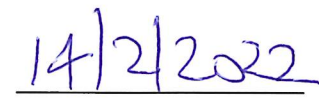
DECLARATION OF CONFIRMATION OF MINUTES

I certify that these Minutes were confirmed by the Council at its Annual General Meeting of Electors on 9 February 2022.

CONFIRMATION:



PRESIDING MEMBER



DATED