

Special Council Meeting Agenda - 29 July 2024 Attachments

8.1.1 Adoption of the 2024/25 Annual Budget.....	2
8.1.1.1 Statement of Objects and Reasons.....	2
8.1.1.2 Concessions and exemptions.....	15
8.1.1.3 Revised fees and charges.....	16
8.1.1.4 FINAL Draft 2024.25 TOPH Budget.....	17
8.1.1.5 Annual Budget 202425. DRAF T.v 2.....	45



2024-2025 Differential Rating Statement of Objects & Reasons

- Objectivity
- Fairness & Equity
- Consistency
- Transparency and administrative efficiency

“To guide the growth and development of the Hedland community, economy and environment through the provision of strong civic leadership, provision of high-quality services and facilitation of active community participation”

Differential General Rates and Minimum Payment Rate

In accordance with section 6.36 of the Local Government Act 1995 (the Act), the Town of Port Hedland (the Town) is required to publish its Objects and Reasons for implementing Differential Rates.

Introduction and Objective

This strategy establishes a framework to address the following key elements:

- a) Raise sufficient rates yield to maintain current services and future infrastructure renewal to meet community expectations, as outlined in the Long-Term Financial Plan and Rating Strategy 2025 -2030, whilst ensuring a balanced budget.*
- b) Future rates growth from development at the:*
 - Boodarie Strategic Industrial Area*
 - Lumsden Point*
 - Both new developments in Wedgefield (Hedland Junction) and Kingsford Smith Business Park, and*
 - New major UV mining be directed into the Town's Strategic Reserve to fund future new infrastructure development as outlined in the forward capital works program of the Long-Term Financial Plan.*
- c) That the basis of valuation for rating purposes continues to be Gross Rental Value (GRV) and Unimproved Value (UV) method.*
 - * Landgate values all properties in the State independently. Rating Strategy Objectives*
- d) Properties are rated according to predominant land use; this classification is provided to council from Landgate; or zoning with regard the Town Planning Scheme with each differential having a separate calculated rate in the dollar and established minimums to achieve greater equity across all sectors and ensure a base level contribution.*
 - * The use of differential rating is considered a means to achieve greater uniformity in annual rate revenue apportionment across property types, being subject to fluctuations in their triennial revaluation reviews.*
- e) To maintain transparency and consistency each year in annual rating.*
 - * The Town of Port Hedland charges separately for rates, waste, and State Emergency Services Levy (ESL)*
- f) That electronic communication methods are more efficient and effective.*
 - * Sustainable, cost effective and a digital Town of Port Hedland.*

GROSS RENTAL VALUATION (GRV)

The Act determines that properties of a non-rural purpose within a Townsite boundary be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates.

The Valuer-General determines the GRV for all properties within the Town of Port Hedland every three years. The current general valuation is effective from 1 July 2022. (Valuation period 2022/23 to 2024/25)

Properties are rated according to predominant land use or the Town Planning Scheme's zoning. Three differential categories form the GRV basis, each having a separately calculated rate in the dollar to achieve greater equity across categories.

The GRV is determined by Landgate collecting rental evidence to determine the fair rental value for each property or groups of properties. Interim valuations are provided regularly to Council by the Valuer-General for properties where changes occur (i.e. subdivisions or strata title of properties, amalgamations, building constructions, demolition, additions, and/or property rezoning). In such instances, Council recalculates the rates for the affected properties and issues interim rates notices.

In addition to the above, section 6.28 (1) (2)(3) of the Act concludes the basis for rating 'relevant resource interest' is to be unimproved value of land, except land on which capital improvement are located. Reviews are continually undertaken and monitored for consideration to applying to the Minister for Local Government who; under section 6.28(1) determines gross rental value (GRV) basis of capital improvement land.

The current gross rental valuation schedule was and is effective from 1 July 2022.

UNIMPROVED VALUATION (UV)

As Council has adopted differential rates, the basis of UV is applied upon land that is predominantly of a rural purpose in nature and can be located both inside and outside the town site boundary. All mining and petroleum interest, predominant Land use or zoned strategic industry, mining, mining resource, resource processing, stockpiling, salt mining and all state agreements located both inside and outside the townsite boundary are rated on the basis of unimproved value, with the exception of Ministerial approval to rate GRV.

Covering but not limited to Mining leases, State Agreements, Mining tenements, Pastoral leases, along with all other leasing and licences as described by the Mining Act (Mining Act 1904) and the Port Hedland Port Authority "The Government Trading Enterprises Act 2023 (WA) (GTE Act)" leased land and privately owned land.

Unimproved values are reviewed and provided to the Town annually by the Valuer General at Landgate, with a valuation roll provided. Interim valuations are provided monthly to Council by Landgate for properties where changes have occurred, in such instances Council recalculates the rates for the affected properties and issues interim rates notices.

The current unimproved rental valuation schedule is effective from 1 July 2023.

MINIMUM RATE PAYMENT

6.35. Minimum payment

- (1) Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be calculated as payable on that land.*
- (2) A minimum payment is to be a general minimum but subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.*
- (3) In applying subsection (2) the local government is to ensure the general minimum is imposed across each rating differential on not less than –
 - a. 50% per cent of the total number of separately rated properties in the district;*
 - or*
 - b. 50 % per cent of the number of properties in each differential category referred to in subsection (6), on which a minimum payment is imposed.**

Regarding the UV Mining differential, the lower minimum is applied to ensure that the rate burden is distributed equitably between all property owners. A lesser minimum of \$50 is applied to Mining categories to reflect the State Government amendment to the Valuation of Land Act 1978 with the objective of providing some minor rate relief to small tenement owners.

2024/2025 Budget Focus

The following are the proposed Differential General Rates and Minimum Payments for the Town of Port Hedland for the 2024/25 financial year and are effective from 1 July 2024.

The rate in the dollar will be based on the general valuation as supplied by the Valuer General (VG) with respect of gross rental values (GRV's) effective from 1 July 2022 and (UV's) effective from 1 July 2024 and as amended by any interim valuations received subsequent to that date.

The Rate modelling undertaken for the 24/25 period will yield in net revenue \$76,473,155.

The above calculation is before concessions and other doubtful debt and risk considerations are applied.

Rate Category	2024/25 Current	2024/25 Proposed	2024/25 Proposed	2024/2025 % Share
	Rate in the Dollar	Rate in the Dollar	Minimums	Percentage of Revenue
	\$	\$	\$	%
GRV Residential	0.0670	0.06700	1,300	17.66
GRV Commercial - Industrial	0.0897	0.08957	1,900	8.44
GRV Accommodation	0.1330	0.13300	1,900	3.22
UV Pastoral/Other	0.1200	0.12000	1,900	0.37
UV Mining	0.21469	0.227571	250	70.31

Council has reviewed its expenditure in line with the Towns Long term financial plan 2024/25 and considered efficiency measure as part of its budget deliberation.

Efficiency Measures

- Continue to review & monitor all land for capital improvements
- Continue to use local suppliers whenever possible and appropriate
- Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future
- Lobby State and Federal Governments and private sector for improved infrastructure investment.
- Continue to pursue investment in key infrastructure development such as the West end, airport, service industry and logistics.

Service Improvements

- Continue to joint venture with Hedland Maritime Initiative to redesign the West End Precinct.
- Substantial funds designated by the Town for the creation of three critically important recreation hubs:
- South Hedland Integrated Sports Hub (SHISH)
- Port Hedland Sports and Community Hub
- JD Hardie Youth and Community Hub.

Differential General Rates and General Minimum Payments

The following are the objects and reasons for each of the differential rates:

GRV RESIDENTIAL

Means any land that is predominately used for:

- *Singular and multi-dwellings and is zoned Residential/Rural Residential approved by the Town of Port Hedland planning department under the Town of Port Hedland Local Planning Scheme.*

OR

- *Which is vacant of any construction and is zoned Residential/Rural Residential under the Town of Port Hedland Local Planning Scheme.*

OBJECTS: The Object of this differential rate is to apply a base differential rate to residential properties for non-business purposes.

REASONS:

The minimum rate of \$1,300 for this category is to ensure that all ratepayers make a reasonable contribution towards the financial impact and costs incurred in providing community services and activities, maintaining Town infrastructure, furthering the Town's strategic goals, and encouraging and supporting residential development within the town sites.

Equally supporting sustainability by investing in infrastructure and funding renewal and replacement assets programs.

GRV COMMERCIAL / INDUSTRIAL

Means any land that is predominately used for:

Identified as land being used for either commercial or industrial operations or zoned as such, as identified in the Town of Port Hedland Local Planning Scheme. This includes but is not limited to; the town centre, commercial business precincts, mixed business, shopping centres, Airports and Aerodromes, Wedgefield Industrial Estate (including care takers buildings) and Strategic Industry zones, industrial, transport and light industry uses, the West End precinct and Port Hedland Port Authority leased land inside and outside town site boundary and privately owned land.

Miscellaneous Licenses with Local Government Ministerial approval -

- *Miscellaneous Licenses (all approved uses) defined under the Mining Act 1978 that have been granted by Department of Mines Industry and Regulation & Safety & deemed rateable, with infrastructure on the land.*

OBJECTS: The object of this differential rate is to apply council rates to all income producing facilities, raising revenue to fund costs associated with maintaining infrastructure renewal and services provided to these properties, or locations,

REASONS: The differential acknowledges costs associated with the provision and maintenance and renewal of infrastructure used by commercial or industrial businesses including road structure, lighting and drainage, car parking, landscaping, and higher costs in relation to infrastructure and regulatory services, landscape & infrastructure development to assist with dust mitigation.

In maintaining fairness & equity ensuring consistency with previous years, the Council continues a close working relationship with Development WA minimising risk and preventing land banking; and encourages all businesses equally by supporting sustainability by investing in business infrastructure to assist with business, social & economic growth and funding renewal and replacement assets programs.

GRV ACCOMMODATION

Means any land:

- Where approved transient workforce accommodation facilities are located (TWA's)*

OR

- Land approved and predominantly used for providing large scale accommodation for visitors to the Town as identified in the Town of Port Hedland Local Planning Scheme,*

OR

- Holiday Accommodation, Hotel, Lodge, Motel, Tourist Development and Tourism Resort, Identified Air B & B's, Caravan Parks or alike.*

OBJECTS: The object of this differential rate is to ensure that rates are distributed equitably between residents and non-residential workers, who spend a significant portion of the year in Port Hedland.

REASONS: Patrons and employees of these premises are consumers of the Town's services and facilities. Mass Accommodation properties have the potential to have a greater impact on Council services and assets than other properties due to the number of occupants on a relatively small land parcel.

The Council remains committed to the Town's Long term financial plan of sustainability centralised around export, mining, construction, maintenance, and access to the Port, should be housed in normal residential properties within the town boundaries. It is only through this that the town benefits from an integrated and normalised residential workforce and thereafter the community and society benefit from greater participation in community activities, including sporting and cultural bodies, and higher participation rates in volunteerism and sport.

Furthermore, this differential recognises the costs associated with tourism and economic development activities, as well as the use of these properties predominately for business travel.

Equally supporting sustainability by investing in infrastructure for new housing, motels and funding renewal and replacement assets programs.

UV MINING

Means any land that is predominately used for:

Mining Leases and Licences, Exploration Licences, Prospecting Licences, Retention Licences, General Purpose Leases, Special Prospecting Licences for Gold and Miscellaneous Licences (all approved uses) defined under the Mining Act 1978 that have been granted by Department of Mines Industry and Regulation & Safety and determined as rateable.

OBJECTS: The object of this differential rate is to reflect and raise revenue to manage the impact on the Town as a result from mining and resource sectors.

- OR*
- predominately used for the purpose of resource processing;*
- OR*
- Processing or refining of fuel sources*
- OR*
- predominately used for the purpose of stock piling.*
- OR*
- Does not have the characteristics of any other UV differential rate category.*

REASONS: The impact on utilisation of urban and rural infrastructure by heavier transport and higher traffic volumes associated with resource sector operations supports the large investment that the Town of Port Hedland makes to road and road drainage infrastructure. This services remote mining activities on townsite and rural roads throughout the municipality and reflects the ongoing extensive maintenance, which impacts the frequency that is required to ensure a minimum level of serviceability is achieved. Along with additional costs associated with monitoring and managing the effects of environmental impacts relating to dust, noise, air pollution and smell, and community complaints to such events which are all considered here.

In addition, these properties have access to all other service facilities provided by Council. Properties with a land use UV often have a State or Regional significance, some of which are subject to legacy State Agreements that limit the methods of valuation to UV restrictive formulae for calculation of valuation. The differential rate for this category is considered to levy a proportional comparative with their impact on local community (ie: Heavy haulage vehicle movement, environmental health, and strategic future housing planning).

Equally supporting sustainability by investing in infrastructure and funding renewal and replacement assets programs also landscape & infrastructure development to assist with dust mitigation.

UV PASTORAL / OTHER

Means any land:

- that has been granted a pastoral lease under the repealed Land Act 1933;
OR
- renewal of pastoral leases (administered by the Department of Lands);
OR
- land predominately used for pastoral activities as defined in the Land Administration Act 1997.
OR
- Phone Towers & Broadcasting Corporations & Telecommunication operations
OR
- For all other miscellaneous land use nowhere else classified

OBJECTS: The object of this differential rate is to be the base rate by which all other UV rated properties are assessed. Raised revenue is to provide for rural infrastructure and services in addition to the Town services, facilities and infrastructure which are available to be accessed by the properties in this category.

REASONS: The Town has a continuing focus on development and diversification of Pastoral Properties in the region, encouraging development of tourism and rangeland activities in conjunction with reforms being introduced by the State Government, to support the opportunity for live cattle trade (Strategic Community Plan 2022/2032), and associated activities from the Port to further diversify the local economy. Equally supporting sustainability by investing in infrastructure and funding renewal and replacement assets programs.

The Town has a continuing focus on development in the region, encouraging development with communication broadband internet & Wi Fi services in the modern digital economy, connectivity is essential for regional businesses and communities to build and maintain a sustainable future.

Also ensuring that all ratepayers make a minimum contribution for basic services and infrastructure.

TOWN'S RATING STRATEGY

The key points for the 2024/25 Rating Strategy:

This strategy establishes a framework to address the following key elements:

a) Raise sufficient rates yield to maintain current services and future infrastructure renewal to meet community expectations, as outlined in the adopted Long Term Financial Plan whilst ensuring a balanced budget.

b) Future rates growth from development at the:

- Boodarie Strategic Industrial Area*
- Lumsden Point*
- Both new developments in Wedgefield (Hedland Junction) and Kingsford Smith Business Park, and*
- New major UV mining*

Be directed into the Town's Strategic Reserve to fund future new infrastructure development as outlined in the forward capital works program of the Long-Term Financial Plan.

c) That the basis of valuation for rating purposes continues to be Gross Rental Value (GRV) and Unimproved Value (UV) method.

- * Landgate values all properties in the State independently.*

d) Properties are rated according to predominant land use; this classification is provided to council from Landgate; or zoning with regard the Town Planning Scheme with each having a separate calculated rate in the dollar and established minimums to achieve greater equity across all sectors and ensure a base level contribution.

- * The use of differential rating is considered a means to achieve greater uniformity in annual rate revenue apportionment across property types, being subject to fluctuations in their triennial revaluation reviews.*

e) To maintain transparency and consistency each year in annual rating.

- * The Town of Port Hedland charges separately for rates, waste, and State Emergency Services Levy (ESL).*

f) That electronic communication methods are more efficient and effective.

- * Sustainable, cost effective and a digital Town of Port Hedland.*

<i>Rate Category</i>	<i>Actual Revenue - 2023/2024</i>	<i>Proposed Revenue - 2024/2025</i>
<i>GRV Residential</i>	13,497,511	13,539,773
<i>GRV Commercial/ Industrial</i>	6,040,942	6,468,587
<i>GRV Accommodation</i>	2,397,077	2,465,573
<i>UV Pastoral / Other</i>	183,029	281,169
<i>UV Mining</i>	46,063,627	53,890,433
<i>UV Other *</i>	89,480	0
TOTAL	68,271,666	76,645,534

The above rate model as of 15th July 2024 is proposed to yield \$76,645,534 in gross rate revenue. After concession of \$172,379 and an amount quarantined and transferred to the Strategic Reserve, net revenue will be \$72,762,276. This model continues to reflect an equitable distribution of the rate burden reflecting the Towns Rating Strategy and ensuring the Town can continue to deliver services, along with maintaining road & asset renewal for the Towns suburbs and deliver Councils Long term financial plan 2022-2037.

*CHANGES FROM ADVERTISED
INTENDED RATING*

The public notice of the Town's intention to levy differential rates and draft statement of objects and reason contained differing proposed rates in the dollar charges. After considering further increased interim valuations received, rating charges were kept at 2023-2024 amounts with the exception of mining, increasing 6%, down from the proposed 7% increase that was advertised.

Further, a review of the properties within the 'Other' category, led to amalgamating these small number of properties, mostly telecommunication infrastructure, with Pastoral, reducing the number of differential categories.

CARL ASKEW

CHIEF EXECUTIVE OFFICER

Concession and exemptions:

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/ Concession	Discount %	Discount (\$)	2024/25 Budget	2023/24 Estimate Actual	2023/24 Budget
					\$	\$	\$
Bloodwood Tree Association Inc.	Rate	Concession	50%		2,716	3,458	3,458
Care for Hedland	Rate	Concession	50%		6,972	2,236	2,236
Foundation Housing	Rate	Concession	50%		9,914	38,316	38,298
Gumala Investments Pty Ltd	Rate	Concession	50%		14,733	14,086	14,032
Kariyarra Land Aboriginal Corporation	Rate	Concession	50%		9,460	20,660	19,963
One Tree Community Services Inc.	Rate	Concession	50%		8,276	3,941	3,941
Rose Nowers Early Learning Centre Inc	Rate	Concession	50%		4,246	2,022	2,022
Treloar Child Care Centre Inc.	Rate	Concession	50%		6,611	3,148	3,148
Cooke Point Playgroup	Rate	Concession	100%		-	1,900	1,900
Grand Lodge Freemasons	Rate	Concession	100%		4,204	4,004	4,004
Hedland BMX	Rate	Concession	100%		3,057	-	-
Hedland Sporting Shooters Club	Rate	Concession	100%		8,442	7,202	7,202
Hedland Well Womens Centre	Rate	Concession	100%		1,900	1,900	1,900
Hedland Mens Shed Incorporated	Rate	Concession	100%		1,319	-	-
Hedland Womans's Refuge	Rate	Concession	100%		2,670	-	-
Port Hedland Golf Club	Rate	Concession	50%		2,508	2,390	2,390
Port Hedland Kart Club	Rate	Concession	100%		-	1,900	1,900
Port Hedland Motorcycle Club	Rate	Concession	100%		19,908	16,986	16,986
Port Hedland Netball Association	Rate	Concession	100%		-	-	-
Port Hedland Seafarers Centre	Rate	Concession	100%		5,380	5,123	5,123
Port Hedland Speedway Club	Rate	Concession	100%		14,994	10,662	10,662
Port Hedland Turf Club	Rate	Concession	100%		6,019	6,880	6,880
Port Indigenous Womens Aboriginal Corporation	Rate	Concession	100%		-	1,900	1,900
Royal Flying Doctors Service	Rate	Concession	100%		-	13,999	13,999
RSL Port Hedland Sub Branch	Rate	Concession	100%		2,446	2,330	2,330
South Hedland Owners and Trainers Association	Rate	Concession	100%		25,704	22,899	22,899
St Johns Ambulance	Rate	Concession	100%		-	17,292	17,292
Volunteer Marine Rescue Group	Rate	Concession	100%		4,138	3,941	3,941
Pensioner Rate Cap Gap Remission	Rate	Waiver			6,760	6,759	6,759
					172,379	215,934	215,165

Revised and new additional fees and charges

Rate, fee or charge	Type	GST	Unit	2024/25 Fee	2023/24 Fee
				\$	\$
Hire of Spoilbank Marina Hardstand Work Area 1 x bay (max 3 months)	Discretionary	YES	Per week	500.00	0
Spoilbank Marina Hardstand Work Area (Refundable Deposit / Bond per bay)	Discretionary	YES	Each	250.00	0
New / Replacement Standpipe, Lighting, Spoilbank Marina Hardstand Key or Swipe card	Discretionary	YES	Each	50.00	0

TOWN OF PORT HEDLAND
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2025
LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income	2
Statement of Cash Flows	3
Statement of Financial Activity	4
Statement of Capital Works	5
Index of Notes to the Budget	6

TOWN OF PORT HEDLAND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2024/25 Budget	2023/24 Estimate Actual	2023/24 Budget
Revenue		\$	\$	\$
Rates	2(a)	76,473,155	69,000,902	68,058,059
Grants, subsidies and contributions		3,859,753	2,923,330	2,462,176
Fees and charges	15	14,918,110	14,350,734	15,881,597
Interest revenue	10(a)	8,160,833	10,519,858	4,834,500
Other revenue		2,812,590	1,675,538	1,366,914
		106,224,441	98,470,362	92,603,246
Expenses				
Employee costs		(38,610,094)	(32,800,452)	(36,846,869)
Materials and contracts		(26,259,704)	(24,509,058)	(25,282,701)
Utility charges		(5,762,155)	(5,185,251)	(4,802,618)
Depreciation	6	(25,367,600)	(21,095,213)	(18,075,833)
Finance costs	10(c)	(921,173)	(1,209,389)	(1,053,627)
Insurance		(1,779,017)	(1,690,773)	(1,359,997)
Other expenditure		(1,913,132)	(1,456,328)	(2,454,470)
		(100,612,875)	(87,946,464)	(89,876,115)
		5,611,566	10,523,898	2,727,131
Capital grants, subsidies and contributions		15,775,000	3,262,839	5,511,216
Profit on asset disposals	5	192,410	220,997	0
Loss on asset disposals	5	0	0	(207,312)
		15,967,410	3,483,836	5,303,904
Net result for the period		21,578,976	14,007,734	8,031,035
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>		-	(7,856)	-
Total other comprehensive income for the period		-	(7,856)	-
Total comprehensive income for the period		21,578,976	13,999,878	8,031,035

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 2025

		2024/25	2023/24	2023/24
	Note	Budget	Estimate Actual	Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts		\$	\$	\$
Rates		76,473,155	67,308,402	68,058,059
Grants, subsidies and contributions		3,859,753	2,902,934	2,462,176
Fees and charges		14,918,110	14,350,734	15,881,597
Interest revenue		8,160,833	10,519,858	4,834,500
Other revenue		2,812,590	1,675,538	1,366,914
		106,224,441	96,757,466	92,603,246
Payments				
Employee costs		(38,610,094)	(32,939,666)	(36,846,869)
Materials and contracts		(26,259,704)	(31,467,729)	(25,282,701)
Utility charges		(5,762,155)	(5,185,251)	(4,802,618)
Finance costs		(921,173)	(1,209,389)	(1,053,627)
Insurance paid		(1,779,017)	(1,690,773)	(1,359,997)
Goods and services tax		-	425,658	-
Other expenditure		(1,913,132)	(1,191,844)	(2,454,470)
		(75,245,275)	(73,258,994)	(71,800,282)
Net cash provided by operating activities	4	30,979,166	23,498,472	20,802,964
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(26,036,068)	(4,574,002)	(31,533,878)
Payments for construction of infrastructure	5(b)	(24,302,101)	(25,542,540)	(25,460,831)
Capital grants, subsidies and contributions		15,775,000	6,812,840	5,511,216
Proceeds from sale of property, plant and equipment	5(a)	432,500	513,815	899,000
Proceeds on Deferred Income		864,000	-	-
Net cash (used in) investing activities		(33,266,669)	(22,789,888)	(50,584,493)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(2,044,935)	(1,922,253)	(1,922,263)
Payments for principal portion of lease liabilities	8	(34,425)	(133,000)	(133,161)
Proceeds on disposal of financial assets at amortised cost		-	6,000,000	-
- term deposits		-	-	-
Proceeds from new borrowings	7(a)	-	-	4,000,000
Net cash provided by (used in) financing activities		(2,079,360)	3,944,747	1,944,576
Net increase (decrease) in cash held		(4,366,864)	4,653,331	(27,836,953)
Cash at beginning of year		19,493,060	14,839,729	29,830,860
Cash and cash equivalents at the end of the year	4	15,126,196	19,493,060	1,993,907

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

**TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2025**

OPERATING ACTIVITIES

Revenue from operating activities

Note	2024/25 Budget	2023/24 Estimate Actual	2023/24 Budget
	\$	\$	\$
General rates	2(a)(i) 75,162,184	68,641,045	67,697,433
Rates excluding general rates	2(a) 1,310,971	359,857	360,626
Grants, subsidies and contributions	3,859,753	2,923,330	2,462,176
Fees and charges	15 14,918,110	14,350,734	15,881,597
Interest revenue	10(a) 8,160,833	10,519,858	4,834,500
Other revenue	2,812,590	1,675,538	1,366,914
Profit on asset disposals	5 192,410	220,997	-
	106,416,851	98,691,359	92,603,246

Expenditure from operating activities

Employee costs	(38,610,094)	(32,800,452)	(36,846,869)
Materials and contracts	(26,259,704)	(24,509,058)	(25,282,701)
Utility charges	(5,762,155)	(5,185,251)	(4,802,618)
Depreciation	6 (25,367,600)	(21,095,213)	(18,075,833)
Finance costs	10(c) (921,173)	(1,209,389)	(1,053,627)
Insurance	(1,779,017)	(1,690,773)	(1,359,997)
Other expenditure	(1,913,132)	(1,456,328)	(2,454,470)
Loss on asset disposals	5 -	-	(207,312)
	(100,612,875)	(87,946,464)	(90,083,427)

Non cash amounts excluded from operating activities

3(c)	24,282,638	19,606,194	18,469,241
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Amount attributable to operating activities

	30,086,614	30,351,089	20,989,060
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INVESTING ACTIVITIES

Inflows from investing activities

Capital grants, subsidies and contributions	15,775,000	3,262,839	5,511,216
Proceeds from disposal of assets	5 432,500	513,815	899,000
Proceeds from deferred Income	864,000	-	-
	17,071,500	3,776,654	6,410,216

Outflows from investing activities

Payments for property, plant and equipment	5(a) (26,036,068)	(4,574,002)	(31,533,878)
Payments for construction of infrastructure	5(b) (24,302,101)	(25,542,540)	(25,460,831)
	(50,338,169)	(30,116,542)	(56,994,709)
Amount attributable to investing activities	(33,266,669)	(26,339,889)	(50,584,493)

FINANCING ACTIVITIES

Inflows from financing activities

Proceeds from new borrowings	7(a) -	-	4,000,000
Leases liabilities recognised	8 -	-	55,660
Transfers from reserve accounts	9(a) 33,699,170	39,197,591	41,518,000
	33,699,170	39,197,591	45,573,660

Outflows from financing activities

Repayment of borrowings	7(a) (2,044,935)	(1,922,253)	(1,922,263)
Payments for principal portion of lease liabilities	8 (34,425)	(133,000)	(133,161)
Transfers to reserve accounts	9(a) (36,264,863)	(37,530,550)	(19,032,000)
	(38,344,223)	(39,585,803)	(21,087,424)
Amount attributable to financing activities	(4,645,053)	(388,212)	24,430,576

MOVEMENT IN SURPLUS OR DEFICIT

Surplus at the start of the financial year

3	8,022,184	4,399,196	5,367,674
Amount attributable to operating activities	30,086,614	30,351,089	20,989,060
Amount attributable to investing activities	(33,266,669)	(26,339,889)	(50,584,493)
Amount attributable to financing activities	(4,645,053)	(388,212)	24,430,576
Surplus/(deficit) remaining after the imposition of general rates	3	197,076	8,022,184
			202,817

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

TOWN OF PORT HEDLAND
STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDED 30 JUNE 2025

Description	2024-25	FUNDING SOURCE						Deferred Income
		Grants	Transfer from Reserve (Renewal Plant)	Transfer from Reserve (Renewal Asset Management)	Transfer from Reserve (Waste Management)	Transfer from Reserve (Housing Reserve)	Transfer from Reserve (Strategic Reserve)	
Civic and Community Precinct	207,847						207,847	
Performing Arts Centre	177,009						177,009	
SHISH Stage 1	4,691,741	493,000					3,334,741	864,000
SHISH Stage 2	79,940						79,940	
SHISH Stage 3	145,031						145,031	
SHISH Stage 4	227,666						227,666	
Childcare Developments	6,000,000	6,000,000						
Traffic Improvement - Boronia close	1,500,000						1,500,000	
Marina Precinct Playground	2,350,000	2,000,000		350,000				
Staff Housing Expansion	500,000					500,000		
Landfill Masterplan	3,060,324				3,060,324			
Land acquisitions	1,030,000						1,030,000	
Buildings - New	205,000			205,000				
Seawalls Construction - Beach Access	960,000	960,000						
Integrated Lighting and Irrigation Control System Upgrade	470,000			470,000				
Marquee Park POS Redevelopment	100,000			100,000				
BUSINESS AS USUAL								
Blackspot Projects	845,000	65,000		780,000				
Signage and Wayfinding Renewal Program	100,000			100,000				
Infrastructure - Drainage New/Upgrades	1,000,000			1,000,000				
Infrastructure - Other New/upgrades	2,586,283			2,586,283				
Port Hedland Yacht Club	1,560,000						1,560,000	
Infrastructure - Parks & Ovals Upgrades	100,000			100,000				
Shared Path Program	601,818			601,818				
Community & Commercial Building Renewal Program	1,775,000			1,775,000				
Staff Housing Renewal and Upgrade Program	600,000			600,000				
Drainage Renewal Program	800,000			800,000				
Access Inclusion Maintenance Program	30,000			30,000				
Footpath Renewal Program	500,000			500,000				
Carpark Renewal Program	300,000			300,000				
Restricted Access Program	250,000			250,000				
Softfall Renewal Program	440,000			440,000				
BBQ Renewal Program	152,000			152,000				
Drinking Fountains Renewal Program	80,000			80,000				
Irrigation Infrastructure Renewal	550,000			550,000				
Park Lighting Upgrade Program	160,000			160,000				
Shade Structure Renewal Program	240,000			240,000				
Tree Planting Program	300,000			300,000				
Landscaping Renewal Program	285,000			285,000				
Kerb Renewal Program	400,000			400,000				
Wedgefield Route 1	6,670,000	5,316,000		1,354,000				
Remote Community Roads Renewal Program	571,676	107,000		464,676				
Road Reseal Program - Sealed Roads	1,600,000	834,000		766,000				
Road Reseal Program - Unsealed Roads	500,000			500,000				
IT Renewal Program	562,900		562,900					
Plant Replacement Program	2,638,935		2,638,935					
Playground Renewal Program	750,000			750,000				
Preliminary Road Safety Audits, Engineering Insp & Equip	75,000		75,000					
Plant and Equipment new/upgrades	1,030,000		1,030,000					
IT Projects	580,000		580,000					
TOTAL	2024-25	Capital Grants	Reserves	Deferred				
Proposed Projects	23,264,557							
Proposed BAU	27,073,612							
PROPOSED TOTAL	50,338,169	15,775,000	33,699,170	864,000				

**TOWN OF PORT HEDLAND
FOR THE YEAR ENDED 30 JUNE 2025
INDEX OF NOTES TO THE BUDGET**

Note 1	Basis of Preparation	7
Note 2	Rates and Service Charges	8
Note 3	Net Current Assets	10
Note 4	Reconciliation of cash	13
Note 5	Borrowings	14
Note 6	Revenue and Expenditure	16
Note 7	Program Information	18
Note 8	Fees and Charges	19

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

1 BASIS OF PREPARATION

The annual budget is a forward looking document and has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

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

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

Accounting policies which have been adopted in the preparation of this annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the annual budget 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.

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 annual budget.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 12 to the annual budget.

2023/24 actual balances

Balances shown in this budget as 2023/24 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

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

Comparative figures

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

Rounding off figures

All figures shown in this statement are rounded to the nearest dollar.

Statement of Cashflows

Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a statement of cash flows. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.

Initial application of accounting standards

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- AASB 2020-1 Amendments to Australian Accounting Standards
 - Classification of Liabilities as Current or Non-current
 - AASB 2022-5 Amendments to Australian Accounting Standards
 - Lease Liability in a Sale and Leaseback
 - AASB 2022-6 Amendments to Australian Accounting Standards
 - Non-current Liabilities with Covenants
 - AASB 2023-1 Amendments to Australian Accounting Standards
 - Supplier Finance Arrangements
 - AASB 2023-3 Amendments to Australian Accounting Standards
 - Disclosure of Non-current Liabilities with Covenants: Tier 2
- It is not expected these standards will have an impact on the annual budget.

- AASB 2022-10 Amendments to Australian Accounting Standards
 - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities, became mandatory during the budget year. Amendments to AASB 13 *Fair Value Measurement* impacts the future determination of fair value when revaluing assets using the cost approach. Timing of future revaluations is defined by regulation 17A of *Local Government (Financial Management) Regulations 1996*. Impacts of this pronouncement are yet to be quantified and are dependent on the timing of future revaluations of asset classes. No material impact is expected in relation to the 2024-25 statutory budget.

New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards
 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2021-7c Amendments to Australian Accounting Standards
 - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-9 Amendments to Australian Accounting Standards
 - Insurance Contracts in the Public Sector
- AASB 2023-5 Amendments to Australian Accounting Standards
 - Lack of Exchangeability

It is not expected these standards will have an impact on the annual budget.

Judgements, estimates and assumptions

The preparation of the annual budget 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 balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- estimation of fair values of land and buildings and investment property
- impairment of financial assets
- estimation uncertainties and judgements made in relation to lease accounting
- estimated useful life of assets
- estimation of provisions
- estimation of fair value of leases

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Rate in	Number of properties	Rateable value	2024/25 Budgeted rate revenue	2024/25 Budgeted interim rates	2024/25 Budgeted total revenue	2023/24 Estimate Actual total revenue	2023/24 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$
(i) Differential general rates or general rates								
GRV Residential	0.067000	5415	185,050,340	12,398,373	-	12,398,373	13,113,141	13,113,141
GRV Commercial Industrial	0.089570	577	64,273,610	5,756,987	400,000	6,156,987	5,848,619	5,848,619
GRV Mass Accommodation	0.133000	19	18,538,140	2,465,573	-	2,465,573	2,399,073	2,399,073
Unimproved Value								
UV Pastoral & Other	0.120000	18	2,279,739	273,569	-	273,569	168,029	168,029
UV Mining	0.227571	458	236,707,151	53,867,683	-	53,867,683	47,028,903	46,085,291
UV Other	-	-	-	-	-	-	83,280	83,280
Total general rates		6,487	506,848,980	74,762,184	400,000	75,162,184	68,641,045	67,697,433
	Minimum							
	\$							
(j) Minimum payment								
GRV Residential	1,300	878	11,081,454	1,141,400	-	1,141,400	395,889	395,889
GRV Commercial Industrial	1,900	164	1,698,747	311,600	-	311,600	167,334	167,334
GRV Mass Accommodation	1,900	-	-	-	-	-	-	-
Unimproved Value								
UV Pastoral & Other	1,900	4	14,200	7,600	-	7,600	-	-
UV Mining	250	91	60,894	22,750	-	22,750	6,368	6,368
UV Other	-	-	-	-	-	-	6,200	6,200
Total minimum payments		1,137	12,855,295	1,483,350	-	1,483,350	575,791	575,791
Total general rates and minimum payments		7,624	519,704,275	76,245,534	400,000	76,645,534	69,216,836	68,273,224
				76,245,534	400,000	76,645,534	69,216,836	68,273,224
Concessions - Community				(165,619)	-	(165,619)	(209,175)	(208,406)
Concessions - Pensioners				(6,760)	-	(6,760)	(6,759)	(6,759)
Total rates				76,073,155	400,000	76,473,155	69,000,902	68,058,059

The TOWN will not raise specified area rates for the year ended 30th June 2025.

All rateable properties within the district used predominately for non-rural purposes are rated according to their Gross Rental Valuation (GRV), all other properties are rated according to their Unimproved Valuation (UV).

The general rates detailed for the 2024/25 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

2. RATES AND SERVICE CHARGES (CONTINUED)

(b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment		-	0.0%	7.0%
Option two				
First Instalment		-	5.5%	7.0%
Second instalment		14	5.5%	7.0%
Third instalment		14	5.5%	7.0%
Fourth instalment		14	5.5%	7.0%

	2024/25 Budget revenue	2023/24 Estimate Actual revenue	2023/24 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	65,000	-	68,310
Instalment plan interest earned	75,000	47,669	120,000
Unpaid rates and service charge interest earned	280,000	388,136	240,000
	420,000	435,806	428,310

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Service Charges

The TOWN did not raise service charges for the year ended 30th June 2025.

(d) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/ Concession	Discount %	Discount (\$)	2024/25 Budget	2023/24 Estimate Actual	2023/24 Budget
					\$	\$	\$
Bloodwood Tree Association Inc.	Rate	Concession	50%		2,716	3,458	3,458
Care for Hedland	Rate	Concession	50%		6,972	2,236	2,236
Foundation Housing	Rate	Concession	50%		9,914	38,316	38,298
Gumala Investments Pty Ltd	Rate	Concession	50%		14,733	14,086	14,032
Kariyarra Land Aboriginal Corporation	Rate	Concession	50%		9,460	20,660	19,963
One Tree Community Services Inc.	Rate	Concession	50%		8,276	3,941	3,941
Rose Nowers Early Learning Centre Inc	Rate	Concession	50%		4,246	2,022	2,022
Trealoar Child Care Centre Inc.	Rate	Concession	50%		6,611	3,148	3,148
Cooke Point Playgroup	Rate	Concession	100%		-	1,900	1,900
Grand Lodge Freemasons	Rate	Concession	100%		4,204	4,004	4,004
Hedland BMX	Rate	Concession	100%		3,057	-	-
Hedland Sporting Shooters Club	Rate	Concession	100%		8,442	7,202	7,202
Hedland Well Womens Centre	Rate	Concession	100%		1,900	1,900	1,900
Hedland Mens Shed Incorporated	Rate	Concession	100%		1,319	-	-
Hedland Womans's Refuge	Rate	Concession	100%		2,670	-	-
Port Hedland Golf Club	Rate	Concession	50%		2,508	2,390	2,390
Port Hedland Kart Club	Rate	Concession	100%		-	1,900	1,900
Port Hedland Motorcycle Club	Rate	Concession	100%		19,908	16,986	16,986
Port Hedland Netball Association	Rate	Concession	100%		-	-	-
Port Hedland Seafarers Centre	Rate	Concession	100%		5,380	5,123	5,123
Port Hedland Speedway Club	Rate	Concession	100%		14,994	10,662	10,662
Port Hedland Turf Club	Rate	Concession	100%		6,019	6,880	6,880
Port Indigenous Womens Aboriginal Corporation	Rate	Concession	100%		-	1,900	1,900
Royal Flying Doctors Service	Rate	Concession	100%		-	13,999	13,999

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

2. RATES AND SERVICE CHARGES (CONTINUED)

RSL Port Hedland Sub Branch	Rate	Concession	100%	2,446	2,330	2,330
South Hedland Owners and Trainers Association	Rate	Concession	100%	25,704	22,899	22,899
St Johns Ambulance	Rate	Concession	100%	-	17,292	17,292
Volunteer Marine Rescue Group	Rate	Concession	100%	4,138	3,941	3,941
Pensioner Rate Cap Gap Remission	Rate	Waiver		6,760	6,759	6,759
				172,379	215,934	215,165

Circumstances in which the waiver or concession is granted

Meets the requirements of being a "not for Profit: Community Group per Policy 2/014 Rates Concession Policy (Rateable Land)

Objects and reason of the waiver or concession

To provide relief to community groups within the Town of Port Hedland municipality that provide a benefit to the community

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents
Financial assets
Receivables
Inventories
Other assets

Less: current liabilities

Trade and other payables
Contract liabilities
Capital grant/contribution liability
Lease liabilities
Long term borrowings
Employee provisions
Other provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

(b) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Cash - reserve accounts
Less: Current assets not expected to be received at end of year
- Rates receivable
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings
- Current portion of lease liabilities
- Current portion of employee benefit provisions held in reserve

Total adjustments to net current assets

Note	2024/25 Budget 30 June 2025	2023/24 Estimate Actual 30 June 2024	2023/24 Budget 30 June 2024
	\$	\$	\$
4	15,126,197	19,493,060	1,064,947
	160,000,000	160,000,000	151,010,505
	4,689,747	4,689,747	3,683,838
	767,758	767,758	478,167
	4,495,931	4,495,931	781,990
	185,079,633	189,446,496	157,019,447
	(1,749,982)	(1,749,982)	(34,180,978)
	(7,436,116)	(7,436,116)	(5,774,578)
	(864,000)	-	-
8	-	(34,425)	(110,728)
7	(2,098,783)	(2,044,935)	(2,156,927)
	(1,950,323)	(1,950,323)	(2,080,213)
	(2,382,170)	(2,382,170)	(390,199)
	(16,481,374)	(15,597,951)	(44,693,623)
	168,598,259	173,848,545	112,325,824
3(b)	(168,401,184)	(165,826,361)	(107,348,856)
	197,075	8,022,184	4,976,968
9	(172,937,026)	(170,371,333)	(112,082,123)
	(28,553)	-	-
	2,098,783	2,044,935	2,156,927
	-	34,425	110,728
	2,465,612	2,465,612	2,465,612
	(168,401,184)	(165,826,361)	(107,348,856)

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

3. NET CURRENT ASSETS

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

(c) 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 Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Note	2024/25 Budget 30 June 2025	2023/24 Actual 30 June 2024	2023/24 Budget 30 June 2024
	\$	\$	\$
Less: Profit on asset disposals	5 (192,410)	(220,997)	-
Add: Loss on asset disposals	5 -	-	207,312
Add: Loss on revaluation of non current assets	-	(246,906)	-
Add: Depreciation	6 25,367,600	21,095,213	18,075,833
Movement in current employee provisions associated with restricted cash	-	150,000	150,000
Non-cash movements in non-current assets and liabilities:			
- Financial assets at amortised cost	-	(264,484)	-
- Pensioner deferred rates	-	8,531	-
- Prepaid Lease fee	31,608	31,608	31,608
- Intangibles	-	-	928,648
- Prepaid Lease income	(924,160)	(924,160)	(924,160)
- Inventory	-	(22,611)	-
Non cash amounts excluded from operating activities	24,282,638	19,606,194	18,469,241

(d) Non-cash amounts excluded from financing activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments to financing activities

Note	2024/25 Budget 30 June 2025	2023/24 Actual 30 June 2024	2023/24 Budget 30 June 2024
	\$	\$	\$
Less: Lease liability recognised	-	-	(55,660)
Non cash amounts excluded from financing activities	-	-	(55,660)

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

3. NET CURRENT ASSETS

(e) MATERIAL ACCOUNTING POLICIES

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.

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. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

PREPAID RATES

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

INVENTORIES

General

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

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

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.

LAND HELD FOR RESALE

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

Gains and losses are recognised in 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 on to the buyer at this point.

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

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.

CONTRACT LIABILITIES

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

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

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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

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

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

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.

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.

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 determination of the net current asset position. The TOWN's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

4. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

Note	2024/25 Budget	2023/24 Estimate Actual	2023/24 Budget
	\$	\$	\$
Cash at bank and on hand	15,125,197	19,492,060	1,064,947
Term deposits	1,000	1,000	-
Total cash and cash equivalents	15,126,197	19,493,060	1,064,947
Held as			
- Unrestricted cash and cash equivalents	1,325,171	9,121,727	(115,487,209)
- Restricted cash and cash equivalents	13,801,026	10,371,333	116,552,156
3(a)	15,126,197	19,493,060	1,064,947
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	13,801,026	10,371,333	116,552,156
- Restricted financial assets at amortised cost - term deposits	160,000,000	160,000,000	-
	173,801,026	170,371,333	116,552,156
The assets are restricted as a result of the specified purposes associated with the liabilities below:			
Financially backed reserves	172,937,026	170,371,333	112,082,123
Unspent capital grants, subsidies and contribution liabilities	864,000	-	1,000
Other provisions	-	-	4,469,033
	173,801,026	170,371,333	116,552,156
Reconciliation of net cash provided by operating activities to net result			
Net result	21,578,976	14,007,734	8,031,035
Depreciation & Amortisation	6 25,367,600	21,095,213	18,075,833
(Profit)/loss on sale of asset	5 (192,410)	(220,997)	207,312
Adjustments to fair value of financial assets at fair value	-	264,484	-
(Increase)/decrease in receivables	-	(1,277,418)	-
(Increase)/decrease in contract assets	-	(2,926,973)	-
(Increase)/decrease in inventories	-	22,611	-
Increase/(decrease) in payables	-	(4,203,342)	-
Capital grants, subsidies and contributions	(15,775,000)	(3,262,840)	(5,511,216)
Net cash from operating activities	30,979,166	23,498,472	20,802,964

MATERIAL ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

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.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

5. PROPERTY, PLANT AND EQUIPMENT

The following assets are budgeted to be acquired and/or disposed of during the year.

	2024/25 Budget				2023/24 Estimate Actual				2023/24 Budget			
	Additions	Disposals -	Disposals -	Disposals -	Additions	Disposals -	Disposals -	Disposals -	Additions	Disposals -	Disposals -	Disposals -
		Net Book	Sale			Net Book	Sale			Net Book	Sale	
	\$	Value	Proceeds	Profit	\$	\$	\$	\$	\$	\$	\$	Loss
(a) Property, Plant and Equipment												
Land - freehold land	1,030,000	-	-	-	-	-	-	-	330,000	-	-	-
Buildings - non-specialised	20,019,233	-	-	-	-	-	-	-	16,732,700	-	-	-
Buildings - specialised	-	-	-	-	-	-	-	-	5,493,033	-	-	-
Plant and equipment	4,986,835	240,090	432,500	192,410	3,641,780	292,818	513,815	220,997	8,978,145	1,106,312	899,000	(207,312)
Other property, plant and equipment [WIP]	-	-	-	-	932,222	-	-	-	-	-	-	-
Total	26,036,068	240,090	432,500	192,410	4,574,002	292,818	513,815	220,997	31,533,878	1,106,312	899,000	(207,312)
(b) Infrastructure												
Infrastructure - Roads and bridges	10,586,676	-	-	-	1,291,137	-	-	-	8,494,531	-	-	-
Infrastructure - footpaths	1,101,818	-	-	-	31,975	-	-	-	2,972,200	-	-	-
Infrastructure - drainage	1,800,000	-	-	-	(10)	-	-	-	1,300,000	-	-	-
Infrastructure - parks and ovals	3,557,000	-	-	-	27,619	-	-	-	5,562,500	-	-	-
Infrastructure - waste facilities	3,060,324	-	-	-	-	-	-	-	-	-	-	-
Other infrastructure Depot Infrastructure	-	-	-	-	-	-	-	-	7,011,600	-	-	-
Other infrastructure Bus Shelters	-	-	-	-	1	-	-	-	120,000	-	-	-
Other Infrastructure	4,196,283	-	-	-	420,250	-	-	-	-	-	-	-
Infrastructure Work in Progress	-	-	-	-	23,771,568	-	-	-	-	-	-	-
Total	24,302,101	-	-	-	25,542,540	-	-	-	25,460,831	-	-	-
Total	50,338,169	240,090	432,500	192,410	30,116,542	292,818	513,815	220,997	56,994,709	1,106,312	899,000	(207,312)

MATERIAL ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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.

GAINS AND LOSSES ON DISPOSAL

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

6. DEPRECIATION

By Class

Buildings - non-specialised	
Buildings - specialised	
Furniture and equipment	
Plant and equipment	
Infrastructure - Roads and bridges	
Infrastructure - footpaths	
Infrastructure - drainage	
Infrastructure - parks and ovals	
Other infrastructure Depot Infrastructure	
Other infrastructure Bus Shelters	
Other Infrastructure	
Right of use - buildings	
Right of use - furniture and fittings	
Intangible assets - rehabilitation asset - landfill	

By Program

Governance	
Law, order, public safety	
Education and welfare	
Housing	
Community amenities	
Recreation and culture	
Transport	
Economic services	
Other property and services	

2024/25 Budget	2023/24 Estimate Actual	2023/24 Budget
\$	\$	\$
1,476,408	1,210,211	1,222,435
4,967,724	4,072,753	4,397,581
1,054,032	811,578	876,939
1,773,096	1,592,603	735,596
9,952,812	8,358,279	3,616,528
1,148,736	941,911	743,352
403,776	330,963	659,729
-	1,805,066	3,331,196
-	32,140	1,410,743
106,116	35,044	19,925
4,449,564	1,803,024	-
35,336	79,506	53,499
-	22,135	79,662
-	-	928,648
25,367,600	21,095,213	18,075,833
1,474,860	10,282	1,268,274
288,552	232,439	136,030
2,113,152	531,740	1,829,809
1,504,788	1,247,655	1,410,221
1,567,344	2,344,404	2,352,116
6,786,392	5,930,994	6,582,903
10,243,200	8,394,335	3,705,303
123,108	100,933	112,239
1,266,204	2,302,431	678,938
25,367,600	21,095,213	18,075,833

MATERIAL ACCOUNTING POLICIES

DEPRECIATION

The depreciable amount of all fixed assets including buildings but excluding freehold 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.

Major depreciation periods used for each class of depreciable asset are:

Buildings - non-specialised	30 to 50 years
Buildings - specialised	50 to 80 years
Furniture and equipment	2 to 40 years
Plant and equipment	2 to 22 years
Infrastructure - Roads and bridges	20 to 91 years
Infrastructure - footpaths	20 years
Infrastructure - drainage	80 years
Infrastructure - parks and ovals	10 to 60 Years

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live 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.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

7. BORROWINGS

(a) Borrowing repayments

Movement in borrowings and interest between the beginning and the end of the current financial year.

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2024	2024/25 Budget New Loans	2024/25 Budget Principal Repayments	Budget Principal outstanding 30 June 2025	2024/25 Budget Interest Repayments	Actual Principal 1 July 2023	2023/24 Actual New Loans	2023/24 Estimate Actual Principal Repayments	Estimate Actual Principal outstanding 30 June 2024	2023/24 Estimate Actual Interest Repayments	Budget Principal 1 July 2023	2023/24 Budget New Loans	2023/24 Budget Principal Repayments	Budget Principal outstanding 30 June 2024	2023/24 Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff Housing	393250	WATC	4.8531%	9,521,961	-	(319,350)	9,202,611	(399,805)	9,826,212	-	(304,251)	9,521,961	(468,937)	9,780,183	-	(304,251)	9,475,932	(468,937)
Staff Housing	425341	WATC	4.8989%	96,919	-	(3,235)	93,684	(4,663)	100,000	-	(3,081)	96,919	(4,818)	100,000	-	(3,081)	96,919	(4,818)
Seawalls	393249	WATC	4.3931%	4,667,677	-	(447,374)	4,220,303	(194,481)	5,095,857	-	(428,180)	4,667,677	(213,745)	5,095,857	-	(428,180)	4,667,677	(213,745)
Seawalls	425344	WATC	4.4915%	4,461,771	-	(462,262)	3,999,509	(205,080)	4,869,000	-	(407,229)	4,461,771	(208,852)	4,869,000	-	(407,229)	4,461,771	(208,852)
Depot Facility	393246	WATC	4.1784%	3,230,638	-	(812,714)	2,417,924	(116,712)	4,010,150	-	(779,512)	3,230,638	(150,030)	4,010,150	-	(779,522)	3,230,628	(150,030)
Pond Liner				-	-	-	-	-	-	-	-	-	-	-	4,000,000	-	4,000,000	-
				21,978,966	-	(2,044,935)	19,934,031	(920,741)	23,901,219	-	(1,922,253)	21,978,966	(1,046,382)	23,855,190	4,000,000	(1,922,263)	25,932,927	(1,046,382)

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

7. BORROWINGS

(b) New borrowings - 2024/25

The TOWN does not intend to undertake any new borrowings for the year ended 30th June 2025

(c) Unspent borrowings

The TOWN had no unspent borrowing funds as at 30th June 2024 nor is it expected to have unspent borrowing funds as at 30th June 2025.

(d) Credit Facilities

	2024/25 Budget	2023/24 Estimate Actual	2023/24 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	-	-	-
Credit card limit	230,000	215,000	125,000
Total amount of credit unused	230,000	215,000	125,000
Loan facilities			
Loan facilities in use at balance date	19,934,031	21,978,966	25,932,927

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2024	2024/25 Budget New Leases	2024/25 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2025	2024/25 Budget Lease Interest Repayments	Actual Principal 1 July 2023	2023/24 Actual New Leases	2023/24 Estimate Actual Lease Principal repayments	Estimate Actual Lease Principal outstanding 30 June 2024	2023/24 Estimate Actual Lease Interest repayments	Budget Principal 1 July 2023	2023/24 Budget New Leases	2023/24 Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2024	2023/24 Budget Lease Interest repayments
Port Hedland Library		Sentinel Countrywide Retail	1.6%	3 years	\$ 34,425	-	\$(34,425)	-	\$(431)	\$ 87,763	-	\$(53,338)	\$ 34,425	\$(3,089)	\$ 86,121	-	\$(53,499)	\$ 32,622	\$(2,161)
Gratwick Gym Equipment		MAIA	1.2%	3 years	-	-	-	-	-	79,662	-	\$(79,662)	-	\$(3,894)	177,208	-	\$(79,662)	97,546	\$(3,894)
					34,425	-	\$(34,425)	-	\$(431)	167,425	-	\$(133,000)	34,425	\$(6,983)	263,329	-	\$(133,161)	130,168	\$(6,055)

MATERIAL ACCOUNTING POLICIES

LEASES

At the inception of a contract, the TOWN assesses whether the contract is, or contains, 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 a 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.

LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2024/25 Budget				2023/24 Estimate Actual				2023/24 Budget			
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Reserves cash backed - Employee Leave Reserve	1,525,612	-	-	1,525,612	1,375,612	150,000	-	1,525,612	2,315,612	150,000	-	2,465,612
(b) Reserves cash backed - Plant Reserve	5,056,658	2,897,632	(4,886,835)	3,067,455	2,749,606	3,600,000	(1,292,948)	5,056,658	405,000	6,283,000	(5,963,000)	725,000
(c) Reserves cash backed - Airport Reserve	3,385,991	109,900	-	3,495,891	4,285,991	-	(900,000)	3,385,991	3,785,991	-	(400,000)	3,385,991
(d) Reserves cash backed - Landfill remediation reserve	6,255,956	1,444,670	-	7,700,626	6,500,000	-	(244,044)	6,255,956	6,500,000	300,000	(300,000)	6,500,000
(e) Reserves cash backed - Unfinished Works & Committed Works Reserve	13,622,554	-	-	13,622,554	16,715,475	9,399,126	(12,492,047)	13,622,554	16,715,475	-	(15,928,000)	787,475
(f) Reserves cash backed - Housing Reserve	3,310,805	104,719	(500,000)	2,915,524	583,965	3,050,000	(323,160)	3,310,805	1,243,965	-	(200,000)	1,043,965
(g) Reserves cash backed - Spoilbank Reserve	123,201	3,159	-	126,360	123,201	-	-	123,201	123,201	-	-	123,201
(h) Reserves cash backed - Asset Management Reserve	16,223,641	21,937,924	(16,989,777)	21,171,788	16,878,359	9,200,000	(9,854,718)	16,223,641	323,659	9,200,000	(7,769,000)	1,754,659
(i) Reserves cash backed - Waste Management Reserve	13,119,140	3,220,399	(3,060,324)	13,279,215	10,790,246	3,374,764	(1,045,870)	13,119,140	3,541,000	1,925,000	(1,020,000)	4,446,000
(j) Reserves cash backed - Strategic Reserve	87,333,895	6,387,984	(8,262,234)	85,459,645	93,404,699	6,974,000	(13,044,804)	87,333,895	87,483,000	474,000	(9,938,000)	78,019,000
(k) Reserves cash backed - Cyclone Emergency Response Reserve	1,163,070	30,268	-	1,193,338	80,410	1,082,660	-	1,163,070	80,410	-	-	80,410
(l) Reserves cash backed - Financial Risk Reserve	19,250,810	128,208	-	19,379,018	18,550,810	700,000	-	19,250,810	12,050,810	700,000	-	12,750,810
	170,371,333	36,264,863	(33,699,170)	172,937,026	172,038,374	37,530,550	(39,197,591)	170,371,333	134,568,123	19,032,000	(41,518,000)	112,082,123

(b) Reserve Accounts - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - 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) Reserves cash backed - Plant Reserve	Ongoing	To fund the plant replacement program.
(c) Reserves cash backed - Airport Reserve	Ongoing	To fund future Port Hedland International Airport Capital Works commitments.
(d) Reserves cash backed - Landfill remediation reserve	Ongoing	To fund the closure and repatriation of the existing landfill facility, while also planning for the design, development, and construction of a new landfill facility on a suitable designated site.
(e) Reserves cash backed - Unfinished Works & Committed Works Reserve	Ongoing	To transfer unspent municipal funded expenditure on specific projects to enable identification of carryover expenditure into the next financial year.
(f) Reserves cash backed - Housing Reserve	Ongoing	To fund maintenance, refurbishment, redevelopment, and construction of Local Government provided housing.
(g) Reserves cash backed - Spoilbank Reserve	Ongoing	To fund the Port Hedland Spoilbank development.
(h) Reserves cash backed - Asset Management Reserve	Ongoing	To fund the ongoing maintenance, refurbishment, renewal, replacement and development of Council owned infrastructure assets within the Town.
(i) Reserves cash backed - Waste Management Reserve	Ongoing	To fund the development, operation, maintenance, and capital expenditure of the Town's waste management facilities including the landfill and waste collection operations.
(j) Reserves cash backed - Strategic Reserve	Ongoing	To fund strategic projects as included in the Town's Strategic Community Plan and Corporate Business Plan.
(k) Reserves cash backed - Cyclone Emergency Response Reserve	Ongoing	To fund cyclone and emergency related projects.
(l) Reserves cash backed - Financial Risk Reserve	Ongoing	To provide funds to mitigate against financial risks including legal fees awarded against the Town, SAT rulings upholding valuation objections on high value properties likely to cause significant large refunds and other unknown events potentially resulting in financial loss to the Town.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

10. OTHER INFORMATION

	2024/25 Budget	2023/24 Estimate Actual	2023/24 Budget
The net result includes as revenues	\$	\$	\$
(a) Interest earnings			
Investments	7,800,000	10,078,426	4,470,000
Late payment of fees and charges *	5,833	5,626	4,500
Other interest revenue	355,000	435,806	360,000
	8,160,833	10,519,858	4,834,500
* The TOWN has resolved to charge interest under section 6.13 for the late payment of any amount of money at 7.0%.			
Other revenue			
Reimbursements and recoveries	529,797	831,718	500,674
Other	1,977,800	167,521	866,240
	2,507,597	999,238.31	1,366,914
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	176,440	164,741	150,000
	176,440	164,741	150,000
(c) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	920,741	1,046,382	1,046,382
Interest on lease liabilities (refer Note 8)	431	6,983	7,245
Other finance costs	-	156,024	-
	921,173	1,209,389	1,053,627

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

11. ELECTED MEMBERS REMUNERATION

	2024/25 Budget	2023/24 Estimate Actual	2023/24 Budget
	\$	\$	\$
Elected member [Mayor Peter Carter]			
Mayor's allowance	97,115	80,840	80,000
Meeting attendance fees	51,412	41,196	49,435
Other expenses	10,000	-	-
Annual allowance for ICT expenses	3,500	3,500	3,500
	162,027	125,536	132,935
Elected member [Previous Deputy Mayor/Councillor Tim Turner]			
Deputy Mayor's allowance	-	6,443	20,000
Meeting attendance fees	34,278	32,921	32,955
Other expenses	6,375	-	-
Annual allowance for ICT expenses	3,500	3,500	3,500
	44,153	42,864	56,455
Elected member [Councillor Renae Coles]			
Meeting attendance fees	-	10,072	32,955
Annual allowance for ICT expenses	-	1,073	3,500
	-	11,146	36,455
Elected member [Councillor Jan Gillingham]			
Meeting attendance fees	-	10,072	32,955
Annual allowance for ICT expenses	-	1,073	3,500
	-	11,146	36,455
Elected member [Councillor Elmar Zielke]			
Meeting attendance fees	-	10,072	32,955
Annual allowance for ICT expenses	-	1,073	3,500
	-	11,146	36,455
Elected member [Deputy Mayor Ash Christensen]			
Deputy Mayor's allowance	24,279	12,100	-
Meeting attendance fees	34,278	41,109	32,955
Other expenses	6,375	-	-
Annual allowance for ICT expenses	3,500	3,500	3,500
	68,432	44,609	36,455
Elected member [Councillor David Eckhart]			
Meeting attendance fees	-	13,642	32,955
Annual allowance for ICT expenses	-	1,458	3,500
	-	15,100	36,455
Elected member [Councillor Laveni F Bennett]			
Meeting attendance fees	34,278	32,921	32,955
Child care expenses	-	-	3,500
Other expenses	6,375	-	72,910
Annual allowance for ICT expenses	3,500	3,500	3,500
	44,153	36,421	112,865
Elected member [Councillor Jason Keller]			
Meeting attendance fees	-	10,072	32,955
Annual allowance for ICT expenses	-	1,073	3,500
	-	11,146	36,455
Elected member [Councillor Camilo Blanco]			
Meeting attendance fees	34,278	22,766	-
Other expenses	6,375	-	-
Annual allowance for ICT expenses	3,500	2,418	-
	44,153	25,184	-
Elected member [Councillor Ambika Rebello]			
Meeting attendance fees	34,278	22,766	-
Other expenses	6,375	-	-
Annual allowance for ICT expenses	3,500	2,418	-
	44,153	25,184	-
Elected member [Councillor Sven Arentz]			
Meeting attendance fees	34,278	22,766	-
Other expenses	6,375	-	-
Annual allowance for ICT expenses	3,500	2,418	-
	44,153	25,184	-
Elected member [Councillor Lorraine Butson]			
Meeting attendance fees	34,278	22,766	-
Other expenses	6,375	-	-
Annual allowance for ICT expenses	3,500	2,418	-
	44,153	25,184	-
Elected member [Councillor Adrian McRae]			
Meeting attendance fees	34,278	8,678	-
Other expenses	6,375	-	-
Annual allowance for ICT expenses	3,500	921	-
	44,153	9,600	-
Total Elected Member Remuneration	539,530	419,450	520,985
Mayor allowance	97,115	80,840	80,000
Deputy Mayor allowance	24,279	18,543	20,000
Meeting attendance fees	325,636	289,722	313,075
Child care expenses	-	-	3,500
Other expenses	61,000	-	72,910
Annual allowance for ICT expenses	31,500	30,345	31,500
	539,530	419,450	520,985

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

12. TRUST FUNDS

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

Detail	Balance 30 June 2024	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2025
	\$	\$	\$	\$
Nominated Election Bond	100	-	-	100
Public Open Space	376,379	-	-	376,379
Mosquito Control	4,388	-	-	4,388
	380,868	-	-	380,868

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

13. REVENUE AND EXPENDITURE

(a) Revenue and Expenditure Classification

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.

Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

GRANTS, SUBSIDIES AND CONTRIBUTIONS

All amounts received as grants, subsidies and contributions that are not capital grants.

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (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. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the Local Government (*Financial Management*) *Regulations 1996* identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water. Exclude rubbish removal charges which should not be classified as a service charge. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

INTEREST REVENUE

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates etc.

PROFIT ON ASSET DISPOSAL

Gain on the disposal of assets including gains on the disposal of long-term investments.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Note *AASB 119 Employee Benefits* provides a definition of employee benefits which should be considered.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

Local governments may wish to disclose more detail such as contract services, consultancy, information technology and rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water.

Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or levies including DFES levy and State taxes. Donations and subsidies made to community groups.

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

13. REVENUE AND EXPENDITURE

(b) Revenue Recognition

Recognition of revenue from contracts with customers 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
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 contractual commitments	General appropriations and contributions with no specific contractual commitments	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 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
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
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 and visitor centre stock	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

**TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

14. PROGRAM INFORMATION

Key Terms and Definitions - Reporting Programs

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

OBJECTIVE

ACTIVITIES

Governance

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

Functions relating to Councillors and the oversight of legislative compliance. Expenditure includes election costs as well as fees and allowances paid to elected members and other costs associated with members of Council.
Governance also includes other tasks such as the Town's internal audit function, Freedom of Information requests, Public Interest Disclosures and procurement policy development and oversight.

General purpose funding

To collect revenue to allow for the provision of services.

Rating, interest revenues, leased property revenues and general purpose Government grant functions. Includes the Financial Assistance Grant received from the Local Government Grants Commission, leasing revenue from Port Hedland International Airport, all other rate income and cost of assets sold.

Law, order, public safety

To provide services to help ensure a safer and environmentally conscious community

Supervision of various by-laws, fire and emergency services and animal control. Includes expenditure for Ranger Services, State Emergency Service and disaster preparation and recovery expenses. Community safety and crime prevention initiatives, including Towns CCTV network.

Health

To provide an operational framework for environmental and community health.

Food and public health regulation and compliance, environmental health, and pest control. Expenses include food service inspections, immunisations services, mosquito and vermin control.

Education and welfare

To provide services to disadvantaged persons, 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 staff housing.

Maintenance and operational expenses associated with the provision of staff housing.

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 Spinifex Spree, Hedland Food Festival and other community events.

Transport

To provide safe, effective and efficient transport services to the community.

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 BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

15. FEES AND CHARGES

	2024/25 Budget	2023/24 Estimate Actual	2023/24 Budget
	\$	\$	\$
By Program:			
General purpose funding	77,633	11,887	92,110
Education and welfare	85,000	45,012	50,000
Housing	370,000	330,967	415,000
Community amenities	9,744,214	10,647,904	11,463,490
Recreation and culture	3,590,892	3,180,690	2,919,837
Transport	990,370	66,210	924,160
Other property and services	60,000	68,064	17,000
	14,918,110	14,350,734	15,881,597

The subsequent pages detail the fees and charges proposed to be imposed by the local government.

Cover page

Annual Budget
2024-2025

Contents

Message from the Mayor and CEO

Hedland Snapshot

Budget highlights

Budget Overview

Glossary

Budget Statements

Acknowledgement

“We would like to acknowledge the Kariyarra, Ngarla and Nyamal people as the Traditional Custodians of the Town of Port Hedland. We recognise their strength and resilience and pay our respect 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.”

Our Vision

Together, we create a vibrant, inclusive and resilient future for our diverse community.

Message from the Mayor

On behalf of the Council of the Town of Port Hedland, I am pleased to present our Budget for 2024-2025.

We have carefully considered a range of factors when developing this year's budget, including levels of service delivered to our community, cost of living pressures, livability investments and the cost burden on ratepayers.

The cost-of-living pressures have been front of mind for the Council when considering this budget. Amid that context we have resolved to hold off on any rate rises for residential, commercial/industrial, pastoral and other properties.

We acknowledge that daily costs are becoming more expensive, and we are proud to be doing what we can to reduce the cost-of-living pressure for people living, and owning property in, Hedland.

The Town's focus remains squarely focused on investments that make Hedland a great place to live, work and play. We have invested substantially in capital projects over recent years and the facelift of our community infrastructure is evident.

This work does not stop – this year's budget includes a \$50 million capital works program.

I look forward to sharing our progress on these important projects.

Peter Carter

Mayor, Town of Port Hedland.

Message from the Chief Executive

The Town of Port Hedland is pleased to deliver a budget that will underpin our continued success in lifting liveability and amenity in Hedland and providing important services to our community.

Our investment in capital projects continues our steadfast commitment to creating a thriving, resilient and inclusive future for our diverse community.

While holding off any rate rises for residential, commercial/industrial, pastoral and other properties, we are investing in projects that make a difference to our community.

The Town of Port Hedland will support Rose Nowers to expand and seek additional funding, providing much-needed childcare places for our community.

The Port Hedland Yacht Club will be refurbished and we will deliver roading upgrades in Wedgefield to the value of more than \$6 million.

We'll invest more than \$2 million for park renewals and upgrades and spent \$300,000 on trees to green our community.

Meanwhile, the entrance to South Hedland will get a facelift with more than \$4 million being invested in Hamilton Road upgrades and entry ways.

To deliver on the above, the Town of Port Hedland continues to attract and retain great staff that make it possible to achieve our goals. I look forward to continued success in the coming financial year.

Carl Askew,

Chief Executive Officer.

BUDGET HIGHLIGHTS (infographic)

- Maintained or improved service levels across board
- 0% rates rise for all residential, commercial/industrial, pastoral/other properties.
- Pensioner support - Rate Cap Gap program extended
- \$165k in rating concessions for community groups and sporting clubs
- No increase in fees and charges
- No additional staff. Maintained Trainee and Graduate employment programs
- Events program \$1.3M
- \$50M capital works program including new and existing asset renewals.
- Spoilbank Marina playground \$4M
- Rose Nowers Childcare support \$3M
- Port Hedland Yacht Club refurbishment \$1.56M
- Wedgefield industrial area road upgrades \$6.67M
- Parks and family-friendly spaces renewal and upgrades \$2M plus \$300K for increased tree canopy.
- Hamilton Road upgrades and entry ways \$4.6M
- Land acquisitions \$1M for future Town revenue.
- No new loans.

Budget Overview**Forecasts and Assumptions**

The 2024-2025 annual budget estimates a total operating expenditure of \$100 million. This year, the budget implements new approaches through our Rating Strategy 2025-2030 and dedicated funding sources into reserves. The focus is on community asset management and funding for new capital works in the long term, sustaining current service levels to the community and introducing new future revenue streams.

The budget includes a \$50 million capital investment program, with more than \$27 million going into either new facilities or upgrading existing amenities. This investment will support renewal of Hedland's core infrastructure assets, including embarking on extensive road, footpath and kerbside renewal and investment in family-friendly play and greenspace.

Rates, Fees and Charges

2024-2025 is the first year of a new Rating Strategy in which rating revenue growth from new developments at:

- Boodarie Strategic Industrial Area
- Lumsden Point
- Wedgefield (Hedland Junction) and Kingsford Smith Business Park, and
- New major UV mining

Are quarantined and directed into the Town's Strategic Reserve to fund future infrastructure developments as outlined in the Long-Term Financial Plan's forward capital works program. This commenced with \$1.2M in 2024-2025 and is expected to increase annually.

For a second year, there are no increases on residential ratepayers. Again providing continued relief from cost-of living pressures. No rates increases are further extended across commercial/industrial and pastoral/other properties as a result of mining property growth and increased valuations, of which an additional \$2.5M has been transferred into the Town's Strategic Reserve.

Additionally, there have been no increases to fees and charges, maintaining business as usual.

Grants, Contributions and Assumptions

The Town has budgeted for \$15.75 million in non-operating grants to support the capital works budget and will still endeavour to apply for any available and upcoming grants in the 2024-2025. There is also \$3.8 million in operating grants to assist in the initiatives that the Town has in place to align to strategic objectives.

Service Delivery

The Budget is based on maintaining existing services at current levels of service, which aligns with the adopted Strategic Community Plan 2022 – 2032. The Town operates services within an organisational structure of Corporate Services, Community Services, Regulatory Services and Infrastructure Services.

Service levels and efficiency gains will continue to be reviewed during 2024-2025.

Employee Costs

There will be an increase to employee costs during 2024-2025 as a result of the 2023 Industrial Agreement and recognising WA's labour market is the tightest in Australia. There are no new additional FTE's although the Town maintains its commitment to its traineeship and graduate programs.

Other Expenditure

In preparing expenditure forecasts, we have considered both the Local Government Cost Index and Consumer Price Index, both at 4% and the Pilbara is usually higher than experienced in capital cities. The Town does not apply any automated indexation to its annual expenditure budget. Each service area is reviewed annually. Contracted increases are factored in along with allowances for increased insurance premiums and utility costs, based upon prior year amounts.

Borrowings

There are no new borrowings planned for 2024-2025.

Interest Rates

Interest earnings on investments are forecast to increase by \$3.3M in 2024-2025, which will be directed in full to Town reserves. The Local Government Act 1995 restricts the type of products the Town invests in.

Risk Factors

The Town has identified key risk areas that may impact the 2024-2025 budget. This includes, but is not limited to:

- Inflationary pressures
- Building and plant supply issues that could affect the Capital Works program; and
- Decrease in revenue from grants and subsidies

It should be noted that the budget raises sufficient revenue to address asset renewal requirements and this year, depreciation is fully cash backed into reserves, to fund asset renewal requirements. New assets are reliant on reserve funding and external grants.

Glossary

For each Program, we have included a projected budget for each of the Activities within that Program, setting out the type of income and expenditure, and funding expected for the next four years.

A simple explanation of each line item contained in the budget summary for each Activity is provided here. Rates & Annual Charges includes the income generated by the Town from the levying of rates and annual charges for the provision of waste management services.

User Charges & Fees includes user charges for statutory fees such as planning and building regulation, and other fees and charges for a variety of Town services including waste and landfill fees, cemeteries and swimming pools. Interest & Investment Revenue encompasses interest charged by the Town on overdue rates and charges, and interest earned on the Town's investment portfolio. The majority of interest revenue will appear in General Purpose Revenue. Other Revenues includes fines, insurance claim recoveries, sales income, and rental income from Council properties. Grants & Contributions – Operating includes general purpose grants and contributions such as the Financial Assistance Grant and specific purpose grants for services such as bushfire and emergency, environmental programs, aged and disabled services, noxious weeds management, and roads maintenance. Gain or Loss on Disposal of Assets represents the surplus or shortfall of proceeds received from the disposal of assets over their written down value. This typically relates to the sale of plant and other equipment at the end of its useful life. Employee Benefits & On-costs incorporates the cost of staff including salaries and wages, superannuation, workers compensation, and training. 16 14 Borrowing Costs represents the interest paid by the Town on borrowings. Materials & Contracts includes expenditure on materials, contractor and consultancy costs, payments for audit services, legal expenses, telephone and communications and operating lease payments. Depreciation & Amortisation reflects the consumption of the Town's infrastructure, property, plant & equipment (net of residual values) over the estimated useful life of the asset. Depreciation is calculated using the straight line method. Other Expenses include payments for elected member fees, donations and contributions made to local and regional bodies, election expenses, electricity, insurance premiums, street lighting, and utility expenditure. Internal Income and Internal Expenses are transactions between the different funds and activities of Council. For consolidated financial statements, these two line items are netted off against Materials & Contracts. Capital Expenditure reflects the cost of purchasing or constructing new assets and renewing existing infrastructure. Those assets (excluding land) and are then depreciated over the course of their estimated useful life. Non-Cash Entries is an adjustment made to the income statement to show the impact of non-cash entries such as depreciation. New Loan Borrowings represents new loan funding drawn down by the Town. Loan repayments represents the principal component of loan repayments made by the Town to service borrowings. Transfers from Reserves, Unspent Loans & Unspent Grants represents a transfer from the Town's restricted funds (internal and external restrictions), and is usually associated with a specific project for which funds have been set aside.

Budget Statements (provided by Finance)