


Annual Report 2023-24



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

Advice:

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

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Welcome to the Town of Port Hedland's Annual Report 2023-24

This document outlines our financial and operational performance for the year against the goals and priorities set out in our Strategic Community Plan, Corporate Business Plan and the Annual Budget.

The Town is committed to transparency and aims to provide a report that goes over and above the statutory reporting requirements set out in the *Local Government Act 1995*.

The report is divided into the following main sections:

- Introductions from the Mayor and Chief Executive Officer;
- Our Town, Community, Heritage – understanding our operating landscape;
- Year in Review – a summary of our achievements and progress;
- Our Performance – performance results aligned to the progress measures in our Corporate Business Plan; and
- Financial Report.

Message from the Mayor

I'm proud to present the Annual Report for the 2023-24 financial year on behalf of the Town of Port Hedland Council. This year, we've made significant progress in enhancing the liveability of our town.



Port Hedland's economy continues to thrive, as highlighted in the "Economic Significance of Port of Port Hedland" report by ACIL Allen, published on April 1, 2024. We've welcomed several multi-national companies, drawn to Port Hedland to explore diversification and expansion. The resources industry is growing, with increasing export numbers, while advancements in decarbonisation technology are ushering in a new era of mining.

Companies like POSCO are looking to Port Hedland as a prime investment destination. The demand for industrial land is evident, with the Boodarie Strategic Industrial Area fully allocated and Wedgefield booming with ancillary service companies.

While this growth is promising, challenges remain that could impact Port Hedland's future. Issues like affordable housing, childcare, education, and health services significantly affect our community. The Town has actively worked to address these concerns by advocating for change and collaborating with key stakeholders.

I'm particularly proud of the partnerships we've formed this year, which have allowed us to leverage investment and resources for positive outcomes across our community. In March, we partnered with Rose Nowers to expand their childcare facility through a project to add 90 new places. Our \$3 million investment in this project, alongside additional support from the Town's administration, tackles one of the most pressing barriers to relocation to Hedland.

One of the year's highlights was securing a multi-year partnership with De Grey Mining. Their Hemi Gold Project, expected to go into production soon, will herald a multi-million-dollar investment in community initiatives including housing and community facilities. This agreement marks a milestone in our efforts to create collective impact for our community. A special thanks to De Grey Mining for partnering with us.

The Town also joined forces with the Port Hedland International Airport to restore direct flights to Bali. In August 2023, the Council approved a plan to incentivise commercial carriers for weekly flights to Brisbane and Bali. Unfortunately, Qantas discontinued the Brisbane flights after five months, and the return of Bali flights remains delayed due to a lack of Federal Government resources. These flights would have greatly improved Port Hedland's liveability, and we'll continue pushing for their resumption.

I'm pleased to report two key funding partnerships were secured with the State Government this year. The State Government confirmed our application for Service Worker Housing funding had been successful with \$4.5 million allocated to the project, while we were successful in gaining \$4 million from Lotterywest for a playground at the Spoilbank Marina. This marina, a long-awaited project, will transform how our community engages with the coast. Securing funding for the playground ensures it meets community expectations.

During the year, we welcomed new elected members to the Council following the October 2023 election: Ambika Rebello, Lorraine Butson, Sven Arentz and Camilo Blanco, while Adrian McRae joined us in March following an extraordinary election. We also said farewell to Renae Coles, Jan Gillingham, David Eckhart, Jason Keller and Elmar Zielke. Thank you all for your dedication to the Hedland community.

Lastly, I want to thank the Port Hedland community. Your feedback, both through the MARKYT Community Scorecard and directly, has guided us. In 2023-24, the Council committed to positive change, and we remain on this path as we move forward.

Thank you to the Town of Port Hedland's administrative team. Your dedication helps make our Town and community stronger. I look forward to continuing our progress in the year ahead.

Peter Carter

Mayor, Town of Port Hedland

An aerial photograph of Port Hedland, showing the harbor, a large ship in the water, and a newly developed marina with several piers. The surrounding land is mostly undeveloped, with some buildings and infrastructure visible in the foreground.

*Port Hedland's
economy
continues
to thrive.*

Message from the CEO

The 2023-24 financial year marked a productive and transformative period for the Town's administrative team. We made substantial progress in several key areas that will strengthen operational efficiency and enhance service delivery for years to come.



In August, we adopted a refreshed Corporate Business Plan, which serves as a comprehensive blueprint for translating the aspirations of our Strategic Community Plan into tangible actions. Alongside this, we introduced new reporting tools to streamline strategic reporting across the organisation, ensuring greater transparency and more effective tracking of our progress.

We also undertook a thorough review and update of our risk management framework, ensuring it is robust and adaptable to evolving challenges. In addition, we conducted a comprehensive review of our customer service operations to better align with community expectations and improve the overall experience for our residents.

A major highlight this year was the start of the successful rollout of our new Enterprise Resource Planning (ERP) system. This upgraded functionality not only empowers our internal teams to operate more efficiently but also significantly improves the customer experience when engaging with the Town. The ERP system represents a vital investment in the future of our operations, enhancing our ability to serve the community more effectively.

... the Town of Port Hedland continues to witness robust economic growth, reinforcing our position as an economic powerhouse at both state and national levels.

Another milestone achievement was the launch of the Emergency Dashboard, a one-stop resource designed to provide critical information to the community during emergencies. This initiative, a key action in our Corporate Business Plan, reflects our commitment to ensuring that our residents are well-prepared and informed in times of crisis. The dashboard has already seen significant engagement, underscoring the value of accessible, consolidated information during emergencies.

Our commitment to improving public spaces and civic amenities also saw tangible results this year. We celebrated the completion of the Wilson Street Share Path, which connects Port and South Hedland, adding a vital link to our active transport infrastructure. This shared walking and bike path enhances community mobility and supports our long-term vision for sustainable and accessible transport options.

Additionally, we transformed the former water park at Marquee Park into a vibrant and multi-purpose dog recreation area, offering a valuable new amenity for local residents. I look forward to seeing future phases of this project unfold, further enriching our community spaces.

Reflecting the Mayor's sentiments, the Town of Port Hedland continues to witness robust economic growth, reinforcing our position as an economic powerhouse at both state and national levels. Over the past year, I've had the privilege of engaging with numerous State and Federal stakeholders, advocating for the priorities and needs of our community. It's clear that we must take new approaches to achieve different outcomes, especially as we face increasing challenges in attracting employees to Hedland.

The lack of affordable housing, coupled with limited childcare options and other liveability concerns, continues to impact the region's ability to draw and retain a skilled workforce. However, I'm proud that the Town has taken a leadership role in addressing these issues. Our commitment to creating solutions will benefit the entire community and support our 'residential-first' employment policy, which remains a cornerstone of our approach.

As I prepare to move on from my role as CEO, I look back on my time in Hedland with great pride and a sense of accomplishment. I joined the Town during a period of substantial change, and together with the team, we have steadied the ship and created a foundation for continued success. The resilience, determination, and spirit of this community have been an inspiration, and I am grateful to have played a part in guiding the Town through this transformative period.

While I'm excited to take on new challenges in my next role within local government, I leave with a heavy heart. The people of Port Hedland — both the team I've had the privilege to work with and the broader community — will always hold a special place with me. It has been an honour to serve as CEO, and I have every confidence that the Town will continue to thrive in the years ahead.

Carl Askew

CEO, Town of Port Hedland

Our town

The Town of Port Hedland is a dynamic community in Western Australia's Pilbara region, located approximately 1,800 kilometres north of Perth.

Covering 12,000 square kilometres, the Town is home to 17,000 people from diverse cultural backgrounds, with most of the urban population living in the twin settlements of Port Hedland and South Hedland.

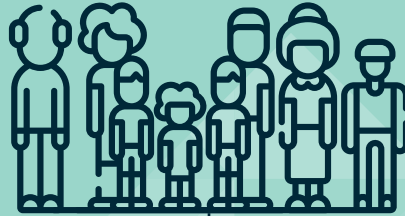
Physically, Port Hedland's town is dominated by its natural deep anchorage harbour. Included in the Town of Port Hedland area is the industrial precinct of Wedgefield and the remote communities of Strelley and Yandeyarra. Although recognised for its significant port and resource industry contributions, Hedland also continues to be a vital part of the Pilbara region for arts and culture, ecology, sport, business, tourism and regional services.

Hedland is home to unique desert landscapes, a tropical savannah climate, internationally renowned nature reserves and a stunning coastal waterfront which continues to attract both residents and tourists.

The allure of Port Hedland continues to attract people to our town. While we currently have around 7,000 households, that's expected to increase by 30% in the next 15 years.



Our community



17,000

estimated population 2022

24,000

population forecast 2041

75%

aged under 50

55%

aged under 34

33

median age

18%

Aboriginal or
Torres Strait Islander

13%

speak a language
other than English

30%

born
overseas



Our heritage

Port Hedland is steeped in 40,000+ years of Kariyarra lore and activity. Kariyarra people refer to the area as Marapikurrinya, which alludes to the hand-like formation of the coastal tidal creeks. The larger Pilbara region is what local custodians call Bilybarra, meaning ‘dry country’, an area that embodies many sacred sites and over 31 language groups.

The Pilbara’s Aboriginal culture continues to be inextricably connected to the patterns, processes and duties of traditional lore, which date back to the original creation of the distinctive land features that exist today.

Non-Indigenous settlement began in April 1863, when Captain Peter Hedland, aboard the ship *Mystery*, ran aground in the narrow entrance of a channel while looking for locations for a port to service the expanding Pilbara pastoral industry. He named the site, Mangrove Harbour after observing an impressive body of water appearing like an inland lake. Two months later, the state’s Surveyor-General renamed the area Port Hedland in the Captain’s honour.

The town was gazetted in 1895 with lots for sale at £50 each. Most early settlers arrived looking for opportunities in pearling or farming, and later, in gold mining. The discovery of hinterland iron ore deposits in 1965 with its subsequent mining and export brought significant development. Goldsworthy Mining developed an iron ore mine approximately 100 kilometres east of Port Hedland.

A rail line was then built to Port Hedland, where dredging was undertaken to deepen and widen the port’s channel. A wharf was built opposite the township of Port Hedland on Finucane Island.

Shipment of ore began on 27 May 1966. In 1967, iron ore was discovered at Mount Whaleback and a mining venture was undertaken that included the establishment of the town of Newman, 426 km of rail from the mine to the port and the development of processing equipment at both Newman and Port Hedland. In 1986, at a cost of \$87 million, the existing channel was dredged to allow larger ships to enter the port. Prior to dredging, the port was only able to load vessels of less than 2,000 tonnes, but today it is able to accommodate ships over 250,000 tonnes.

A series of mining booms over the last 30 years have shaped the town into one of the most significant resource and port hubs in Australia. The population of the Town has grown from 150 in 1946 to 3,000 in 1986. Today, we are a community of around 17,000 people and 48 nationalities.

A series of mining booms over the last 30 years have shaped the town into one of the most significant resource and port hubs in Australia.



Our organisation

Council members

The list below outlines Councillors that served in the 2023-24 financial year.

Member	Elected	Expiry of term
Peter Carter – Mayor	October 2021	October 2025
Ash Christensen – Deputy Mayor <i>Elected as Deputy Mayor at October 2023 election</i>	October 2021	October 2025
Sven Arentz	October 2023	October 2027
Flo Bennett	October 2021	October 2025
Camilo Blanco	October 2023	October 2027
Lorraine Butson	October 2023	October 2027
Renae Coles <i>No longer elected</i>	October 2020	October 2023
David Eckhart * <i>No longer elected</i>	October 2021	October 2025
Jan Gillingham <i>No longer elected</i>	October 2020	October 2023
Jason Keller <i>No longer elected</i>	May 2022	October 2023
Adrian McRae	March 2024	October 2025
Ambika Rebello	October 2023	October 2027
Tim Turner	October 2021	October 2025
Elmar Zielke <i>No longer elected</i>	October 2020	October 2023

*Resigned November 2023

Executive Leadership Team

The details of those who served on the Executive Leadership Team during the 2023-24 financial year are outlined below.



Chief Executive Officer – Carl Askew – Commenced Feb 2020

Carl has over 21 years of senior management and leadership experience, delivering positive change to communities across Western Australia. He was the CEO of the Shire of Wyndham East Kimberley from 2015 to 2020, the Town of Cottesloe from 2009 to 2015 and Executive Director of Community Services of the City of Armadale from 2004 to 2009.

Carl has extensive experience leading Council operations across governance, infrastructure, community development and corporate services.

Carl resigned from the CEO position in November 2024.



Director Infrastructure Services – Lee Furness – Commenced December 2019

Lee oversees the Town's capital works program and asset management programs such as roads and drainage. The parks and gardens, waste management and property management teams also fall under the Infrastructure Services portfolio.

With substantial experience in project planning, governance and project management, Lee drives the Town's delivery of key strategic infrastructure projects.



Director Regulatory Services – Craig Watts – Commenced November 2019

The Director of Regulatory Services oversees a portfolio that includes environmental health, ranger services, emergency management, town planning and economic development.

Craig has more than 26 years of experience in Local Government working across a broad range of roles in environmental health, emergency management, strategic planning and project management roles.

Craig departed the Town of Port Hedland in May 2024 to commence as Chief Executive Officer at the Shire of Merredin.



Director Community Services – Josephine Bianchi – Commenced November 2019

The Director of Community Services oversees the leisure facilities and community development portfolios. Leisure delivers services including Wanangkura Stadium, South Hedland and Gratwick Aquatic Centres.

The Community Services Directorate is also responsible for Port and South Hedland Libraries, the JD Hardie Youth and Community Hub, community engagement, events, arts and culture delivery and the Matt Dann Theatre and Cinema.

With a background in governance and management, Jo has worked in Local Government for more than 15 years.

Jo departed the Town of Port Hedland in March 2024 to relocate with her family closer to Perth. Louise Gee and Mark Dacombe each acted in the Director Community Services role for part of the year.



Director Corporate Services – Steve Leeson – August 2023

Steve oversees the finance, governance and IT teams. Finance incorporates accounts, rates, revenue, payroll, strategic financial planning and asset accountancy. Governance is responsible for compliance with local, state and national laws, procurement management, legal advice and records management and is responsible for strategic reviews and IT management and support.

Steve joined the Town of Port Hedland after 2.5 years with the Shire of East Pilbara and 8.5 at the City of Canning. In total, Steve has worked 18 years in Local Government, is a Certified Practising Accountant, Justice of the Peace and has experience across strategy and policy.



Our strategic direction

In July 2022 the Town of Port Hedland adopted the Strategic Community Plan 2022-32. The Plan is our blueprint for the future direction of the Town of Port Hedland and the community.

It was developed in partnership with the community through an extensive consultation process over eight months. This unprecedented community engagement process included hearing almost 6,500 ideas about how we could build a better future for Hedland.

The resulting Plan charts a course for building prosperity, honouring cultural heritage, protecting our environment and upgrading and maintaining infrastructure.

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

Our vision is:

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

This vision, outlining what the Hedland community aspires to become, is supported by the mission of the Town of Port Hedland, explaining why we exist and our overall intention.

Our mission is:

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.

To fulfil our mission and achieve our vision, we developed five guiding principles that are the fundamental, moral and ethical beliefs that we share as a community.



Our guiding principles are:

- **Integrity, Openness, Respect and Accountability**
We will act in a professional, ethical, accountable and transparent manner, nurturing attitudes and behaviours that result in positive community building, relationships, transparency and enhanced community pride.
- **Teamwork, Unity and Collaboration**
We commit to a high-level of community, stakeholder and staff engagement, cooperation, partnership and networking.
- **Active Community Engagement and Citizenship**
We will respect the contributions of all community groups and ages, fostering the mindset and actions that encourage greater community member involvement, volunteerism and ownership.
- **Inclusiveness and Diversity**
We will promote a future for all our community members, actively strengthening the social fabric of the community, valuing diversity and responding to special needs and disadvantage.
- **Innovation and Creativity**
As an organisation, we will encourage an enterprising spirit and initiative to achieve our community's aspirations and Council's vision.

Our goals:

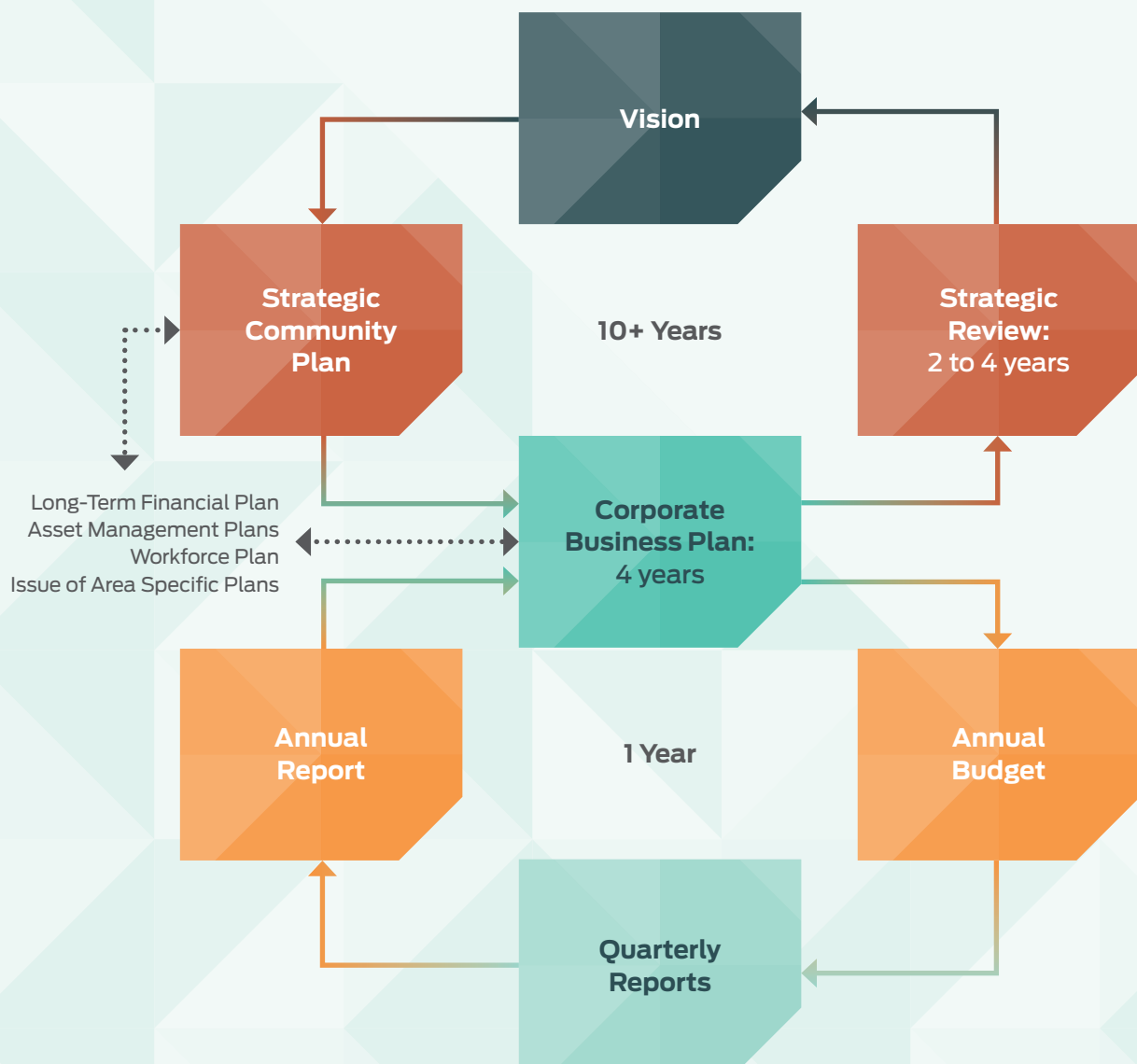
The Strategic Community Plan 2022-32 has four goals that outline the intent of our efforts towards accomplishing our vision. This annual report documents our progress against each of these four goals:

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

Integrated planning framework

The Integrated Planning Framework outlines the planning processes that ensure alignment with our community's aspirations, as set out in the Strategic Community Plan. Over the 2023-24 year the Town undertook a detailed refresh of its Corporate Business Plan, with the final plan adopted in August 2023.

The Long-Term Financial Plan sets out the intended funding allocation across capital and operations expenditure to support the aspirations in the Strategic Community Plan. The Town adopted a refreshed Long-Term Financial Plan in September 2022. The financial statements in this Annual Report outline the financial performance against the first year of the Long-Term Financial Plan. The statements have comparatives to adopted budget and prior year actuals.



Integrated Planning and Reporting Cycle

Sustainability

In December 2022 the Town adopted its first Environmental Sustainability Strategy. This five-year Strategy sets out the Town's plan for protecting our natural environment while supporting social and economic growth. It provides pathways for systemic transformation in our practices and the way we deliver infrastructure and services.

Environmental sustainability requires an integrated approach that considers environmental factors in social and economic development. It is based on the concept that each of these domains need to be in balance if humans are to live a quality life.

This Strategy grounds sustainability strategies under five key impact areas, each with corresponding actions to be completed within its five-year scope.

The five key impact areas are:

- Climate change and energy;
- Waste;
- Water;
- Natural environment; and
- Sustainable development, planning and infrastructure.



Year in review





161,000

visits to
Wanangkura Stadium



114,703

visits to
JD Hardie Youth and
Community Hub



\$4m

Lotterywest funding
secured for Spoilbank
Marina Playground



633

tonnes co-mingled
recycling diverted
from landfill



30%

decrease in tonnes
to landfill



36,549

visits to
Hedland Libraries



30,080

items borrowed through
Hedland Libraries
(inc e-resources)



12

community events



28,870

people attended
community events



5

building permits issued
every week



\$134m

value of development
applications



2,112

swimming pool
inspections completed



\$2m

invested into road and
carpark reseals



13%

increase in
website traffic



15

Council meetings



2

elections for
Town of Port Hedland
Councillors



Our achievements

The 2023-24 year has been an exciting one for the Town, with our efforts being recognised on both state and national stages. We kicked things off by receiving the **National Community Wellbeing and Diversity Award** from the Planning Institute of Australia for the **South Hedland Place Plan and Youth Mural Project**. It was a huge nod to our commitment to creating spaces that truly reflect the needs and spirit of our community.

Our work didn't stop there. The **Hedland Street Art Festival** earned us the **Centrepiece Award** at the **Place Leaders Asia Pacific Awards**, showcasing the vibrancy and creativity we're bringing to our public spaces.

Port Hedland also stood out in the **Tidy Towns Sustainable Community Awards**, where we made it as a finalist—a testament to our collective efforts to keep our town sustainable and beautiful.

We were thrilled to be recognised with the **Best Regional/Rural Industry Contribution Award** at the **Parks and Leisure Australia national awards**, highlighting the positive impact we're making across the region.

In the safety space, we were finalists in the **2023 WA Work Health and Safety Excellence Awards**, and we took home top honours at the **WorkSafe Health and Safety Excellence Awards** in October 2023 for the "Best Intervention to Address a Psychosocial Hazard in the Workplace." That same month, we were also named a finalist at the **WHS Foundation Awards** in the category of **Psychosocial Health & Wellbeing**.

To round it off, our dedication to innovation and partnerships was recognised by the **State Library WA**, where we received a commendation for **Collaboration and Innovation**. And finally, the **South Hedland Town Square** project, which brought young people into the design process, earned the **PIA WA 'Great Place' Award** for its inclusive and forward-thinking approach.



How your rates helped our Community

Every year the Town develops an Annual Budget which estimates how much it will cost to deliver services over the year.

37%

Other property and services

The Town maintains many properties, such as libraries, ovals and the Civic Centre. Every year we need to invest money to keep these facilities in good condition.

23%

Recreation and culture

This includes facilities like Wanangkura Stadium, aquatic centres and the JD Hardie Youth and Community Hub. Our annual Events program is also funded through this budget. As well as our annual events and operation of the Matt Dann Theatre and Cinema.

14%

Transport

This is what it costs us to build and maintain local roads, footpaths and shared paths.

10%

Community amenities

Such as open greenspace and playgrounds.

7%

Education, welfare and community safety

The Town works alongside education and community providers to facilitate opportunities for greater educational options and welfare support. The Town's community safety program includes working alongside the WA Police and various community networks to address anti-social behaviour and increase community safety.

4%

Governance

This includes the cost of running Council meetings.

3%

Housing

The Town invests in private housing for staff to relieve pressure on the local housing market.

2%

Economic services

The future of Hedland depends on a diverse and resilient economy, so we invest in a range of activities to attract businesses to Hedland and support their continued operation.



Financial performance summary

Our financial position remains strong, with cash and investments totalling slightly over \$184 million against total liabilities of \$88 million.

Our total assets are valued at \$818 million and our working capital ratio of 9.3:1 demonstrates robust financial health. All operating and capital budget figures are in accordance with the adopted budget.

Over the last financial year we have maintained our focus on cost containment to mitigate the impact of inflation, while keeping rates affordable and continuing to deliver valued community services. We have continued to deliver on our ongoing commitment to build the Town prosperity and community infrastructure.

Surplus result from continuing operations is \$8.4M, which is \$8.2M ahead of budget mostly due to favourable interest rate revenue and effective resource management by reducing our operating expenditure.



\$104M

Total spend including:

- **\$34M** in employee wages (32%)
- **\$24M** in materials and contracts (23%)
- **\$5M** in water and electricity (5%)
- **\$11M** in land, buildings and plant (11%)
- **\$20M** in roads, bridges, pathways, drainage and parks (19%)
- **\$2M** in loan repayments made (2%)

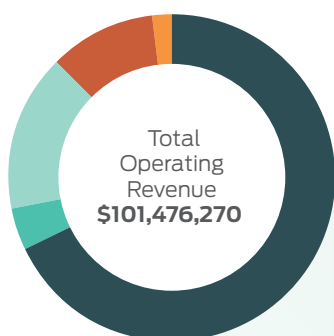


\$108M

Funding from revenue sources including:

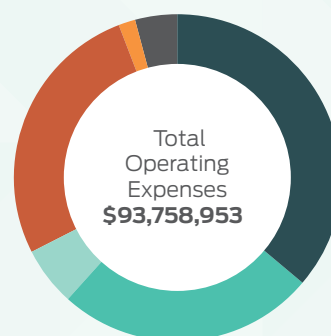
- **\$69M** rates (63%)
- **\$10M** in Grant funding (9%)
- **\$16M** in fee for service revenue (15%)
- **\$11M** in interest revenue (10%)

Operating revenue



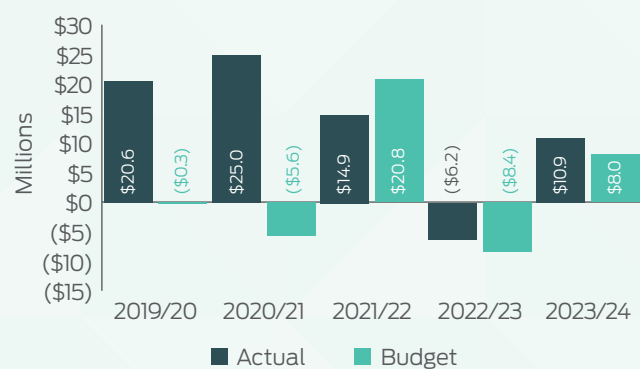
■ Rates	\$68,960,590
■ Grants Subsidies & Contributions	\$4,271,845
■ Fees & Charges	\$15,814,225
■ Interest Revenue	\$10,612,181
■ Other Revenue	\$1,817,429

Operating expenses

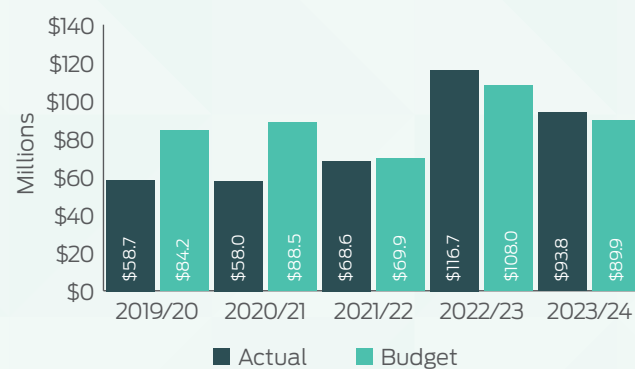


■ Employee Costs	\$34,114,373
■ Materials and Contracts	\$23,941,592
■ Utility charges	\$5,371,259
■ Depreciation	\$24,956,554
■ Insurance	\$1,691,508
■ Other expenses	\$3,683,667

Results from operations



Operating expenses



Major projects

The Town of Port Hedland is committed to lifting the liveability of Hedland so that more people choose to make our community their home.

A big part of achieving this goal is delivering amenities that support people's way of life. For some we know that sport is a crucial part of regional living, while for others providing amenities for young families is a big part of what makes Hedland attractive.

We also know that the cost of housing has a big impact on whether people choose to relocate to, or stay in, Hedland. That's why the Town of Port Hedland has prioritised a project to build affordable housing for key service workers. While enabling them to access secure housing and helping to keep these service workers in town, this also lifts the liveability of Hedland because we have more on offer.

The Town of Port Hedland has invested in a range of projects that support improved liveability.

The Town of Port Hedland has invested in a range of projects that support improved liveability. Some of our highlights over the 2023-24 financial year include:

- It was the first year of operation of the Milpaku Kuma / Port Hedland Community Centre. This multi-purpose facility offers the community a range of spaces for hire, while supporting a very popular horse racing community. It also doubles as an emergency response centre for Port Hedland.
- We opened a brand new dog recreation area at Marquee Park in South Hedland. The park now features three off-leash dog areas including a separate puppy area, a small-medium dog area and an all-dog area. This is the first stage of the Hedland Playspace Precinct Redevelopment to be completed.
- We have invested in renewals across our Open Spaces, including landscaping throughout Port and South Hedland, constructing shade over playgrounds in Pretty Pool and McGregor Street and starting a renewal of the Yikara Park playground.
- We have invested in new equipment available at Port Hedland Leisure fitness centres.
- We opened the Wilson Street shared path, connecting South and Port Hedland for the first time.
- We progressed key projects through design phases, such as completing the concept designs for the JD Hardie Adventure Park.



Governance

Democratic Governance

The definition of governance can vary based on the context to which it is being applied.

The role of governance within the Town of Port Hedland is to act as a guiding hand in accordance with our Charter of Values.

Governance provides support and advice where necessary to members of Council, as well as internal and external stakeholders to ensure maximum value is provided to the Town through sound, orderly decision-making and project implementation.

The role of governance within the Town of Port Hedland is to act as a guiding hand in accordance with our Charter of Values.

Where required, governance also assists with compliance with legislative requirements.

Good governance results in:

- Strong organisational culture,
- Sustainability and growth,
- Organisational and departmental accountability,
- Improved communication,
- Robust working relationships,
- Reduced risk exposure,
- Increased funding potential,
- Enhanced reputation, and
- Delivery of efficient and effective services to the Town.

The Town of Port Hedland Council consists of elected local members who act as representatives of the Town and the community's interests. At present the Council has a Mayor and eight Councillors. The Town of Port Hedland holds elections every two years to re-elect half of the available positions. Each position once elected is held for four years. The position of Deputy Mayor is allocated internally by the Councillors. All members of the public who are registered on the State Electoral Role and are registered within the Town as an eligible member, have the ability, and are encouraged, to vote.



The Role of Council

The role of the Mayor and Councillors is to consider matters that apply to the local community and make decisions on behalf of the community in regards to those matters. This includes the making of local laws, improvement projects, funding for local clubs/committees and the general day-to-day management of the Town.

It is the role of the Mayor to:

- Preside at meetings according to the relevant legislation,
- Provide leadership and direction to the Port Hedland community,
- Conduct both civic and ceremonial duties on behalf of the Town of Port Hedland,
- Act as the voice of the Town of Port Hedland, and
- Engage with the CEO on matters affecting the Town and the execution of the Town's functions.

Under section 5.34 of the *Local Government Act 1995* (WA) the Deputy Mayor is permitted to perform the functions of the Mayor when authorised to do so.

The role of Council Members is to:

- Represent the interests of the community,
- Provide leadership and direction to the Port Hedland community,
- Engage in conversation with the community and Council, and
- Participate in Council Meetings and decision-making processes.



Council Meetings

The Town holds Ordinary Council Meetings generally every four weeks on a Wednesday evening in Chambers above the Port Hedland Civic Centre. The Mayor presides over these meetings which are also attended by the Councillors, the CEO and the business unit Directors. Reports are presented to the Council of matters requiring consideration inclusive of information and advice to assist with decision making. Members of the community are welcome to attend meetings and engage Council during question time (based on matters presented in the Agenda).

Council meetings, inclusive of question time, are recorded in the Council Minutes, which are later published on the Council website to the extent permitted by law.

Special Meetings are held as required and are called when matters require consideration before the next Ordinary Meeting is due to take place. Procedure and protocol remain the same as Ordinary Council Meetings.



Audit and Risk Committee Attendance

The *Local Government Act 1995* requires that all local governments establish an audit committee.

The committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting,

internal control structure, risk management systems, legislative compliance, ethical accountability and the internal and external audit functions.

Attendance at Audit and Risk Committee meetings during the financial year is outlined below.

Name	ARC Committee Meetings		Special ARC Committee Meetings		Total	
	# Held in term	# Attended	# Held in term	# Attended	# Held in term	# Attended
Ash Christensen	1	1	0	0	1	1
Tim Turner	3	3	1	1	4	4
Flo Bennett	1	0	0	0	1	0
Camilo Blanco	2	2	1	1	3	3
Lorraine Butson	2	2	1	1	3	3

Elected Member Attendance

Name	Ordinary Council Meetings		Special Council Meetings		Electors Meetings		Total	
	# Held in term	# Attended	# Held in term	# Attended	# Held in term	# Attended	# Held in term	# Attended
Mayor Peter Carter	12	12	3	3	2	2	17	17
Ash Christensen	12	12	3	3	2	1	17	16
Sven Arentz	9	8	3	3	2	1	14	12
Flo Bennett	12	7	3	3	2	0	17	10
Camilo Blanco	9	9	3	3	2	2	14	14
Lorraine Butson	9	9	3	3	2	2	14	14
Adrian McRae	4	4	1	1	2	2	7	7
Ambika Rebello	9	9	3	3	2	2	14	14
Tim Turner	12	9	3	3	2	0	17	12
Renae Coles	3	2	0	0	0	0	3	2
David Eckhart	6	6	1	1	0	0	7	7
Jan Gillingham	3	3	0	0	0	0	3	3
Jason Keller	3	2	0	0	0	0	3	2
Elmar Zielke	3	3	0	0	0	0	3	3

Review of Local Laws – Governance

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

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

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

The Town did not adopt any Local Laws for the Financial Year 2023-24.

Elected Member Remuneration

The remuneration, fees, allowances or expenses provided to Elected Members are determined by the Salaries and Allowances Tribunal in accordance with Section 7B of the *Salaries and Allowances Act 1975*.

In July 2022, the Council endorsed an Elected Member Allowances, Facilities and Expenses Policy, which sets out the fees and allowances payable and permitted expenses that may be reimbursed to elected members as follows.

- Meeting attendance fees
- Mayoral allowances
- Deputy mayoral allowances
- Information and communication technology (ICT) allowances

The policy allows Elected Members to receive up to the maximum annual allowances and fees determined by the tribunal and as approved in the budget. In addition, the policy provides for reimbursement for childcare and travel costs incurred as a result of attendance at a Council or Committee meeting.

During the 2023-24 financial year, the Town provided various allowances, fees, and expense reimbursements to Elected Members, the details of which are as follows:

Description	2023/24 Actual (\$)	2023/24 Budget (\$)
Mayor allowance	80,840	80,000
Deputy Mayor allowance	18,543	20,000
Meeting attendance fees	289,722	313,075
Child care expenses	-	3,500
Other expenses	-	72,910
Annual allowance for ICT expenses	30,345	31,500
Total	419,450	520,985

Councillor Community Engagement

As members of the community many of our Councillors also participate on local Committees. Please refer to the table below for details on each Elected Member's involvement.

Committee/Meeting Group	Meeting Frequency	Membership 2023-24	Proxy 23-24
BHP Stakeholder Engagement Group	Quarterly	Mayor Peter Carter	Deputy Mayor Christensen
East Pilbara District Health Advisory Committee	Monthly (second Wednesday of every month)	Cr Butson	Cr Blanco
Hedland Community Road Safety Group	3 monthly	Deputy Mayor Christensen (Chair)	Mayor Carter
Hedland Housing Solutions Steering Committee	3 monthly	Mayor Carter (Chair)	Cr Bennett
Hedland Senior High School Independent Public Board	Once per term (approx. every 12 weeks)	Cr Bennett	
Kimberley / Pilbara / Gascoyne Joint Development Assessment Panel (JDAP)	As and when required	Cr Blanco Mayor Carter	Cr Turner Deputy Mayor Christensen
Local Emergency Management Committee (LEMC)	Quarterly (third Thursday of the month)	Mayor Carter	Deputy Mayor Christensen
North West Defence Alliance	As and when required	Mayor Carter	Cr Arentz
Pilbara Country Zone (WALGA)	Bi-Monthly	Mayor Carter Deputy Mayor Christensen	Cr Turner Cr Rebello
Pilbara Regional Road Group (RRG)	As and when required	Deputy Mayor Christensen	Cr Turner
Port Hedland Industries Council – Community Industry Forum	3 monthly (second Wednesday of the month)	Cr Rebello	Cr Arentz

Committee/Meeting Group	Meeting Frequency	Membership 2023-24	Proxy 23-24
Port Hedland Technical Advisory and Consultative Committee (TACC)	Twice per year	Cr Blanco	Cr Butson
Regional Aviation Consultation Group (RACG)	As required	Mayor Carter	Cr Eckhart
Regional Capitals Alliance WA (RCAWA)	Bi-Monthly	Mayor Carter	Deputy Mayor Christensen
The Port of Port Hedland Community Consultative Committee	Four monthly	Cr Butson	Cr Rebello
Regional Capitals Australia	Monthly	Mayor Carter (Deputy Chair)	
Walga Roadwise Recognised Advisory Committee	Quarterly or as required	Deputy Mayor Christensen	Cr Arentz



Corporate governance

Audit and Risk Management

To ensure a culture of continuous improvement, the Town operates an internal Risk and Audit Business Unit. It is the role of this unit to identify and improve on any actual or perceived weaknesses of the Town's internal processes and ensure a robust risk management framework. In addition to this, external auditors are engaged to ensure that there is an objective third party providing oversight and advice to the Town. The result of both approaches builds a more resilient and efficient organisation to provide greater benefits to the community. A three-year strategic internal audit plan has been implemented with three independent audits conducted in a financial year. The recommendations are reported and monitored through to the Town's Audit, Risk and Compliance Committee.

In addition to the internal practices, State Government legislation also provides for oversight to the Town's operational excellence via the Local Government (Audit) Regulations 1996 (WA). The Regulations provide that each Local Government is to complete and submit a Compliance Audit Return (CAR) to the Department of Local Government, Sport and Cultural Industries on an annual basis. The CAR (2023) reviewed practices from 1 January 2022 – 31 December 2023 and was considered to have a high compliance standard on submission. These findings were presented to the Town's internal Audit, Risk and Compliance Committee on 12 March 2024 with the motion lapsing for want of a seconder. The CAR (2023) was presented to a Special Meeting of the Audit Risk and Compliance Committee on 15 April 2024 and not supported. The CAR (2023) was adopted by Council at the 24 April 2024 Ordinary Council Meeting.

In addition to audit, the Town has implemented a robust Risk Management Framework. This Framework was developed in accordance with the International Standard for Risk Management (AS/NZ ISO 31000:2018). The purpose of the Framework is to assist the Town in integrating consistent, effective risk management practices, processes and principles across the organisation as a whole.



*The Town has implemented
a robust Risk Management
Framework.*

Regional Price Preference – Procurement

The Town of Port Hedland (along with other neighbouring Local Governments) has enabled a Regional Price Preference as allowed by legislation. This Policy enables the Town to allocate a percentage preference to potential suppliers who can demonstrate adherence to the Policy requirements. To be eligible for consideration under the policy a potential supplier/contractor must be able to demonstrate:

- They have had a permanent office and permanent staff in the 'prescribed' area for at least six months before bids being sought,
- They are registered and licensed in Western Australia,
- A majority of the goods and/or services are to be supplied from Town sources, or be located within neighbouring municipalities with reciprocal Regional Price Preference policies which benefit Town businesses.

The Regional Price Preference can be claimed in part or full depending on the submission received. The applicable discount is calculated as a percentage and may vary between contracts.

During the 2023-24 Financial Year the Town released 35 public Requests for Tenders, EOI Panels and Proposals and 37 RFQs. Seven of the 35 tenders and eight of the 35 RFQs were awarded to local suppliers.

Official Conduct Report

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

One complaint finding was made in accordance with Section 5.121 for the 2023-24 financial year.

FOI Statistics

In accordance with Section 10(1) of the *Freedom of Information Act 1992*, individuals and organisations have the right to access documents held by the Town of Port Hedland, subject to the exemptions outlined in the Act.

Access Outcomes

Access Type	Personal	Non-Personal	Total for Outcome
Full access to all requested documents	0	4	4
Edited access	7	0	7
Withdrawn by applicant	0	0	0
Access deferred	0	0	0
Refused to deal with application	0	0	0
Access outside FOI	6	0	6
TOTALS	13	4	17

Capital Grants, Subsidies and Contributions

As per regulation 19BE of the *Local Government (Administration) Regulations 1996* below are the amounts of capital grants, subsidies and contributions received by the Town of Port Hedland in the last three financial years for replacing and renewing assets.

Financial Year 2023-2024	\$5,718,558.00
Financial Year 2022-2023	\$9,583,965.00
Financial Year 2021-2022	\$9,035,780.00

Record-Keeping Practices

The Town of Port Hedland adheres to the *State Records Act 2000*, ensuring effective management of corporate records. Proper record-keeping practices enhance the Town's efficiency and accountability to its stakeholders.

The current Record Keeping Plan was approved by the State Records Commission in August 2019, with the next review scheduled for August 2025.



27,190

records were entered into the corporate record-keeping system

Commitment to Record-Keeping

The Town of Port Hedland is dedicated to maintaining high standards in record keeping through the following initiatives:

- **Registered Records:** 27,190 records were entered into the corporate record-keeping system.
- **Digitisation:** 3,351 property files were digitised and registered.
- **Training:** Training sessions on the Corporate Record-keeping system were provided to 26 new employees within their first month of employment.
- **File Creation:** 1,291 new files were created in the current financial year.
- **File Closure:** 62 files/volumes were closed in the current financial year.
- **Records Destruction:** Approximately 180 boxes of source records were destroyed.
- **Disposal of Inactive Records:** 336 boxes of inactive temporary records were disposed of.

The Town remains committed to upholding excellent record-keeping practices to serve its community effectively.





People and Culture

The achievements of the Town of Port Hedland are testament to the hard-working team of employees that choose to live and work in Hedland. We have a diverse workforce with people relocating from a range of Australian States and different countries to work at the Town.

We are focused on supporting our employees to retain talent and supporting the local community through a range of training programs.

Employee Remuneration

Regulation 19B of *Local Government (Administration) Regulations 1996* requires disclosure of the number of employees within the Town of Port Hedland entitled to an annual salary of \$130,000 or more and the number of those employees entitled to an annual salary that falls within each band of \$10,000 over \$130,000.

Employee Remuneration – Salary Range	Number of Employees
130000 – 139999	7
150000 – 159999	5
160000 – 169999	6
170000 – 179999	2
180000 – 189999	1
210000 – 219999	2
240000 – 249999	1
330000 – 339999	1
TOTAL	25



Traineeships

Shape Your Future Traineeship Program

Launched in 2022, the Town's Shape Your Future Traineeship Program has continued to grow in 2024. The Town welcomed seven new full-time trainees in 2024 in the areas of Finance, Governance, Sport and Recreation, Aquatics and Community Recreation, Community Services, ICT & WHS alongside the Town's existing HD Mechanical Apprentice. The Town also welcomed two school-based trainees to the team.

The Town's ongoing commitment to Traineeships and Apprenticeships delivers tangible career pathways to the Hedland community. This program has continued to grow and strengthen year on year with the Town preparing to launch the 2025 Shape Your Future Traineeship Program, consisting of four traineeship roles across Parks and Gardens, Waste Services, Aquatics and Community Recreation and Sport and Recreation. The Town continues to work with Hedland Senior High School, Programmed, North Regional TAFE, Royal Life Saving WA and other local partnerships.

Our Successes for 2023/2024

- One existing Certificate IV Workplace Health and Safety full-time traineeship completion.
- Two existing Certificate II Workplace Skills school-based traineeship completions.
- One existing Certificate III in Sport and Recreation school-based traineeship completion.
- Two new school-based trainees employed completing Certificate II Workplace Skills.
- Seven new full-time trainees employed completing a variety of traineeships including Certificate IV in Business Administration, Certificate III in Sport, Aquatics and Recreation, Certificate IV in Accounting and Bookkeeping, Certificate IV in Workplace Health and Safety and Certificate III Information and Communication Technology.



Communications & community engagement

Communications

The Town of Port Hedland is committed to sharing information and supporting an ongoing conversation with our community and stakeholders. This includes asking for feedback when we have big decisions to make.

Over the 2023-24 year we have continued to develop our communication channels, which has seen our online community and engagement in these channels increase.

The number of people visiting the Town of Port Hedland website increased by around 13 per cent.

It is promising that the largest driver of web traffic are employment opportunities – demonstrating that people are keen to work with the Town of Port Hedland.

Our content on social media channels achieved a substantial increase in both reach and engagement, while the number of people choosing to follow our content was up almost 40 per cent on the year prior.

A big part of keeping our community updated is engaging with media, including locally, across Australia and, occasionally, internationally. The Town published more than 60 proactive media releases in the 2023-24 year which helped drive positive media coverage of our achievements.

Engagement and Consultation

The Town of Port Hedland is committed to continual conversation with local members of our community. This helps ensure that we are headed in the right direction, our plans meet expectations and that people have an opportunity to provide feedback on big decisions that the Council will consider.

Our engagement and consultation activity is spread across a range of different functions, from planning applications to broad engagement where information gathered helps us determine our strategic direction. Council has a statutory obligation to publicly notify certain types of development applications and transactions. The main channels utilised for public notification include the Town's website, direct mail to affected residents, the local newspaper and sharing information on current public notifications via the Town's communication channels including e-newsletters and/or social media where applicable.

Over the year the Town asked the Hedland community for feedback on a range of topics, including the Town's strategy for managing and maintaining public open spaces, public art and what is on offer through the Matt Dann Theatre and Cinema.

*The number of people visiting the
Town of Port Hedland website
increased by around 13 per cent.*



Highlights

Public Open Space Strategy

During the year we embarked on an exciting new project to review our Public Open Space and Street Tree Strategy – this is our plan for protecting, managing and improving the public open spaces and street trees available now and into the future.

Hedland's public open spaces include public parks, streets, play spaces, natural areas of bushland and the foreshore. We gathered data to understand how the Hedland community and visitors use our parks and other public open spaces. The initial engagement received 161 responses from the public. This valuable information will help us better plan the open spaces for everyone to enjoy for many years to come.

Draft Signage Strategy and Wayfinding Style Guide

We also began a conversation with the community about how we manage different signage across Hedland for various purposes. This conversation continues into the 2024-25 financial year, with the Strategy expected to be completed in 2025.

Public Health Plan

This year we made substantial progress on development of a Public Health Plan, which is a legislative requirement under the *Public Health Act 2016*.

Over March and April we asked the community for feedback on Public Health in our community, including health and wellbeing promotion, access to services and other social determinants.

We received an overwhelming number of responses with more than 340 people sharing their thoughts with us. This information was then incorporated into the draft Public Health Plan which will be finalised in the 2024-25 financial year.



MARKYT Community Scorecard

Every two years the Town of Port Hedland conducts the MARKYT Community Scorecard. This is the essential mechanism for community members to provide the Town with feedback on our performance and their satisfaction with services and facilities.

Between 17 July and 18 August 2023 all community members aged 14 years and older were invited to provide feedback. More than 1,300 people completed the scorecard, providing the Town with rich data to understand performance and our community's priorities. More information on the Scorecard results is on page 59, with the full results available on our website.



Detailed performance



Our community

The Town of Port Hedland Strategic Community Plan 2022-32 includes a goal for our community to honour our people and our cultural heritage – ensuring wellbeing, diversity, creativity and strong civic leadership and dialogue are fundamental characteristics of Hedland.

The outcomes we expect to see through this theme are:

- Improved levels of health, safety and wellbeing in the community.
- Broader community engagement and representative participation in decision-making.
- A vibrant and diverse community lifestyle.
- Well utilised and valued community facilities and services.
- Increased community satisfaction, ownership and pride in facilities, events and services.

The 2023-2027 Corporate Business Plan sets out how the Council will contribute to achieving the community's vision over the next four years. Following is an overview of our progress on these actions.

Youth and Community Development

This year marked the first year for the Town of Port Hedland's Youth Advisory Council (YAC). The Council was developed to work with young people in Hedland to support their ideas, perspectives and skills to better inform the Council on youth-related matters.

Members are aged between 15 and 24, live in Hedland and have demonstrated involvement in the community.

The first year involved the YAC forming its own identity through the establishment of a bespoke brand. The brand reflects the YAC's collective vision for a thriving and inclusive community where every young person's voice is heard and valued. These young thinkers, leaders and change makers have partnered with Millennium Kids to provide personal development opportunities to the group and other young leaders through a three-day leadership camp experience based in Dampier.



During the year there were more than 110,000 visits to the JD Hardie Youth and Community Hub – a total growth of 185% over two years. Of this, there were around 17,000 attendances to specific youth programs run through the JD Hardie.

In December 2023 the Town of Port Hedland Council adopted a new Community Safety Plan, following an independent evaluation by the University of Western Australia's Law School Criminology team.

The evaluation provided recommendations to achieve effective and sustainable solutions, with an evidence-based approach for continuous improvement in community safety.

Core recommendations of the Plan include the commitment to increasing community awareness about what is effective to prevent crime, the lack of effectiveness of “tough on crime” approaches and the importance of committing to a process that will work better.

The Town also launched an expanded grants program with a total funding pool of \$650,000 over the financial year. This included offering Community Partnerships Grants of up to \$15,000, Community Champions Grants up to \$5,000 and Placemaking Grants up to \$10,000.

The Town has also invested in lifting the expertise of community engagement across the entire Town of Port Hedland team. Dedicated training was provided to staff members of all levels to support increased awareness of effective engagement methods and approaches.



The Town has also invested in lifting the expertise of community engagement across the entire Town of Port Hedland team.

Events, Arts and Culture

The 2023-24 year was another successful one for community events. There were 12 community events held, attracting more than 28,870 people. The events program received an overall positive experience rating of 82% and the strongest cultural dimensions were ‘Local Impact – felt that it is important to the area’, which rated 89%, and ‘Inclusion - it made me feel welcome and included’, which rated 84%.

This included the inaugural year of both the Odyssey Music and Arts Journey and Good Nights Hedland, which completely sold out. These two events are new additions designed to deliver a bespoke offering to our local community, focused on live and intimate events that help support community organisations to develop skills and experience in the live events space.

The headline event for Odyssey was King Stingray playing at the Civic Gardens, attracting hundreds of people. The event continued with a range of entertainment over two weeks – supporting the objective of an event which was flexible and catered to different audiences.

Good Nights Hedland saw this popular intimate live music series born in the South-West translated to the Hedland community, with significant success. Kicking off with popular artists Kim Churchill and Alexia Parenzee at Provedore café, the music series provided the Hedland community with a range of live music events featuring different artists.

The Courthouse Gallery also had a busy year, with 57 programs being organised and 4,810 people visiting the gallery exhibitions. Exhibitions included the annual Jury Art Prize, touring displays from Art Gallery of WA, as well as local featured artists, Amelia Blanco, Sarah Green, Paulette Jadzinski and Howard Holder.



Leisure

Our leisure facilities continued to attract strong attendance, demonstrating the value our community places on sports and recreation facilities. We had more than 160,000 visits to Wanangkura Stadium over the year, up from 148,000 on the year earlier.

More than 50,000 people made use of the South Hedland Aquatic Centre once it was reopened following crucial maintenance works, while around 60,000 visits to the Gratwick Aquatic Centre and gym were recorded.

We also recorded a 33% increase in the number of registrations for our annual Ship to Shore event; 510 people registered for the 2024 event which was held just after the end of the financial year, up from 381 in 2023. Our thanks go to our events partners Pilbara Ports for their continued support in making this event a success.

The Town made a substantial improvement to the customer experience for those using leisure facilities by introducing a new leisure management software system. This lays the foundation for users to have a more seamless experience when booking classes and managing their membership with us, with further functionality to come.

Our work with sporting clubs continued with a range of workshops and other support held throughout the year. These included workshops on grant writing and access, committee and board compliance and club constitutions.

We also engaged clubs in our annual Sport and Recreation Expo intended to support awareness, enable new memberships and ultimately improve sustainability.

Our economy

The Town of Port Hedland Strategic Community Plan 2022-32 sets a goal for building prosperity for all – enabling sustained and diversified economic and employment growth.

Our economy is dominated by the mining industry with more than two thirds of our output coming from the mining sector.

To support our community now and into the future, we need to make progress in areas that will help achieve:

- Greater investment that is crucial to support existing economic output,
- Increased collaboration across business, industry and stakeholders,
- Growth in local and regional education and training opportunities,
- Increased and diversified local employment opportunities,
- Local business growth, attraction and retention,
- Greater awareness of business opportunities in Hedland,
- Greater availability of housing stock and serviced land, and
- Completion of key community infrastructure projects.

The 2023-2027 Corporate Business Plan sets out how the Council will contribute to achieving diversified economic and employment growth over the next four years. Below is an overview of our progress on these actions.

Supporting Local Business

During the year the Town of Port Hedland launched a number of initiatives to help support existing local businesses and encourage more to set up and diversify.

The Town has clear processes which need to be followed when procuring goods and services. We know that some local businesses may not be familiar with these local government processes and using platforms like VendorPanel. To help lift awareness and understanding, the Town ran dedicated workshops for local businesses interested in knowing more about how to win work with the Town.

We have also established the Economic Development and Diversification Fund to encourage sustainable economic growth, local job creation and improved liveability across Port Hedland.

The Fund encompasses two streams;

- The Business Development stream - designed to support local businesses and organisations to generate new revenue opportunities through the development of feasibility studies and business cases.
- The Economic Diversification stream – designed to support new or expanded business operations with demonstrable benefits to local employment, economic output and/or liveability.

Housing

A key enabler for supporting the Town's residential-first policy around employment is the development of affordable housing. During the year the Town has made positive progress on its priority project to build up to 80 homes for service workers within our community.

In addition, the Town continues to Chair a Housing Steering Committee that was formed as an outcome from the 2021 Housing Summit. Eight meetings have been undertaken to date. Further work in this area will be identified through the development of a Local Housing Strategy, which commenced during the year.

Tourism

The Town continued to support existing tourism operations in the regions and commenced work on a strategic approach to leveraging the existing visitor market into the future.

Demand for the Town's tourism infrastructure remained strong with more than 3,700 vehicles passing through the RV Overflow facility during the last visitor season. People stayed an average of 2.5 nights in Port Hedland and close to 60% were first-time visitors to Port Hedland.



Our built and natural environment

The Town of Port Hedland Strategic Community Plan 2022-32 includes a goal to treasure and protect our natural environment and provide sustainable and resilient infrastructure and built form.



10

new Containers for
Change exchange points in
South and Port Hedland

Progress in this area includes:

- Increased protection and conservation of natural environments, habitats and biodiversity,
- Increased environmental initiatives being developed and led by local young people,
- Improved perceptions of safety, cleanliness and functionality of built form,
- Increased provision of sustainable and resilient built form,
- Greater community member participation in urban renewal projects,
- Increased satisfaction with attractiveness of the urban landscape, and
- Increased cultural narratives being expressed in public art and wayfinding signage.

The 2023-2027 Corporate Business Plan sets out how the Council will contribute to protecting our natural environment. Below is an overview of our progress on these actions.



Natural Environment and Sustainability

The 2023-24 year was the Town's second year implementing the Environmental Sustainability Strategy, which sets out our plan for protecting our natural environment while supporting social and economic growth.

We have made substantial progress in this area, starting with the recruitment of a dedicated Sustainability Officer. We have also established a sustainability working group which enables key stakeholders to have input into our initiatives. The first meeting was held in June 2024 with subsequent meetings to occur quarterly.

The 2023-24 year also marked our first year in partnership with Care for Hedland. This three-year partnership is focused on collaboratively delivering strong environmental outcomes for the region.

We also introduced Sustainability Grants – a key way for us to continue delivering initiatives outlined in the Environmental Sustainability Strategy. The grants are available to businesses, not-for-profits and community members with activities or outcomes within the Town of Port Hedland Local Government Area.

The Town also introduced two new initiatives to encourage residents to reduce waste through recycling. A pilot program with Containers for Change has delivered 10 new exchange points in South and Port Hedland. In a separate initiative, the Town has partnered with EcoBatt to provide battery recycling bins in Town facilities.

Protecting our treasured turtles continued to be a high priority and we increased our beach patrols of beaches and turtle nesting locations.

In June 2024 the Town launched the Home Energy Audit Kit which empowers users with tools and knowledge to make their homes more energy-efficient, reduce carbon footprints and save on utility bills.

The Town also played a key role in managing the impact of mosquitoes by continuing our annual fogging program.



Waste Management

The Town's efforts to encourage recycling are having demonstrable results with yet another reduction in the amount of waste deposited to landfill. In total, slightly more than 42,000 tonnes of solid waste was deposited at the landfill, a 30% reduction on the year prior. This achieves a 40% drop in waste going to landfill over two years. The majority of this waste (60%) is generated from construction and demolition and commercial and industrial waste.

The Town saw significant volumes of recycled waste deposited; more than 17 tonnes of liquid waste was received at the South Hedland Wastewater Treatment Plant, while more than 700 tonnes of scrap metal was recycled.

The Town also upgraded battery recycling facilities at the South Hedland Landfill. Over the year more than 36 tonnes of batteries were recycled, 136 tonnes of scrap metals and 633 tonnes of co-mingled dry recycling was diverted from landfill.

Built Environment

The Town's contribution to the Spoilbank Marina came to life in the 2023-24 year with the landside developments taking shape. This infrastructure project will make a significant difference in lifting the civic amenity in Port Hedland providing substantial green space for recreation as well as boating infrastructure.

As outlined on page 30, the Town made substantial investments in major projects – all providing improved public amenity for people in Hedland. Our progress on the JD Hardie Youth and Community Hub Masterplan is especially exciting – the next stage will see an adventure park created at this popular facility, once funding is secured from external parties.

We also continued to progress priority projects such as the plans for a new aquatic centre, alongside a Performing Arts Centre and Civic and Community Hub.

Meanwhile, the Town of Port Hedland delivered a record number of road and kerbside upgrades over the 2023-24 financial year. We invested \$2 million into road and car park reseals, \$1.2 million into footpath renewals and \$3 million into the new Wilson Street shared path, partly funded with the WA Bike Network.



\$3 million

into the new Wilson Street
shared path, partly funded with
the WA Bike Network.



Our leadership

The Town's Strategic Community Plan 2022-32 includes a goal to be united in our actions to connect, listen, support and advocate, thereby leveraging the potential of our people, places and resources.

Progress under this theme includes:

- Greater brand recognition and reputation,
- Increased visitation,
- Increased community awareness and positive perception of the Town of Port Hedland's transparency and accountability,
- Achievement of industry benchmarks for financial and governance performance,
- Improving customer satisfaction, and
- Increased utilisation of the Town's assets and amenities.



MARKYT Community Scorecard

Between 17 July and 18 August 2023 we asked the community for feedback through our biennial MARKYT Community Scorecard survey. This gives us rich data on our community's perceptions of our performance across a range of areas, including satisfaction with amenities, the Town as a governing organisation and value for money from rates.

The full report is available on our website. Below are some key takeaways from this important community consultation.

Advocacy on social issues

The survey gave us a clear indication that the Hedland community wants the Town of Port Hedland to advocate for change in areas that are typically outside of the scope of local government responsibility. This includes action on community safety, housing, education and childcare and healthcare.

Community safety and crime prevention ranked as the highest priority for our community. This feedback led into the Town's work to develop the Government Advocacy Statement 2024, which is a key tool for us to lobby for change with both State and Federal Government.

Satisfaction with Town services and amenities

When asked how people would rate our performance on customer service, 56% provided a positive rating. This has been valuable feedback that the Town has considered while developing a new Customer Services Strategy.

Feedback on the Town's services and amenities was positive with improved satisfaction with our youth services and facilities and recognition and respect for First Nations peoples, cultures and heritage.

Our sport and recreation facilities and services maintained a strong positive result with 72% reporting a positive rating. Satisfaction with our aquatic facilities did drop – this is not surprising considering ongoing maintenance of the South Hedland Aquatic Centre which has impacted access. This is a key driver for the Town prioritising development of a new aquatic centre.

Council's leadership

The MARKYT Community Scorecard also enabled the community to provide feedback on the Town's leadership and strategic direction. This feedback demonstrated a clear need for change, which the Town's Elected Members have taken on board while working with the Department of Local Government, Sport and Cultural Industries.



Strategic Planning

The Town has made positive progress with embedding strategic planning into the organisation, led by the adoption of a new Corporate Business Plan in August 2023. We also implemented dedicated software to improve reporting functionality of the Corporate Business Plan and other strategies. This software is also increasing the efficiency of audit and risk management functions. In addition, in August 2023, the Council adopted the Strategic Internal Audit Plan for three-year rolling and internal audits.

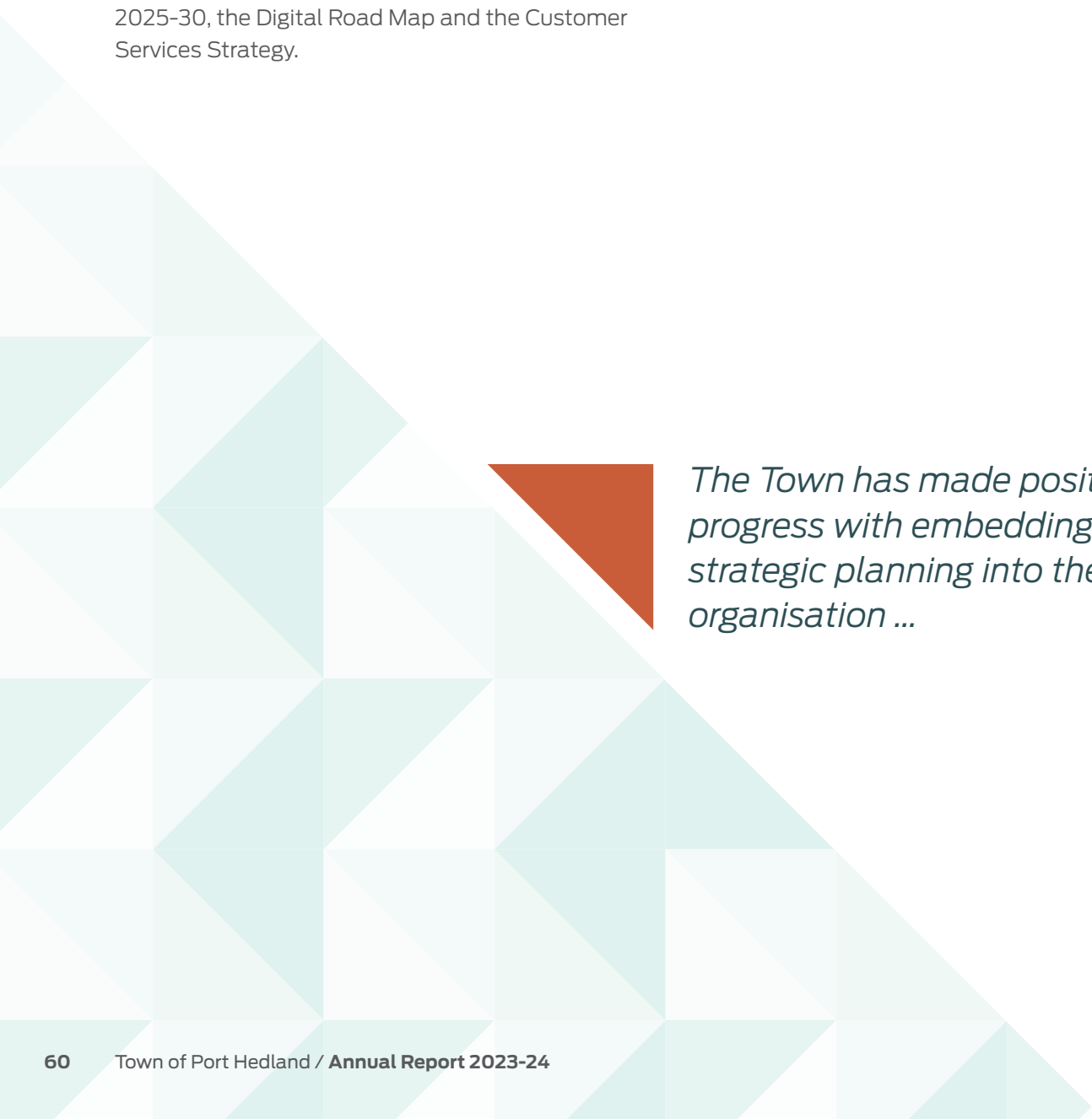
The Council also adopted the Rating Strategy 2025-30, the Digital Road Map and the Customer Services Strategy.

Enabling Infrastructure

Over the year the Town has successfully lifted the capability of digital infrastructure to support with the delivery of strategic outcomes.

This includes completing Phase One of a new Enterprise Resource Planning system – making it easier for members of our team to do their jobs effectively and efficiently while also improving the customer experience.

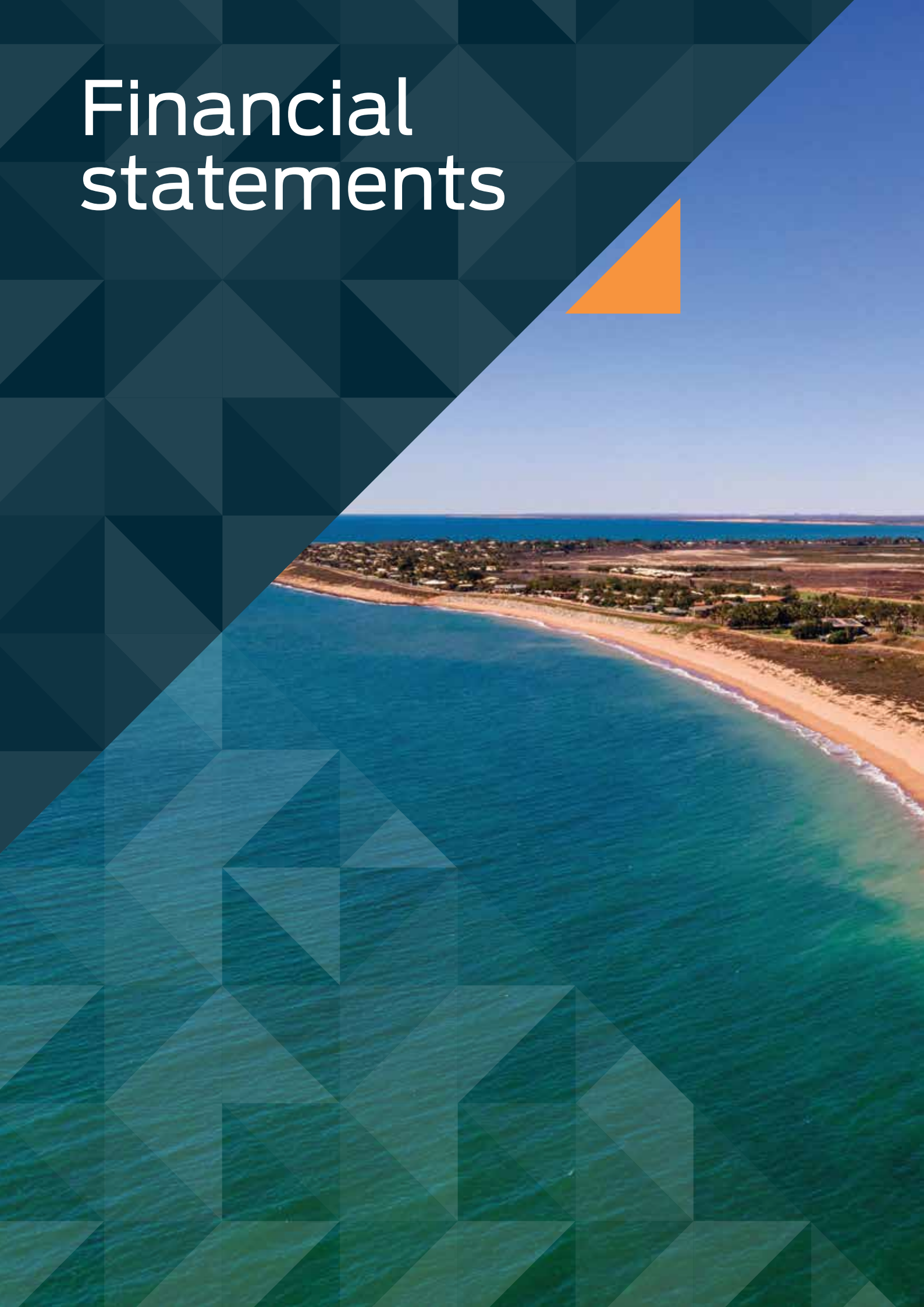
We have also introduced a new software system to support the development of Council agendas and minutes.



The Town has made positive progress with embedding strategic planning into the organisation ...



Financial statements





TOWN OF PORT HEDLAND
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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The Town of Port Hedland conducts the operations of a local government with the following community vision:

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

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



**TOWN OF PORT HEDLAND
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

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

STATEMENT BY CEO

The accompanying financial report of the Town of Port Hedland has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the

11th

day of

December

2024



(Acting) Chief Executive Officer

Mark Dacombe



TOWN OF PORT HEDLAND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	2(a),28	68,960,590	68,058,059	63,097,421
Grants, subsidies and contributions	2(a)	4,271,845	2,462,176	8,591,191
Fees and charges	2(a)	15,814,225	15,881,597	16,540,956
Interest revenue	2(a)	10,612,181	4,834,500	7,069,794
Other revenue	2(a)	1,817,429	1,366,914	12,054,525
		101,476,270	92,603,246	107,353,887
Expenses				
Employee costs	2(b)	(34,114,373)	(36,846,869)	(30,000,441)
Materials and contracts		(23,941,592)	(25,282,701)	(57,813,798)
Utility charges		(5,371,259)	(4,802,618)	(4,772,779)
Depreciation		(24,956,554)	(18,075,833)	(18,644,166)
Finance costs		(1,749,553)	(1,053,627)	(887,814)
Insurance		(1,691,508)	(1,359,997)	(1,487,081)
Other expenditure	2(b)	(1,934,114)	(2,454,470)	(3,139,610)
		(93,758,953)	(89,876,115)	(116,745,689)
		7,717,317	2,727,131	(9,391,802)
Capital grants, subsidies and contributions	2(a)	5,718,558	5,511,216	9,583,965
Profit on asset disposals		212,402	-	166,616
Loss on asset disposals		-	(207,312)	-
Fair value adjustments to investment property	12	(3,340,355)	-	(2,241,765)
Asset write off	8(a), 9(a)	(426,119)	-	(146,947)
Asset impairment - (Specialised Buildings)	8(a)	(511,885)	-	(509,884)
Asset impairment - (Infrastructure)	9(a)	(467,524)	-	(3,625,464)
		1,185,077	5,303,904	3,226,521
Net result for the period	27(b)	8,902,394	8,031,035	(6,165,281)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	19	3,435,590	-	169,018,341
Total other comprehensive income for the period	19	3,435,590	-	169,018,341
Total comprehensive income for the period		12,337,984	8,031,035	162,853,060

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



TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	NOTE	2024 Actual \$	2023 Actual \$
CURRENT ASSETS			
Cash and cash equivalents	3	64,045,945	14,839,729
Trade and other receivables	5	5,123,068	3,654,175
Other financial assets	4(a)	120,000,000	166,010,505
Inventories	6	1,034,335	790,369
Other assets	7	2,416,230	1,568,958
TOTAL CURRENT ASSETS		192,619,578	186,863,736
NON-CURRENT ASSETS			
Trade and other receivables	5	32,084	17,051
Other financial assets	4(b)	142,442	396,421
Other assets	7	1,296,052	1,327,663
Property, plant and equipment	8	144,461,652	143,422,681
Infrastructure	9	424,614,864	417,106,583
Right-of-use assets	11(a)	41,111	110,475
Investment property	12	41,686,907	45,027,262
Rehabilitation asset	13	11,369,154	11,896,893
TOTAL NON-CURRENT ASSETS		623,644,266	619,305,029
TOTAL ASSETS		816,263,844	806,168,765
CURRENT LIABILITIES			
Trade and other payables	14	4,295,013	5,916,011
Other liabilities	15	5,048,422	3,895,936
Lease liabilities	11(b)	36,498	133,000
Borrowings	16	2,008,577	1,922,253
Employee related provisions	17	2,182,510	1,940,522
Other provisions	18	2,391,971	2,391,971
TOTAL CURRENT LIABILITIES		15,962,991	16,199,693
NON-CURRENT LIABILITIES			
Trade and other payables	14	13,471	13,471
Other liabilities	15	37,607,350	38,531,510
Lease liabilities	11(b)	-	34,425
Borrowings	16	19,970,392	21,978,966
Employee related provisions	17	461,137	459,227
Other provisions	18	13,799,284	12,840,238
TOTAL NON-CURRENT LIABILITIES		71,851,634	73,857,837
TOTAL LIABILITIES		87,814,625	90,057,530
NET ASSETS		728,449,219	716,111,235
EQUITY			
Retained surplus		326,174,034	319,315,471
Reserve accounts	31	174,082,205	172,038,374
Revaluation surplus	19	228,192,980	224,757,390
TOTAL EQUITY		728,449,219	716,111,235



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 2024

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		67,647,308	63,820,004
Grants, subsidies and contributions		4,350,210	8,954,478
Fees and charges		16,736,051	16,562,330
Interest revenue		10,612,181	7,069,794
Goods and services tax received		4,476,197	557,527
Other revenue		947,295	4,243,479
		104,769,242	101,207,612
Payments			
Employee costs		(33,761,481)	(30,220,171)
Materials and contracts		(32,175,834)	(64,196,697)
Utility charges		(5,580,833)	(4,772,779)
Finance costs		(1,208,896)	(180,774)
Insurance paid		(1,692,167)	(1,487,081)
Other expenditure		(1,720,722)	(3,158,677)
		(76,139,933)	(104,016,179)
Net cash provided by / (used in) operating activities	20(a)	28,629,309	(2,808,567)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(10,810,580)	(14,826,901)
Payments for construction of infrastructure	9(a)	(19,940,491)	(46,905,540)
Capital grants, subsidies and contributions		6,875,935	6,534,049
Proceeds from financial assets at amortised cost		46,000,000	3,641,981
Proceeds from sale of property, plant & equipment		505,220	292,845
Net cash provided by (used in) investing activities		22,630,084	(51,263,566)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	30(a)	(1,922,250)	(367,781)
Payments for principal portion of lease liabilities	30(b)	(130,927)	(163,122)
Proceeds from new borrowings	30(a)	-	24,269,000
Net cash provided by / (used in) financing activities		(2,053,177)	23,738,097
Net increase / (decrease) in cash held		49,206,216	(30,334,036)
Cash at beginning of year		14,839,729	45,173,765
Cash and cash equivalents at the end of the year	20(a)	64,045,945	14,839,729

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



TOWN OF PORT HEDLAND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2022		294,895,858	202,623,268	55,739,049	553,258,175
Comprehensive income for the period					
Net result for the period		(6,165,281)	-	-	(6,165,281)
Other comprehensive income for the period	19	-	-	169,018,341	169,018,341
Total comprehensive income for the period		(6,165,281)	-	169,018,341	162,853,060
Transfers from reserve accounts	31	77,011,342	(77,011,342)	-	-
Transfers to reserve accounts	31	(46,426,448)	46,426,448	-	-
Balance as at 30 June 2023		319,315,471	172,038,374	224,757,390	716,111,235
Comprehensive income for the period					
Net result for the period		8,902,394	-	-	8,902,394
Other comprehensive income for the period	19	-	-	3,435,590	3,435,590
Total comprehensive income for the period		8,902,394	-	3,435,590	12,337,984
Transfers from reserve accounts	31	43,706,355	(43,706,355)	-	-
Transfers to reserve accounts	31	(45,750,186)	45,750,186	-	-
Balance as at 30 June 2024		326,174,034	174,082,205	228,192,980	728,449,219



TOWN OF PORT HEDLAND
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	28	68,960,590	68,058,059	63,097,421
Grants, subsidies and contributions		4,271,845	2,462,176	8,591,191
Fees and charges		15,814,225	15,881,597	16,540,956
Interest revenue		10,612,181	4,834,500	7,069,794
Other revenue		1,817,429	1,366,914	12,054,525
Profit on asset disposals		212,402	-	166,616
		101,688,672	92,603,246	107,520,503
Expenditure from operating activities				
Employee costs		(34,114,373)	(36,846,869)	(30,000,441)
Materials and contracts		(23,941,592)	(25,282,701)	(57,813,798)
Utility charges		(5,371,259)	(4,802,618)	(4,772,779)
Depreciation		(24,956,554)	(18,075,833)	(18,644,166)
Finance costs		(1,749,553)	(1,053,627)	(887,814)
Insurance		(1,691,508)	(1,359,997)	(1,487,081)
Other expenditure		(1,934,114)	(2,454,470)	(3,139,610)
Impairment loss		(979,409)	-	(4,135,348)
Asset write off		(426,119)	-	(146,947)
Loss on asset disposals		-	(207,312)	-
Fair value adjustments to investment property	12	(3,340,355)	-	(2,241,765)
		(98,504,836)	(90,083,427)	(123,269,749)
Non cash amounts excluded from operating activities	29(a)	29,412,401	18,469,241	17,594,986
Amount attributable to operating activities		32,596,237	20,989,060	1,845,740
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		5,718,558	5,511,216	9,583,965
Proceeds from disposal of assets		505,220	899,000	292,845
		6,223,778	6,410,216	9,876,810
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(10,810,580)	(31,533,878)	(23,976,067)
Purchase and construction of infrastructure	9(a)	(19,940,491)	(25,460,831)	(44,643,260)
		(30,751,071)	(56,994,709)	(68,619,327)
Non-cash amounts excluded from investing activities	29(b)	-	-	6,886,886
Amount attributable to investing activities		(24,527,293)	(50,584,493)	(51,855,631)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	30(a)	-	4,000,000	24,269,000
Transfers from reserve accounts	31	43,706,355	41,518,000	77,011,342
		43,706,355	45,518,000	101,280,342
Outflows from financing activities				
Repayment of borrowings	30(a)	(1,922,250)	(1,922,263)	(367,781)
Payments for principal portion of lease liabilities	30(b)	(130,927)	(133,161)	(163,122)
Transfers to reserve accounts	31	(45,750,186)	(19,032,000)	(46,426,448)
		(47,803,363)	(21,087,424)	(46,957,351)
Amount attributable to financing activities		(4,097,008)	24,430,576	54,322,991
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	29(c)	4,399,196	5,367,674	86,096
Amount attributable to operating activities		32,596,237	20,989,060	1,845,740
Amount attributable to investing activities		(24,527,293)	(50,584,493)	(51,855,631)
Amount attributable to financing activities		(4,097,008)	24,430,576	54,322,991
Surplus or deficit after imposition of general rates	29(c)	8,371,132	202,817	4,399,196

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



TOWN OF PORT HEDLAND
FOR THE YEAR ENDED 30 JUNE 2024
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TOWN OF PORT HEDLAND

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

1. BASIS OF PREPARATION

The financial report of the Town of Port Hedland which is a Class 1 local government comprises general purpose financial statements which have 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 financial report 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.

The *Local Government (Financial Management) Regulations 1996* provide that: - land and buildings classified as property, plant and equipment; or - infrastructure; or - vested improvements that the local government controls; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 Property, Plant and Equipment, which would have required the Town to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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

Critical accounting estimates and judgements

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

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

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 8
 - Infrastructure - note 9

(Where useful life of the above assets has been reduced, impairment is provided for.)

- Expected credit losses on financial assets - note 5
- Investment property - note 12
- Estimated useful life of rehabilitation assets - note 13
- Measurement of employee benefits - note 17
- Measurement of provisions - note 18

Fair value hierarchy information can be found in note 26

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 32 of the financial report.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

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 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- 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 2022-5 *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*

These amendments are not expected to have any material impact on the financial report on initial application.

- AASB 2022-10 *Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

These amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

- AASB 2023-1 *Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

These amendments may result in additional disclosures in the case of applicable finance arrangements.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	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	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - 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	On entry to facility
Fees and charges - sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

Consideration from contracts with customers is included in the transaction price.

Revenue recognition

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	68,960,590	-	68,960,590
Grants, subsidies and contributions	4,271,845	-	-	-	4,271,845
Fees and charges	15,510,329	-	303,896	-	15,814,225
Interest revenue	-	-	456,915	10,155,266	10,612,181
Other revenue	-	-	-	1,817,429	1,817,429
Capital grants, subsidies and contributions	-	5,718,558	-	-	5,718,558
Total	19,782,174	5,718,558	69,721,401	11,972,695	107,194,828

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	63,097,421	-	63,097,421
Grants, subsidies and contributions	8,591,191	-	-	-	8,591,191
Fees and charges	16,312,924	-	228,032	-	16,540,956
Interest revenue	-	-	287,321	6,782,473	7,069,794
Other revenue	-	-	-	12,054,525	12,054,525
Capital grants, subsidies and contributions	-	9,383,965	-	200,000	9,583,965
Total	24,904,115	9,383,965	63,612,774	19,036,998	116,937,852

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	Note	2024 Actual \$	2023 Actual \$
Assets and services acquired below fair value			
Contributed assets		-	6,886,886
		-	6,886,886
Interest revenue			
Interest on investments		10,155,266	6,782,472
Trade and other receivables overdue interest		456,915	287,322
		10,612,181	7,069,794
The 2024 original budget estimate in relation to: Trade & other receivables overdue interest was \$372,600			

Fees and charges relating to rates receivable

Charges on instalment plan		45,538	62,062
----------------------------	--	--------	--------

The 2024 original budget estimate in relation to:
Charges on instalment plan was \$68,310

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report		164,741	126,372
- Internal audit		75,805	40,339
		240,546	166,711

Employee Costs

Employee benefit costs		32,325,292	27,806,117
Other employee costs		1,789,081	2,194,324
		34,114,373	30,000,441

Finance costs

Provisions: unwinding of discount		540,657	534,813
Borrowings		1,206,715	344,732
Lease liabilities		2,181	8,269
		1,749,553	887,814

Other expenditure

Impairment losses on rates and statutory receivables		(29,637)	40,448
Impairment losses on trade receivables		(21,455)	(19,067)
Bad debt expenditure		355,680	-
Cost of land - land sales		-	1,710,031
Elected members remuneration	23	565,535	532,254
Grants		702,648	614,725
Sundry expenses		361,343	261,219
		1,934,114	3,139,610

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Term deposits
Total cash and cash equivalents

Held as
- Unrestricted cash and cash equivalents
- Restricted cash and cash equivalents

Note	2024	2023
	\$	\$
	24,044,945	14,838,729
	40,001,000	1,000
20(a)	64,045,945	14,839,729
	9,963,740	8,801,355
20(a)	54,082,205	6,038,374
	64,045,945	14,839,729

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans receivable
Term deposits

Held as
- Unrestricted other financial assets at amortised cost
- Restricted other financial assets at amortised cost

Note	2024	2023
	\$	\$
	120,000,000	166,010,505
	120,000,000	166,010,505
29(c)	-	10,505
	120,000,000	166,000,000
	120,000,000	166,010,505
	-	10,505
20(a)	120,000,000	166,000,000
	120,000,000	166,010,505
	-	253,979
	142,442	142,442
	142,442	396,421
	-	253,979
	-	-
	-	253,979
	142,442	142,442
	142,442	142,442

(b) Non-current assets

Financial assets at amortised cost
Financial assets at fair value through profit or loss

Financial assets at amortised cost

Self supporting loans receivable
Term deposits

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance
Units in Local Government House Trust - closing balance

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 26 (i)) due to the observable market rates).

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit or loss

The Town has elected to classify the following financial assets at fair value through profit or loss:

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 24.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

5. TRADE AND OTHER RECEIVABLES

Current

Rates and statutory receivables	
Trade receivables	
GST receivable	
Allowance for credit losses of rates and statutory receivables	
Allowance for credit losses of trade receivables	

Note	2024	2023
	\$	\$
	2,978,725	1,372,285
	1,541,009	1,588,205
	761,446	902,889
	(107,095)	(136,732)
24(b)	(51,017)	(72,472)
	5,123,068	3,654,175
	32,084	17,051
	32,084	17,051

Non-current

Pensioner rates and ESL deferred

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non financial assets as part of the ordinary course of business.

Other receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts received as grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other 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.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 24.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

6. INVENTORIES

Note	2024	2023
	\$	\$
Current		
Inventory - Depot	1,025,967	780,167
Inventory - JD Hardie	1,370	1,093
Inventory - Leisure	1,382	6,151
Inventory - Matt Dann Theatre & Cinema	5,616	2,958
	1,034,335	790,369
The following movements in inventories occurred during the year:		
Balance at beginning of year	790,369	2,183,807
Inventories expensed during the year	425,755	(316,562)
Additions to inventory	(181,789)	(1,076,876)
Balance at end of year	1,034,335	790,369

MATERIAL ACCOUNTING POLICIES

General

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

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

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

7. OTHER ASSETS

	2024	2023
	\$	\$
Other assets - Current		
Prepayments	1,195,935	879,699
Accrued income	1,220,295	689,259
	2,416,230	1,568,958
Non-current		
Prepayments	1,296,052	1,327,663
	1,296,052	1,327,663

MATERIAL ACCOUNTING POLICIES

Other current assets

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

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in balances

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

	Assets not subject to operating lease			Plant and equipment				Total property, plant and equipment
	Buildings -			Furniture and equipment	Plant and equipment	Property, plant & equipment - work in progress		
	Land	Buildings - non-specialised	Buildings - specialised					
	\$	\$	\$	\$	\$	\$	\$	
Balance at 1 July 2022	9,777,000	22,863,266	71,984,349	3,355,110	5,262,787	14,739,350	127,981,863	
Additions	1,488,277	4,507,075	5,031,264	657,871	3,273,596	9,017,984	23,976,067	
Disposals	-	-	(127,185)	-	(126,230)	-	(253,415)	
Impairment (loss) / reversals transferred to profit or loss	-	-	(509,884)	-	-	-	(509,884)	
Depreciation	-	(1,221,387)	(4,242,786)	(937,882)	(1,369,895)	-	(7,771,950)	
Balance at 30 June 2023	11,265,277	26,148,954	72,135,758	3,075,099	7,040,258	23,757,335	143,422,681	
Comprises:								
Gross balance amount at 30 June 2023	11,265,277	33,632,907	110,649,250	7,028,997	12,374,840	23,757,335	198,708,606	
Accumulated depreciation at 30 June 2023	-	(7,483,953)	(38,003,608)	(3,953,898)	(5,334,582)	-	(54,776,041)	
Accumulated impairment loss at 30 June 2023	-	-	(509,884)	-	-	-	(509,884)	
Balance at 30 June 2023	11,265,277	26,148,954	72,135,758	3,075,099	7,040,258	23,757,335	143,422,681	
Additions	116,740	5,790,656	11,136,023	1,317,236	3,654,504	(11,204,579)	10,810,580	
Disposals	-	-	-	-	(292,819)	-	(292,819)	
Impairment (loss) / reversals transferred to profit or loss	-	(4,550)	(507,335)	-	-	-	(511,885)	
Depreciation	-	(1,495,378)	(4,714,436)	(981,216)	(1,775,875)	-	(8,966,905)	
Balance at 30 June 2024	11,382,017	30,439,682	78,050,010	3,411,119	8,626,068	12,552,756	144,461,652	
Comprises:								
Gross balance amount at 30 June 2024	11,382,017	39,419,012	120,768,053	8,328,384	14,896,317	12,552,756	207,346,539	
Accumulated depreciation at 30 June 2024	-	(8,974,780)	(41,700,824)	(4,917,265)	(6,270,249)	-	(61,863,118)	
Accumulated impairment loss at 30 June 2024	-	(4,550)	(1,017,219)	-	-	-	(1,021,769)	
Balance at 30 June 2024	11,382,017	30,439,682	78,050,010	3,411,119	8,626,068	12,552,756	144,461,652	

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying amount measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Land and buildings					
Land	Level 2	Market approach	Independent registered valuer	June 2021	Price per square metre
Buildings - non-specialised	Level 2	Market approach	Independent registered valuer	June 2021	Price per square metre
Buildings - specialised	Level 3	Cost approach	Independent registered valuer	June 2021	Construction costs and current condition, residual values and remaining useful life assessment inputs.
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
ii) Cost					
Furniture and equipment	Level 2	Cost approach	Cost	NA	Direct cost
Plant and equipment	Level 2	Cost approach	Cost	NA	Direct cost
Right of use - land and buildings	Level 2	Market approach	Cost	March 2024	Present value of future lease payments
Right of use - property, plant and equipment	Level 2	Market approach	Cost	September 2020	Present value of future lease payments

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

9. INFRASTRUCTURE

(a) Movements in balances

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

	Infrastructure - roads and bridges	Infrastructure - drainage	Infrastructure - paths and cycles	Infrastructure - parks and ovals	Infrastructure - other	Infrastructure - bus shelters	Infrastructure - depot	Infrastructure - work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	102,453,572	25,818,511	19,045,634	32,515,124	15,489,154	240,117	1,918,806	19,928,732	217,409,650
Additions	6,198,407	8,601,656	3,232,977	3,963,269	24,711,626	80,832	279,279	(2,424,786)	44,643,260
Revaluation increments / (decrements) transferred to revaluation surplus	149,201,935	1,016,668	18,455,077	576,963	(489,000)	262,069	(540,184)	-	168,483,528
Revaluation (loss) / reversals transferred to profit or loss	(2,500,685)	(700,175)	(750,574)	(9,290)	(2,579,766)	-	(1,056,170)	-	(3,645,226)
Depreciation	(2,500,685)	(700,175)	(750,574)	(9,290)	(2,579,766)	-	(1,056,170)	-	(3,645,226)
Transfers	1,600,620	(1,493,457)	63,061	(11,943,078)	(1,322,008)	(20,912)	(178,894)	-	(9,784,630)
Balance at 30 June 2023	256,953,849	33,243,203	40,046,175	20,791,606	47,582,860	562,106	422,837	17,503,947	417,106,583
Comprises:									
Gross balance at 30 June 2023	389,994,029	40,953,429	59,534,503	33,619,836	57,555,760	763,442	476,492	17,503,947	600,401,438
Accumulated depreciation at 30 June 2023	(133,040,180)	(7,710,226)	(19,488,328)	(12,828,230)	(9,972,900)	(201,336)	(53,655)	-	(183,294,855)
Accumulated impairment loss at 30 June 2023	-	-	-	-	-	-	-	-	-
Balance at 30 June 2023	256,953,849	33,243,203	40,046,175	20,791,606	47,582,860	562,106	422,837	17,503,947	417,106,583
Balance at 30 June 2023	256,953,849	33,243,203	40,046,175	20,791,606	47,582,860	562,106	422,837	17,503,947	417,106,583
Additions	4,790,155	3,112,381	1,456,232	56,321	7,914,692	-	-	2,610,710	19,940,491
(Disposals)	-	-	-	-	(426,119)	-	-	-	(426,119)
Revaluation increments / (decrements) transferred to revaluation surplus	376,013	(1,837,051)	233,902	3,378,317	985,424	-	297,684	-	3,434,289
Impairment (loss) / reversals transferred to profit or loss	-	-	-	(215,936)	(251,588)	-	-	-	(467,524)
Depreciation	(9,171,009)	(469,198)	(1,055,519)	(1,956,052)	(2,247,381)	(39,340)	(34,357)	-	(14,972,866)
Balance at 30 June 2024	252,949,008	34,049,335	40,680,790	22,054,256	53,557,888	522,766	686,164	20,114,657	424,614,864
Comprises:									
Gross balance at 30 June 2024	395,321,341	42,124,187	61,324,880	36,436,821	64,893,855	763,443	901,754	20,114,657	621,880,938
Accumulated depreciation at 30 June 2024	(142,372,333)	(8,074,852)	(20,644,090)	(14,166,630)	(11,094,379)	(240,677)	(215,590)	-	(196,798,551)
Accumulated impairment loss at 30 June 2024	-	-	-	(215,935)	(251,588)	-	-	-	(467,523)
Balance at 30 June 2024	252,949,008	34,049,335	40,680,790	22,054,256	53,557,888	522,766	686,164	20,114,657	424,614,864

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

9. INFRASTRUCTURE (Continued)

(b) Carrying amount measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads and bridges	Level 3	Cost approach, using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
Infrastructure - drainage	Level 3	Cost approach, using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
Infrastructure - paths and cycles	Level 3	Cost approach, using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
Infrastructure - parks and ovals	Level 3	Cost approach, using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
Infrastructure - other	Level 3	Cost approach, using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
Infrastructure - bus shelters	Level 3	Cost approach, using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.
Infrastructure - depot	Level 3	Cost approach, using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessment inputs.

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

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

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset class	Useful life
Land - freehold land	
Buildings	
- substructure	20 to 71 years
- superstructure	9 to 59 years
- roof	10 to 50 years
- finishes and fittings	6 to 51 years
- services	6 to 51 years
- hotwater/airconditioning	4 to 5 years
Furniture and equipment	2 to 40 years
Plant and equipment	2 to 22 years
Bridges	70 to 91 years
Sealed roads and streets	
- formation	not depreciated
- pavement seal	50 years
- bituminous seals	20 years
- asphalt surfaces	40 years
- formation	not depreciated
- pavement	50 years
- gravel sheet	12 years
Formed Roads	
- formation	not depreciated
- pavement	50 years
Infrastructure - Parks and ovals	2 to 99 years
Infrastructure - Bus shelters	15 years
Infrastructure - Depot	5 to 50 years
Infrastructure - Drainage	3 to 106 years
Infrastructure - Other	5 to 63 years
Right of use (buildings)	Based on the remaining lease
Right of use (plant and equipment)	Based on the remaining lease
Amortisation of rehabilitation asset	Based on the remaining life of landfill asset

(b) Fully Depreciated Assets in Use

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

	2024	2023
	\$	\$
Buildings - specialised	1,190,000	1,186,000
Furniture and equipment	1,746,430	1,573,419
Plant and equipment	1,494,582	592,362
Infrastructure - parks and ovals	731,399	1,359,479
Infrastructure - other	39,732	185,802
Infrastructure - roads and bridges	6,482	-
	5,208,625	4,897,062

TOWN OF PORT HEDLAND

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

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

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Town's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

Reportable Value

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are *land and buildings classified as property, plant and equipment*, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation

Land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Town.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Town to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, 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.

Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Town is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

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

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

11. LEASES

(a) Right-of-use assets

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

Note	Right-of-use assets - land and buildings	Right-of-use assets - plant and equipment	Right-of-use assets Total
	\$	\$	\$
Balance at 1 July 2022	35,321	128,384	163,705
Additions	106,008	-	106,008
Depreciation	(52,989)	(106,249)	(159,238)
Balance at 30 June 2023	88,340	22,135	110,475
Depreciation	(47,229)	(22,135)	(69,364)
Balance at 30 June 2024	41,111	-	41,111
Gross balance amount at 30 June 2024	264,951	318,747	583,698
Accumulated depreciation at 30 June 2024	(223,840)	(318,747)	(542,587)
Balance at 30 June 2024	41,111	-	41,111

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Town is the lessee:

	2024 Actual	2023 Actual
	\$	\$
Depreciation on right-of-use assets	(69,364)	(159,238)
Finance charge on lease liabilities	(2,181)	(8,269)
Total amount recognised in the statement of comprehensive income	(71,545)	(167,507)
Total cash outflow from leases	(133,108)	(171,391)
(b) Lease liabilities		
Current	36,498	133,000
Non-current	-	34,425
	36,498	167,425

MATERIAL ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 30(b).

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the material accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

12. INVESTMENT PROPERTY

Airport land

Carrying balance at 1 July
Capitalised subsequent expenditure
Net (loss) from fair value adjustment
Closing balance at 30 June

2024 Actual \$	2023 Actual \$
45,027,262	45,277,056
-	1,991,971
(3,340,355)	(2,241,765)
41,686,907	45,027,262
41,686,907	45,027,262
924,160	924,160
(31,611)	(31,611)
(3,340,355)	(2,241,765)

Investment property

Amounts recognised in profit or loss for investment properties

Rental income
Direct operating expenses from property that generated rental income
Fair value (loss) recognised in profit or loss

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

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

Valuation of investment property

The investment property was revalued in June 2024 in line with AASB 13 Fair Value Measurement.

Description of investment property	Extend	Title Area (m2)	Lease plan area (m2)
Lot 9004 on Deposited Plan 404823	Whole	1,506,084	1,506,084
Lot 435 on Deposited Plan 404824	Whole	600,000	600,000
Lot 436 on Deposited Plan 402661	Whole	99,966	99,966
Lot 437 on Deposited Plan 404824	Whole	33,349	33,349
Lot 438 on Deposited Plan 404824	Whole	33,405	33,405
Lot 439 on Deposited Plan 404824	Whole	33,349	33,349
Lot 16 on Deposited Plan 163352	Whole	106,993	106,998
Lot 15 on Deposited Plan 161311	Whole	34,423	34,398
Lot 29 on Deposited Plan 404824	Whole	105,145	105,091
Part of Lot 9006 on Deposited Plan 404823	Part	329,316	302,831
Part of Lot 9007 on Deposited Plan 404824	Part	2,472,149	2,458,909
Part of Lot 9008 on Deposited Plan 404824	Part	3,104,307	2,864,578
		8,458,486	8,178,958

Amounts recognised in income statement for investment property

The investment property is leased out as an operating lease over 50 years. The lease paid upfront for the use of the investment property. The rental income amount of \$924,160 for the period 1 July 2023 to 30 June 2024 is included in revenue.

	Note	2024 \$	2023 \$
Lease premium prepaid received		46,207,830	46,207,830
Amount recognised		(7,676,320)	(6,752,160)
		38,531,510	39,455,670
Current liability - lease premium prepaid	15	924,160	924,160
Non-current liability - lease premium prepaid	15	37,607,350	38,531,510
		38,531,510	39,455,670

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

12. INVESTMENT PROPERTY (Continued)

(b) Net carrying value of Airport Reserve

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

		2024	2024	2023
	Note	Actual	Budget	Actual
		\$ '000	\$ '000	\$ '000
Airport Reserve	31	3,385,991	3,385,991	4,285,991

(c) Additional information

An upside agreement was signed, ensuring an additional ten million dollars income over the next 50 years based on passenger number growth. This is billable yearly in arrears when passenger growth exceeds a set baseline passenger number. During the current year \$266,210 was recognised as revenue.

MATERIAL ACCOUNTING POLICIES

Investment property

Investment property is principally freehold land, held for long-term rental yields and not occupied by the Town. Investment property is carried at fair value, in accordance with the material accounting policies disclosed at Note 10.

Fair value of investment property

An independent valuation was performed to determine the fair value of investment property. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties on a vacant possession basis.

As the property is subject to a lease the fair value has been determined on the present value of the towns remainder interest and the value of unearned lease payments received in advance.

These inputs are determined to be level 3 inputs.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

13. REHABILITATION ASSET

	2024 Actual	2023 Actual
	\$	\$
Non-current		
Landfill rehabilitation	13,244,931	12,825,241
Less: Accumulated amortisation	(1,875,777)	(928,348)
	11,369,154	11,896,893
Balance at 1 July	11,896,893	12,997,468
Amortisation	(947,429)	(928,348)
Revaluation of landfill	419,690	(172,227)
Balance at 30 June	11,369,154	11,896,893
TOTAL REHABILITATION ASSET	11,369,154	11,896,893

Amortisation

The estimated useful life of rehabilitation assets is 14 years for the current, prior and future years.

MATERIAL ACCOUNTING POLICIES

The rehabilitation asset refers to the discounted present value of the future capping expenditure of the landfill site located in South Hedland and is amortised on a straight-line basis.

The rehabilitation asset is subsequently measured using the revaluation method.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

14. TRADE AND OTHER PAYABLES

	2024	2023
	\$	\$
Current		
Trade creditors	5,708	1,775,192
Prepaid rates	892,341	599,183
Accrued salaries and wages	1,022,364	938,280
Statutory liabilities	195,379	7,591
Bonds and levies	110,599	79,302
Accrued expenditure	1,925,576	2,422,100
Retentions	143,046	94,368
Suspense	-	(5)
	4,295,013	5,916,011
Non-current		
Bonds and levies	13,471	13,471
	13,471	13,471

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

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 usually 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 income for the prepaid rates that have not been refunded.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

15. OTHER LIABILITIES

	2024	2023
	\$	\$
Current		
Income in advance	-	4,890
Operating grant/contributions liabilities	778,151	715,806
Capital grant/contributions liabilities	3,346,111	2,251,080
Lease premium prepaid	924,160	924,160
	5,048,422	3,895,936
Non-current		
Lease premium prepaid	37,607,350	38,531,510
	37,607,350	38,531,510
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	2,251,080	5,449,887
Additions	5,349,735	1,109,455
Revenue from capital grant/contributions held as a liability at the start of the period	(4,254,704)	(4,308,262)
	3,346,111	2,251,080
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	3,346,111	2,251,080
	3,346,111	2,251,080

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

MATERIAL ACCOUNTING POLICIES

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.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Town's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Town which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 26(i)) due to the unobservable inputs, including own credit risk.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

16. BORROWINGS

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
WATC loans		2,008,577	19,970,392	21,978,969	1,922,253	21,978,966	23,901,219
Total secured borrowings	30(a)	2,008,577	19,970,392	21,978,969	1,922,253	21,978,966	23,901,219

<p>MATERIAL ACCOUNTING POLICIES</p> <p>Borrowing costs</p> <p>The Town has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.</p> <p>Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierachy (see Note 26(i)) due to the unobservable inputs, including own credit risk.</p>	<p>Risk</p> <p>Information regarding exposure to risk can be found at Note 24.</p> <p>Details of individual borrowings required by regulations are provided at Note 30(a).</p>
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TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

17. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2024	2023
Current provisions	\$	\$
Annual leave	1,642,355	1,537,676
Long service leave	540,155	412,648
Other employee leave provisions	-	(9,802)
	2,182,510	1,940,522
Total current employee related provisions	2,182,510	1,940,522
Non-current provisions		
Long service leave	461,137	459,227
	461,137	459,227
Total non-current employee related provisions	461,137	459,227
Total employee related provisions	2,643,647	2,399,749

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Note	2024	2023
Amounts are expected to be settled on the following basis:	\$	\$
Less than 12 months after the reporting date	1,074,540	1,940,522
More than 12 months from reporting date	1,569,107	459,227
	2,643,647	2,399,749

MATERIAL ACCOUNTING POLICIES

Employee benefits

The Town's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

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

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

Other long-term employee benefits

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 FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

18. OTHER PROVISIONS

	Landfill rehabilitation	Airport project	Library reinstatement	Total
	\$	\$	\$	\$
Balance at 1 July 2023				
Current provisions	-	2,391,971	-	2,391,971
Non-current provisions	12,825,241	-	14,997	12,840,238
	12,825,241	2,391,971	14,997	15,232,209
 Additional provision	418,389	-	-	418,389
Charged to profit or loss				
- unwinding of discount	540,331	-	326	540,657
Balance at 30 June 2024	13,783,961	2,391,971	15,323	16,191,255
 Comprises				
Current	-	2,391,971	-	2,391,971
Non-current	13,783,961	-	15,323	13,799,284
	13,783,961	2,391,971	15,323	16,191,255

MATERIAL ACCOUNTING POLICIES

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.

Airport Project

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

Landfill Rehabilitation Provision

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

Library reinstatement

The provision for future reinstatement is the best estimate of the present value of the expenditure required to reinstate the premises to the original state at the lease inception.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

19. REVALUATION SURPLUS

	2024 Opening Balance	Total Movement on Revaluation	2024 Closing Balance	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance
	\$	\$	\$	\$	\$	\$
Property, plant and equipment						
Revaluation Surplus - Land	7,359,718	-	7,359,718	7,359,718	-	7,359,718
Revaluation Surplus - Buildings	6,039,604	-	6,039,604	6,039,604	-	6,039,604
Subtotal	13,399,322	-	13,399,322	13,399,322	-	13,399,322
Infrastructure						
Revaluation Surplus - Roads & bridges	149,201,935	376,013	149,577,948	-	149,201,935	149,201,935
Revaluation Surplus - Drainage	6,712,610	(2,326,051)	4,386,559	5,695,942	1,016,668	6,712,610
Revaluation Surplus - Paths & cycleways	28,553,486	233,902	28,787,388	10,098,409	18,455,077	28,553,486
Revaluation Surplus - Open spaces	576,963	3,378,319	3,955,282	-	576,963	576,963
Revaluation Surplus - Other infrastructure	-	1,474,423	1,474,423	489,000	(489,000)	-
Revaluation Surplus - Bus shelters	482,609	-	482,609	220,540	262,069	482,609
Revaluation Surplus - Depot	-	297,683	297,683	540,184	(540,184)	-
Subtotal	185,527,603	3,434,289	188,961,892	17,044,075	168,483,528	185,527,603
Investment property						
Revaluation Surplus - Airport land	25,293,347	-	25,293,347	25,293,347	-	25,293,347
Subtotal	25,293,347	-	25,293,347	25,293,347	-	25,293,347
Intangibles						
Revaluation Surplus - Landfill	534,813	1,301	536,114	-	534,813	534,813
Subtotal	534,813	1,301	536,114	-	534,813	534,813
Financial assets at fair value through other comprehensive income						
Revaluation Surplus - Local government trust investment	2,305	-	2,305	2,305	-	2,305
	2,305	-	2,305	2,305	-	2,305
Revaluation surplus	224,757,390	3,435,590	228,192,980	55,739,049	169,018,341	224,757,390

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

20. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2024 Actual \$	2023 Actual \$
Cash and cash equivalents	3	64,045,945	14,839,729
Restrictions			
The following classes of financial 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	3	54,082,205	6,038,374
- Financial assets at amortised cost	4	120,000,000	166,000,000
		174,082,205	172,038,374
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	31	174,082,205	172,038,374
Total restricted financial assets		174,082,205	172,038,374
Net result		8,902,394	(6,165,281)
Adjustments to fair value of investment property		3,340,355	2,241,765
Depreciation/amortisation		24,956,554	18,644,166
(Profit)/loss on sale of asset		(212,402)	(166,616)
Loss on revaluation of fixed assets	8(a), 9(a)	1,405,528	4,282,295
Prepaid lease premium		-	(924,160)
Intangible finance costs		-	707,040
Bad debt write off - SSL		264,484	-
Assets received for substantially less than fair value		-	(6,886,886)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(1,483,926)	2,037,749
(Increase)/decrease in other assets		(815,661)	(544,260)
(Increase)/decrease in inventories		(243,966)	1,393,438
Increase/(decrease) in trade and other payables		(1,620,998)	(7,274,747)
Increase/(decrease) in employee related provisions		243,898	(359,127)
Increase/(decrease) in other provisions		540,657	(157,230)
Increase/(decrease) in other liabilities		228,326	(3,102,664)
Capital grants, subsidies and contributions		(6,875,934)	(6,534,049)
Net cash provided by/(used in) operating activities		28,629,309	(2,808,567)
(b) Undrawn borrowing facilities			
Credit standby arrangements			
Credit card limit		215,000	100,000
Credit card balance at balance date		(46,399)	(61,488)
Total amount of credit unused		168,601	38,512
Loan facilities			
Loan facilities - current		2,008,577	1,922,253
Loan facilities - non-current		19,970,392	21,978,966
Total facilities in use at balance date		21,978,969	23,901,219
Unused loan facilities at balance date		168,601	38,512

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

21. CONTINGENT LIABILITIES

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

Details of those sites are:

- Port Hedland International Airport

In 2017 the Town, in conjunction with Port Hedland International Airport, undertook a detailed site investigation on airport land to establish a baseline of contamination prior to entering a lease arrangement. Findings of note include significant PFAS contamination resulting from historical fire fighting operations and hydrocarbon contamination from underground fuel and oil storage.

To date, hydrocarbon contamination has been remediated with a closure report issued to Department of Water and Environmental Regulation (DWER). PFAS contamination remains as technology is not available to remediate on such a scale. A draft Remediation Plan has been submitted to DWER and action will be taken when reasonable remediation opportunities are identified.

The Town is working with Air services Australia to provide ongoing monitoring of PFAS contamination and review options for remediation. As this time, the Town is unable to estimate the potential costs associated with remediation of the sites.

In addition, the Town in conjunction with PHIA have commenced a project to construct a formalised Asbestos Containment Cell to remove historically disposed of ACM to an approved centralised containment cell on site. This will effectively eliminate future risk and provide compliant containment in line with DWER requirements.

22. CAPITAL COMMITMENTS

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year
- payable later than one year

2024	2023
\$	\$
12,411,594	10,315,079
109,616	776,883
12,521,210	11,091,962
11,371,382	9,633,871
1,149,828	1,458,091

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

23. RELATED PARTY TRANSACTIONS

(a) Elected member remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
Mayor's annual allowance	80,840	80,000	91,579
Mayor's meeting attendance fees	49,384	49,435	48,483
Mayor's other expenses	7,783	-	7,797
Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
Mayor's travel and accommodation expenses	18,223	-	23,749
	159,730	132,935	175,108
Deputy Mayor's annual allowance	20,210	20,000	25,534
Deputy Mayor's meeting attendance fees	32,921	32,955	29,617
Deputy Mayor's other expenses	9,491	-	2,672
Deputy Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
Deputy Mayor's travel and accommodation expenses	7,146	-	4,133
	73,268	56,455	65,456
All other council member's meeting attendance fees	219,517	230,685	225,679
All other council member's All other council member expenses	66,545	-	16,432
All other council member's annual allowance for ICT expenses	23,345	24,500	24,500
All other council member's travel and accommodation expenses	23,130	-	25,079
	332,537	255,185	291,690
23(b)	565,535	444,575	532,254

(b) Key management personnel (KMP) compensation

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

Short-term employee benefits	1,485,333	1,231,042
Post-employment benefits	170,995	148,022
Employee - other long-term benefits	164,461	194,043
Employee - termination benefits	179,317	76,345
Council member costs	565,535	532,254
23(a)	2,565,641	2,181,706

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Town's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

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

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

23. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

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

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

In addition to KMP compensation above the following transactions occurred with related parties:

	2024 Actual	2023 Actual
	\$	\$
Purchase of goods and services	34,672	-

Related parties

The Town's main related parties are as follows:

i. Key management personnel
 Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Town, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 23(a) and 23(b).

ii. Other related parties
 Outside of normal citizen type transactions with the Town, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the Town
 There were no such entities requiring disclosure during the current or previous year.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

24. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Trade receivables	Aging analysis Credit analysis	Credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

(a) Interest rate risk

Cash and cash equivalents

Cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Town to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts.

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Town manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Town does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 30(a).

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and other receivables

The Town's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Town manages this risk by monitoring outstanding debt and employing debt recovery policies.

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

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

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2023 or 1 July 2024 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2024					
Trade receivables					
Expected credit loss	0.53%	2.29%	8.91%	31.33%	
Gross carrying amount	1,285,860	71,524	60,744	118,548	1,536,676
Loss allowance	6,821	1,639	5,413	37,144	51,017

30 June 2023

Trade receivables					
Expected credit loss	0.09%	0.26%	1.62%	45.40%	
Gross carrying amount	1,318,619	109,455	6,774	153,357	1,588,205
Loss allowance	1,243	282	110	70,837	72,472

Rates receivable

Most rates receivable are debts arising from outstanding rates and interest charges. The ECL has been calculated based on known and anticipated changed circumstances, that may impact the recoverability of receivables for rateable properties for which a lease is held.

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2024					
Rates receivables less prepaid rates					
Expected credit loss	0.89%	6.24%	9.85%	40.37%	
Gross carrying amount	1,651,847	182,127	85,711	179,610	2,099,295
Loss allowance	14,781	11,365	8,446	72,503	107,095

30 June 2023

Rates receivables less prepaid rates					
Expected credit loss	14.23%	144.29%	27.00%	12.89%	
Gross carrying amount	337,260	24,718	132,450	278,102	772,530
Loss allowance	47,986	17,130	35,759	35,857	136,732

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade, other receivables and contract assets as at 30 June reconcile to the opening loss allowances

	Trade receivables		Rates receivables	
	2024 Actual	2023 Actual	2024 Actual	2023 Actual
Opening loss allowance as at 1 July	\$ 72,472	\$ 91,539	\$ 136,732	\$ 96,284
Increase in loss allowance recognised in profit or loss during the year	(21,455)	(19,067)	(29,637)	40,448
Receivables written off during the year as uncollectible				
Unused amount reversed		-		
Closing loss allowance at 30 June	51,017	72,472	107,095	136,732

Trade and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Town, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on rates and statutory receivables, trade and other receivables are presented as net impairment losses within other expenditure. Subsequent recoveries of amounts previously written off are credited against the same line item.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

24. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Town manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 20(b).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2024					
Trade and other payables	4,295,013	-	-	4,295,013	4,295,013
Borrowings	2,008,574	9,284,731	10,685,664	21,978,969	21,978,969
Lease liabilities	36,498	-	-	36,498	36,498
	6,340,085	9,284,731	10,685,664	26,310,480	26,310,480
2023					
Trade and other payables	5,916,011	13,471	-	5,929,482	5,929,482
Borrowings	3,189,233	15,617,871	24,172,131	42,979,235	23,901,219
Lease liabilities	133,000	34,425	-	167,425	167,425
	9,238,244	15,665,767	24,172,131	49,076,142	29,998,126

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

25. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No events occurred after the end of the reporting period.

TOWN OF PORT HEDLAND

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

26. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

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

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

27. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Town operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
Governance To provide a decision making process for the efficient allocation of scarce resources.	Includes all activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of providing legal services on all matters which do not concern specific local government services.
General purpose funding To collect revenue to allow for the provision of services.	Rates, general purpose government grants, interest revenue.
Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.	Fire prevention and volunteer bush fire brigade, animal control, support of State Emergency Services, emergency services, the Town's CCTV network, and community safety and crime prevention initiatives.
Health To provide an operational framework for environmental and community health.	Vermin control, environmental health, food and public health regulation and compliance, and health.
Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.	Community partnership funding, disability access initiatives, community services administration, facilities including the JD Hardie Centre and asset management associated with key community buildings.
Housing To provide and maintain adequate housing.	Primarily centred around the provision of housing to employees, and asset management activities.
Community amenities To provide services required by the community.	Strategic town planning and development control, all aspects of waste management such as waste collection, landfill operations, and waste minimisation; cemeteries, public toilets, cyclone preparation and response, and sanitation and litter collection.
Recreation and culture To establish and effectively manage infrastructure and resources which will help the social well-being of the community.	Maintenance of public halls, civic centres, aquatic centres, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of libraries, galleries and other cultural facilities.
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 operating accounts.	Private works operation, plant repair and costs.

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

27. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2024	2023
	Actual	Actual
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	113,686	3,581
General purpose funding	79,618,503	63,489,563
Law, order, public safety	119,771	1,037,579
Education and welfare	153,052	228,994
Housing	-	433,557
Community amenities	10,765,475	13,157,057
Recreation and culture	2,779,353	3,202,852
Transport	92,354	7,981,308
Economic services	1,690,899	-
Other property and services	2,083,734	9,394,821
	97,416,827	98,929,312
Grants, subsidies and contributions and capital grants, subsidies and contributions		
General purpose funding	7,171,935	-
Law, order, public safety	133,906	5,490,630
Education and welfare	147,548	83,070
Community amenities	39,146	111,457
Recreation and culture	454,304	420,348
Transport	438,757	9,569,643
Economic services	45,000	-
Other property and services	1,559,807	2,500,008
	9,990,403	18,175,156
Total Income	107,407,230	117,104,468
Expenses		
Governance	(7,860,035)	(2,313,669)
General purpose funding	(17,385,965)	(409,610)
Law, order, public safety	(1,802,688)	(1,822,501)
Health	(593,690)	-
Education and welfare	(3,294,213)	(4,938,930)
Housing	-	(2,421,724)
Community amenities	(7,873,691)	(38,765,862)
Recreation and culture	(16,935,952)	(30,791,636)
Transport	(2,947,519)	(6,441,063)
Economic services	(2,391,502)	(1,130,741)
Other property and services	(37,419,581)	(34,234,013)
Total expenses	(98,504,836)	(123,269,749)
Net result for the period	8,902,394	(6,165,281)

(c) Total assets

Governance	20,687,929	162,861
General purpose funding	189,343,539	128,857,392
Law, order, public safety	554,784	1,768,679
Health	196,339	1,168,961
Education and welfare	23,607,422	8,444,738
Housing	47,176,001	37,073,806
Community amenities	57,979,486	67,122,511
Recreation and culture	154,867,079	151,725,697
Transport	301,302,752	342,635,446
Economic services	3,157,255	2,852,589
Other property and services	17,391,251	23,211,268
Unallocated	7	41,144,817
	816,263,844	806,168,765

28. RATING INFORMATION

RATE TYPE

The rate revenue was recognised from the rate record as soon as practicable after the Town resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

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TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

29. DETERMINATION OF SURPLUS OR DEFICIT

		2023/24 Budget (30 June 2024 Carried Forward)	2022/23 (30 June 2023 Carried Forward)
Note	2023/24 (30 June 2024 Carried Forward)	2023/24 Budget (30 June 2024 Carried Forward)	2022/23 (30 June 2023 Carried Forward)
	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(212,402)	-	(166,616)
Less: Gifted assets	-	-	(6,886,886)
Less: Premium prepaid	(924,160)	(924,160)	(924,160)
Add: Loss on disposal of assets	-	207,312	-
Add: Legal fees prepaid	31,611	31,608	31,537
Add: Impairment and asset write off	8 (a), (9a) 1,405,528	-	4,282,295
Add: Write off SSL	233,315	-	-
Add: Depreciation	10(a) 24,956,554	18,075,833	18,644,166
Intangible Asset adjustment	-	928,648	707,040
Balance carried forward from prior year			
Non-cash movements in non-current assets and liabilities:			
Non-cash adjustments to non-current	19,641	-	-
Revaluation of Investment property	12 3,340,355	-	2,241,765
Pensioner deferred rates	(15,033)	-	-
Employee benefit provisions	1,910	150,000	(176,925)
Other provisions	540,657	-	(157,230)
Lease liabilities	34,425	-	-
Non-cash amounts excluded from operating activities	29,412,401	18,469,241	17,594,986
(b) Non-cash amounts excluded from investing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to investing activities			
Property, plant and equipment received for substantially less than fair value	8(a) -	-	150,944
Infrastructure received for substantially less than fair value	9(a) -	-	6,735,942
Non-cash amounts excluded from investing activities	-	-	6,886,886
Non-cash amounts excluded from financing activities			
(c) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	31 (174,082,205)	(112,082,123)	(172,038,374)
Less: Financial assets at amortised cost - self supporting loans	4(a) -	-	(10,505)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	16 2,008,577	2,156,927	1,922,253
- Lease premium prepaid	924,160	-	924,160
- Current portion of lease liabilities	11(b) (36,498)	(110,728)	133,000
- TAG fee prepaid	(31,615)	-	-
- Employee benefit provisions	540,155	2,465,612	412,648
- Airport provisions	2,391,971	-	2,391,971
Total adjustments to net current assets	(168,285,455)	(107,570,312)	(166,264,847)
Net current assets used in the Statement of Financial Activity			
Total current assets	192,619,578	157,019,447	186,863,736
Less: Total current liabilities	(15,962,991)	(44,472,167)	(16,199,693)
Less: Total adjustments to net current assets	(168,285,455)	(107,570,312)	(166,264,847)
Surplus or deficit after imposition of general rates	8,371,132	4,976,968	4,399,196

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

30. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual					Budget					
		Principal		Principal		Principal at 30 June 2023	Principal		Principal			
		Principal at 1 July 2022	New Loans During 2022-23	Repayments During 2022-23	Principal at 30 June 2023		New Loans During 2023-24	Repayments During 2023-24	Principal at 30 June 2024	New Loans During 2023-24	Repayments During 2023-24	Principal at 30 June 2024
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff housing	-	-	9,900,000	(73,050)	9,826,950	-	(304,988)	9,521,962	-	(304,251)	9,475,932	-
Staff housing	-	-	100,000	(738)	99,262	-	(2,340)	96,922	-	(3,081)	96,919	-
Seawalls	-	-	5,200,000	(53,783)	5,146,217	-	(478,539)	4,667,678	-	(428,180)	4,667,677	-
Seawalls	-	-	4,869,000	(50,360)	4,818,640	-	(356,868)	4,461,772	-	(407,229)	4,461,771	-
Depot facility	-	-	4,200,000	(189,850)	4,010,150	-	(779,515)	3,230,635	-	(779,522)	3,230,628	-
Pond liner	-	-	-	-	-	-	-	-	4,000,000	-	4,000,000	-
Total	-	-	24,269,000	(367,781)	23,901,219	-	(1,922,250)	21,978,969	4,000,000	(1,922,263)	25,932,927	-

Borrowing finance cost payments						
Purpose	Loan Number	Institution	Interest Rate	Term years	Actual for year	Budget for
					ending 30 June 2023	year ending 30 June 2024
Staff housing	393250	WATC*	4.85%	20	(159,556)	(468,937)
Staff housing	425341	WATC	4.90%	20	(150)	(4,818)
Seawalls	393249	WATC	4.18%	5	(57,177)	(213,745)
Seawalls	425344	WATC	4.39%	10	(75,386)	(208,852)
Depot facility	393246	WATC	4.49%	10	(6,682)	(150,030)
Total					(298,951)	(1,046,382)

Total finance cost payments	
	(298,951)

* WA Treasury Corporation

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

30. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual					Budget				
		Principal at 1 July 2022	New Leases During 2022-23	Principal at 30 June 2023	New Leases During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New Leases During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New Leases During 2023-24
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Port Hedland library		48,588		87,646		36,498	86,121	-	32,622		
Gratwick gym equipment		175,951		79,779		-	177,208	-	97,546		
Total lease liabilities	11(b)	224,539	106,008	167,425	-	36,498	263,329	-	130,168		
Lease finance cost payments											
Purpose	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023	Lease Term			
Port Hedland library		Sentinel Countrywide Retail	1.60%		(2,181)	(2,161)	(4,492)	3 years			
Gratwick gym equipment		MAIA	1.20%		-	(3,894)	(3,777)	3 years			
Total finance cost payments					(2,181)	(6,055)	(8,269)				

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

31. RESERVE ACCOUNTS

Restricted by council

- (a) Reserves cash backed - Employee leave reserve
- (b) Reserves cash backed - Plant reserve
- (c) Reserves cash backed - Unfinished works & committed works reserve
- (d) Reserves cash backed - Housing reserve
- (e) Reserves cash backed - Airport reserve
- (f) Reserves cash backed - Spillbank reserve
- (g) Reserves cash backed - Asset management reserve
- (h) Reserves cash backed - Waste management reserve
- (i) Reserves cash backed - Strategic reserve
- (j) Reserves cash backed - Cyclone emergency response reserve
- (k) Reserves cash backed - Financial risk reserve
- (l) Reserves cash backed - Landfill establishment reserve

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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

		2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Budget Closing Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
Name of reserve account	Purpose of the reserve account											
Restricted by council												
(a) Reserves cash backed - Employee leave reserve	To ensure that adequate funds are available to finance employee leave entitlements.	1,375,612	806,897	-	2,182,509	150,000	-	2,465,612	1,375,612	-	-	1,375,612
(b) Reserves cash backed - Plant reserve	To fund the plant replacement program.	2,749,607	8,425,522	(6,074,827)	5,100,302	6,283,000	(5,963,000)	725,000	2,986,300	1,603,099	(1,839,792)	2,749,607
(c) Reserves cash backed - Unfinished works & committed works reserve	To transfer unspent municipal funded expenditure on specific projects to enable identification of carryover expenditure into the next financial year.	16,715,475	11,440,863	(13,449,302)	14,707,036	-	(15,928,000)	787,475	1,425,475	15,290,000	-	16,715,475
(d) Reserves cash backed - Housing reserve	To fund the maintenance, refurbishment, redevelopment and construction of Local Government provided housing.	583,965	3,050,000	(2,264,727)	1,369,238	-	(200,000)	1,043,965	583,965	-	-	583,965
(e) Reserves cash backed - Airport reserve	To fund the future Port Hedland International Airport Capital Works commitments.	4,285,991	-	(900,000)	3,385,991	-	(400,000)	3,385,991	4,285,991	-	-	4,285,991
(f) Reserves cash backed - Spillbank reserve	To fund the Port Hedland Spillbank development.	123,202	-	-	123,202	-	-	123,201	36,357,233	-	(36,234,031)	123,202
(g) Reserves cash backed - Asset management reserve	To fund the ongoing maintenance, refurbishment, renewal, replacement and development of Council owned infrastructure assets within the Town.	16,878,358	5,359,801	(7,295,056)	14,943,103	9,200,000	(7,769,000)	1,754,659	6,161,533	26,132,424	(15,415,599)	16,878,358
(h) Reserves cash backed - Waste management reserve	To fund the development, operation, maintenance and capital expenditure for the Council's waste management facilities including the landfill and waste collection operations.	10,790,246	6,775,419	(4,513,605)	13,052,060	1,925,000	(1,020,000)	4,446,000	8,127,912	3,400,925	(738,591)	10,790,246
(i) Reserves cash backed - Strategic reserve	To fund strategic projects as included in the Town's Strategic Community Plan and Corporate Business Plan.	93,404,698	6,974,000	(8,726,907)	91,651,791	474,000	(9,938,000)	78,019,000	116,188,027	-	(22,783,329)	93,404,698
(j) Reserves cash backed - Cyclone emergency response reserve	To fund cyclone and emergency related projects.	80,410	1,092,660	-	1,163,070	-	-	80,410	80,410	-	-	80,410
(k) Reserves cash backed - Financial risk reserve	To provide funds to mitigate against financial risks including legal cases with penalties awarded against the Town and SAT rulings upholding valuation objections on high value properties likely to cause significantly large refunds and other unknown events potentially resulting in financial loss to the Town.	18,550,810	-	-	18,550,810	700,000	-	12,750,810	18,550,810	-	-	18,550,810
(l) Reserves cash backed - Landfill establishment reserve	To fund the closure and repatriation of the existing landfill facility situated at North Circular road, South Hedland while also planning for the design, development and construction of a new landfill facility on a suitable designated site.	6,500,000	1,835,024	(481,931)	7,853,093	300,000	(300,000)	6,500,000	6,500,000	-	-	6,500,000
		172,038,374	45,750,186	(43,706,355)	174,082,205	19,032,000	(41,518,000)	112,082,123	202,623,268	46,426,448	(77,011,342)	172,038,374

TOWN OF PORT HEDLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

32. TRUST FUNDS

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

	1 July 2023	Amounts Received	Amounts Paid	30 June 2024
	\$	\$	\$	\$
Public open space	376,379	-	-	376,379
Mosquito control	4,005	384	-	4,389
Nomination bond	-	2,700	(2,600)	100
	380,384	3,084	(2,600)	380,868



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

Town of Port Hedland

To the Council of the Town of Port Hedland

Qualified Opinion

I have audited the financial report of the Town of Port Hedland (Town) which comprises:

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified opinion section of my report, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Town for the year ended 30 June 2024 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Qualified Opinion

Infrastructure assets valuations

The Town did not recognise 670 (2023:797) infrastructure assets with a value of \$17,371,521 (2023: \$25,112,117) in accordance with the Regulation 17A(2)(a) of the Local Government Financial Management Regulations 1996, as these assets could not be located due to weaknesses in the asset management system. The assets were instead adjusted to a nil carrying value while still being in use and accounted for in the asset register. I was unable to determine the impact on the net carrying amount of infrastructure assets and the consequential impact on retained earnings, revaluation reserves, depreciation and net surplus for the year, as it is impracticable to do so. In addition, my opinion in the prior year was qualified because drainage and other infrastructure assets, reported at a carrying value of \$33,243,203 and \$47,582,860 as at 30 June 2023 respectively in note 9 to the financial statements, were not all revalued as required by the regulations. The Town was unable to correct these prior year figures in the current year. Consequently, my opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Investment property

My opinion in the prior year was qualified because investment property as disclosed in Note 12 of the financial report as at 30 June 2023 with the carrying value of \$45,027,262 had not been revalued as required by the regulations. The Town was unable to correct these prior year figures in the current year. Consequently, my opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

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

The Chief Executive Officer (CEO) of the Town is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Town's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Town.

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

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Town of Port Hedland for the year ended 30 June 2024 included in the annual report on the Town's website. The Town's management is responsible for the integrity of the Town's website. This audit does not provide assurance on the integrity of the Town's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Town to confirm the information contained in the website version.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 December 2024



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