

Shire of East Pilbara Annual Report



2003/2004

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PRESIDENT'S MESSAGE

The 2003/2004 was a year of many outstanding achievements for the Shire of East Pilbara and has set the scene for the coming 12 months.

The road between Marble Bar and Port Hedland has finally been sealed. Council continues to beautify its towns and has now selected and began construction of town entry statements for Newman and Marble Bar. A major town centre revitalisation project which will take place over the next few years has commenced for Newman.



Town Centre Revitalisation Proposal

Many projects are near completion including Marble Bar's Community Centre, the Nullagine Gym and works continued at the Newman Skate Park. The Cricket Associations received a new pitch and batting nets, while the Netball Clubrooms shed began construction this year and is expected to be completed early in the new year.

The Newman Airport received an extension of a secure area to the building with the introduction of legislation concerning increased security at regional airports.

Marble Bar's RSL Park received a much-needed refurbishment of new playground equipment and softfall adding to the enjoyment of the area for both locals and the travelling tourists. This park includes signage for the Walk Trail that will be completed in the coming year.

There were many more initiatives undertaken by the council and this report provides further information.

I would like to take this opportunity to express my appreciation to our Chief Executive Officer, Mr Allen Cooper and his staff, for their continued dedication to the Shire of East Pilbara and its residents.

Thanks also go to my Councillors for their support and their efforts on behalf of their constituents. I am looking forward to the new year with a great deal of confidence and satisfaction.

Alan Cochrane
President



CEO'S FOREWORD

Welcome to the 2003/2004 Annual Report, the past year has been a very successful year for the Shire and has seen the completion of a number of projects and the commencement of many new and exciting ones.

Our strategic plan for the next four years has been completed. I would like to take this opportunity to thank everyone who helped in the formulation of this plan. We are looking forward to it's implementation.

The Shire Of East Pilbara was formally recognised for The Western Desert Fitness Challenge, which won an award for the "Heart Foundation Kellogg Local Government Awards" in the category of State Small Rural and Remote Community Project. We were also entered into, and won, the National Awards. Congratulations to a great effort from the Newman Aquatic Centre staff for running the Challenge and all Western Desert participants.



Other highlights of the year included:

- The Marble Bar Community Centre building being erected
- The Nullagine Gym was opened in its temporary home at Gallop Hall
- Work continued on the Newman Skate Park
- A residence was purchased for the Manager of the Nullagine Caravan Park with assistance from the Country Housing Authority

- RSL Park in Marble Bar was refurbished
- We secured funding for a Health and Lifestyle Officer who is based at the Newman Recreation Centre
- New fitness centre equipment was purchased for all three gyms
- Reticulation was improved for parks, gardens and ovals
- Plans were drawn up for the Newman Town Centre Revitalisation project
- Work commenced on widening Woodstock and Laver Streets

I would like to thank the President and Councillors, my executive team and all the Shire's staff for their commitment and support over the past year.

The 2004/2005 financial year promises to be an exciting and challenging one. As BHP Billiton Iron Ore continues its expansion, we will see the completion of the 900 man accommodation camp and an increase of Newman's population. This will mean added demands and expectations from the community and the continuing upgrading and maintenance of an ageing infrastructure. I am however confident we will continue to provide a high standard of service and facilities for our community.

Allen Cooper
Chief Executive Officer

FACTS ABOUT YOUR SHIRE

The Shire of East Pilbara has produced this Annual Report as an open and honest disclosure to Residents and Landowners of the Shire of East Pilbara community.

The report contains specific information for the 2003/2004 financial year as well as reports required to meet our statutory obligations.

The Annual Report is presented to Council and residents at Council's Annual Electors Meeting usually early in December each year.

Shire of East Pilbara

The Shire of East Pilbara is the largest Shire in the world and is located north of the Gascoyne area in Western Australia. It is made up of the townsites of Newman, Marble Bar, Nullagine and the Jigalong, Kiwirrkurra, Parngur, Punmu, Woodstock, Warralong and Kunawarritji Aboriginal Communities.

History

The Shire was formed by the amalgamation of the Shires of Marble Bar and Nullagine in 1972. In 1982 the town of Newman, which now is home to the main administration office of the Shire, was changed from a closed mining town to a "normalised" town.



Marble Bar was originally part of the Bamboo Road Board prior to the formation of the Shires of Marble Bar and Nullagine and later East Pilbara. The Bamboo Road Board dates back to 1896. Council retains a sub office at Marble Bar and the works construction crew operates from that location. A small work force also operates at Nullagine.



The estimated population of the Shire is 7,100 with over 4,000 living in Newman. The Shire is rich in Aboriginal Culture, mining and pastoral activities and provides a significant part of the State and Federal wealth.

In July 1, 2004, the Shire Boundary was changed after Yandeyarra and associated lands were transferred to the Town of Port Hedland. However the Shire of East Pilbara, still maintains its status of the largest Shire.

Council Facts

Distance from Perth (km)	1,220
Area (sq km)	371,746
Length of Sealed Roads (km)	162.2
Length of Unsealed Roads (km)	2708.9
Population	7,100
Number of Electors	4,584
Number of Dwellings	2,040
Total Rates Levied	\$2,904,647
Total Revenue	\$12,115,534
Number of Full Time Employees	58

Structure

In this Shire there are 11 Councillors representing 6 wards. President Alan Cochrane who was elected by the Councillors after the May 2003 Elections leads the Council. Council appoints the Chief Executive Officer to control the day to day operations of the organisation.



FACTS ABOUT YOUR COUNCILLORS

An important function of the Council is to represent the population in discussions with Government and Industry. One of the aims of this process is to maximise the Council's share of grant funds.

A council's role is to:

- direct and control the local government's affairs;
- be responsible for the performance of the local government's functions;
- oversee the allocation of the local government's finances and resources; and
- determine the local government's policies.

A councillor's role is to:

- represent the interests of electors, ratepayers and residents;
- provide leadership and guidance to the community;
- facilitate communication between the community and the council and vice versa; and
- participate in decision-making processes at meetings.

South Ward



Cr Alan Cochrane
Shire President
PO Box 448
Newman WA 6753
Tel: 9177 8017 Hm/ Wk
Mob: 0427 902 879
acnc@bigpond.com.au
Term Expires: 2005



Cr Don Davis
Deputy President
PO Box 429
Newman WA 6753
Tel: 9175 1779 Hm/Wk
Fax: 9175 1779
Mob: 0418 904 852
Term Expires: 2005



Cr Lynne Craigie
8 Selman Avenue
Newman WA 6753
Tel 9175 0823 Home
Tel: 9175 3661 Work
Fax: 9175 0974
Mob: 0427 174 919
Email:
wpcnew@benet.net.au
Term Expires: 2007



Cr Anita Grace
PO Box 644
Newman WA 6753
Tel: 9175 1223 Home
Tel: 9175 1040 Work
Fax: 9175 0974
Term Expires: 2005



Cr Doug Stead
17 Yanboomah Close
Newman WA 6753
Tel: 9175 1727 Hm
Tel: 9175 3665
Mob: 0439 388 150
Email: stead@normcom.net.au
Term Expires: 2007



Cr Bill Despotovski
53 Bondini Drive
Newman WA 6753
Tel: 9175 2807 Home
Mob: 0407 287 304
billdespo@bigpond.com
Term Expires: 2007

North Ward



Cr Lang Coppin
PO Box 805
Port Hedland WA 6721
Tel 9176 4954 Home
Fax 9176 4801
Yarrie.stn@bigpond.com
Term Expires: 2005

North West Ward



Cr John Leeds
PO Box 105
Port Hedland WA 6721
Tel 9176 4930
Fax 9176 4940
soepnorthwest@bigpond.com
Term Expires: 2007

Central Ward



Cr Kevin Danks
PO Box 31
Marble Bar WA 6760
Tel: 91761024 Home
Term Expires: 2005

East Ward



Cr Karen Knuckey
7 Rudall Avenue
Newman WA 6753
Tel 9175 1098 (Hm)
Mob: 0418 911 884
Email
knuckey@benet.net.au
Term Expires: 2005

Lower Central Ward



Cr John Young
Lot 234 Skull Springs Road
Nullagine WA 6758
Ph/ Fax: 9176 2110
Term Expires: 2007



Council Organisation

The Shire of East Pilbara provides a variety of services and activities for the residents and ratepayers. Professional and dedicated staff are employed to provide and maintain these services.

The overall management of the Shire rests with the Chief Executive Officer. The staff acts on resolutions of Council by developing and putting into practice the policy development responsibility of the Councillors and their resolutions. The Shire has adopted a management structure of three Directorates, which are supported by three Directors under the responsibility of the Chief Executive Officer. Together they direct and co-ordinate the operations of the Shire.

Of the three tiers of Government which make decisions on behalf of the community, Local Government is the closest to the people they represent. Councils manage the things that affect your every day lifestyle - like roads, streets and footpaths, waste removal, recreation areas, parks & gardens, libraries, building regulations and so on. If you are unsure please contact us.

CHIEF EXECUTIVE OFFICER

Allen Cooper



Allen has been with the Shire of East Pilbara for nine years. He was appointed as the Chief Executive Officer in 1998, having previously served as Council's Director Corporate Services for four years.

DIRECTOR CORPORATE SERVICES

Peter Voros



Peter Voros joined the Shire in February 2000 and has over 20 years of Local Government experience.

Peter has a Diploma in Local Government (Clerk), a Bachelor of Business and is a Certified Practising Accountant. He is also Member of the Local Government Managers Association.

DIRECTOR TECHNICAL SERVICES

Alex Douglas



Alex commenced with the Shire of East Pilbara in 2003 where he moved from the Town of Bassendean.

Alex has been working in Local Government since 1981 and has worked at Melville, Boulder, Denmark, Narrogin and Subiaco.

He has an Associateship (Civil Engineering) WAIT

DIRECTOR COMMUNITY SERVICES

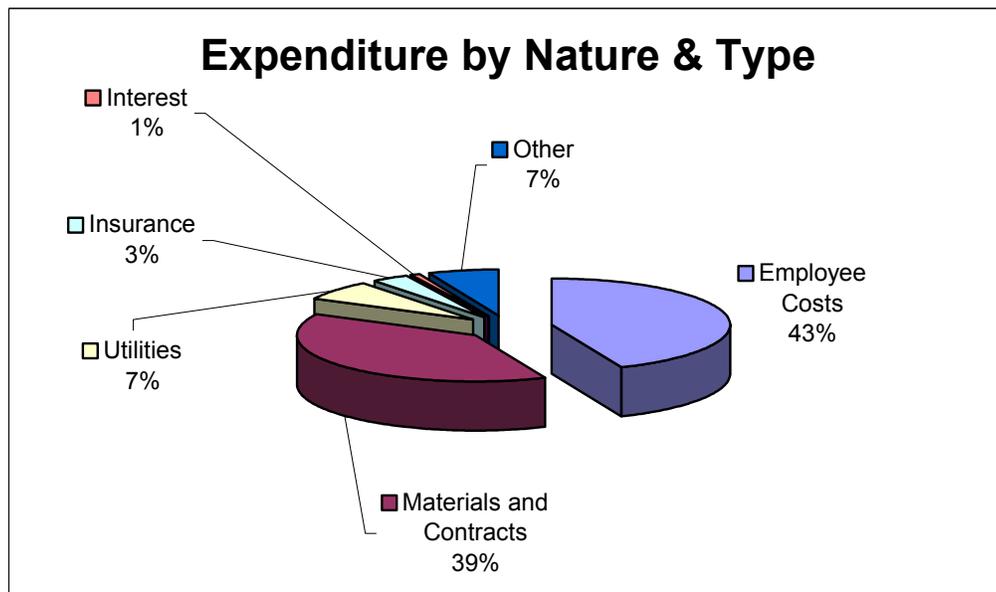
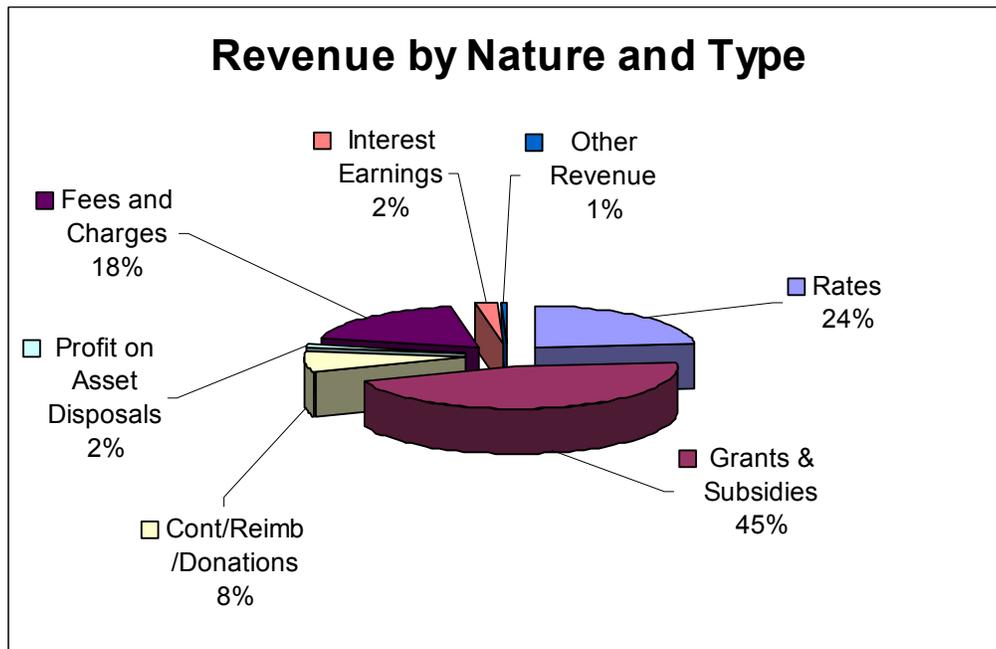
Bill Crerar



Bill has over 16 years experience in local government and moved to the Shire of East Pilbara from Armadale where he had worked as the Manager of Building Services.

SOURCES AND APPLICATIONS OF OPERATING FUNDS

(EXCLUDING CAPITAL)



CORPORATE SERVICES



Human Resources

As at the 30th June 2003 Council had 57 permanent positions split as follows:

Corporate Services:	14
Community Services:	10
Technical Services:	33

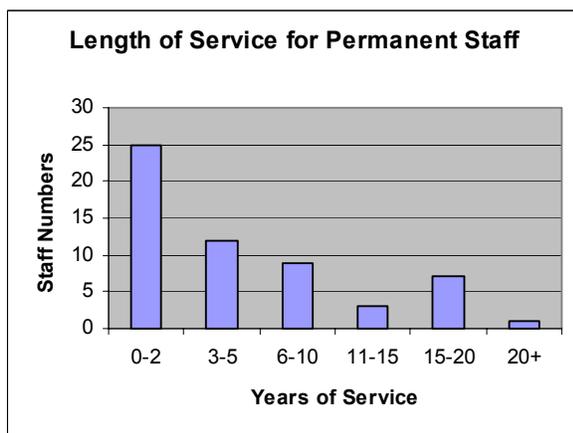
Recruitment:

Staff turnover for 2003/2004 financial year was 17.5% for full time positions.



No new positions were created for 2003/2004 some staff relocated to different positions and recruitment of new staff was undertaken to fill these positions.

There was one retiree – Charlie Dhu after working for the Shire for thirteen years.



Financial Services

Rates

Council rates were increased by 1% in 2003/2004.

Rubbish rates and sewerage rates remained the same.

Library Services

The Shire of East Pilbara operates two libraries at Nullagine and Marble Bar and financially contributes over \$90,000 to the Newman Library which is a joint venture with TAFE.

The Marble Bar Library was refurbished with the installation of new shelving and new carpet. It now has a lot more shelf space and more resources than ever.

Administration

Each year the Shire is required to review its Policies, Delegations, Authorisations, Code of Conduct, Freedom of Information Policy and other manuals. This review was conducted with minor amendments.

A large effort was put into producing the Shire's strategic plan, sending out information and collating the results.

Airport Services

2003/2004 was a very busy year for the Newman Aerodrome, the airport was remodelled extensively to meet new aviation security requirements.

Aerodrome Redevelopment

The terminal extension area was completed in September 2003 and then used as a transfer lounge until the security equipment arrived. Operation of the sterile lounge area commenced around the 22nd November.



During the year improvements were made airside and landside to allow easier movement of passengers and baggage. A shade



shelter was also installed for the comfort of people waiting to meet and greet passengers.

The main apron required some repair works to repair cracks in the surface that had allowed water into the sub-surface creating an unstable platform and deformation of the airstrip. The affected area was cut out and then filled with concrete. This may be an ongoing problem that will require further works in the future.

The baggage pick up area has been remodelled to improve safety.

Passengers

47,158 passengers (QANTASLINK) arrived / departed / transited through Newman for the calendar year 2003.

Great Western Aviation commenced a Regular Public Transport (RPT) service between Perth and Halls Creek in June 2003, which requires a technical stop in Newman in both directions.

Air Force Training

The Royal Australian Air Force have visited Newman several times since September 2003. The aircraft that have been operated into the aerodrome include PC9, Hawkjet, and Hercules. It appears that the RAAF are favouring Newman as an overnight port during training sorties.

Aerodrome Incidents

Apart from several reported bird strike occurrences, there has been only one incident at the aerodrome where an aircraft blew a tyre on landing, resulting in a temporary occupation of the runway. Several other services were delayed by approximately 20 minutes while the disabled aircraft was removed from the runway.

Marble Bar / Nullagine Aerodromes

Normal grading works were carried out in March.

Nullagine Aerodrome has had its fair share of problems this year in conjunction with the major floods that occurred. Following the

first flood, half the airstrip was washed away and required major grading and refill works.

Information Technology

Information Technology (IT) drives the processing and delivery of Council's internal and external business functions. As such the department has a broad scope encompassing IT, electronic and electrical devices, and communications equipment.

2003/2004 saw the introduction of a number of schemes aimed at developing and improving Council's technological capabilities.

Infrastructure

Broadband connections have been established to provide high-speed Internet access and a new core switch introduced to increase internal network speed. Windows 98 machines, which had provided the bulk of desktop computing, have been almost completely replaced with new Windows XP machines.

Peripheral equipment has also had a facelift with several new printers, copiers, projectors, cameras, and PDA's being utilised.

Communication links have been reconfigured to Marble Bar and the Newman Recreation Centre to allow for improved operation and future expandability. A number of new links have also been set up providing access for users at the Newman Depot, Nullagine Library and Cape Keraudren.

Information Technology Strategic Plan

A major outcome of the 2003/2004 year has been the development of several strategies and procedures aimed at aligning the Shire's strategic plan with its IT capabilities.

This analysis has seen the development of an IT Strategic Plan designed to steer IT operations within the Shire for the next five years.

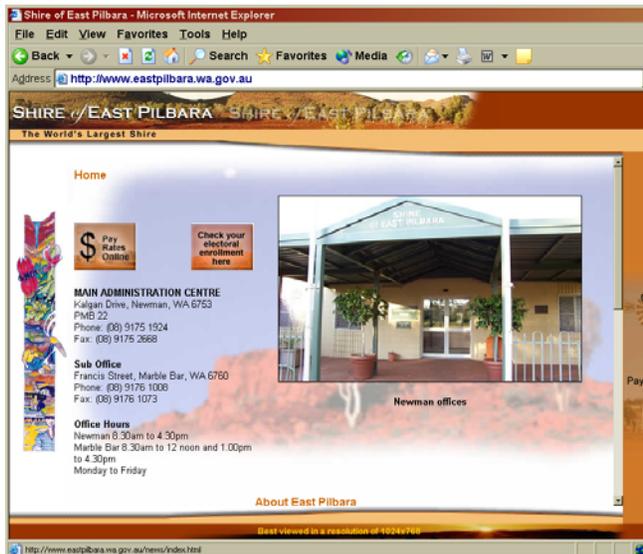
A number of new projects have been implemented as a result of the plan and include the development of a wireless network and the replacement of the Council's core server.

Future projects include replacement of Council's financial system, the implementation of a records management system, and continual improvement of Council IT infrastructure.

Website

One of the most visible improvements for 2003/2004 was the redevelopment of Council's website. The site now contains a plethora of information relevant to constituents and is continually updated to reflect the needs of the community.

Feedback regarding the new site has been positive and further developments are planned.



Records Management

In January the Corporate Services section of the Shire developed an access data base to assist with the management of Council's Records.

The Records Management Plan, was completed in accordance with the State Record Keeping Act 2000 and identified a number of areas, which require improvements in technology including email

and meta data management, archiving processes and website management.

Ranger and Emergency Services

In September 2003 Council employed a full time Manager Ranger & Emergency Services (MRES) to organise and oversee Council's activities associated with all aspects of Emergency Management within the Shire of East Pilbara including the prevention of, preparedness for, response to and recovery from emergencies and natural disasters.

The MRES is responsible for ensuring the efficient operations of Ranger Services including administration, enforcement and budgetary control.



The MRES is also responsible for ensuring that Council comply with respect to Occupational Safety & Health legislation requirements and that all of Council's operations are conducted considering employee and public safety.

Emergency (Risk) Management

The MRES is a member of the Cyclone Advisory Group which is Council's link between all Emergency Services within the Shire of East Pilbara. The MRES also represents Local Government on the State Emergency Services Group committee.

This financial year the Shire was successful in its application for funding from the State and



Commonwealth to enable it to undertake a comprehensive flood plain study in Nullagine, this study to commence in late September 2004.

Occupational Safety & Health (OS&H)

The incumbent has spent the last 10 months of the financial year 2003/2004 conducting a review of the current work practices of the staff and assessing the level of compliance to the relevant legislation. Incident reporting guidelines have also been modified and training needs analyses have been conducted.

The Shire has appointed nine workplace OS&H Representatives, of these six require training, which will be offered in September. OS&H training was also identified for Directors and Supervisors and will be conducted at the first available opportunity. The OS&H Committee has met and terms of reference roles have been adopted. This committee will usually meet every three months.

The MRES is in the process of drafting the Shire of East Pilbara OS&H manual for consideration by the OS&H Committee, accident/incident report forms have also been introduced and OS&H Representatives have been instructed in their use.

Job Safety Analyses (JSA) at workplaces have commenced.



Ranger Services



The Shire of East Pilbara has two Rangers, they are responsible for administering the requirements of the Dog Act, Control of Vehicles (off road areas) Act, Local Government Act and other legislation, regulations and Local Laws in line with the Shire objectives of maintaining a high standard of protection of amenity for the community.

The Rangers are required to cover all communities within the Shire and as such can be expected to travel quite extensively to service the more remote towns and pastoral stations.

The Rangers are also responsible for undertaking the Airport Reporting Officer function at the Newman Aerodrome and are authorised Bush Fire Control Officers.

The Rangers are expected to maintain a high profile within the community and with this in mind Ranger services has purchased modern animal handling equipment, upgraded the Newman and Marble Bar pounds so that they are more user friendly and made one of their vehicles more recognisable as a Ranger vehicle, with an expectation that the second vehicle will be upgraded next financial year.

COMMUNITY SERVICES



Recreation Services

Events

On the 8th November 2003 the Recreation Centre held the Women's Expo. This event was supported by the Department of Sport and Recreation and the Healthway initiative 'Smarter than Smoking' in conjunction with the Shire of East Pilbara. The goal of the Expo was to promote a range of health and recreational services available to ladies in the community. This event attracted approximately 250-300 ladies across the day and from all accounts the expo was a huge success.



The Community Expo was held on the 4th April with over 35 stallholders participating. Success can be measured for this event with at least 100 more community members attending the expo, taking total attendance to over 700. The Shire of East Pilbara's Community Expo received the Australia Day Nomination for a Community Event, which is a tremendous achievement for both the Shire and Recreation Centre. The range of displays presented were very impressive and included Les Mills Group Fitness, Newman Tae Kwon Do Club, Newman Gymnastics Club and the Newman Senior High School. The day also saw the presentation of the Itochu Junior Sports Star Award to Jake Withers for his outstanding performance with the junior football club.



Programmes

Aussie Hoops Junior Basketball program kicked off Term 4 2003. This program caters for young basketballers wanting to further develop their skills in the game. 60 participants took part in the program, which was the largest enrolment in the state's regional centres.

In the first half of 2004 the Newman Recreation Centre ran a junior dance program, which catered for children aged 2 – 12 years. The dance program was very popular, however with the departure of our dance coordinator expressions of interest have been put out to attract experienced dance coaches for the 2004/2005 classes.

The gymnastics program run at the Newman Recreation Centre has again been the most popular program that we offer. With over 100 participants and 5 classes per week, success of this program has not only been shown by the participation rate but also the success of our gymnasts in regional competitions. This level of achievement was highlighted by the placing's awarded at the June North West Games in Port Hedland, where our club was acknowledged as the Champion Club.

Holiday Program

This years Holiday Programs proved to be popular and were yet again a resounding success for the Community and Recreation Centre. The continuance of excursions twice a week as part of the holiday program has been very successful in keeping children interested and involved in the program.

Health and Fitness

In February and March 2004, the Recreation Centre launched the Les Mills Group Fitness Program in the form of Body Pump and Body Combat Aerobic classes. Due to the popularity of these fitness classes the centre is now offering aerobic and gym/aerobic memberships. The 2003 Body Challenge commenced in August and ran for 12 weeks. The Challenge satisfied the goal of the Fitness Centre to increase memberships and physical activity within the community.



Newman Aquatic Centre

The Newman Aquatic centre was a hive of activity in 2003/2004. Regularly run programs such as Aqua Aerobics, Mums and Bub water awareness for babies, swimming lessons were all well attended.

In addition the Aquatic Centre also hosted triathlons, Bronze medallion, Aqua parties for teenagers and younger children.

Australia Day festivities, Jazz festival, Jimmy Little concert and by the sun boxing day.

The Western Desert Fitness Challenge won an award for the "Heart Foundation Kellogg Local Government Awards" in the category of State Small Rural and Remote Community Project. We were also entered into the National Awards, which we also won.

Grounds

The grounds were further improved by the installation of shade cloth sails over the playground and pool areas.



The Shire also installed an Automatic chlorine shutoff alarm.

Community Development

The Shire was successful in obtaining funding for training in developing a cultural plan. Training will commence in 2004/05.

The Shire supported many charities/organisations with running events or selling merchandise. For example Dogs Big Day Out, supporting WA Association for the Blind. Daffodil Day, Cancer Council WA and Clean up Australia Day, Planet Ark.

Grants and Donations

Council has a policy on supporting local community groups through the provision of community service grants. In 2003/2004 Council granted the following donations:

Newman Enduro Club	St John Ambulance	Newman Lions Club
Newman Netball Association	Newman T-Ball Association	East Pilbara Race Club
Billabong Playgroup	Newman Tennis Club	Whaleback Ladies Darts
Newman Junior Soccer	Newman Junior Football Council	Newman Vet's Football Club
Newman Amateur Swimming	Newman National Football League	Newman Gymnastics Club



Health Services

Food Safety and recalls:

In the 2003/2004 Financial year the Manager Health and Regulatory Services handled 13 product recalls which required action within our Shire. The highest % level of recalls occurred in the frozen food section totalling 38% of all recalls.

Enforcement of Food Law	
Name of Local Government:	
Shire of East Pilbara	
	2003 / 2004
1) Number of registered food establishments	52
2) Number of inspections	160
i) Number of complaints	1
3) Number of seizures of stock	1
4) Number of prescribed infringement notices or equivalent	Nil
5) Number of prosecutions	Nil
6) Number of removals/suspensions/cancel of authority, permits or licenses.	Nil

Building Services

This financial year has been a busy one for the building department with 98 building licence applications being approved to the value of \$13,618,423.00.

The Building Department has also overseen some major projects this year including:

Nullagine Caravan Park

Securing funding for a caretakers residence at the Caravan Park.

Newman Community Hall

Re-roofed the community hall.



Newman Visitors Centre

Repairs have been carried out at the Visitors Centre.

Cape Keraudren Camping Area

Environmentally friendly toilets have been purchased for the camping area.

Council Administration Building

Preparation of plans for the Council's Administration building extensions.

Council Building Maintenance

Council allocated money to maintain, clean and service council owned buildings.



Newman Airport Terminal

The Shire's building department have been heavily involved in the extension of the airport terminal to facilitate passenger screening.



TECHNICAL SERVICES



Roadworks



The Shire maintains a road network comprising approximately 3,500 kilometres including 110 km sealed.

Townsites:

A program of resealing the bitumen and asphalt surfaced streets within the three towns continued with the current program focussing on Newman over a three-year period. A total of \$129,400 was spent on 15 streets.

Work commenced on the widening of Woodstock and Laver Streets within the Light Industrial Area with work to be completed over the 2004-05 and 2005-06 financial years. The projected cost for the improvements is \$500,000.

Street lighting, together with routine footpath and kerbing repairs, footpath and street sweeping, and litter control took place with a total expenditure of \$537,200 across the three towns.

Rural roads:

A total of \$2.9 Million was budgeted to be spent on rural road improvements plus a further \$655,000 on rural road maintenance. In total \$2.8 Million was expended with the balance being carried forward to the 2004-05 financial year.

Improvement works to the rural road network was interrupted by a series of cyclones over a three-month period. Due to the Shire's boundaries stretching from the WA coastline to the Northern Territory border, cyclones from both the west and

east affected our rural road network. Flood damage was estimated at around \$750,000 with the majority caused by ex-tropical cyclone Fay.

The extent of rainfall was sufficient to flood a 20-kilometre section of the Telfer Access Road and preventing access to Telfer and the aboriginal communities of Punmu, Kunawarritji and Kiwirrkurra for almost three months.

Reduced funding for roadworks was identified as a major challenge for the Council together with the ability to effectively cover maintenance grading and undertake general unsealed road surface maintenance/gravel sheeting activities.

Planning was undertaken for the 2004-05 financial year to have three maintenance graders operating independently across the Shire as well as having a separate crew comprising two trucks and an excavator to undertake ongoing gravel sheeting and floodway maintenance. From 2004-05 onwards the Shire's ability to undertake maintenance and localised road repairs will increase with a view to improving general travel and transport amenity.



Local roads accessing tourist spots from north and east of Marble Bar through to north of Newman were identified as requiring increased attention regarding signs and general maintenance (typically grading). The majority of these tourist spots are located within pastoral leases where the Shire does not have control of the land. Issues of liability and duty of care are a constant issue to be considered when

balancing the expectations of local residents and tourists with the rights of the leaseholders.

Roadworks on the Kunawarritji Access Rd, Woodie Woodie Rd, and the Marble Bar Woodstock Rd were completed. Flood damage repairs to the Talawana Track were completed and work on the Punmu Access Rd damage commenced. Projects on the Kiwirrkurra Access Rd, Jigalong Rd, Punmu Access Rd and Jupiter Well Access Rd were carried forward to the 2004-05 financial year.

Town Drainage Improvements

The Newman townsite is the only one of the three towns to have a network of underground stormwater pipes. Over a period of time the original open drains have been replaced with pipes. The progressive development of land has gradually increased the amount of stormwater runoff and areas such as Mindarra Drive near the hospital now consistently flood during moderate to heavy downpours. \$100,900 was expended on materials and labour in 2004-05.

The replacement of steel drainage pipes to allow for the collection of water along sections of Mindarra Drive commenced with work to be completed prior to the 2004-05 wet season.

During the year it became apparent that sections of the steel pipes in Snell Street were rusting and collapsing. Planning commenced to replace the failing sections. The extent of the damaged pipes in other sections of the town has not yet been identified. This work will be undertaken during 2004-05.

Sportsgrounds, Parks and Reserves

The presence of white cockatoos was and remains one of the most significant challenges that arose in 2003-04 in providing suitable playing surfaces for the many sports activities in Newman. Both

Council staff and volunteers from the sporting groups struggled to keep up with repairing the holes being dug by the birds. No simple solution to dispersing or reducing numbers is foreseen at this time.



Planning for improvements to the ageing reticulation system on the ovals commenced with the intention to progressively replace controllers, motors and pumps, sprinklers and solenoid valves. The program will take place over three to four years subject to available funds. Approximately \$55,000 was spent in 2003-04 for new controllers at Boomerang, Capricorn (football, hockey and cricket fields) and the Rugby Ovals.

Another issue faced in 2003-04 was the supply of treated effluent water to reticulate these large grassed areas. For perhaps the first time in Newman, the supply of water, directly associated with population numbers, was at times critical. That is, the amount of water being pumped to the ovals (and other locations – St John Ambulance grounds, Lions Park and Newman Racecourse) exceeded the amount of water available. The increasing population associated with the mine operation expansions will ease this problem.

Works on the parks, gardens and reserves within the three towns were generally maintenance only with some improvements being made on playground equipment maintenance. For the first time, expenditure was separated to allow residents of the communities to see the actual monies spent in the towns rather than a whole of Shire amount.



Expenditure figures for the three towns were \$427,300 (Newman), \$153,700 (Marble Bar) and \$95,600 (Nullagine).

The usual flurry of activity occurred during June at the Marble Bar Sports Complex took place for the annual Race Day. This year major improvements to the racetrack were undertaken and the race committee installed a new section of running rail. Other improvements for the water supply to the facilities (toilets and stable areas) worked well and were acknowledged in the *West Australian* newspaper!

Plant and Equipment Replacement

The Shire has approximately \$7 million of plant and equipment ranging from small lawn mowers through to a 40 tonne bulldozer.

The timely replacement of this equipment is essential to balance operating and maintenance costs, together with operating hours versus breakdowns.

A total of \$597,000 was expended with a number of items being received after the end of the financial year due to manufacturing timeframes. With annual expenditure on replacement predicted to be around \$1.5 million over several years planning commenced to evaluate at ways and means of managing the replacement timing and operating costs to ease pressure on the Shire's financial resources.

Commercial and Domestic Refuse Collection

The program of providing domestic refuse collections of once weekly from April to September and twice weekly from October to April continued in 2003-04 within all three towns in 2003-04. In combination with tip site maintenance, commercial collections and street litter collection (street bins and litter removal), the expenditure for the year was \$802,400 and income of \$540,200.

State government licensing and operating requirements for the towns' refuse sites was raised during the year. Marble Bar and

Nullagine refuse sites are causing issues regarding their proximity to the respective townsites and groundwater sources and the requirement to regularly cover new refuse is increasing the rate of consumption of the 'air space'.

A new Marble Bar site was investigated during the year and the process of acquiring a new site has commenced. The cost of a new access road, fencing and site establishment will be spread over the 2005-06 and 2006-07 financial years.

Negotiations to retain the Nullagine location commenced and hopefully concluded during 2004-05.

Planning for extensions to the active tipping site at the Newman site commenced and funding is anticipated for the 2004-05 and 2005-06 financial years.

Cemeteries

It was an unfortunately busy year at all three cemeteries during the year with a total of 6 residents laid to rest.

The availability of water at the Newman Cemetery is allowing staff to improve the general amenity of the site, and together with new concrete surrounds being constructed the overall appearance of the site has improved.

The net expenditure across all three cemeteries was \$9,200.

STATUTORY REPORTING

Disability Services Report

The Shire of East Pilbara has an ongoing commitment to the provision of services and access for people with disabilities. In the 2003-2004 financial year this generally related to the construction of ramps and doors at the Newman Airport, Aged Person Home Marble Bar, Marble Bar Office access ramps, the Recreation Programme for swimming and auto doors to the Newman Recreation Centre.

Total cost to council of these projects was \$56,000.

The commitment by the Shire of East Pilbara to improving facilities will continue into the next financial year, with many projects planned.

Newman Airport	Installation of ramp & doors	\$20,000
Marble Bar Aged Person Units	Installation of ramps	\$5,000
Marble Bar Office	Installation of ramps	\$5,000
Foot Paths	Ongoing improvements to footpaths and access ramps	\$5,000
Recreation	Recreation Programme for disabled Swimming	\$1,000
Recreation Centre	Auto Doors	\$20,000

National Competition Policy

The Shire Of East Pilbara has met its obligations with regard to competition policy and is continuing to monitor the introduction of Council policies and local laws that may be the subject of anti-competitive practices. No complaints have been received by the Shire Of East Pilbara with regard to anti-competitive practices.



The purpose of the Principal Activity Plan (PAP) IS for the Council to set goals which are attainable within specific time frames. It is a statutory requirement that the annual report contain "a report of the principal activities commenced or continued during the financial year;" AND "an assessment of the local government's performance in relation to each principal activity"

PRINCIPAL ACTIVITIES PLAN - COMPARISONS OF 2003/2004 PROJECTIONS WITH ACTUAL OUTCOMES

In accordance with section 5.53 of the Local Government Act items included in Council's Principal Activities Plan are compared to the Budget and the actual performance for the 2003/2004 year.

Category	Item	Estimated Cost In Adopted PAP	Budget Inclusion 2003/2004	Actual Expenditure For Year	%age Spent Compared To Budget	%age Completed Compared To PAP	Assessment Of The Performance Of Each Item Comparative To The Budget/PAP
Staff Housing	Housing Maintenance and Upgrades	129,500	129,500	283,940	219.26%	219.26%	Completed
		129,500	129,500	283,940			
Newman Aquatic Centre	Upgrade Playground Facilities	15,000	15,000	0	0.00%	0.00%	Held over 2004/2005
	Pool Cleaner	7,500	7,500	5,403	72.04%	72.04%	Came in under budget
	General Equipment Upgrade	7,900	7,900	3,400	43.04%	43.04%	Repairs only - ongoing 04/05
	Upgrade PA System	8,000	8,000	2,408	30.10%	30.10%	Not completely replaced
		38,400	38,400	11,211			
Recreation Centre Newman	Replace Equipment	7,000	7,000	5,213	74.47%	74.47%	Lack of room
	Airconditioner Gym #1	40,000	0	0	0.00%	0.00%	Work completed 04/05
	Performing Arts Equipment	3,000	3,000	3,000	100.00%	100.00%	Will not commence until 05/06
	Roof Repairs	90,000	90,000	0	0.00%	0.00%	Waiting Dept Housing & Works C
	Replace Equipment	5,000	5,000	4,775	95.50%	95.50%	Completed
		145,000	105,000	12,988			
Rural Roads	Marble Bar/Hillside Road	440,000	440,000	461,385	104.86%	104.86%	Completed
	Woodie Woodie Road - Reconstruction	750,000	750,000	841,924	112.26%	112.26%	Completed
	Jigalong Road - Reconstruction	390,000	390,000	67,845	17.40%	17.40%	Program deferred due to flooding
	General Upgrading - Includes Floodways	185,300	185,300	29,233	15.78%	15.78%	Program deferred due to flooding
	Kiwirrkurra Access Road	272,000	272,000	7,178	2.64%	2.64%	Program deferred due to flooding
	Jupiter Well Access Road	230,600	230,600	126,270	54.76%	54.76%	Program part deferred due to flooding
	Talawana Track	223,000	223,000	0	0.00%	0.00%	Program deferred due to flooding
	Kunawarriji Access Road	167,000	167,000	159,690	95.62%	95.62%	Completed
	Yandeyarra Access Road	48,000	48,000	30,325	63.18%	63.18%	Program deferred due to flooding
	Punmu Access Road	196,000	196,000	4,705	2.40%	2.40%	Program deferred due to flooding
		2,901,900	2,901,900	1,728,555			
Town Streets (Reconstruction)	Newman - Town	124,500	124,500	129,431	103.96%	103.96%	Completed
	Newman - Light Industrial Area	179,000	179,000	122,819	68.61%	68.61%	Completed
		303,500	303,500	252,250			

Category	Item	Estimated Cost In Adopted PAP	Budget Inclusion 2003/2004	Actual Expenditure For Year	%age Spent Compared To Budget	%age Completed Compared To PAP	Assessment Of The Performance Of Each Item Comparative To The Budget/PAP
Footpaths - Construction & Replacement In Newman	New Works - Contest Street	50,000	50,000	50,000	100.00%	100.00%	Completed
	Repairs & Upgrades - Marble Bar	10,000					
	Repairs & Upgrades - Nullagine	10,000					
	Repairs & Upgrades - Newman	28,000					
		98,000	50,000	50,000			
Ovals - Newman	Reticulation Upgrade - Capricorn Oval	10,000	10,000	10,000	100.00%	100.00%	Completed
	Turf Management - Boomerang & Capricorn	30,000	30,000	30,000	100.00%	100.00%	Completed
		40,000	40,000	40,000			
Caravan Park - Marble Bar and Nullagine	Upgrade - Nullagine	60,000	60,000	31,755	52.93%	52.93%	Late delivery due to bad weather carried over to 04/05
		60,000	60,000	31,755			
Outdoor Courts	Newman - Netball Minor Works	15,000	15,000		0.00%	0.00%	Works not required
	M/Bar - Netball/Tennis Courts Upgrade	45,000	16,000	20,796	129.98%	46.21%	Came in under budget - better quote found
		60,000	31,000	20,796			
Plant Replacements	Heavy Plant & Large Trucks	600,000	442,000	191,866	43.41%	31.98%	Prime Mover deferred 04/05
	Medium/Small Truck & Light Vehicles	751,000	763,000	586,139	76.82%	78.05%	2 x Utes Deferred 04/05
	Minor Items - Mowers, Brush Cutters etc	4,000	4,000	4,000	100.00%	100.00%	Completed
		1,355,000	1,209,000	782,005			
Drainage Construction	Newman Various	145,000	168,900	100,888	59.73%	69.58%	Ongoing 04/05
		145,000	168,900	100,888			
Newman Sewerage Plant	RAS Pumps & Liquid Return Pumps	5,000	105,000	6,685	6.37%	133.70%	Work deferred 04/05
	Evaluate & Document Works for Pond Enla	10,000					
	Renovate Effluent Holding Pond	50,000					
	Automate Screen Backwash	15,000					
	Extend/Renovate Chlorine Storage Facility	25,000					
	Reticulation Upgrade - Capricorn Oval	40,000	40,000	30,000	75.00%	75.00%	Completed - underbudget
	40,000	40,000	25,325	63.31%	63.31%	Completed - underbudget	
	185,000	185,000	62,010				

Category	Item	Estimated Cost In Adopted PAP	Budget Inclusion 2003/2004	Actual Expenditure For Year	%age Spent Compared To Budget	%age Completed Compared To PAP	Assessment Of The Performance Of Each Item Comparative To The Budget/PAP
Newman Airport	AWS Radio Link	15,000	15,000	5,750	38.33%	38.33%	Works at airport deferred until further ramifications of new security requirements assessed.
	Car Park & Apron Access Equipment & Minor Works	40,000	40,000	186	0.47%	0.47%	
	Baggage Pick Up Area	5,000	5,000	5,701	114.02%	114.02%	
	Ride on Mower	20,000	20,000	7,374	36.87%	36.87%	
	Extend Apron to the South East	20,000	20,000	18,401	92.01%	92.01%	
	Line Marking Machine	100,000	100,000	0	0.00%	0.00%	
	Reseal Apron	15,000	15,000	11,722	78.15%	78.15%	
	Pavement Evaluation	200,000	200,000	0	0.00%	0.00%	
		25,000	25,000	0	0.00%	0.00%	
		3,500,000	3,500,000	213,894	6.11%	6.11%	
	3,940,000	3,940,000	263,028				
Playground Equipment	Marble Bar	45,000	45,000	53,903	119.78%	119.78%	Completed
		45,000	45,000	53,903			
Single Year Items	Nwrm Admin Building Redevelopment	1,500,000	1,500,000	22,299	1.49%	1.49%	Deferred 04/05
	Marble Bar Youth Centre	100,000	80,000	80,525	100.66%	80.53%	Completed
	Nullagine Toilets	15,000	15,000	0	0.00%	0.00%	Not built deferred 04/05
		1,615,000	1,595,000	102,824			
Grand Total		\$11,061,300	\$10,802,200	\$3,742,250			

PRINCIPAL ACTIVITIES PLAN - COMPARISONS OF 2004/2005 PROJECTIONS WITH ADOPTED BUDGET

In accordance with section 5.53 of the Local Government Act items included in Council's Principal Activities Plan are compared to the Proposed Budget for the 2004/2005 year to disclose which activities will commence or continue.

Project Number & Category	Item	Estimated Cost In Adopted PAP	Budget Inclusion 2004/2005 Expenditure	General Ledger Account Number	Sources Of PAP Funding/Income	Estimated PAP Income	
(1) Information Technology	Computer Upgrades	75,000	70,000 15,000 85,000	49001 49003	Annual Revenue	85,000	
		75,000				85,000	
(2) Staff Housing	Housing Upgrades	125,300	96,000 96,000	99004	Annual Revenue	96,000	
		125,300				96,000	
(3.1) Newman Aquatic Centre	Upgrade Playground Facilities	20,000	15,000	119045	CSRFF Grant	166,700	
	Pool Cleaner - Newman	16,500	16,500	119047	Other Grant	333,400	
	Pool Inflatable - Newman	18,000	18,000	119044	Grant	18,000	
	Office Equipment / Software	5,000					
	25m Upgrade	500,000	500,000 549,500	119041	Annual Revenue	31,400 549,500	
(3.2) Newman Recreation Centre	Entrance and Gardens	32,500	65,000	119033	Tfr from Reserves	45,000	
	Airconditioner Gym #1 (Shire Contribution)	65,000					
	Performing Arts Equipment	16,000	15,000	119034			
	Electric Hoist	15,000	2,000	119028	Annual Revenue	37,000	
	Replace Equipment	2,000	82,000			82,000	
(3.3) Playgrounds	Newman Playground Upgrade	45,000	45,000	119018	Annual Revenue	45,000	
		45,000	45,000			45,000	
(4.1) Rural Roads	Marble Bar/Hillside Road - Major Realignment	0	0	129533	Government Grants - Regional Road Group	408,000	
	Woodie Woodie Road - Reconstruction	1,050,000	375,000	129551	WALGGC - (FAGS)		
	Jigalong Road - Reconstruction	420,000	752,100	129546	Roads Portion	412,000	
	General Upgrading - Includes Floodways	185,300	0	129534	Government Grants - Aboriginal Access Rds	375,200	
	Kiwirrkurra Access Road	202,000	415,800	129537	Government Grants - Roads To Recovery	230,000	
	Jupiter Well Access Road	125,000	229,300	129540	Government Grants - RTR - Aboriginal Rds	250,000	
	Talawana Track	183,000	281,000	129539	Government Grants - Government Grants - Direct Grant	185,300	
	Kunawarrtiji Access Road	143,000	161,600	129542	WALGGC - (FAGS)		
	Yandeyarra Access Road	0	0	129544	Aborig. Portion	376,000	
	Punmu Access Road	196,000	232,200	129538	Annual Revenue	210,500	
			2,504,300	2,447,000			2,447,000

PRINCIPAL ACTIVITIES PLAN - COMPARISONS OF 2004/2005 PROJECTIONS WITH ADOPTED BUDGET

In accordance with section 5.53 of the Local Government Act items included in Council's Principal Activities Plan are compared to the Proposed Budget for the 2004/2005 year to disclose which activities will commence or continue.

Project Number & Category	Item	Estimated Cost In Adopted PAP	Budget Inclusion 2004/2005 Expenditure	General Ledger Account Number	Sources Of PAP Funding/Income	Estimated PAP Income
(4.2) Town Streets Reconstruction	Newman - Town	158,500	160,100	129530	Untied FAG Grant -	340,200
	Newman - Light Industrial Area	158,500	180,100	129531	Roads Portion	340,200
(4.3) Plant Replacements	Heavy Plant & Large Trucks	1,325,000	1,271,600	Various	Trade Ins	473,000
	Medium/Small Truck & Light Vehicles	653,000	347,000	Various	Tfr from Reserves	150,000
	Minor Items - Mowers, Brush Cutters etc	8,000	8,000	Various		
	Small Trailers / Caravans	5,000	5,000	Various		
	Ride on Mowers	80,000	57,000	Various		
(4.4) Drainage Construction		2,071,000	1,688,600		Annual Revenue	1,065,600
						1,688,600
(4.5) Nwm Town Centre Revitalisation	Newman Town Sites	120,000	119,400	129535	Grants Commission -	119,400
					FAGS Road Compt Annual Revenue	0
(5.1) Caravan Parks	Town Revitalisation	586,626	500,000	129550	State Grant	195,500
					Other Grant Annual Revenue	195,500
(6.1) Miscellaneous Items	Upgrade - Nullagine	30,000	500,000		Govt Grants	109,000
						500,000
(6.1) Miscellaneous Items	Newman Admin Building Redevelopment	1,600,000	1,200,000	49002	Loan	1,200,000
	Disability Services Plan	40,000	7,500	81016		
	Dog Pound / Kennel	20,000	20,000	59009		
	Nullagine Recreation	20,000	28,500	119054	CSRFF - Nullagine Gym	14,500
	Aged Persons Home	20,000	15,000	99005		
	Refuse Sites	105,000	85,200	101010	Trail - Lotteries	33,800
	Entry Statements - Newman	180,000	80,000	129552	Trail - PACC	55,000
	- Marble Bar		60,000	129532	Trail - MBTA	2,500
	M/Bar Community Centre	0	80,000	119002	Trail - PDC	27,400
	M/Bar Heritage Trail	0	138,500	119055		
					Annual Revenue	381,500
			1,985,000	1,714,700		

PRINCIPAL ACTIVITIES PLAN - COMPARISONS OF 2004/2005 PROJECTIONS WITH ADOPTED BUDGET

In accordance with section 5.53 of the Local Government Act items included in Council's Principal Activities Plan are compared to the Proposed Budget for the 2004/2005 year to disclose which activities will commence or continue.

Project Number & Category	Item	Estimated Cost In Adopted PAP	Budget Inclusion 2004/2005 Expenditure	General Ledger Account Number	Sources Of PAP Funding/Income	Estimated PAP Income
(7.1) Newman Sewerage Plant	Tender Document for Pond Enlargement	10,000	140,300	109002	Transfer From Reserve	216,600
	Artificial Liner for Pond	55,000				
	Earthworks for Pond Enlargement	50,000				
	Other works for Pond Enlargement	20,000				
	Extend/Renovate Chlorine Storage Facility Phased Reticulation Upgrade	5,000 76,000	76,300	119001		
		216,000	216,600			216,600
(7.2) Newman Airport	Landside					
	Car Parking / Landscaping	670,000	300,000	129018	BHPIO Trust Account	120,000
	Terminal Upgrade	1,750,000	1,750,000	129029	Regional Partnerships	400,000
	Airside				RADS - Construction	144,000
	Pavement Evaluation	25,000	25,000	129019	RADS - Develop Plan	75,000
	Equipment & Minor Works	5,000	5,000	129028	Loan	1,500,000
	Tractor & Slasher	60,000	70,000	129020		
	New Taxiway & Apron -	160,000	300,000	129018	Tfr from Reserve	1,041,000
	General Aviation		230,000	129025		
	Runway Reseal	600,000	600,000	129023		
		3,270,000	3,280,000			3,280,000
Grand Total		\$11,876,726	\$11,184,000			\$11,184,000

AUDITED FINANCIAL REPORTS

Shire of East Pilbara

Annual Financial Statements

For the Year Ended

30 June 2004



The Principal Office of the Shire is Located at:
Cnr Newman Drive & Kalgan Drive
NEWMAN WA 6753

Postal Address:
PMB 22
NEWMAN WA 6753

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Schedule 2

Form 1

*Local Government Act 1995
Local Government (Financial Management) Regulations 1969*

Statement by CEO

The attached financial report of the Shire of East Pilbara being the annual financial report and supporting notes and other information for the financial year ended 30 June 2004 are in my opinion properly drawn up to present fairly the financial position of the Shire of East Pilbara at 30 June 2004 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards (except to the extent that these have been varied in the Statement of Accounting Policies required by Australian Accounting Standard AAS 6 "Accounting Policies" and the accompanying notes to the annual financial report) and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 10th November, 2004


.....
Allen R Cooper. CEO

Statutory Statements

SHIRE OF EAST PILBARA
Statement of Financial Position
For the Year Ended 30 June 2004

Description	Note	2003/2004 \$	2002/2003 \$
CURRENT ASSETS			
Cash and Investments	4b	5,249,020.05	4,898,499.75
Sundry Debtors	5	1,290,164.76	534,505.60
Stock On Hand	6	45,942.68	105,494.00
<i>Total Current Assets</i>		6,585,127.49	5,538,499.35
CURRENT LIABILITIES			
Creditors & Accruals	9	169,067.65	245,331.10
Provisions	9	393,536.30	327,996.29
Interest Bearing Liabilities	10	246,319.77	224,160.38
<i>Total Current Liabilities</i>		808,923.72	797,487.77
NET CURRENT ASSETS		5,776,203.77	4,741,011.58
NON CURRENT ASSETS			
Property, Plant and Equipment	7	12,669,646.72	12,626,338.92
Infrastructure	8	102,628,727.01	105,902,913.98
<i>Total Non Current Assets</i>		115,298,373.73	118,529,252.90
NON CURRENT LIABILITIES			
Provisions	9	34,001.31	27,052.02
Interest Bearing Liabilities	10	350,870.00	597,189.77
<i>Total Non Current Liabilities</i>		384,871.31	624,241.79
NET ASSETS		\$120,689,706.19	\$122,646,022.69
EQUITY			
Accumulated Surplus	-	116,868,668.17	119,295,252.32
Reserves - Cash Backed	11	3,821,038.02	3,350,770.37
TOTAL EQUITY		\$120,689,706.19	\$122,646,022.69

This statement is to be read in conjunction with accompanying notes

SHIRE OF EAST PILBARA
Operating Statement
For The Year Ending 30 June 2004

Description	Note	2003/2004		2002/2003
		Budget	Actual	Actual
OPERATING REVENUE				
General Purpose Funding		5,118,200	5,065,742.53	4,978,800
Governance		36,200	46,129.54	10,100
Law, Order & Public Safety		130,500	79,554.86	147,000
Health		14,800	16,028.88	7,200
Education & Welfare		43,000	76,431.72	42,000
Housing		141,700	139,966.36	139,600
Community Amenities		859,600	905,751.67	839,800
Recreation & Culture		730,600	602,091.89	755,000
Transport		4,771,000	4,942,838.16	4,802,300
Economic Services		236,300	260,458.59	195,000
Other Property & Services		171,500	285,654.71	143,800
<i>Total Operating Revenue</i>		\$12,253,400	\$12,420,648.91	\$18,222,942
Less: OPERATING EXPENDITURE (Excluding Borrowing Costs Expenses)				
General Purpose Funding		170,500	179,247.29	180,979
Governance		962,200	897,439.36	1,033,951
Law, Order & Public Safety		346,200	323,600.30	259,076
Health		167,300	152,672.35	126,816
Education & Welfare		278,000	291,093.48	221,084
Housing		210,000	203,256.01	222,619
Community Amenities		1,173,100	1,194,574.87	1,149,175
Recreation & Culture		2,489,300	2,160,598.52	2,680,076
Transport		7,656,500	7,963,712.40	12,398,667
Economic Services		609,800	615,658.09	575,153
Other Property & Services		176,400	347,818.07	490,156
<i>Total Operating Expenditure</i>		\$14,239,300	\$14,329,670.74	\$19,337,752
Less: BORROWING COSTS EXPENSES				
Governance		46,200	901.81	3,780
Housing		18,100	16,298.68	24,018
Community Amenities		7,800	6,808.56	10,756
Recreation & Culture		24,800	23,285.62	37,193
Transport		105,000	0.00	37,193
<i>Total Borrowing Costs Expense</i>	18(b)	\$201,900	\$47,294.67	\$75,747
NET PROFIT/(LOSS) RESULT	3	(2,187,800)	(1,956,316.50)	(1,190,557)

This statement is to be read in conjunction with accompanying notes

SHIRE OF EAST PILBARA
Statement Of Changes In Equity
For The Year Ended 30 June 2004

Description	Note	2003/2004 \$	2002/2003 \$
ACCUMULATED SURPLUS			
Balance As At 01 July		119,295,252.32	121,406,135.48
Net Profit/(Loss) Result	3	-1,956,316.50	-1,341,840.58
Transfers From/(To) Reserves	11	-470,267.65	-769,042.58
Balance As At 30 June		116,868,668.17	119,295,252.32
RESERVES - CASH BACKED			
Balance As At 01 July	11	3,350,770.37	2,581,727.79
Transfers (To)/From Accumulated Surplus	11	470,267.65	769,042.58
Balance As At 30 June		3,821,038.02	3,350,770.37
TOTAL EQUITY		\$120,689,706.19	\$122,646,022.69

This statement is to be read in conjunction with accompanying notes

SHIRE OF EAST PILBARA
Statement Of Cash Flows
For The Year Ended 30 June 2004

Description	Note	2003/2004		2002/2003
		Budget \$	Actual \$	Actual \$
Cash Flows From Operating Activities				
Receipts				
Rates		3,025,200	2,979,057.87	2,997,830.54
Grants & Subsidies		2,440,500	3,294,699.94	2,064,448.21
Contributions, Reimbursements & Donations		1,067,800	558,290.78	1,408,803.97
Service Charges		0	0.00	0.00
Fees & Charges		2,419,400	1,551,846.97	2,140,016.26
Interest Earnings		249,000	305,918.54	310,260.54
Goods & Services Tax		725,000	651,271.09	725,849.39
Other Revenue/Income		48,300	82,117.16	55,595.61
		\$9,975,200	9,423,202.35	9,702,804.52
Payments				
Employee Costs		3,016,400	3,350,729.22	1,846,770.02
Materials & Contracts		3,379,400	3,007,390.00	4,624,578.46
Utilities (Gas, Electricity, Water, etc)		594,800	547,033.58	503,914.37
Interest Expenses		201,900	47,294.67	66,275.80
Insurance Expenses		256,800	252,190.20	275,423.67
Goods & Services Tax		721,000	685,824.00	714,346.24
Other Expenditure		463,400	598,448.48	424,083.13
		\$8,633,700	8,488,910.15	8,455,391.69
<i>Net Cash Flows From Operating Activities</i>	4	\$1,341,500	934,292.20	1,247,412.83
Cash Flows From Investing Activities				
Payments				
Purchase Land and Buildings		1,921,500	181,199.34	238,041.73
Purchase Plant and Equipment		1,215,000	785,254.63	750,068.00
Purchase Furniture and Equipment		130,500	109,925.58	124,675.77
Purchase Airport Assets		3,955,000	263,031.07	120,559.69
Purchase Infrastructure Assets		3,805,400	2,106,590.11	3,011,811.91
	7&8	\$11,027,400	3,446,000.73	4,245,157.10
Receipts				
Sale of Plant and Equipment	12	466,000	349,173.64	239,595.46
Grants and Contributions for the Development of Assets	26(a)	2,906,700	2,737,215.57	3,133,826.88
		\$3,372,700	3,086,389.21	3,373,422.34
<i>Net Cash Flows From Investing Activities</i>		(\$7,654,700)	(359,611.52)	(871,734.76)
Cash Flows From Financing Activities				
Proceeds from New Loans	18(c)	5,000,000	0	0.00
Repayment of Loans	18(b)	329,300	224,160.38	209,742.54
Less: Proceeds from Self Supporting Loans		0		0.00
<i>Net Cash Flows From Financing Activities</i>		\$4,670,700	(224,160.38)	(209,742.54)
<i>Net Increase/(Decrease) In Cash Held</i>		(\$1,642,500)	350,520.30	165,935.53
Cash At Beginning Of Year	4(b)	\$4,915,600	4,898,499.75	4,732,564.22
Cash At End Of Year	13a	\$3,273,100	5,249,020.05	4,898,499.75

Notes To The Financial Statements

SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

1. Significant Accounting Policies

(a) The Local Government Reporting Entity

For the purpose of reporting on the Municipality as a single unit all transactions and balances in respect to the Municipal, Loan and Reserve Funds have been consolidated. Monies held in the Trust Fund have been excluded from the Budget statements, as Council does not control such resources.

(b) Basis of Accounting

The financial report have been compiled in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements, the provisions of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996. They have been prepared on the accrual basis under the convention of historical cost accounting.

(c) Non Current Assets

(i) Valuation of Non Current Assets

Non current assets will be recognised in the statements when the value exceeds the following amounts:

Land	\$0
Buildings	\$0
Plant and Equipment	\$1,000
Office Furniture And Equipment	\$500

(ii) Revaluation of Non Current Assets

As of 1 July 2001, Council elected to revert to the cost basis for measuring land and buildings and all infrastructure assets other than roads that were being carried at a revalued amount at the immediately preceding report date being 30 June 2001.

This was achieved by deeming the carrying amount of the non current assets comprising the particular class to be their cost and complied with requirements on first application of the Accounting Standard AASB 1041 "Revaluation of Non Current Assets".

(iii) Depreciation of Non Current Assets

Non current assets having limited useful lives are to be depreciated over such useful lives using the straight-line method to reflect the consumption of the economic benefits embodied in such assets.

Major depreciation periods are:

Buildings	40 years
Plant and Equipment	3 - 10 years
Computer Equipment and Software	3 years
Furniture and Equipment	5 years
Tools	3 years

(iv) Infrastructure Assets

Infrastructure assets are those amenities, structures or facilities which assist the municipality in providing services to the community and may have the following characteristics:

SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

- a long life;
- require substantial capital outlays;
- do not necessarily have a realisable value;
- usually a fixture not always readily visible or noticeable;
- consist of a number of components.

Infrastructure assets are capitalised if the threshold value exceeds \$5,000.

Infrastructure assets are depreciated on a straight-line basis over their useful lives as follows:

Bridges	75 years
Car parks	20 years
Culverts	50 years
Cycle ways	50 years
Drains	75 years
Footpath - in situ concrete	50 years
Footpath - slab	20 years
Irrigation	20 years
Kerbs and channel	50 years
Manholes	50 years
Median strips	50 years
Road seals - aggregate	15 years
Road seals - asphalt	20 years
Road (sealed) - pavement	50 years
Road (unsealed) - formed	10 years
Road (unsealed) - gravel	12 years
Street lights	25 years
Street signs	10 years
Water reticulation systems	20 years

(d) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries and Annual Leave

The provision for employees' benefits to wages, salaries and annual leave represents the amount that the municipality has a present obligation to pay resulting from employees' services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Long Service Leave

The provision for employees' benefits for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees' service to balance date.

(e) Superannuation

The Shire of East Pilbara contributes to the Local Government Superannuation Scheme. The fund is a defined contribution scheme.

(f) Investments

Investments are valued at cost. Interest upon investments is recognised as revenue as it accrues.

SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

(g) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and contributions, other than reciprocal contributions received from owners, are recognised as revenues when Council obtains control over the assets comprising these receipts.

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

Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured. However, where a grant clearly refers to a different period, control is deemed to commence from the beginning of such period. Additionally, where any amounts of grants remain unexpended and are required to be refunded, receipts are recognised as income only to the extent that they have been expended.

(h) Trust Funds

Amounts received as tender deposits and retention monies controlled by Council are included in the statements.

Amounts received by Council in a custodial role, such as bonds on Council owned housing, have been excluded from the statements.

(i) Stock on Hand

Stocks on hand of materials, history books etc are valued at the lower of cost or net realisable value. Materials are issued to works on the basis of cost.

(j) Cash

Cash, for the purposes of the Statement of Cash Flows, comprises the value of assets held in the municipal, loan and reserve fund bank and investment accounts.

(k) Accounts Payable

Trade creditors and other accounts payable are recognised when Council becomes obliged to make future payments resulting from the purchase of goods and services.

(l) Comparative Figures & Information

Comparative figures included in the statements are based on previous years' actuals or, where unknown, reasonable estimates have been included. Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(m) Changes in Accounting Policies

Where there is a change in an accounting policy, the nature, reason for and effect of the change is disclosed in the statements.

(n) Rounding Off Figures

All figures in this annual financial report are concise amounts.

(o) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Statement of Financial Position are stated inclusive of applicable GST.

(p) International Financial Reporting Standards

The Australian Accounting Standards Board (AASB) is adopting the International Financial Reporting Standards (IFRS) for application to reporting periods beginning on

or after 1 January 2005 (effective for the 30 June 2006 financial report). This requires the production of accounting data for future comparative purposes at the end of the current financial year.

The Council are assessing the significance of these changes and preparing for their implementation.

The Council has received preliminary advice that the differences in accounting policies which will arise on adoption of IFRS are not likely to be significant.

The above advice should not be regarded as definitive as not all standards have been analysed as yet, and some decisions have not yet been made where choices of accounting policies are available. For these reasons it is not yet possible to quantify the impact of the transition to IFRS on the Council's financial position and reported results.

2. Functions and Activities of the Shire

The Shire of East Pilbara is dedicated to provide high quality service to the community through the provision of local government services achieved by the following service oriented functions:

General Purpose Funding

Rates, general purpose government grants, normalisation grants and interest revenue.

Governance

Members of Council, general governance including administration, finance and other corporate services, computer administration and community liaison

Law, Order and Public Safety

Supervision of Local Laws, fire prevention and animal control

Health

Maintenance of infant health clinic, health inspection services, food and water quality control and immunisation.

Education & Welfare

Community services and sponsored support of community aged care.

Housing

Aged persons housing, and maintenance of leased properties

Community Amenities

Rubbish collection services, maintenance of storm water drainage, maintenance of cemeteries and maintenance of the Newman Sewerage Farm.

Recreation and Culture

SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

Maintenance of public halls, Newman and Marble Bar Aquatic Centres, Newman Recreation Centre, public parks and gardens, libraries and recreation services.

Transport

Construction and maintenance of roads, footpaths, drainage works, parking facilities, traffic signs, street lighting, depot operations, street cleaning and operation of the Newman Airport and Marble Bar and Nullagine airstrips.

Economic Services

Tourism support, building services and controls, caravan parks and bus services.

Other Property and Services

Private works carried out by Council and allocations to works and services of all salaries and wages, overheads and plant costs incurred. Miscellaneous unclassified areas.

3. Operating Statement

Operating Revenues And Expenses Classified According To Nature And Type

	2003/2004	2002/2003
	\$	\$
Revenues From Ordinary Activities		
Rates	2,935,470.60	2,904,647.54
Grants and Subsidies	5,629,485.51	4,781,319.71
Contributions, Reimbursements and Donations	960,720.78	1,826,985.79
Gain on Asset Disposals	190,395.83	83,515.52
Service Charges	0.00	0.00
Fees and Charges	2,316,540.49	2,147,300.73
Interest	305,918.54	310,260.54
Other Revenue/Income	82,117.16	61,504.70
	\$12,420,648.91	\$12,115,534.53
Expenses From Ordinary Activities		
Employee Costs	3,357,678.51	2,884,974.09
Materials and Contracts	3,056,217.88	2,801,877.27
Utilities (Gas, Electricity, Water etc)	547,033.58	503,914.37
Depreciation on Non Current Assets	6,514,274.73	6,478,385.41
Loss on Asset Disposal	3,827.36	26,740.33
Insurance Expenses	252,190.20	275,423.67
Other Expenditure	598,448.48	424,083.13
	\$14,329,670.74	\$13,395,398.27
Interest Expenses	47,294.67	61,976.84
	\$14,376,965.41	\$13,457,375.11
Net Profit/(Loss) Result	<u>(\$1,956,316.50)</u>	<u>(\$1,341,840.58)</u>

SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

4. Cash & Investments

For the purpose of the Statement of Cash Flows Council considers cash to include cash on hand, cash in bank accounts and cash invested.

(a) Reconciliation of Net Cash Provided By Operating Activities to Change in Net Assets Resulting from Operations

	2003/2004	2002/2003
	\$	\$
Net Profit/(Loss) Result	(1,956,316.50)	(1,341,840.58)
Add/(Less) Non Cash Items		
Depreciation	6,514,274.73	6,478,385.41
Gain on sale of non current assets	(190,395.83)	(83,515.52)
Loss on sale of non current assets	3,827.36	26,740.33
Changes in Assets and Liabilities		
(Increase)/Decrease in Debtors	(721,106.25)	90,266.15
Increase/(Decrease) in Creditors	(10,723.44)	(757,918.64)
Increase/(Decrease) in Accrued Expenses	(34,552.91)	(4,298.96)
Increase/(Decrease) in Employee Provisions	6,949.29	11,685.67
(Increase)/Decrease in Stock On Hand	59,551.32	(38,264.15)
Prior Year Adjustments	0.00	0.00
(Less)		
Grants for the Development of Assets	(2,737,215.57)	(3,133,826.88)
Net Cash provided by Operating Activities	<u><u>\$934,292.20</u></u>	<u><u>\$1,247,412.83</u></u>

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SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

(b) Total Cash And Investments

Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2003/2004 \$	2002/2003 \$
Restricted Cash - Reserves		
Alice Springs Road	116,894.70	111,610.83
Heavy Road Plant	682,235.14	696,272.21
Marble Bar Aerodrome	183,377.34	184,969.10
Nullagine Aerodrome	34,121.72	42,169.46
Cape Keraudren Development	16,812.73	30,374.73
Computer Technology	98,678.10	94,217.64
Newman Recreation Centre Maintenance	112,141.06	90,840.49
Newman Sewerage Plant	525,156.47	530,103.95
Newman Airport	1,666,078.65	1,326,220.86
Oval Lights Maintenance	15,983.50	15,261.03
Long Service Leave	97,428.43	88,250.47
Recreation Facilities	69,238.22	42,238.58
Staff Housing	102,891.96	98,241.02
Newman Town Centre Revitalisation	100,000.00	0.00
	\$3,821,038.02	\$3,350,770.37
Restricted Cash - Committed Funds	\$288,100.00	\$0.00
Restricted Cash - Total	\$4,109,138.02	\$3,350,770.37
Unrestricted Cash		
Municipal Fund Cash At Bank	110,382.73	304,969.49
Municipal Fund Cash Invested	1,028,139.30	1,241,449.89
Municipal Fund Cash On Hand	1,360.00	1,310.00
Unrestricted Cash - Total	\$1,139,882.03	\$1,547,729.38
Total Cash	\$5,249,020.05	\$4,898,499.75

(c) Conditions Over Contributions

Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period:

Roads to Recovery (Transport)	288,100
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SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

5. Debtors

	2003/2004	2002/2003
	\$	\$
Current Debtors		
Rates	56,308.72	99,895.99
Sundry Debtors	1,250,334.04	485,640.52
ATO - GST Refund	82,397.00	47,844.09
	<u>1,389,039.76</u>	<u>633,380.60</u>
Less Provision Bad/Doubtful Debts	98,875.00	98,875.00
	<u>1,290,164.76</u>	<u>534,505.60</u>
Non Current Debtors		
None	0.00	0.00
Total Debtors	<u>\$1,290,164.76</u>	<u>\$534,505.60</u>

6. Stock On Hand

Stock Category	2003/2004	2002/2003
	\$	\$
Fuels	28,931.18	87,768.00
History Books	17,011.50	17,726.00
Total Stock On Hand	<u>\$45,942.68</u>	<u>\$105,494.00</u>

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SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

7. (a) Property, Plant And Equipment Assets

	2003/2004	2002/2003
	\$	\$
Land & Buildings		
At Independent Valuation 1996	2,000,000.00	2,000,000.00
Cost	9,542,403.56	9,361,204.22
Accumulated Depreciation	<u>(3,868,479.08)</u>	<u>(3,561,426.79)</u>
	7,673,924.48	7,799,777.43
Plant & Equipment		
Cost	7,270,947.42	7,263,899.05
Accumulated Depreciation	<u>(4,947,017.86)</u>	<u>(4,939,284.14)</u>
	2,323,929.56	2,324,614.91
Furniture & Equipment		
Cost	2,053,743.56	1,943,817.98
Accumulated Depreciation	<u>(1,588,383.18)</u>	<u>(1,471,651.13)</u>
	465,360.38	472,166.85
Newman Airport		
At Council Valuation 1996	2,136,300.00	2,136,300.00
Cost	630,999.74	367,968.67
Accumulated Depreciation	<u>(560,867.44)</u>	<u>(474,488.94)</u>
	2,206,432.30	2,029,779.73
Total - Property, Plant & Equipment	<u>\$12,669,646.72</u>	<u>\$12,626,338.92</u>
Revaluations		
Land & Buildings - Reverted to cost 30 June 2001 Completed 30 June 2004.		
Newman Airport - Inhouse revaluation conducted in 1996 on the basis of replacement value at that time.		
Council does not have a policy of regular revaluation other than Land & Buildings as per AASB 1041.		

(b) Movement in Property, Plant And Equipment Assets

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.				
	Land & Buildings	Plant & Equipment	Furniture & Equipment	Airport
Balance as the beginning of the year	7,799,777.43	2,324,614.91	472,166.85	2,029,779.73
Plus: Acquisitions	<u>181,199.34</u>	<u>785,254.63</u>	<u>109,925.58</u>	<u>263,031.07</u>
	7,980,976.77	3,109,869.54	582,092.43	2,292,810.80
Less: Disposals	<u>0.00</u>	<u>778,206.26</u>	<u>0.00</u>	<u>0.00</u>
	7,980,976.77	2,331,663.28	582,092.43	2,292,810.80
Write Back Depreciation	<u>0.00</u>	<u>615,601.09</u>	<u>0.00</u>	<u>0.00</u>
	7,980,976.77	2,947,264.37	582,092.43	2,292,810.80
Less: Annual Depreciation	<u>307,052.29</u>	<u>623,334.81</u>	<u>116,732.05</u>	<u>86,378.50</u>
Assets Bal 30/06/04	<u>7,673,924.48</u>	<u>2,323,929.56</u>	<u>465,360.38</u>	<u>2,206,432.30</u>

SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

8. Infrastructure Assets

	2003/2004 \$	2002/2003 \$
Roads		
At Cost	126,148,051.47	124,148,373.15
Accumulated Depreciation	<u>(31,371,405.89)</u>	<u>(26,390,775.00)</u>
	94,776,645.58	97,757,598.15
Footpaths		
Cost	4,073,988.55	4,073,988.55
Accumulated Depreciation	<u>(1,013,148.81)</u>	<u>(866,025.97)</u>
	3,060,839.74	3,207,962.58
Drainage		
Cost	4,497,870.28	4,435,859.62
Accumulated Depreciation	<u>(1,118,562.77)</u>	<u>(942,950.52)</u>
	3,379,307.51	3,492,909.10
Parks & Gardens		
Cost	1,879,289.40	1,834,388.27
Accumulated Depreciation	<u>(467,355.22)</u>	<u>(389,944.12)</u>
	1,411,934.18	1,444,444.15
Total - Infrastructure Assets	<u><u>\$102,628,727.01</u></u>	<u><u>\$105,902,913.98</u></u>

9. Creditors, Accruals and Provisions

	2003/2004 \$	2002/2003 \$
Current Liabilities		
Creditors And Accruals		
Sundry Creditors	25,583.30	
Unexpended Grants	20,849.67	
Accrued Expenses	<u>122,634.68</u>	245,331.10
	169,067.65	
Provisions		
Provision For Annual Leave	266,447.20	
Provision For Long Service Leave	<u>127,089.10</u>	327,996.29
	393,536.30	
	<u><u>\$562,603.95</u></u>	<u><u>\$573,327.39</u></u>
Non Current Liabilities		
Provision For Long Service Leave	34,001.31	27,052.02
	<u><u>\$34,001.31</u></u>	<u><u>\$27,052.02</u></u>
Total Creditors & Provisions	<u><u>\$596,605.26</u></u>	<u><u>\$600,379.41</u></u>

SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

10. Borrowings

	2003/2004	2002/2003
	\$	\$
Current		
Debenture Repayments	246,319.77	224,160.38
Non Current		
Debenture Repayments	350,870.00	597,189.77
Total Borrowings	<u>597,189.77</u>	<u>821,350.15</u>

Additional detail on debentures is provided in Note 18

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SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

11. Reserves - Cash Backed

A schedule of Council's Reserve Funds Appears over the next two pages. Disclosure of the purposes for which each reserve account is set aside follows the schedule.

Reserve Funds	2003/2004 Actual \$	2003/2004 Budget \$	2002/2003 Actual \$
Alice Springs Road			
<i>Opening Balance</i>	111,610.83	111,611	105,161.25
Interest Earned During Year	5,283.87	2,800	6,449.58
Transfer From Municipal Fund	0.00	0	0.00
Transfer To Municipal Fund	0.00	0	0.00
<i>Closing Balance</i>	\$116,894.70	\$114,411	\$111,610.83
Heavy Road Plant			
<i>Opening Balance</i>	696,272.21	696,272	431,641.47
Interest Earned During Year	32,962.93	27,800	27,330.74
Transfer From Municipal Fund	0.00	0	237,300.00
Transfer To Municipal Fund	47,000.00	47,000	0.00
<i>Closing Balance</i>	\$682,235.14	\$677,072	\$696,272.21
Marble Bar Aerodrome			
<i>Opening Balance</i>	184,969.10	184,969	181,834.54
Interest Earned During Year	8,756.81	4,500	11,152.00
Transfer From Municipal Fund	0.00	0	8,017.44
Transfer To Municipal Fund	10,348.57	14,000	16,034.88
<i>Closing Balance</i>	\$183,377.34	\$175,469	\$184,969.10
Nullagine Aerodrome			
<i>Opening Balance</i>	42,169.46	42,169	54,217.43
Interest Earned During Year	1,996.38	1,200	3,325.19
Transfer From Municipal Fund	0.00	0	15,373.16
Transfer To Municipal Fund	10,044.12	28,800	30,746.32
<i>Closing Balance</i>	\$34,121.72	\$14,569	\$42,169.46
Cape Keraudren Development			
<i>Opening Balance</i>	30,374.73	30,375	28,619.47
Interest Earned During Year	1,438.00	800	1,755.26
Transfer From Municipal Fund	0.00	0	0.00
Transfer To Municipal Fund	15,000.00	15,000	0.00
<i>Closing Balance</i>	\$16,812.73	\$16,175	\$30,374.73
Computer Technology			
<i>Opening Balance</i>	94,217.64	94,218	88,773.13
Interest Earned During Year	4,460.46	2,300	5,444.51
Transfer From Municipal Fund	0.00	0	0.00
Transfer To Municipal Fund	0.00	0	0.00
<i>Closing Balance</i>	\$98,678.10	\$96,518	\$94,217.64
Newman Recreation Centre Maintenance			
<i>Opening Balance</i>	90,840.49	90,840	43,038.22
Interest Earned During Year	4,300.57	3,200	2,802.27
Transfer From Municipal Fund	17,000.00	17,000	45,000.00
Transfer To Municipal Fund	0.00	45,000	0.00
<i>Closing Balance</i>	\$112,141.06	\$66,040	\$90,840.49
Newman Sewerage Plant			
<i>Opening Balance</i>	530,103.95	530,104	506,591.16
Interest Earned During Year	25,096.18	19,300	31,069.48
Transfer From Municipal Fund	0.00	0	60,451.58
Transfer To Municipal Fund	30,043.66	123,700	68,008.27
<i>Closing Balance</i>	\$525,156.47	\$425,704	\$530,103.95

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SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

<u>Reserve Funds</u>	2003/2004	2003/2004	2002/2003
	Actual	Budget	Actual
	\$	\$	\$
Newman Airport			
<i>Opening Balance</i>	1,326,220.86	1,326,221	954,512.33
Interest Earned During Year	62,786.02	60,100	58,540.67
Transfer From Municipal Fund	277,071.77	0	314,160.86
Transfer To Municipal Fund	0.00	181,300	993.00
<i>Closing Balance</i>	<u>\$1,666,078.65</u>	<u>\$1,205,021</u>	<u>\$1,326,220.86</u>
Oval Lights Maintenance			
<i>Opening Balance</i>	15,261.03	15,261	14,379.14
Interest Earned During Year	722.47	500	881.89
Transfer From Municipal Fund	0.00	0	0.00
Transfer To Municipal Fund	0.00	0	0.00
<i>Closing Balance</i>	<u>\$15,983.50</u>	<u>\$15,761</u>	<u>\$15,261.03</u>
Long Service Leave			
<i>Opening Balance</i>	88,250.47	88,250	78,422.70
Interest Earned During Year	4,177.96	2,300	4,827.77
Transfer From Municipal Fund	5,000.00	5,000	5,000.00
Transfer To Municipal Fund	0.00	0	0.00
<i>Closing Balance</i>	<u>\$97,428.43</u>	<u>\$95,550</u>	<u>\$88,250.47</u>
Recreation Facilities			
<i>Opening Balance</i>	42,238.58	42,239	39,797.75
Interest Earned During Year	1,999.64	1,300	2,440.83
Transfer From Municipal Fund	25,000.00	25,000	0.00
Transfer To Municipal Fund	0.00	0	0.00
<i>Closing Balance</i>	<u>\$69,238.22</u>	<u>\$68,539</u>	<u>\$42,238.58</u>
Staff Housing			
<i>Opening Balance</i>	98,241.02	98,241	54,739.20
Interest Earned During Year	4,650.94	2,900	3,501.82
Transfer From Municipal Fund	0.00	0	40,000.00
Transfer To Municipal Fund	0.00	20,000	0.00
<i>Closing Balance</i>	<u>\$102,891.96</u>	<u>\$81,141</u>	<u>\$98,241.02</u>
Newman Town Centre Revitalisation			
<i>Opening Balance</i>	0.00	0	0.00
Interest Earned During Year	0.00	0	0.00
Transfer From Municipal Fund	100,000.00	100,000	0.00
Transfer To Municipal Fund	0.00	0	0.00
<i>Closing Balance</i>	<u>\$100,000.00</u>	<u>\$100,000</u>	<u>\$0.00</u>
Totals - All Reserves			
<i>Opening Balance</i>	3,350,770.37	3,350,770	2,581,727.79
Interest Earned During Year	158,632.23	129,000	159,522.01
Transfer From Municipal Fund	424,071.77	147,000	725,303.04
Transfer To Municipal Fund	112,436.35	474,800	115,782.47
<i>Closing Balance</i>	<u>\$3,821,038.02</u>	<u>\$3,151,970</u>	<u>\$3,350,770.37</u>

The purposes for which the above Reserves were created is set out on the next page.

SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

Purpose of Reserves

1. **Alice Springs Road**
To establish a road link to Alice Springs from Marble Bar to the South Australian border
2. **Heavy Road Plant**
To fund the purchase of heavy plant that is needed for the operation of the Shire
3. **Marble Bar Aerodrome**
For specific works and maintenance of the Marble Bar Aerodrome
4. **Nullagine Aerodrome**
For specific works and maintenance of the Nullagine Aerodrome
5. **Cape Keraudren Development**
For the maintenance, development & enhancement of the Cape Keraudren Reserve
6. **Computer Technology**
For the replacement, enhancement and upgrading of computer hardware and software
7. **Newman Recreation Maintenance**
For the upgrading and enhancement and future extensions of the Newman Recreation Centre
8. **Newman Sewerage Treatment Plant**
For the maintenance, upgrading and replacement of all Council plant and equipment associated with the treatment of sewage and the distribution of the treated product.
9. **Newman Airport**
For the upgrading, maintenance and enhancement of the Newman Airport
10. **Oval Lights Maintenance**
To maintain and upgrade the lights at Capricorn Oval, Newman
11. **Recreation Facilities Maintenance**
For the upgrading and enhancement of recreation facilities
12. **Long Service Leave**
Provision for the long service leave entitlements for the employees of the shire
13. **Housing**
For the upgrading and maintenance of staff housing assets
14. **Newman Town Centre Revitalisation**
For the revitalisation, upgrade and maintenance of the Newman Town Centre Precinct

SHIRE OF EAST PILBARA
Notes to, and forming part of the 2003/2004 Annual Financial Statements

12. Disposal Of Assets

Program	Net Book Value		Sale Proceeds		Profit/(Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant & Equipment						
Governance	34,677.48	41,662	50,909.09	69,000	16,231.61	27,338
Health	24,445.38	20,975	29,090.91	28,000	4,645.53	7,025
Recreation & Culture	13,817.36	11,240	29,895.45	15,000	16,078.09	3,760
Transport	0.00	73,160	0.00	231,000	0.00	157,840
Economic Services	6,348.09	3,641	19,090.91	21,000	12,742.82	17,359
Other Property & Services	83,316.86	60,707	220,187.28	102,000	136,870.42	41,293
	\$162,605.17	\$211,385.00	\$349,173.64	\$466,000.00	\$186,568.47	\$254,615.00

13. Budget Comparison

(a) Non Operating Income And Expenditure

The following is a comparison of capital income and expenditure and movements to and from reserve accounts with the amounts contained in the Rate Setting Statement in the Annual Budget.

	2003/2004 Actual \$	2003/2004 Budget \$	2002/2003 Actual \$
Non Operating Income			
Proceeds From Sale Of Assets	349,173.64	308,200.00	239,595.46
Loans Raised	0.00	0.00	0.00
Contributions From Self Supporting Loans	0.00	0.00	0.00
Transfers From Reserve Accounts	112,436.35	474,800.00	115,782.47
Total Non Operating Income	\$461,609.99	\$783,000.00	\$715,137.68
Non Operating Expenditure			
Repayment Of Debentures	224,160.38	209,700.00	209,742.54
Transfer To Reserves	424,071.77	147,000.00	725,303.04
Land & Buildings	181,199.34	360,000.00	238,041.73
Furniture & Equipment	109,925.58	175,700.00	124,675.77
Plant & Equipment	785,254.63	518,500.00	750,068.00
Airport Assets	263,031.07	295,000.00	120,559.69
Infrastructure Assets	2,106,590.11	3,433,400.00	3,011,811.91
Total Non Operating Expenditure	\$4,094,232.88	\$5,139,300.00	\$4,957,784.22

b) Current Position 1st July 2003

The current position balance carried forward from the previous financial year for the purpose of the 2003/2004 budget was **\$1,680,300**.

The current position balance shown in the audited financial report as at 30 June 2003 was **\$2,076,200.14**.

SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

14. Rating And Valuations

(a) Property Rating

Refer to appendix A for a schedule of all property rates levied.

(b) Sewerage Rates

Where properties in the Newman townsite have the ability to connect to the town's sewerage scheme a rate is raised against that property for the purpose of maintaining and running the Newman Sewerage Treatment Plant.

The Rate imposed for the 2003/2004 year was 1.216 cents in the dollar on the gross rental value of the property. The total revenue from this rate was \$241,333.90.

15. Service Charges

No service charges were levied by Council during 2003/2004.

16. Discounts, Incentives And Concessions

Council did not allow any discounts or concessions for the early payment of rates during 2003/2004.

An early rates payment incentive was offered consisting of a rates cash back prize from the Shire of East Pilbara and holiday accommodation prizes donated by various organisations. The incentives were awarded by drawing winning rates receipts from a barrel containing rates notices paid in full by the due date.

17. Interest Payments And Additional Charges

(a) Interest On Late Rate Payments

A penalty interest rate of 8% per annum was set and accrued on outstanding rates which were outstanding in excess of three months after the date of issue and where the option to pay by instalments had not been taken up.

A total of \$6,245.01 penalty interest was charged during the year.

(b) Instalments Interest And Additional Charges

An administration fee of \$5.00 was set on the second and subsequent payments where the option to pay rates in instalments was taken up. In addition interest at the rate of 4% per annum was applied to outstanding balances under this option.

Administration fees of \$5,730 were received against a budget of \$6,000 and interest of \$5,802.25 against a budget of \$3,000.

SHIRE OF EAST PILBARA
Notes to, and forming part of the 2003/2004 Annual Financial Statements

18. Borrowings

(a) Unspent Loans

There were no unspent loans for the 2003/2004 year.

(b) Loan Repayments

Refer to appendix **B** for a schedule of all loan repayments made during the year and the composition of the outstanding loan principal amount of **\$597,189.77**

(c) New Borrowings

Council had no new borrowings for the year ended 30 June 2004.

(d) Overdraft

Council had not established an overdraft facility as at 30 June 2004.
Short term liquidity requirements were catered for from Council's own resources.

(e) Interest Rate Risk

Council's exposure to interest rate risk as a result of borrowings and the effective weighted average interest rate on these borrowings is as follows:

Borrowings	30/06/2004 \$	30/06/2003 \$
Fixed interest rate maturing		
- within one year	0.00	26,389.49
- one to five years	413,626.60	571,898.05
- over five years	183,563.17	223,062.61
Total Borrowings	<u><u>\$597,189.77</u></u>	<u><u>\$821,350.15</u></u>
Weighted average effective interest rate	<u>7.04%</u>	<u>6.77%</u>

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SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

19. Fees and Charges

The following fees and charges revenue resulted for each of Council's Functions for the 2003/2004 financial year:

Function Name	Function No	2003/2004	2002/2003
		\$	\$
General Purpose Funding	3	17,777.26	20,144.63
Governance	4	13,900.32	509.57
Law, Order & Public Safety	5	13,054.86	13,520.80
Health	7	11,383.35	16,854.29
Education & Welfare	8	12,839.43	6,067.73
Housing	9	115,746.48	100,821.99
Community Amenities	10	782,373.64	740,565.92
Recreation & Culture	11	325,434.60	266,810.39
Transport	12	832,441.15	792,272.14
Economic Services	13	138,116.99	154,247.83
Other Property & Services	14	53,472.41	35,485.44
		\$2,316,540.49	\$2,147,300.73

20. Interest On Investments

	2003/2004	2002/2003
	\$	\$
(a) Reserve Investments		
Alice Springs Road	5,283.87	6,449.58
Heavy Road Plant	32,962.93	27,330.74
Marble Bar Aerodrome	8,756.81	11,152.00
Nullagine Aerodrome	1,996.38	3,325.19
Cape Keraudren Development	1,438.00	1,755.26
Computer Technology	4,460.46	5,444.51
Newman Recreation Centre Maintenance	4,300.57	2,802.27
Newman Sewerage Plant	25,096.18	31,069.48
Newman Airport	62,786.02	58,540.67
Oval Lights Maintenance	722.47	881.89
Long Service Leave	4,177.96	4,827.77
Recreation Facilities Maintenance	1,999.64	2,440.83
Staff Housing	4,650.94	3,501.82
Newman Town Centre Revitalisation	0.00	0.00
	\$158,632.23	\$159,522.01
(b) Municipal Fund Investments	147,286.31	150,738.53
(c) Loan Fund Investments	0.00	0.00
Total Earnings From Investments	\$305,918.54	\$310,260.54

SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

21. Depreciation

Function Name	Function No	2003/2004	2002/2003
		\$	\$
Governance	4	109,450.64	112,743.53
Law, Order & Public Safety	5	18,849.41	15,585.76
Health	7	7,285.94	9,604.70
Education & Welfare	8	13,185.96	13,727.55
Housing	9	22,628.77	16,926.21
Community Amenities	10	55,574.30	52,816.98
Recreation & Culture	11	179,674.50	166,181.66
Transport	12	5,503,547.99	5,421,954.48
Economic Services	13	34,919.59	31,692.15
Other Property & Services	14	569,157.63	637,152.39
		\$6,514,274.73	\$6,478,385.41

22. Members Fees And Expenses

During 2003/2004 the following fees, expenses and allowances were paid to the Shire President and Council Members:

- (i) Meeting attendance fees totalling \$40,000.00 were paid to Council members for attending Council meetings during the year;
- (ii) A President's allowance of \$10,000.00 was paid during the year to cover out of pocket expenses incurred in the performance of duties;
- (iii) Members travelling expenses totalling \$0.00 were reimbursed during the year to cover the cost of travelling to Council meeting venues.

23. Trust Fund

The following funds were controlled by Council and represent bond monies held on behalf of employees renting Council houses:

Key Bond Trust Account	2003/2004	2002/2003
	\$	\$
Opening Balance	5,296.00	6,549.00
Prior Year Adjustment		
Bonds Received	3,140.00	2,035.00
Sub Total	8,436.00	8,584.00
Bonds Paid Out	840.00	3,288.00
Closing Balance	\$7,596.00	\$5,296.00

24. Financial Instruments**(a) Significant Accounting Policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised in respect of each class of financial asset and financial liability are disclosed in note 1 to the accounts.

(b) Interest Rate Risk

The Shire's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is considered negligible for all financial instruments other than borrowings. Information on interest rate risk as it applies to borrowings is disclosed in note 18(e).

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements. The Shire does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Shire.

(d) Net Fair Values

The net fair values of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as Council intends to hold these assets to maturity.

25. Principal Activities Plan

The following activities were included in Council's Principal Activity Plan for the period 1st July, 2003 to 30 June, 2008:

- Staff Housing;
- Ovals and Outdoor Courts;
- Caravan Park – Nullagine & Marble Bar;
- Newman Sewerage Treatment Plant;
- Newman Aquatic Centre;
- Newman Recreation Centre;
- Newman Airport;
- Road and Footpath Construction; and
- Plant Replacement.

SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

There were no activities commenced in 2003/2004 that were excluded from the above plan nor were there any activities included in the plan that were excluded from the 2003/2004 statements.

26. Grants And Contributions

(a) Non Operating Grants For the Development Of Assets

Grant Source	Purpose	2003/2004 \$	2002/2003 \$
State Grants			
Fire & Emergency Services	Marble Bar Fire Station	0.00	40,516.50
Fire & Emergency Services	Nullagine Fire Services	0.00	9,000.00
Dep't of Sport & Recreation	Newman Aquatic Centre	10,610.70	0.00
Dep't of Sport & Recreation	Marble Bar Courts	14,750.91	0.00
Pilbara Dev't Commissions	RSL Park - Marble Bar	27,409.14	0.00
RADS	Airport Redevelopment Plan	100,000.00	0.00
Main Roads WA	Aboriginal Access Roads	140,800.00	244,000.00
Main Roads WA	Direct Road Grants	185,257.00	181,576.00
Main Roads WA	Regional Road Group	305,400.00	453,600.00
WA Grants Commission	Aboriginal Access Roads	406,000.00	338,000.00
WA Grants Commission	Untied Road Grants	202,000.00	832,701.56
Country Housing - DLG&RD	House - Nullagine C'van park	18,181.82	0.00
		\$1,410,409.57	\$2,099,394.06
Federal Grants			
Federal Dep't of Transport	Roads to Recovery	924,376.00	616,251.00
Contributions			
Mining Companies	Road Construction	400,000.00	400,000.00
BHP	Skate Park Development	0.00	18,181.82
Cricket/Netball Clubs	Construct Facilities	2,430.00	0.00
		\$2,737,215.57	\$3,133,826.88

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SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

b) Operating Grants and Contributions

Grant/Contribution Source	Purpose	2003/2004 \$	2002/2003 \$
State Grants			
Grants Commission	General Purpose Grants	1,930,816.36	1,820,598.00
Fire & Emergency Services	Administration Grant	5,700.00	0.00
Fire & Emergency Services	Nullagine Bush Fire Brigade	8,000.00	0.00
WA Gov't Agencies	Community Activities	29,081.82	2,067.27
Dept of Sport & Recreation	Newman Pool - Major Repairs	0.00	0.00
State Treasury	Swimming Pool Subsidies	6,000.00	6,000.00
Road Grants: WALGGC	Untied Road Grants	826,300.00	152,500.00
Main Roads WA	Flood Damage Repairs	373,478.00	0.00
Department of Transport	RPT Bus Service Subsidy	68,879.00	63,900.00
Coastal Management Plan	Cape Keraudren	20,000.00	0.00
		<u>\$3,268,255.18</u>	<u>\$2,045,065.27</u>
Federal Grants			
Family & Community Services	Marble Bar Youth Service	26,444.76	20,609.38
Contributions			
BHP Iron Ore Pty Ltd	Normalisation-Newman Townsite	30,000.00	60,000.00
BHP Iron Ore Pty Ltd	Community Support	345,000.00	440,000.00
BHP Iron Ore Pty Ltd	Netball Court Lights	0.00	7,272.73
Water Corporation	Newman Sewerage Farm	96,931.89	94,383.53
		<u>\$471,931.89</u>	<u>\$601,656.26</u>
		<u><u>\$3,766,631.83</u></u>	<u><u>\$2,667,330.91</u></u>

(c) Grants By Program In Operating Statement

Program	2003/2004 \$	2002/2003 \$
General Purpose Funding	1,960,816.36	1,880,598.00
Law, Order & Public Safety	13,700.00	49,516.50
Education & Welfare	29,081.82	2,067.27
Community Amenities	96,931.89	94,383.53
Recreation & Culture	432,645.51	492,063.93
Transport	3,863,611.00	3,218,628.56
Economic Services	107,060.82	63,900.00
Other Property & Services	0.00	0.00
	<u>\$6,503,847.40</u>	<u>\$5,801,157.79</u>

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SHIRE OF EAST PILBARA

Notes to, and forming part of the 2003/2004 Annual Financial Statements

27. Performance Measures

The following performance measures are used to compare Council's financial performance for 2003/2004 with the previous two years:

Performance Measure	How Calculated	2003/2004	2002/2003	2002/2003
(a) Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$	3.6671	2.9077	1.8806
(b) Debt ratio	$\frac{\text{total liabilities}}{\text{total assets}}$	0.0106	0.0122	0.0196
(c) Debt service ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$	0.0280	0.0303	0.0184
(d) Rate coverage ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$	0.2340	0.2386	0.1591
(e) Outstanding rates ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$	0.0192	0.0344	0.0653

28. Auditors Remuneration

Audit fees incurred during 2003/2004 were \$8,918.18. Comparative fees during 2002/2003 were \$8,839.38.

End of Notes to Financial Statements

Appendices

A Rating and Valuations

Rate Type	Rate In The Dollar (cents)	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget		
							Rate Revenue \$	Interim Rates \$	Total Revenue \$
General Rate									
GRV - Townsites	7.8490	2,123	20,520,122	1,610,528.30	762.00	1,611,290.30	1,610,600	5,000	1,615,600
UV - Rural/Mining	9.5338	560	11,981,037	1,139,219.76	(12,234.46)	1,126,985.30	1,142,200	70,000	1,212,200
Sub Total		2,683	\$32,501,159	\$2,749,748.06	(\$11,472.46)	\$2,738,275.60	\$2,752,800	\$75,000	\$2,827,800
Minimum Rates	Minimum \$								
GRV - Townsites	215.00	94	46,660	20,210.00	0.00	20,210.00	20,400	0	20,400
UV - Rural/Mining	115.00	1,539	750,766	176,985.00	0.00	176,985.00	177,000	0	177,000
Sub Total		1,633	\$797,426	\$197,195.00	\$0.00	\$197,195.00	\$197,400	\$0	\$197,400
Total		4,316	\$33,298,585	\$2,946,943.06	(\$11,472.46)	\$2,935,470.60	\$2,950,200	\$75,000	\$3,025,200

B Loan Repayment Schedule

Loan No	Particulars	Principal 1 July 2003 Actual	New Loans	Principal Repayments Made		Principal Outstanding 30 June 2004		Interest Repayments Made	
				Actual	Budget	Actual	Budget	Actual	Budget
Administration									
57	Newman Office Extensions	26,389.49	0.00	26,389.49	26,389.49	0.00	0.00	1,153.41	1,153.41
Housing									
60	Staff Housing	232,185.00	0.00	40,610.01	40,610.01	191,574.99	191,574.99	14,665.03	14,665.03
64	Staff Housing	54,193.66	0.00	20,590.74	20,590.74	33,602.92	33,602.92	3,360.66	3,360.66
Community Amenities									
58	Sewerage Treatment Plant	90,964.19	0.00	23,149.95	23,149.95	67,814.24	67,814.24	7,814.05	7,814.05
Recreation & Culture									
56	Newman Recreation Centre	223,062.61	0.00	39,499.44	39,499.44	183,563.17	183,563.17	12,800.02	12,800.02
62	Swimming Pool - Major Repairs	116,516.34	0.00	44,270.09	44,270.09	72,246.25	72,246.25	7,225.43	7,225.43
63	Swimming Pool - Building Construction	78,038.86	0.00	29,650.66	29,650.66	48,388.20	48,388.20	4,839.36	4,839.36
		\$821,350.15	\$0.00	\$224,160.38	\$224,160.38	\$597,189.77	\$597,189.77	\$51,857.96	\$51,857.96

Independent Audit Report

SHIRE OF EAST PILBARA

INDEPENDENT AUDIT REPORT

TO THE ELECTORS OF THE SHIRE OF EAST PILBARA

SCOPE

We have audited the financial report of the Shire of East Pilbara for the year ended 30 June 2004. The Council is responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the electors of the Shire of East Pilbara.

Our audit has been conducted in accordance with Australian Auditing Standards to provide a reasonable level of assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of Local Government Act, the Local Government Financial Management Regulations and Australian Accounting Standards and other mandatory professional reporting requirements so as to present a view of the Shire which is consistent with our understanding of its financial position and the results of its operations and cashflows.

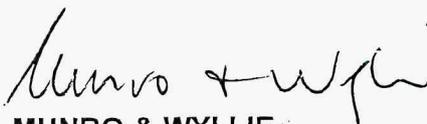
The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the financial report presents fairly the financial position of the Shire of East Pilbara as at 30 June 2004 and the results of its operations and cashflows for the year then ended in accordance with the requirements of the Local Government Act, the Local Government Financial Management Regulations, applicable Accounting Standards and other mandatory professional reporting requirements.

STATUTORY COMPLIANCE

We did not, during the course of our audit, become aware of any instances where the Council did not comply with the requirements of the Local Government Act and the Local Government Financial Management Regulations.


MUNRO & WYLLIE
Chartered Accountants


Gregory Froome Wyllie FCA
Partner

22 November 2004
PERTH WA