



Shire of East Pilbara  
Annual Report 2009/2010



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## Acknowledgements

*Local artwork featured throughout this annual report:  
Wakarlpuka, Turun, Kukarlkata - 106 x 152cm acrylic on linen by Artist Pukina Burton*





## Shire of East Pilbara Annual Report 2009/2010

# Our History

The Shire of East Pilbara is the largest Shire in the Southern Hemisphere covering approximately 372,000 square kilometres, larger than the state of Victoria.

Its main town sites include Newman, Marble Bar and Nullagine, with a number of Aboriginal Communities throughout the Shire, including Jigalong, Punmu, Parngurr, Irrungadgi and Parnpajinya.

The Shire of East Pilbara was formed in 1972 from the amalgamation of the Shires of Marble Bar and Nullagine. Prior to that, Marble Bar was part of the Bamboo Road Board, which was established in 1896. In 1904 the name of the Road Board was changed to the Marble Bar Road Board. Prior to the Shire of Nullagine, Nullagine was also part of a Road Board which was established in 1898.

Nowadays, the Shire's administration centre is located in Newman. 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 24,000 of which approximately 7,500 (including Fly-In, Fly-Out) live in Newman which is the home of BHP Iron Ore's major Pilbara Iron Ore mine;

Mt Whaleback. The Shire's history is rich in mining and pastoral activities and provides a significant part of the State and Federal wealth.

### Newman

Newman was named after the Newman Homestead. The homestead and nearby Mount Newman were named in honour of Aubrey Woodward Newman, an early explorer. The town of Newman was built by Mount Newman Mining Company Pty Ltd to accommodate its employees and their families. From July 1981, the company began gradually handing over responsibilities for the town to the Shire of East Pilbara. In 1982 the town of Newman was changed from a closed mining town to a 'normalised' town.

Newman is home to the largest single cut iron ore mine in the world and was built after export restrictions on iron ore were lifted. It is surrounded by the Ophthalmia Ranges and is the southern gateway to the magnificent Karijini National Park which boasts some of Western Australia's most spectacular scenery.

### Marble Bar

Marble Bar has the dubious reputation of having Australia's longest hot spell. It is located 1,476 kilometres north of Perth, with a population of approximately 310 people.

Marble Bar is another Pilbara town which sprang up during the gold rush period, with the settlement officially declared a town in 1893. It derives its name from the immense bar of jasper, similar in appearance to marble, which cuts through the Coongan River about six kilometres from the town.

Visitors to Marble Bar can visit the famous Iron Clad Hotel or explore the surrounding gorges such as Coppin's Gap, Kitty's Gap and Doolena Gorge.

### Nullagine

Nullagine is located on the Nullagine River, approximately 200 kilometres north of Newman and 100 kilometres from Marble Bar along a gravel road.

Settled originally by graziers, Nullagine became a thriving town during the gold rush of the 1880's. Its population peaked between 1895 and 1914 at 3,000 people. During this period, the town boasted three hotels and a number of stores.

Nullagine was the site of Australia's first diamond discovery and has since attracted prospectors and gold miners looking to find their fortunes in this mineral rich town.



# Report from the President



“

Wow, where did that year go? The clock just hasn't stopped. It just goes to show how busy we are at the Shire of East Pilbara.

Wow, where did that year go! The clock hasn't stopped. It just goes to show how busy we are at the Shire of East Pilbara.

Covering an area of 372,000 square kilometres, the organisation needs a lot of dedicated persons to function properly, which it does.

The 2009/2010 financial year saw a large number of smaller projects completed through a variety of partnerships, particularly BHP Billiton and the assistance of additional funding from the Federal and State Governments.

The following pages of the annual report provides more detail on the activities for the Shire, however, myself and all the Councillors are happy to answer any questions you may have about the activities of Council.

The monthly Councillor sessions at the Boulevard Shopping Centre provide a great opportunity for feedback between Councillors and the community, feel free to raise any issues or provide feedback as warranted.

The Pilbara Regional Council (PRC) which is an arrangement between the Shire's of East Pilbara, Ashburton, Roebourne and the Town of Port Hedland continues to work on matters of regional importance. The PRC has also formed a Regional Collaborative Group (RCG) within the guidelines of the State's structural reform agenda for the Local Government sector.

I have also been appointed through the PRC as the Pilbara zone representative for the Western Australian Local Government Association (WALGA) which gives me an opportunity to contribute to Local Government issues across the whole of the State

I am proud to be President of such a progressive Shire and congratulate my fellow Councillors for their support and assistance. I would also like to thank Allen Cooper, our Chief Executive Officer, and all the staff for their commitment in striving to make the Shire of East Pilbara a place to live, work and play.

I look forward to progressing the Newman Revitalisation Plan and improving facilities throughout the towns of Marble Bar and Nullagine.

Again, thank you to all. I am sure everyone can notice the difference 2009/2010 has made.

**Lynne Craigie**  
President







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## Report from the CEO

It gives me great pleasure in contributing to the 2009/2010 annual report.

During this period, the population of the Shire peaked to approximately 24,000 persons with a significant portion being fly-in-fly-out workers in isolated mine sites. Newman's population also peaked at approximately 8,800 when Kurra Village was fully utilised.

The Newman Airport traffic continues to grow and in this financial year accommodated some 180,000 Regular Passenger Transport (RPT) passengers.

It was also a year of activity in operation with a number of projects being undertaken and some long standing ones being finalised.

Construction of the Newman Community Collocation Centre (Newman House) was finished in April 2010 and was officially opened on the 16th April. The facility will be tenanted by not-for-profit organisations and government departments.

The official opening of the Newman Recreation Centre modifications also took place on 16th April 2010. The new design for the facility will provide the centre with specialised areas for programs, and improvement to administrative areas. Other improvements include; crèche services, improved access and upgrades to the entrance and foyer.

During the 2009/2010 financial year, construction also began on the Miners Promise Reserve in East Newman. Construction is almost completed and is expected to be finished early in the next financial year.

### Other major projects for the 2009/2010 financial year were:

- RSL Memorial at Nullagine
- Commencement of recycled water storage facilities at Capricorn Oval
- Gallop Hall Renovation at Nullagine
- Replacement of Nullagine Library building
- Upgrade of runway at Newman Airport
- Nullagine airfield lighting and fencing

Of course, due to the size of the Shire significant resources are utilised in keeping Council roads in an operating standard which includes the necessary plant to undertake the maintenance and construction works required.

I would like to congratulate all the staff who assisted in maintaining and running our large shire and thank all Councillors for their dedication and support throughout the year.

**Allen Cooper**  
Chief Executive Officer

I would like to congratulate all the staff who assisted in maintaining and running our large shire and thank all Councillors for their dedication and support throughout the year.



# Elected Members



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, rate payers 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.

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### South Ward

**Cr Lynne Craigie**  
Shire President

8 Selman Avenue  
Newman WA 6753  
**Tel:** 9175 0823 Hm  
**Tel:** 9175 3661 Wk  
**Fax:** 9175 5563  
**Mob:** 0427 174 919  
wpcnew@benet.net.au  
Term Expires: 2011



### South Ward

**Cr Anita Grace**  
Deputy President

P O Box 644  
Newman WA 6753  
**Tel:** 9175 1223 Hm  
**Tel:** 9175 1040 Wk  
**Fax:** 9175 0974  
**Mob:** 0417 979 302  
sunseasonptyltd@bigpond.com  
Term Expires: 2013



### South Ward

**Cr Doug Stead**

17 Yanboomah Close  
Newman WA 6753  
**Tel:** 9175 1727 Hm  
**Tel:** 9175 3665 Wk  
**Fax:** 9175 1297 Wk  
**Mob:** 0439 388 150  
stead@conceptual.net.au  
Term Expires: 2013





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**South Ward**

**Cr Kelvin Portland**

29 Kurra Street  
 Newman WA 6753  
**Tel / Fax:** 9175 1927 Hm  
**Mob:** 0419 861 909  
[kportland@optusnet.com.au](mailto:kportland@optusnet.com.au)  
 Term Expires: 2011



**South Ward**

**Cr Debbie Becker**

19 Giles Avenue  
 Newman WA 6753  
**Tel:** 9175 5907 Hm  
**Mob:** 0408 695 606  
[debbiebecker@bigpond.com](mailto:debbiebecker@bigpond.com)  
 Term Expires: 2011



**South Ward**

**Cr Shane Carter**

2/57 Nimingarra Drive  
 Newman WA 6753  
**Tel:** 9175 2908 Hm  
**Mob:** 0417 172 343  
[Shaggy2@bigpond.com](mailto:Shaggy2@bigpond.com)  
 Term Expires: 2013



**North Ward**

**Cr Lang Coppin**

Yarrie Station  
 P O Box 805  
 Port Hedland WA 6721  
**Tel:** 9176 4954 Hm  
**Fax:** 9176 4801  
**Mob:** 0404 420 668  
[yarrie.stn@bigpond.com](mailto:yarrie.stn@bigpond.com)  
 Term Expires: 2013



**Central Ward**

**Cr Sue Owen**

PO Box 7  
 Marble Bar WA 6760  
**Tel:** 9176 1607 Hm  
**Mob:** 0447 171 483  
[francis.mb@bigpond.com](mailto:francis.mb@bigpond.com)  
 Term Expires: 2013



**Lower Central**

**Cr Kate Edwards**

C/- Post Office or  
 14 Skull Springs Road  
 Nullagine WA 6758  
**Tel:** 9176 2076 Hm  
**Tel:** 9176 2777 Wk  
[kated1@bigpond.com](mailto:kated1@bigpond.com)  
 Resigned: June 2010

# Elected Members

## Cont'd



### East Ward

#### Cr Kevin Danks

PO Box 31  
Marble Bar WA 6760  
**Tel:** 9176 1024 Hm  
Term Expires: 2013



### North West

#### Cr Stephen Kiernan

P O Box 87  
Marble Bar WA 6760  
**Tel:** 9176 1041 Hm  
**Fax:** 9176 1002  
marlebarroadhouse1@bigpond.com  
Term Expires: 2011



### Central Ward

#### Cr John Currell

P O Box 29  
Marble Bar WA 6760  
**Tel:** 9176 1152 Hm  
**Mob:** 0427 988 537  
admin@eastpilbara.wa.gov.au  
Lost Election: Oct 2009



# Councillors Meeting Attendance

|                    | Ward          | Retire | Jul-09 | Aug-09  | Sep-09     | Ordinary Election 17 October 2009 | Oct-09 | Nov-09     | Dec-09 | Jan-10  | Feb-10     | Mar-10 | Apr-10 | May-10     | Jun-10           |           |
|--------------------|---------------|--------|--------|---------|------------|-----------------------------------|--------|------------|--------|---------|------------|--------|--------|------------|------------------|-----------|
| Cr Lynne Craigie   | South         | 2011   | Yes    | Apology | Yes        | Yes                               | Yes    | NO MEETING |        | Yes     | NO MEETING |        |        | Yes        | Yes              |           |
| Cr Anita Grace     | South         | 2013   | Yes    | Yes     | Yes        | Re-Elected                        | Yes    | NO MEETING |        | Yes     | NO MEETING |        |        | Yes        | Yes              |           |
| Cr Shane Carter    | South         | 2013   | Yes    | Yes     | Yes        | Re-Elected                        | Yes    | NO MEETING |        | Yes     | NO MEETING |        |        | Yes        | Yes              |           |
| Cr Kelvin Portland | South         | 2011   | Yes    | Yes     | Apology    | Yes                               | Yes    | NO MEETING |        | Yes     | NO MEETING |        |        | Yes        | Yes              |           |
| Cr Debbie Becker   | South         | 2011   | Yes    | Yes     | Yes        | Yes                               | Yes    | NO MEETING |        | Apology | NO MEETING |        |        | Yes        | Apology          |           |
| Cr Doug Stead      | South         | 2013   | Yes    | Yes     | Apology    | Re-Elected                        | Yes    | NO MEETING |        | Yes     | NO MEETING |        |        | Yes        | Yes              |           |
| Cr Lang Coppin     | North         | 2013   | Yes    | Apology | Yes        | Re-Elected                        | Yes    | NO MEETING |        | Apology | NO MEETING |        |        | Yes        | Yes              |           |
| Cr Stephen Kiernan | North West    | 2011   | Yes    | Apology | Yes        | Yes                               | Yes    | NO MEETING |        | Yes     | NO MEETING |        |        | Yes        | Yes              |           |
| Cr Kate Edwards    | Lower Central | 2010   | Yes    | Apology | Yes        | Yes                               | Yes    | NO MEETING |        | Apology | NO MEETING |        |        | Apology    | Leave of Absence |           |
| Cr John Currell    | Central       | 2009   | Yes    | Yes     | Yes        | Lost Election                     | Yes    | NO MEETING |        | Yes     | NO MEETING |        |        | Yes        | Yes              |           |
| Cr Kevin Danks     | East          | 2013   | Yes    | Apology | Yes        | Re-Elected                        | Yes    | NO MEETING |        | Yes     | NO MEETING |        |        | Yes        | Yes              |           |
| Cr Sue Owen        | Central       | 2013   | Yes    | Yes     | Yes        | Newly-Elected                     | Yes    | NO MEETING |        | Yes     | NO MEETING |        |        | Yes        | Yes              |           |
|                    |               |        | Newman | Newman  | Marble Bar | Newman                            | Newman | NO MEETING |        | Newman  | NO MEETING |        |        | Marble Bar | Newman           | Nullagine |

# Organisational Chart



Chief Executive Officer  
Allen Cooper



Director  
Corporate  
Services

Sian Appleton

- Financial Services
- Administration
- Records
- Payroll
- Libraries
- Tourism
- Broadcasting & Communication



Director  
Community  
Engagement

Ross Theedom

- Recreation
- Community Development
- Health & Lifestyle
- Childcare
- Aquatic Centres



Director  
Development  
& Regulatory  
Services

Keith Weymes

- Building Development
- Planning & Regulatory Services
- Ranger Services
- Health & Regulatory Services



Director  
Technical  
Services

Grant Logie

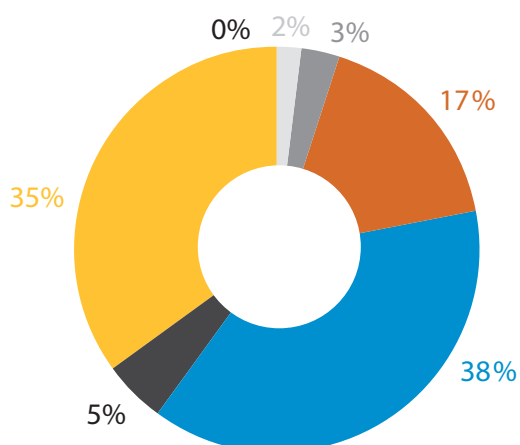
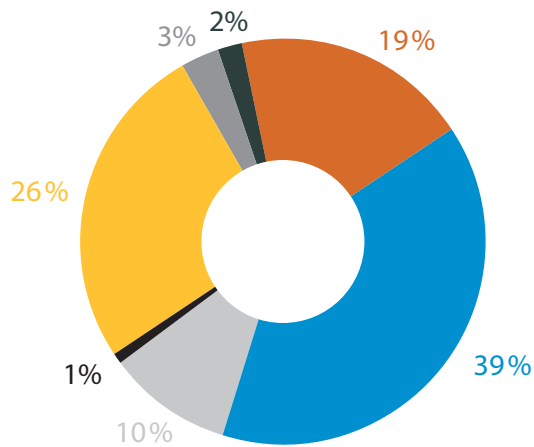
- Engineering
- Parks & Gardens
- Works & Depot
- Roads
- Rubbish
- Airports





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## Sources and Applications of Operating Funds (Excluding Capital)



### Operating Revenue

- Rates
- Other Revenue/Income
- Interest
- Fees and Charges
- Gain on Asset Disposals
- Contributions, Reimbursements and Donations
- Grants and Subsidies

### Operating Expenditure

- Loss on Asset Disposal
- Insurance Expenses
- Other Expenditure
- Employee Costs
- Materials and Contracts
- Utilities (Gas, Electricity, Water etc)
- Depreciation on Non Current Assets

# Human Resources



As at the 30th June 2010 Council had 61 permanent positions split as follows:

## Administration Services:

|               |   |
|---------------|---|
| CEO           | 1 |
| Managers      | 2 |
| Co-ordinators | 0 |
| Staff         | 1 |

## Corporate Services

|              |   |
|--------------|---|
| Director     | 1 |
| Manager      | 0 |
| Coordinators | 2 |
| Staff        | 7 |

## Community Engagement

|              |   |
|--------------|---|
| Director     | 1 |
| Managers     | 2 |
| Coordinators | 2 |
| Staff        | 4 |

## Building/ Regulatory Services:

|              |   |
|--------------|---|
| Director     | 1 |
| Managers     | 4 |
| Coordinators | 1 |
| Staff        | 3 |

## Technical Services

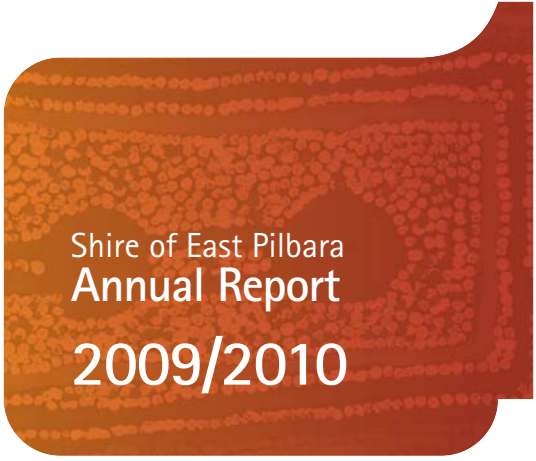
|              |    |
|--------------|----|
| Director     | 1  |
| Managers     | 3  |
| Coordinators | 0  |
| Staff        | 24 |

## Recruitment:

The following positions were vacant as at the 30th June 2010

|                              |
|------------------------------|
| Newman Aquatic officer       |
| Media Relations Officer      |
| Environmental Health Officer |
| Manager Finance              |
| Trainee                      |
| Indigenous Services Officer  |
| Youth Service Officer        |
| Health and Lifestyle Officer |
| Diesel Mechanic – Marble Bar |
| Town Maintenance             |
| Plant Operator               |
| Senior Aquatic Officer       |

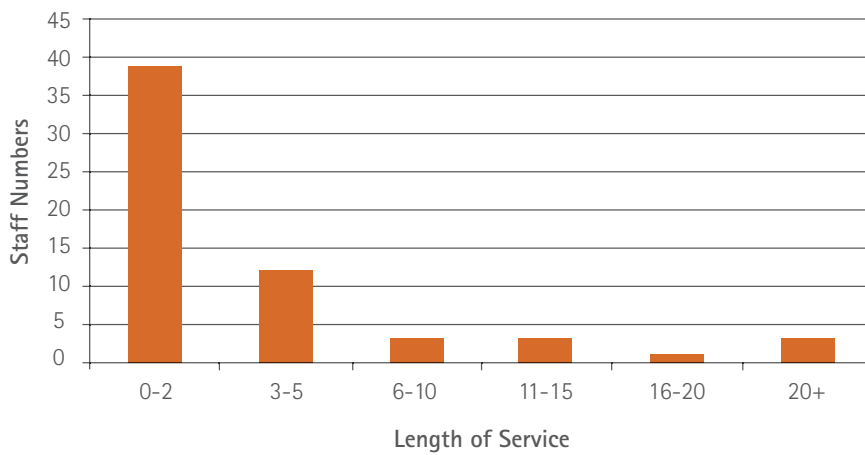




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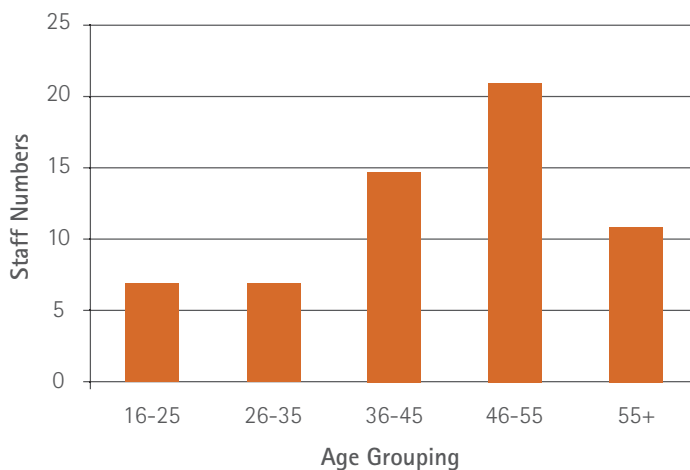
# Human Resources

## Length of Service for Permanent Staff



Staff turnover for 2009/2010 financial year was 27% for permanent part time and full time positions.

## Age of Permanent Staff Number



# Financial Services



## Rates

Council rates increases were limited to 5% on mining tenements, with all other rate increases limited to 3% including sewerage rates. Rubbish rates remain unchanged.

## Library Services

The Shire of East Pilbara operates two libraries at Nullagine and Marble Bar and financially contributes over \$100,000 to the Newman Library, which is a joint venture with TAFE.

## Administration

Each year the Shire is required to review its Policy Manual, Delegations Manual, Code of Conduct and Freedom of Information Policy.

This year there have been some minor amendments to the Policy Manual, along with the addition of the following 'new' policies:

- Asset Management Policy
- Staff Uniform Policy
- Vehicle Parking Policy – Local Planning Policy No. 4
- Dress Code for Councillors Representing Council on External Business.

During the 2009/2010 financial year there was a comprehensive review undertaken of the Delegations Manual, involving all levels of staff. The Delegations Manual has taken on a new style which is more comprehensive and easier to read, whilst still containing all the important elements of delegations. Several delegations relating to the Food Act 2008 have also been added, allowing the Manager Development Services – Health to properly undertake his duties.

The Code of Conduct and Freedom of Information Policies have both remained unchanged.

In addition to its annual reviews, the Shire is required to review its local laws every eight years. During the 2009/2010 financial year all Shire local laws were due for review. The Shire has undertaken a review of the Cemeteries Local Law and Standing Orders Local Law and determined that both local laws should be repealed, subject to a new local law being adopted. A new local law has been drafted for both cemeteries and standing orders which are currently with the Department of Local Government for comment.

The remaining Shire local laws are being reviewed by DL Consulting. The review has determined that the following local laws are to be repealed:

- Prevention of Damage to Roads 1951
- Caravan Parks and Camping Grounds 1964
- Long Service Leave 1972
- Signs, Hoardings and Bill Postings 1982
- Removal and Disposal of Obstructing Animals or Vehicles 1982
- Standing Orders – Draft Model No 4 1983
- Amusements 1983
- Parking Facilities 1985
- Cemeteries By-Law 1985
- Fencing and Obstructions at Intersections 1996
- Removal and Disposal of Obstructing Animals or Vehicles 1997
- Parking Facilities 1997

The following local laws will be reviewed to determine whether they should be amended, repealed or remain unchanged:

- Establishment, Maintenance & Equipment of Bush Fire Brigades 1998
- Health 2003
- Firebreaks 2000
- Dogs 2000
- Activities on Thoroughfares and Public Places 2001
- Local Government Property 2001
- Parking Facilities 2000
- Fencing 2000
- Signs, Hoardings and Bill Postings 2003





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# Financial Services Cont'd

## Records Management

Effective records management not only allows recorded information to be retrieved quickly, accurately and cheaply but is important for the protection and preservation of government records.

In 2008, the Shire of East Pilbara purchased the Synergy software system to upgrade and enhance the overall management of the records system. During the 2009/2010 financial year, records staff have worked hard to maximise use of the Synergy system and improve the overall structure of the records system.

As a result, a contracts register has been developed to ensure that all original contracts/binding agreements are kept securely in one place. The contracts/documents have been scanned into Synergy and marked as a vital record. This ensures that all contracts/binding agreements are reviewed before their expiry date. It also allows easy access to the contracts/documents by having them available electronically through Synergy.

The corporate library has also been re-organised to make it easier for members to find what they are looking for. Currently, a search of the corporate library is undertaken through Microsoft Excel. However, with the inclusion of a corporate library module in Synergy, it is expected that the corporate library will be transferred into Synergy in the near future.

The Shire of East Pilbara also maintains compliance with State Records Office requirements and guidelines. In January 2010, the State Records Office advised of its revised policy regarding the records of local government Elected Members. As a consequence, the State Records Office requested that all local governments implement a policy relating to Elected Members' records. A new policy was drafted during the 2009/2010 financial year, which will be put to Council during the 2010/2011 financial year.

Archiving and storing records is also an integral part of records management. Previously, all archive boxes were kept at the Newman depot due to the volume of boxes requiring storage. However, this was not ideal due to the hot conditions experienced during summer. Now, all new archive boxes are kept in an air-conditioned room to preserve the records.

## National Competition Policy

The Shire of East Pilbara remain vigilant on competition policy and continues to monitor the introduction of Council policies and Local Laws which may be subject to anti-competitive practices.

To date, the Shire of East Pilbara has not received any complaints on anti-competitive practices within the Shire.

## Disability Access and Inclusion Plan

Every year, the Shire is required to report on the implementation of its Disability Access and Inclusion Plan in the Shire's Annual Report (s29(4) Disability Services Act (WA) 1993). For the purposes of s29(4), the report must include information relating to –

- progress made by the Shire and any agents or contractors of the Shire, in achieving the desired outcomes; and
- the strategies implemented by the Shire to inform its agents and contractors of its disability access and inclusion plan.

The Manager Community Wellbeing has responsibility to oversee the development, implementation, review and evaluation of the plan. The final plan is endorsed by Council and it is the responsibility of all Council officers to implement the relevant actions listed within the plan.

Since 2006, the Shire has demonstrated progress towards meeting its desired outcomes in the following areas:

*Outcome 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority.*

- This was achieved by improving access to building and other facilities where services and events are held. Also, by promoting such services and events in formats accessible to people with disabilities.

*Outcome 2: People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority.*

- Improved access was provided to the administration building, including a ramp, contrasting edges on steps and relocation of easy access parking bays.
- Door to Council Chambers was widened.
- Automatic doors were fitted to the public library entrance (in Newman).
- Unisex accessible public toilets were built in the Newman Town Centre and at the Newman Aquatic Centre.
- Footpaths in the main street were upgraded and kerb ramps installed.

# Financial Services Cont'd



*Outcome 3: People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.*

- Information was made available in alternative format upon request. E.g. electronically or large print format.

*Outcome 4: People with disabilities receive the same level and quality of service from the employees of a public authority as other people receive from the employees of that public authority.*

- Key Shire staff received disability awareness training.

*Outcome 5: People with disabilities have the same opportunities as other people to make complaints to a public authority.*

- During the 2009/2010 financial year the Shire began working on a Customer Services Policy / Complaints Handling Policy that will be accessible both by the general public and people with disabilities.
- The Policy is expected to be completed during the 2010/2011 financial year.

*Outcome 6: People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.*

- From June – August 2010, the Manager Community Wellbeing met with various members of the Community, as well as the Disability Services Commission, to discuss the new Disability Access and Inclusion Plan.
- The availability of an alternative format notice was promoted via local newspaper and disability groups.

From January 2010 – June 2010, the Manager Community Wellbeing met with Senior Shire staff, the Disability Services Commission and various community members. The review and consultation process identified that some of the objectives in the plan had not been achieved and that a new plan was required to address outstanding issues associated with access barriers.

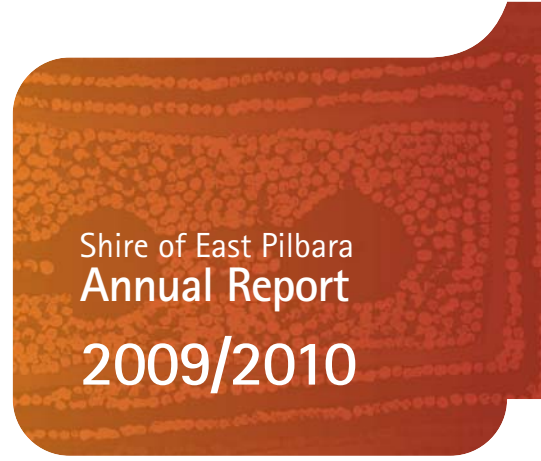
The access barriers identified in the consultation process were:

- Shire policy to guide and inform access and inclusion activities may not reflect contemporary values and practice.
- Processes of the Shire may not be as accessible as possible.
- Events may not always be held in a manner and location that best facilitates the participation of people with disabilities.
- Suitable parking for people with disabilities may not be meeting the needs of this growing demographic.
- Elements of the Shire's website require improvement to best meet the needs of people with disabilities.
- Staff may be uninformed or lacking in confidence to adequately provide the same level of service to people with disabilities.
- People with disabilities may not be aware of consultation opportunities with the Shire.

As a result of the review, the Disability Access and Inclusion Plan has been updated, with a view to establishing more realistic goals and desired outcomes. The Plan will be adopted by Council during the 2010/2011 financial year.







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## Development and Regulatory Services

### Development of Regulatory Services

#### Staff Housing

During 2009/2010 financial year, several Shire houses were refurbished, with kitchen upgrades, new floor coverings, painting and shed or car ports installed.

#### Newman Housing Refurbished:

- One premise had floor tiling and a bathroom upgrade.

#### Marble Bar Housing:

- Marble Bar dwellings have been painted.
- Fencing has been assembled to housing properties in Marble Bar.
- Shade sails have been installed to several properties.
- Upgrading split system air conditioners to dwellings.

#### Reserve Leases

During the 2009/2010 financial year Council has updated the following expired leases with local Community and Sporting Organisations:

- Newman Boxing Club
- Newman Radio Station
- Newman Community Radio
- Newman House – Building Management Committee.

### Completed Projects in 2009–2010

The following construction/projects have been completed by council in the past year.

- Operation Phoenix
- Nullagine Airport lights
- Nullagine Airport shelter
- Nullagine public toilets upgrade
- Nullagine public toilets mural
- Newman upgrade of old terminal
- Newman Recreation Centre modifications
- Newman Community Collocation Centre
- Marble Bar sporting complex toilets
- Nullagine new library

- Gallop Hall – re roofing
- Gallop Hall – kitchen and floor
- Marble Bar Civic Centre toilets
- Nullagine library fit out
- Marble Bar Community Centre – insulation of walls and ceilings
- Council Chambers
- Town Centre Revitalisation – road works

### Royalties for Region Projects Included:

- Installation of water and dump point for at the Newman Tourist Centre for caravans.
- Nullagine library fit out
- Installation and upgraded air conditioners for the Marble Bar Community Centre
- Marble Bar Civic Centre reticulation installation
- Newman Council Chambers alterations



*Nullagine Library*

### Federal Funded Projects

- Marble Bar Civic Centre toilet upgrade
- Nullagine, Gallop Hall kitchen and toilet upgrade
- Nullagine, Gallop Hall, roof renovations
- Nullagine Library upgrade
- Marble Bar Sporting complex toilets upgrade
- Capricorn Oval complex upgrade

# Development and Regulatory Services Cont'd



*Nullagine – Gallop Hall – New roof and kitchen*

## *Newman House*

The Newman Community Collocation Centre, now Newman House, was officially opened on 16th April 2010.

This project has been funded by the following organisations

- Pilbara Development Commission
- Department of Transport and Regional Services
- Lotterywest
- Department of Local Government and Lands.
- BHP Billiton Iron Ore

Construction of the Newman Community Collocation Centre commenced in November 2008 and was completed in February 2010. This project is part of the Newman Town Centre Revitalisation and is aimed at improving the infrastructure of service to the local community and encouraging businesses to gain and retain staff in the town of Newman

The facility will be tenanted by not-for-profit community organisations and government departments.

## *Newman Revitalisation Plan*

The Town Centre Master Plan prepares Newman for the future, providing a robust and flexible plan which will sustain the centre in the short and long term. It takes into account the planning already undertaken to date and builds upon this to unlock development potential, create new business opportunities and enhance amenity for a town that demands change for its existing and future residents.

The Town Site Growth Plan allows up to 15,000 people to live within a 2 kilometre radius of the town centre and also the strategic expansion of tourist related industry, mixed business and industrial land in locations that are informed by the natural landscape and existing water movements.

## *Newman Recreation Centre Modifications*

The official opening of the Newman Recreation Centre Modification was on the 16th April 2010 and was attended by Minister Brendon Grylls.

Funding was sourced by the following organisation for this project;

- Pilbara Development Commission
- Department Sport and Recreation
- Department of Local Government and Regional Services
- BHP Billiton – Sustainability Project

The new design for the facility will provide the centre with specialised areas for programs, and improvement to administrative areas. Other improvements include;

- Childcare Services
- Fitness Centre
- Improved access throughout the centre
- Attractive entrance and foyer

## *Newman Recreation Centre – Painting*

With additional funding provided to the Shire of East Pilbara by BHP Billiton Sustainability, the external wall of the Newman Recreation Centre have been rendered and added a greater appeal to the facility.

## *Newman Netball/ Tennis Courts*

The new courts were completed just in time for the Newman Netball Association to host the 2010 North West Netball Championships.

After the championships, the courts will have 3 multi use courts for netball/tennis and 3 netball courts.

Funding was provided by Royalties for Region and BHP Billiton.

## *Council Chambers*

The Shire of East Pilbara Council Chambers received a facelift, with bi-folding doors being installed to create an additional training room and additional storage room area.



# Shire of East Pilbara Annual Report 2009/2010

## Development and Regulatory Services Cont'd

### Building

The 2009/2010 financial year has been a very busy year for Building and Planning with over \$145 million worth of projects receiving a building licence.

| Month         | New Dwellings | Extensions, Garages, Pools etc | Commercial & Industrial | Demolition | Licence Fees Collected |
|---------------|---------------|--------------------------------|-------------------------|------------|------------------------|
| Jul           | 0             | 9                              | 6                       | 0          | \$21,670.32            |
| Aug           | 3             | 13                             | 4                       | 0          | \$3,865.86             |
| Sep           | 2             | 14                             | 3                       | 2          | \$3,419.00             |
| Oct           | 0             | 11                             | 13                      | 1          | \$54,791.61            |
| Nov           | 5             | 18                             | 10                      | 0          | \$95,697.73            |
| Dec           | 1             | 3                              | 2                       | 0          | \$78,233.80            |
| Jan           | 1             | 5                              | 1                       | 0          | \$12,662.81            |
| Feb           | 1             | 8                              | 5                       | 1          | \$53,717.18            |
| Mar           | 4             | 7                              | 3                       | 0          | \$7,647.42             |
| Apr           | 0             | 1                              | 5                       | 0          | \$2,882.32             |
| May           | 3             | 6                              | 5                       | 4          | \$32,212.59            |
| Jun           | 0             | 10                             | 11                      | 2          | \$29,613.18            |
| <b>Total:</b> |               |                                |                         |            | <b>\$396,413.82</b>    |

During the 2009/2010 financial year the number of residential building applications has decreased however, mining and commercial applications have increased due to the subdivision in the light industrial area and a steady flow of mine site applications.

### Planning

The following development applications were approved in the 2009-2010 financial year:

- **Residential – 23**  
Total value \$13,214,967.00  
Average Residential Development Cost: \$574,563.00
- **Industrial and Commercial – 27**  
Total value \$12,448,858  
Average Industrial/Commercial Development Cost: \$461,068,814
- **Mining / Rail Camps – 24**  
Total value \$95,370,538  
Average Mining/Rail Camp Development Cost: \$3,973,772.00

### Major projects in progress:

It is considered that the Global Financial Crisis (GFC) has had an impact on the commencement of major development within the Newman Town site in the 2009/2010 financial year. As a result, although there have been applications for Planning Approval for development within the Newman Town site, it has not resulted in the commencement of any projects that could be considered as being 'major'.

As the economy recovers from the effects of the GFC, it is anticipated that this trend will change in the 2010/2011 financial year, with an expected increase in major developments in both the Newman Town site and also in the Mining sector.

### Ranger and Emergency Management

Rangers continue to work towards compliance using community contact, education and enforcement to achieve appropriate outcomes.

Dog control, parking and littering continues to take up a large percentage of Rangers time.

Increased traffic at the Newman Airport and generally around town has increased the parking problems.

Rangers, together with BHP staff and the Parnpajinya Community, have made an inroad to the litter problem previously existing in the area, with residents collecting rubbish in orange bags.



# Development and Regulatory Services

## Cont'd



Litter issues in other areas have reduced considerably, with some of the main offenders being identified.

The Emergency Management Committee (LEMC) regularly meet to develop plans for the Cyclone and Bushfire season. The Shire is responsible for managing all fires occurring outside a gazetted fire district unless, they occur on private property where the Shire may be called upon to assist in their extinguishment.

The Nullagine Bush Fire Brigade continues to liaise with local Police to provide strong emergency management leadership in the town. They are also developing emergency management and incident response plans for the town and surrounding residents.

Rangers are also involved in this process as they can provide a link in the response phase of any incident and are a resource to be used in the recovery phase of an incident. The Shire is responsible for the recovery of its local communities after any incident.

### Environmental Health

There has been a significant growth in demand on the Shire's Environmental Health services this year. This has been in line with the growth of Newman and the proliferation of mining camps. These services include -

- The assessment, inspection and approval of on-site effluent disposal systems.
- A routine pool and drinking water sampling program.
- The inspection, testing and licensing of new swimming pools at mining camps and caravan parks.
- The routine sampling of the treated effluent water used to irrigate parks and gardens in Newman.
- Routine inspections of food premises and caravan parks throughout the Shire.
- The routine maintenance and testing of three flocks of sentinel chickens for Murray Valley Encephalitis. The regular testing of blood samples from these flocks is used to assess the ongoing risk from mosquito born diseases.
- The investigation of Environmental Health complaints from residents.

The next financial year is expected to see further growth in demand for Environmental Health services due changes to the Public Health and Food legislation.



## Shire of East Pilbara Annual Report 2009/2010

# Community Engagement

## Community Engagement

In 2009/2010 the Shire of East Pilbara provided over \$15,000 to various Community Assistance Grant recipients including:

- Fortescue Golf Club (Newman Pro -Am Tournament)
- Newman Clay Target Club Inc. (40th Annual Campers Carnival)
- Hillview Speedway (2010 State Title of Production Sedans)
- Fortescue Golf Club (Rock 'N Ore Live Music Concert)
- Marble Bar Telecentre and Business Link (consumables for Patch Work Art exhibition)
- Capricorn Lodge (kitchen goods)

The Shire also provided over \$4500 to a number of additional interest groups in monetary donations and in kind support throughout the 2009/2010 financial year.

## Recreation Services

The past twelve months have been very exciting in Recreational Services due to the opening of the \$1.8 million refurbished Newman Recreation Centre, which now offers an impressive child services area, spacious reception area and increased gym space. Seasonal sports have continued to be popular and well attended, as do the substantial increase in use of the Fitness Centre since the installation of new equipment. The ever popular Les Mills group fitness classes such as Body Step, Body Combat and Body Pump continue to be well supported by the Newman community, with over 3600 people participating in over 350 classes.

## Aquatic Services

The Newman Aquatic Centre continues to be the hub of the town during the hot summer months. Patronage at the Centre is continually increasing and this year the pool did not close during the winter months. Winter opening hours were trialled in the months of May, June, July and August which allowed lap swimmers to maintain their level of fitness, by having the opportunity to swim a few hours each evening. This new initiative was well received by the community, as the water temperature was kept constant due to use of the pool blankets purchased in late 2008.

The Centre was again involved with the 2009 triathlon. The event is becoming a major activity on the Newman calendar of events and the Newman Aquatic Centre is proud to be a major supporter of this well organised event.

The Newman Aquatic Centre continues to offer a variety of activities including the very popular water aerobic classes, swimming lessons and swimming club activities.

The Centre was again the focal point in Newman on Australia Day, allowing free entry to all community members, for a day of fun filled activities followed by a free community barbeque and screening of an Australia themed movie.

The Aquatic Services staff also manages the Marble Bar Pool in conjunction with the Department of Education and Training. This pool has not opened for the most part of this financial year due to staff shortages. However, the pool has been re-classified which allows staff to operate this facility in a limited supervisory capacity, with free entry for all community members.

## Community Events

During the past twelve months, the directorate has been steadily implementing a variety of activities and fostering relationships with key stakeholders within Newman, Nullagine and Marble Bar. Throughout the year, a range of memorable and fun filled activities, most notable being the 2009 Newman Drain Games which were held at the Capricorn Oval took place. The Newman Drain Games were not expensive to deliver, as it made use of the natural environment with the storm water drains being the main backdrop for the event. Over 500 residents supported the event which was held on Mother's Day, and more unique activities are being investigated for the 2010 Newman Drain Games.





# Technical Services



## Technical Services

### Roadworks

The Shire maintains a road network comprising approximately 3,300 kilometres including 110 kilometres that is sealed. The road network extends from Cape Keraudren (north west of Port Hedland) through to the Northern Territory border.

The continuation of the federally funded Roads to Recovery Program enabled works to be undertaken on rural roads within the Shire of East Pilbara. The roads to benefit from the funding are distributed throughout the western third of the Shire from north of Marble Bar through to the Newman townsite. Details of the program can be obtained from the Manager Technical Services - Rural.



### Sportsgrounds, Parks and Reserves

During the 2009/2010 financial year, Newman's population has continued to grow and is expected to continue for several years. The higher population generates increased treated effluent water being available for reticulation on the ovals. The additional water allows greater confidence in the grounds maintenance, however Health Department restrictions on watering times does not allow for uncontrolled day time watering.

Works on the parks, gardens and reserves within the three towns were generally maintenance only with some improvements being made on playground equipment maintenance.

The usual flurry of activity occurred during late June at the Marble Bar Sports Complex in preparation for the annual Race Day in July. The Shire continues to support the event through the provision of labour and equipment for track preparation and general preparation work of the buildings and surrounds.

New equipment has been installed at Wilara Street and Forest Avenue Parks this financial year, with the installation of the Liberty Swing at Ethel Creek park.

## 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. With annual expenditure on replacement predicted to be around \$2 million over several years, planning commenced to evaluate ways and means of managing the replacement timing and operating costs to ease pressure on the Shire's financial resources. The approach developed was to plan for the refurbishment of appropriate plant and equipment in lieu of replacement in the year due to manage cash flow requirements over the next five years.

## 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 2009/2010 in all three towns. In combination with tip site maintenance and street litter collection (street bins and litter removal), the expenditure for the year was in excess of \$1.1 million and income of \$564,000.

In July 2009 the Shire distributed fridge magnets to all households within the three towns providing information on domestic collection days and recycling collection days for Newman.

Council approved the expansion of the recycling collection service for Newman by allowing for the purchase of additional bins. The service remains optional and residents interested in participating should contact the Newman office.

## Newman Sewage Treatment Plant

The treatment plant is owned and maintained by the Shire. The facility receives untreated sewage from the Water Corporation deep sewer network and treats it to produce a treated effluent (water). The water is chlorinated and used for reticulating the sportsgrounds and a number of community organisations grassed areas (e.g. Lions Animal Park).

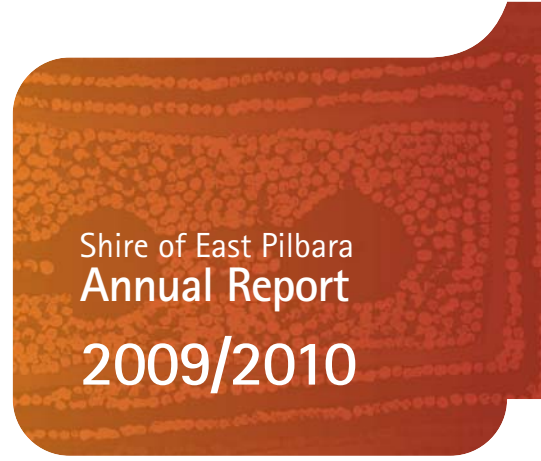
The facility is one of a few mechanical wastewater treatment plants in the State and when first installed by BHP it was designed for a nominal town population of around 9,000.

The Shire receives a financial contribution from the Water Corporation and the balance of funds from a levy raised against Newman properties.

The operating expenditure has been increasing with the increase in population and a program of capital improvements has been ongoing to ensure reliability and compliance with environmental and public health licensing requirements.

Works begun on the installation of new tanks at the Capricorn Oval Complex. This is to help with the storage of the extra water supply. This will help ensure the Complex is watered and kept up to a great standard.





Shire of East Pilbara  
Annual Report  
2009/2010

# Technical Services

## Newman Airport

Passenger numbers through Newman Airport for FY 09/10 grew by only 2.7% as compared with FY 08/09, the continued growth over the past 5 years is still at 21.3% per annum. This is considerably higher than the national average of around 9% for regional airports, especially considering the effects of the world economic downturn. Although the seasonal drop in numbers for December through February was expected, the reduction in numbers was more significant in comparison to comparative periods in previous years. However, the announcements of further investment in new mining sites within the Newman Airport catchment area should see significant increases in overall passengers, as is manifested by the subsequent recovery from March 2010 onward.



## Financial Year Totals

| FY    | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | Jan   | Feb   | Mar   | Apr   | May   | Jun   | Total  |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| 04/05 | 5087  | 5082  | 4951  | 5049  | 5260  | 4595  | 4369  | 5084  | 5662  | 5501  | 5996  | 5778  | 62414  |
| 05/06 | 5976  | 7054  | 6907  | 7154  | 7740  | 6304  | 7237  | 7348  | 8156  | 8165  | 8165  | 8174  | 88380  |
| 06/07 | 8421  | 9086  | 8851  | 9284  | 8564  | 6701  | 7683  | 8123  | 8712  | 9166  | 10857 | 10433 | 105881 |
| 07/08 | 10968 | 11414 | 10879 | 11800 | 11888 | 10339 | 10255 | 10628 | 11187 | 11858 | 12183 | 12252 | 135651 |
| 08/09 | 13673 | 13462 | 13670 | 15737 | 16019 | 13423 | 14069 | 14867 | 16221 | 15495 | 15472 | 15408 | 177516 |
| 09/10 | 16272 | 14998 | 15918 | 15061 | 15029 | 12876 | 13011 | 13589 | 16875 | 15921 | 16060 | 16704 | 182314 |

The following projects were completed within this period:

- Addition of another 80-bay long term car park, which brings the total long term parking bays to 179. This will significantly relieve the shortage of long term parking bays, although indications are that this will not suffice during peaks periods such as around Christmas and Easter holidays.
- Strengthening and resealing of Runways 05/23 has been completed. The new certified Load Classification Number (LCN) now makes this runway suitable for operations of aircraft up to and including B737-800 and A320. The Regular Public Transport (RPT) Apron day markings have been redesigned to accommodate three dedicated RPT bays, and manoeuvre areas to safely accommodate the above aircraft.
- The old terminal, now designated the General Aviation (GA) Terminal, has been refurbished and expressions of interest invited for the utilisation of the available office space. However, no proposals in this regard have been received to date.

# Technical Services

## Cont'd



- The standby generator was replaced by a bigger 220 kva generator. This was brought about by the fact that the existing generator was incapable of carrying the load during peak power demand periods. This overload, plus the fact that it transpired that the older generator was only rated for operation up to 40°C, caused the generator to overheat. With the addition of the extra capacity, a larger radiator was acquired for the old generator, and one generator will be dedicated to powering essential services, while the spare capacity will be providing non-essential services. Additional air conditioning will also be installed in the power shed to reduce ambient temperatures.
- The Aerodrome Emergency Plan (AEP) has been included into the LEMC order of business as part of their emergency procedures. This was a logical development, as the Newman Airport does not have any emergency response capability of its own.

The Newman Airport Master Plan has been through various drafts for the preceding two years, and would have continued to be updated as the environment changes. On 05 May 2010 it was therefore decided to accept this document as working document and guideline for future development of the airport.



The following five years should see the short term implementation of specific aspects of the Master Plan through capital projects, with the first such project being the landside infrastructure development. Other short term project will most probably include additional toilet facilities, increasing the available departures and check-in lounge floor space, and establishing more suitable food court facilities.

Increasing the available long term car park capacity coupled to the introduction of paid parking will also become necessary due to the expected growth in passenger numbers.

### Nullagine And Marble Bar Airstrips

Both Nullagine and Marble Bar continue to be managed through Aerodrome Reporting Officers (ARO) at these two locations, and is primarily utilised by RFDS aircraft. Maintenance support is provided through Shire staff and resources from the relevant depots as and when required. Specialist contractors are employed as and when it is required.

Solar power windssock lighting was installed at Nullagine to enhance flight safety during night operations. As this runway tends to become water logged during the wet season, pooling often results in the runway being unserviceable for some time following heavy rain - even when the road to the airstrip is passable. Consideration will be given in the near future to raise and seal this runway in order to keep this facility functional in support of that community.

### General

The Newman Airport was awarded the Australian Airports Association's award for Aviation Excellence in the category Major Airport of the Year for 2009. The selection of Newman Airport was based on the extensive and very significant capital projects that were completed in expanding the runway, taxiway and apron capacity, and the new terminal.

On 18 December the Manager Airport Services, Ron Walmsley, retired from this position and was replaced by a new manager, Leon Burger.





# Annual Financial Statements

For the year ended 30 June 2010



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# Statement by CEO

## 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 2010 are in my opinion properly drawn up to present fairly the financial position of the Shire of East Pilbara at 30 June 2010 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 17th day of December, 2010

  
.....  
Allen R Cooper. CEO



# Statement of Financial Position

## As At 30 June 2010

| Description                          | Note | 2009/2010<br>\$         | 2008/2009<br>\$         |
|--------------------------------------|------|-------------------------|-------------------------|
| <b>CURRENT ASSETS</b>                |      |                         |                         |
| Cash and Cash Equivalents            | 3b   | 25,830,095.98           | 33,031,952.07           |
| Trade and Other Receivables          | 4    | 3,827,048.72            | 2,217,663.36            |
| Inventories                          | 5    | 67,913.00               | 132,512.46              |
| <i>Total Current Assets</i>          |      | <b>29,725,057.70</b>    | <b>35,382,127.89</b>    |
| <b>CURRENT LIABILITIES</b>           |      |                         |                         |
| Trade and Other Payables             | 8    | 3,337,626.36            | 3,390,854.52            |
| Provisions                           | 8    | 658,471.76              | 463,359.98              |
| Long Term Borrowings                 | 9    | 749,881.24              | 672,926.55              |
| <i>Total Current Liabilities</i>     |      | <b>4,745,979.36</b>     | <b>4,527,141.05</b>     |
| <b>NET CURRENT ASSETS</b>            |      | <b>24,979,078.34</b>    | <b>30,854,986.84</b>    |
| <b>NON CURRENT ASSETS</b>            |      |                         |                         |
| Property, Plant and Equipment        | 6    | 46,670,885.41           | 36,008,064.67           |
| Infrastructure                       | 7    | 94,670,518.08           | 91,982,638.84           |
| <i>Total Non Current Assets</i>      |      | <b>141,341,403.49</b>   | <b>127,990,703.51</b>   |
| <b>NON CURRENT LIABILITIES</b>       |      |                         |                         |
| Provisions                           | 8    | 55,782.48               | 98,620.56               |
| Long Term Borrowings                 | 9    | 7,297,705.43            | 8,047,586.67            |
| <i>Total Non Current Liabilities</i> |      | <b>7,353,487.91</b>     | <b>8,146,207.23</b>     |
| <b>NET ASSETS</b>                    |      | <b>\$158,966,993.92</b> | <b>\$150,699,483.12</b> |
| <b>EQUITY</b>                        |      |                         |                         |
| Retained Surplus                     | -    | 136,070,023.91          | 147,206,643.58          |
| Reserves - Cash/Investment Backed    | 10   | 22,896,970.01           | 3,492,839.54            |
| <b>TOTAL EQUITY</b>                  |      | <b>\$158,966,993.92</b> | <b>\$150,699,483.12</b> |

\* This statement is to be read in conjunction with accompanying notes

# Statement of Comprehensive Income by Nature or Type As At 30 June 2010

| Description                                 | Note | 2009/2010           |                        | 2008/2009              |
|---|------|---------------------|------------------------|------------------------|
|   |      | Budget \$           | Actual \$              | Actual \$              |
| <b>REVENUE</b>                              |      |                     |                        |                        |
| Rates                                       |      | 6,261,400           | 6,314,208.77           | 5,861,845.73           |
| Grants and Subsidies                        |      | 12,636,600          | 12,710,193.01          | 34,676,741.94          |
| Contributions, Reimbursements and Donations |      | 317,300             | 3,411,108.76           | 2,898,226.52           |
| Gain on Asset Disposals                     |      | 64,600              | 227,819.22             | 249,592.42             |
| Service Charges                             |      | 0                   | 0.00                   | 0.00                   |
| Fees and Charges                            |      | 8,082,400           | 8,349,169.28           | 9,683,994.50           |
| Interest                                    |      | 323,300             | 969,147.03             | 306,294.88             |
| Other Revenue/Income                        |      | 326,500             | 670,440.99             | 666,968.08             |
|   |      | <b>\$28,012,100</b> | <b>\$32,652,087.06</b> | <b>\$54,343,664.07</b> |
| <b>EXPENSES</b>                             |      |                     |                        |                        |
| Employee Costs                              |      | 6,645,200           | 6,087,107.34           | 5,155,633.67           |
| Materials and Contracts                     |      | 6,982,900           | 7,022,995.84           | 7,288,202.58           |
| Utilities (Gas, Electricity, Water etc)     |      | 730,800             | 1,220,738.14           | 912,301.30             |
| Depreciation on Non Current Assets          |      | 9,305,400           | 8,391,044.27           | 9,935,923.46           |
| Loss on Asset Disposal                      |      | 99,200              | 27,605.16              | 99,958.55              |
| Insurance Expenses                          |      | 416,300             | 432,529.40             | 329,982.39             |
| Other Expenditure                           |      | 528,800             | 709,845.71             | 809,007.11             |
|   |      | <b>\$24,708,600</b> | <b>\$23,891,865.86</b> | <b>\$24,531,009.06</b> |
| Interest Expenses                           |      | 501,100             | 492,710.40             | 450,924.68             |
|   |      | <b>\$25,209,700</b> | <b>\$24,384,576.26</b> | <b>\$24,981,933.74</b> |
| <b>NET PROFIT/(LOSS) RESULT</b>             |      | <b>\$2,802,400</b>  | <b>\$8,267,510.80</b>  | <b>\$29,361,730.33</b> |
| Other Comprehensive Income                  |      | \$0                 | \$0                    | \$0                    |
| <b>TOTAL COMPREHENSIVE INCOME</b>           |      | <b>\$2,802,400</b>  | <b>\$8,267,510.80</b>  | <b>\$29,361,730.33</b> |

\* This statement is to be read in conjunction with accompanying notes

# Statement of Comprehensive Income by Program For the Year Ended 30 June 2010

| Description                             | Note | 2009/2010           |                        | 2008/2009              |
|---|------|---------------------|------------------------|------------------------|
|   |      | Budget \$           | Actual \$              | Actual \$              |
| <b>REVENUE</b>                          |      |                     |                        |                        |
| General Purpose Funding                 |      | 8,863,900           | 9,673,722.97           | 32,230,139.45          |
| Governance                              |      | 133,400             | 113,170.92             | 49,184.37              |
| Law, Order & Public Safety              |      | 128,500             | 57,687.68              | 100,637.47             |
| Health                                  |      | 19,500              | 20,586.14              | 19,424.41              |
| Education & Welfare                     |      | 4,060,100           | 3,960,958.50           | 1,517,314.40           |
| Housing                                 |      | 183,800             | 260,646.83             | 201,101.08             |
| Community Amenities                     |      | 2,534,400           | 2,935,021.54           | 3,085,071.95           |
| Recreation & Culture                    |      | 1,460,300           | 4,448,693.44           | 2,586,437.94           |
| Transport                               |      | 9,647,200           | 10,110,224.40          | 12,880,254.59          |
| Economic Services                       |      | 818,900             | 841,020.02             | 1,101,760.14           |
| Other Property & Services               |      | 162,400             | 230,354.62             | 572,338.27             |
| <i>Total Operating Revenue</i>          |      | <b>\$28,012,400</b> | <b>\$32,652,087.06</b> | <b>\$54,343,664.07</b> |
| <b>EXPENSES EXCLUDING FINANCE COSTS</b> |      |                     |                        |                        |
| General Purpose Funding                 |      | 286,300             | 251,652.48             | 276,618.54             |
| Governance                              |      | 1,304,600           | 1,085,660.80           | 1,352,015.85           |
| Law, Order & Public Safety              |      | 638,600             | 503,355.43             | 552,800.23             |
| Health                                  |      | 343,800             | 258,575.57             | 249,739.21             |
| Education & Welfare                     |      | 997,000             | 1,075,872.40           | 864,534.53             |
| Housing                                 |      | 361,700             | 329,298.34             | 601,726.64             |
| Community Amenities                     |      | 2,470,500           | 2,610,710.19           | 2,493,147.46           |
| Recreation & Culture                    |      | 4,274,800           | 4,636,590.79           | 4,010,322.87           |
| Transport                               |      | 12,357,100          | 11,546,164.72          | 12,452,503.49          |
| Economic Services                       |      | 1,454,200           | 1,224,911.60           | 1,081,583.02           |
| Other Property & Services               |      | 197,000             | 369,073.54             | 596,017.22             |
| <i>Total Operating Expenditure</i>      |      | <b>24,685,600</b>   | <b>23,891,865.86</b>   | <b>24,531,009.06</b>   |

\* This statement is to be read in conjunction with accompanying notes



# Statement of Comprehensive Income by Program For the Year Ended 30 June 2010

| Description                       | Note | 2009/2010        |                     | 2008/2009            |
|-----------------------------------|------|------------------|---------------------|----------------------|
|                                   |      | Budget \$        | Actual \$           | Actual \$            |
| <b>FINANCE COSTS</b>              |      |                  |                     |                      |
| Governance                        |      | 61,900           | 56,844.21           | 60,414.09            |
| Education Et Welfare              |      | 22,100           | -                   | -                    |
| Housing                           |      | 61,800           | 58,181.72           | 61,017.97            |
| Community Amenities               |      | -                | -                   | -                    |
| Recreation Et Culture             |      | -                | -                   | -                    |
| Transport                         |      | 378,300          | 377,684.47          | 329,492.62           |
|                                   | 17b  | 524,100          | 492,710.40          | 450,924.68           |
| <b>NET PROFIT/(LOSS) RESULT</b>   |      | 2,802,700        | 8,267,510.80        | 29,361,730.33        |
| Other Comprehensive Income        |      | -                | -                   | -                    |
| <b>TOTAL COMPREHENSIVE INCOME</b> | 3    | <u>2,802,700</u> | <u>8,267,510.80</u> | <u>29,361,730.33</u> |

*\* This statement is to be read in conjunction with accompanying notes*

# Statement of Changes in Equity

## For the Year Ended 30 June 2010

|                                     | Retained<br>Surplus<br>\$ | Reserves<br>Cash/Investment<br>Backed<br>\$ | Asset<br>Revaluation<br>Reserves<br>\$ | Total<br>Equity<br>\$ |
|-------------------------------------|---------------------------|---|--|-----------------------|
| Balance as at 1 July 2008           | 117,173,755.41            | 4,163,997.38                                | 0.00                                   | 121,337,752.79        |
| Net Result                          | 29,361,730.33             | 0.00  | 0.00                                   | 29,361,730.33         |
| Total Other Comprehensive<br>Income | 0.00                      | 0.00  | 0.00                                   | 0.00                  |
| Transfer from/(to) Reserves         | 671,157.84                | (671,157.84)                                | 0.00                                   | 0.00                  |
| Balance as at 1 July 2009           | 147,206,643.58            | 3,492,839.54                                | 0.00                                   | 150,699,483.12        |
| Net Result                          | 8,267,510.80              | 0.00  | 0.00                                   | 8,267,510.80          |
| Total Other Comprehensive<br>Income | 0.00                      | 0.00  | 0.00                                   | 0.00                  |
| Transfer from/(to) Reserves         | (19,404,130.47)           | 19,404,130.47                               | 0.00                                   | 0.00                  |
| Balance as at 1 July 2010           | <b>136,070,023.91</b>     | <b>22,896,970.01</b>                        | <b>0.00</b>                            | <b>158,966,993.92</b> |

*\* This statement is to be read in conjunction with accompanying notes*

# Statement of Cash Flows

## For the Year Ended 30 June 2010

| Description  | Note | 2009/2010             |                          | 2008/2009                |
|--|------|-----------------------|--------------------------|--------------------------|
|  |      | Budget \$             | Actual \$                | Actual \$                |
| <b>Cash Flows From Operating Activities</b>            |      |                       |                          |                          |
| <b>RECEIPTS</b>  |      |                       |                          |                          |
| Rates  |      | 6,039,700             | 6,349,423.86             | 5,852,971.97             |
| Grants & Subsidies                                     |      | 4,627,000             | 4,362,810.86             | 5,513,368.67             |
| Contributions, Reimbursements & Donations              |      | 487,700               | 2,598,755.82             | 1,474,374.49             |
| Service Charges  |      | 0                     | 0.00                     | 0.00                     |
| Fees & Charges   |      | 7,028,300             | 4,935,464.00             | 7,908,535.39             |
| Interest Earnings                                      |      | 522,200               | 969,147.03               | 306,294.88               |
| Goods & Services Tax                                   |      | 763,900               | 1,033,055.00             | 1,665,986.56             |
| Other Revenue/Income                                   |      | 641,000               | 670,440.99               | 666,968.08               |
|  |      | <b>\$20,109,800</b>   | <b>20,919,097.56</b>     | <b>23,388,500.04</b>     |
| <b>PAYMENTS</b>  |      |                       |                          |                          |
| Employee Costs   |      | (\$5,874,800)         | (\$5,977,671.72)         | (\$5,088,016.87)         |
| Materials & Contracts                                  |      | (\$7,115,100)         | (\$6,994,799.68)         | (\$4,774,771.24)         |
| Utilities (Gas, Electricity, Water, etc)               |      | (\$755,200)           | (\$1,220,738.14)         | (\$912,301.30)           |
| Interest Expenses                                      |      | (\$535,200)           | (\$501,043.41)           | (\$408,559.78)           |
| Insurance Expenses                                     |      | (\$547,800)           | (\$432,529.40)           | (\$329,982.39)           |
| Goods & Services Tax                                   |      | (\$700,000)           | (\$1,129,061.00)         | (\$1,408,085.89)         |
| Other Expenditure                                      |      | (\$745,200)           | (\$709,845.71)           | (\$809,007.11)           |
|  |      | <b>(\$16,273,300)</b> | <b>(\$16,965,689.06)</b> | <b>(\$13,730,724.58)</b> |
| <i>Net Cash Flows From Operating Activities</i>        | 3    | <b>\$3,836,500</b>    | <b>\$3,953,408.50</b>    | <b>\$9,657,775.46</b>    |
| <b>Cash Flows From Investing Activities</b>            |      |                       |                          |                          |
| Purchase Land and Buildings                            |      | (\$7,252,300)         | (\$8,607,623.45)         | (\$1,384,098.36)         |
| Purchase Plant and Equipment                           |      | (\$3,022,600)         | (\$1,738,244.94)         | (\$2,550,661.89)         |
| Purchase Furniture and Equipment                       |      | (\$160,000)           | (\$171,032.69)           | (\$149,406.92)           |
| Purchase Airport Assets                                |      | (\$8,249,000)         | (\$3,625,730.63)         | (\$9,216,839.88)         |
| Purchase Infrastructure Assets                         |      | (\$4,419,600)         | (\$7,866,051.41)         | (\$3,833,625.64)         |
| Sale of Plant and Equipment                            | 11   | 554,000               | 467,152.93               | \$505,377.75             |
| Grants and Contributions for the Development of Assets | 24a  | 10,858,900            | 11,059,192.15            | \$30,809,182.36          |
| <i>Net Cash Flows From Investing Activities</i>        |      | <b>(\$11,690,600)</b> | <b>(\$10,482,338.04)</b> | <b>\$14,179,927.42</b>   |
| <b>Cash Flows From Financing Activities</b>            |      |                       |                          |                          |
| Proceeds from New Loans                                | 17c  | 3,100,000             | 0.00                     | \$2,500,000.00           |
| Repayment of Loans                                     | 17b  | (\$487,600)           | (\$672,926.55)           | (\$341,488.76)           |
| Less: Proceeds from Self Supporting Loans              |      |                       |                          | \$0.00                   |
| <i>Net Cash Flows From Financing Activities</i>        |      | <b>\$2,612,400</b>    | <b>(\$672,926.55)</b>    | <b>\$2,158,511.24</b>    |
| <i>Net Increase/(Decrease) In Cash Held</i>            |      | <b>(\$5,241,700)</b>  | <b>(\$7,201,856.09)</b>  | <b>\$25,996,214.12</b>   |
| <b>Cash and Cash Equivalents At Beginning Of Year</b>  |      | <b>\$7,059,700</b>    | <b>33,031,952.07</b>     | <b>7,035,737.95</b>      |
| <b>Cash and Cash Equivalents At End of Year</b>        | 3b   | <b>\$1,818,000</b>    | <b>25,830,095.98</b>     | <b>33,031,952.07</b>     |



# Rate Setting Statement

## For the Year Ended 30 June 2010

| Description                          | Note | 2009/2010             |                          |
|--------------------------------------|------|-----------------------|--------------------------|
|                                      |      | Budget \$             | Actual \$                |
| <b>REVENUES</b>                      |      |                       |                          |
| General Purpose Funding              |      | 2,602,500             | 3,147,514.20             |
| Governance                           |      | 133,400               | 109,734.36               |
| Law, Order and Public Safety         |      | 128,500               | 57,687.68                |
| Health                               |      | 19,500                | 20,586.14                |
| Education and Welfare                |      | 150,300               | 100,519.14               |
| Housing                              |      | 183,800               | 187,436.07               |
| Community Amenities                  |      | 2,534,400             | 2,935,021.54             |
| Recreation and Culture               |      | 1,080,300             | 1,722,407.44             |
| Transport                            |      | 4,884,500             | 5,970,522.07             |
| Economic Services                    |      | 818,900               | 666,720.02               |
| Other Property and Services          |      | 97,500                | 132,718.26               |
|                                      |      | <b>\$12,633,600</b>   | <b>\$15,050,866.92</b>   |
| <b>EXPENSES</b>                      |      |                       |                          |
| General Purpose Funding              |      | (\$286,300)           | (\$251,652.48)           |
| Governance                           |      | (\$1,345,600)         | (\$1,140,573.22)         |
| Law, Order and Public Safety         |      | (\$625,700)           | (\$503,355.43)           |
| Health                               |      | (\$343,800)           | (\$258,575.57)           |
| Education and Welfare                |      | (\$1,019,100)         | (\$1,075,872.40)         |
| Housing                              |      | (\$423,500)           | (\$381,274.97)           |
| Community Amenities                  |      | (\$2,470,500)         | (\$2,610,710.19)         |
| Recreation and Culture               |      | (\$4,274,800)         | (\$4,636,590.79)         |
| Transport                            |      | (\$12,706,500)        | (\$11,923,334.45)        |
| Economic Services                    |      | (\$1,439,600)         | (\$1,211,789.43)         |
| Other Property and Services          |      | (\$175,100)           | (\$363,242.17)           |
|                                      |      | <b>(\$25,110,500)</b> | <b>(\$24,356,971.10)</b> |
| <b>Add:</b>                          |      |                       |                          |
| Capital Grants and Contributions     | 24   | 9,052,500             | 11,059,192.15            |
| Sale of Assets                       | 11   | 296,500               | 467,152.93               |
| <i>Write Back Depreciation</i>       | 20   | 9,581,400             | 8,391,044.27             |
|                                      |      | <b>\$18,930,400</b>   | <b>\$19,917,389.35</b>   |
| <b>Less: CAPITAL WORKS PROGRAMME</b> |      |                       |                          |
| Governance                           |      | 234,200               | 81,476.50                |
| Law, Order and Public Safety         |      | 225,000               | 131,145.03               |
| Health                               |      | 0                     | 0.00                     |
| Education & Welfare                  |      | 5,518,300             | 5,391,683.03             |
| Housing                              |      | 0                     | 0.00                     |
| Community Amenities                  |      | 340,500               | 452,624.94               |
| Recreation and Culture               |      | 3,247,200             | 4,886,467.97             |
| Transport                            |      | 30,526,100            | 10,644,057.50            |
| Economic Services                    |      | 331,000               | 365,236.79               |

\* This statement is to be read in conjunction with accompanying notes

# Rate Setting Statement

## For the Year Ended 30 June 2010

| Description                                 | Note      | 2009/2010           |                        |
|---|-----------|---------------------|------------------------|
|   |           | Budget \$           | Actual \$              |
| Other Property and Services                 |           | 60,000              | 55,991.36              |
|   |           | <b>\$40,482,300</b> | <b>\$22,008,683.12</b> |
| <b>Less: OTHER</b>                          |           |                     |                        |
| Repayments of Debentures                    | 17b       | 672,900             | 672,926.55             |
| <i>Less Contributions to Loan Principal</i> |           | 0                   | 0.00                   |
| Transfers to Reserves                       | 10        | 625,000             | 21,386,719.04          |
|   |           | <b>\$1,297,900</b>  | <b>\$22,059,645.59</b> |
| <b>Add: FUNDING SOURCES</b>                 |           |                     |                        |
| Reserves Utilised                           | 10        | 882,100             | 1,982,588.57           |
| Proceeds From New Debentures                | 17c       | 0                   | 0.00                   |
| Estimated Surplus/(Deficit) July 1 b/fwd    |           | 28,226,900          | 27,936,453.29          |
|   | Sub Total | <b>\$29,109,000</b> | <b>\$29,919,041.86</b> |
| Estimated (Surplus)/Deficit June 30 c/fwd   |           | (\$43,700.00)       | (\$2,776,207.09)       |
| <b>TO BE MADE UP FROM RATES</b>             | 13        | <b>\$6,261,400</b>  | <b>\$6,314,208.77</b>  |

\* This statement is to be read in conjunction with accompanying notes

# Notes to the Financial Reports

## 1. Significant Accounting Policies

The significant accounting policies which have been adopted in the preparation of this financial report are:

### (a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at fair value through profit and loss and certain classes of non-current assets.

### Critical Accounting Estimates

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

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

### (b) The Local Government Reporting Entity

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

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 22 to this financial report.

### (c) Fixed Assets

#### (i) Valuation of Fixed Assets

Fixed 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) Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of fixed assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

#### (iii) Land under Roads

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

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

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

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



# Notes to the Financial Reports

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

## (iv) Revaluation of Fixed Assets

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the assets.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

## (v) 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      |

## (vi) 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:

- 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.

# Notes to the Financial Reports

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 |
| Parks and Gardens           | 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, Annual Leave and Long Service Leave (Short-term benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months 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 expect to pay and includes related on-costs.

### (ii) Long Service Leave (Long-term benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

## (e) Superannuation

The superannuation expense for the reporting period is the amount of the statutory contribution Council makes to the WA Local Government Superannuation Plan and other defined contribution schemes as requested by staff and is charged against revenue in the financial year to which the payment relates.



# Notes to the Financial Reports

## **(f) Investments and Other Financial Assets**

### **Classification**

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investment at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

### **(i) Financial assets at fair value through profit and loss**

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

### **(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

### **(iii) Held-to-maturity investment**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months for the reporting date, which are classified as current assets.

### **(iv) Available-for-sale financial assets**

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

## **Recognition and derecognition**

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the assets. Investments are initially recognised at the fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities.

## **Subsequent measurement**

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the statement of comprehensive income within other income or other expense in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

# Notes to the Financial Reports

## **Impairment**

Council assesses at each balance date whether there is objective evidence that a financial asset group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

## **(g) Estimation of Fair Value**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustment of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flow at the current market interest rate that is available to the Council for similar financial instruments.

## **(h) Impairment**

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement of cost of the assets.

## **(i) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenue when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating periods or, where earlier, upon receipt of the rates.

Where contributions recognised as revenue during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the report date, the nature of and amounts pertaining those undischarged conditions are disclosed in Note 4(c). That note also discloses the amount of contributions recognised as revenue in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

## **(j) 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.

# Notes to the Financial Reports

## **(k) Inventories**

### **General**

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

### **Land Held for Resale**

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

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

## **(l) Cash and Cash Equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the statement of financial position.

## **(m) Trade and Other Receivables**

Trade receivables, which generally have 30 – 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

## **(n) 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.

## **(o) Rounding Off Figures**

All figures in this annual financial report are concise amounts.

## **(p) 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.

## **(q) Trade and Other Payables**

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

## **(r) Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised as the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.



# Notes to the Financial Reports

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

## **Borrowing Cost**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

## **(s) Provisions**

Provisions are recognised when: The Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

## **(t) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's to release for sale.

## **(u) Budget Comparative Figures**

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

# Notes to the Financial Reports

## (v) New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2009.

Council's assessment of these new standards and interpretations is set out below.

|       | Title and topic  | Issued        | Applicable <sup>(1)</sup> | Impact   |
|-------|--|---------------|---------------------------|--|
| (i)   | AASB 9 – Financial Instruments   | December 2009 | 1 January 2013            | Nil – The object of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets for the Council, it is not anticipated the standard will have any material effect. |
| (ii)  | Revised AASB 124 – Related Party Disclosures   | December 2009 | 1 January 2011            | Nil – It is not anticipated the Council will have any related parties as defined by the Standard.  |
| (iii) | AASB 2009-5 – Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]  | May 2009      | 1 January 2010            | Nil – The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.  |
| (iv)  | AASB 2009-8 – Amendments to Australian Accounting Standards – Group Cash – Settled Share-based Payment Transactions [AASB 2]   | July 2009     | 1 January 2010            | Nil – The Council will not have applicable transactions  |
| (v)   | AASB 2009-12 – Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]   | December 2009 | 1 January 2011            | Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council  |
| (vi)  | AASB 2009-11 Amendments to Australian Accounting Standard arising from AASB 9<br>[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]   | December 2009 | 1 January 2013            | Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (ii) above)  |
| (vii) | AASB 2009-13 Amendments to Australian Accounting Standard arising from AASB 9 [AASB 1]<br>AASB 2010-1 Amendments to Australian Accounting Standard – Limited Exemption from Comparative AASB 7 Disclosure for First-time Adopters [AASB 1 & AASB7] | November 2008 | 1 July 2009               | Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council  |

# Notes to the Financial Reports

|                 | Title and topic   | Issued        | Applicable <sup>(1)</sup> | Impact   |
|-----------------|---|---------------|---------------------------|--|
|                 | AASB 2009-10 Amendments to Australian Accounting Standard – Classification of Rights Issues [AASB132]                           | October 2009  | 1 February 2010           |  |
| (vii)<br>cont'd | Interpretation 19 – Extinguishing Financial Liabilities with Equity Instruments   | December 2009 | 1 July 2010               | Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council. |
|                 | AASB 200-14 - Amendments to Australian Interpretations – Prepayments of a minimum Funding requirement [AASB Interpretations 14] | December 2009 | 1 January 2011            |  |

**Notes (1) Applicable to reporting periods commencing on or after the given date.**

## **(w) Adoption of new and Revised Accounting Standards**

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

The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the Council.

### **AASB 101: Presentation of Financial Statements**

In September 2007, the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Council's financial statements.

#### **Disclosure Impact**

**Terminology changes** – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

**Reporting changes in equity** – The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of

AASB 101 required owner changes in equity and other comprehensive income to be presented in the statement of changes in equity.

**Statement of comprehensive income** – The revised AASB 101 requires all income and expenses to be presented in either a single statement, the statement of comprehensive income, or two statements, a separate statement of comprehensive income and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single statement of comprehensive income.

The Council has adopted the single statement approach and the financial statements now contain a statement of comprehensive income.

**Other Comprehensive Income** – The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises income and expenses not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.



# Notes to the Financial Reports

## 2. Functions and Activities of the Shire – Statement of Objective

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 which it has established:

### 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, emergency services 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

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.

# Notes to the Financial Reports

## 3. Cash and Cash Equivalents

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

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

|  | 2009/2010             | 2008/2009           |
|--|-----------------------|---------------------|
|  | \$                    | \$                  |
| Net Profit/(Loss) Result                                       | 8,267,510.80          | 29,361,731.43       |
| Add/(Less) Non Cash and Non Cash Equivalent Items              |                       |                     |
| Depreciation   | 8,391,044.27          | 9,935,923.46        |
| Gain on sale of non current assets                             | (227,819.22)          | (249,592.42)        |
| Loss on sale of non current assets                             | 27,605.16             | 99,958.55           |
| Changes in Assets and Liabilities                              |                       |                     |
| (Increase)/Decrease in Trade and other Receivables             | (1,575,039.13)        | (1,287,253.14)      |
| Increase/(Decrease) in Trade and other Payables                | (36,403.30)           | 2,522,679.23        |
| Increase/(Decrease) in Accrued Expenses                        | 143,940.69            | 60,660.14           |
| Increase/(Decrease) in Employee Provisions                     | (42,838.08)           | 49,321.56           |
| (Increase)/Decrease in Stock On Hand                           | 64,599.46             | (26,470.99)         |
| (Less)   |                       |                     |
| Grants for the Development of Assets                           | (11,059,192.15)       | (30,809,182.36)     |
| Net Cash and Cash Equivalents provided by Operating Activities | <b>\$3,953,408.50</b> | <b>9,657,775.46</b> |

# Notes to the Financial Reports

(b) Cash and Cash Equivalents at the end of the reporting period are reconciled to the related items in the Statement of financial position as follows:

|  | 2009/2010              | 2008/2009              |
|--|------------------------|------------------------|
|  | \$                     | \$                     |
| <b>Restricted Cash – Reserves</b>        |                        |                        |
| Alice Springs Road                       | 163,185.26             | 154,527.90             |
| Heavy Road Plant                         | 252,638.72             | 167,878.51             |
| Cape Keraudren Development               | 228,885.74             | 44,901.14              |
| Computer Technology                      | 55,103.14              | 28,139.28              |
| Newman Recreation Centre Maintenance     | 52,873.17              | 170,270.74             |
| Newman Sewerage Plant                    | 48,240.89              | 10,101.61              |
| Newman Airport                           | 998,070.91             | 1,991,007.76           |
| Oval Lights Maintenance                  | 57,686.69              | 43,086.82              |
| Long Service Leave                       | 194,739.62             | 150,751.50             |
| Recreation Facilities                    | 172,818.87             | 91,528.86              |
| Staff Housing                            | 560,415.10             | 230,081.02             |
| Newman Town Centre Revitalisation        | 145,263.53             | 233,719.04             |
| Waste Management                         | 306,228.46             | 154,009.09             |
| Public Art                               | 25,385.91              | 0.00                   |
| Town Centre Public Toilet                | 24,115.67              | 22,836.27              |
| Annual Leave                             | 71,084.68              | 0.00                   |
| Royalties for Regions                    | 19,540,233.65          | 0.00                   |
|  | <b>\$22,896,970.01</b> | <b>\$3,492,839.54</b>  |
| <b>Restricted Cash – Unspent Loans</b>   | <b>\$0.00</b>          | <b>0.00</b>            |
| <b>Restricted Cash – Committed Funds</b> | <b>1,923,236.36</b>    | <b>26,531,130.60</b>   |
| <b>Restricted Cash – Total</b>           | <b>\$24,820,206.37</b> | <b>\$30,023,970.14</b> |
| <b>Unrestricted Cash</b>                 |                        |                        |
| Municipal Fund Cash At Bank              | 218,259.92             | 1,672,207.15           |
| Municipal Fund Cash Invested             | 789,799.69             | 1,333,944.78           |
| Municipal Fund Cash On Hand              | 1,830.00               | 1,830.00               |
| <b>Unrestricted Cash – Total</b>         | <b>\$1,009,889.61</b>  | <b>\$3,007,981.93</b>  |
| <b>Total Cash</b>                        | <b>\$25,830,095.98</b> | <b>\$33,031,952.07</b> |



# Notes to the Financial Reports

## (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:

| Committed Funds:                         | 2009/2010        |
|--|------------------|
|  | \$               |
| Martu Elders Respect Program - PDC       | 70,400           |
| Martumili Art Program - Capital          | 335,100          |
| R4R Motocross                            | 60,000           |
| Marble Bar Memorial - John Ford's Office | 10,000           |
| Marble Bar Memorial - Dept Veterans      | 3,636            |
| Office of Crime Prevention               | 25,000           |
| R4R Capital Works Plan                   | 35,000           |
| BHPB Sustainability - Netball Courts     | 259,200          |
| BHPB Sustainability - Youth Centre       | 95,100           |
| RLCIP - Youth Centre                     | 98,100           |
| BHPB Sustainability - Gunn Club Bike     | 55,000           |
| BHPB Sustainability - Radio Hill Upgrade | 66,600           |
| BHPB Sustainability - East Newman Park   | 806,100          |
| BHPB Sustainability - Rubbish Run        | 4,000            |
|  | <b>1,923,236</b> |

## 4. Trade and Other Receivables

|                              | 2009/2010           | 2008/2009           |
|------------------------------|---------------------|---------------------|
|                              | \$                  | \$                  |
| <b>Current Debtors</b>       |                     |                     |
| Rates                        | 158,064.26          | 193,279.35          |
| Trade and Other Receivables  | 3,592,188.91        | 2,077,940.69        |
| ATO - GST Refund             | 96,817.00           | 811.00              |
|                              | 3,847,070.17        | 2,272,031.04        |
| Provision Bad/Doubtful Debts | <b>(20,021.45)</b>  | <b>(54,367.68)</b>  |
|                              | <b>3,827,048.72</b> | <b>2,217,663.36</b> |
| <b>Non Current Debtors</b>   |                     |                     |
| None                         | -                   | -                   |
|                              | -                   | -                   |
| <b>Total Debtors</b>         | <b>3,827,048.72</b> | <b>2,217,663.36</b> |

# Notes to the Financial Reports

## 5. Inventories

|                            | 2009/2010        | 2008/2009         |
|----------------------------|------------------|-------------------|
|                            | \$               | \$                |
| <b>Stock Category</b>      |                  |                   |
| Fuels                      | 47,938.50        | 111,768.46        |
| History Books              | 19,974.50        | 20,744.00         |
| <b>Total Stock On Hand</b> | <b>67,913.00</b> | <b>132,512.46</b> |

## 6. (a) Property, Plant and Equipment Assets

|  | 2009/2010              | 2008/2009              |
|--|------------------------|------------------------|
|  | \$                     | \$                     |
| <b>Land &amp; Buildings</b>                    |                        |                        |
| At Independent Valuation 1996                  | 2,000,000.00           | 2,000,000.00           |
| Cost   | 23,938,856.52          | 15,358,875.05          |
| Accumulated Depreciation                       | (6,249,646.04)         | (5,555,909.60)         |
|  | <b>19,689,210.48</b>   | <b>11,802,965.45</b>   |
| <b>Plant &amp; Equipment</b>                   |                        |                        |
| Cost   | 11,096,578.21          | 10,115,675.67          |
| Accumulated Depreciation                       | (5,078,614.44)         | (4,566,003.72)         |
|  | <b>6,017,963.77</b>    | <b>5,549,671.95</b>    |
| <b>Furniture &amp; Equipment</b>               |                        |                        |
| Cost   | 2,570,939.80           | 2,402,277.11           |
| Accumulated Depreciation                       | (1,887,876.47)         | (1,717,745.42)         |
|  | <b>683,063.33</b>      | <b>684,531.69</b>      |
| <b>Newman Airport</b>                          |                        |                        |
| At Council Valuation 1996                      | 2,136,300.00           | 2,136,300.00           |
| Cost   | 22,816,488.32          | 19,231,327.97          |
| Accumulated Depreciation                       | (4,672,140.49)         | (3,396,732.39)         |
|  | 20,280,647.83          | 17,970,895.58          |
| <b>Total - Property, Plant &amp; Equipment</b> | <b>\$46,670,885.41</b> | <b>\$36,008,064.67</b> |

# Notes to the Financial Reports

## (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       | TOTAL         |
|--------------------------------------|------------------|-------------------|-----------------------|---------------|---------------|
| Balance as the beginning of the year | 11,802,965.45    | 5,549,671.95      | 684,531.69            | 17,970,895.58 | 36,008,064.67 |
| Plus: Acquisitions                   | 8,607,623.45     | 1,738,244.94      | 171,032.69            | 3,625,730.63  | 14,142,631.71 |
|                                      | 20,410,588.90    | 7,287,916.89      | 855,564.38            | 21,596,626.21 | 50,150,696.38 |
| Less: Disposals                      | 27,641.98        | 757,342.40        | 2,370.00              | 40,570.28     | 827,924.66    |
|                                      | 20,382,946.92    | 6,530,574.49      | 853,194.38            | 21,556,055.93 | 49,322,771.72 |
| Write Back Depreciation              | 16,764.45        | 521,084.73        | 2,370.00              | 20,766.61     | 560,985.79    |
|                                      | 20,399,711.37    | 7,051,659.22      | 855,564.38            | 21,576,822.54 | 49,883,757.51 |
| Less: Annual Depreciation            | 710,500.89       | 1,033,695.45      | 172,501.05            | 1,296,174.71  | 3,212,872.10  |
| Balance at 30/06/10                  | 19,689,210.48    | 6,017,963.77      | 683,063.33            | 20,280,647.83 | 46,670,885.41 |

## 7. (a) Infrastructure Assets

|                          | 2009/2010       | 2008/2009       |
|--------------------------|-----------------|-----------------|
|                          | \$              | \$              |
| <b>Roads</b>             |                 |                 |
| At Cost                  | 143,736,002.02  | 139,879,217.63  |
| Accumulated Depreciation | (61,852,662.84) | (57,531,381.12) |
|                          | 81,883,339.18   | 82,347,836.51   |
| <b>Footpaths</b>         |                 |                 |
| Cost                     | 4,639,534.82    | 4,545,138.51    |
| Accumulated Depreciation | (2,223,478.33)  | (2,036,654.19)  |
|                          | 2,416,056.49    | 2,508,484.32    |
| <b>Drainage</b>          |                 |                 |
| Cost                     | 4,512,883.66    | 4,412,884.09    |
| Accumulated Depreciation | (2,339,675.59)  | (2,159,578.11)  |
|                          | 2,173,208.07    | 2,253,305.98    |



# Notes to the Financial Reports

|                          | 2009/2010                     | 2008/2009                     |
|--------------------------|-------------------------------|-------------------------------|
|                          | \$                            | \$                            |
| <b>Parks Et Gardens</b>  |                               |                               |
| Cost                     | 10,858,772.50                 | 7,043,901.36                  |
| Accumulated Depreciation | (2,660,858.16)                | (2,170,889.33)                |
|                          | <u>8,197,914.34</u>           | <u>4,873,012.03</u>           |
|                          | <u><u>\$94,670,518.08</u></u> | <u><u>\$91,982,638.84</u></u> |

## (b) Movement in Infrastructure Assets

Movement in the carrying amounts of Infrastructure Assets between the beginning and the end of the current financial year.

|                                      | Infrastructure Assets       |
|--------------------------------------|-----------------------------|
| Balance as the beginning of the year | 91,982,638.84               |
| Plus: Acquisitions                   | <u>7,866,051.41</u>         |
|                                      | 99,848,690.25               |
| Less: Disposals                      | <u>0.00</u>                 |
|                                      | 99,848,690.25               |
| Write Back Depreciation              | <u>0.00</u>                 |
|                                      | 99,848,690.25               |
| Less: Annual Depreciation            | <u>5,178,172.17</u>         |
| Assets Balance 30/06/09              | <u><u>94,670,518.08</u></u> |

# Notes to the Financial Reports

## (c) Fixed Assets Classified by Function and Activity

| Function Name                   | Function No | 2009/2010<br>\$       | 2008/2009<br>\$       |
|---------------------------------|-------------|-----------------------|-----------------------|
| <b>Governance</b>               | 4           | 2,509,051.70          | 2,672,263.95          |
| Law, Order & Public Safety      | 5           | 537,913.75            | 531,497.09            |
| Health                          | 7           | 64,065.66             | 72,905.24             |
| Education & Welfare             | 8           | 6,077,529.53          | 910,946.78            |
| Housing                         | 9           | 2,813,809.09          | 2,905,240.71          |
| <b>Community Amenities</b>      | 10          | <b>2,667,701.29</b>   | <b>2,381,876.96</b>   |
| <b>Recreation &amp; Culture</b> | 11          | <b>9,431,332.27</b>   | <b>4,977,541.35</b>   |
| Transport                       | 12          | 117,458,338.33        | 113,270,334.41        |
| Economic Services               | 13          | 667,730.40            | 439,130.30            |
| Other Property & Services       | 14          | (886,068.53)          | (171,033.28)          |
|                                 |             | <b>141,341,403.49</b> | <b>127,990,703.51</b> |

## 8. Trade and Other Payables, Accruals & Provisions

| Function Name  | Function No       | 2009/2010<br>\$       | 2008/2009<br>\$       |
|--|-------------------|-----------------------|-----------------------|
| <b>Current Liabilities</b>                             |                   |                       |                       |
| <b>Trade and Other Payables And Accruals</b>           |                   |                       |                       |
| Trade and Other Payables                               | 2,219,125.13      |                       |                       |
| Unexpended Grants                                      | 0.00              |                       |                       |
| Accrued Expenses                                       | 1,118,501.23      | 3,337,626.36          | 3,390,854.52          |
| <b>Provisions</b>                                      |                   |                       |                       |
| Provision For Annual Leave                             | <b>362,584.06</b> |                       |                       |
| Provision For Long Service Leave                       | <b>295,887.70</b> | 658,471.76            | 463,359.98            |
|  |                   | <b>\$3,996,098.12</b> | <b>\$3,854,214.50</b> |
| <b>Non Current Liabilities</b>                         |                   |                       |                       |
| Provision For Long Service Leave                       |                   | 55,782.48             | 98,620.56             |
|  |                   | <b>55,782.48</b>      | <b>98,620.56</b>      |
|  |                   | <b>\$55,782.48</b>    | <b>\$98,620.56</b>    |
| <b>Total Trade and other Payables &amp; Provisions</b> |                   | <b>\$4,051,880.60</b> | <b>\$3,952,835.06</b> |

# Notes to the Financial Reports

## 9. Long Term Borrowings

| Function Name           | 2009/2010<br>\$       | 2008/2009<br>\$       |
|-------------------------|-----------------------|-----------------------|
| <b>Current</b>          |                       |                       |
| Debenture Repayments    | 749,881.24            | 672,926.55            |
| <b>Non Current</b>      |                       |                       |
| Debenture Repayments    | 7,297,705.43          | 8,047,586.67          |
| <b>Total Borrowings</b> | <b>\$8,047,586.67</b> | <b>\$8,720,513.22</b> |

Additional detail on debentures is provided in Note 18

## 10. Reserves – Cash/Investment Backed

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

| Reserve Funds                     |                              | 2009/2010<br>Actual \$ | 2009/2010<br>Budget \$ | 2008/2009<br>Actual \$ |
|-----------------------------------|------------------------------|------------------------|------------------------|------------------------|
| <b>Alice Springs Road</b>         |                              |                        |                        |                        |
|                                   | <i>Opening Balance</i>       | 154,527.90             | 154,500                | 147,626.15             |
|                                   | Interest Earned During Year  | 8,657.36               | 4,700                  | 6,901.75               |
|                                   | Transfer From Municipal Fund | -                      | -                      | -                      |
|                                   | Transfer To Municipal Fund   | -                      | -                      | -                      |
|                                   | <i>Closing Balance</i>       | \$163,185.26           | 159,200                | \$154,527.90           |
| <b>Heavy Road Plant</b>           |                              |                        |                        |                        |
|                                   | <i>Opening Balance</i>       | 167,878.51             | 167,900                | 672,723.14             |
|                                   | Interest Earned During Year  | 9,760.21               | 5,500                  | 30,955.37              |
|                                   | Transfer From Municipal Fund | 75,000.00              | 25,000                 | 14,200.00              |
|                                   | Transfer To Municipal Fund   | -                      | -                      | (550,000.00)           |
|                                   | <i>Closing Balance</i>       | \$252,638.72           | 198,400                | \$167,878.51           |
| <b>Marble Bar Aerodrome</b>       |                              |                        |                        |                        |
|                                   | <i>Opening Balance</i>       | -                      | -                      | 131,188.95             |
|                                   | Interest Earned During Year  | -                      | -                      | 4,755.53               |
|                                   | Transfer From Municipal Fund | -                      | -                      | -                      |
|                                   | Transfer To Municipal Fund   | -                      | -                      | (135,944.48)           |
|                                   | <i>Closing Balance</i>       | \$0.00                 | \$0                    | \$0.00                 |
| <b>Cape Keraudren Development</b> |                              |                        |                        |                        |
|                                   | <i>Opening Balance</i>       | 44,901.14              | 44,900                 | 23,595.32              |
|                                   | Interest Earned During Year  | 5,284.60               | 1,400                  | 1,305.82               |
|                                   | Transfer From Municipal Fund | 178,700.00             | 178,700                | 20,000.00              |
|                                   | Transfer To Municipal Fund   | -                      | -                      | -                      |
|                                   | <i>Closing Balance</i>       | \$228,885.74           | 225,000                | \$44,901.14            |



# Notes to the Financial Reports

## 10. Reserves – Cash/Investment Backed Cont'd

| Reserve Funds                               | 2009/2010           | 2009/2010        | 2008/2009             |
|---|---------------------|------------------|-----------------------|
|   | Actual \$           | Budget \$        | Actual \$             |
| <b>Computer Technology</b>                  |                     |                  |                       |
| <i>Opening Balance</i>                      | 28,139.28           | 28,100           | 26,882.49             |
| Interest Earned During Year                 | 1,963.86            | 900              | 1,256.79              |
| Transfer From Municipal Fund                | 25,000.00           | 25,000           | -                     |
| Transfer To Municipal Fund                  | -                   | -                | -                     |
| <i>Closing Balance</i>                      | <b>\$55,103.14</b>  | <b>54,000</b>    | <b>\$28,139.28</b>    |
| <b>Newman Recreation Centre Maintenance</b> |                     |                  |                       |
| <i>Opening Balance</i>                      | 170,270.74          | 170,300          | 162,665.89            |
| Interest Earned During Year                 | 7,602.43            | 2,200            | 7,604.85              |
| Transfer From Municipal Fund                | 25,000.00           | 25,000           | -                     |
| Transfer To Municipal Fund                  | (150,000.00)        | (150,000)        | -                     |
| <i>Closing Balance</i>                      | <b>\$52,873.17</b>  | <b>47,500</b>    | <b>\$170,270.74</b>   |
| <b>Newman Sewerage Plant</b>                |                     |                  |                       |
| <i>Opening Balance</i>                      | 10,101.61           | 10,100           | 0.26                  |
| Interest Earned During Year                 | 1,139.28            | 300              | 101.35                |
| Transfer From Municipal Fund                | 37,000.00           | 37,000           | 10,000.00             |
| Transfer To Municipal Fund                  | -                   | -                | -                     |
| <i>Closing Balance</i>                      | <b>\$48,240.89</b>  | <b>47,400</b>    | <b>\$10,101.61</b>    |
| <b>Newman Airport</b>                       |                     |                  |                       |
| <i>Opening Balance</i>                      | 1,991,007.76        | 2,016,100        | 1,760,120.48          |
| Interest Earned During Year                 | 70,592.47           | 20,500           | 61,278.22             |
| Transfer From Municipal Fund                | 531,470.68          | -                | 2,276,369.30          |
| Transfer To Municipal Fund                  | (1,595,000.00)      | (609,400)        | (2,106,760.24)        |
| <i>Closing Balance</i>                      | <b>\$998,070.91</b> | <b>1,427,200</b> | <b>\$1,991,007.76</b> |
| <b>Oval Lights Maintenance</b>              |                     |                  |                       |
| <i>Opening Balance</i>                      | 43,086.82           | 43,100           | 36,337.33             |
| Interest Earned During Year                 | 2,599.87            | 1,100            | 1,749.49              |
| Transfer From Municipal Fund                | 12,000.00           | 12,000           | 5,000.00              |
| Transfer To Municipal Fund                  | -                   | -                | -                     |
| <i>Closing Balance</i>                      | <b>\$57,686.69</b>  | <b>56,200</b>    | <b>\$43,086.82</b>    |
| <b>Long Service Leave</b>                   |                     |                  |                       |
| <i>Opening Balance</i>                      | 150,751.50          | 150,800          | 139,193.34            |
| Interest Earned During Year                 | 8,988.12            | 4,600            | 6,558.16              |
| Transfer From Municipal Fund                | 35,000.00           | 35,000           | 5,000.00              |
| Transfer To Municipal Fund                  | -                   | -                | -                     |
| <i>Closing Balance</i>                      | <b>\$194,739.62</b> | <b>190,400</b>   | <b>\$150,751.50</b>   |
| <b>Recreation Facilities</b>                |                     |                  |                       |
| <i>Opening Balance</i>                      | 91,528.86           | 91,500           | 87,440.87             |
| Interest Earned During Year                 | 6,290.01            | 2,800            | 4,087.99              |
| Transfer From Municipal Fund                | 75,000.00           | 25,000           | -                     |

# Notes to the Financial Reports

## 10. Reserves – Cash/Investment Backed Cont'd

| Reserve Funds                            |                        | 2009/2010           | 2009/2010      | 2008/2009           |
|--|------------------------|---------------------|----------------|---------------------|
|  |                        | Actual \$           | Budget \$      | Actual \$           |
| Transfer To Municipal Fund               |                        | -                   | -              | -                   |
|  | <i>Closing Balance</i> | <b>\$172,818.87</b> | <b>119,300</b> | <b>\$91,528.86</b>  |
| <b>Staff Housing</b>                     |                        |                     |                |                     |
|  | <i>Opening Balance</i> | 230,081.02          | 230,100        | 461,059.48          |
| Interest Earned During Year              |                        | 17,734.08           | 7,300          | 19,021.54           |
| Transfer From Municipal Fund             |                        | 312,600.00          | 62,600         | -                   |
| Transfer To Municipal Fund               |                        | -                   | -              | (250,000.00)        |
|  | <i>Closing Balance</i> | <b>\$560,415.10</b> | <b>300,000</b> | <b>\$230,081.02</b> |
| <b>Newman Town Centre Revitalisation</b> |                        |                     |                |                     |
|  | <i>Opening Balance</i> | 233,719.04          | 233,700        | 464,535.01          |
| Interest Earned During Year              |                        | 11,544.49           | 7,400          | 19,184.03           |
| Transfer From Municipal Fund             |                        | -                   | -              | -                   |
| Transfer To Municipal Fund               |                        | (100,000.00)        | (100,000)      | (250,000.00)        |
|  | <i>Closing Balance</i> | <b>\$145,263.53</b> | <b>141,100</b> | <b>\$233,719.04</b> |
| <b>Waste Management</b>                  |                        |                     |                |                     |
|  | <i>Opening Balance</i> | 154,009.09          | 154,000        | 50,628.67           |
| Interest Earned During Year              |                        | 10,819.37           | 4,600          | 3,380.42            |
| Transfer From Municipal Fund             |                        | 141,400.00          | 91,400         | 100,000.00          |
| Transfer To Municipal Fund               |                        | -                   | -              | -                   |
|  | <i>Closing Balance</i> | <b>\$306,228.46</b> | <b>250,000</b> | <b>\$154,009.09</b> |
| <b>Public Art</b>                        |                        |                     |                |                     |
|  | <i>Opening Balance</i> | -                   | -              | -                   |
| Interest Earned During Year              |                        | 385.91              | -              | -                   |
| Transfer From Municipal Fund             |                        | 25,000.00           | 25,000         | -                   |
| Transfer To Municipal Fund               |                        | -                   | -              | -                   |
|  | <i>Closing Balance</i> | <b>\$25,385.91</b>  | <b>25,000</b>  | <b>\$0.00</b>       |
| <b>Town Centre Public Toilet</b>         |                        |                     |                |                     |
|  | <i>Opening Balance</i> | 22,836.27           | 22,700         | -                   |
| Interest Earned During Year              |                        | 1,279.40            | -              | 136.27              |
| Transfer From Municipal Fund             |                        | -                   | -              | 22,700.00           |
| Transfer To Municipal Fund               |                        | -                   | -              | -                   |
|  | <i>Closing Balance</i> | <b>\$24,115.67</b>  | <b>22,700</b>  | <b>\$22,836.27</b>  |
| <b>Annual Leave</b>                      |                        |                     |                |                     |
|  | <i>Opening Balance</i> | -                   | -              | -                   |
| Interest Earned During Year              |                        | 1,084.68            | -              | -                   |

# Notes to the Financial Reports

## 10. Reserves – Cash/Investment Backed Cont'd

| Reserve Funds   | 2009/2010              | 2009/2010          | 2008/2009             |
|---|------------------------|--------------------|-----------------------|
|   | Actual \$              | Budget \$          | Actual \$             |
| Transfer From Municipal Fund                          | 70,000.00              | 20,000             | -                     |
| Transfer To Municipal Fund                            | -                      | -                  | -                     |
| <i>Closing Balance</i>                                | <b>\$71,084.68</b>     | <b>20,000</b>      | <b>\$0.00</b>         |
| <b>Royalties for Regions – Pilbara Revitalisation</b> |                        |                    |                       |
| <i>Opening Balance</i>                                | -                      | -                  | -                     |
| Interest Earned During Year                           | -                      | -                  | -                     |
| Transfer From Municipal Fund                          | 19,677,822.22          | -                  | -                     |
| Transfer To Municipal Fund                            | (137,588.57)           | -                  | -                     |
| <i>Closing Balance</i>                                | <b>\$19,540,233.65</b> | <b>\$0</b>         | <b>\$0.00</b>         |
| <b>Totals – All Reserves</b>                          |                        |                    |                       |
| <i>Opening Balance</i>                                | 3,492,839.54           | 3,517,800          | 4,163,997.38          |
| Interest Earned During Year                           | 165,726.14             | 63,300             | 168,277.58            |
| Transfer From Municipal Fund                          | <b>21,220,992.90</b>   | <b>561,700</b>     | <b>2,453,269.30</b>   |
| Transfer To Municipal Fund                            | <b>(1,982,588.57)</b>  | <b>(859,400)</b>   | <b>(3,292,704.72)</b> |
| <i>Closing Balance</i>                                | <b>\$22,896,970.01</b> | <b>\$3,283,400</b> | <b>\$3,492,839.54</b> |

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3(b).

# Notes to the Financial Reports

## Purpose of Reserves

- a) **Alice Springs Road**  
To establish a road link to Alice Springs from Marble Bar to the Northern Territory border
- b) **Heavy Road Plant**  
To fund the purchase of heavy plant that is needed for the operation of the Shire
- c) **Marble Bar Aerodrome**  
For specific works and maintenance of the Marble Bar Aerodrome
- d) **Cape Keraudren Development**  
For the maintenance, development & enhancement of the Cape Keraudren Reserve
- e) **Computer Technology**  
For the replacement, enhancement and upgrading of computer hardware and software
- f) **Newman Recreation Maintenance**  
For the upgrading and enhancement and future extensions of the Newman Recreation Centre
- g) **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.
- h) **Newman Airport**  
For the upgrading, maintenance and enhancement of the Newman Airport
- i) **Oval Lights Maintenance**  
To maintain and upgrade the lights at Capricorn Oval, Newman
- j) **Recreation Facilities Maintenance**  
For the upgrading and enhancement of recreation facilities
- k) **Long Service Leave**  
Provision for the long service leave entitlements for the employees of the shire
- l) **Housing**  
For the upgrading and maintenance of staff housing assets
- m) **Newman Town Centre Revitalisation**  
For the revitalisation, upgrade and maintenance of the Newman Town Centre Precinct
- n) **Waste Management**  
For the development, maintenance & enhancement of waste management facilities
- o) **Public Art**  
For the development, maintenance & enhancement of Public Art within the three towns of the East Pilbara Shire
- p) **Town Centre Public Toilet**  
For the development, maintenance & enhancement of Town Centre Public Toilets
- q) **Annual Leave**  
To provided for the payment of annual leave entitlements for staff
- r) **Royalties for Regions – Pilbara Revitalisation**  
To hold and utilise the allocation of the Royalties for Regions – Pilbara Revitalisation funds in accordance with funding legislation



# Notes to the Financial Reports

## 11. Disposal of Assets

| Program                    | Net Book Value      |                  | Sale Proceeds       |                  | Profit/(Loss)       |                   |
|----------------------------|---------------------|------------------|---------------------|------------------|---------------------|-------------------|
|                            | Actual<br>\$        | Budget<br>\$     | Actual<br>\$        | Budget<br>\$     | Actual<br>\$        | Budget<br>\$      |
| Governance                 | 35,045.70           | 50,916           | 33,113.91           | 30,000           | (1,931.79)          | (20,916)          |
| Law, Order & Public Safety | 45,063.99           | 52,892           | 48,500.55           | 40,000           | 3,436.56            | (12,892)          |
| Housing                    | 6,205.09            | 0                | 0.00                | 0                | (6,205.09)          | -                 |
| Recreation & Culture       | 0.00                | 0                | 0.00                | 0                | -                   | -                 |
| Transport                  | 35,723.11           | 96,892           | 88,743.91           | 68,000           | 53,020.80           | (28,892)          |
| Economic Services          | 84,783.61           | 52,564           | 144,872.20          | 38,000           | 60,088.59           | (14,564)          |
| Other Property & Services  | 60,117.37           | 77,807           | 151,922.36          | 120,500          | 91,804.99           | 42,693            |
|                            | <b>\$266,938.87</b> | <b>\$331,071</b> | <b>\$467,152.93</b> | <b>\$296,500</b> | <b>\$200,214.06</b> | <b>(\$34,571)</b> |

# Notes to the Financial Reports

## 12. 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.

|  | 2009/2010<br>Actual \$ | 2009/2010<br>Budget \$ | 2008/2009<br>Actual \$ |
|--|------------------------|------------------------|------------------------|
| <b>Non Operating Income</b>              |                        |                        |                        |
| Proceeds From Sale Of Assets             | 467,152.93             | 296,500.00             | 505,377.75             |
| Loans Raised                             | 0.00                   | 0.00                   | 2,500,000.00           |
| Contributions From Self Supporting Loans | 0.00                   | 0.00                   | 0.00                   |
| Transfers From Reserve Accounts          | 1,982,588.57           | 882,100.00             | 3,292,704.72           |
| <b>Total Non Operating Income</b>        | <b>\$2,449,741.50</b>  | <b>\$1,178,600.00</b>  | <b>\$6,298,082.47</b>  |
| <b>Non Operating Expenditure</b>         |                        |                        |                        |
| Repayment Of Debentures                  | 672,926.55             | 672,900.00             | 341,477.76             |
| Transfer To Reserves                     | 21,386,719.04          | 625,000.00             | 2,621,546.88           |
| Land & Buildings                         | 8,607,623.45           | 8,639,500.00           | 1,384,098.36           |
| Furniture & Equipment                    | 171,032.69             | 165,700.00             | 149,406.92             |
| Plant & Equipment                        | 1,738,244.94           | 1,581,500.00           | 2,550,661.89           |
| Airport Assets                           | 3,625,730.63           | 4,156,500.00           | 9,216,839.88           |
| Infrastructure Assets                    | 7,866,051.41           | 25,939,100.00          | 3,833,625.64           |
| <b>Total Non Operating Expenditure</b>   | <b>\$44,068,328.71</b> | <b>\$41,780,200.00</b> | <b>\$20,097,657.33</b> |

### b) Current Position 1st July 2009

The current position balance carried forward from the previous financial year for the purpose of the 2008/2009 budget was \$1,121,500.38. The current position balance shown in the audited financial report as at 30 June 2009 was \$831,016.70.

## 13. 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 2009/2010 year was 0.5227 cents in the dollar on the gross rental value of the property. The total revenue from this rate was \$332,148.78.

## 14. Service Charges

No service charges were levied by Council during 2009/2010.

# Notes to the Financial Reports

## 15. Discounts, Incentives and Concessions

Council did not allow any discounts or concessions for the early payment of rates during 2009/2010.

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.

## 16. 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 \$17,222.30 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 \$6,332.00 were received against a budget of \$6,000 and interest of \$10,532.38 against a budget of \$11,000.

## 17. Borrowings

### (a) Unspent Loans

There were no bought forward or unspent borrowings for the 2009/2010 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 \$8,047,586.67.

### (c) New Borrowings

There were no new borrowings for the 2009/2010 year.

### (d) Overdraft

Council had not established an overdraft facility as at 30 June 2010.

Short term liquidity requirements were catered for from Council's own resources.

# Notes to the Financial Reports

## 18. Fees and Charges

The following fees and charges revenue resulted for each of Council's Functions for the 2009/2010 financial year:

| Function Name              | Function No | 2009/2010<br>\$       | 2008/2009<br>\$       |
|----------------------------|-------------|-----------------------|-----------------------|
| General Purpose Funding    | 3           | 37,047.31             | 57,749.42             |
| Governance                 | 4           | 13,999.53             | 36,249.56             |
| Law, Order & Public Safety | 5           | 31,117.68             | 27,807.47             |
| Health                     | 7           | 20,586.14             | 19,424.41             |
| Education & Welfare        | 8           | 22,815.49             | 111,670.35            |
| <b>Housing</b>             | <b>9</b>    | <b>25,903.48</b>      | <b>46,031.08</b>      |
| Community Amenities        | 10          | 2,752,365.97          | 2,942,566.88          |
| Recreation & Culture       | 11          | 571,387.61            | 529,933.44            |
| Transport                  | 12          | 4,279,872.92          | 4,854,916.74          |
| Economic Services          | 13          | 590,919.09            | 1,022,654.20          |
| Other Property & Services  | 14          | 3,154.06              | 34,990.95             |
|                            |             | <u>\$8,349,169.28</u> | <u>\$9,683,994.50</u> |

## 19. Investment Interest

| Function Name                          | Function No | 2009/2010<br>\$     | 2008/2009<br>\$     |
|--|-------------|---------------------|---------------------|
| <b>(a) Reserve Investments</b>         |             |                     |                     |
| Alice Springs Road                     |             | 8,657.36            | 6,901.75            |
| Heavy Road Plant                       |             | 9,760.21            | 30,955.37           |
| Marble Bar Aerodrome                   |             | 0.00                | 4,755.53            |
| Cape Keraudren Development             |             | 5,284.60            | 1,305.82            |
| <b>Computer Technology</b>             |             | <b>1,963.86</b>     | <b>1,256.79</b>     |
| Newman Recreation Centre Maintenance   |             | <b>7,602.43</b>     | <b>7,604.85</b>     |
| <b>Newman Sewerage Plant</b>           |             | <b>1,139.28</b>     | <b>101.35</b>       |
| Newman Airport                         |             | 70,592.47           | 61,278.22           |
| <b>Oval Lights Maintenance</b>         |             | <b>2,599.87</b>     | <b>1,749.49</b>     |
| Long Service Leave                     |             | 8,988.12            | 6,558.16            |
| Recreation Facilities Maintenance      |             | 6,290.01            | 4,087.99            |
| Staff Housing                          |             | 17,734.08           | 19,021.54           |
| Newman Town Centre Revitalisation      |             | 11,544.49           | 19,184.03           |
| Waste Management                       |             | 10,819.37           | 3,380.42            |
| Public Art                             |             | 385.91              | 0.00                |
| Public Toilet                          |             | 1,279.40            | 136.27              |
| Annual Leave                           |             | 1,084.68            | 0.00                |
|  |             | <u>\$165,762.14</u> | <u>\$168,277.58</u> |
| <b>Municipal Fund Investment</b>       |             | <b>803,420.89</b>   | <b>138,017.30</b>   |
| <b>Total Earnings From Investments</b> |             | <b>\$969,147.03</b> | <b>\$306,294.88</b> |



# Notes to the Financial Reports

## 20. Depreciation

| Function Name              | Function No | 2009/2010<br>\$       | 2008/2009<br>\$       |
|----------------------------|-------------|-----------------------|-----------------------|
| Governance                 | 4           | 209,643.05            | 231,433.48            |
| Law, Order & Public Safety | 5           | 79,664.38             | 75,742.02             |
| Health                     | 7           | 8,839.58              | 9,591.30              |
| Education & Welfare        | 8           | 225,100.28            | 38,424.90             |
| Housing                    | 9           | 85,226.53             | 83,678.29             |
| Community Amenities        | 10          | 166,800.61            | 219,731.64            |
| Recreation & Culture       | 11          | 432,677.05            | 369,366.47            |
| Transport                  | 12          | 6,420,330.47          | 8,117,902.26          |
| Economic Services          | 13          | 51,853.08             | 98,428.74             |
| Other Property & Services  | 14          | 710,909.24            | 691,624.36            |
|                            |             | <b>\$8,391,044.27</b> | <b>\$9,935,923.46</b> |

## 21. Councillors' Remuneration

The following fees, expenses and allowances were paid to council members and the president:

|                             | 2009/2010<br>\$     | 2009/2010<br>Budget \$ | 2008/2009<br>\$    |
|-----------------------------|---------------------|------------------------|--------------------|
| Meeting Fees                | 79,000.00           | 79,000                 | 68,000.00          |
| President's Allowances      | 9,000.00            | 9,000                  | 8,000.00           |
| Travelling Expenses         | 10,403.93           | 19,200                 | 17,183.41          |
| Telecommunication Allowance | 6,000.00            | 6,000                  | 5,500.00           |
|                             | <b>\$104,403.93</b> |                        | <b>\$98,683.41</b> |

## 22. 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   | 2009/2010<br>\$ | 2009/2010<br>\$    | 2008/2009<br>\$    |
|--------------------------|-----------------|--------------------|--------------------|
| Opening Balance          |                 | 12,657.14          | 10,145.55          |
| Bonds Received           |                 | 3,400.00           | 4,929.75           |
|                          | Sub Total       | 16,057.14          | 15,075.30          |
| Bonds Paid Out           |                 | 4,617.14           | 2,418.16           |
| Plus Unpresented Cheques |                 | 348.60             | 348.60             |
| Closing Balance          |                 | <b>\$11,788.60</b> | <b>\$13,005.74</b> |

# Notes to the Financial Reports

## 23. Financial Risk Management

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

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

Financial risk management is carried out by the finance area under policies approved by the Council.

Council held the following financial instruments at balance date:

|  | Fair Value             |                        | Fair Value             |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | 2009/2010<br>\$        | 2008/2009<br>\$        | 2009/2010<br>\$        | 2008/2009<br>\$        |
| <b>Financial Assets</b>                                |                        |                        |                        |                        |
| Cash & Cash Equivalents                                | 25,830,095.98          | 33,031,952.07          | 25,830,095.98          | 33,031,952.07          |
| Receivables  | 3,827,048.72           | 132,512.46             | 3,827,048.72           | 132,512.46             |
| Financial assets at fair value through profit and loss | 0.00                   | 0.00                   | 0.00                   | 0.00                   |
| Available for sale financial assets                    | 0.00                   | 0.00                   | 0.00                   | 0.00                   |
| <b>Held-to-maturity investments</b>                    | 0.00                   | 2,217,663.36           | 0.00                   | 2,217,663.36           |
|  | <u>\$29,657,144.70</u> | <u>\$35,382,127.89</u> | <u>\$29,657,144.70</u> | <u>\$35,382,127.89</u> |
| <b>Financial Liabilities</b>                           |                        |                        |                        |                        |
| Payables   | 3,337,626.36           | 3,390,854.52           | 3,337,626.36           | 3,390,854.52           |
| <b>Borrowings</b>                                      | 749,881.24             | 672,926.55             | 712,387.18             | 639,280.22             |
|  | <u>\$4,087,507.60</u>  | <u>\$4,063,781.07</u>  | <u>\$4,050,013.54</u>  | <u>\$4,030,134.74</u>  |

### Fair Value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings, Held-to-Maturity Investment – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles
- Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets – based on quoted market prices at the reporting date or independent valuation.

#### (a) Cash and Cash Equivalents

##### Financial assets at fair value through profit and loss

##### Available-for-sale financial assets

##### Held-to-maturity investments

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

# Notes to the Financial Reports

The major risk associated with investments is price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

|  | 30/06/2010<br>\$ | 30/06/2009<br>\$ |
|--|------------------|------------------|
| <b>Impact of a 5%(1) movement in price of investments:</b>   |                  |                  |
| Equity   | 54,000.00        | 51,000.00        |
| Statement of Comprehensive Income                            | 54,000.00        | 51,000.00        |
| <b>Impact of a 1% (1) movement in interest rates on cash</b> |                  |                  |
| Equity   | 73,000.00        | 42,000.00        |
| Statement of Comprehensive Income                            | 73,000.00        | 42,000.00        |

**Notes:**

(1) Sensitivity percentages based on management's expectation of future possible market

(2) Maximum impact.

**(b) Receivables**

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rate and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

Council makes suitable provision for doubtful receivables.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

# Notes to the Financial Reports

| Receivables Credit Risk                          | 30/06/2010 | 30/06/2009 |
|--|------------|------------|
| <b>Percentage of Rates and Annual Charges</b>    |            |            |
| Current  | 91%        | 40%        |
| Overdue  | 9%         | 60%        |
| <b>Percentage of Other Receivables (Debtors)</b> |            |            |
| Current  | 85%        | 60%        |
| Overdue  | 15%        | 40%        |

## (c) Credit Risk

### Payables – Borrowings

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

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.



# Notes to the Financial Reports

The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

| 2010       | Due Within One Year   | Due Between One and Five Years | Due After Five Years  | Total Contractual Cash Flows | Carrying Values        |
|------------|-----------------------|--------------------------------|-----------------------|------------------------------|------------------------|
| Payables   | 3,337,626.36          |                                |                       | 3,337,626.36                 | 3,337,626.36           |
| Borrowings |                       | 4,905,644.30                   | 3,609,412.49          | 8,515,056.79                 | 8,047,586.67           |
|            | <b>\$3,337,626.36</b> | <b>\$4,905,644.30</b>          | <b>\$3,609,412.49</b> | <b>\$11,852,683.15</b>       | <b>\$11,385,213.03</b> |

| 2009       |                       |                       |                       |                        |                        |
|------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|
| Payables   | 3,390,854.52          |                       |                       | 3,390,854.52           | 3,390,854.52           |
| Borrowings |                       | 4,645,604.29          | 4,579,413.56          | 9,225,017.85           | 8,720,513.22           |
|            | <b>\$3,390,854.52</b> | <b>\$4,645,604.29</b> | <b>\$4,579,413.56</b> | <b>\$12,615,872.37</b> | <b>\$12,111,367.74</b> |

| Year Ended 30 June 2010 |             |      |                         |    |                               |                      |
|-------------------------|-------------|------|-------------------------|----|-------------------------------|----------------------|
| Loan No                 | Expiry Date | Rate | Principal<br>30/06/2010 |    | Years to Run At<br>30/06/2010 | IRR At<br>30/06/2010 |
| 65                      | 1/02/2020   | 5.99 | 910,677.74              | 10 | >5 Years                      | 54,549.60            |
| 66                      | 15/06/2021  | 6.25 | 4,080,147.71            | 11 | >5 Years                      | 255,009.23           |
| 67                      | 1/03/2022   | 6.47 | 866,587.12              | 12 | >5 Years                      | 56,068.19            |
| 70                      | 13/1/2016   | 4.65 | 2,190,174.10            | 6  | >5 Years                      | 101,843.10           |
|                         |             |      | <b>\$8,047,586.67</b>   |    |                               | <b>\$467,470.12</b>  |
|                         |             |      | 710,481.24              |    | <1                            | 5.81%                |
|                         |             |      | 4,195,163.06            |    | 1 to 5                        |                      |
|                         |             |      | 3,141,942.37            |    | >5                            |                      |
|                         |             |      | <b>\$8,047,586.67</b>   |    |                               |                      |

# Notes to the Financial Reports

Year Ended 30 June 2009

| Loan No | Expiry Date | Rate | Principal<br>30/06/2010 | Years to Run At<br>30/06/2010 | IRR At<br>30/06/2010 |
|---------|-------------|------|-------------------------|-------------------------------|----------------------|
| 65      | 1/02/2020   | 5.99 | 975,565.79              | 11                            | >5 Years             |
| 66      | 15/06/2021  | 6.25 | 4,331,754.56            | 12                            | >5 Years             |
| 67      | 1/03/2022   | 6.47 | 913,192.87              | 13                            | >5 Years             |
| 70      | 13/01/2016  | 4.65 | 2,500,000.00            | 7                             | >5 Years             |
|         |             |      | <b>\$8,720,513.22</b>   |                               | <b>\$504,504.63</b>  |
|         |             |      |                         |                               | 5.79%                |
|         |             |      | 672,926.55              | <1                            |                      |
|         |             |      | 3,972,677.74            | 1 to 5                        |                      |
|         |             |      | 4,074,908.93            | >5                            |                      |
|         |             |      | <b>\$8,720,513.22</b>   |                               |                      |

## 24. Grants & Contributions (a) – Non Operating Grants For The Development Of Assets

| Grant Source                | Purpose                         | 2009/2010<br>Actual<br>\$ | 2008/2009<br>Actual<br>\$ |
|-----------------------------|---------------------------------|---------------------------|---------------------------|
| State Grants                |                                 |                           |                           |
| Dept LG & Regional Services | Royalties for Regions           | 0.00                      | 1,870,713.00              |
| Dept LG & Regional Services | Royalties for Regions           | 0.00                      | 20,000,000.00             |
| Pilbara Dev't Commission    | Co-Location Building            | 0.00                      | 300,000.00                |
| Dept Local Government       | Co-Location Building            | 100,000.00                | 168,750.00                |
| Lottery West                | Co-Location Building            | 2,200,000.00              | 0.00                      |
| DOTARS                      | Co-Location Building            | 206,250.00                | 0.00                      |
| Dept Local Govt – RIFP      | Co-Location Building            | 1,203,553.00              | 168,750.00                |
| Lottery West                | Nullagine Community Bus         | 0.00                      | 75,000.00                 |
| Dept of Veteran Affairs     | Marble Bar Memorial             | 3,636.36                  | 0.00                      |
| Dept Local Govt             | Nullagine Public Toilet Upgrade | 0.00                      | 20,000.00                 |
| Crime Prevention            | Nullagine Public Toilet Mural   | 0.00                      | 5,000.00                  |
| Pilbara Fund                | Rec Centre Roof & Renovations   | 0.00                      | 300,000.00                |
| RIFP                        | Rec Centre Roof & Renovations   | 0.00                      | 250,000.00                |
| CRSFF                       | Rec Centre Roof & Renovations   | 330,000.00                | 0.00                      |
| PDC – Newcrest Mining Grant | Martumilli Arts Program         | 0.00                      | 9,090.91                  |
| Govt of WA                  | Martumilli Arts Program         | 0.00                      | 3,850.00                  |
| Dept of Local Government    | Community Art Space             | 105,805.00                | 0.00                      |

# Notes to the Financial Reports

## (a) – Non Operating Grants For The Development Of Assets Cont'd

| Grant Source                 | Purpose                         | 2009/2010<br>Actual<br>\$ | 2008/2009<br>Actual<br>\$ |
|------------------------------|---------------------------------|---------------------------|---------------------------|
| <b>State Grants</b>          |                                 |                           |                           |
| Pilbara Dev't Commission     | Motocross Upgrade               | 60,000.00                 | 0.00                      |
| WA Grants Commission         | Aboriginal Access Roads         | 450,000.00                | 446,000.00                |
| Main Roads WA                | Aboriginal Access Roads         | 225,000.00                | 223,000.00                |
| Main Roads WA                | Regional Road Group             | 513,087.00                | 530,000.00                |
| Main Roads WA                | Direct Road Grants              | 248,283.00                | 227,735.00                |
| Main Roads WA                | Flood Damage                    | 531,600.00                | 0.00                      |
| WA Grants Commission         | Untied Road Grants              | 260,000.00                | 404,800.00                |
| Country Housing Association  | Airport House                   | 0.00                      | 25,000.00                 |
| RADS Grant                   | Marble Bar Airport Seal         | 0.00                      | 250,000.00                |
| RADS Grant                   | Newman Runway                   | 1,131,209.15              | 0.00                      |
| RADS Grant                   | Nullagine Airport Lighting      | 44,815.64                 | 0.00                      |
| RADS Grant                   | Nullagine Shelter               | 40,000.00                 | 0.00                      |
| RADS Grant                   | Newman Airport Redevelopment    | 0.00                      | 2,000,000.36              |
|                              |                                 | <b>7,653,239.15</b>       | <b>27,277,689.27</b>      |
| <b>Federal Grants</b>        |                                 |                           |                           |
| RLCIP                        | Infrastructure Projects         | 212,000.00                | 539,000.00                |
| Dept Environment & Heritage  | Martumilli Arts Program         | 0.00                      | 142,335.00                |
| Federal Dep't Of Transport   | Roads To Recovery               | 1,013,743.00              | 782,199.00                |
| Federal Dep't Of Transport   | Baggage Handling Machine        | 0.00                      | 590,900.00                |
|                              |                                 | <b>1,225,743.00</b>       | <b>2,054,434.00</b>       |
| <b>Contributions</b>         |                                 |                           |                           |
| BHPBIO - Sustainability Prog | Co-location Building            | 0.00                      | 700,000.00                |
| BHPBIO - Sustainability Prog | YMCA                            | 147,000.00                | 20,909.09                 |
| BHPBIO - Sustainability Prog | Fitness Centre Extensions       | 0.00                      | 400,000.00                |
| BHPBIO - Sustainability Prog | Boomerang Oval Light Controller | 0.00                      | 24,900.00                 |
| BHPBIO - Sustainability Prog | Capricorn Irrigation Upgrade    | 90,000.00                 | 0.00                      |
| BHPBIO - Sustainability Prog | Miners Promise Reserve          | 1,667,517.50              | 0.00                      |
| BHPBIO - Sustainability Prog | Netball & Tennis Court Upgrade  | 382,363.50                | 0.00                      |
| BHPBIO - Sustainability Prog | Newman T/centre Beautification  | 0.00                      | 49,350.00                 |
| BHPBIO - Sustainability Prog | Newman Rec Centre Extensions    | 0.00                      | 400,000.00                |
| BHPBIO - Sustainability Prog | Newman Rec Centre Painting      | 90,600.00                 | 0.00                      |
| BHPBIO - Sustainability Prog | General Projects - Function 12  | 0.00                      | 500,000.00                |

# Notes to the Financial Reports

## (a) – Non Operating Grants For The Development Of Assets Cont'd

| Grant Source                 | Purpose                     | 2009/2010              | 2008/2009              |
|------------------------------|-----------------------------|------------------------|------------------------|
|                              |                             | Actual<br>\$           | Actual<br>\$           |
| <b>State Grants</b>          |                             |                        |                        |
| BHPBIO - Sustainability Prog | Gun Club Footpath Upgrade   | 55,029.00              | 0.00                   |
| BHPBIO - Sustainability Prog | Ophthalmia Dam Road Upgrade | 105,000.00             | 0.00                   |
| BHPBIO - Sustainability Prog | Radio Hill Upgrade          | 174,300.00             | 0.00                   |
|                              |                             | 2,711,810.00           | 2,095,159.09           |
|                              |                             | <b>\$11,590,792.15</b> | <b>\$31,427,282.36</b> |

## (b) – Operating Grants & Contributions

### State Grants

|                                   |                             |                 |              |
|-----------------------------------|-----------------------------|-----------------|--------------|
| WA Grants Commission              | General Purpose Grants      | 2,307,046.00    | 3,762,814.00 |
| Dept LG & Regional Services       | R4R - Asset Management      | 35,000.00       | 0.00         |
| Fire & Emergency Services         | Administration Grant        | 0.00            | 5,000.00     |
| Fire & Emergency Services         | Nullagine Bush Fire Brigade | 3,544.50        | 17,715.00    |
| WA Government Agencies            | Women's Conference          | 0.00            | 500.00       |
| Dept of Education & Training      | Adult Learning Week         | <b>2,000.00</b> | <b>0.00</b>  |
| <b>Dept of Communities</b>        | Women's Conference          | 0.00            | 15,000.00    |
| Aust Sports commission            | Active Sports               | 0.00            | 1,930.50     |
| Dept Veterans                     | Nullagine Memorial          | 0.00            | 3,636.36     |
| Office of Crime Prevention Grant  | Crime Prevention Plan       | 26,200.00       | 21,200.00    |
| State Treasury                    | Swimming Pool Subsidies     | 6,000.00        | 6,000.00     |
| Art Cultural Activities (RACS)    | Martumilli Arts Project     | 55,683.00       | 57,307.10    |
| Art Enterprise Activities (NACIS) | Martumilli Arts Project     | 230,000.00      | 110,367.00   |
| Pilbara Dev't Commission          | Indigenous Arts Project     | 10,097.31       | 42,200.00    |
| DEEWR                             | Artists Business Plan       | 73,745.44       | 0.00         |
| Dept Culture and the Arts         | Unkurra Solar Exhibition    | 17,717.00       | 0.00         |
| Pilbara Dev't Commission          | Martu Respect Project       | 57,664.00       | 0.00         |
| Next Wave                         | Adelaide Biennial           | 5,000.00        | 0.00         |
| WA Grants Commission              | Untied Road Grants          | 834,600.00      | 1,353,174.00 |
| State Dep't of Transport          | RPT Bus Service Subsidy     | 69,999.96       | 69,999.96    |
|                                   |                             | 3,734,297.21    | 5,466,843.92 |



# Notes to the Financial Reports

## (b) - Operating Grants & Contributions Cont'd

| Grant Source                | Purpose                       | 2009/2010<br>Actual<br>\$ | 2008/2009<br>Actual<br>\$ |
|-----------------------------|-------------------------------|---------------------------|---------------------------|
| <b>Federal Grants</b>       |                               |                           |                           |
| Dept Family & Community Ser | Nullagine Youthlinx           | 13,533.84                 | 13,281.50                 |
| Dept Family & Community Ser | Out Of School Hours Care      | 0.00                      | 5,875.00                  |
| Dept Family & Community Ser | Vacation Care                 | 0.00                      | 3,875.00                  |
| FAHCSIA                     | Pioneer Cemetery              | 2,000.00                  | 0.00                      |
| Dept Environment& Heritage  | National Works Package        | 40,720.00                 | 0.00                      |
| Aust Arts Council           | Adelaide Biennial             | 18,690.00                 | 0.00                      |
| FAHCSIA                     | Jigalong Diversionary Project | 10,000.00                 | 0.00                      |
|                             |                               | <u>96,913.65</u>          | <u>46,524.75</u>          |
| <b>Contributions</b>        |                               |                           |                           |
| BHPBIO                      | Women's Conference            | 0.00                      | 0.00                      |
| HWE                         | Women's Conference            | 0.00                      | 13,636.36                 |
| Big Sky                     | Women's Conference            | 0.00                      | 454.55                    |
| Tribute Earthmoving Grant   | Women's Conference            | 0.00                      | 4,545.45                  |
| BHPBIO                      | Rubbish Run                   | 24,000.00                 | 24,000.00                 |
| Water Corporation           | Newman Sewerage Farm          | 117,417.52                | 113,887.03                |
| BHPBIO                      | Refuse Bins                   | 50,000.00                 | 0.00                      |
| Royal Life Saving           | Bronze Medallion Training     | 963.64                    | 0.00                      |
| BHPBIO - Art Contribution   | Martumilli Arts Project       | 134,472.00                | 131,788.00                |
| BHPBIO - Art Contribution   | Canberra Exhibition           | 25,000.00                 | 0.00                      |
| BHPBIO - Community Grant    | Newman Community Library      | 0.00                      | 18,000.00                 |
| BHPBIO - Community Grant    | Ophthalmia Dam Bar-b-ques     | 600.00                    | 0.00                      |
| BHPBIO - Normalisation      | Community Support             | 200,000.00                | 200,000.00                |
|                             |                               | <u>552,453.16</u>         | <u>506,311.39</u>         |
|                             |                               | <u>\$4,383,664.02</u>     | <u>\$6,019,680.06</u>     |

# Notes to the Financial Reports

## (b) – Grants By Program In Operating Statement

|                                | 2009/2010<br>\$      | 2008/2009<br>\$      |
|--------------------------------|----------------------|----------------------|
| <b>Program</b>                 |                      |                      |
| General Purpose Funding        | 2,519,046.00         | 26,172,527.00        |
| Governance                     | 35,000.00            | 0.00                 |
| Law, Order & Public Safety     | 13,544.50            | 32,715.00            |
| <b>Education &amp; Welfare</b> | <b>3,940,143.01</b>  | <b>1,564,837.06</b>  |
| Housing                        | 0.00                 | 0.00                 |
| Community Amenities            | 167,417.52           | 138,887.03           |
| Recreation & Culture           | 3,527,638.39         | 2,060,188.01         |
| Transport                      | 5,527,366.79         | 7,407,808.36         |
| Economic Services              | 244,299.96           | 69,999.96            |
| Other Property & Services      | 0.00                 | 0.00                 |
|                                | <u>15,974,456.17</u> | <u>37,446,962.42</u> |

# Notes to the Financial Reports

## 25. Performance Measures

The following performance measures are used to compare Council's financial performance for 2009/2010 with the previous two years:

| Performance Measure                              | How Calculated   | 2009/2010 | 2008/2009 | 2007/2008 |
|--|--|-----------|-----------|-----------|
| (a) Current ratio                                | current assets minus restricted assets   |           |           |           |
|  | $\frac{\text{current liabilities minus liabilities associated with restricted assets}}{\text{current assets minus restricted assets}}$ | 1.0752    | 1.2243    | 1.8335    |
| (b) Debt ratio                                   | $\frac{\text{total liabilities}}{\text{total assets}}$   | 0.0710    | 0.0776    | 0.0612    |
| (c) Debt service ratio                           | $\frac{\text{debt service cost}}{\text{available operating revenue}}$  | -0.1084   | 0.0319    | 0.0473    |
| (d) Rate coverage ratio                          | $\frac{\text{net rate revenue}}{\text{operating revenue}}$   | 27.4441   | 0.1074    | 0.2172    |
| (e) Outstanding rates ratio                      | $\frac{\text{rates outstanding}}{\text{rates collectable}}$  | 0.0250    | 0.033     | 0.0376    |
| (f) Untied Cash to Trade Creditors Ratio         | $\frac{\text{untied cash}}{\text{unpaid trade creditors}}$   | 0.4551    | 4.036     | 4.6596    |
| (g) Gross Debt to Revenue Ratio                  | $\frac{\text{gross debt}}{\text{total revenue}}$   | 0.6685    | 0.511     | 0.4865    |
| (h) Gross Debt to Economically Realisable Assets | $\frac{\text{gross debt}}{\text{economically realisable assets}}$  | 0.1126    | 0.1321    | 0.2091    |

# Notes to the Financial Reports

## 26. Employees Remuneration

Set out below is the number of employees of the Shire entitled to an annual salary of \$100,000 or more;

| Salary Range      | 09/10 | 08/09 |
|-------------------|-------|-------|
| 100,00 - 109,999  | 0     | 1     |
| 110,000 - 119,999 | 2     | 3     |
| 120,000 - 129,999 | 1     | 0     |
| 160,000 - 169,000 | 1     | 1     |

## 27. Bad and Doubtful Debts

The following debts were written off during the year:

|                | 09/10       | 08/09       |
|----------------|-------------|-------------|
| Rates          | \$5,384.39  | \$53,286.49 |
| Sundry Debtors | \$11,311.13 | \$5,116.50  |

## 28. Auditors Remuneration

Audit fees incurred during 2009/2010 were \$12,378.85. Comparative fees during 2009/2010 were \$14,739.58.

## 29. Contingent Liabilities

The Council had no contingent liabilities as at 30 June 2010.

## 30. Major Land Transactions

The Council undertook no land transactions for the period ending 30 June 2010.

## 31. Trading Undertakings

The Council had no trading undertakings as at 30 June 2010.

## 32. Employee Numbers

|   | 09/10 | 08/09 |
|---|-------|-------|
| The number of permanent employees at balance date | 65    | 60    |



# Independent Audit Report



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Australia

## INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF EAST PILBARA

### Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of the Shire of East Pilbara, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the council declaration.

### The Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1995. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

### Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

# Independent Audit Report



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## Auditor's Opinion


In our opinion, the financial report presents fairly, in all material respects, the financial position of Shire of East Pilbara as of 30 June 2010 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

## Report on Other Legal and Regulatory Requirements

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

- a) There are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) There are no further matters indicating non-compliance with Part 6 of the Local Government Act 1995, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were noted during the course of our audit.
- c) All necessary information and explanations were obtained.
- d) All audit procedures were satisfactorily completed in conducting our audit.

## BDO Audit (WA) Pty Ltd

BDO Audit  


**Chris Burton**  
Director

Perth, Western Australia  
Dated this 17<sup>th</sup> day of December 2010

## A Ratings and Valuations

| Rate Type         | Rate In The Dollar (cents) | Number of Properties | Rateable Value \$   | Rate Revenue \$       | Interim Rates \$    | Total Revenue \$      | Rate Revenue \$    | Budget Interim Rates \$ | Total Revenue \$   |
|-------------------|----------------------------|----------------------|---------------------|-----------------------|---------------------|-----------------------|--------------------|-------------------------|--------------------|
| GRV - Industrial  | 3.4872                     | 67                   | 3,139,400           | 109,477.10            | 436,646.58          | 546,123.68            | 107,500.00         | 30,000                  | 137,500            |
| GRV - Town Centre | 5.9398                     | 31                   | 3,497,640           | 207,752.82            |                     | 207,752.82            | 207,800.00         |                         | 207,800            |
| GRV - Nullagine   | 8.1994                     | 15                   | 173,056             | 14,189.56             |                     | 14,189.56             | 14,100.00          |                         | 14,100             |
| GRV - Marble Bar  | 7.9741                     | 32                   | 385,758             | 30,760.70             |                     | 30,760.70             | 30,800.00          |                         | 30,800             |
| GRV - Transient   | 6.5504                     | 5                    | 6,395,220           | 418,912.48            |                     | 418,912.48            | 418,900.00         |                         | 418,900            |
| GRV - Other       | 3.6839                     | 1,469                | 41,039,800          | 1,511,864.82          |                     | 1,511,864.82          | 1,511,900.00       |                         | 1,511,900          |
| UV                | 14.9750                    | 295                  | 13,996,965          | 2,096,045.64          | -262,784.70         | 1,833,260.94          | 2,096,000.00       | 100,000                 | 2,196,000          |
| UV - Exploration  | 12.9271                    | 388                  | 5,042,784           | 651,886.10            |                     | 651,886.10            | 651,800.00         |                         | 651,800            |
| UV - Prospecting  | 12.9271                    | 88                   | 187,869             | 24,286.10             |                     | 24,286.10             | 24,200.00          |                         | 24,200             |
| UV -Pastoral      | 10.0139                    | 43                   | 2,568,895           | 257,246.57            |                     | 257,246.57            | 257,200.00         |                         | 257,200            |
| <b>Sub Total</b>  |                            | <b>2,433</b>         | <b>\$76,427,387</b> | <b>\$5,322,421.89</b> | <b>\$173,861.88</b> | <b>\$5,496,283.77</b> | <b>\$5,320,200</b> | <b>\$130,000</b>        | <b>\$5,450,200</b> |

# Appendices

# Appendices

## A Ratings and Valuations Cont'd

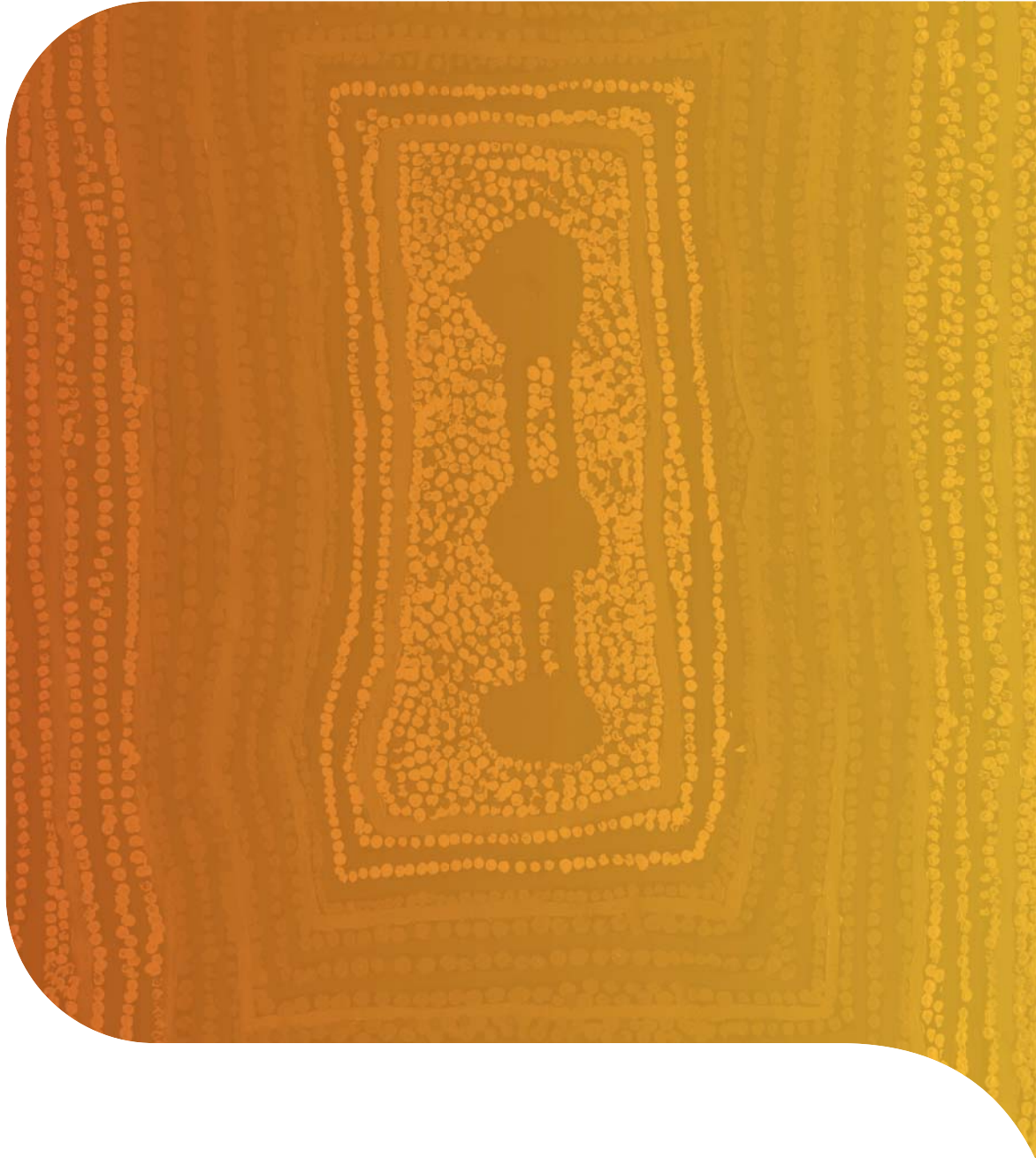
| Rate Type            | Rate In The Dollar (cents) | Number of Properties | Rateable Value \$   | Rate Revenue \$       | Interim Rates \$    | Total Revenue \$      | Rate Revenue \$    | Budget Interim Rates \$ | Total Revenue \$   |
|----------------------|----------------------------|----------------------|---------------------|-----------------------|---------------------|-----------------------|--------------------|-------------------------|--------------------|
| <b>Minimum Rates</b> | <b>Minimum \$</b>          |                      |                     |                       |                     |                       |                    |                         |                    |
| GRV - Industrial     | 650.00                     | 6                    | 96,260              | 3,900                 |                     | 3,900.00              | 3,900.00           |                         | 3,900              |
| GRV - Town Centre    | 650.00                     | 0                    | 0                   | 0                     |                     | 0.00                  | 0.00               |                         | 0                  |
| GRV - Nullagine      | 475.00                     | 30                   | 102,873             | 14,250                |                     | 14,250.00             | 14,300.00          |                         | 14,300             |
| GRV - Marble Bar     | 475.00                     | 75                   | 241,463             | 35,625                |                     | 35,625.00             | 35,200.00          |                         | 35,200             |
| GRV - Transient      | 650.00                     | 0                    | 0                   | 0                     |                     | 0.00                  | 0.00               |                         | 0                  |
| GRV - Other          | 650.00                     | 536                  | 5,344,135           | 348,400               |                     | 348,400.00            | 341,900.00         |                         | 341,900            |
| UV - Pastoral        | 250.00                     | 17                   | 7,337               | 4,250                 |                     | 4,250.00              | 4,300.00           |                         | 4,300              |
| UV - Other           | 250.00                     | 1,398                | 771,411             | 349,500               |                     | 349,500.00            | 349,500.00         |                         | 0                  |
| UV - Exploration     | 250.00                     | 91                   | 75,253              | 22,750                |                     | 22,750.00             | 22,800.00          |                         | 22,800             |
| UV - Prospecting     | 250.00                     | 157                  | 164,376             | 39,250                |                     | 39,250.00             | 39,300.00          |                         | 39,300             |
| <b>Sub Total</b>     |                            | <b>2,310</b>         | <b>\$6,803,108</b>  | <b>\$817,925.00</b>   | <b>\$0.00</b>       | <b>\$817,925.00</b>   | <b>\$811,200</b>   | <b>\$0</b>              | <b>\$461,700</b>   |
| <b>Total</b>         |                            | <b>4,743</b>         | <b>\$83,230,495</b> | <b>\$6,140,346.89</b> | <b>\$173,861.88</b> | <b>\$6,314,208.77</b> | <b>\$6,131,400</b> | <b>\$130,000</b>        | <b>\$5,911,900</b> |



**(b) Loan Repayment Schedule**

| Loan No               | Particulars                     | Principal          | New Loans |              | Principal Repayments Made |              | Principal Outstanding 30 June 2010 |             | Interest Repayments Made |              |
|-----------------------|---------------------------------|--------------------|-----------|--------------|---------------------------|--------------|------------------------------------|-------------|--------------------------|--------------|
|                       |                                 | 1 July 2009 Actual | Actual    | Budget       | Actual                    | Budget       | Actual                             | Budget      | Actual                   | Budget       |
| <b>Administration</b> |                                 |                    |           |              |                           |              |                                    |             |                          |              |
| 65                    | Newman Admin Building Upgrade   | 975,565.79         | 0.00      | 64,900       | 64,888.05                 | 64,900       | 910,677.74                         | 910,666     | 58,186.33                | 58,200.00    |
| <b>Housing</b>        |                                 |                    |           |              |                           |              |                                    |             |                          |              |
| 67                    | Staff Housing                   | 913,192.87         | 0.00      | 46,600       | 46,605.75                 | 46,600       | 866,587.12                         | 866,593     | 58,935.57                | 58,900.00    |
| <b>Transport</b>      |                                 |                    |           |              |                           |              |                                    |             |                          |              |
| 66                    | Newman Airport Precinct Upgrade | 4,331,754.56       | 0.00      | 251,600      | 251,606.85                | 251,600      | 4,080,147.71                       | 4,080,155   | 269,825.99               | 269,900.00   |
| 70                    | Newman Terminal Upgrade         | 2,500,000.00       | 0.00      | 309,800      | 309,825.90                | 309,800      | 2,190,174.10                       | 2,190,200   | 114,095.52               | 114,100.00   |
|                       |                                 | \$8,720,513.22     | \$0.00    | \$672,900.00 | \$672,926.55              | \$672,900.00 | \$8,047,586.67                     | \$8,047,613 | \$501,043.41             | \$501,100.00 |





**The Principal Office of the Shire is located at:**

Cnr Newman Drive & Kalgan Drive  
NEWMAN WA 6753

**Postal Address:**

PMB 22  
NEWMAN WA 6753

