



# Annual Report

2011 - 2012

Shire  
of East  
Pilbara





# Welcome

**On the cover, above and throughout this Annual Report:** Bugai Whyulter, Kurta Kurta, Wantili, Kalpa and Katarru, 2012 (152 x 304cm, acrylic on linen (diptych)).

This diptych by Bugai Whyulter was selected for the 29th Telstra National Aboriginal & Torres Strait Islander Art Award (NATSIAA) 2012, held in Darwin in August 2012. The works depict Kurta Kurta, Wantili, Kalpa and Katarru, in the artist's country. The artist lived nomadically for a lot of her life, travelling extensively around the western desert from her birth place near Balfour Downs Station, west of Parnngurr right up through Jigalong, the Canning Stock Route and up to Well 33 (Kunawarritji), where she now lives.





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## Our History

### Shire of East Pilbara

The Shire of East Pilbara is considered the heart of the Pilbara, covering approximately 379,571 square kilometres, larger than the state of Victoria.

Its main townsites are Newman, Marble Bar and Nullagine, with a number of Aboriginal Communities inhabiting 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 is also operated at Nullagine.

The estimated population of the Shire is 25 000 of which (including Fly-In, Fly-Out) 9000 live in Newman which is the home of BHP Iron Ore's major Pilbara Iron Ore mine; Mt Whaleback. The Shire 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 Mt Newman were named in honour of Aubrey Woodward Newman, an early explorer. The town of Newman was built by Mt 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 being Australia's hottest town. It is

located 1,476 kilometres north of Perth along the Great Northern Highway, with a population of approximately 410 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

Cr Lynne Craigie

I am pleased to provide the annual report statement for 2011/12 to the rate payers and residents of the Shire of East Pilbara.

The year under review saw the landscape of Newman continue to change with the addition of a new park for the town centre. Named Kiripirna Park, it was completed and officially opened in June 2012. This is an Aboriginal ethnographic site of significance which serves as both a mythological and ceremonial site for the Nyiyaparli people. The project involved replacing two rocks which original formed the physical aspect of the site and erecting interpretative signage. The park is open for the enjoyment of all residents of Newman and I encourage you all to explore this new meeting spot.

In April 2011, Council accepted a tender for design and construction services for the junior sporting facilities at Capricorn Sporting Complex, Newman. As most of you are aware, that facility is now completed and being well utilised by many of the junior sporting associations in Newman.

Further improvements to the sporting facilities in Newman also include lighting to Capricorn & Boomerang Oval. The Newman Senior Cricket Association have already indicated their intention to have night matches this season, including 20/20 matches.

Additionally, council accepted a tender for construction services for a new sports facility at Boomerang Oval, Newman (October 2011). The provision of a new sporting facility at Boomerang Oval is part of the Newman Town Centre Revitalisation Plan, with construction to take place concurrently with the new road and roundabout. As you can see, works are already well underway with the roundabout already completed. The sporting facility itself is due to be completed in October 2012.

Unsurprisingly, Newman Airport also experienced significant growth in the past financial year with passenger numbers continuing to rise at a rapid rate. Initially, numbers were not expected to reach 240,000 per annum until the 2013/14 financial year however, it has now been estimated that passenger numbers which reach this rate by the 2011/12 financial year. As a result, Council has considered it a priority to extend amenities and the lounge floor space at the Newman Airport, which should be completed in the 2012/13 financial year.

Local government elections took place on 15 October 2011 and we said goodbye to three valued Councillors – Kelvin Portland, Debbie Becker and Barbara O’Driscoll. I thank them sincerely for their commitment to the Shire during the duration of their service. Of course, as we say goodbye to three Councillors it also means we welcome three new Councillors – Gerry Parsons, Craig Hoyer and Darren Bennetts. I am also pleased to confirm that I have retained my position as Shire President and welcome Lang Coppin as the new Deputy.

Once again, I thank the Shire staff for their continued hard work over the past year. I would also like to thank my fellow Councillors for once again electing me as the Shire President. I am very humbled and grateful to be elected as the Shire President once again and will continue to fulfil this role to the best of my abilities.

Cr Lynne Craigie  
Shire President



## From the CEO

Mr Allen Cooper

Thank you for taking the time to read the Shire of East Pilbara's annual report for 2011-12. Please allow me to provide some information about some of the significant milestones and changes undergone in our region this past financial year.

Importantly, this past year the Shire undertook a review of all its local laws. I am now pleased to advise that Council has adopted six new local laws during the 2011/12 financial year. They are:

- Bush Fire Brigades Local Law 2011
- Dogs Local Law 2011
- Fencing Local Law 2011
- Health Local Law 2011
- Parking and Parking Facilities Local Law 2011
- Public Places and Local Government Property Local Law 2011

Please make yourself familiar with the new local laws, as well as the Cemeteries Local Law 2010 and the Standing Orders Local Law 2010. Copies are available at the Shire Administration Centre or for download from the State Law Publisher website.

As more people have chosen to make Newman home, the Shire's Planning and Building departments have been working extremely hard to make more land available for future developments and to

approve the necessary licences as quickly as possible. In the past year, Council has approved several new developments including, the new Kurra development, East Newman subdivision and additional accommodation units at the Newman Hotel Motel and Mia Mia Hotel.

In 2010, I reported on some of the impending changes to the Local Government (Administration) Regulations 1996. These changes included the adoption of a Corporate Business Plan and Strategic Business Plan. I am pleased to advise, that the Shire of East Pilbara has been working extremely hard over the past year to develop and implement the following strategies/plans to comply with the changes.

Another significant event includes the East Pilbara Youth Plan which was adopted by Council in December 2011. The Plan identifies gaps in youth service delivery areas across all three towns in the East Pilbara and clearly states specific strategies, programmes and projects that could be implemented to help young people in the East Pilbara overcome the issue of boredom.

In July 2011, Council entered into an agreement with the Department of Local Government to provide funding for the development of a long term financial plan. This funding will be used to engage specialist funding consultants and to provide training to Shire of East Pilbara staff.

One of the most important developments we have commenced this past year is the Economic Development Plan. With the Shire of East Pilbara a focal point within the Pilbara for extensive and sustained growth, Council took the opportunity to develop a strategy which focuses on

some of the key issues associated with economic development in the Shire of East Pilbara. This strategy, adopted by Council in April 2012, identifies the strategies that are considered to be the most important, guides Council actions in economic sustainability and growth, and provides for future liveability standards to encourage families and retention of the population within the Shire.

In 2009, the Shire engaged a consultant to carry out research, develop and create a strategic plan for Newman – "Newman Tomorrow: Resourcing a Home for Generations." To ensure this document is a "living document," ongoing consultation and revaluation of its content and strategies is mandatory. To this end, the Shire has requested a full review of the Newman Tomorrow document, which is due to be released soon.

During the 2011-12 financial year, the Shire also spent a significant amount of time and money maintaining and upgrading its many arterial roads which service Newman, Marble Bar, Nullagine and Cape Keraudren. A combined total of over \$370,000 was also spent maintaining and upgrading the many Aboriginal Access Roads in the Shire of East Pilbara, including Kiwirrkurra, Punmu, Talawana, Jupiter Well and Kunawarrtji Access Roads. A total of over 2 million dollars was spent on roads in the 2011-12 financial year.

Once again, I would like to thank all staff at the Shire of East Pilbara for their continued work throughout the year. I would also like to thank the Councillors who continue to strive to make the Shire of East Pilbara a better place for all.

# Elected Members

South Ward



**Cr Lynne Craigie**  
Shire President  
Term Expires: 2015

South Ward



**Cr Shane Carter**  
Term Expires: 2013

South Ward



**Cr Craig Hoyer**  
Term Expires: 2015

South Ward



**Cr Gerry Parsons**  
Term Expires: 2015

South Ward



**Cr Doug Stead**  
Term Expires: 2013

South Ward



**Cr Anita Grace**  
Term Expires: 2013

North Ward



**Cr Lang Coppin**  
Shire Deputy President  
Term Expires: 2013

North West Ward



**Cr Stephen Kiernan**  
Term Expires: 2015

Lower Central Ward



**Cr Darren Bennetts**  
Term Expires: 2015

East Ward



**Cr Kevin Danks**  
Term Expires: 2013

Central Ward



**Cr Sue Owen**  
Term Expires: 2013



**Cr Barbara O'Driscoll**  
Term expired 2011



**Cr Kevin Portland**  
Term expired 2011



**Cr Debbie Becker**  
Term expired 2011



## Councillor's Meeting Attendance

	Ward	Retire	22-Jul-11	26-Aug-11	23-Sep-11	Ordinary Election 15 October 2011	28-Oct-11
<b>Location</b>			<b>Newman</b>	<b>Newman</b>	<b>Marble Bar</b>		<b>Newman</b>
<b>Cr Lynne Craigie</b>	South	2015	Yes	Yes	Yes	Re-Elected	Yes
<b>Cr Stephen Kiernan</b>	North West	2015	Yes	Apology	Yes	Re-Elected	Yes
<b>Cr Gerry Parson</b>	South	2015				Newly Elected	Yes
<b>Cr Craig Hoyer</b>	South	2015				Newly Elected	Yes
<b>Cr Darren Bennett</b>	Lower Central	2015				Newly Elected	Apology
<b>Cr Anita Grace</b>	South	2013	Yes	Yes	Yes		Yes
<b>Cr Shane Carter</b>	South	2013	Yes	Yes	Yes		Yes
<b>Cr Doug Stead</b>	South	2013	Apology	Apology	Apology		Yes
<b>Cr Lang Coppin</b>	North	2013	Yes	Apology	Yes		Yes
<b>Cr Kevin Danks</b>	East	2013	Yes	Yes	Yes		Apology
<b>Cr Sue Owen</b>	Central	2013	Yes	Yes	Yes		Yes
<b>Cr Barbara O'Driscoll</b>	Lower Central	2011	Yes	Apology	Yes	Lost Election	
<b>Cr Kelvin Portland</b>	South	2011	Apology	Yes	Yes	Retired	
<b>Cr Debbie Becker</b>	South	2011	Yes	Apology	Apology	Retired	

	16-Dec-11	03-Feb-12	16-Mar-12	27-Apr-12	25-May-12	22-Jun-12
<b>Location</b>	<b>Newman</b>	<b>Newman</b>	<b>Marble Bar</b>	<b>Newman</b>	<b>Newman</b>	<b>Marble Bar</b>
<b>Cr Lynne Craigie</b>	Apology	Yes	Apology	Yes	Apology	Yes
<b>Cr Stephen Kiernan</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Cr Gerry Parson</b>	Yes	Yes	Apology	Yes	Apology	Yes
<b>Cr Craig Hoyer</b>	Yes	Yes	Yes	Yes	Yes	Apology
<b>Cr Darren Bennett</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Cr Anita Grace</b>	Yes	Yes	Apology	Yes	Yes	Apology
<b>Cr Shane Carter</b>	Apology	Leave Of Absence	Leave of Absence	Yes	Yes	Yes
<b>Cr Doug Stead</b>	Yes	Yes	Apology	Yes	Yes	Yes
<b>Cr Lang Coppin</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Cr Kevin Danks</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Cr Sue Owen</b>	Yes	Apology	Yes	Apology	Yes	Apology
<b>Cr Barbara O'Driscoll</b>						
<b>Cr Kelvin Portland</b>						
<b>Cr Debbie Becker</b>						

Councillor's meeting attendance for 10 meetings in the financial year are as follows:

<b>Cr Lynne Craigie</b>	7
<b>Cr Anita Grace</b>	8
<b>Cr Shane Carter</b>	7
<b>Cr Doug Stead</b>	6
<b>Cr Lang Coppin</b>	9
<b>Cr Stephen Kiernan</b>	9
<b>Cr Kevin Danks</b>	9
<b>Cr Sue Owen</b>	7
<b>Cr Darren Bennett</b>	6
<b>Cr Gerry Parsons</b>	5
<b>Cr Craig Hoyer</b>	6
<b>Cr Barbara O'Driscoll</b>	2
<b>Cr Kelvin Portland</b>	2
<b>Cr Debbie Becker</b>	1



# Organisational Chart



**Allen Cooper**  
Chief Executive Officer



**Sian Appleton**  
Deputy Chief  
Executive Officer



**Rick Miller**  
Director Technical and  
Development Services



**Angela McDonald**  
Manager Finance and  
Administration Services



**David Kular**  
Manager Human  
Resources



**David Everett**  
Manager Development  
Services Building



**Sharon Walsh**  
Manager Community  
Well being



**Adam Majid**  
Manager Development  
Services Planning



**Leon Burger**  
Manager Airport  
Services



**Edmore Masaka**  
Manager Development  
Services Health



**Gary Grapes**  
Manager Building Assets



**Oliver Schaar**  
Manager Technical  
Services Rural



**Gabrielle Sullivan**  
Manager Martumilli  
Artists



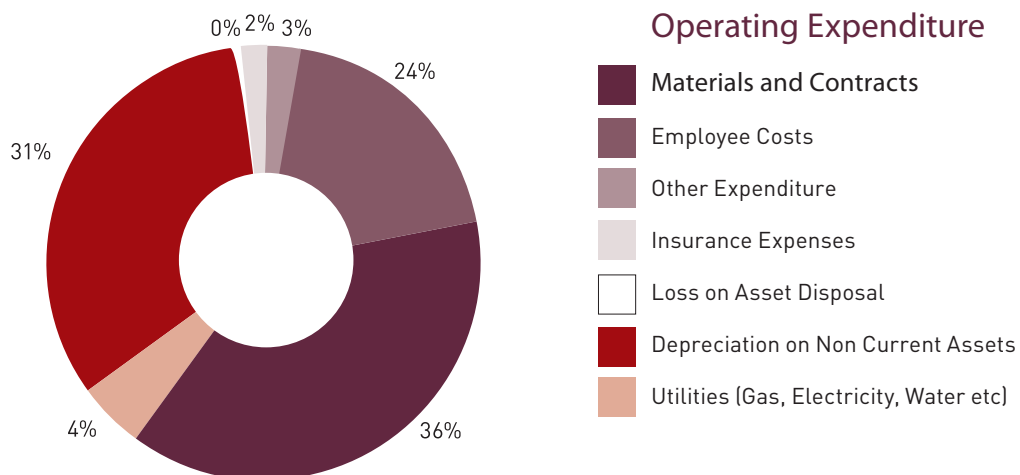
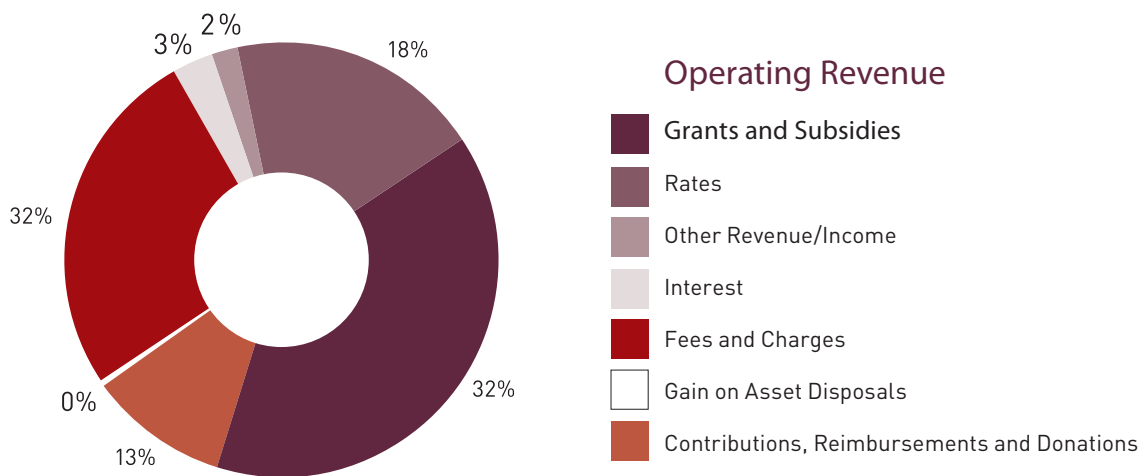
**Grant Logie**  
Director—Technical and  
Development Services  
Resigned



**Peter Edward**  
Manager Development  
Services Building  
Resigned



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







# Human Resources

As at the 30th June 2012 Council had 68 permanent positions split as follows:

**Executive Services:**

CEO	1
Managers	1
Coordinators	0
Staff	2

**Deputy CEO's Office:**

Deputy CEO	1
Managers	4
Coordinators	11
Staff	13

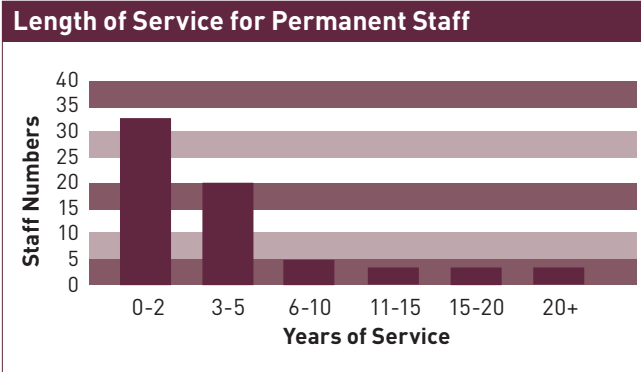
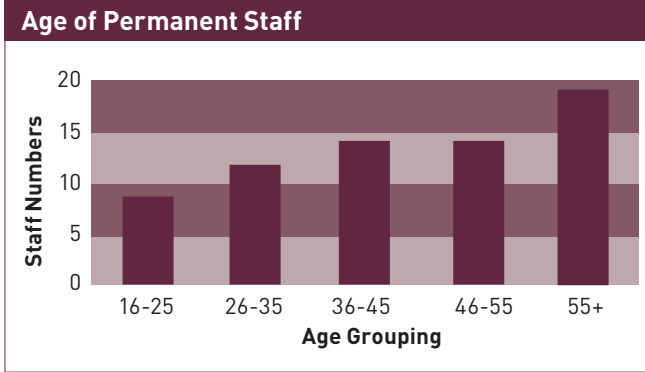
**Technical/Development Services:**

Directors	1
Manager	5
Coordinators	2
Staff	27

**Recruitment:**

The following positions were vacant as at the 30 June 2012:

- Research Officer/ Media Relations Officer
- Asset Management Officer
- Recreation Admin Officer
- Fitness Officer
- Administration Officer
- Coordinator Building Services
- Road Maintenance Crew
- Parks & Gardens Crew
- Shire Ranger
- Senior Aquatic Officer
- Diesel Mechanic – Marble Bar





## Administration Report

### Policy Manual

This financial year there have some minor amendments to the Policy Manual, including the addition of the following new policies;

- Photographing people and publishing photo's
- Naming of parks, reserves and buildings
- Stallholder and street trading policy

The following amendments were made to the following policies;

- Community Assistance Grants (CAG's)
- Purchasing and Tenders Procedures
- Newman Town Centre Redevelopment Plan – Local Planning Policy No.3 was recinded by Local Planning Policy #5

Changes were also made to the Policy Manual to include reference numbers for each policy.

### Delegations Manual

Changes made to the Delegations manual were made to accommodate the organisational re structure and include renamed positions.

Other approved positions for 2011/2012 include;

Manager of Administration and Finance,  
 Co ordinator Administration Services,  
 Occupational Health and Safety Officer,  
 Co ordinator Community Services,  
 Co ordinator Recreation Services,

The addition of these new positions ensure that we continue to deliver quality services to our community

Our Trainee administration Assistant, Renee Jones was successful in obtaining her certificate II in business administration during her time with the Shire and has now moved on to expand her career options.

### Local Laws

During the 2010/2011 financial period the process had begun for the new local laws. The following local laws are now finalised and are currently in effect. Copies of these local laws can be obtained either from our Administration Office, our website or the State Law Publisher website.

Health Local Law  
 Dogs Local Law  
 Local Government Property Local Law  
 Bush Fire Brigades Local Law  
 Fencing Local Law

The Parking and Parking Facilities Local Law 2000 is currently still under review. We expect that this process will be finalised during the 2012/2013 financial year.

### Complaints

The Shire of East Pilbara received no complaints as defined by Section 5.121 of the Local Government Act 1995 during the reportable period.

### Records Management

The purchase of a new micro fiche reader, scanner printer allows our records department to access old archive documents that date back to 1974. The plan for these documents are to integrate them into our digital database.

The introduction of Document Control guidelines was implemented This assists in locating all current documents that are issued from the Shire and placing them in one location. Our next stage to be implemented will be the introduction of a style guide and logo policy.

This will ensure a consistent quality of all documents that are issued by the Shire.

### Plan For The Future Of The District

Pursuant to regulation 19c(4) of the Local government (Administration) regulations 1996, Council is required to review its current plan for the future of its district every two years.

During the 2011/2012 financial year council reviewed this plan and agreed to extend the timeframe of the current Plan for the Future of the district until such time that the Strategic Community Plan is in effect.





The Draft Strategic Community Plan will be out for public comment during October/November 2012.

## Disability Access and Inclusion Plan (DAIP)

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 –

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

The Coordinator Community Services 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.

In the 2011-12 Financial Year 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.**

- Improved access to the continuing

footpaths Program include widening with upgraded kerb ramps

- Liaised with event organisers, ensured compliance to existing set of guidelines for events.
- Promotion of events and services 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.**

- New information bay includes disabled parking bays.
- All requests for building approval, including new and refurbished Council buildings automatically are required to comply with the Disability (Access to Premises – Buildings) Standards 2010.
- Funding for a disabled toilet at The Beach Indoor play centre area has been successful and will start development in 2013.

**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.**

- Redevelopment and design of the Shire's website is being undertaken consistent with W3C web content guidelines.

**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.**

- Shire staff attended a DAIP workshop in Perth and networked with other local government officials to discuss remote community issues on access and resources.

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

- Annual community survey was established to receive annual feedback from stakeholders, businesses and community members on their access and community issues in the East Pilbara.

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

- Council continues to advocate equal opportunity in all spheres of their operations.

The Shire looks forward to the new financial year of what committed outcomes we can achieve for disability access and inclusion in the East Pilbara.





**Above:** Bugai Whyoulter, Kurta Kurta, Wantili, Kalpa and Katarru, 2012 (152 x 304cm, acrylic on linen (diptych)).

## Martu Milli

Art plays a particularly important role in the cultural and economic life of the Martu communities. Many of the Martu artists are senior custodians of Martu cultural heritage who use their arts practices as a conduit for passing on knowledge of country and culture to younger family members. At the same time, managing the exhibition and sale of artworks is an important way

in which Martu artists are carving out a contemporary, engaged and positive livelihood as well as winning new audiences with their beautiful desert country and culture.

Martumili Artists have been generously hosted by the Shire of East Pilbara since 2006, and is governed by a committee of 12 Martu artists living in the communities of Parnpajinya (Newman), Jigalong, Parnngurr, Punmu, Kunawarritji, Irrungadji and Warralong. This Committee provides strategic direction to the Art Centre and Martumili staff. SOEP provides significant support, through the skills and expertise of staff, administrative systems, financial oversight, infrastructure and utilities, and strategic assistance.

2011/2012 has seen the following key achievements:

### **Services to over 300 artists in 7 communities**

Services delivered to over 300 artists in 7 remote communities in the Western Desert/East Pilbara region.

### **Support of 5 Language Groups**

5 Indigenous language groups supported including Martu Wangka, Kartujarra, Manyjilyjarra, Putijarra and Warnman.

### **Over 1,000 new artworks**

1,095 artworks have been catalogued and are available for sale at Martumili Artists in Newman.





#### **10 Exhibitions & 1 Art Award**

Participation in 10 exhibitions across Perth, Melbourne, Hobart, Alice Springs, San Francisco and Paris and the 2011 Hedland Art Award, with one young Martu woman being awarded "Best Work By An Artist Under 25".

#### **4 Marketplaces**

Sold Martu artwork at 4 art marketplaces across Perth and Alice Springs.

#### **5 Specialist Workshops**

Facilitated 5 specialist workshops for artists in painting and carving in 4 remote Western Desert Communities.

#### **6 Events**

Hosted 6 community events including a Reconciliation Week Community BBQ, Western Desert Lands Aboriginal Corporation Post-Forum Event, presentation by Judith Ryan, Curator National Gallery of Victoria, Chapman & Baileys Canvas Stretching Service, the Shire of East Pilbara's Reconciliation Action Plan BBQ and Martumili's annual Christmas Sale.

#### **15 Professional Development Opportunities**

Accessed 15 professional development opportunities for artists, arts workers and staff in painting, fibre art, ceramic and carving, exhibition development,

public speaking, 4WD operation, Remote Area First Aid and auditing processes.

#### **3 Design Projects**

Engaged by BHP Billiton to complete 3 design projects including production of 17 marquees featuring artwork by Martu artists for local and remote communities and schools, 2011 Christmas Cards and 2011/2012 Financial Year Calendar.

#### **Martumili Artists meet HRH Queen Elizabeth II**

3 Martumili artists were invited to meet HRH Queen Elizabeth II during the Royal Visit to Australia October 2011. Jakayu Biljabu, Rosie Williams and Mulyatingki Marney met the Queen in front of their painting Ngayarta Kujarra at the National Gallery of Victoria, Melbourne.

#### **Design Ideas Competition**

A limited design competition for an innovative new Arts and Gallery Facility for Martumili Artists in Newman attracted 16 team entries. The competition was the result of a partnership between Martumili Artists, the Shire of East Pilbara and the University of Western Australia, and was sponsored by BHP Billiton. An exhibition of all designs was hosted by the Australian Urban Design Research Centre, Perth. Martumili Artists is working to secure the funding required to build the winning design.

#### **Fremantle Art Centre Project: We don't need a map – a Martu experience of the Western Desert**

This project commenced in December 2010 and will culminate in an exhibition of extraordinary artworks and events, opening at Fremantle Arts Centre on November 16, 2012. We don't need a map brings the desert to the city to celebrate the lively, robust and enduring culture of the Martu in the Western Desert.

Included in the exhibition are stunning Martu paintings, a video work celebrating the public phones in remote communities, aerial desert photography, finely wrought Martu objects and Fremantle Art Centre's Pilbara Garden.

The public program Martu Mob at FAC includes bush tucker cooking, carving and gallery tours with Martu artists and rangers.

This project is a partnership between the Martu, Fremantle Arts Centre, Martumili Artists and Kanyirrinpa Jukurrpa with support from BHP Billiton.

The Exhibition opens at Fremantle Arts Centre November 16, 2012.



## Development and Regulatory Services

### Planning

During the course of the 2011/12 year, forward planning continued in relation to the Newman Town Centre including the commencement of a draft Style Guide and Design Guidelines document which will guide the form and shape of the town centre. The continued working relationship with Landcorp to ensure the release of both residential and industrial land to the market resulted in a number of residential lots to become available and Industrial land near completion for release early in the 2012/13 year. Overall, development in the Shire continues to remain strong resulting in the Shire's Town Planning section handling 233 applications for planning approval. The breakdown of such applications is as follows:

<b>Industrial and Commercial</b>	<b>35</b>
<b>Residential</b>	<b>54</b>
<b>Mining</b>	<b>124</b>
<b>Miscellaneous</b>	<b>20</b>
<b>TOTAL</b>	<b>233</b>

### Building

This year has been a busy and challenging one for the Building Department with applications due to mining activity remaining strong. There was reduced activity in new dwelling applications and additional works to existing dwellings compared to the previous year. The total construction value of all applications exceeded \$305m. The new Building Act, which allows for private certification of building applications, was introduced in April, creating some challenges along the way and changing the way in which we do some of our business.

Building statistics for the 2011/12 financial year are as follows:

Month	New Dwellings	Extensions / Garages / Pools etc.	Commercial & Industrial	Demolition	Mine camp/extension/ workers quarters	Cancelled applications	Construction Totals
Jul-11	5	2	3	1	2	0	\$11,646,939.00
Aug-11	2	8	12	2	2	0	\$22,985,411.00
Sep-11	8	4	8	0	2	0	\$19,474,857.00
Oct-11	9	5	7	4	0	0	\$23,750,029.00
Nov-11	4	11	8	0	3	0	\$54,349,620.00
Dec-11	0	0	11	2	3	0	\$44,823,896.00
Jan-12	0	0	12	0	3	0	\$23,268,699.00
Feb-12	0	3	12	0	3	0	\$55,490,411.00
Mar-12	1	1	6	0	0	0	\$2,858,551.00
Apr-12	6	7	7	0	1	0	\$36,070,477.65
May-12	0	11	3	1	1	0	\$1,243,937.00
Jun-12	0	3	3	2	1	0	\$9,212,694.00
<b>TOTAL</b>	<b>35</b>	<b>55</b>	<b>92</b>	<b>12</b>	<b>21</b>	<b>0</b>	<b>\$305,175,521.65</b>





## Ranger and Emergency Services

Rangers are responsible for the safety and security of the local community. This is achieved through seeking compliance with those statutes and local laws under which they are authorised and the continued application, education and enforcement of this legislation.

Rangers were involved early in the year with responding to Tropical Cyclone Lua that whilst little impact was felt in Newman had minor impacts on both Nullagine and Marble Bar. The Shire of East Pilbara in conjunction with the Dept, Child Protection opened and ran welfare centres in all three towns to ensure the safety of those persons who may have been at risk from this event.

With the subsequent tropical rainfall, growth of spinifex and shrubs has increased the available fuel load significantly and will be a problem for fire control as the season progresses. Already there have been several naturally occurring wildfires as well as the usual deliberate lighting of fires. Pastoralists are reminded that they must have a permit to light and must report any fire occurring on their lease within seven days

Maintaining a focus on enforcement has seen a significant drop in safety issues such as parking and wandering dogs

around the three towns. Whilst Rangers continue to issue warning and cautions they will actively enforce local and State law where-ever required.

The number of impounded dogs fell over the past year with the majority being returned to their owner. More than seventy percent of unclaimed dogs were re-homed either locally or through SAFE Perth. Thanks are extended to Australian Air Express who consistently donate the cost of transport for these animals.

Whilst the numbers of wandering dogs has reduced there was a significant increase in dog attacks occurred in the past financial year with Rangers investigating 22 attacks on people and animals. This is a threefold increase when compared to the previous year. As a result of this several dogs have been declared dangerous and subject to stringent controls. People are reminded that it only takes their unrestrained dog to rush at or act aggressively for it to be considered an attack.

Rangers completed over 1300 customer requests in the past financial year, issued over four hundred infringement notices and over six hundred written and verbal warnings for a range of offences under several Acts and local laws. All prosecutions under taken to date have been successful.

Fines enforcement was finally brought on line and unpaid infringements are now being sent to the registry if payment is not made within the specified time. This prevents significant loss of revenue due to unpaid fines. A total of \$19,803.02 was received in

relation to infringement receipts in 2011/12. This is a significant increase over the previous financial year. It is unfortunate that almost as much was written off as bad debts for non-payment.

Despite information being freely available from Rangers the Shire of East Pilbara Administration centres, Police and the Newman Licencing Branch - Off Road vehicles continue to cause safety and health problems around Newman and Marble Bar. Rangers are now enforcing the provisions of the relevant acts to reduce the incidence of illegal use around Newman. One vehicle accident was reported due to the illegal use of an off-road- vehicle.

Litter continues to be a problem despite an increase in penalties for offenders. Uncovered loads are one contributing factor where Rangers will be focussing on over coming months. New legislation can now deem some littering as an environmental offence with significantly higher penalties.

Vandalism continues to haunt our community with damage and graffiti costs being passed on through higher rates and charges. Persons who witness such acts should report to Ranger Services or the Police as soon as possible to enable action to be taken.

The amenity of the Post Office mall has significantly improved with virtually no public drinking occurring in this area. This has however lead to an increase in public drinking in other areas with littering and a range of issues continuing elsewhere.



## Community Well Being

### Community Development

In 2011/2012 the Shire of East Pilbara provided nearly \$33,000 to various Community Assistance Grant recipients, including:

- SSAA Newman Branch \$5000 – boundary fencing and club improvements
- Newman Jet Sprint Club \$5000 - Host Inaugural Jet Sprint Races
- Newman Tennis Club \$1000 - Waiver of usage fees at new facility
- Newman Turf Club \$5000 – Installation of shade sails
- Newman Campdraft & Rodeo Association \$2000 - Hosting Rodeo & Ute/Truck show
- Newman Mainstreet Project \$2000 – Business Plan creation
- RAWA Community School \$2000 - Assist with Swimming Lessons and water safety training
- Newman Neighbourhood Centre \$2000 - Upgrade of facility

and various Quick Grant recipients for in-kind contributions including the waiver of hire fees of Council facilities, use of Shire equipment and/or Shire personnel.

### Community Events

The last 12 months, the directorate has been involved in partnering with a number of community organisations and key stakeholders, to provide our residents with a variety of services, activities, events and programmes making best use of the sport, recreation and open spaces available in the towns of Newman, Nullagine and Marble Bar.

#### Reconciliation Week held in May 2012

In May 2012 the Shire of East Pilbara partnered with Martumili Artists, World Vision and East Pilbara Early Development Project to offer a community celebration in recognition of Reconciliation Week. The theme of this year's event, "Let's Talk Recognition", was a focus on how Australian's could better recognise each other, and recognise their contributions, cultures and histories of Aboriginal and Torres Strait Islander peoples. The community BBQ was held at the Martumili workshop where their artists hosted two art workshops covering dot painting and landscape art. This was designed to have a focus on local Aboriginal and Torres Strait Islander culture in the Shire of East Pilbara region. The day resulted in community members from various cultures coming together and expressing their views and values of culture through local Martu dot and landscape painting. It was a successful day, bringing various Cultural and Linguistically Diverse (CaLD) people in the East Pilbara region together, as well as local NGO's and stakeholders in the region. In the

coming year we will focus to continue building our community relationships with various community groups and service providers in the East Pilbara region.

### Sport & Open Spaces

#### Capricorn Sporting Complex Master Plan

Newman is a busy community with a growing and diverse population who are active and supportive of community events and sport. During 2011/2012, the implementation of the Capricorn Sporting Complex Master Plan continued which saw all five sporting ovals upgraded, the refurbishment of the netball/tennis courts and the building of the Junior Sports Pavilion. These improvements have provided additional leisure and facilities, catering for the needs of all residents and visiting sporting enthusiasts.

#### Sporting Ovals

To highlight Newman's connection to the environment and our surrounding landscape, the newly upgraded ovals were named in honour of our native animals; Kangaroo, Emu and Goanna. These, together with the existing Capricorn Oval facility, has created a very professional and well utilised sporting precinct.

The Boomerang Oval was also upgraded with pathways, street scaping and lighting, a complementary upgrade to the existing improvements being made in the central business district, as part of the towns revitalisation upgrade, ensuring this





whole areas is now the main focal point of the town.

### **Creating Clubrooms**

After thorough community consultations, the need for designated junior and senior sporting facilities was identified to accommodate Newman's rapidly growing sporting and recreation sector's needs.

In February 2012, the four major junior sporting organisations took up residency in the newly created Junior Sports Pavilion. This facility offers everything a champion team needs to train and play, including a functional kiosk; a function room and spacious change rooms. The separate storage facilities on site, now allows each association to not only operate all year round, but for them to also store their equipment in a secure, central location.

### **Skate Park on a roll**

An upgraded water fountain, new bins and the clearing of surrounding shrubbery has improved patron security at this site, which is even more popular with Newman's children and youth population. This park allows children to socialise and be engaged in active and/or passive recreation activities.

### **NAPRN – Newman Active & Passive Recreation Network**

(Newman Active & Passive Recreation Network (NAPRN) was launched in June 2012 and provides assistance to local communities members who are the backbone of our sporting and community clubs. This new network provides free training seminars, advice and workshops relating to clubs, up to

date information about funding avenues and the availability of grants, as well as an opportunity to share resources. NAPRN also offers opportunity for members to build relationships with other organisations, showcase activities and meet visiting representatives from key support agencies.

### **Youth Sporting and Community Groups**

The Shire of East Pilbara continues to assist Newman's youth population to strive and be healthy and happy, through our continued in-kind support to organisations whom are associated with developing the needs of children. This generosity has greatly assisted all sporting and recreation community groups within our municipality.

### **Recreation Services**

The Newman Recreation & Fitness Centre is an all year round indoor facility, consisting of well-equipped weights and cardio rooms, two full size sports courts, meeting rooms, performing arts space, a modern crèche zone as well as a welcoming foyer and reception area which houses an impressive retail Pro-Shop.

This year, the Centre serviced 25,000 customers, who visited the Fitness Centre rooms and about 6,800 customers whom participated in one of the 21 Les Mills classes offered each week, including Pump, Step, Combat classes as well as our in-house sessions of Yoga, Zumba and Boxing-Circuit.

The Crèche is very well used by the casual visitors and members alike.

The morning sessions are always well attended, with lots of activities being offered for those children between the ages of eight weeks to six years of age.

Casual games of badminton, basketball and indoor soccer continue to operate at the Centre and junior programs continue to be well supported and include sessions in Tae Kwon Do, Ballet, Jazz, Tap, Cheerleading, Hip hop, Funky Fit, Toddlers Gym Circuit, Basketball,

The Centre is available for hire and is used for a variety of special activities. This year we hosted a number of events including: Newman Senior High School Ball; Lions Club Fortescue Ball; BHP Billiton Long Service Awards; Community Expo; a variety of conferences, seminars and workshops; sports events including training sessions and courses and a variety of private functions and sleepovers. More importantly, the facility was used by over 80 people as a Emergency Evacuation Centre in February, due to the effects of Cyclone Lua.

The Centre is a joint use and shared facility with the Department of Education and together we intend to continue to strive to continue to meet the health and wellbeing needs of the Newman community.

### **Youth Services**

The Newman Youth Centre, affectionately known as the EPYCentre, continues to be well patronised by the youth members of the Newman community. The building is a joint use facility with the Newman

Capricorn Girl Guides, Newman Scouts, Newman Playgroup and the Newman Toy Library, whom still use designated sections of the facility on a regular basis.

## Aquatic Services

Newman Aquatic Centre is often referred to as the jewel in the town, a crystal clear 6 lane 50m pool; a toddler's splash pool; a zero depth water park; a well-stocked kiosk and pro swim shop which are all conveniently located in one site in the middle of Newman's central business district. In addition, visitors are encouraged to make use of the beach volleyball court, a basketball hoop and the surrounding lush green lawns and shady palm trees.

In 2011/2012 approximately 31, 500 patrons visited this facility which is open all year.

Total Operating Income for Newman Aquatic Centre 2011/2012 approx. \$181,143.00

Entry category	No. of entries
Adult entries (16yrs+)	10,884
Free child 0-4yrs	3,154
Child 5-16yrs	8,374
Senior/Concession	146
Free entry to junior swim club members	1,243
Paying Spectator	1,093
Multi entry passes	4,963
Aqua aerobics participants	155
Free fun days entries	1,278
Family Passes (2 adults + 2 children)	63
Learn to swim lessons	1,649
Inflatable bookings	40
Bronze Medallion course	5
Pool Lifeguard course incl. requalification	14
Swim Teacher Course	9
Free entry for parents to accompany child participating in swimming lessons	856

Ongoing improvements to the Centre included new perimeter fencing, a new entry gate, installation of lockers, upgrade to water playground and more security around the kiosk area.

The Centre continues to be the venue for a variety of community events including the very popular Australia Day celebrations and the newly created April Fool's Day Triathlon.



Jetboat sprint club



Shire Christmas Tree



Tennis Club



Youth activities





## Technical Services

### Roadworks

The Shire maintains a road network comprising of approximately 3,158 kilometres of unsealed roads and 140 kilometres of sealed roads. The road network extends from Cape Keraudren (north west of Port Hedland) through to the Northern Territory border.

The Shire's Road Network is maintained by a small dedicated team comprising of a maintenance crew responsible for the operation of three maintenance graders servicing Council's extensive remote road network and a construction crew responsible for the renewal and upgrade of Council's Rural Road Network. Both crews operate out of fully functional modern self-contained camps and are able to service Council's entire remote network extending from the coast at Cape Keraudren to the Western Australia/ Northern Territory State Borders.

Council's maintenance grading program focuses on high priority roads servicing Marble Bar and Nullagine as well as Aboriginal Communities to minor access roads servicing pastoral leases and mining tenements. The maintenance graders operate within set perimeters and area boundaries ensuring a continuous coverage is achieved. The maintenance grading budget for the 2011/2012 financial year was \$1,120, 100.

The construction program for the 2011/2012 was funded from the federally funded Roads to Recovery program as well as State funding administered by Main Roads Western Australia. In addition Council also undertook extensive flood damage reinstatement works as a result of the passage of Tropical Cyclone Heidi and Severe Tropical Cyclone Lua. The cost of the reinstatement works have been recovered under the Western Australian Natural Disaster Relief and Recovery Arrangement (WANDRRA) and totalled \$2,079,256.

The capital improvement and renewal program covered the following roads in the 2011/2012 budget:

### Aboriginal Access Roads

Kiwirrkurra Access Road	\$136,500
Punmu Access Road	\$136,500
Talawana Track	\$309,000
Jupiter Well Access Road	\$93,000
Kunawarritji Access Road	\$150,000
Jigalong Road	\$340,000
<b>Total</b>	<b>\$1,165,000</b>

### Rural Roads

Marble Bar Woodstock Road	\$200,000
Boreline Road	\$200,000
Muccan Shay Gap Road	\$200,000
Munjina Roy Hill Road	\$200,000
Woodie Woodie Road	\$857,000
Goldsworthy Road	\$200,000
Cape Keraudren Access Road	\$194,943
Limestone Marble Bar Road	\$200,000
<b>Total</b>	<b>\$2,251,943</b>

More detailed information can be obtained from the Manager Technical Services – Rural.



## Environmental Health 2011/12 Report

### Mosquito Control

The year 2011/2012 has seen the Environmental Health services broaden to include mosquito control following the higher than normal rainfalls received in the Shire. This included a survey of potential mosquito breeding sites in both Newman and Marble Bar followed by the application of larvicides to reduce the ability of the mosquito larvae to develop into adult mosquitoes. This program will be expanded to a more integrated mosquito control program following the training of environmental health personnel in this area of expertise.

### Waste Water Management

There was a significant increase in the number of applications for approval of Waste Water systems during the year with a total of 72 applications being processed. This was a 30 % increase from the 48

applications processed in the previous year. Several of these applications were for bigger Waste Water Treatment Plants designed to treat anything from 50KL of waste per day to 150KL per day. This was a significant shift from the previous type of ordinary septic tank applications and is a reflection of the increasing fly in fly out workforce at the ever increasing mining camps within the Shire. Monitoring of the Shire's irrigation effluent was done according to required frequencies with all monthly samples complying with the waste water quality requirements.

### Potable Water

A total of 160 potable water samples were collected from the Newman Airport, Marble Bar, Pardoo Roadhouse, Cape Keraudren and Pardoo Station Stay as part of the routine potable water quality monitoring programme. The greater numbers of these samples were compliant with the Australian Drinking Water Guidelines.

### Recreational Water Quality Monitoring

Monthly water samples were collected from the 8 public pools in Newman,

Marble Bar, Pardoo Roadhouse and Pardoo Station Stay with greater than 90 % of these samples being found satisfactory. Corrective actions were recommended for the few which were out of specification.

### Food Safety

A total of 50 High Risk, 35 Medium Risk and 15 Low Risk food business inspections were conducted during the year. The adoption of the Risk Based Food Business assessment approach facilitated the effective use of available time and resources. The streamlining of food safety management continued during this year with the gradual upload of most data into the Synergy business management system. The Shire policy on Stall Holders and Temporary Traders was developed and adopted by council in an effort to achieve a more coherent approach in managing this important aspect of food safety.





## Building and Asset Services

### Staff Housing

During 2011-12 the Shire of East Pilbara acquired land at Lot 2295 Fortescue and installed 5 new modular homes in Marillana Street, Newman and 3 modular homes for the airport.

Marillana Street comprises of 4 - 2 bedroom x 2 bathrooms, and 1 - 3 bedroom x 2 bathroom

The Newman Airport houses are 1 - 4 bedrooms x 2 bathrooms and 2 - 3 bedrooms by 2 bathrooms



Several Shire houses have been refurbished with kitchen upgrades, bathroom refurbishments, new floor and window treatments, painting and security.

One of Council's houses, 10 Keedi Street has been allocated for shared accommodation, temporary housing for relief staff, contractors and consultants.

This has been hugely successful and beneficial to Council in accommodating persons providing services to the Shire.

#### Newman Housing

- 3 Ella Street – new kitchen
- 1 Ella Street – tiling, painting and window treatments.
- 48 Forrest – refurbished kitchen and new ensuite.
- T2 & T4 – security screens, tiling
- 14 Mullgunbuh – new patio
- 15 Culldorah Street – external painting
- 1 Nyabalee – new bathroom

#### Marble Bar Housing

- 11 Francis – new tiling and painting
- 8 General – bathroom recess retiled
- Electrical compliance work to all housing
- Green House, new ceilings and tiled throughout
- Concrete driveways to 5, 6 & 7 Bohemia Street.

#### Piri Smith Retirement Units

- New fencing has been installed around the property
- Units 5 & 6 new kitchens, and tiled.

#### Nullagine

- The two houses and the Gym in Nullagine have been painted externally.

### Council Facade (top)

The new Council façade was completed in March 2012 by Wideglide Construction.

The Shire of East Pilbara obtained funding from the Royalties for Region – Country Local Government Fund for \$1,0690,500, additional funding was also approved for the Marble Bar Civic Centre Kitchen.



### Reserve Leases/Licences

During the 2011-12 Council has completed the following new lease and licence agreement for local Community, Sporting Organisations and commercial businesses

- Newman Junior TBall Association
- Newman Junior Football Council
- Newman Junior Cricket Association
- Newman Junior Soccer Association
- Newman Tennis Club
- Marble Bar Community Resource Centre
- FMG – Portion of Lot 70
- Apartments 60 Pty Ltd – use of communication tower

#### Lease Surrender

- Newman Rifle Association

## Completed Projects in 2011-12

The following projects Council has completed in the past year.

- Cape Keraudren Toilet and Fish cleaning facilities
- New broadcasting shed in Nullagine.
- Marble Bar – Civic Centre Kitchen
- Marble Bar – RSL Park
  - o BBQ's
  - o Lights

## Marble Bar Community Resource Centre

The Shire of East Pilbara is in the process of leasing the old Marble Bar Administration office to the newly named telecentre, Marble Bar Community Resource Centre in Francis Street.

The Marble Bar Tourist Centre is now located at the Shire of East Pilbara, Marble Bar Administration Office, Francis Street.

## Clubrooms – Tennis



The clubrooms for tennis have been completed, with shade shelters, small playground, air conditioning and landscaping.



New Tennis Clubrooms at Capricorn Oval

## CCTV's

The Shire of East Pilbara received funding from the Office of Crime Prevention to install CCTV's within the Shire of East Pilbara. This included, Cape Keraudren, Marble Bar and Newman.

In Newman these will be located at Capricorn Oval Complex and Newman Town Centre, and located at RSL Park in Marble Bar.

## Capricorn – Junior Sporting Facilities

The Shire of East Pilbara constructed the following facilities

- Storerooms
- Change rooms
- Function facility including kitchen

The Shire has entered into licence agreements with the following junior sporting organisations

- Newman Junior Soccer Association
- Newman Junior Cricket Association
- Newman Junior TBall Association
- Newman Junior Football Council.

Additional rubbish bins have been supplied to this area and new bike stations.



## Capricorn – Fencing and Lighting

The newly named ovals at Capricorn Oval Complex

- Kangaroo (old hockey)
- Emu
- Goanna (old rugby)

The installation of small ball lighting has been completed at Goanna Park and installation of large ball lights at Emu and Kangaroo Park.

Fencing has been installed from Fortescue Road around the Reserve to connect up the netball court facilities.

Several PA gates are allocated around to Reserve for access and double gates for vehicles access.

Retaining walls have been installed at the rear of Tigers Football Club.



## Cape Keraudren Reserve

Council has engaged Cliff Winfield

and Associates to commence a Cape Keraudren Coastal Management Plan

## Solar System



Solar panel on Airport Terminal Roof

## Rubbish Bins and Bike Stations

New rubbish bins have been installed at the Newman Information Bay and Capricorn Oval Junior Sporting Facility



## Senior Sporting Facilities

The Shire of East Pilbara obtained funding from (Sian ) to tender for the design and construction of a senior sports facility at Boomerang Oval. The facility to include changeroom, toilets, storage and function room.

## Newman Town Centre Revitalisation



Funding provided by the Royalties for Region include the following projects

- Shade sails stage 1, Newman Shopping centre south side.
- Landscaping and new pathways
- Roundabouts
- Extension of Iron Ore Parade







# Airport Report

## SUMMARY

The aim of this report is to provide an overview of the operational and development activities at Newman Airport and the airstrips at Marble Bar and Nullagine over FY2011/12.

## OPERATIONAL

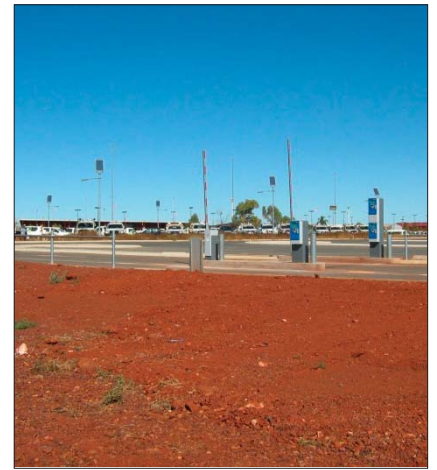
### Aircraft Movements

According to industry definition an aircraft movement is recorded as a take-off or a landing by an aircraft. Whereas the Shire of East Pilbara generally records the number of landings for accounting purposes, overall aircraft movements are essential for determining operational usage, maintenance plans, and possible expansion of infrastructure and facilities to accommodate such movements.

FY2011/12	RPT		Closed Charters		Overall GA				TOTAL
	Code 3C	Code 4C	<Code 2C	Code 2 & 3C	Heli	PC12 (RFDS)	Biz Jets	GA	
<b>Aircraft Movements</b>	1,352	2,182	960	612	2,590	804	108	2,530	11,138
<b>Percentage</b>	12.1	19.6	8.6	5.5	23.3	7.2	1.0	22.7	100

The above FY2011/12 aircraft movement statistics reveal some significant indicators:

- Total RPT movements constitute 31.7% of total numbers. These aircraft are, by nature of its screened services categorisation, confined to using only three parking bays on the RPT Apron.
- Closed charters make up a further 14.1% of overall movements. Although such flights do not normally require screened services and therefore use the single GA Apron Code 4C bay, changes in legislation will require services in the Code 3C category to undergo screening; thus placing additional demands on the screened apron with only three bays.
- A significant category of aircraft movements is that of helicopters. At 23.3% it constitutes the second largest group after the RPT services. This supports the need for a dedicated helibase within the design plan of the GA Apron extension.
- Another significant indicator is the number of RFDS flights that visited Newman for medivac purposes or as transfer base between their Hedland and Meekatharra bases. Although apparently a modest component of only 7.2% of all movements it reflects an increase of 5.5% when compared to FY2010/11. The nature of their operation furthermore includes a considerable number of night movements and the presence of two aircraft at once during patient transfers. This in itself, coupled to the fact that the PC12 aircraft generally has a larger footprint than the average GA aircraft, suggests that specific provision has to be made for this class of aircraft and activity within the GA Apron aircraft parking design.
- General GA aircraft are accepted to be in the category of around the 10 meter wingspan. This category constitutes the third largest group of aircraft movements, but tends to have the least amount of impact on infrastructure – primarily due to the low weight category.
- However, although only 1% of total aircraft movements, the increasing number of business jets frequenting Newman Airport do require specific attention in future infrastructure designs. Some of these aircraft, such as the Challenger, approach Code 3C aircraft in size and weight. Smaller biz jets can be accommodated within the mix of GA aircraft, but certain performance issues associated with jet blast as opposed to propeller wash yet again requires specific parking arrangements. Some of the larger biz jets have to be accommodated on the Code 4C GA bay in terms of size and manoeuvre area required.



The ultimate conclusion from the above, when read in conjunction with the increase of 50% in GA Apron overnight parking propensity, will necessitate a rather complex GA Apron parking design as part of the extension program.

GA PARKING														
FY	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Monthly Average	Daily Average
10/11	0	61	83	58	88	101	85	76	123	111	123	156	97	3.2
11/12	120	113	153	186	172	137	67	67	146	184	196	215	146	4.8

## Passenger Movements

The actual growth in passenger numbers of 37.35% as compared to FY10/11 represents a total of 85,645 passengers. Including the relatively flat performance during FY09/10 following the GFC, an average growth of 27.78% was sustained since FY05/06.

What is more significant is the fact that, at the time the design for the current RPT Terminal and Apron was finalised during FY07/08, the passenger numbers have increased by 179,300, or 132.2%. Considering that the Master Plan adopted in March 2010 forecasted a total of 318,215 by 2015 at a compound growth rate of 6.5%, traffic through this airport is now at least 3 years ahead of any previously accepted forecasts.

It is therefore necessary to adjust the projected annual growth to the demonstrated average of 27% for the short term. This should be adopted as norm in the cash flow and business plans.

FINANCIAL YEAR TOTALS																
FY	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	FY Totals	% Growth	Average Growth
04/05	5087	5082	4951	5049	5260	4595	4369	5084	5662	5501	5996	5778	62414	62414	NA	NA
05/06	5976	7054	6907	7154	7740	6304	7237	7348	8156	8165	8165	8174	88380	88380	41.60	NA
06/07	8421	9086	8851	9284	8564	6701	7683	8123	8712	9166	10857	10433	105881	105881	19.80	30.70%
07/08	10968	11414	10879	11800	11888	10339	10255	10628	11187	11858	12183	12252	135651	135651	28.12	29.84%
08/09	13673	13462	13670	15737	16019	13423	14069	14867	16221	15495	15472	15408	177516	177516	30.86	30.10%
09/10	16272	14998	15918	15061	15029	12876	13011	13589	16875	15921	16060	16704	182314	182314	2.70	24.62%
10/11	17872	18401	18807	18287	18418	16846	15931	20412	21918	19434	21465	21515	229306	229306	25.78	24.81%
11/12	22704	24011	22947	23490	25814	21907	26271	27084	27986	27651	33195	31891	314951	314951	37.35	26.60%
															<b>Sustained Growth</b>	<b>27.78%</b>

## Accidents and Incidents

Although no significant accidents or incidents occurred during FY 2011/12, the following incident was managed successfully through activation of the Aerodrome Emergency Plan:

- On 08 September 2011 a Beechcraft B55 operated by Polar Aviation declared an emergency during its initial approach to the airport. This was as a result of unsafe undercarriage indications in the landing configuration. Full emergency services were activated and positioned prior to the aircraft attempting to land. The aircraft landed safely and, following a visual inspection on the runway to confirm the gear was down and locked, it proceeded into the GA area.

Following a redesign of the Safety and Risk Management System in June 2011, Newman Airport has implemented this management tool as primary safety and security management process.





## REVENUE STREAMS

### Aviation Related Revenue

In terms of landing and parking component of aviation related income the modest increase in revenue of \$85,485.58 (7.51%) is entirely due to the increase in non-RPT landing and parking fees. However, considering that the most noticeable increases occurred during the last quarter of FY2011/12, the trend is expected to continue into the next FY.

LANDING AND PARKING FEES						
FY	Brought Forward	New Invoices	Adjustments	Receipts	Carried Forward	Nett Revenue
2010/11	\$202,035.02	\$945,807.93	-\$10,138.23	-\$931,708.31	\$205,996.41	\$1,137,704.70
2011/12	\$205,996.41	\$1,119,091.65	-\$101,897.75	-\$1,056,638.16	\$166,552.15	\$1,223,190.30

The increase in passenger numbers is not in proportion with the increase in aircraft movements, as RPT schedules have basically remained constant. However, the replacement of the majority of B717 with B738s have increase seat capacity by nearly 50%. However, as passenger loads are reaching capacity, the introduction of additional RPT and scheduled charter flights is unavoidable to accommodate the further increase in seat demand.

The increase in aviation related income due to Passenger Service Charges of \$6,018,713.60 is for obvious reasons directly as a result of the 37.35% growth in passenger numbers.

### Non-Aviation Revenue

Non-aviation related revenue has been demonstrated to be only around 8% of total revenue. This revenue stream is a combination of land lease in the form of lease agreements, and licence agreement to occupy and use shire owned facilities and building. It is further sub-divided into:

- Terminal and Offices Space: The utilisation or occupation of floor space in both the RPT and GA Terminals and dongas (car hire kiosks and apron crib room).
- Land Leases: At present confined to car hire operations and hangar blocks.
- General: Key boxes, advertising and car bays.

With the changes to all lease agreements and the new leases now all but completed, the forecast revenue from this sources for FY 2012/13 is \$603,673.20.

## PROJECT STATUS

A full overview of capital projects undertaken or completed over the past five years include:

- Runway Overlay 2008: AUD2.6M
- RPT Apron & Taxiways 2008: AUD3.1M
- RPT Terminal 2009: AUD5.6M
- Short & Long Term Car Parks 2008: AUD1.3M
- Long Term Car Park Extension 2009: AUD1.2M
- Solar Power Installation 2010/11: AUD.4M
- Landside Roads and Services 2010-2012: AUD4.4M
- Long Term Car Park Extension 2011/12: AUD1.2M
- Power Upgrade 2011/12: AUD.8M
- Fire Water Reserves and Dual Pumps 2011/12: AUD.6M
- Residential Precinct and Staff Housing 2011/12: AUD2.1M
- Controlled Parking Introduction 2012: AUD.7M

The solar power installation on the RPT terminal was commissioned on 9 September 2011. This system produces 120kW of power fed into the grid through 12 inverters. It is estimated that the saving in power amounts to some 31%, with the added advantage of the internal temperature of the building being cooled down by some 10-12% due to the reflective properties of the solar panels.

The first of three staff housing units were constructed in the first half of 2012. All services installation, including waste management, fire and retic lines, has been completed and connected.

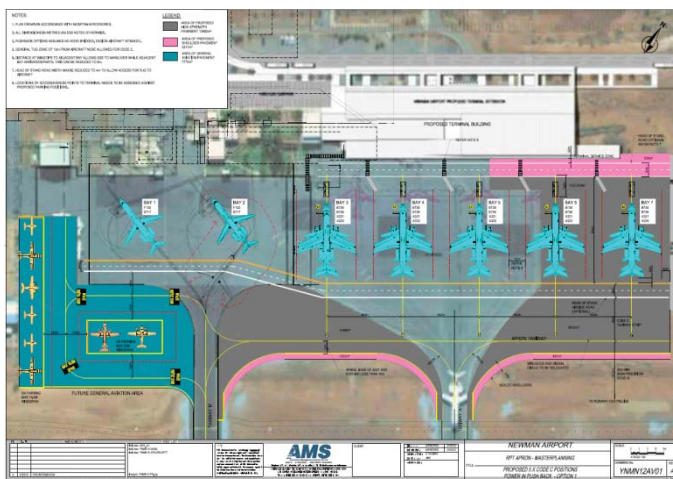
Final finishing off of the blocks is expected to be completed by August 2012, whereafter driveways, patios, garden sheds and fencing will be completed. The RO shed to provide the housing precinct with potable water has been completed, and installation of the new RO plant to be completed in August 2012. This will include the installation of a retic reservoir and pump to supply the housing precinct.

Following the rerouting of the overhead HV power lines during 2010/11, a complete upgrade of the LV power distribution network was completed during FY2011/12. This included the installation of a new auto-changeover switch and essential services distribution board.

Only essential services will in future be provided with standby power from the generators. These include:

- Runway, approach, taxiway and apron lighting – including flood lights.
- Airservices Australia air navigation aids.
- RPT & GA Terminals.
- Air BP Fuel installations.
- Car Parks.

An upgrade of the fire water reserves in the form of two additional 32,000ltr holding tanks and interconnecting fire lines formed part of the upgrade to the fire water network. New dual fire pumps have been incorporate and the fire line network installed. Final installation of fire hydrants and commissioning of the fire system will be completed during the second half of 2012.



An extension to the long term car parks was completed during the third quarter of 2011. This included a dedicated section with 31 large vehicle bays to bring the total capacity of the long term car parks to 425 bays.

Controlled parking hardware installation was completed in June 2012 and the system is expected to be fully commissioned during July 2012. The delay of eight months on this project is entirely due to slow delivery from the supplier.

The dramatic increase in aircraft and passenger numbers over the past six years increased the demand for demand apron parking and terminal service delivery infrastructure. A concept design was provided by Woodhead that will meet these demands, but funding for this project estimated at AUD60M has to be sourced.

The increase in GA traffic necessitates that the GA Apron being increased in size by ±8,200m<sup>2</sup>. A RADS grant to the value of \$827,000 has been obtained on a dollar-for-dollar basis to fund this project.

## MARBLE BAR & NULLAGINE

### Marble Bar

The ARO at Marble Bar has retired due to ill health. No replacement ARO has been appointed to date, and airstrip inspections are being conducted by Harvey Hamersley; the Nullagine ARO. Marble Bar shire depot staff ensure that general maintenance and fuel supplies are continued.

### Nullagine

Clearing of bush and shrubs at Nullagine Airstrip has commenced for the lengthening of the runway.

The opportunity of applying for NDRP grant to establish the helipads at Nullagine and Marble Bar has expired. AMS was scheduled to conduct the surveys at both locations, but had to be cancelled as no community engagement actions had been conducted to identify possible sites.



# Annual Financial Report

For the year ended 30 June 2012

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## Schedule 2

### Form 1

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

## Statement by CEO

The attached financial report of the Shire of East Pilbara being the annual financial report and supporting notes and other information for the financial year ended 30 June 2012 are in my opinion properly drawn up to present fairly the financial position of the Shire of East Pilbara at 30 June 2012 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 12 December 2012.



Allen R. Cooper. CEO

# Statutory Statements



# Statement of Financial Position

As At 30 June 2012

DESCRIPTION	NOTE	2011/2012 \$	2010/2011 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3b	21,648,921	33,764,837
Trade and Other Receivables	4	9,550,151	2,463,886
Inventories	5	185,480	175,154
<b>Total Current Assets</b>		<b>31,384,552</b>	<b>36,403,877</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	6,953,061	5,000,374
Provisions	8	822,950	690,893
Long Term Borrowings	9	870,904	824,070
<b>Total Current Liabilities</b>		<b>8,646,915</b>	<b>6,515,337</b>
<b>NET CURRENT ASSETS</b>		<b>22,737,637</b>	<b>29,888,540</b>
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	6	55,259,593	47,332,948
Infrastructure	7	110,721,247	98,934,562
<b>Total Non Current Assets</b>		<b>165,980,840</b>	<b>146,267,510</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions	8	137,337	78,705
Long Term Borrowings	9	7,442,132	8,313,035
<b>Total Non Current Liabilities</b>		<b>7,579,469</b>	<b>8,391,740</b>
<b>NET ASSETS</b>		<b>181,139,008</b>	<b>167,764,310</b>
<b>EQUITY</b>			
Retained Surplus	-	167,874,168	144,360,587
Reserves - Cash/Investment Backed	10	13,264,840	23,403,723
<b>TOTAL EQUITY</b>		<b>181,139,008</b>	<b>167,764,310</b>

This statement is to be read in conjunction with accompanying notes

# Statement of Comprehensive Income by Nature or Type For The Year Ending 30 June 2012

DESCRIPTION	NOTE	2011/2012 BUDGET \$	2011/2012 ACTUAL \$	2010/2011 ACTUAL \$
<b>Revenue</b>				
Rates		8,007,800	<b>8,014,174</b>	7,400,104
Grants and Subsidies		11,258,700	<b>14,138,912</b>	13,655,637
Contributions, Reimbursements and Donations		1,662,500	<b>5,870,198</b>	2,968,559
Gain on Asset Disposals		45,300	<b>10,313</b>	138,430
Service Charges		-	-	-
Fees and Charges		10,724,300	<b>14,508,073</b>	11,017,319
Interest		1,036,200	<b>1,158,215</b>	1,270,124
Other Revenue/Income		350,200	<b>941,624</b>	737,868
		33,085,000	<b>44,641,509</b>	37,188,040
<b>Expenses</b>				
Employee Costs		7,702,950	<b>7,394,196</b>	6,180,918
Materials and Contracts		9,886,950	<b>11,087,215</b>	10,742,848
Utilities (Gas, Electricity, Water etc)		1,151,200	<b>1,237,899</b>	1,219,761
Depreciation on Non Current Assets	6b, 7b	8,604,000	<b>9,498,301</b>	8,578,734
Loss on Asset Disposal		115,100	<b>43,286</b>	102,907
Insurance Expenses		580,900	<b>607,332</b>	441,991
Other Expenditure		505,000	<b>871,738</b>	627,586
		28,546,100	<b>30,739,967</b>	27,894,745
Interest Expenses		540,700	<b>526,844</b>	495,980
		29,086,800	<b>31,266,811</b>	28,390,725
<b>NET PROFIT/(LOSS) RESULT</b>		3,998,200	<b>13,374,698</b>	8,797,316
<b>Other Comprehensive Income</b>		-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		3,998,200	<b>13,374,698</b>	8,797,316



# Statement of Comprehensive Income by Program For The Year Ending 30 June 2012

DESCRIPTION	NOTE	2011/2012 BUDGET \$	2011/2012 ACTUAL \$	2010/2011 ACTUAL \$
<b>Revenue</b>				
General Purpose Funding		11,620,700	11,726,325	10,927,372
Governance		106,100	201,650	171,247
Law, Order & Public Safety		59,000	91,211	83,624
Health		44,500	66,504	40,980
Education & Welfare		124,000	111,717	179,294
Housing		191,000	221,881	216,488
Community Amenitie		2,743,100	4,698,923	3,581,490
Recreation & Culture		1,466,100	2,072,657	2,337,601
Transport		9,095,500	12,038,840	7,658,775
Economic Services		891,000	1,381,772	1,698,460
Other Property & Services		104,500	305,644	186,441
<i>Total Operating Revenue</i>		26,445,500	32,917,124	27,081,772
<b>Expenses Excluding Finance Costs</b>				
General Purpose Funding		352,800	332,492	248,158
Governance		1,705,800	1,990,350	1,266,306
Law, Order & Public Safety		686,500	659,712	589,058
Health		346,500	299,007	235,512
Education & Welfare		1,278,400	900,613	1,134,357
Housing		491,900	503,330	368,234
Community Amenities		2,731,900	2,936,654	2,657,989
Recreation & Culture		6,621,200	6,393,803	5,464,067
Transport		12,078,900	14,099,607	12,250,042
Economic Services		1,955,000	1,558,712	3,405,858
Other Property & Services		182,100	1,022,401	172,256
<i>Total Operating Expenditure</i>		28,431,000	30,696,681	27,791,837
<b>Finance Costs</b>				
Governance		50,100	48,329	52,818
Housing		169,400	166,460	93,721
Transport		321,200	312,055	349,441
	7b	540,700	526,844	495,980
<b>Non-Operating Grants, Subsidies and Contributions</b>				
General Purpose Funding		1,036,700	1,036,663	1,396,298
Law, Order & Public Safety		970,000	-	112,435
Education & Welfare		-	-	200,000
Housing		-	-	-
Community Amenities		-	-	355,000
Recreation & Culture		-	3,500,000	318,040
Transport		3,587,500	3,638,065	4,604,752
Economic Services		1,000,000	3,539,344	2,981,313
		6,594,200	11,714,072	9,967,838
<b>Profit/(Loss) on Disposal of Assets</b>				
Governance		(5,400)	(7,526)	(3,972)
Law, Order & Public Safety		-	-	(3,559)
Health		-	-	(2,467)
Education & Welfare		-	-	11,910
Housing		-	-	-
Community Amenities		-	(4,325)	-
Recreation & Culture		(8,700)	-	(49,206)
Transport		(31,700)	(11,861)	23,801
Economic Services		(32,800)	5,188	(5,737)
Other Property & Services		8,800	(14,449)	64,753
		(69,800)	(32,973)	35,523
<b>NET PROFIT/(LOSS) RESULT</b>		3,998,200	13,374,698	8,797,316
<b>Other Comprehensive Income</b>		-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	3	3,998,200	13,374,698	8,797,316

# Statement of Changes in Equity

For The Year Ended 30 June 2012

DESCRIPTION	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	ASSET REVALUATION RESERVES \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2010</b>	<b>136,070,024</b>	<b>22,896,970</b>	-	<b>158,966,994</b>
Net Result	8,797,316	-	-	8,797,316
Total Other Comprehensive Income	-	-	-	-
Transfer from/(to) Reserves	(506,753)	506,753	-	-
<b>Balance as at 1 July 2011</b>	<b>144,360,587</b>	<b>23,403,723</b>	-	<b>167,764,310</b>
Net Result	13,374,698	-	-	13,374,698
Total Other Comprehensive Income	-	-	-	-
Transfer from/(to) Reserves	10,138,883	(10,138,883)	-	-
<b>Balance as at 1 July 2012</b>	<b>167,874,168</b>	<b>13,264,840</b>	-	<b>181,139,008</b>



# Statement of Cash Flows

For The Year Ended 30 June 2012

DESCRIPTION	NOTE	2011/2012 BUDGET \$	2011/2012 ACTUAL \$	2010/2011 ACTUAL \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		8,102,500	<b>7,951,575</b>	7,453,401
Grants & Subsidies		7,114,500	<b>7,624,841</b>	5,232,181
Contributions, Reimbursements & Donations		1,392,500	<b>892,156</b>	1,646,134
Service Charges		-	-	-
Fees & Charges		10,673,700	<b>7,072,411</b>	12,211,001
Interest Earnings		1,036,200	<b>1,158,216</b>	1,270,124
Goods & Services Tax		700,000	<b>1,591,920</b>	666,770
Other Revenue/Income		350,200	<b>941,624</b>	737,868
		29,369,600	<b>27,232,743</b>	29,217,479
<b>Payments</b>				
Employee Costs		(7,303,023)	<b>(7,144,876)</b>	(6,102,652)
Materials & Contracts		(14,456,832)	<b>(9,183,620)</b>	(9,261,512)
Utilities (Gas, Electricity, Water, etc)		(1,151,200)	<b>(1,237,899)</b>	(1,219,761)
Interest Expenses		(590,944)	<b>(540,505)</b>	(463,489)
Insurance Expenses		(742,100)	<b>(607,332)</b>	(441,991)
Goods & Services Tax		(700,000)	<b>(1,408,086)</b>	(753,786)
Other Expenditure		(505,000)	<b>(871,738)</b>	(627,586)
		(25,449,099)	<b>(20,994,056)</b>	(18,870,777)
<i>Net Cash Inflows/(Outflows) From Operating Activities</i>	3	3,920,501	<b>6,238,687</b>	10,346,702
<b>Cash Flows From Investing Activities</b>				
Purchase Land and Buildings		(5,600,300)	<b>(6,297,527)</b>	(735,458)
Purchase Plant and Equipment		(1,553,000)	<b>(1,030,674)</b>	(1,859,398)
Purchase Furniture and Equipment		(117,800)	<b>(159,466)</b>	(94,197)
Purchase Airport Assets		(3,388,000)	<b>(4,572,412)</b>	(2,053,128)
Purchase Infrastructure Assets		(26,305,300)	<b>(17,388,703)</b>	(9,341,385)
Sale of Plant and Equipment	11	269,000	<b>204,177</b>	614,249
Grants and Contributions for the Development of Assets	23a	6,594,200	<b>11,714,072</b>	9,967,837
<i>Net Cash Inflows/(Outflows) From Investing Activities</i>		(30,101,200)	<b>(17,530,533)</b>	(-3,501,480)
<b>Cash Flows From Financing Activities</b>				
Proceeds from New Loans	17c	-	-	1,800,000
Repayment of Loans	17b	(824,100)	<b>(824,070)</b>	(710,481)
Less: Proceeds from Self Supporting Loans				
<i>Net Cash Inflows/(Outflows) From Financing Activities</i>		(824,100)	<b>(824,070)</b>	1,089,519
<i>Net Increase/(Decrease) In Cash Held</i>		(27,004,799)	<b>(12,115,916)</b>	7,934,741
<b>Cash and Cash Equivalents At Beginning Of Year</b>		33,617,200	<b>33,764,837</b>	25,830,096
<b>Cash and Cash Equivalents At End of Year</b>	3b	6,612,401	<b>21,648,921</b>	33,764,837

This statement is to be read in conjunction with accompanying notes

# Rate Setting Statement

For The Year Ended 30 June 2012

DESCRIPTION	NOTE	2011/2012 BUDGET \$	2011/2012 ACTUAL \$	2010/2011 ACTUAL \$
<b>REVENUES</b>				
General Purpose Funding		3,612,900	<b>3,712,152</b>	3,527,268
Governance		106,100	<b>201,650</b>	171,247
Law, Order and Public Safety		59,000	<b>91,211</b>	83,624
Health		44,500	<b>66,504</b>	40,980
Education and Welfare		124,000	<b>111,717</b>	179,294
Housing		191,000	<b>221,881</b>	216,488
Community Amenities		2,743,100	<b>4,698,922</b>	3,581,490
Recreation and Culture		1,466,100	<b>2,072,657</b>	2,337,601
Transport		9,095,500	<b>12,038,839</b>	7,658,775
Economic Services		891,000	<b>1,381,772</b>	1,698,460
Other Property and Services		104,500	<b>305,644</b>	186,441
		18,437,700	<b>24,902,949</b>	19,681,668
<b>EXPENSES</b>				
General Purpose Funding		(352,800)	<b>(332,492)</b>	(248,158)
Governance		(1,755,900)	<b>(2,038,680)</b>	(1,319,124)
Law, Order and Public Safety		(686,500)	<b>(659,712)</b>	(589,058)
Health		(346,500)	<b>(299,007)</b>	(235,512)
Education and Welfare		(1,278,400)	<b>(900,613)</b>	(1,134,357)
Housing		(661,300)	<b>(669,790)</b>	(461,955)
Community Amenities		(2,731,900)	<b>(2,936,654)</b>	(2,657,989)
Recreation and Culture		(6,621,200)	<b>(6,393,803)</b>	(5,464,067)
Transport		(12,400,000)	<b>(14,411,662)</b>	(12,599,483)
Economic Services		(1,955,100)	<b>(1,558,712)</b>	(3,405,858)
Other Property and Services		(182,100)	<b>(1,022,401)</b>	(172,256)
		(28,971,700)	<b>(31,223,526)</b>	(28,287,817)
<b>Net Operating Result Excluding Rates</b>		(10,534,000)	<b>(6,320,577)</b>	(8,606,149)
<b>Add:</b>				
Capital Grants and Contributions	23a	6,594,200	<b>11,714,072</b>	9,967,838
Sale of Assets	11	269,000	<b>204,177</b>	614,250
<i>Write Back Depreciation</i>	20	8,840,700	<b>9,498,301</b>	8,578,732
		15,703,900	<b>21,416,550</b>	19,160,820
<b>Less: CAPITAL WORKS PROGRAMME</b>				
Governance		1,475,300	<b>951,815</b>	210,114
Law, Order and Public Safety		1,050,000	<b>13,598</b>	181,251
Health		-	<b>-</b>	92,810
Education & Welfare		60,000	<b>62,953</b>	120,478
Housing		2,700,000	<b>1,494,815</b>	38,391
Community Amenities		771,000	<b>738,238</b>	283,039
Recreation and Culture		1,021,800	<b>5,591,759</b>	2,004,636
Transport		28,236,300	<b>20,219,383</b>	9,599,995
Economic Services		1,650,000	<b>293,407</b>	1,283,316
Other Property and Services		-	<b>82,813</b>	269,535
		36,964,400	<b>29,448,781</b>	14,083,565
<b>Less: OTHER</b>				
Repayments of Debentures	17b	824,100	<b>824,070</b>	710,481
<i>Less Contributions to Loan Principal</i>		-	<b>-</b>	-
Transfers to Reserves	10	2,226,600	<b>3,614,841</b>	2,930,308
		3,050,700	<b>4,438,911</b>	3,640,789
<b>Add: FUNDING SOURCES</b>				
Reserves Utilised	10	19,558,400	<b>13,753,726</b>	2,423,557
Proceeds From New Debentures	17c	-	<b>-</b>	1,800,000
Estimated Surplus/(Deficit) July 1 b/fwd		7,364,900	<b>7,230,183</b>	2,776,207
<b>Sub Total</b>		26,923,300	<b>20,983,909</b>	6,999,764
Estimated (Surplus)/Deficit June 30 c/fwd		(85,900)	<b>(10,206,364)</b>	(7,230,184)
<b>TO BE MADE UP FROM RATES</b>	13	8,007,800	<b>8,014,174</b>	7,400,103

This statement is to be read in conjunction with accompanying notes

# Notes to the Financial Reports



# 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.

### (b) 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.

### (c) 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.

### (d) 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 non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

#### (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.

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

# Notes to the Financial Reports

## (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.

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	25 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	25 years
Road (sealed) - pavement	50 years
Road (unsealed) - formed	20 years
Road (unsealed) - gravel	20 years
Street lights	25 years
Street signs	10 years
Water reticulation systems	20 years
Parks and Gardens	20 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

# Notes to the Financial Reports

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

## **(e) 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.

## **(f) 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.

## **(g) Financial Instruments**

### *Initial Recognition and Measurement*

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit and loss', in which case transaction costs are expensed to profit or loss immediately.

### *Classification and Subsequent Measurement*

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost.

Fair value represent the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any between the amount initially recognised and the maturity amount calculated using the effective interest rate method ; and
- (d) Less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payment or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

### *(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 it.



# Notes to the Financial Reports

## *(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 and are subsequently measured at amortised cost.

Loans and receivables are included in current assets and liabilities, except for those which are not expected to mature within 12 months after the end of the reporting period. (classified as non-current assets).

## *(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.

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.

If the 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.

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

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period (classified as current assets).

## *(v) Financial liabilities*

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

### **Impairment**

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instrument, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

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

## **(h) 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.

# Notes to the Financial Reports

## **(i) 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.

## **(j) 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 3(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.

## **(k) 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.

## **(l) 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.

## **(m) 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.

## **(n) 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.

# Notes to the Financial Reports

## **(o) 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.

## **(p) Rounding Off Figures**

All figures in this annual financial report are concise amounts.

## **(q) Goods and Services Tax**

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. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

## **(r) 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.

## **(s) 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.

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.

## **(t) 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.

## **(u) 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.

## **(v) 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

## (w) 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 2012.

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)	AASB 1053 – Application of Tiers or Australian Account Standards	June 2010	1 July 2013	Nil – Due to its nature and statutory requirements the Council will be deemed a Tier 1 entry and will continue to prepare general purpose financial statements.
(iii)	AASB 2009 - 11 Amendments to Australian Accounting arising from AASB 9 [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	Nil – Due to its nature and statutory requirements the Council will be deemed a Tier 1 entry and will continue too prepare general purpose financial statements.
(iv)	AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	1 July 2013	Nil – None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements
(v)	AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	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 (i) above).
(vi)	AASB 2010 – 8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	December 2010	1 January 2012	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.
(vii)	AASB 2010 – 10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]	December 2010	1 January 2013	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
(ix)	AASB 10 – Consolidated Financial Statements AASB 11 – Joint Arrangements AASB 12 – Disclosure of Interests in Other Entities AASB 127 – Separate Financial Statements AASB 128 – Investments in Associates and Joint Ventures AASB 2011 – 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 131, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17	August 2011	1 January 2013	<p>Nil – None of these except for AASB 128, are expected to have significant application to the operations of the Council.</p> <p>With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it.</p> <p>Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.</p>
(x)	AASB 13 – Fair Value Measurement AASB 2011 – 8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	September 2011	1 January 2013	<p>AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 requires:</p> <ul style="list-style-type: none"> <li>- Inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and</li> <li>- Enhanced disclosures regarding all assets and liabilities (including, but not limited to financial assets and financial liabilities) measured at fair value.</li> </ul> <p>AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its fixed assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards.</p> <p>The amendments to the legislation requires the phasing in of fair value in relation to fixed assets over the three years from 1 July 2012. It is not possible to estimate the likely amount of any revaluations.</p>

# Notes to the Financial Reports

	Title and topic	Issued	Applicable <sup>(1)</sup>	Impact
(xi)	AASB 2011 - 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	1 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.
(xii)	AASB 119 – Employee Benefits AASB 2010 – 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011 – 8 and Interpretation 14]	September 2011	1 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(xiii)	AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements AASB 2011 – 12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1] AASB 2011 – 13 Amendments to Australian Accounting Standards – Improvements to AASB 1049	September 2011	1 July 2013  November 2011  1 January 2013  December 2011  1 July 2012	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: (1) Applicable to reporting periods commencing on or after the given date.

## (x) 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 operation.

These new and revised standards were:

AASB 124  
AASB 1054  
AASB 2009 – 12  
AASB 2010 – 4  
AASB 2010 – 5  
AASB 2010 – 6  
AASB 2010 – 9  
AASB 2010 – 14  
AASB 2011 - 1

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.



# 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

	2011/2012 \$	2010/2011 \$
<b>Net Profit/(Loss) Result</b>	<b>13,374,698</b>	8,797,316
<b>Add/(Less) Non Cash and Non Cash Equivalent Items</b>		
Depreciation	9,498,301	8,578,734
Gain on sale of non current assets	(10,313)	(138,430)
Loss on sale of non current assets	43,286	102,907
<b>Changes in Assets and Liabilities</b>		
(Increase)/Decrease in Trade and other Receivables	(7,092,471)	1,381,920
Increase/(Decrease) in Trade and other Payables	1,913,922	1,588,576
Increase/(Decrease) in Accrued Expenses	177,028	87,836
Increase/(Decrease) in Employee Provisions	58,633	22,923
(Increase)/Decrease in Stock On Hand	(10,325)	(107,241)
<b>(Less)</b>		
Grants for the Development of Assets	(11,714,072)	(9,967,837)
<b>Net Cash and Cash Equivalents provided by Operating Activities</b>	<b>6,238,687</b>	10,346,704

# Notes to the Financial Reports

## (b) Total Cash and Cash Equivalents

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:

	2011/2012 \$	2010/2011 \$
<b>Restricted Cash - Reserves</b>		
Alice Springs Road	178,982	171,951
Heavy Road Plant	614,329	367,928
Cape Keraudren Development	145,846	140,117
Computer Technology	110,996	58,063
Newman Recreation Centre Maintenance	212,047	106,572
Newman Sewerage Plant	152,920	87,654
Newman Airport	2,104,469	2,027,796
Oval Lights Maintenance	119,599	76,043
Long Service Leave	310,604	225,544
Recreation Facilities	550,599	334,679
Staff Housing	806,785	590,517
Newman Town Centre Revitalisation	58,207	153,066
Waste Management	125,478	120,549
Public Art	52,701	51,697
Town Centre Public Toilet	867	25,411
Annual Leave	242,611	135,934
Royalties for Regions	6,649,128	18,551,542
Newman House	167,886	76,289
Newman Tomorrow Project Maintenance	106,556	102,371
Public Building Maintenance	554,230	-
	<u>13,264,840</u>	<u>23,403,723</u>
<b>Restricted Cash - Unspent Loans</b>	-	1,800,000
<b>Restricted Cash - Committed Funds</b>	<u>5,331,652</u>	<u>1,619,179</u>
<b>Restricted Cash - Total</b>	<u>18,596,492</u>	<u>26,822,902</u>
<b>Unrestricted Cash</b>		
Municipal Fund Cash At Bank	802,649	3,426,667
Municipal Fund Cash Invested	2,246,900	3,507,688
Municipal Fund Cash On Hand	2,880	7,580
Unrestricted Cash - Total	<u>3,052,429</u>	<u>6,941,935</u>
<b>Total Cash</b>	<u>21,648,921</u>	<u>33,764,837</u>



# 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:	2011/2012 \$
Martumili Art Program	474,989
BHPB Sustainability - Newman Tomorrow Doc	3,599
BHPB Sustainability - Installation of Statues	100,000
NW Planning Program	50,000
CLGF - 10/11	170,704
CLGF - 11/12	1,011,337
BHPB - Community Housing	2,000,000
R4R - Sporting Facilities Upgrade	21,023
BHPB - Newman Town Funding	1,500,000
	<u>5,331,652</u>

## 4. Trade and Other Receivables

	2011/2012 \$	2010/2011 \$
<b>Current Debtors</b>		
Rates	167,365	104,767
Trade and Other Receivables	9,390,255	2,176,550
ATO - GST Refund	-	183,833
	<u>9,557,620</u>	<u>2,465,150</u>
Provision Bad/Doubtful Debts	(7,469)	(1,264)
	<u>9,550,151</u>	<u>2,463,886</u>
<b>Non Current Debtors</b>		
None	-	-
<b>Total Debtors</b>	<u>9,550,151</u>	<u>2,463,886</u>

## 5. Inventories

STOCK CATEGORY	2011/2012 \$	2010/2011 \$
Fuels	115,252	112,703
History Books	17,173	19,188
Baskets	53,055	43,264
<b>Total Stock On Hand</b>	<u>185,480</u>	<u>175,154</u>

# Notes to the Financial Reports

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

	2011/2012 \$	2010/2011 \$
<b>Land &amp; Buildings</b>		
At Independent Valuation 1996	2,000,000	2,000,000
Cost	30,304,611	24,586,497
Accumulated Depreciation	(7,693,071)	(6,926,861)
	<b>24,611,540</b>	19,659,635
<b>Plant &amp; Equipment</b>		
Cost	12,132,231	11,326,243
Accumulated Depreciation	(5,866,480)	(5,163,158)
	<b>6,265,751</b>	6,163,085
<b>Furniture &amp; Equipment</b>		
Cost	1,974,134	2,516,479
Accumulated Depreciation	(1,428,503)	(1,930,937)
	<b>545,631</b>	585,543
<b>Newman Airport</b>		
At Council Valuation 1996	2,136,300	2,136,300
Cost	29,434,256	24,869,617
Accumulated Depreciation	(7,733,885)	(6,081,232)
	<b>23,836,671</b>	20,924,685
<b>Total - Property, Plant &amp; Equipment</b>	<b>55,259,593</b>	47,332,948

## 6. (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	19,659,635	6,163,085	585,544	20,924,685	<b>47,332,949</b>
Plus: Acquisitions	5,767,333	1,560,869	159,466	4,572,412	<b>12,060,080</b>
	25,426,968	7,723,954	745,010	25,497,097	<b>59,393,029</b>
Less: Disposals	49,218	754,881	701,812	7,772	<b>1,513,683</b>
	25,377,750	6,969,073	43,198	25,489,325	<b>57,879,346</b>
Write Back Depreciation	44,893	523,601	700,395	7,643	<b>1,276,532</b>
	25,422,643	7,492,674	743,593	25,496,968	<b>59,155,878</b>
Less: Annual Depreciation	811,103	1,226,923	197,962	1,660,297	<b>3,896,285</b>
Balance at 30/06/12	<b>24,611,540</b>	<b>6,265,751</b>	<b>545,631</b>	<b>23,836,671</b>	<b>55,259,593</b>

# Notes to the Financial Reports

## 7. (a) Infrastructure Assets

	2011/2012 \$	2010/2011 \$
<b>Roads</b>		
At Cost	157,300,703	147,782,668
Accumulated Depreciation	(70,212,517)	(65,887,866)
	<b>87,088,186</b>	81,894,802
<b>Footpaths</b>		
Cost	5,835,822	5,632,691
Accumulated Depreciation	(2,652,299)	(2,429,323)
	<b>3,183,523</b>	3,203,368
<b>Drainage</b>		
Cost	4,515,441	4,512,884
Accumulated Depreciation	(2,702,812)	(2,521,191)
	<b>1,812,629</b>	1,991,693
<b>Parks &amp; Gardens</b>		
Cost	22,656,668	15,025,976
Accumulated Depreciation	(4,019,759)	(3,181,277)
	<b>18,636,909</b>	11,844,699
<b>Total - Infrastructure Assets</b>	<b>110,721,247</b>	<b>98,934,562</b>

## 7. (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	98,934,562
Plus: Acquisitions	17,388,702
	116,323,264
Less: Disposals	34,287
	116,288,977
Write Back Depreciation	34,287
	116,323,264
Less: Annual Depreciation	5,602,017
Assets Balance 30/06/12	<b>110,721,247</b>



# Notes to the Financial Reports

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

FUNCTION NAME	FUNCTION NO	2011/2012 \$	2010/2011 \$
Governance	4	3,218,137	2,519,828
Law, Order & Public Safety	5	546,940	612,694
Health	7	65,963	75,372
Education & Welfare	8	5,851,058	5,986,863
Housing	9	4,151,818	2,765,589
Community Amenities	10	3,285,631	2,766,700
Recreation & Culture	11	15,419,100	10,572,216
Transport	12	132,198,683	119,518,017
Economic Services	13	1,996,412	1,858,833
Other Property & Services	14	(752,902)	(408,602)
		<b>165,980,840</b>	<b>146,267,510</b>

## 8. Trade and other Payables, Accruals and Provisions

		2011/2012 \$	2010/2011 \$
<b>Current Liabilities</b>			
<b>Trade and Other Payables And Accruals</b>			
Trade and Other Payables	5,815,559		
Accrued Expenses	1,137,502	6,953,061	5,000,374
<b>Provisions</b>			
Provision For Annual Leave	461,604		
Provision For Long Service Leave	361,346	822,950	690,894
		<b>7,776,011</b>	<b>5,691,268</b>
<b>Non Current Liabilities</b>			
Provision For Long Service Leave		137,337	78,705
		<b>137,337</b>	<b>78,705</b>
<b>Total Trade and other Payables &amp; Provisions</b>		<b>7,913,348</b>	<b>5,769,973</b>

## 9. Long Term Borrowings

	2011/2012 \$	2010/2011 \$
<b>Current</b>		
Debenture Repayments	870,904	824,070
<b>Non Current</b>		
Debenture Repayments	7,442,132	8,313,035
<b>Total Borrowings</b>	<b>8,313,036</b>	<b>9,137,105</b>

Additional detail on debentures is provided in Note 18.

# Notes to the Financial Reports

## 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	2011/2012 ACTUAL \$	2011/2012 BUDGET \$	2010/2011 ACTUAL \$
<b>Alice Springs Road</b>			
<i>Opening Balance</i>	<b>171,951</b>	170,900	163,186
Interest Earned During Year	<b>7,031</b>	6,800	8,765
Transfer From Municipal Fund	-	-	-
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>178,982</b>	177,700	171,951
<b>Heavy Road Plant</b>			
<i>Opening Balance</i>	<b>367,928</b>	365,700	252,639
Interest Earned During Year	<b>17,601</b>	14,600	15,289
Transfer From Municipal Fund	<b>228,800</b>	28,800	100,000
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>614,329</b>	409,100	367,928
<b>Cape Keraudren Development</b>			
<i>Opening Balance</i>	<b>140,117</b>	139,300	228,886
Interest Earned During Year	<b>5,729</b>	5,600	11,231
Transfer From Municipal Fund	-	-	-
Transfer To Municipal Fund	-	-	(100,000)
<i>Closing Balance</i>	<b>145,846</b>	144,900	140,117
<b>Computer Technology</b>			
<i>Opening Balance</i>	<b>58,063</b>	57,700	55,103
Interest Earned During Year	<b>2,933</b>	2,300	2,960
Transfer From Municipal Fund	<b>50,000</b>	50,000	-
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>110,996</b>	110,000	58,063
<b>Newman Recreation Centre Maintenance</b>			
<i>Opening Balance</i>	<b>106,572</b>	105,900	52,873
Interest Earned During Year	<b>5,475</b>	4,200	3,699
Transfer From Municipal Fund	<b>100,000</b>	100,000	50,000
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>212,047</b>	210,100	106,572
<b>Newman Sewerage Plant</b>			
<i>Opening Balance</i>	<b>87,654</b>	87,100	48,241
Interest Earned During Year	<b>4,266</b>	3,500	3,213
Transfer From Municipal Fund	<b>61,000</b>	61,000	36,200
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>152,920</b>	151,600	87,654
<b>Newman Airport</b>			
<i>Opening Balance</i>	<b>2,027,796</b>	2,175,000	998,071
Interest Earned During Year	<b>80,168</b>	87,000	65,052
Transfer From Municipal Fund	<b>653,712</b>	110,100	1,124,247
Transfer To Municipal Fund	<b>(657,207)</b>	-	(159,574)
<i>Closing Balance</i>	<b>2,104,469</b>	2,372,100	2,027,796

# Notes to the Financial Reports

RESERVE FUNDS	2011/2012 ACTUAL \$	2011/2012 BUDGET \$	2010/2011 ACTUAL \$
<b>Oval Lights Maintenance</b>			
<i>Opening Balance</i>	<b>76,043</b>	75,600	57,687
Interest Earned During Year	<b>3,556</b>	3,000	3,356
Transfer From Municipal Fund	<b>40,000</b>	40,000	15,000
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>119,599</b>	118,600	76,043
<b>Long Service Leave</b>			
<i>Opening Balance</i>	<b>225,544</b>	224,200	194,740
Interest Earned During Year	<b>10,060</b>	9,000	10,804
Transfer From Municipal Fund	<b>75,000</b>	75,000	20,000
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>310,604</b>	308,200	225,544
<b>Recreation Facilities</b>			
<i>Opening Balance</i>	<b>334,679</b>	332,600	172,819
Interest Earned During Year	<b>15,920</b>	13,300	11,860
Transfer From Municipal Fund	<b>200,000</b>	200,000	150,000
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>550,599</b>	545,900	334,679
<b>Staff Housing</b>			
<i>Opening Balance</i>	<b>590,517</b>	586,900	560,415
Interest Earned During Year	<b>26,268</b>	23,500	30,102
Transfer From Municipal Fund	<b>490,000</b>	240,000	-
Transfer To Municipal Fund	<b>(300,000)</b>	(300,000)	-
<i>Closing Balance</i>	<b>806,785</b>	550,400	590,517
<b>Newman Town Centre Revitalisation</b>			
<i>Opening Balance</i>	<b>153,066</b>	152,100	145,263
Interest Earned During Year	<b>5,141</b>	6,100	7,803
Transfer From Municipal Fund	-	-	-
Transfer To Municipal Fund	<b>(100,000)</b>	(100,000)	-
<i>Closing Balance</i>	<b>58,207</b>	58,200	153,066
<b>Waste Management</b>			
<i>Opening Balance</i>	<b>120,549</b>	119,800	306,228
Interest Earned During Year	<b>4,929</b>	4,800	14,321
Transfer From Municipal Fund	-	-	-
Transfer To Municipal Fund	-	-	(200,000)
<i>Closing Balance</i>	<b>125,478</b>	124,600	120,549
<b>Public Art</b>			
<i>Opening Balance</i>	<b>51,697</b>	51,500	25,386
Interest Earned During Year	<b>1,004</b>	2,100	1,311
Transfer From Municipal Fund	-	-	25,000
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>52,701</b>	53,600	51,697

# Notes to the Financial Reports

RESERVE FUNDS	2011/2012 ACTUAL \$	2011/2012 BUDGET \$	2010/2011 ACTUAL \$
<b>Town Centre Public Toilet</b>			
Opening Balance	25,411	25,300	24,116
Interest Earned During Year	756	-	1,295
Transfer From Municipal Fund	-	-	-
Transfer To Municipal Fund	(25,300)	(25,300)	-
Closing Balance	867	-	25,411
<b>Annual Leave</b>			
Opening Balance	135,934	135,100	71,085
Interest Earned During Year	6,677	5,400	4,849
Transfer From Municipal Fund	100,000	100,000	60,000
Transfer To Municipal Fund	-	-	-
Closing Balance	242,611	240,500	135,934
<b>Royalties for Regions - Pilbara Revitalisation</b>			
Opening Balance	18,551,542	18,397,200	19,540,234
Interest Earned During Year	768,805	735,900	926,110
Transfer From Municipal Fund	-	-	-
Transfer To Municipal Fund	(12,671,219)	(19,133,100)	(1,914,802)
Closing Balance	6,649,128	-	18,551,542
<b>Newman House</b>			
Opening Balance	76,289	75,800	-
Interest Earned During Year	4,097	3,000	1,289
Transfer From Municipal Fund	87,500	87,500	75,000
Transfer To Municipal Fund	-	-	-
Closing Balance	167,886	166,300	76,289
<b>BHP Billiton Maintenance Fund</b>			
Opening Balance	102,371	101,700	-
Interest Earned During Year	4,185	4,100	2,371
Transfer From Municipal Fund	-	-	100,000
Transfer To Municipal Fund	-	-	-
Closing Balance	106,556	105,800	102,371
<b>Public Building Maintenance Fund</b>			
Opening Balance	-	-	-
Interest Earned During Year	4,230	-	-
Transfer From Municipal Fund	550,000	200,000	-
Transfer To Municipal Fund	-	-	-
Closing Balance	554,230	200,000	-
<b>Totals - All Reserves</b>			
Opening Balance	23,403,723	23,379,400	22,896,972
Interest Earned During Year	978,831	934,200	1,125,680
Transfer From Municipal Fund	2,636,012	1,292,400	1,755,447
Transfer To Municipal Fund	(13,753,726)	(19,558,400)	(2,374,376)
Closing Balance	13,264,840	6,047,600	23,403,723

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 provide 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 \$	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$	BUDGET \$
Governance						
Law, Order & Public Safety	19,105	40,456	11,579	35,000	(7,526)	(5,456)
Health	-	-	-	-	-	-
Education & Welfare	-	-	-	-	-	-
Recreation & Culture	-	12,733	-	4,000	-	(8,733)
Community Amenities	4,325	-	-	-	(4,325)	-
Transport	127,362	118,686	115,500	87,000	(11,862)	(31,686)
Economic Services	31,391	94,773	36,579	62,000	5,188	(32,773)
Other Property & Services	54,968	72,149	40,519	81,000	(14,449)	8,851
	<b>237,151</b>	<b>338,797</b>	<b>204,177</b>	<b>269,000</b>	<b>(32,974)</b>	<b>(69,797)</b>

## 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.

	2011/2012 ACTUAL \$	2011/2012 BUDGET \$	2010/2011 ACTUAL \$
<b>Non Operating Income</b>			
Proceeds From Sale Of Assets	204,177	269,000	614,249
Loans Raised	-	-	1,800,000
Contributions From Self Supporting Loans	-	-	-
Transfers From Reserve Accounts	13,753,726	19,558,400	2,423,557
<b>Total Non Operating Income</b>	<b>13,957,903</b>	<b>19,827,400</b>	<b>4,837,806</b>
<b>Non Operating Expenditure</b>			
Repayment Of Debentures	824,070	824,100	710,481
Transfer To Reserves	3,614,843	2,226,600	2,930,310
Land & Buildings	5,767,333	5,600,300	735,458
Furniture & Equipment	159,466	117,800	94,197
Plant & Equipment	1,560,869	1,553,000	1,859,398
Airport Assets	4,572,412	3,388,000	2,053,128
Infrastructure Assets	17,388,702	26,305,300	9,341,385
<b>Total Non Operating Expenditure</b>	<b>33,887,695</b>	<b>40,015,100</b>	<b>17,724,357</b>

### (b) Current Position 1st July 2011

The current position balance carried forward from the previous financial year for the purpose of the 2011/2012 budget was \$3,313,825.72. The current position balance shown in the audited financial report as at 30 June 2011 was \$3,065,637.52.

# Notes to the Financial Reports

## 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 2011/2012 year was 0.5750 cents in the dollar on the gross rental value of the property. The total revenue from this rate was \$383,796.06.

## 14. Service Charges

No service charges were levied by Council during 2011/2012.

## 15. Discounts, Incentives and Concessions

Council did not allow any discounts or concessions for the early payment of rates during 2011/2012.

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 35 days after the date of issue and where the option to pay by instalments had not been taken up.

A total of \$14,591.01 penalty interest was charged during the year.

### (b) Instalments Interest and Additional Charges

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

Administration fees of \$5,530 were received against a budget of \$5,000 and interest of \$9,149.29 against a budget of \$10,000.

## 17. Borrowings

### (a) Unspent Loans

There were no bought forward or unspent borrowings from the 2010/2011 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 \$8,313,005.

### (c) New Borrowings

There were no new borrowings for the 2011/2012 year.

### (d) Overdraft

Council had not established an overdraft facility as at 30 June 2012.

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 2011/2012 financial year:

FUNCTION NAME	FUNCTION NO	2011/2012 \$	2010/2011 \$
General Purpose Funding	3	30,580	34,072
Governance	4	34,840	46,854
Law, Order & Public Safety	5	41,645	31,405
Health	7	66,504	40,980
Education & Welfare	8	20,120	18,505
Housing	9	175,340	35,859
Community Amenities	10	4,565,489	3,392,307
Recreation & Culture	11	794,342	734,519
Transport	12	7,427,068	5,270,765
Economic Services	13	1,279,066	1,409,230
Other Property & Services	14	73,079	2,823
		<b>14,508,073</b>	<b>11,017,319</b>

## 19. Interest on Investments

	2011/2012 \$	2010/2011 \$
<b>(a) Reserve Investments</b>		
Alice Springs Road	7,031	8,765
Heavy Road Plant	17,601	15,289
Cape Keraudren Development	5,729	11,231
Computer Technology	2,933	2,960
Newman Recreation Centre Maintenance	5,475	3,699
Newman Sewerage Plant	4,266	3,213
Newman Airport	80,168	65,052
Oval Lights Maintenance	3,556	3,356
Long Service Leave	10,060	10,804
Recreation Facilities Maintenance	15,920	11,860
Staff Housing	26,268	30,102
Newman Town Centre Revitalisation	5,141	7,803
Waste Management	4,929	14,321
Public Art	1,004	1,311
Public Toilet	756	1,295
Annual Leave	6,677	4,849
Royalties for Regions	768,805	926,110
Newman House	4,097	1,289
BHP Billiton Maintenance Fund	4,185	2,371
	4,230	-
	<b>978,831</b>	<b>1,125,680</b>
<b>(b) Municipal Fund Investments</b>	<b>179,384</b>	<b>144,442</b>
<b>Total Earnings From Investments</b>	<b>1,158,215</b>	<b>1,270,122</b>



# Notes to the Financial Reports

## 20. Depreciation

FUNCTION NAME	FUNCTION NO	2011/2012 \$	2010/2011 \$
Governance	4	<b>234,403</b>	212,353
Law, Order & Public Safety	5	<b>79,352</b>	79,533
Health	7	<b>9,409</b>	9,890
Education & Welfare	8	<b>198,758</b>	191,680
Housing	9	<b>107,527</b>	86,612
Community Amenities	10	<b>214,982</b>	184,040
Recreation & Culture	11	<b>708,330</b>	577,063
Transport	12	<b>7,016,856</b>	6,305,429
Economic Services	13	<b>124,437</b>	86,947
Other Property & Services	14	<b>804,247</b>	845,188
		<b>9,498,301</b>	8,578,734

## 21. Councillors' Remuneration

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

	2011/2012 ACTUAL \$	2011/2012 BUDGET \$	2010/2011 ACTUAL \$
Meeting Fees	<b>79,000</b>	70,000	77,915
President's Allowances	<b>12,000</b>	12,000	9,000
Travelling Expenses	<b>10,549</b>	15,000	8,315
Telecommunication Allowance	<b>6,000</b>	6,000	5,917
	<b>107,549</b>	103,000	101,147

# Notes to the Financial Reports

## 22. 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:

	CARRYING VALUE		FAIR VALUE	
	2011/2012 \$	2010/2011 \$	2011/2012 \$	2010/2011 \$
<b>Financial Assets</b>				
Cash & Cash Equivalents	21,648,920	33,764,837	21,648,920	33,764,837
Receivables	9,502,659	2,463,886	9,502,659	2,463,886
Financial assets at fair value				
through profit and loss	-	-	-	-
Available for sale financial assets	-	-	-	-
Held-to-maturity investments	-	-	-	-
	<b>31,151,579</b>	<b>36,228,723</b>	<b>31,151,579</b>	<b>\$36,228,723</b>
<b>Financial Liabilities</b>				
Payables	3,778,580	5,000,372	3,778,580	5,000,372
Borrowings	8,313,036	824,070	8,313,036	824,070
	<b>12,091,616</b>	<b>5,824,442</b>	<b>12,091,616</b>	<b>5,824,442</b>

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.

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.

# Notes to the Financial Reports

	30/06/2012 t\$	30/06/2011 t\$
<b>Impact of a 5%<sup>(1)</sup> movement in price of investments:</b>		
Equity	60,900	57,300
Statement of Comprehensive Income	60,900 <sup>(2)</sup>	57,300 <sup>(2)</sup>
<b>Impact of a 1%<sup>(1)</sup> movement in interest rates on cash</b>		
Equity	175,500	99,800
Statement of Comprehensive Income	175,500	99,800

**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:

RECEIVABLES CREDIT RISK	30/06/2012	30/06/2011
Percentage of Rates and Annual Charges		
Current	76%	84%
Overdue	24%	16%
Percentage of Other Receivables (Debtors)		
Current	97%	84%
Overdue	3%	16%

# Notes to the Financial Reports

## (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.

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

	DUE WITHIN ONE YEAR \$	DUE BETWEEN ONE AND FIVE YEARS \$	DUE AFTER FIVE YEARS \$	TOTAL CONTRACTUAL CASH FLOWS \$	CARRYING VALUES \$
<b>2012</b>					
Payables	6,953,061			6,953,061	6,953,061
Borrowings	870,904	4,354,008	3,587,095	8,812,007	8,313,036
	<b>7,823,964</b>	<b>4,354,008</b>	<b>3,587,095</b>	<b>15,765,067</b>	<b>15,266,097</b>
<b>2011</b>					
Payables	5,000,372			5,000,374	5,000,372
Borrowings	824,070	4,452,269	4,405,912	9,682,251	9,137,105
	<b>5,824,442</b>	<b>4,452,269</b>	<b>4,405,912</b>	<b>14,682,623</b>	<b>14,137,477</b>



# Notes to the Financial Reports

LOAN NO	EXPIRY DATE	RATE	PRINCIPAL 30/06/2012 \$		YEARS TO RUN AT 30/06/2012	IRR AT 30/06/2012 \$
<b>Year Ended 30 June 2012</b>						
65	1/2/2020	5.99	768,826	8	>5 Years	46,053
66	15/6/2021	6.25	3,528,007	9	>5 Years	220,500
67	1/3/2022	6.47	763,982	10	>5 Years	49,430
70	13/2/2016	4.65	1,526,114	4	1 to 5	70,964
71	1/3/2026	6.49	1,726,107	14	>5 Years	112,024
			<u>8,313,036</u>			<u>498,971</u>
						<u>6.00%</u>
			870,904		<1	
			4,283,044		1 to 5	
			<u>3,159,088</u>		>5	
			8,313,036			

LOAN NO	EXPIRY DATE	RATE	PRINCIPAL 30/06/2011 \$		YEARS TO RUN AT 30/06/2011	IRR AT 30/06/2011 \$
<b>Year Ended 30 June 2011</b>						
65	1/2/2020	5.99	841,844	9	>5 Years	50,427
66	15/6/2021	6.25	3,812,570	10	>5 Years	238,286
67	1/3/2022	6.47	816,917	11	>5 Years	52,855
70	13/2/2016	4.65	1,865,774	5	1 to 5	86,758
71	1/3/2026	6.49	1,800,000	15	>5 Years	116,820
			<u>9,137,105</u>			<u>545,146</u>
						<u>5.97%</u>
			824,070		<1	
			4,452,268		1 to 5	
			<u>3,860,767</u>		>5	
			9,137,105			

# Notes to the Financial Reports

## 23. Grants and Contributions

### (a) Non Operating Grants For the Development Of Assets

GRANT SOURCE	PURPOSE	2011/2012 ACTUAL \$	2010/2011 ACTUAL \$
<b>State Grants</b>			
Dept LG & Regional Services	Royalties for Regions	1,036,663	1,179,298
FESA	Shed - Nullagine Fire Brigade	-	112,435
Dept Local Government	Co-Location Building	-	150,000
Dept Local Govt - RIFP	Co-Location Building	-	50,000
Dept Regional Development	Capricorn Irrigation Upgrade	-	85,000
Dept Regional Develop & Lands	Sporting Facilities Upgrade	2,000,000	-
Pilbara Dev't Commission	Marble Bar Public Toilet	-	70,000
Pilbara Dev't Commission	Marble Bar War Memorial	-	10,000
RIFP	Rec Centre Roof & Renovations	-	50,000
WA Grants Commission	Aboriginal Access Roads	518,000	500,000
Main Roads WA	Aboriginal Access Roads	257,899	256,000
Main Roads WA	Regional Road Group	713,333	880,407
WA Grants Commission	Untied Road Grants	610,000	410,000
Main Roads WA	Direct Road Grants	251,846	252,840
Main Roads WA	Welsh Drive Intersection	-	163,332
Main Roads WA	Black Spot - Newman Drive	59,724	-
Main Roads WA	Black Spot - Hilditch Avenue	82,320	-
Dept of Transport	Cape K - Ablution Upgrade	39,344	-
Pilbara Regional Grants Scheme	Cape Keaudren Upgrade	-	90,000
Pilbara Dev't Commission	Telecommunications Enhmnt	-	2,360,000
		<b>5,569,129</b>	<b>6,619,312</b>
<b>Federal Grants</b>			
RLCIP	Infrastructure Projects	-	217,000
Federal Dep't Of Transport	Roads To Recovery	794,943	794,943
Federal Dep't Of Transport	Roads To Recovery - Special	150,000	725,200
RADS Grant	PAPI System	-	67,001
		<b>944,943</b>	<b>1,804,144</b>
<b>Contributions</b>			
BHPBIO - Sustainability Prog	Sports Lighting Upgrade	1,500,000	-
BHPBIO - Sustainability Prog	Newman Recycling Campaign	-	200,000
BHPBIO - Sustainability Prog	Community Housing	2,000,000	-
BHPBIO - Sustainability Prog	Miners Promise Reserve	-	158,040
BHPBIO - Sustainability Prog	Tennis Clubrooms	-	100,000
BHPBIO - Sustainability Prog	Gun Club Footpath Upgrade	-	55,029
BHPBIO - Sustainability Prog	Streetscaping	-	500,000
BHPBIO - Sustainability Prog	Other Projects	1,500,000	-
BHPBIO - Sustainability Prog	Dual Pathway	-	315,000
BHPBIO - Sustainability Prog	Newman Information Bay	-	216,313
Consolidated Minerals	Woodie Woodie Road	200,000	-
		<b>5,200,000</b>	<b>1,544,382</b>
		<b>11,714,072</b>	<b>9,967,837</b>

# Notes to the Financial Reports

## (b) Operating Grants and Contributions

GRANT SOURCE	PURPOSE	2011/2012 ACTUAL \$	2010/2011 ACTUAL \$
<b>State Grants</b>			
WA Grants Commission	General Purpose Grants	3,502,186	3,348,754
Department of Local Government	Long Term Financial Planning	30,000	-
Fire & Emergency Services	Administration Grant	4,040	4,450
Fire & Emergency Services	Nullagine Bush Fire Brigade	6,963	9,839
Rural Bus Development Corp	Dry Assistance Grant	-	20,000
Healthway	Triathlon	5,000	-
Office of Crime Prevention	Graffiti Packs	-	10,900
Office of Crime Prevention	Crime Prevention Plan	-	-
Dept Sport and Recreation	RAWA - Swimming Program	-	4,600
NW Planning Program fund	Planning	-	50,000
State Treasury	Swimming Pool Subsidies	3,000	3,000
Dept Local Government	Local Government Scholarships	-	23,000
Art Cultural Activities (RACS)	Martumilli Arts Project	63,000	40,000
Art Enterprise Activities (NACIS)	Martumilli Arts Project	210,000	184,300
WA Govt - Culture and Arts	Martumilli Arts Project	7,876	67,060
Dept Environ and Heritage	Martumilli Arts Project	30,350	28,789
WACH - Desert	Martumilli Arts Project	-	1,500
Office of the Arts	Martumilli Arts Project	-	8,500
Martu Charitable Trust	Martumilli Arts Project	-	8,840
Next Wave	Martumilli Arts Project	-	-
Pilbara Dev't Commission	Martu Respect Project	-	-
Main Roads WA	Flood Damage	2,747,174	113,599
WA Grants Commission	Untied Road Grants	920,100	1,184,548
State Dep't of Transport	RPT Bus Service Subsidy	95,150	75,833
		<b>7,624,839</b>	<b>5,187,512</b>
<b>Federal Grants</b>			
DEEWR	Martumili Business Plan	-	19,669
FAHCSIA	Indigenous Film Evening	-	25,000
		-	44,669
<b>Contributions</b>			
BHPBIO	Rubbish Run	-	24,000
BHPBIO	East Pilbara Youth Plan	-	25,000
Water Corporation	Newman Sewerage Farm	123,482	120,353
BHPBIO	Refuse Bins	-	-
Royal Life Saving	Bronze Medallion Training	-	-
FORM - Canberra Trip	Martumili Arts Project	-	16,273
BHPBIO - Art Contribution	Martumilli Arts Project	-	350,000
BHPBIO - Art Contribution	Martumilli Arts Project	-	124,142
BHPBIO - Art Contribution	Martumilli Arts Project	-	50,619
BHPBIO - Art Contribution	Canberra Exhibition	-	-
BHPBIO - Art Contribution	Martumili Arts Project	-	200,000
BHPBIO	Newman Tomorrow Project Maint	-	100,000
BHPBIO - Community Grant	Ophthalmia Dam Bar-b-ques	-	295
BHPBIO	Multi-cultural Recognition Project	-	50,000
FMG	Faciltiy Rationalisation Plan	-	40,000
BHPBIO	Newman Tomorrow Review	-	68,687
BHPBIO	Installation of Statues	-	91,680
Greenhalgh Contracting	Triathlon	909	-
FMG	Triathlon	900	-
Dept Sport and Recreation	Triathlon	1,818	-
Martu Charitable Trust	Martumili Arts Project	57,000	-
BHPB Contribution	Martumili - Mapping Country	350,000	-
BHPB Contribution	Martumili - Community Support	100,000	-
BHPBIO - Normalisation	Community Support	-	-
		<b>634,109</b>	<b>1,261,048</b>
		<b>8,258,948</b>	<b>6,493,229</b>

# Notes to the Financial Reports

## (c) Grants By Program In Operating Statement

PROGRAM	2011/2012 \$	2010/2011 \$
General Purpose Funding	4,538,849	4,745,052
Governance	30,000	-
Law, Order & Public Safety	11,003	14,289
Education & Welfare	1,505,000	561,935
Housing	-	-
Community Amenities	123,482	370,353
Recreation & Culture	4,824,853	1,649,026
Transport	8,844,683	5,902,898
Economic Services	95,150	3,217,513
Other Property & Services	-	-
	<b>19,973,020</b>	<b>16,461,067</b>

## 24. Performance Measures

The following performance measures are used to compare Council's financial performance for 2011/2012 with the previous two years:

PERFORMANCE MEASURE	HOW CALCULATED	2011/2012	2010/2011	2009/2010
(a) Current ratio	current assets minus restricted assets	1.5340	1.5233	1.0777
	current liabilities minus liabilities associated with restricted assets			
(b) Debt ratio	total liabilities	0.0822	0.0816	0.0707
	total assets			
(c) Debt service ratio	debt service cost	0.0414	0.0431	0.0544
	available operating revenue			
(d) Rate coverage ratio	net rate revenue	0.1785	0.1992	0.1936
	operating revenue			
(e) Outstanding rates ratio	rates outstanding	0.0209	0.0142	0.025
	rates collectable			
(f) Untied Cash to Trade Creditors Ratio	untied cash	0.5249	2.8074	0.4551
	unpaid trade creditors			
(g) Gross Debt to Revenue Ratio	gross debt	0.3370	0.4408	0.6685
	total revenue			
(h) Gross Debt to Economically Realisable Assets	gross debt	0.1081	0.1127	0.1126
	economically realisable assets			



# Notes to the Financial Reports

## 25. 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	2011/2012	2010/2011
100,000 - 109,999	5	0
130,000 - 139,999	5	0
140,000 - 149,999	0	1
170,000 - 179,999	1	0
180,000 - 189,999	1	1
220,000 - 229,999	1	0

## 26. Bad and Doubtful Debts

The following debts were written off during the year:

	2011/2012 \$	2010/2011 \$
Rates	-	-
Sundry Debtors	7,470	4,278

## 27. Auditors Remuneration

Audit fees incurred during 2011/2012 were \$17,500. Comparative fees during 2010/2011 were \$14,111.63.

## 28. Contingent Liabilities

The Council had no contingent liabilities as at 30 June 2012.

## 29. Major Land Transactions

The Council undertook no land transactions for the period ending 30 June 2012.

## 30. Trading Undertakings

The Council had no trading undertakings as at 30 June 2012.

## 31. Employee Numbers

	2011/2012	2010/2011
The number of permanent employees at balance date	68	64

# Independent Audit Report

# 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 of the Shire of East Pilbara, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Chief Executive Officer.

#### Council Responsibility for the Financial Report

The Council of East Pilbara are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 1995 Part 6. This responsibility includes such internal controls as the council determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error; selecting and applying the 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. We conducted our audit in accordance with Australian Auditing Standards which require us to 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 Shire'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 Shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 applicable independence requirements of the Accounting Professional and Ethical Standards Board.

# Independent Audit Report



## Auditor's Opinion

In our opinion, the financial report of the Shire of East Pilbara;

- i. presents fairly, in all material respects, the financial position of Shire of East Pilbara as at 30 June 2012, and of its performance and cash flows for the year ended ; and
- ii. Complies with Australian Accounting Standards (including the Australian Accounting Interpretation); and
- iii. Is prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended), and Regulations under that act.

## Statutory Compliance

I did not, during the course of my audit, become aware of any instances where the Shire of East Pilbara did not comply with the requirements of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996 as they relate to the financial statements.

BDO Audit (WA) Pty Ltd

BDO  
A handwritten signature in black ink, appearing to read 'C Burton'.

Chris Burton  
Director

Perth, Western Australia  
Dated this 12<sup>th</sup> day of December 2012



# Appendices

# Appendices

## A Rating and Valuations

RATE TYPE	RATE IN THE DOLLAR (CENTS)	NUMBER OF PROPERTIES	RATEABLE VALUE \$	RATE REVENUE \$	INTERIM RATES \$	TOTAL REVENUE \$	BUDGET		
							RATE REVENUE \$	INTERIM RATES \$	TOTAL REVENUE \$
<b>General Rate</b>									
GRV - Industrial	3.7355	75	3,437,720	130,498	1,388	131,886	128,400	90,000	218,400
GRV - Town Centre	6.3628	31	3,510,580	223,368	(3,083)	220,285	223,400		223,400
GRV - Nullagine	8.7832	20	201,900	17,255	(779)	16,476	17,700		17,700
GRV - Marble Bar	8.5419	43	436,384	37,275		37,275	37,300		37,300
GRV - Transient	7.0168	9	15,677,480	1,100,057	36,659	1,136,716	1,100,100		1,100,100
GRV - Other	3.9463	1,565	47,544,438	1,888,570	21,948	1,910,518	1,876,200		1,876,200
UV - Other	15.7358	317	18,963,409	2,984,126	41,746	3,025,872	2,984,000	100,000	3,084,000
UV - Exploration	13.8476	470	5,629,460	777,962	83,705	861,667	779,500		779,500
UV - Prospecting	13.8476	77	168,574	23,217	4,673	27,890	23,300		23,300
UV - Pastoral	4.0119	42	6,073,089	243,646	(82)	243,564	243,600		243,600
<b>Sub Total</b>		<b>2,649</b>	<b>101,643,034</b>	<b>7,425,974</b>	<b>186,175</b>	<b>7,612,149</b>	<b>7,413,500</b>	<b>190,000</b>	<b>7,603,500</b>
<b>Minimum Rates</b>									
GRV - Industrial	650.00	12	151,000	7,800		7,800	7,800		7,800
GRV - Town Centre	650.00	0							
GRV - Nullagine	475.00	26	76,386	12,825		12,825	12,400		12,400
GRV - Marble Bar	475.00	48	164,600	22,800		22,800	22,800		22,800
GRV - Transient	650.00	0							
GRV - Other	650.00	318	3,013,250	204,100		204,100	206,700		206,700
UV - Other	250.00	351	236,590	87,750		87,750	87,800		87,800
UV - Exploration	250.00	144	106,012	36,000		36,000	36,000		36,000
UV - Prospecting	250.00	102	80,745	25,500		25,500	25,500		25,500
UV - Pastoral	250.00	21	27,866	5,250		5,250	5,300		5,300
<b>Sub Total</b>		<b>1,022</b>	<b>3,856,449</b>	<b>402,025</b>	<b>-</b>	<b>402,025</b>	<b>404,300</b>	<b>-</b>	<b>404,300</b>
<b>Total</b>		<b>3,671</b>	<b>105,499,483</b>	<b>7,827,999</b>	<b>186,175</b>	<b>8,014,174</b>	<b>7,817,800</b>	<b>190,000</b>	<b>8,007,800</b>

# Appendices

## B Loan Repayment Schedule

LOAN NO	PARTICULARS	PRINCIPAL 1 JULY 2011 ACTUAL \$	NEW LOANS \$	PRINCIPAL REPAYMENTS MADE		PRINCIPAL OUTSTANDING 30 JUNE 2012		INTEREST REPAYMENTS MADE	
				ACTUAL \$	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$	BUDGET \$
<b>Administration</b>									
65	Newman Admin Building Upgrade	841,845	-	73,018	73,000	768,827	768,845	50,056	50,100
<b>Housing</b>									
67	Staff Housing	816,917	-	52,936	52,900	763,981	764,017	52,606	52,600
71	Staff Housing	1,800,000	-	73,893	73,900	1,726,100	1,726,100	116,712	116,800
<b>Transport</b>									
66	Newman Airport Precinct Upgrade	3,812,570	-	284,563	284,600	3,528,007	3,527,970	236,870	236,900
70	Newman Terminal Upgrade	1,865,774	-	339,660	339,700	1,526,114	1,526,074	84,261	84,300
		<b>9,137,106</b>	<b>-</b>	<b>824,070</b>	<b>824,100</b>	<b>8,313,036</b>	<b>8,313,006</b>	<b>540,505</b>	<b>540,700</b>





## Shire of East Pilbara

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