



# Annual Report

2013 - 2014

Shire  
of East  
Pilbara





# Welcome

**On the cover and above this Annual Report:**

Yirajarra, 2014, Mabel Wakarta,  
183 x 183cm acrylic on canvas





# Contents

Our History	2
Report from the President	3
Report from the CEO	4
Elected Members	5
Councillors Meeting Attendance	6
Organisational Chart	7
Sources and Applications of Operating Funds (excluding capital)	8
Human Resources	9
Administration Report	10
Martumili	12
Community Safety Services	14
Community Wellbeing	16
Newman Townsite	20
Environmental Health	24
Development and Regulatory Services	30
Building and Asset Services	32
Airport Report	34
Annual Financial Report	38



## Our History

### Shire of East Pilbara

The Shire of East Pilbara is considered the heart of the Pilbara, covering approximately 372,000 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 major Pilbara Iron Ore mine;

BHP Billiton's 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

Another year has come and gone, and here we are again reflecting on the past years achievements.

It continues to amaze me, how much wealth is poured into our humble towns as we have again registered a significant budget. Partnerships with the State Government and BHP Billiton Iron Ore have ensured that many of our major projects have been completed. Without their funding and support, we would not be able to complete many of our projects, and I thank you for your commitment to our communities.

This year, work continued on the Newman Recreation Master Plan, with planning consultants, Leisure Planners Pty Ltd, engaged to assist with preparation of the plan. Telephone interviews, community workshops and club surveys were undertaken to determine the need for additional facilities in Newman. I thank everyone who participated in this important phase of consultation, and look forward to seeing the plan come to fruition in the coming year.

Community safety was also an important subject this year, with Council adopting the Community Safety and Crime Prevention Plan. The

plan identifies and prioritises local community safety and crime prevention issues, and develops a series of actions and strategies to address those issues. I am very pleased that CCTV cameras have now been installed at various locations in Newman, as a part of this project, which has helped Shire staff and Police target problem areas and identify perpetrators of crime.

The Shire has also paid tribute to Bill Lynas, one of Nullagine's most important residents, with a memorial celebrating his military career at Lynas Lookout (formerly Nullagine Lookout). This was an important milestone for the town, as Bill is considered one of the finest fighting leaders that Australia has produced. Completion of the memorial comes at a key time, as we mark the 100th anniversary of the First World War in 2015.

The Shire continues to host and support many events throughout the year including, the Twilight Movie Services; a free event, showcasing the latest films on the big screen at Newman's outdoor cinema, the Sunday Series; a free program of events which ran every Sunday from June to August, showcasing a wide-range of concert-style events including live bands and orchestras, comedy showcases and various workshops, and the Outback Fusion Festival; a vibrant event showcasing the towns multiculturalism and diverse community through song, dance, dining, arts and workshops. We are happy that our partnership with BHPBIO allows for events like this to take place in our community.

The Ordinary Local Government Elections were also held this year. Seven seats were up for re-election; three in the south ward, and one each in the north, lower central, east and central wards. I am pleased to welcome new Councillor Bridget Rose Schill to the Council as member for the Lower Central Ward. And welcome back Councillors Dean Hatwell, Shane Carter, Anita Grace, Doug Stead, Kevin Danks and Lang Coppin who were re-elected back to Council. I look forward to working with you all again this year. I am also pleased to be re-elected as your Shire President, and congratulate Cr Lang Coppin on becoming Deputy President once again.

Thank you to Council staff for providing quality services and facilities to the residents of the East Pilbara, and to my fellow Councillors for their ongoing support and dedication to the Shire of East Pilbara. Without your tireless efforts, this place would not be what it is today, and the place we all call home.

Lynne Craigie  
Shire President



## From the CEO

Mr Allen Cooper

The 2013/14 financial year saw a further period of major investments in our Towns. Here are some of the highlights from the year.

East Pilbara dog owners now have a new play space for their furry friends, with the opening of a dedicated dog park; part of the new Boomerang Oval Playground and Dog Agility Park in Newman. The Dog Agility Park is fully enclosed and allows dogs to run and exercise off the lead, making it a fantastic facility for man's best friend!

Work continues on the Newman Town Centre Revitalisation project, which has been a key project for Newman since 2011. Earthworks and siteworks at the Town Centre site have now been completed, and construction of the new roads are well underway. Phase three of the civil works is due for completion by the end of 2014, which is exciting, as it means work will begin on the Newman Town Square in mid-2015! When complete, the people of Newman will enjoy a town centre full of character and diversity.

The Mindarra Street and Calcott Drive recreation areas were also completed this year – part of the beautification project. The project – funded by both the Shire and BHP Billiton Iron Ore – boasts attractive landscaping works, green spaces and activity areas. Seats and tables have been installed, as well as an outdoor table tennis table, to engage visitors in informal friendly recreation.

Last year, we reported on the introduction of paid parking at all Short Term and Long Term car parks at the Newman Airport. This year, I am pleased to announce that Annual Resident Concession Cards were introduced at the Newman Airport, for access to long term car parking. This entitles residents to 14 days of free parking per year, making travel plans that little bit easier!

Marble Bar and Nullagine aren't to be forgotten either, with Marble Bar receiving upgrades to the windows at the Civic Centre; upgrade works at the Marble Bar Community Resource Centre are partially completed; upgrades to the bar facilities at the Marble Bar Sports Complex; various upgrades to various staff houses, and the refurbishment of two Piri Smith Retirement Units. Nullagine received upgrades at its recreation shelters, upgrades to the WIFI service and informational signage.

Cape Keraudren has also featured a lot throughout the past year, with Council adopting the Cape Keraudren Recreation Management Plan in September 2013. This was an important milestone for Council, as the plan ensures the future management of the Cape, as well as providing procedural guidelines for current and future managers. A new boat ramp has also been installed at the Cape, making it easier for fishermen to launch their boats, also ensuring boats are launched from one location, thereby protecting the surrounding environment.

This year has also been a busy year for Council's Rangers, preparing for the introduction of the State Governments new Cat Act. From 1 November 2013, the full Cat Act came into effect, which requires all cats to be microchipped, sterilised and registered. A new Cat Management Facility is yet to be

completed however, Rangers have been working with the local community to ensure cat owners comply with the new legislation.

Whilst the main purpose of the Annual Report is to focus on our achievements during the 2013/14 financial year, we have many things to look forward to in the coming year. Several key projects have been approved to commence in the 2014/15 financial year including the new Arts Centre in Newman, new Civic Centre in Newman, upgrades to the Marble Bar Administration and Visitor Centre and upgrades to the Nullagine sports court.

Council will also take a step into the social media world, launching its very own official Facebook page in 2014/15. Stay tuned for more exciting updates!

Once again, I would like to thank our Councillors and staff for their ongoing and dedicated hard work. We have seen many staff come and go over the past year, which is not unusual for a regional town; however, a collected effort by all has ensured that our services and projects are delivered on time and on budget. Council has seen a slight change in members following the October 2013 Local Government Elections, and I welcome Cr Bridget Rose Schill to the team. I thank all Councillors, new and old, for their contributions this year, and look forward to working with you again in the coming year.

Allen Cooper  
Chief Executive Officer



# Elected Members

South Ward



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

South Ward



**Cr Shane Carter**  
Term Expires 2017

South Ward



**Cr Anita Grace**  
Term Expires 2017

South Ward



**Cr Craig Hoyer**  
Term Expires 2015

South Ward



**Cr Gerry Parsons**  
Term Expires 2015

South Ward



**Cr Doug Stead**  
Term Expires 2017

North Ward



**Cr Lang Coppin**  
Shire Deputy President  
Term Expires 2017

North West Ward



**Cr Stephen Kiernan**  
Term Expires 2015

Lower Central Ward



**Cr Biddy Schill**  
Term Expires 2015

East Ward



**Cr Kevin Danks**  
Term Expires 2017

Central Ward



**Cr Dean Hatwell**  
Term Expires 2017

## Councillor's Meeting Attendance

	Ward	Retire	26-Jul-13	23-Aug-13	27-Sep-13	25-Oct-13	06-Dec-13
<b>Cr Lynne Craigie</b>	South	2015	Yes	Apology	Yes	Yes	Apology
<b>Cr Stephen Kiernan</b>	North West	2015	Yes	Yes	Yes	Yes	Apology
<b>Cr Gerry Parson</b>	South	2015	Yes	Yes	Yes	Yes	Yes
<b>Cr Craig Hoyer</b>	South	2015	Yes	Yes	Yes	Apology	Yes
<b>Cr Biddy Schill</b>	Lower Central	2015	Vacant	Vacant	Vacant	Yes	Yes
<b>Cr Anita Grace</b>	South	2017	Yes	Apology	Apology	Apology	Yes
<b>Cr Shane Carter</b>	South	2017	Yes	Yes	Apology	Yes	Yes
<b>Cr Doug Stead</b>	South	2017	Yes	Apology	Yes	Yes	Yes
<b>Cr Lang Coppin</b>	North	2017	Yes	Yes	Yes	Yes	Yes
<b>Cr Kevin Danks</b>	East	2017	Yes	Yes	Yes	Yes	Yes
<b>Cr Dean Hatwell</b>	Central	2017	Yes	Yes	Yes	Yes	Yes
<b>Location</b>			<b>Newman</b>	<b>Newman</b>	<b>Marble Bar</b>	<b>Newman</b>	<b>Newman</b>

	06-Feb-14	14-Mar-14	24-Apr-14	23-May-14	27-Jun-14
<b>Cr Lynne Craigie</b>	Yes	Apology	Yes	Yes	Yes
<b>Cr Stephen Kiernan</b>	Apology	Yes	Apology	Yes	Yes
<b>Cr Gerry Parson</b>	Apology	Yes	Yes	Yes	Yes
<b>Cr Craig Hoyer</b>	Yes	Apology	Yes	Yes	Yes
<b>Cr Biddy Schill</b>	Apology	Yes	Yes	Apology	Yes
<b>Cr Anita Grace</b>	Yes	Yes	Yes	Apology	Yes
<b>Cr Shane Carter</b>	Apology	Yes	Yes	Yes	Yes
<b>Cr Doug Stead</b>	Yes	Yes	Yes	Yes	Yes
<b>Cr Lang Coppin</b>	Yes	Yes	Yes	Apology	Yes
<b>Cr Kevin Danks</b>	Yes	Yes	Yes	Yes	Yes
<b>Cr Dean Hatwell</b>	Yes	Yes	Yes	Yes	Yes
<b>Location</b>	<b>Newman</b>	<b>Marble Bar</b>	<b>Newman</b>	<b>Newman</b>	<b>Nullagine</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>	6
<b>Cr Shane Carter</b>	8
<b>Cr Doug Stead</b>	9
<b>Cr Lang Coppin</b>	9
<b>Cr Stephen Kiernan</b>	7
<b>Cr Kevin Danks</b>	10
<b>Cr Gerry Parsons</b>	9
<b>Cr Craig Hoyer</b>	8
<b>Cr Dean Hatwell</b>	10
<b>Cr Biddy Schill</b>	5



# 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



**Sue Michoff**  
Manager Community  
Wellbeing



**Paul Dickson**  
Manager Community  
Safety



**Leon Burger**  
Chief Operating Officer  
Airports



**Solomon Kloppes**  
Manager Development  
Airports



**Adam Majid**  
Manager Development  
Services - Planning



**Edmore Masaka**  
Manager Development  
Services - Health



**David Evrett**  
Manager Development  
Services - Building



**Glenn Britton**  
Manager Building Assets  
and Procurement



**Oliver Schaer**  
Manager Technical  
Services - Rural



**Paul O'Connor**  
Manager Technical  
Services - Newman



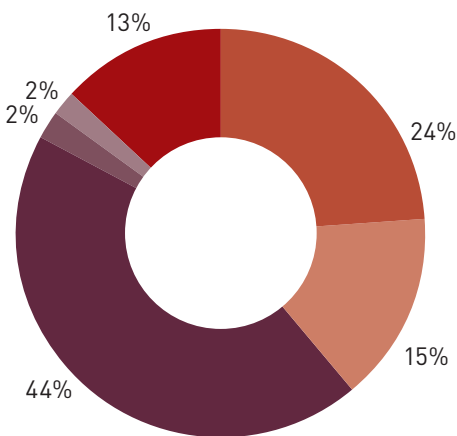
**George Christian**  
Manager Airport  
Compliance



**Gabrielle Sullivan**  
Manager Martumili

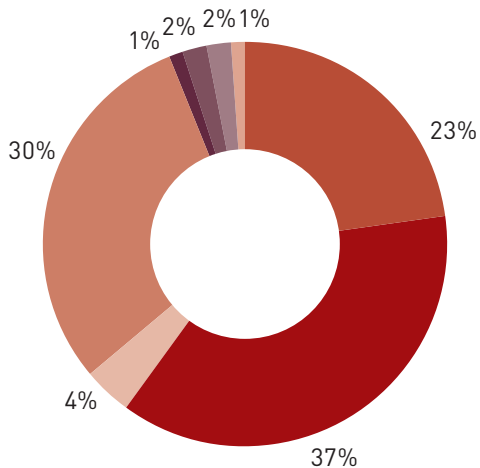


# Sources and Applications of Operating Funds (Excluding Capital)



## Operating Revenue

- Rates
- Operating Grants, Subsidies & Contributions
- Fees and Charges
- Interest Earnings
- Other Revenue
- Non-Operating Grants, Subsidies & Contributions



## Operating Expenditure

- Employee Costs
- Materials and Contracts
- Utility Charges
- Depreciation on Non Current Assets
- Interest Expenses
- Insurance Expenses
- Other Expenditure
- Loss on Asset Disposals





# Human Resources

## Deputy CEO's Office:

Deputy CEO	1
Managers	4
Coordinators	9
Staff	20

## Technical/ Development:

Director	1
Managers	9
Coordinators	2
Staff	31

As at the 30th June 2014 Council had 80 permanent positions split as follows:

### Executive Services:

CEO	1
Managers	3
Coordinators	1
Staff	3

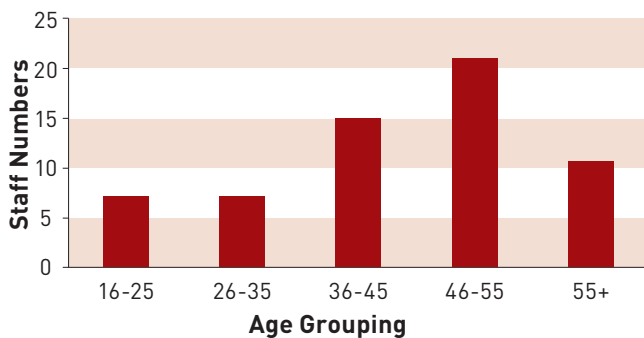
### Recruitment:

The following positions were vacant as at the 30th June 2014.

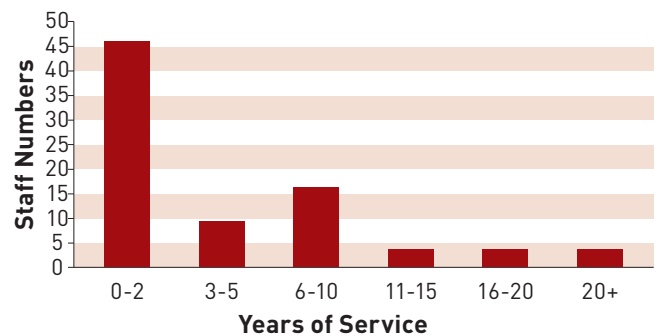
- Manager Recreation Services
- Road Maintenance Crew- Plant Operator
- Maintenance Grader Operator
- Works Supervisor- Parks and Gardens
- Coordinator Administration Services
- Coordinator Recreation Services
- Coordinator Recreation and Events
- Research Officer/ Media Relations Officer
- Manager Projects Development
- Martumili Field Officer
- Parks & Gardens Crew
- Parks & Gardens Crew
- Reporting Officer- Environmental Management
- Maintenance Grader Operator
- Occupational Health Officer
- Coordinator Executive Services
- Parks & Gardens Crew
- Manager Corporate Services
- Community Development Officer
- Seasonal Duty- Aquatic Officer- M/Bar
- Cape Keraudren Caretaker
- Road Maintenance Crew- Plant Operator

Staff turnover for 2013/2014 financial year was 24% for permanent part time and full time positions.

Age of Permanent Staff



Length of Service for Permanent Staff





## Administration Report

### Corporate Business Plan

The Corporate Business Plan addresses all of the Shire's operations including services, assets (capital works and ongoing operating) and projects. It also identifies how the Shire's operations link to the Strategic Community Plan through strategies and outcomes.

The Shire is committed to deliver what the community and its elected members have identified as its priorities, together with meeting its legislative obligations as a local government.

### Strategic Community Plan

Pursuant to section 5.56 of the Local Government Act 1995, Council is required to prepare a plan for the Future of the District.

The Shire's commitment to the future of all its towns is reflected in this plan, which outlines a vision, strategies, initiatives and proposed outcomes for the coming decades. In framing this plan, the Shire is fulfilling legislative obligations whilst paying due attention to the needs and aspirations of residents, now and in the future.

The plan aims to meet our community needs, whilst also addressing the expectations of State Government – requiring all local government authorities to develop a strategy

and planning document that reflects community and local government aspirations and priorities over a period of 10+ years.

### Records Management

The Shires updated Record Keeping Plan (RKP) was adopted by Council 26th July 2013. The purpose of a government organisation's Record Keeping Plan is to set out the matters about which records are to be created by the organisation and how it is to keep its records. The Record Keeping Plan is to provide an accurate reflection of the record keeping program within the organisation, including information regarding the organisation's record keeping system(s), disposal arrangements, policies, practices and processes. The Record Keeping Plan is the primary means of providing evidence of compliance with the Act and the implementation of best practice recordkeeping within the organisation.

The Shires style guide was implemented 13th March 2014 and outlines the standards and specifications for the use of the Shire of East Pilbara's identity in a variety of situations. The guide determines how we use the Shire of East Pilbara logo including the crest, wordmark and 'Heart of the Pilbara' illustration.

It also covers the correct use of colours and fonts, taking and choosing suitable photographs and other graphic elements, and layout examples for reference.

### Official Conduct Report

The Local Government Act 1995 requires the Shire of East Pilbara to report on the number of official conduct complaints recorded under Section 5.121 during a financial year. The Shire of East Pilbara received no complaints of this nature during the 2013/14 financial year.

### Policy Manual

During the reportable period the following new policies were added to the policy manual;

- Use of CCTV Monitoring Equipment policy
- Debt Policy
- Financial Reserves Policy
- Post Graduate Studies /Further Education
- Risk Management
- Corporate Credit Card
- Legislative Compliance
- Advocacy
- Local Government Days
- Social Media

During the reportable period the following policies were amended in the policy manual;

- Amendments are due to changes in legislation and/or the current operational needs of the Shire.
- Local Planning Policy No 1 – East Newman Master Plan
- Purchasing and Tender Procedures
- Community Assistance Grants Policy
- Shire President and Councillors – Attendance Fees, Expenses & Allowances Policy
- Light Vehicle policy
- Staff use of recreation facilities policy
- Training policy





## Disability Access and Inclusion Plan 2010-2014

The Disability Access and Inclusion Plan 2010-2014 is due for review in July 2015 and we are in the progress of setting up a DAIP committee to review, implement and partner with to ensure the outcomes are meeting community needs. This financial year saw the Shire provide grant funding to the East Pilbara Independent Support Inc who provide services to aged people, people with a disability and their carers for beautification of facilities. The Shire of East Pilbara will continue to support local initiatives and recognises the challenges of ensuring that local businesses, community centres and public buildings are easily accessible for members with a disability.

Please find below all the outcomes stated in the D.A.I.P 2010-2014.

<b>Outcome 1:</b> People with Disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority.	The DAIP has being included into the Public Events Application forms for all event organisers and are working on material at the local library to improve access to information.
<b>Outcome 2:</b> People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority	Parking at the Shire Administration office have established easy access and exit of disability parking and are looking at public building facility audit for disability access in the new financial year.
<b>Outcome 3:</b> 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.	Establishment of a local committee group to have a say in the progress and renewal of the plan to ensure community awareness.
<b>Outcome 4:</b> People with Disabilities receive the same level and quality of services from the employees of a public authority as other people receive from employees of that public authority.	A bi monthly progress report is sent to council in which all shire staff and workers have access to.
<b>Outcome 5:</b> People with Disabilities have the same opportunities as other people to make complaints to a public authority.	The new establishment of the Shire Website allows access to make a complaint online or directs members to these services and processes.
<b>Outcome 6:</b> People with Disabilities have the same opportunities as other people to participate in any public consultation by a public authority.	Disability services and groups are part of the DAIP committee.
<b>Outcome 7:</b> People with disabilities have the same opportunities as other people to access employment at the Shire of East Pilbara	This is a new outcome that was not compulsory for DAIPS until 2013. This outcome will be updated to the new plan in 2015.

## Freedom of Information (FOI) Statistics

In accordance with Section 10 (1) of the Freedom of Information Act 1992, residents have the right to access documents (which are not otherwise exempt) held by State and Local Government agencies. Four non-personal applications were received by the Shire of East Pilbara in 2013/14.



Artists work on a large collaborative work in Martumili's art shed at Parnngurr Community. The work was created as part of a larger collaboration with Lynette Wallworth and Antony from Antony and the Johnsons for inclusion in the 2014 Adelaide Biennial.

## Martumili

Over 300 artists in 7 communities, 50,000kms travelled, 289 days facilitating the production of arts across the Western Desert, and over 1,200 new artworks.

289 days have been spent and over 50,000kms travelled by Martumili field officers facilitating the production of arts in Martu communities across the Western Desert. An additional 172 days were committed to travel and trip preparation.

3 regional, 9 national and 2 international exhibitions, and 4 marketplaces

Participated in 3 regional exhibitions including in Newman, Broome and Port Hedland, and 9 exhibitions in cities around Australia including Brisbane, Darwin, Sydney, Perth, Fremantle, Adelaide and Alice Springs.

Inclusion in 2 international exhibitions, Australia featuring iconic Australian arts at the Royal Academy of the Arts in London, and My Country: Contemporary Art from Black Australia at Auckland Art Gallery, New Zealand.

Martu artwork sold at 3 art markets in Newman, Fremantle and Alice Springs, and one online sale at [www.martumili.com.au](http://www.martumili.com.au)

3 art awards and 4 film festivals

Martu artists were selected for the Western Australian Indigenous Art Award, the Hedland Art Award and the Glencore Art Centre Award. Minyaw Miller received the People's Choice Award for his selection of work in the WA Indigenous Art Award. Nora Nungabar was awarded Hedland Art Awards' Best work by an Indigenous artist.

The animated short film by Martu artist Yunkurra Billy Atkins (artwork) and Sohan Ariel Hayes (animation) entitled Cannibal Story was selected for 4 film festivals: 2013 Edinburgh International Film Festival, Flickerfest Film Festival (Sydney), Tampere Film Festival [Finland] and Relevation: Perth Film Festival.

6 workshops

Martumili organised a major painting camp for Martu artists held in Parnngurr.

Facilitated 2 art workshops, providing artists with exposure to new mediums including stenciling with renowned urban Indigenous artist Reko Rennie and portraiture with Richard Lewer.

Partnered with local community organisations to deliver art workshops; a portraiture workshop for YMCA Indigenous children; a painting workshop with the Parnpajinya Martu girls softball team; an art workshop with the Newman Girl Guides as part of their

"Australia" badge, and a collaborative painting workshop with Newman Senior High School as part of NAIDOC week celebrations.

10 Indigenous Employment Opportunities, 6 Volunteer Opportunities

10 Martu arts workers employed for work including one permanent part-time position and 9 casual positions offered in translating, artist support, cataloguing and artist-in-residence work. 6 volunteer opportunities offered in fieldwork, administration support, facilitating arts workshops and assistance in event management.

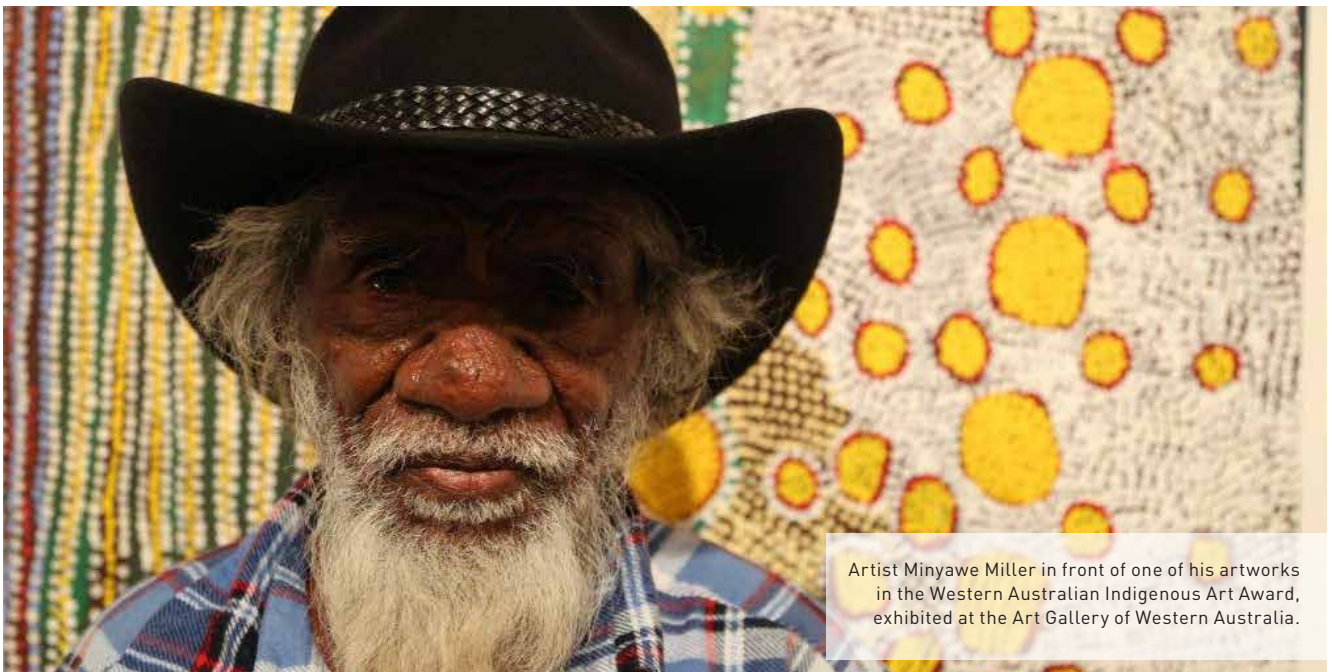
19 Professional Development Opportunities

Provided access to 19 professional development opportunities for artists, arts workers and staff in painting techniques, stenciling and portraiture, marketplace presentation and sales, public speaking, and presentation of artist's talks, time management and productivity, website management, artwork documentation and photography, cultural awareness, developing exhibition education packages, Excel software and effective letter and report writing.

The award winning exhibition *We don't need a map goes on tour*

The highly acclaimed *We don't need a map: a Martu experience of the Western Desert* exhibition (the result of a highly successful partnership between Martumili Artists, Kanyirninpa Jukurrpa, Fremantle Art Centre and





Artist Minyaw Miller in front of one of his artworks in the Western Australian Indigenous Art Award, exhibited at the Art Gallery of Western Australia.

BHP Billiton Iron Ore) was awarded the Western Australian Creative Partnerships Partnering Award in September 2013. The Creative Partnerships Awards honour the best in relationships between the creative industries, business and donors.

In addition the *We don't need a map* exhibition catalogue publication was acknowledged in the 2013 Printing Industries Craftsmanship Awards. The catalogue was beautifully designed by Fremantle Art Centre in consultation with Martumili Artists, and was covered

with tarps splattered in paint, used by Martu artists during arts workshops. The catalogue received a Gold Award for Finished Book Binding and a Bronze Award for Book Printing.

*We don't need a map: a Martu experience of the Western Desert* is currently bringing the spirit of the Western Desert to arts centres right throughout regional Australia. The exhibition has embarked on a two year national tour to six regional galleries in Langwarrin (VIC), Katoomba, Dubbo & Moree (NSW), Gold Coast (QLD) and Alice Springs (NT).

### Collaborative work selected for Dark Heart, 2014 Adelaide Biennial of Australian Art

A collaboration produced in 2013 by Lynette Wallworth, Martu artists and Antony from Antony and the Johnsons resulted in an immersive installation comprising sound, song, painting and the moving image. This remarkable artwork was selected for the 2013 Adelaide Biennial. Titled *Dark Heart*, the exhibition explores Australia's cultural identity through the lens of some of Australia's leading contemporary artists.

### Focus on Martu artwork at the Museum of Contemporary Art

A new exhibition of Martumili artwork will be held at the Museum of Contemporary Art in Sydney in the second half of 2014. *Martu Art from the Far Western Desert* brings together a selection of collaborative paintings by 29 Martu artists, depicting in intricate detail the desert landscape and its stories. The vibrant paintings are the result of highly social and collaborative processes that involve older and younger artists coming together to paint and talk, tell stories and sing, remember and educate, ensuring that Martu history, culture and knowledge is passed on to future generations. The exhibition will run from 23 September until 30 November 2014.



Martumili Artists' Arts & Business Manager, Gabrielle Sullivan, and artists Muuki Taylor, Nola Taylor and Ngamaru Bidu do a presentation on the *We don't need a map* exhibition for audiences at the Desert Mob Symposium in Alice Springs in September 2013.



## Community Safety Services

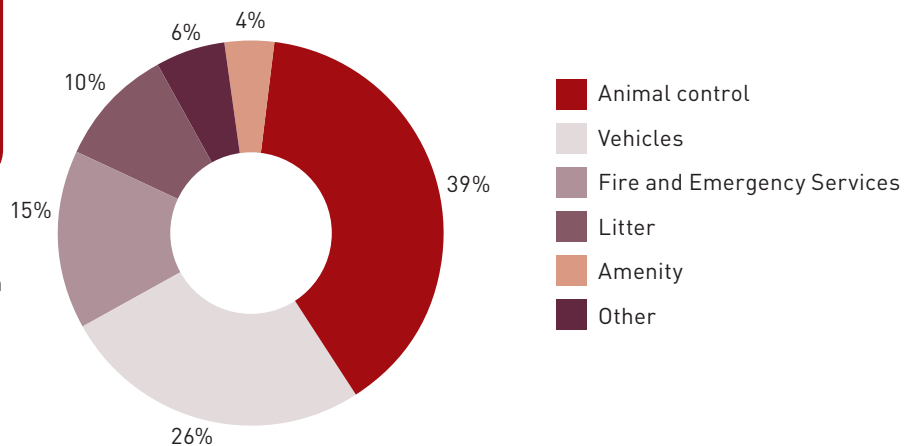
The Ranger and Emergency Services Section continued to meet the challenge of an unsettled workforce, again through the use of contract staff, whereby public safety and security functions were maintained. However in the latter part of 2013 the Shire Executive Team and Councillors approved the formation of the Community Safety Section with expanded roles and responsibilities based primarily around Community Safety, Ranger Services, Emergency Management and Bushfire Management.

The expanded roles and responsibilities and the subsequent opportunities for professional development within the Community Safety Section led to significant increased interest in working for Council, to the extent that by early 2014 the section had a full complement of permanent staff.

The Council also appointed a Manager Community Safety, who will work closely with the community and agencies, building on the good work done to date as we strive for a safer and more secure Shire.

Up until June 30 2014 the new Community Safety section had been operational for six months and a review of the situation to date was quite pleasing, it is understood that the relative tidiness and peacefulness of the town can be attributed to the good work of the Police, Shire and the Community working together to stamp out alcohol

Diagram 1: Ranger Task Allocation



and drug fuelled violence, anti-social behaviours, mindless vandalism and generally anything that serves to tarnish the Shire's reputation, impact on the quiet enjoyment of the majority of the community or desecrate the land on which we live.

The work done by all to date is commendable, however it must be maintained and built upon and the Shire is keen to ensure that we as a community do not back slide. With this in mind, the Community Safety Section will continue working within its four portfolios, with all stakeholders, to identify areas for further development.

### Community Safety

There are now approximately 35 closed circuit TV cameras throughout Newman, which are strategically located in those identified "hotspots" in the town. The Community Safety Section works closely with the Police and provides relevant footage to them as requested. It is intended that additional cameras will be installed and Police will be given the

capacity to monitor the camera feeds from the Police Station on a 24/7 basis.

The CCTV footage provided to the Police to date has been instrumental in identifying perpetrators of criminal acts and anti-social behaviour on a number of occasions and it is anticipated that additional cameras and the ability for the police to monitor the feed 24/7 will serve to deter potential offenders. Council continues to offer a \$1000.00 reward where information from a member of the public leads to a conviction for such things as vandalism, graffiti and public damage.

Portable cameras have also been purchased which have been shared with the police, these cameras allow for random and covert surveillance of trouble spots, particularly as it relates to such things as illegal dumping etc.

During the year, BHP Billiton provided funding for Council to pursue further community safety initiatives. Following a Community Survey it was established that it was paramount for residents





and visitors to the area to feel safe and with this in mind it was determined that walkway lighting would be installed along the length of Welsh Drive and Fortescue Avenue and also in the exercise nodes on Fortescue Avenue, it is anticipated that this will be completed in late 2014 early 2015 and will lead to a feeling of greater security in the area and subsequently to a greater take up of physical activity and use of the exercise nodes.

## Emergency Management

The Community Safety Section is responsible for ensuring that best practice emergency management is undertaken within the Shire and with this in mind facilitated a number of Local Emergency Management Committee (LEMC) meetings in Marble Bar, Nullagine and Newman where the Local Emergency Management Arrangements were reviewed and confirmation that agency planning for emergency events had been undertaken and tested.

Work also commenced on the update of the Shire of East Pilbara Recovery Plan and the development of an Integrated Emergency Management Plan (IEMP), which will be a master document identifying all assets (public and private) within the Shire, the risk to those assets and how they can be protected during any emergency.

Council received grant funding through the "All West Australians Reducing Emergencies" (AWARE) program to undertake community risk assessments to allow further development of the Local Emergency Management Arrangements and will also inform development of the IEMP and have engaged a consultant to undertake this process, the process will continue into 2014 and it is anticipated it will be completed by late 2014 early 2015.

## Rangers

As in previous years the majority of Ranger tasks were related to vehicle complaints and animal control issues, these two issues continue to occupy the bulk of Rangers time. Since such

statistics were initiated about five years ago there has been little change in the breakdown of task allocations. Despite education programs by Rangers and state Government, it appears that community safety messages are still not being given any priority. Diagram 1 identifies the use of Ranger time for the last 12 months.

There has been a fall in the number of animals impounded; only 68 dogs were impounded in the year. As always SAFE Perth and Australian Air Express donated their time and financial resources to facilitate the rehoming process. This reduction in impounded dogs resulted in less than normal revenue in this area with income being only 63% of that forecast.

Dog attacks decreased by comparison to past years with 17 attacks reported and investigated. Whilst zero attacks is the ultimate aim, this reduction of almost 20% is encouraging. Of these attacks one was of significant seriousness to result in a prosecution which was successfully completed with a conviction being recorded and the owner of the dog having heavy fines and costs imposed.

The Cat Act came into full effect as of 01 November 2013 and all cats were required to be registered, sterilised and micro-chipped. A total of \$2291 was received for cat registrations in the 2013/14 financial year and a total of 62 cats were registered to date.

The proposed cat facility has yet to be completed however plans are now in place to build a combined animal management facility.

Parking and vehicle safety is continuing as a focus of Ranger Patrols. Failing to consider other road users and pedestrians regularly draws the Rangers attention when drivers fail to comply with the Road Traffic Act and subsidiary legislation.

A total of 324 infringements were issued in the 2013/14 financial year with over 80% being for parking offences. This seems to mirror state statistics with a significant increase in traffic offences.

Of particular note is the drop in dog infringements with only 38 being issued in the financial year.

Litter infringements increased from the previous year with 21 infringements being issued, this possibly being a reflection of more stable staffing. Rangers will continue to target lesser offences rather than just illegal dumping in an attempt to alter a possible culture of abuse.

Total income from Ranger Services, excluding animal registrations was \$22,639 for the 2013/14 financial year; this is similar to previous years. An additional \$18,421 was generated through animal registrations.

Increasing Off Road vehicle activity in and around Newman and Marble Bar has not gone unnoticed and Rangers are receiving increased complaints about health and safety concerns surrounding the use of these vehicles within the town sites.

## Bushfires

Numerous fires occurred over the past season with several being significant. A fire in the Fortescue River, possibly from campers, had potential to impact on Newman if normal weather patterns prevailed at the time. Fortunately this did not occur until the fire was contained by the time that winds returned to their normal patterns. A significant fire also approached Nullagine from the south at one stage but was slowed and self-extinguished thanks to natural features and the weather patterns at the time. Millenium minerals assisted in protecting the Nullagine townsite by sending in water carts with canons should the fire threaten the edge of town.

Nullagine BFB, which has been flagging in recent years, has been somewhat rejuvenated. Much of this can be credited to new volunteers and input from Millenium minerals. Thanks must go to all the members that have helped the flagging brigade to hold on.



## Community Wellbeing

### Community Development

In 2013/2014, the Shire of East Pilbara provided nearly \$43,000 to various Community Assistance Grant recipients, including:

- Kanyirninpa Jukurrpa \$4838
- East Pilbara Independence Service \$5000
- Marble Bar Tourist Association \$4000
- East Pilbara BMX Club \$5000
- Filipino Association of Newman \$5000
- Newman Mainstreet Association \$1000
- YMCA \$1000
- Tigers Football and Sporting Club \$5000
- St John Ambulance - Newman \$3697
- Marble Bar Community Resource Centre \$2265
- Newman Lions Club \$5000
- V Swans \$1000

This Shire programme also assisted many East Pilbara community associations with in-kind support such as the waiver of hire fees and the use of equipment. These recipients included; Marble Bar Community

Resource Centre, Newman Anglican Church, Newman Girl Guides, East Pilbara Independence Service, St John Ambulance Newman, Fairholme Disability Support Group, Marble Bar Primary School, Newman Netball Association, Marble Bar Progress Association and Horsepower Training.

Community events such as the Fortescue Festival, Outback Fusion Festival, Marble Bar Races and the Bloody Slow Cup also benefitted from the Shire's in-kind support.

### Community Events

The Shire of East Pilbara is involved in many community events throughout each year.

Highlights of the community event calendar are outlined below. Large community events, supported by BHP Billiton and hosted by the Shire were important highlights to the community calendar. Outback Fusion Festival, Twilight Movie Series and Sunday Concert Series provided the community of Newman with an array of talented acts and family friendly entertainment that brings a taste of the busy city life to our regional town.

#### Lighting of the Christmas Tree

Lighting of the Christmas Tree events were held in Marble Bar, Nullagine and Newman.

This year the Nullagine Christmas Tree was relocated to the corner of Cooke St park on request of the community. Lighting ceremonies provided a wonderful opportunity for community

groups and schools to perform and celebrate the Christmas season, with many children delighted at their gift bags with bright lights and lollies.

In Newman the event was held in partnership with the combined churches group, who followed the event with a Carols by Candlelight ceremony in the park.

#### Christmas Lights Competition

The Christmas Lights Competition was held with categories for Nullagine, Marble Bar and Newman. Households and streets light up to celebrate the festive season with many community members enjoying exciting visits to the spectacular light shows.

The event continues to be successful in each community and the community embraces the judging evenings with great enthusiasm.

#### Australia Day Premiers Active Citizenship Awards

Free Community Events were held at the Aquatic Centres in Newman and Marble Bar to celebrate Australia Day. Nullagine held a smaller community event.

New citizens were welcomed into the community in Citizenship ceremonies and the Premiers Active Citizenship Awards were given out.

Australia Day Ambassador, Priya Cooper OAM, attended the Newman ceremonies and her time and words of wisdom were embraced by the community.





Award Winners were:

East Pilbara Community Group/Event of the Year - Newman: Phoenix Dance Group

East Pilbara Australian of the Year - Newman: Jeff Doggett

East Pilbara Community Group/Event of the Year – Marble Bar: Marble Bar Tourist Association

East Pilbara Australian of the Year – Marble Bar: Robert Claydon and Clarrie Robinson

East Pilbara Community Group/Event of the Year – Nullagine: Nullagine Community Resource Centre.

Newman concluded Australia Day celebrations with an evening fireworks display at Emu Oval.

### Harmony Day – Marble Bar

This year Harmony Day was celebrated in Marble Bar with a screening of the Harmony Day Colourfest documentaries. The event was well attended and coincided with the launch of the Outdoor Movie System which was purchased by the Shire to deliver regular family friendly activities to the township.

### Anzac Day

In Nullagine the Shire partners with WA Police to hold a Gunfire breakfast for the community at the Bill Lynas memorial.

Marble Bar memorials are held at the Marble Bar RSL park and convened by the Shire.

Newman hosts a yearly parade and ceremony held by the Newman Returned Services League and supported by the Shire at the War Memorial in the Shire gardens.

All events are well attended and the Shire is pleased to support these important community events.

### Thank a Volunteer – Volunteer of the Year Awards

Each year the Shire holds Thank A Volunteer activities, to coincide with National Volunteer Week in each town, to acknowledge and celebrate the contribution that volunteers make in our communities. This years winners were:

East Pilbara Volunteer of the Year – Newman : Deb Thoars, Tigers Football and Sporting Club + Newman National Football League

Youth Volunteer of the Year – Newman: Maceij Black, Our Voice Youth Radio

East Pilbara Volunteer of the Year – Marble Bar: Sue Verschuer, Marble Bar Tourist Association

Youth Volunteer of the Year – Marble Bar: Samuel Cunniffe, Volunteer Emergency Services Unit Marble Bar.

### Libraries

Community libraries in Newman, Marble Bar and Nullagine continue to be supported and delivered by the Shire. In November the Shire entered into a partnership agreement to deliver library services in Nullagine through the Nullagine Community Resource Centre.

The Library is now open five days per week and has substantially increased its patronage, particularly with children and young people.

### Recreation Services

Newman Recreation & Fitness Centre operates as an all year round indoor facility.

The Fitness Centre consists of a well-equipped Cardio, Circuit and Free Weights area. There are also two Personal Trainers on hand to conduct personal assessments, programs and PT sessions throughout the day.

The Centre also houses two full size sports courts, a small Conference room, Performing Arts space, and a modern Crèche zone.

The general public are also welcome to come in and purchase protein and sports supplements as well as products from the retail Pro Shop.

The end of 2013 saw the much awaited re-roofing of the entire centre commence which only saw minimal disruptions to the Fitness Centre usage.

Newman Recreation Centre serviced almost 20,000 Fitness Centre members in 2013/2014 with an additional 3,700 casual visitors to the Fitness Centre alone.

On top of that there was an additional 9,800 customers who participated in any one of the various group fitness classes offered each week.



There is an impressive range of classes to participate in. Those of which include Les Mills Body Pump, Step, Body Combat, Attack, Body Balance and CX Worx classes and the new small group training program also offered by Les Mills which is the GRIT Series. Zumba Fitness classes also run from the centre as well as Boot Camp.

The Crèche is very well utilised by casual visitors and members alike. The Crèche recently obtained approval to increase the age limit from six years to eight years of age.

Casual games of badminton, basketball and indoor soccer continue to operate and Hapkido and Tae Kwon Do also run from the Centre with Tae Kwon Do being well supported by the community.

Competitions for indoor sports began this year after a 12 month break with Indoor Basketball and Futsal running for a 10 week season. Basketball and Futsal brought in 14 team nominations with approximately 140 participants.

The Centre is available for hire all year round and continues to be used for a variety of special activities.

This year's events saw the hosting of the annual Lions Club Fortescue Ball, the BHP Billiton Long Service Awards; Community Expo; Filipino Independence Day Ball and the Newman Mainstreet Markets.

Newman Recreation Centre also hosts junior sport sleepovers including the V-Swans talent camps in conjunction with Newman Senior High School as well as Perth Bayswater Junior Rugby Club who played against our Newman team

for the annual Bloody Slow Cup junior game.

## Youth Services

The Newman Youth Centre, in its 3rd year of re-opening, has firmly established itself as a fun, safe environment for all youth to enjoy, interact with others and have the opportunity to be involved with activities/programs and community events.

The building continues as a joint use facility with Newman Scouts and Newman Playgroup whom still use designated sections of the facility on a regular basis.

Our mission is to build a connection between youth and the community where people matter and are valued. In doing so, through programs such as the Phoenix Dance crew who have had the opportunity to receive professional Hip Hop training by Fyah Dance Complex and perform in community events around Newman such as the Fusion Festival, Fortescue and NAIDOC. Our Voice Youth radio continues as a platform for young people to share their goals, address social issues, interests and share their encouragement on live air on community radio every Monday to peers and local members.

Three exceptional members of Our Voice - Youth Radio were recognised for winning Youth Volunteer of the Year Award Maceij Black and nominees Michael Wilmot and Kayla Sandles. This is one of many avenues the Newman Youth Centre encourage leadership and positive role models for others.

The Newman Youth Centre continues to strive to offer youth ages 10yr-17yrs a range of activities and programs. Some National and Local events include:

- National Youth Week;
- Clean Up Australia Day, in all 3 schools in Newman;
- Banners in the Terrace;
- Drug Action week stalls at Newman Senior High School
- Career Expo;
- Australia Day; &
- Fusion Festival

Newman Youth Centre day to day activities include but are not limited to:

- Cooking;
- Art activities/projects;
- Music lessons;
- Day trips to Karijini;
- Sporting activities;
- Photography;
- Mini Skate comps
- Beauty workshops;
- Community radio;
- BBQ's;
- Disco's; and
- Weekly recreation competitions.

Marble Bar Youth Shed re-opened its doors this year with the appointment of a full time Youth and Recreation Officer. Opening five days per week with a range of programs including self-development, sport and recreation, healthy lifestyles, art and craft and a drop-in zone, the Youth Shed has developed as the central meeting point for the Youth of Marble Bar.





Our partnership with local service providers continues to strengthen by collaborating together in creating community activities, whilst identifying further opportunities to enhance these activities in the future.

As numbers continue increasing, we look forward to building stronger relationships and having a greater positive influence on our youth in our communities.

## Aquatic Services

- Total number of visits to Newman Aquatic Centre from 1st July 2013 to 30th June 2014 was 43,517. 1,168 more visits as of last year making it the busiest year ever at Newman Aquatic Centre.
- Annual Swimming Carnivals were held for Newman Senior High School, Newman Primary School and South Newman Primary School. Cotton Creek and Nullagine Remote community schools also visited the centre to use pool inflatables and for recreational use.
- Other events held were the Newman Community Triathlon, Royal Life Saving Society 'HAVE A GO DAY', Australia Day Celebrations, Virtual Rottneest Channel Swim, BHP Christmas Party, ESS Staff Function, Martu Christmas Party, Easter Family Fun Day and a Swim School Open Day. A number of aquatic Olympians visited including Lisle Jones as part of the Regional Community 'BHP Billiton Aquatic Super Series' Event.
- A large number of community groups continue to use the centre

including Newman Amateur Swim Club 'The Ore'cas', The SoEP Youth Centre, and YMCA. Newman St. John Ambulance Volunteers used the center for training sessions and the centre also still remains the number one place in Newman to hold children's birthday parties.

- The new Aqua Zumba classes were a success.
- Newman Aquatic Centre continues our affiliation with the Royal Life Saving Society as an endorsed Learn to Swim School and 'WATCH AROUND WATER' recognised aquatic centre. Newman Aquatic Centre is the only facility in the Pilbara to offer the Infants Aquatics, Swim and Survive and Junior Lifeguard Club programs.
- The aquatic staff continued working with the Water Corporation on the 'Water Efficiency Management Plan'.
- The RLSS/ Healthway 'SWIM FOR FRUIT' program continued to run with the indigenous youth. Which was featured in the official journal of Leisure Institute WA Aquatics.
- A number of courses were run including Bronze Medallion, Teacher of Swimming and Water Safety, Resuscitation and Lifeguarding.
- All Swim Teachers are AUSTWIM members and qualified Learn to Swim Instructors with 'Working with Children Checks'.
- All Duty Aquatic Officers are Leisure Institute of Western Australia (LIWA) Members and all other staff have a minimum

qualification of Applied First Aid, Bronze Medallion and Pool Lifeguard.

- Newman Aquatic Centre joined the St. John Ambulance (SJA) Community First Responder program as a registered facility.
- Newman Aquatic Centre scored 100% in its Royal Life Saving Society/Local Government Insurance Scheme safety audit for: general administration, water quality and testing, circulation and water treatment and qualification for aquatic facility personnel. With an overall safety assessment rating of 93.70%.





# Newman Townsite

Federal Blackspot funding which provides 100% external funds was also successful for safety improvement works on Kalgan Drive and Newman Drive. Project design was completed in 2013/14 with construction of the \$875,000 project expected to be completed in 2014/15.

a path to major road works/drainage which needs future budget funding to emergencies such as flooding, oil spills and vandalism. Unresolved issues are monitored until a satisfactory resolution has been reached.

The system is continuously assessed to improve the level of service and response to the Shire's customers.

## Transport Infrastructure

Newman Townsite Maintenance Team delivers services to keep the town streets and drains in good and safe condition for the Community.

## Works Requests

Council aims to be responsive to ratepayers' requests for minor improvements and fault rectification through a recorded works request system. The Shire "works request" system tracks customer service requests from the initial report through to completion of the request.

## Recreation, Parks and Ovals.

The Shire maintains 12.5 hectares of active ovals and playgrounds in the Newman Townsite which is kept green by the dedicated parks team and over 8kms of irrigation pipe. As part of the Shire's water conservation measures we utilise recycled water for irrigation of the majority of areas and are trialing subsurface irrigation to further reduce water usage.

## Town Roads

Infrastructure Type	Length
Town Streets - Sealed	40km
Town Streets - Road Kerb	80km
Town Pathways	71km
Town Piped Drainage	12km
Town Open Drains	14km

The works request register allows staff to quickly categorise and prioritise requests.

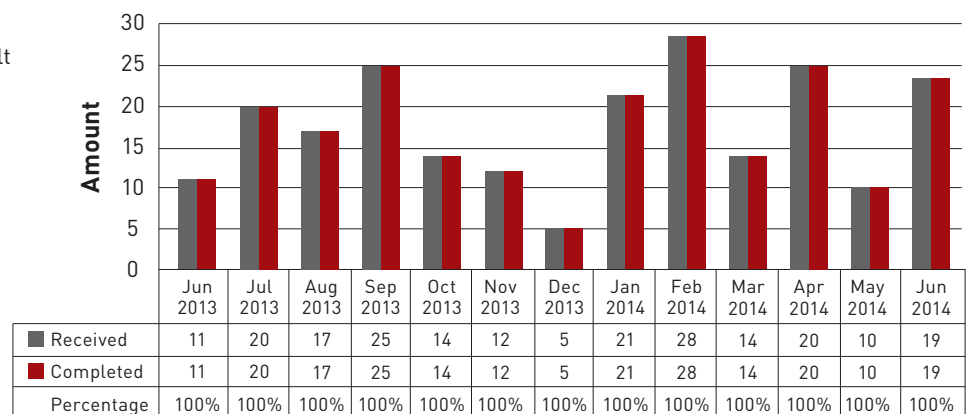
This provides for an appropriate response in an efficient and timely manner. Requests vary dramatically and can be minor in nature from sweeping

BHP funding and support has facilitated the ongoing landscape improvements in Calcott Crescent and Mindarra Drive which has seen the development of

Asset preservation works are scheduled to maintain the integrity of road and path network and included road crack sealing, asphalt resealing and concrete works for path and road kerb repairs plus spraying and vegetation removal in the open drains.

A new pathway was constructed to join the missing link on McLennan Drive which was 50% funded through the Rural Bike Network program.

Work Requests July 13 - June 14







car parking and landscape elements including gardens, street furniture and even an outdoor ping pong table.

Community Health and Wellbeing has been further encouraged through the construction of five (5) covered exercise nodes on Fortescue Avenue and BHP funding to allow this project to develop is appreciated.

## Waste Management and Recycling

The Shire of East Pilbara supports the states minimisation strategy and continues to progress activities in this area. This includes segregation of waste at the Newman Landfill Site and the ongoing kerbside collection of recyclables in the yellow bin.

The Materials Recovery Facility (MRF) continues to be developed with the Shire successfully obtaining a \$123,000 grant towards the completion of the facility

which is expected to be operational in early 2015.

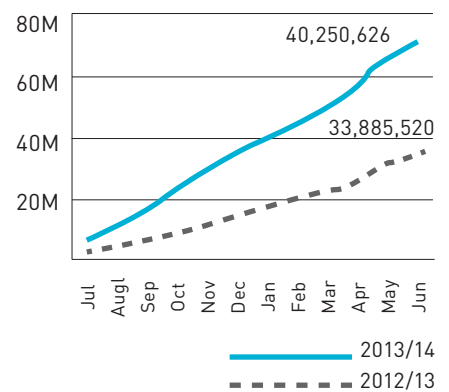
Landfill statistics are shown on the attached table (see below).

## Liquid Waste

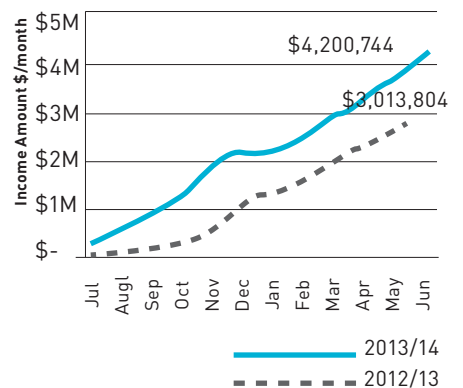
The Shire operates a liquid waste facility within the Newman Landfill site where licensed controlled waste contractors dispose of waste collected in and around the Pilbara region. The facility has 4 clay lined ponds which utilises a natural three treatment (aerobic, facultative and anaerobic) system to process the septage. This has recently been added to with two aerator pumps to support the process and maintain consistency of the treatment. Previously the facility was designed for less than 100,000 litres per day but with another pond built a couple of years ago the capacity has increased to up to 250,000 litres per day. As can be seen from the graphs, the Shire

processed just over 40 million litres in 2013/14 which has provided an income of just over \$4 million. This has grown over 100% in the last 2 years and is expected to provide extra income to the Shire over the next few years.

### Septage Pond - Intake



### Septage Pond - Income



Waste Category	Waste Type	Weight Tonnes
One	Mixed Municipal Waste (Wet)	6841
Two	Kerbside Recyclables	254
Three	Greenwaste	535
Four	Car Bodies	recycled
Five	Steel Products	recycled
Six	C&D Waste	14170
Seven	Commercial & Industrial	4900
Eight	Asbestos	31
Nine	Tyres (see below)	219
Ten	Medical	76
<b>Total</b>	<b>Landfill Tonnage</b>	<b>27026</b>
<b>Total</b>	<b>Liquid Waste Tonnage</b>	<b>26469</b>

Source: SEP Gate receipts converted using standard conversion factors

Total Tyres: 8020 = Car 1590 Truck 6424 Haulpak 6



## Waste Water Treatment Plant

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

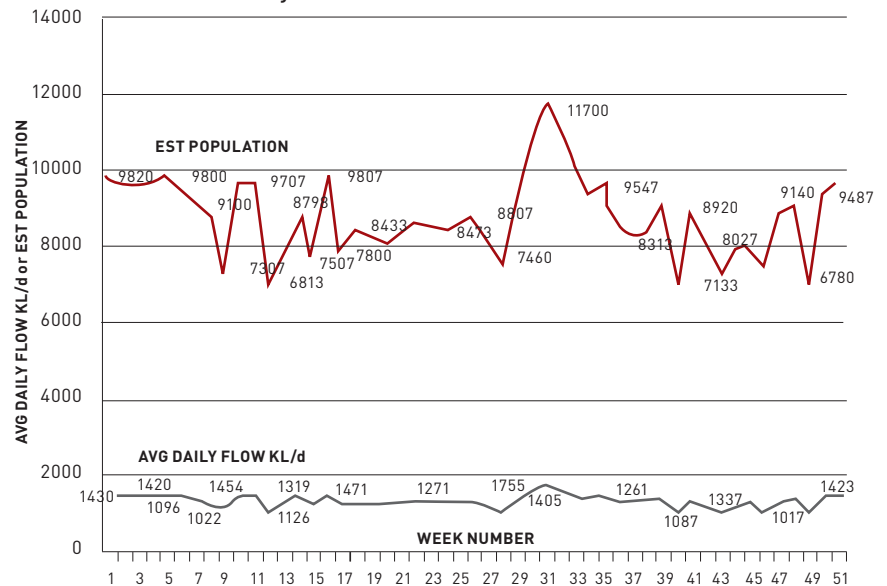
The facility is one of a few mechanical wastewater treatment plants in the State and when first installed by BHP it was designed for a nominal town population of around 9,000.

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

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

There is a standard calculation that relates discharge to population in town on any given day and that is reflected in the attached graph.

Newman Town Sewage Flows and Estimated Population  
July 1st 2013 to 30th June 2014







## 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 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 four 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 2013/2014 financial year was \$1,260,800.

The construction program for the 2013/2014 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 Lows and Associated Flooding on 16 January and 6 February 2014. The cost of the reinstatement works have been recovered under the Western Australian Natural Disaster Relief and Recovery Arrangement (WANDRRA) and totalled \$1,437,813.

The capital improvement and renewal program covered the following roads in the 2013/2014 budget:

### Aboriginal Access Roads

Kiwirrkurra Access Rd	\$135,000
Punmu Access Rd	\$146,600
Talawana Track	\$172,000
Jupiter Well Access Rd	\$90,200
Desert Rd	\$165,000
Jigalong Rd	\$597,938
<b>Total</b>	<b>\$1,306,138</b>

### Rural Roads

Marble Bar Hillside Rd	\$225,000
Boreline Rd	\$202,000
Skull Springs Rd	\$334,750
Woodie Woodie Rd	\$677,100
Cape Keraudren Access Rd	\$620,000
<b>Total</b>	<b>\$2,058,850</b>

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



## Environmental Health

### Developmental Services Health

#### 1. Environmental Health Projects

##### 1.1 Strategic: Public Health Plan

Further to the report issued in 2012 – 2013 regarding the initiation of the development of a Public Health Plan for the Shire of East Pilbara, a background paper to inform the development of the Plan has since been released. The working document contains a range of data which will be used to inform the Shire of East Pilbara's (SoEP) Public Health Plan as well as some context regarding the need for such a Plan. The report also includes local demographics to ensure the Plan reflects the current and predicted population. Information on current initiatives and programs that currently address health and wellbeing and public health in the Shire are described to ensure the Plan does not recommend any repetition but looks to working with partners outside of the Council. Furthermore, the document highlights the results of the consultation with communities and stakeholders conducted for this project.

##### 1.2 Operational: Mosquito Management Program

The Mosquito Management Program which commenced in the 2012-2013 year continued into the 2013-2014 year

and has achieved one of its objectives which is to carry out a baseline survey which documents breeding habitats, species prevalence and seasonal productivity. The survey was carried out and completed in 2013-2014. The survey data indicated the prevalence of key species for vector transmission. *Culex annulirostris* is a known and verified major species for the transmission of Ross River Virus was identified in four out of six adult mosquito survey sites in and around Newman Town site, with significant numbers in the artificial dam and WWTP wetland. Several other sites were identified in Marble bar.

The following objectives will define and make up the activity focus for the coming year:

- Establishing a monitoring program for larval and adult mosquito activity. The data collected in such monitoring can be used to estimate health risks to humans, wildlife, or domestic animals, and to make mosquito management decisions based on the level of risk.
- Applying appropriate and more effective treatment to areas affected with all environmental and economic considerations factored in.

- Incorporating a public awareness program as one of the expected outcomes of the baseline survey. The public has to be made aware of their responsibilities for personal preventive measures and backyard mosquito control.
- Continuously improve the management of vector mosquitos within the area using the baseline survey data as a benchmark.

##### 1.2.1 Marble Bar integrated Mosquito control project

The two mosquito surveys conducted in June and September 2013 revealed the presence of mosquitos at several points in and around the town, with species known to be carriers of Ross River Virus, Murray Valley Encephalitis (MVE), Dengue Fever and Barmah Forest Virus being isolated. Residual spraying and Vectobac as well as Vectolex briquette treatment was carried out in waterways identified as breeding sites. As a project for long term management, Mosquito Slayers, which are large capacity mosquito traps, were installed. The project is still under implementation stage and its efficacy is yet to be reviewed, analyzed and documented.







### 1.3 Operational: Food Safety Programs

The adoption of the Food Act 2008 into Western Australia (WA) has resulted in significant changes to the food regulatory system. One of those changes has been the introduction of mandatory Food Safety Programs (FSP) for food businesses captured under Standard 3.3.1 (Food Safety Programs for Food Service to Vulnerable Persons) of the Australia New Zealand Food Standards Code (the Code) and the subsequent need for a regulatory food safety auditing system. The Shire's Environmental Health Department developed sample guidelines and made them available to facilities falling within this category for review and familiarization. Subsequently, the department hosted a free information seminar on the requirements and components of a food safety program, allowing for participants to consult

and question elements of the program as well as seeking clarity on the requirements. The seminar was well attended by one or more representatives from each facility. Each respective center will be audited in the coming financial year (2014 – 2015).

### 1.4 Operational: Tobacco Control

The department has submitted an application for the Tobacco Control Grants Scheme which is a new project that aims to facilitate and support local governments and other relevant organizations to control the use of tobacco products in accordance with the provisions of the Tobacco Products Control Act 2006. The focus of this project, which will run in the 2014-2015 year, is the reduction of exposure to second hand smoke in and around children's play areas.

This project will raise community awareness and increase compliance with Section 107C of the Act which requires that:

*No smoking near playground equipment*

*A person must not smoke within 10m of children's playground equipment that –*

*(a) is in a public place or a part of a public place; and*

*(b) is not in an enclosed public place.*

The overall aim is to drive local efforts to prevent children utilizing playground facilities from being exposed to second hand smoke from parents, caregivers or other community members as well as to implement the requirement of the Act. It will be easier for enforcement officers to give direction, implement seizures or compliance activities in well signed areas.



## 2.0 Regulatory Compliance and Control

### 2.1 Food Safety Management

There are a total of 99 registered food businesses and 13 registered fee exempt businesses on file as at the last day of the 2013-2014 financial year. This number is 19.5% less than the number of premises managed for the first half of the year and the reduction is attributed to the closure of several temporary fly camps, mining camps and local registered businesses. The safety and suitability of food sold to the community remained a top priority for the department which undertook a total of 70 onsite food business assessments to check for compliance with applicable food safety standards (2% increase from the previous year).

Significant food business processes improvements were noted in Newman town site premises. Only 1 improvement notice was issued while all other premises with notable non compliances were able to resolve the highlighted issues by the given follow up dates. The department continues to promote and encourage continuous improvement using the applicable food safety standards as focal points.

The highest proportion of food businesses are located at remote

distances and continue to present a significant strain on the department's time resource. The department therefore engaged the services of relief consultancy staff to carry out some of the remote inspections. The engagement will continue in the coming financial year with the hope of improving the proportion of high risk premise coverage to 50% or more.

#### 2.1.1 Food sampling and Environmental Swabbing

The department intends to carry out routine food sampling and environmental swabbing activities as part of onsite environmental health investigation and monitoring, as well as specifically for the investigation or control of food-borne disease. Environmental testing kits have been sourced from the Department of Health and alternative diagnostic kits will be purchased to allow for more rapid testing and verification of sanitation and hygiene of food business equipment.

#### 2.2 Trading in Public Places

Monitoring of temporary trading and ensuring food safety compliance of stall holders at several community events held during the year was part of the priority goals for the health department. There were approximately 40 non-food and 46 food traders

applications processed during the year (7% decrease). The departments aim is to further reduce the number by streamlining and packaging event trader's applications. The process is still at its initial stages and is yet to be fully implemented due to applicants/event managers misapprehending the process requirements.

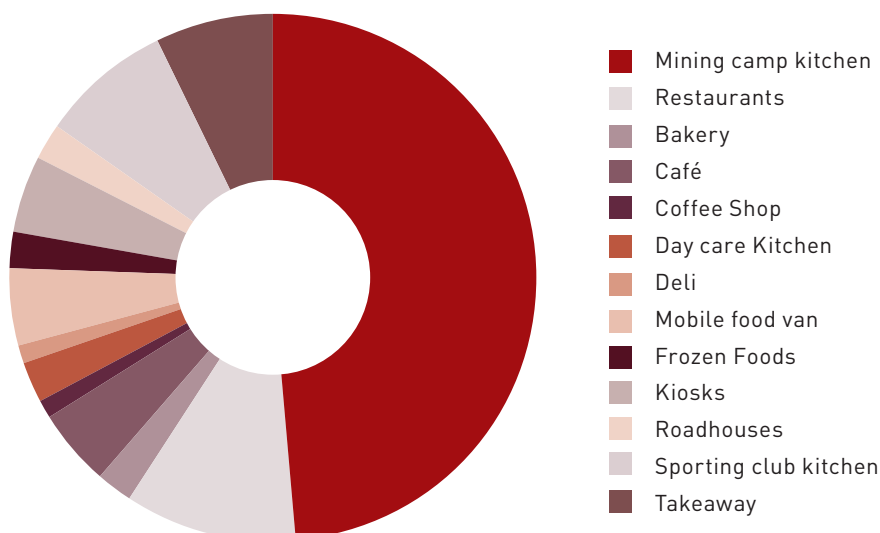
Concern has also been noted at the increased number of itinerant vendors and temporary traders utilizing the designated trading areas and preferring to use only the Newman Visitors Center. This has resulted in crowding and overuse of the parking area. Mitigations for this concern are currently under review.

#### 2.3 Lodging Facilities, Licensed Premises, Caravan parks and camping grounds

A consultation paper on the new proposal for Caravan Parks and Camping grounds legislation is currently under review by all developmental services departments. There were no major reportable issues or concerns in these sectors for the year under report.

Risk Classification	Number of Businesses	Routine Inspections	Premise Coverage	Proportion of required number
Low	20	5	25%	25%
Medium	11	6	54%	27%
High	68	59	86%	22%
<b>Total</b>	99	70	<b>Ave 70%</b>	(Equivalent to 2 inspections a week)

SOEP Food Business by Principal Activity





### 3. Compliance Monitoring

#### 3.1 Water Quality Management

##### 3.1.1 Liquid waste disposal

Septic Tanks and Waste Water Treatment Plants: The department enforced the requirements of the Health (Treatment of Sewage and Disposal of Effluent and Liquid Waste) Regulations 1974, ensuring that all on-site effluent disposal systems are installed, operated and maintained in accordance with the legislative requirements. A total of 62 applications for new septic and waste water treatment systems were processed and registered or forwarded to the Department of Health for further approval.

The number of Septic applications processed and annual comparisons are shown on the table below.

##### Routine Effluent Water Sampling:

Due to construction and development projects around Newman (East Newman, Boomerang oval, Red Sands), samples were only collected from available sampling points throughout the year. Unlike the previous year, effluent waste water results had some inconsistencies with E. Coli MPN per 100mL readings ranging from less than 10 to 640 in 2 out of 12 sampling rounds. There was no audit carried out which could be used to provide an explanation for the divergences and statistical analysis deemed the divergences as statistically insignificant. Please refer to Appendix A for sample results and analysis.

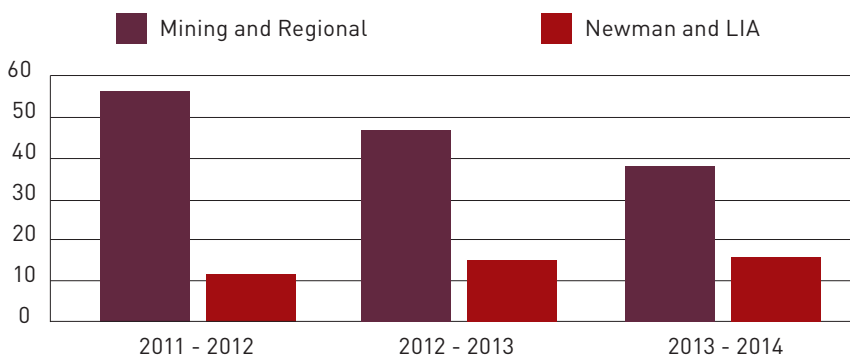
##### 3.1.2 Recreational Water monitoring

Recreational waters are monitored to ensure that the bacterial and chemical levels are within national guidelines and are safe for swimming and recreational activities. There were no reportable issues for Newman town site pools while regional pools returned some positive results for Amoeba. Mitigations were implemented forthwith and the results of the final half of the year were consistently compliant.

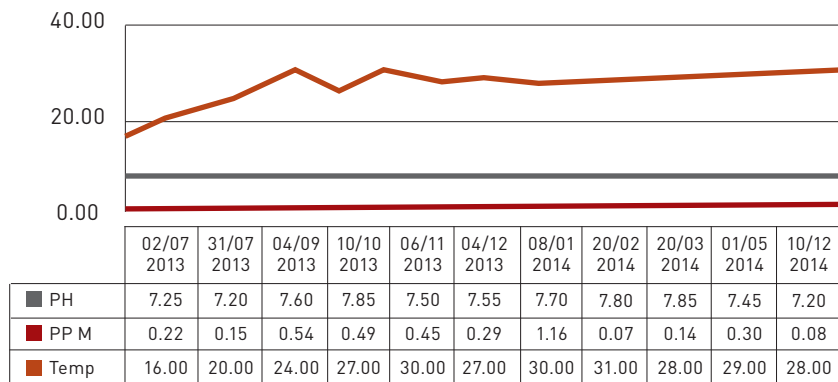
### 4. Health Promotion and Management

The department set out a goal at the start of the year to implement strategies that would lower the incidence of disease such as vector borne and food borne illnesses. The methodology employed was of tactical information dissemination campaigns through target audiences such as school children and community groups. The outcomes of the pursuit are yet to be evaluated and reported on. Challenges to this methodology included lack of a local news platform, which the department sees as an opportunity for development of a newsletter and a brand specific to Environmental Public Health Activities.

#### Septic Applications

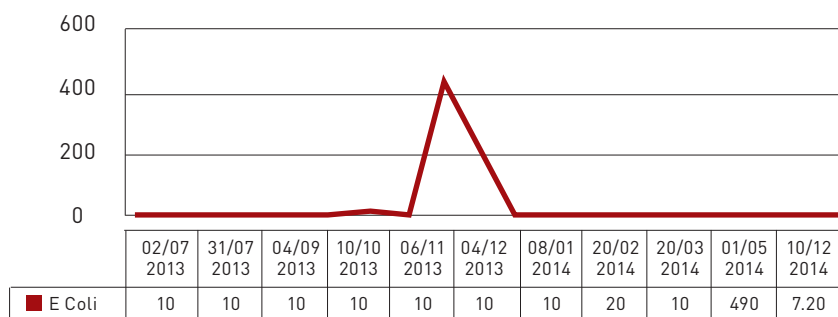


#### Boomerang Oval (EPA/004)

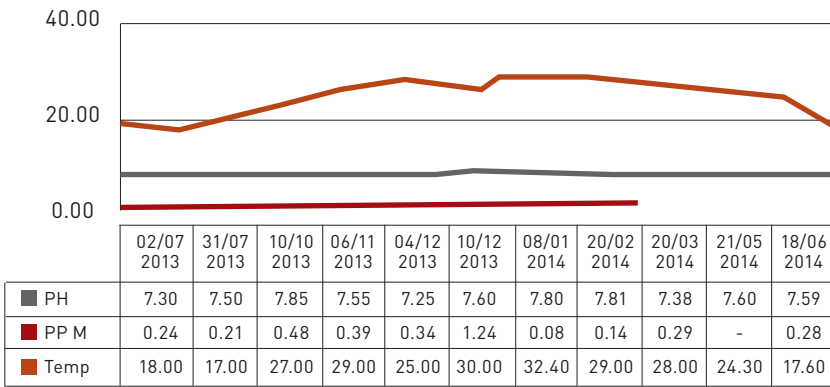


(NB: PPM - Total Residual Chlorine in mg/100ml.)

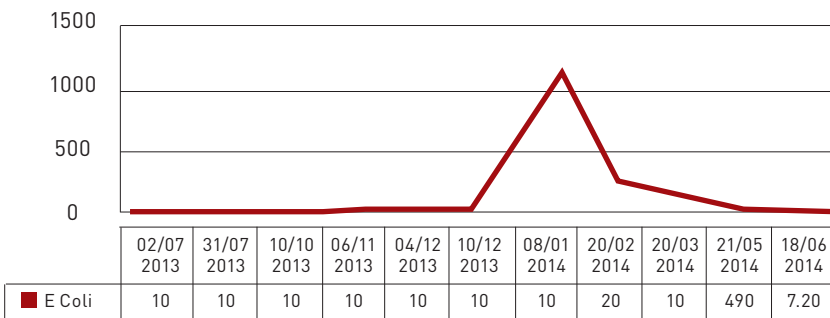
#### Boomerang Oval E.Coli



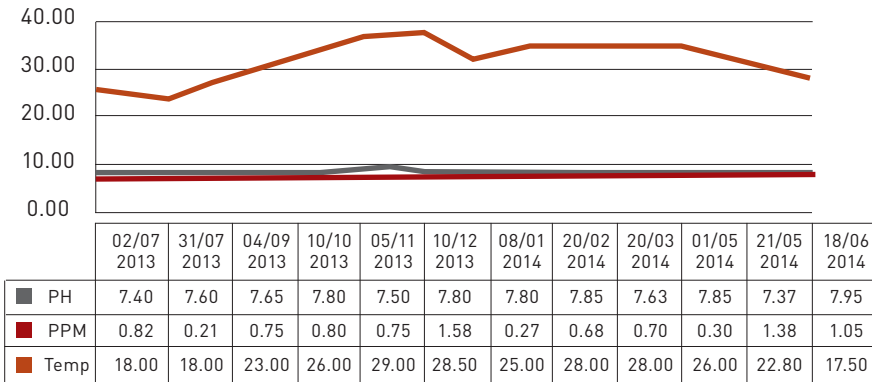
### Capricorn Oval Sampling Point



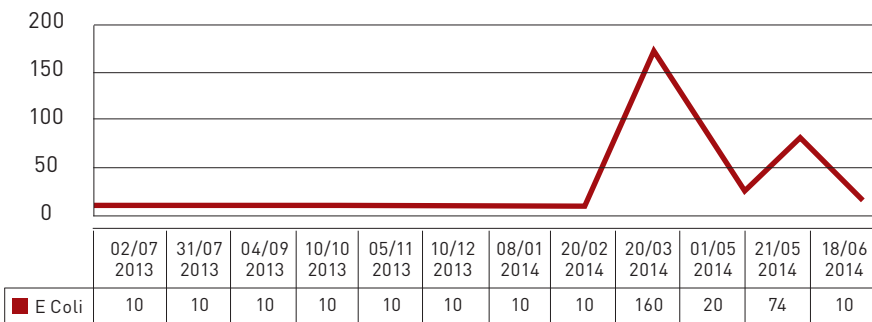
### Capricorn Oval E.Coli



### Hiltop Tank (EPA/012)



### Hiltop Tank E.Coli



## 4.1 Chicken Sentinel Surveillance

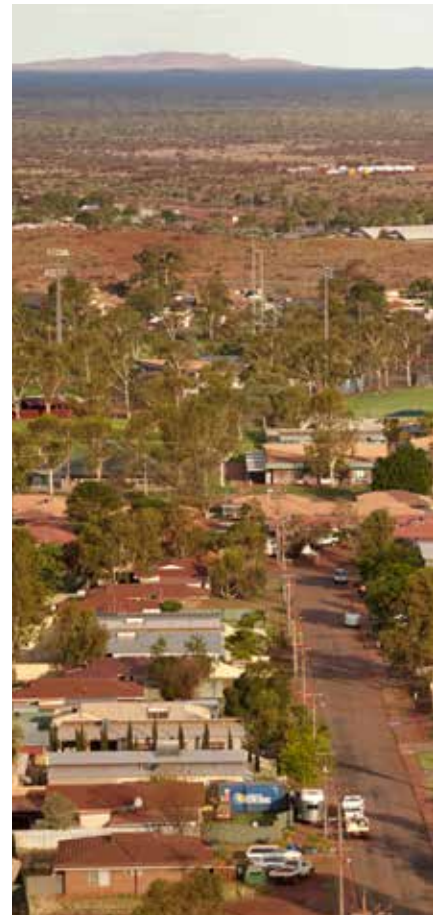
The Sentinel Surveillance program continued throughout 2013 – 2014 and the results obtained showed positive results for Murray Valley Encephalitis and Kunjin Viruses. A media statement was issued by the Shire and the Department of Health to advise residents and travelers to the Shire.

## 4.2 Noise Pollution and Control

The department continues to monitor and control After-hours construction activities which have the potential or may inherently emit noise pollution by ensuring that appropriate permits are issued and Noise Management plan stipulations are adhered to. A total of 32 applications were processed for construction activities in and around Newman alone which represents a 42% increase in the number of applications submitted compared to the previous financial year. This may be attributed to an increase in awareness for the requirement to obtain a permit as well the increase in development and construction projects in residential areas.

## 3.2 Hazardous Materials Management

No materials were handled or analyzed in this financial year.





PH readings:

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	0.31212	6	0.05202	<b>0.884166</b>	0.511588	2.23948
Within Groups	3.883113	66	0.058835			
Total	4.195233	72				

Chlorine readings:

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	2.418987	6	0.403164	<b>4.413745</b>	0.000811	2.237312
Within Groups	6.119977	67	0.091343			
Total	8.538964	73				

Temperature readings:

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	66.19754	6	11.03292	<b>0.405291</b>	0.873064	2.23521
Within Groups	1851.109	68	27.22219			
Total	1917.307	74				

E Coli readings:

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	183610.9	6	30601.81	<b>0.896513</b>	0.502637	2.23521
Within Groups	2321130	68	34134.26			
Total	2504741	74				

Conclusion:

- A significant difference does not exist between the mean E. Coli, Temperature, and pH reading for each sampling point. The discrepant E Coli readings are not statistically significant.
- There is however a statistically significant difference between the means of the Chlorine readings for each sampling point. The ANOVA used above does not attempt to give a reason as it only seeks (for the scope and purposes of this report), to test the significance of the differences between each sample point readings.





# Development and Regulatory Services

## Building

The 2013/14 financial year has seen a further increase in residential development, mainly in Newman with approvals for 146 new dwellings this year, although the total number of Building Permits issued for this year is similar to the previous two years.

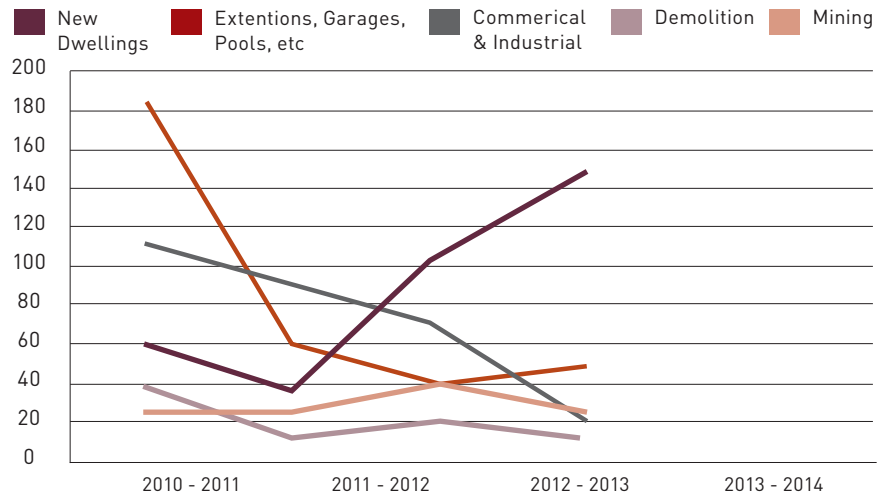
The number of Building Permits for Commercial & Industrial development have decreased and, because the construction value for that class of building is generally much higher than that of residential development, combined with a decrease in the value in permits for mining activity, the value of construction and associated income from Building Permits is considerably less than recent years.

Other factors contributing to a decrease in Building income include the Building Act which was introduced in 2012 that allows for applications to be certified by private Building Surveyors which has resulted in builders using that option particularly for Commercial, Industrial and Mining developments reducing that income stream to Council. The Building Act also introduced exemptions from the requirements of building permits for buildings incidental to mining operations other than for accommodation and recreational facilities, so a number of

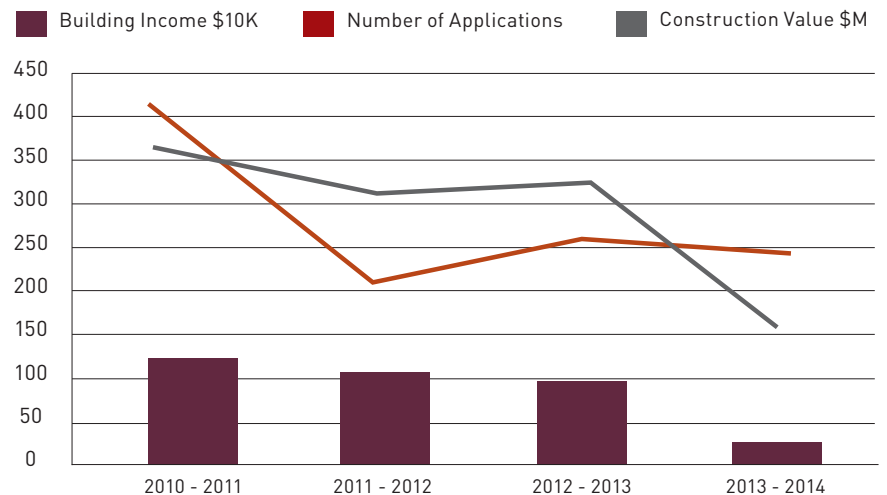
buildings that would have previously been subject to a building permit and subsequent fees have been constructed on mine sites without requiring a permit.

The charts below show comparisons in building activity for the past four financial years.

Building Permit Categories



Construction Value Comparison







## Planning

Over the course of the 2013/14 year, the Shire continued building on its strong relationship with Landcorp which resulted in a further 107 residential lots being released to the open market. Coupled with this, was the ability to develop a small area of industrial land resulting in a further ten (10) lots being available. Other ongoing projects such as the Newman Town Centre Revitalisation also made considerable progress in terms of planning and preparing for construction. The collaboration between Landcorp and the Shire will result in a more legible and attractive town centre which the community can be proud of into the future.

Further to the above, the Shire has also continued to develop its new Local Planning Strategy which will develop a strategic land use and economic development footprint for a period of ten to fifteen years in the future. Works will continue on this project late into 2014 with an expected consultation period commencing soon after.

Both Nullagine and Marble Bar continue to be focal points with tourism which is positive for the local communities. Additionally, there has also been continued influence from mining operators which continues to bolster the local economies.

The table below identifies the type and number of applications determined by Council throughout the 2013/14 year.

Commercial	35
Industrial	7
Mining	11
Residential	32
Home Business	10
<b>Total</b>	<b>95</b>



## Building Assets and Procurement Services

The Building and Assets group has been repositioned to meet Shire service needs with respect to:

- Asset Portfolio Management;
- Building Management; and
- Procurement.

### Asset Portfolio Management

Asset Portfolio Management includes asset or property transactions and management of the staff office environment.

#### Asset Management Projects

The Buildings Asset Management plan has been further developed with finalisation expected during the 2014/15 financial year.

The Moondoorow housing site is created through an extensive road closure process and sewer/water service alterations. Only power alterations are required to complete the new title.

Cape Keraudren Recreation Management Plan was finalised and adopted by Council.

Asbestos Buildings audit and Asbestos Management Plan is completed.

Amendments to the Lions Park reserve are undertaken in preparation for recreation masterplan for the area.

Amendments to Hillview Speedway and the Newman Motorcycle Club reserves are undertaken in preparation for lease amendment.

### Asset Acquisitions

Design and tender for the new East Pilbara Art Centre was completed.

Newman Civic Centre Design guidelines completed.

New public toilets (funded by BHP Billiton) are completed at Miners Promise Park

New public toilets (funded by Pilbara Regional Council) are completed at Nullagine and Cape Keraudren.

Five residential sites have been acquired in East Newman for general practitioners, executive and staff housing.

Six additional staff houses were constructed at the airport.

The Coongan River Flying Fox structure has been acquired to enhance town and regional tourism.

### Asset Dispositions

The Group continues to document local Community, Sporting Organisations and commercial businesses on Shire properties.

During the current period new lease or licence agreements are completed for:

- East Pilbara Independence Support at Gallop Hall that is now terminated in accordance of reviewed operations from Marble Bar.
- Marble Bar Community Resource Centre
- Megara Construction
- Niche Construction
- Panna Riders Inc
- East Pilbara BMX Club

Expressions of interest are received from "North West Motoring Club" and "Aerodrome Club" to enter into lease agreements with the Shire who continue to liaise with the clubs on their respective proposals.

### Building Management

Building Management includes minor building works, maintenance and contract management of key building contracts.

#### Newman

- Alterations to staff kitchen completed.
- New furnishing purchased for entrance to Council Chambers.
- The Records facility at Newman Administration has been upgraded to accommodate Community Safety Services.
- New cattery has been relocated to Newman Depot where the old caretakers dwelling has been upgraded to house Shire archive records.
- Newman Recreation Centre signage, exterior and interior lighting upgrades completed.
- Newman Recreation Centre Roof was replaced with 50% of costs from Education Department.
- Capricorn Oval grandstand roof is showing signs of requiring major repairs. A structural engineer was appointed to conduct a structural assessment.
- Air-conditioning at Newman House has been upgraded.
- The Newman Community Hall (The Beach) has had upgraded toilet facilities in accordance with the DAIP (Disability Access Inclusion Plan).





- Security at the Capricorn Junior Sports facility has been upgraded to combat persistent break-ins.
- New Shade shelter over Junior Sports playground completed.
- Tourist Centre window glazing compliance upgrade completed.
- Skate Park Solar lighting upgrade (funded by BHP Billiton) was also completed.

#### **Housing**

- The group continues to improve Newman staff houses during this period with various upgrades.
- 10 Keedi has a new kitchen
- Several houses have had ceiling fans installed.
- A new carport at 1 Nyabalee.
- 29 Newman Drive and 39 Rudall have been enhanced with needed repainting.
- Marilanna housing and 52A Wilara Street have had new shade sails provided.
- New furniture and appliances to two properties to accommodate relief staff, contractors and consultants.

#### **Marble Bar**

- Scoping works and design at the Marble Bar Administration and Visitor Centre was prepared for proposed 2014/15 upgrade works.
- Window Glazing works are upgraded at the Civic Centre.
- CRC upgrade works is partially completed.
- An assessment of the court surfaces was undertaken to facilitate 2014/15 upgrade works to the sport courts and skate park at the Marble Bar Recreation Hall.
- Upgraded bar facilities were

provided to the Marble Bar Sports Complex.

#### **Housing**

- The group has been working on replacement of all Marble Bar staff housing wall mounted air conditioning and replacing with new split systems.
- All houses had new security doors and ceiling fans installed.
- 7 Bohemia has had both bathrooms upgraded and new shed provided.
- Car accommodation at the Green House that is used by staff and consultants has been improved with new carport and driveway.
- We continue to refurbish Piri Smith units with two refurbished during this year and the remaining two units will be completed during 2014/15.

#### **Nullagine**

Recreation shelters, WIFI service, informational signage and a dump point is installed (funding by Pilbara Regional Council).

An assessment of the Nullagine sports court was undertaken to facilitate 2014/15 upgrade works.

#### **Housing**

Both Nullagine staff houses have been improved with new split system a/c, floor coverings, window treatments and some internal painting.

#### **Cape Keraudren**

Pilbara Regional Council have continued to fund infrastructure at the Cape with public toilets, entrance shelter and recreation shelters, WIFI service and informational signage. This includes BeaBea Creek highway traveller rest upgrades. Hydrology consultant

recommendation report completed to facilitate new artesian bore.

A boat ramp study is completed.

Waste disposal has been reviewed and upgraded.

#### **Housing**

Caretakers dwelling has been painted with new split system a/c and furniture installed while solar panels and cyclone shelter roof have been upgraded. A review of the staff facilities in the near future will be undertaken.

#### **Procurement**

In preparation of providing a cost effective local service rather than the existing WALGA external service; the Shire has acquired a personalised Tenderlink web portal and Australian Standard "Major Works" and "Design and Construct Contracts".

#### **Community Safety Facilities**

CCTV requirements are transferred to the Community Safety Group for 2014/15 financial year.

During 2013/14 Infrared camera installations (funded by the Office of Crime Prevention and BHP Billiton) were installed at the following locations

- Postal Hub
- Aquatic Centre
- Boomerang Oval
- Miners Promise
- Skate Park
- Boomerang Oval
- Capricorn Oval
- Kiripirna Park

The CCTV has assisted police with the reduction of criminal activity, anti-social behaviour and vandalism.



# Airport Report

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 FY2012/13.

## 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, asset management plans, and possible expansion of infrastructure and facilities to accommodate such movements.

	RPT & Screen Closed Charters		Closed Charters	Overall GA				TOTAL
	Code 3C	Code 4C	<Code 3C	Heli	RFDS	Biz Jets	GA	
<b>FY12/13</b>	1,122	3,964	270	1,762	762	74	3,344	11,298
<b>FY13/14</b>	1,240	4,328	1,450	1,834	744	44	2,432	12,072
<b>% Market Share</b>	10.3	35.9	12.0	15.2	6.2	0.4	20.1	100
<b>% Increase/Decrease</b>	10.5	9.2	437.0	4.1	-2.4	-40.5	-27.3	6.9

The apparent sharp decline in GA traffic numbers are as a result of a change in recording rather than an actual decline in movements. Up until FYE 2013 only aircraft in the category of 30 – 49 seat capacity were recorded as non-screened closed charters. However, the marked increase in smaller GA aircraft with a seating capacity of 10 and above has necessitated a revision of this category. As such, the aircraft movements for FYE 2014 now include all aircraft engaged in charter works with a seating capacity of 10 to 49 seats. This primarily includes aircraft such as the Kingair and Metroliners, and effectively transferred these numbers from the GA category to the non-screened closed charter category.

An overall increase of 6.9% in aircraft movements has been recorded.





## 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
12/13	134	197	203	200	141	157	86	92	156	94	148	113	143	4.7
13/14	133	165	132	152	172	99	51	61	85	56	123	184	118	3.9

## Passenger Movements

Following the completion of major resources development projects towards the third quarter of 2013, passenger numbers declined from a monthly average of 40,891 at the end of October to 33,667 until FYE 2014. Although this represents a reduction of some 18.0% for the last eight months of that FY, the net reduction was only -3.88% for the full FY. This reflects the tendencies throughout the Pilbara airports with up to 10% declines having been recorded.

## Impact on Revenue

Based on the compound growths sustained since 2004/05, the forecast growth rate in support of aviation revenue was 15%. Effectively, therefore, a reduction in aviation revenue of 18.88 resulted solely from passenger services fees.

## Financial Year Totals

FY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL	% GROWTH
04/05	5087	5082	4951	5049	5260	4595	4369	5084	5662	5501	5996	5778	62414	29.89
05/06	5976	7054	6907	7154	7740	6304	7237	7348	8156	8165	8165	8174	88380	41.60
06/07	8421	9086	8851	9284	8564	6701	7683	8123	8712	9166	10857	10433	105881	19.80
07/08	10968	11414	10879	11800	11888	10339	10255	10628	11187	11858	12183	12252	135651	28.12
08/09	13673	13462	13670	15737	16019	13423	14069	14867	16221	15495	15472	15408	177516	30.86
09/10	16272	14998	15918	15061	15029	12876	13011	13589	16875	15921	16060	16704	182314	2.70
10/11	17872	18401	18807	18287	18418	16846	15931	20412	21918	19434	21465	21515	229306	25.78
11/12	22704	24011	22947	23490	25814	21907	26271	27084	27986	27651	33195	31891	314951	37.35
12/13	34871	37511	35296	40168	36813	30100	33878	35882	38271	41451	44170	41963	450374	43.00
	45025	40769	36889	40882	34717	31319	34010	30974	34344	35329	34715	33928	432901	-3.88
	<b>Compound Average</b>													<b>25.52</b>

## Accidents and Incidents

### Security:

- 21 March 2014: Security breach when a GA pilot and a passenger crossed from the GA Apron onto the sterile RPT Apron.
- 1 May 2014: The Shire of East assumed the role of Screening Authority.

### Safety:

- 4 September 2013: False fire alarm in the RPT Terminal.
- 24 November 2013: Runway closure due to unfavourable reaction of an applied polymer spray seal.
- 17 February 2014: VH-YOT, a Polar Aviation owned Cessna 206, experienced engine mechanical failure after take-off and executed an emergency landing some 3 kms NE of the field. Although the aircraft was severely damaged, the pilot escaped without injuries.

### Birdstrikes:

- Six separate Birdstrikes incidents were reported during the months of January and February 2014. All involved Kite Hawks. The theory is that, due to the higher than normal rainfall during the second half of 2013, the general food source chain is richer and thus attracts these birds. The same tendency was reported at other north-western airports; from Broome to Exmouth.

## Revenue Streams

### Aviation Related Revenue

Aviation Related Revenue of \$9,646,343 for FY13/14 constituted 88.0% of overall revenue when not considering grants income. This revenue stream is primarily sustained by passenger numbers. As a result of the change in passenger numbers, Aviation Related Revenue decreased slightly as a proportion of the total revenue compared to FY11/12 when it was 90.4%.

### Non-Aviation Revenue

Non-aviation revenue has increased from 9.6% in the previous FY to 12.0% for FY13/14. This increase is mostly due to the relative effect of the decrease in passenger numbers over the FY13/14.

## Rolled Over Projects

Completion of the kerbs, verges and footpaths have been postponed in view of Telstra installing fibre optic communications to the airport. This involved some new conduiting, connecting pits and then cabling to be installed, which required digging of trenches in the verges. In conjunction with the final traffic flow, way finding and parking plan, the completion of the verges and footpaths will be completed during FY2014/15.

Progress on the design approval for the power upgrade resulted in only the planning, designs and specification stage of this project could be completed. Budgetary constraints further indicate that only the acquisition of additional transformers, switching gear and distribution boxes will be completed within FY2014/15, and changes to the HV feed lines will have to be completed in FY2015/16. Total supply to the airport is still limited to 500kVA and this will not provide overall more power to the airport. However, by introducing an additional transformer, the full 500kVA can be distributed and utilised.

## Marble Bar & Nullagine

### Marble Bar

The fulltime employed ARO has been replaced by a casual employee. This does allow minimum oversight compliance to be met, but does not provide any maintenance support from this role.

Upgrading of Marble Bar to accommodate Code 2 and eventually Code 3C operations is currently being negotiated in partnership with a local mining company. However, this project will in all likelihood not commence in any real form before FY2015/16, most probably later.

Security at the Marble Bar terminal is being upgraded following illegal camping in that facility.

### Nullagine

Negotiations have commenced with Millennium mines for the sealing of the Nullagine airstrip as it is still prone to flooding after rain. The surface is normally too soft to support operations for 3 – 5 days after such rain.

The boundary fence around the airstrip will be upgrade and a fire break/ inspection road reinstated around the perimeter.

Water supply to that strip is being upgraded. The Shire provided an additional water tank to be installed at the Five Mile Crossing house, from where Millennium Mine will lay a pipeline to feed water to the airport.





## Projects Status

### Completed



An additional six housing units were completed in May 2014. These include four 3 x 2 units and two 2 x 2 units.



The residential park has been completed in June 2014, with the last of turf laying scheduled for completion during July 2014.



All major construction to the ARFF (Airport Rescue and Fire Fighting Station) has been complete.



Final site handover is scheduled for July 2014, and the station to be operational by the end of August 2014.

A full aerodrome emergency exercise is planned for October 2014 to test the integrating of this service and capacity into the Aerodrome Emergency Plan and existing LEMC procedures and capabilities.

## Major Short And Medium Term Capital Projects

A full or preparatory overlay of the runway will be completed. In parallel with this the section of apron between the taxiways is to be deepened to allow safe passage of aircraft behind other aircraft already parked on Bays 3 and/or 4. This will provide more flexibility and safety in apron and bay usage during congested periods.

The land acquisition plan has now progressed to the stage where we are awaiting sign-off by two mining companies on exploration tenements overlapping onto the airport reserve. Once this has been accomplished progress can be made towards acquiring the land, and reactivating the Landuse-, Master- and Business Plans.

## Strategic Developments

CASA has issued a Notice of Change NPC 139/05 to the Memorandum of Standards MOS 139 Aerodromes Section 6.2. This again addresses the narrow runway issue which would have required the Shire to construct a 45m wide runway and associated manoeuvre areas by 2022 to support Code 4C operations. The NPC 139/05 will now allow airport operators to retain their operational infrastructure at the levels allowed for in their Business Plans, and publish those specifications. The responsibility now reverts to the aircraft operator to decide whether they can and wish to operate Code 4C aircraft into a Code 3C runway.

The impact to Newman Airport is:

- No regulatory requirement to plan for and construct a 45m wide runway and manoeuvre areas by 2022. With the new changes the current 30m wide runway and

manoeuvre areas will continue to support the Code 4C operations, and the focus can now be towards maintaining that asset in its current form. The need for upgrading operational infrastructure will now become market driven; if airlines plan on using Code 4C+ aircraft in future.

- On the negative side is the fact that, in the construction of the ARFF station, that complex had to be moved back from the runway considerably to accommodate the 300m wide runway strip associated with a 45m runway and Code 4C operations. That regulatory requirement will no longer exist, but unfortunately the notice was circulated too late to change construction. Valuable land close to the runway will now remain completely unusable as a result.



# Annual Financial Report

For the year ended  
30 June 2014



# Index To Annual Financial Statements

<b>Statement by CEO</b> .....	<b>40</b>
<b>Statutory Statements</b> .....	<b>41</b>
<b>Statement of Financial Position</b> .....	<b>42</b>
<b>Statement of Comprehensive Income by Nature or Type</b> .....	<b>43</b>
<b>Statement of Comprehensive Income by Program</b> .....	<b>44</b>
<b>Statement of Changes in Equity</b> .....	<b>45</b>
<b>Statement of Cash Flows</b> .....	<b>46</b>
<b>Rate Setting Statement</b> .....	<b>47</b>
<b>Notes to the Financial Reports</b> .....	<b>48</b>
1. Summary of Significant Accounting Policies .....	49
2. Functions and Activities of the Shire – Statement of Objective .....	60
3. Cash and Cash Equivalents .....	61
4. Trade and Other Receivables .....	63
5. Inventories .....	63
6. (a) Property, Plant and Equipment Assets .....	64
6. (a) Property, Plant and Equipment Assets 2012/13 Original Reporting .....	65
6. (a) Property, Plant and Equipment Assets 2012/13 Reporting Correction .....	66
6. (b) Movement in Property, Plant and Equipment Assets .....	67
6. (b) Movement in Property, Plant and Equipment Assets - 2012/13 Original Reporting .....	68
6. (b) Movement in Property, Plant and Equipment Assets - 2012/13 Reporting Correction .....	69
7. (a) Infrastructure Assets .....	70
1.3 Valuation inputs and relationship to fair value .....	71
1.6 Road Network Valuation Summary .....	72
7. (a) Infrastructure Assets - 2012/13 Original Reporting .....	73
7. (a) Infrastructure Assets - 2012/13 Reporting Correction .....	74
7. (b) Movement in Infrastructure Assets .....	74
7. (b) Movement in Infrastructure Assets – 2012/13 Original Reporting .....	75
7. (b) Movement in Infrastructure Assets – 2012/13 Reporting Correction .....	75
7. (c) Fixed Assets Classified by Function and Activity .....	76
8. Trade and other Payables, Accruals and Provisions .....	76
9. Long Term Borrowings .....	76
10. Reserves – Cash/Investment Backed .....	77
10 (a) Revaluation Surplus .....	82
11. Disposal of Assets .....	83
12. Budget Comparison .....	83
13. Rating and Valuations .....	84
14. Service Charges .....	84
15. Discounts, Incentives and Concessions .....	84
16. Interest Payments and Additional Charges .....	84
17. Borrowings .....	85
18. Fees and Charges .....	86
19. Interest on Investments .....	86
20. Depreciation .....	87
21. Councillors’ Remuneration .....	87
22. Financial Risk Management .....	88
23. Grants and Contributions .....	91
24. Performance Measures .....	93
25. Employees Remuneration .....	94
26. Bad and Doubtful Debts .....	94
27. Auditors Remuneration .....	94
28. Contingent Liabilities .....	94
29. Major Land Transactions .....	94
30. Trading Undertakings .....	94
31. Employee Numbers .....	94
<b>Independent Audit Report</b> .....	<b>95</b>
<b>Appendices</b> .....	<b>98</b>

## 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 2014 are in my opinion properly drawn up to present fairly the financial position of the Shire of East Pilbara at 30 June 2014 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 25<sup>th</sup> February 2015.

.....  
Sian E Appleton. A/CEO





# Statutory Statements

For the year ended  
30 June 2014

# Statement of Financial Position

As At 30 June 2014

DESCRIPTION	NOTE	2013/2014 \$	2012/2013 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3b	31,086,914	31,731,644
Trade and Other Receivables	4	5,964,060	5,001,215
Inventories	5	173,440	132,847
<b>Total Current Assets</b>		<b>37,224,414</b>	<b>36,865,706</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	5,975,300	7,977,313
Provisions	8	948,816	844,185
Long Term Borrowings	9	1,068,825	920,457
<b>Total Current Liabilities</b>		<b>7,992,941</b>	<b>9,741,955</b>
<b>NET CURRENT ASSETS</b>		<b>29,231,473</b>	<b>27,123,751</b>
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	6	93,623,899	102,316,911
Infrastructure	7	288,407,721	112,940,798
<b>Total Non Current Assets</b>		<b>382,031,620</b>	<b>215,257,709</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions	8	128,388	190,229
Long Term Borrowings	9	7,452,852	6,521,676
<b>Total Non Current Liabilities</b>		<b>7,581,240</b>	<b>6,711,905</b>
<b>NET ASSETS</b>		<b>403,681,853</b>	<b>235,669,555</b>
<b>EQUITY</b>			
Retained Surplus	-	177,208,129	173,756,315
Reserves - Cash/Investment Backed	10	22,343,482	18,836,041
Revaluation Surplus	10a	204,130,242	43,077,200
<b>TOTAL EQUITY</b>		<b>403,681,853</b>	<b>235,669,556</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 2014

DESCRIPTION	NOTE	2013/2014 BUDGET \$	2013/2014 ACTUAL \$	2012/2013 ACTUAL \$
<b>Revenue</b>				
Rates		11,434,900	<b>11,491,827</b>	9,965,265
Grants and Subsidies		20,206,300	<b>10,427,175</b>	15,720,875
Contributions, Reimbursements and Donations		7,644,600	<b>3,109,967</b>	1,933,678
Gain on Asset Disposals		97,200	<b>0</b>	93,887
Service Charges		0	<b>0</b>	-
Fees and Charges		19,601,700	<b>20,711,986</b>	18,657,808
Interest		919,800	<b>961,273</b>	813,508
Other Revenue/Income		550,200	<b>743,913</b>	672,893
		60,454,700	<b>47,446,141</b>	47,857,914
<b>Expenses</b>				
Employee Costs		10,097,500	<b>9,445,171</b>	8,843,013
Materials and Contracts		17,376,400	<b>14,970,771</b>	12,439,127
Utilities (Gas, Electricity, Water etc)		1,844,300	<b>1,709,805</b>	1,393,931
Depreciation on Non Current Assets	6b, 7b	13,097,600	<b>12,122,137</b>	11,698,506
Loss on Asset Disposal		96,200	<b>311,734</b>	169,095
Insurance Expenses		621,300	<b>732,970</b>	665,093
Other Expenditure		682,800	<b>760,345</b>	712,308
		43,816,100	<b>40,052,933</b>	35,921,073
Interest Expenses		444,100	<b>433,953</b>	483,493
		44,260,200	<b>40,486,886</b>	36,404,566
<b>NET PROFIT/(LOSS) RESULT</b>		16,194,500	<b>6,959,255</b>	11,453,348
<b>Other Comprehensive Income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Changes on revaluation of non-current assets	10a	-	<b>161,053,042</b>	43,077,200
<b>Total Other Comprehensive Income</b>		-	<b>161,053,042</b>	43,077,200
<b>TOTAL COMPREHENSIVE INCOME</b>		16,194,500	<b>168,012,297</b>	54,530,548

This statement is to be read in conjunction with accompanying notes

# Statement of Comprehensive Income

by Program For The Year Ending 30 June 2014

DESCRIPTION	NOTE	2013/2014 BUDGET \$	2013/2014 ACTUAL \$	2012/2013 ACTUAL \$
<b>Revenue</b>				
General Purpose Funding		14,492,900	15,034,128	13,387,390
Governance		284,000	292,295	291,650
Law, Order & Public Safety		80,000	105,371	111,127
Health		61,500	51,704	102,764
Education & Welfare		90,900	519,790	477,559
Housing		358,500	378,320	292,835
Community Amenities		5,391,700	7,738,276	5,871,084
Recreation & Culture		2,196,800	2,023,063	2,053,196
Transport		13,673,600	13,939,845	15,835,905
Economic Services		1,042,600	996,079	782,804
Other Property & Services		123,000	235,816	179,342
<b>Total Operating Revenue</b>		37,795,500	41,314,687	39,385,656
<b>Expenses Excluding Finance Costs</b>				
General Purpose Funding		482,400	471,490	449,643
Governance		1,399,800	1,308,107	2,712,948
Law, Order & Public Safety		1,044,000	857,549	723,967
Health		668,100	606,610	376,148
Education & Welfare		1,986,500	2,019,464	1,249,886
Housing		570,200	688,891	487,295
Community Amenities		4,510,800	4,087,817	3,540,214
Recreation & Culture		8,091,700	7,576,014	6,638,962
Transport		18,993,400	19,528,131	18,004,744
Economic Services		2,011,600	1,744,962	1,294,836
Other Property & Services		203,800	854,158	273,337
<b>Total Operating Expenditure</b>		39,962,300	39,743,193	35,751,980
<b>Finance Costs</b>				
Governance		40,900	39,210	44,229
Housing		152,000	148,411	159,710
Transport		251,200	244,339	279,554
	17b	444,100	431,960	483,493
<b>Non-Operating Grants, Subsidies and Contributions</b>				
General Purpose Funding		2,056,600	-	0
Law, Order & Public Safety		500,000	266,861	194,226
Education & Welfare		-	-	150,000
Housing		-	-	-
Community Amenities		5,123,000	24,603	-
Recreation & Culture		7,790,000	1,162,352	3,619,044
Transport		4,630,400	4,178,528	3,877,829
Economic Services		2,462,000	499,111	537,273
			6,131,455	8,378,372
<b>Profit/(Loss) on Disposal of Assets</b>				
Governance		(8,500)	(27,932)	(7,139)
Law, Order & Public Safety		(15,200)	(715)	-
Health		(4,600)	(9,343)	(11,511)
Education & Welfare		(2,600)	(14,106)	-
Housing		-	-	-
Community Amenities		-	-	-
Recreation & Culture		-	(146,569)	(34,640)
Transport		36,000	(103,874)	52,487
Economic Services		-	-	(39,342)
Other Property & Services		(4,100)	(9,195)	(35,062)
		1,000	(311,734)	(75,207)
<b>NET PROFIT/(LOSS) RESULT</b>		19,952,100	6,959,255	11,453,348
<i>Other Comprehensive Income</i>				
Items that will not be reclassified to profit or loss				
<b>Changes on revaluation of non-current assets</b>	10a	-	161,053,042	43,077,200
<b>Other Comprehensive Income</b>		-	161,053,042	43,077,200
<b>TOTAL COMPREHENSIVE INCOME</b>		19,952,100	168,012,297	54,530,548

This statement is to be read in conjunction with accompanying notes

# Statement of Changes in Equity

For The Year Ended 30 June 2014

DESCRIPTION	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	ASSET REVALUATION RESERVES \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2012</b>	<b>167,874,168</b>	<b>13,264,840</b>	<b>0</b>	<b>181,139,008</b>
Net Result	11,453,348	0	0	11,453,348
Total Other Comprehensive Income	0	0	43,077,200	43,077,200
Transfer from/(to) Reserves	(5,571,201)	5,571,201	0	0
<b>Balance as at 1 July 2013</b>	<b>173,756,315</b>	<b>18,836,041</b>	<b>43,077,200</b>	<b>235,669,555</b>
Net Result	6,959,255	0	0	6,959,255
Total Other Comprehensive Income	0	0	161,053,042	161,053,042
Transfer from/(to) Reserves	(3,507,441)	3,507,441	0	0
<b>Balance as at 1 July 2014</b>	<b>177,208,129</b>	<b>22,343,482</b>	<b>204,130,242</b>	<b>403,681,853</b>

This statement is to be read in conjunction with accompanying notes



# Statement of Cash Flows

For The Year Ended 30 June 2014

DESCRIPTION	NOTE	2013/2014 BUDGET \$	2013/2014 ACTUAL \$	2012/2013 ACTUAL \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		11,915,700	<b>11,766,465</b>	9,641,775
Grants & Subsidies		5,756,300	<b>5,141,799</b>	8,243,819
Contributions, Reimbursements & Donations		1,362,600	<b>2,485,845</b>	1,254,319
Service Charges		-	-	-
Fees & Charges		20,426,800	<b>19,745,357</b>	23,411,957
Interest Earnings		919,800	<b>961,273</b>	813,508
Goods & Services Tax		700,000	<b>956,782</b>	1,057,359
Other Revenue/Income		550,200	<b>743,913</b>	672,893
		41,631,400	<b>41,801,434</b>	45,095,630
<b>Payments</b>				
Employee Costs		(9,511,500)	<b>(8,484,069)</b>	(8,303,188)
Materials & Contracts		(19,271,200)	<b>(17,963,019)</b>	(11,570,714)
Utilities (Gas, Electricity, Water, etc)		(1,844,300)	<b>(1,709,805)</b>	(1,393,931)
Interest Expenses		(480,700)	<b>(444,131)</b>	(493,671)
Insurance Expenses		(621,300)	<b>(732,970)</b>	(665,093)
Goods & Services Tax		(700,000)	<b>(1,408,086)</b>	(1,408,086)
Other Expenditure		(682,800)	<b>(760,345)</b>	(712,308)
		(33,111,800)	<b>(31,502,425)</b>	(24,546,991)
<b>Net Cash Inflows From Operating Activities</b>	3	8,519,600	<b>10,299,009</b>	20,548,639
<b>Cash Flows From Investing Activities</b>				
Purchase Land and Buildings		(19,707,400)	<b>(3,407,263)</b>	(3,582,839)
Purchase Plant and Equipment		(10,419,800)	<b>(1,452,538)</b>	(1,644,140)
Purchase Furniture and Equipment		(309,200)	<b>(105,621)</b>	(285,388)
Purchase Airport Assets		(6,118,700)	<b>(4,259,227)</b>	(4,345,395)
Purchase Infrastructure Assets		(14,857,100)	<b>(9,214,882)</b>	(8,520,887)
Sale of Plant and Equipment	11	476,000	<b>284,795</b>	405,268
Grants and Contributions for the Development of Assets	23a	22,562,000	<b>6,131,455</b>	8,378,372
<b>Net Cash Inflows/(Outflows) From Investing Activities</b>		(28,374,200)	<b>(12,023,283)</b>	(9,595,009)
<b>Cash Flows From Financing Activities</b>				
Proceeds from New Loans	17c	2,000,000	<b>2,000,000</b>	-
Repayment of Loans	17b	(920,500)	<b>(920,456)</b>	(870,904)
Less: Proceeds from Self Supporting Loans				-
<b>Net Cash Inflows/(Outflows) From Financing Activities</b>		1,079,500	<b>1,079,544</b>	(870,904)
<b>Net Increase/(Decrease) In Cash Held</b>		(18,775,100)	<b>(644,730)</b>	10,082,726
<b>Cash and Cash Equivalents At Beginning Of Year</b>		31,758,200	<b>31,731,644</b>	21,648,921
<b>Cash and Cash Equivalents At End of Year</b>	3b	12,983,100	<b>31,086,914</b>	31,731,647

This statement is to be read in conjunction with accompanying notes

# Rate Setting Statement

For The Year Ended 30 June 2014

DESCRIPTION	NOTE	2013/2014 BUDGET \$	2013/2014 ACTUAL \$	2012/2013 ACTUAL \$
<b>REVENUES</b>				
General Purpose Funding		3,058,000	<b>3,542,302</b>	3,422,126
Governance		284,000	<b>292,295</b>	291,650
Law, Order and Public Safety		80,000	<b>105,371</b>	111,127
Health		61,500	<b>51,704</b>	102,764
Education and Welfare		90,900	<b>519,790</b>	477,559
Housing		358,500	<b>378,320</b>	292,835
Community Amenities		5,391,700	<b>7,738,276</b>	5,871,084
Recreation and Culture		2,196,800	<b>2,023,063</b>	2,053,196
Transport		13,673,600	<b>13,939,845</b>	15,835,905
Economic Services		1,042,600	<b>996,078</b>	782,804
Other Property and Services		123,000	<b>235,816</b>	179,342
		26,360,600	<b>29,822,860</b>	29,420,392
<b>EXPENSES</b>				
General Purpose Funding		(482,400)	<b>(471,490)</b>	(449,643)
Governance		(1,440,700)	<b>(1,347,317)</b>	(2,757,177)
Law, Order and Public Safety		(1,044,000)	<b>(857,549)</b>	(723,967)
Health		(668,100)	<b>(606,610)</b>	(376,148)
Education and Welfare		(1,986,500)	<b>(2,019,464)</b>	(1,249,886)
Housing		(722,200)	<b>(837,302)</b>	(647,006)
Community Amenities		(4,510,800)	<b>(4,087,817)</b>	(3,540,214)
Recreation and Culture		(8,091,700)	<b>(7,576,014)</b>	(6,638,962)
Transport		(19,244,600)	<b>(19,772,470)</b>	(18,284,297)
Economic Services		(2,011,600)	<b>(1,744,962)</b>	(1,294,836)
Other Property and Services		(203,800)	<b>(854,158)</b>	(273,337)
		(40,406,400)	<b>(40,175,153)</b>	(36,235,473)
<b>Net Operating Result Excluding Rates</b>		(14,045,800)	<b>(10,352,293)</b>	(6,815,081)
<b>Add:</b>				
Capital Grants and Contributions	23a	22,562,000	<b>6,131,455</b>	8,378,372
Sale of Assets	11	476,000	<b>284,795</b>	405,268
<i>Write Back Depreciation</i>	20	13,097,600	<b>12,122,137</b>	11,698,506
		36,135,600	<b>18,538,387</b>	20,482,146
<b>Less: CAPITAL WORKS PROGRAMME</b>				
Governance		1,450,700	<b>327,161</b>	626,421
Law, Order and Public Safety		1,123,000	<b>409,605</b>	116,291
Health		116,000	<b>114,864</b>	-
Education & Welfare		254,000	<b>180,584</b>	43,166
Housing		5,682,500	<b>1,839,855</b>	1,054,438
Community Amenities		9,193,000	<b>329,208</b>	304,138
Recreation and Culture		13,019,600	<b>2,907,545</b>	2,995,034
Transport		17,572,400	<b>12,191,925</b>	12,932,898
Economic Services		2,931,000	<b>68,906</b>	159,975
Other Property and Services		70,000	<b>69,879</b>	146,288
		51,412,200	<b>18,439,532</b>	18,378,649
<b>Less: OTHER</b>				
Repayments of Debentures	17b	920,500	<b>920,456</b>	870,904
<i>Less Contributions to Loan Principal</i>		-	<b>-</b>	-
Transfers to Reserves	10	1,849,600	<b>9,982,970</b>	10,078,014
		2,770,100	<b>10,903,426</b>	10,948,918
<b>Add: FUNDING SOURCES</b>				
Reserves Utilised	10	7,875,000	<b>6,475,528</b>	4,506,812
Proceeds From New Debentures	17c	2,000,000	<b>2,000,000</b>	-
Estimated Surplus/(Deficit) July 1 b/fwd		10,819,300	<b>9,017,940</b>	10,206,364
<b>Sub Total</b>		20,694,300	<b>17,493,468</b>	14,713,176
Estimated (Surplus) June 30 c/fwd		(36,700)	<b>(7,828,431)</b>	(9,017,940)
<b>TO BE MADE UP FROM RATES</b>	13	11,434,900	<b>11,491,827</b>	9,965,266

This statement is to be read in conjunction with accompanying notes



# Notes to the Financial Reports

For the year ended  
30 June 2014



# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 1. Summary of Significant Accounting Policies

### (a) Basis of Preparation

The financial report comprises general purpose financial statements which has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Except for the cash flow and rate setting information, the report has also been prepared on the accrual basis and on historical costs, modified, where applicable, by the measurement at fair value of selected non-current, financial assets and liabilities.

### 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.

### 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.

### (B) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable and payable. The net amount of GST recoverable, or payable to, the ATO is included in the 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 are recoverable from, or payable to, the ATO are presented on the cash flows.

### (C) Cash and Cash Equivalents

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

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

### (D) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other 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.

### (E) Inventories

#### General

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

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

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## Land Held for Sale

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

Gains and losses are recognised in profit and loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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

## (F) Property, Plant and Equipment

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

## Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at fair value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government
  - (i) that are plant and equipment; and
  - (ii) that are
    - (I) land and buildings; or
    - (II) infrastructure;

and

- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

## Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

## Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, 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 by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

## Transitional Arrangements

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the Initial Recognition section as detailed above.

Those assets carried at fair value will be carried in accordance with the Revaluation Methodology section as detailed above.

## Early Adoption of AASB 13 – Fair Value Measurement

Whilst the new accounting standard in relation to Fair Value, AASB 13 – Fair Value Measurement only become applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in AASB 13 – Fair Value Measurement have been applied to the previous reporting period (year ended 30 June 2013).

## 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.

## Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

## 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



# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 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.

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 in the period in which they arise.

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

## Capitalisation Threshold

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

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

## (g) Fair Value of Assets and Liabilities

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

# Notes to the Financial Reports

For The Year Ending 30 June 2014

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

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

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

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

## **Fair Value Hierarchy**

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

### **Level 1**

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

### **Level 2**

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

### **Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

## **Valuation techniques**

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

### **Market approach**

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

### *Income approach*

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

### **Cost approach**

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## (h) 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 or 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.

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 and any reduction for impairment; and
- (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.

The effective interest method used is to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments 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 are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

Assets in this category are classified as current assets

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

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

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

#### (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.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

#### (v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss. Impairment



# Notes to the Financial Reports

For The Year Ending 30 June 2014

## **Impairment**

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

## **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.

### **(i) Impairment of Assets**

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 impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

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

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

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

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

### **(k) Employee Benefit**

#### **Short-Term Employee Benefits**

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

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

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## **Other Long-Term Employee Benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

## **(l) Borrowing Costs**

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

## **(m) Provisions**

Provisions are recognised when the Council has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## **(n) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

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

Rates, grants, donations and other contributions are recognised as revenues 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 period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues 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 reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 3(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

## **(p) Superannuation**

The Council contributes to a number of Superannuation Funds on behalf of employees.

All funds to which the Council contributes are defined contribution plans.

## **(q) 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 the 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

# Notes to the Financial Reports

For The Year Ending 30 June 2014

trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Council's intentions to release for sale.

**(r) Rounding Off Figures**

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

**(s) Comparative Figures**

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**(t) 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.

**(u) New Accounting Standards and Interpretations for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to Council.

Management's assessment of the new and amended pronouncement that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows.



# Notes to the Financial Reports

For The Year Ending 30 June 2014

	<b>Title and topic</b>	<b>Issued</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(i)	AASB 9 – Financial Instruments	December 2013	01 January 2017	Nil – The objective 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 of the Council, it is not anticipated the standard will have any material effect.
(ii)	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 2013	01 January 2017	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).
(iii)	AASB 2011 – 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities]  [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]	December 2012	01 January 2014	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128.  It is not expected to have a significant impact on Council.
(iv)	AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities  [AASB 132]	June 2012	01 January 2014	This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. This Standard is not expected to significantly impact the Council’s financial statements.
(v)	AASB 2013-3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	June 2013	01 January 2014	This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets. It is not expected to have a significant impact on Council.
(vi)	AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities  [AASB 10, 12 & 1049]	October 2013	01 January 2014	This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities.  It is not expected to have a significant impact on Council.

# Notes to the Financial Reports

For The Year Ending 30 June 2014

	Title and topic	Issued	Applicable <sup>(1)</sup>	Impact
(vii)	AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]	December 2013	Refer Title Column	<p>Part A of this standard makes various editorial corrections to Australian Accounting Standards.</p> <p>Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031.</p> <p>Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.</p> <p>As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.</p>

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 10  
AASB 11  
AASB 12  
AASB 119  
AASB 127  
AASB 128  
AASB 2011 - 7  
AASB 2011 - 9  
AASB 2011 – 10  
AASB 2012 – 2  
AASB 2012 – 3  
AASB 2012 – 5  
AASB 2012 - 10

Most of the standards adopted had a minimal effect on the accounting and reporting practices of the Council as they did not have a significant impact on the accounting or reporting practices or were either not applicable, 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

For The Year Ending 30 June 2014

## 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

For The Year Ending 30 June 2014

## 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

	2013/2014 \$	2012/2013 \$
<b>Net Profit/(Loss) Result</b>	<b>6,959,255</b>	11,453,347
<b>Add/(Less) Non Cash and Non Cash Equivalent Items</b>		
Depreciation	12,122,137	11,698,505
Gain on sale of non current assets	-	(93,887)
Loss on sale of non current assets	311,734	169,095
<b>Changes in Assets and Liabilities</b>		
(Increase)/Decrease in Trade and other Receivables	(921,338)	4,301,889
Increase/(Decrease) in Trade and other Payables	(2,951,656)	1,228,587
Increase/(Decrease) in Accrued Expenses	63,949	63,949
Increase/(Decrease) in Employee Provisions	886,975	52,892
(Increase)/Decrease in Stock On Hand	(40,592)	52,632
<b>(Less)</b>		
Grants for the Development of Assets	(6,131,455)	(8,378,372)
<b>Net Cash and Cash Equivalents provided by Operating Activities</b>	<b>10,299,009</b>	20,548,637

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## (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:

	2013/2014 \$	2012/2013 \$
<b>Restricted Cash - Reserves</b>		
Alice Springs Road	189,290	183,423
Heavy Road Plant	1,666,780	983,920
Cape Keraudren Development	545,522	452,160
Computer Technology	117,388	113,750
Newman Recreation Centre Maintenance	227,476	217,308
Newman Sewerage Plant	161,726	156,714
Newman Airport	7,229,234	5,555,286
Oval Lights Maintenance	126,487	122,567
Long Service Leave	485,571	470,522
Recreation Facilities	1,034,963	564,260
Staff Housing	1,397,729	372,759
Newman Town Centre Revitalisation	102,081	59,651
Waste Management	1,067,747	128,591
Public Art	114,103	93,315
Town Centre Public Toilet	917	888
Annual Leave	413,663	400,842
Royalties for Regions	806,850	3,643,898
Newman House	288,561	273,526
Newman Tomorrow Project Maintenance	19,667	33,039
Public Building Maintenance	857,644	567,981
Moondoorow Housing	3,616,816	3,531,450
Martumili Operations	246,776	910,190
Martumili Infrastructure Project	1,544,821	
Cowra Tourist and Recreation Precinct	81,670	
	22,343,482	18,836,040
<b>Restricted Cash - Unspent Loans</b>	2,000,000	-
<b>Restricted Cash - Committed Funds</b>	2,822,935	2,751,922
<b>Restricted Cash - Total</b>	27,166,417	21,587,962
<b>Unrestricted Cash</b>		
Municipal Fund Cash At Bank	1,141,559	1,733,647
Municipal Fund Cash Invested	2,761,345	8,396,425
Municipal Fund Cash On Hand	17,593	13,610
Unrestricted Cash - Total	3,920,497	10,143,682
<b>Total Cash</b>	31,086,914	31,731,644

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## (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:	2013/2014 \$
BHPB Sustainability - Installation of Statues	100,000
CLGF - 11/12	776,258
R4R - Sporting Facilities Upgrade	578,071
DLG - Cat Act Implementation	76,265
BHPB - CCTV Cameras & Lighting	19,400
BHPB - Newman Tomorrow	373,712
BHPB - Newman Events	175,440
Office of Crime Prevention	15,200
SEMC Emergency Risk Assessment Project	13,636
MWAA - Mobile Recycling Facility	24,603
BHP - Community Safety Identification Study	13,312
DLG - Marble Bar Talent Show	700
BHP - Newman Community Safety Lighting	196,968
DoT - Black Spot - Newman Drive	94,733
DoT - Black Spot - Kalgan Drive	124,681
Events Corporation - Fusion Festival	10,500
Atlas Mining - Marble Bar Youth Camp	829
Water Corporation - Newman Sewerage Farm	131,252
Martu Charitable Trust - Martumili Art Project	97,375
	<u>2,822,935</u>

## 4. Trade and Other Receivables

	2013/2014 \$	2012/2013 \$
<b>Current Debtors</b>		
Rates	274,639	490,855
Trade and Other Receivables	5,231,446	3,668,742
ATO - GST Refund	514,871	940,022
	<u>6,020,956</u>	<u>5,099,619</u>
Provision Bad/Doubtful Debts	(56,895)	(98,404)
	<u>5,964,060</u>	<u>5,001,215</u>
<b>Non Current Debtors</b>		
None	-	-
<b>Total Debtors</b>	<u>5,964,060</u>	<u>5,001,215</u>

## 5. Inventories

STOCK CATEGORY	2013/2014 \$	2012/2013 \$
Fuels	126,678	80,330
History Books	15,483	15,970
Baskets	31,279	36,547
<b>Total Stock On Hand</b>	<u>173,440</u>	<u>132,847</u>

# Notes to the Financial Reports

For The Year Ending 30 June 2014

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

	2013/2014 \$	2012/2013 \$
<b>Land &amp; Buildings</b>		
Independent Valuation 2013	73,111,935	61,936,652
Independent Valuation 2013 - Airport		11,393,353
Additions after Valuation - Cost	6,093,303	
Accumulated Depreciation	(2,826,691)	(196,161)
Accumulated Depn - Airport		(372,263)
<b>Land Vested &amp; Under Control of Council</b>		
Independent Valuation 2014	1,440,000	-
	<b>77,818,547</b>	72,761,581
<b>Plant &amp; Equipment</b>		
Independent Valuation 2013	14,760,061	11,912,825
Independent Valuation 2013 - Airport		3,398,548
Additions after Valuation - Cost	2,350,558	
Accumulated Depreciation	(2,963,810)	(133,078)
Accumulated Depn - Airport		(1,340,994)
	<b>14,146,809</b>	13,837,301
<b>Furniture &amp; Equipment</b>		
Independent Valuation 2013	1,951,094	2,085,344
Independent Valuation 2013 - Airport		202,962
Additions after Valuation - Cost	132,191	
Accumulated Depreciation	(424,742)	(386,309)
Accumulated Depn - Airport		(14,759)
	<b>1,658,543</b>	1,887,238
<b>Total - Property, Plant &amp; Equipment</b>	<b>93,623,899</b>	<b>88,486,120</b>

During the year the Shire of East Pilbara valued and recognised Land Vested under the Control of the Shire of East Pilbara in accordance with Note 1(f) and guidance from the Department of Local Government, the Local Government Act (1995) and Local Government (Financial Management) Regulations 1996.

### Vested Land under the Control of the Shire of East Pilbara.

Vested Land under the Control of the Shire of East Pilbara was valued by an independent valuer; AssetVal Pty Limited – through Craig Butler AAPI Certified Practising Valuer as per at 30 June 2013, and recognised by the Shire of East Pilbara as at the 1 July 2013.

#### Valuation Processes – Land

Land Fair Values have been measured using the Market Approach by Direct Comparison, an accepted valuation methodology under AASB13. Level 2 valuation inputs were utilised, being sales transactions of other properties within the region, and adjusted for differences between key attributes of the properties. The main input is the price per square metre or price per hectare of land area. The Market Approach is deemed a Level 2 input.

This resulted in a new valuation of Vested Land under the Control of the Shire of East Pilbara of \$1,440,000.

There were no transfers between levels of the fair value hierarchy during the period.

The revaluation resulted in an overall increase of \$1,440,000 in the net value of the Shire's Vested Land under the Control of the Council. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 10 (a) for further details) and was recognised as Changes on Revaluation of non-current Assets in the Statement of Profit and Loss and Other Comprehensive Income



# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 6. (a) Property, Plant and Equipment Assets 2012/13 Original Reporting

	2012/2013 \$	2011/2012 \$
<b>Land &amp; Buildings</b>		
Independent Valuation 1996		2,000,000
Cost		30,304,611
Independent Valuation 2013	<b>61,936,652</b>	
Accumulated Depreciation	<b>(196,161)</b>	(7,693,071)
	<b>61,740,491</b>	24,611,540
<b>Plant &amp; Equipment (including Airport)</b>		
Cost		12,132,231
Independent Valuation 2013	<b>11,912,825</b>	
Accumulated Depreciation	<b>(133,078)</b>	(5,866,480)
	<b>11,779,746</b>	6,265,751
<b>Furniture &amp; Equipment (including Airport)</b>		
Cost		1,974,134
Independent Valuation 2013	<b>2,085,344</b>	
Accumulated Depreciation	<b>(386,309)</b>	(1,428,503)
	<b>1,699,035</b>	545,631
<b>Newman Airport (excluding infrastructure)</b>		
Independent Valuation 1996		2,136,300
Cost		29,434,256
Independent Valuation 2013	<b>14,994,863</b>	
Accumulated Depreciation	<b>(1,728,016)</b>	(7,733,885)
	<b>13,266,847</b>	23,836,671
<b>Total - Property, Plant &amp; Equipment</b>	<b>88,486,120</b>	55,259,593

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 6. (a) Property, Plant and Equipment Assets 2012/13 Reporting Correction

	2012/2013 \$	2011/2012 \$
<b>Land &amp; Buildings</b>		
Independent Valuation 1996		2,000,000
Cost		30,304,611
Independent Valuation 2013	<b>61,936,652</b>	
Accumulated Depreciation	<b>(196,161)</b>	(7,693,071)
	<b>61,740,491</b>	24,611,540
<b>Plant &amp; Equipment</b>		
Cost		12,132,231
Independent Valuation 2013	<b>11,912,825</b>	
Accumulated Depreciation	<b>(133,078)</b>	(5,866,480)
	<b>11,779,747</b>	6,265,751
<b>Furniture &amp; Equipment (including Airport)</b>		
Cost		1,974,134
Independent Valuation 2013	<b>2,085,344</b>	
Accumulated Depreciation	<b>(386,309)</b>	(1,428,503)
	<b>1,699,035</b>	545,631
<b>Newman Airport (excluding infrastructure)</b>		
Independent Valuation 1996	<b>2,136,300</b>	2,136,300
Cost	<b>33,733,340</b>	29,434,256
Accumulated Depreciation	<b>(8,664,302)</b>	(7,733,885)
	<b>27,205,338</b>	23,836,671
<b>Total - Property, Plant &amp; Equipment</b>	<b>102,424,611</b>	55,259,593

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 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 LAND & BUILDINGS \$	AIRPORT PLANT & EQUIPMENT \$	AIRPORT FURNITURE & EQUIPMENT \$	TOTAL \$
Balance as the beginning of the year	61,740,494	11,779,744	1,699,035	11,021,090	2,057,555	188,203	<b>88,486,121</b>
Plus: Additions since Revaluation							
- Cost	3,336,375	1,462,123	105,621	2,756,927	888,434	26,569	<b>8,576,049</b>
	65,076,869	13,241,867	1,804,656	13,778,017	2,945,989	214,772	<b>97,062,170</b>
Less: Disposals	(203,498)	(545,663)	(335,388)	(14,572)	(49,648)	(1,824)	<b>(1,150,593)</b>
	64,873,371	12,696,204	1,469,268	13,763,445	2,896,341	212,948	<b>95,911,577</b>
Write Back Depreciation	106,271	87,316	295,446	14,572	49,648	811	<b>554,064</b>
	64,979,642	12,783,520	1,764,714	13,778,017	2,945,989	213,759	<b>96,465,641</b>
Less: Depreciation	(2,032,427)	(1,281,797)	(297,022)	(346,683)	(344,905)	(22,908)	<b>(4,325,742)</b>
	62,947,215	11,501,723	1,467,692	13,431,334	2,601,084	190,851	<b>92,139,899</b>
Plus/(Less): Revaluation movements	1,440,000						<b>1,440,000</b>
	64,387,215	11,501,723	1,467,692	13,431,334	2,601,084	190,851	<b>93,579,899</b>
Plus/(Less): Movement between Asset Class		44,000	-				<b>44,000</b>
Balance at 30/06/14	<u>64,387,215</u>	<u>11,545,723</u>	<u>1,467,692</u>	<u>13,431,334</u>	<u>2,601,084</u>	<u>190,851</u>	<b><u>93,623,899</u></b>

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 6. (b) Movement in Property, Plant and Equipment Assets - 2012/13 Original Reporting

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 LAND & BUILDINGS \$	AIRPORT PLANT & EQUIPMENT \$	AIRPORT FURNITURE & EQUIPMENT \$	TOTAL \$
Balance as the beginning of the year	24,611,540	6,265,751	545,631	2,666,964	7,595,910	118,015	<b>41,803,810</b>
Plus: Acquisitions	3,498,190	1,651,182	284,451	9,040,725	(6,430,973)	13,867	<b>8,057,443</b>
	<u>65,076,869</u>	<u>13,241,867</u>	<u>1,804,656</u>	<u>13,778,017</u>	<u>2,945,989</u>	<u>214,772</u>	<b>97,062,170</b>
	28,109,730	7,916,933	830,082	11,707,689	1,164,937	131,882	<b>49,861,253</b>
Less: Disposals	<u>(1,475,078)</u>	<u>(1,716,429)</u>	<u>(771,539)</u>	-	-	-	<b>(3,963,046)</b>
	<u>26,634,652</u>	<u>6,200,504</u>	<u>58,544</u>	<u>11,707,689</u>	<u>1,164,937</u>	<u>131,882</u>	<b>45,898,208</b>
Write Back Depreciation	<u>1,444,259</u>	<u>1,287,416</u>	<u>771,353</u>				<b>3,503,028</b>
	<u>28,078,911</u>	<u>7,487,920</u>	<u>829,897</u>	<u>11,707,689</u>	<u>1,164,937</u>	<u>131,882</u>	<b>49,401,236</b>
Less: Depreciation	<u>(863,213)</u>	<u>(1,125,468)</u>	<u>(192,610)</u>	<u>(133,743)</u>	<u>(489,070)</u>	<u>(8,895)</u>	<b>(2,812,999)</b>
	<u>27,215,699</u>	<u>6,362,452</u>	<u>637,287</u>	<u>11,573,946</u>	<u>675,868</u>	<u>122,986</u>	<b>46,588,237</b>
Plus/(Less): Revaluation movements	<u>35,705,547</u>	<u>5,416,827</u>	<u>1,060,777</u>	<u>(552,856)</u>	<u>1,381,687</u>	<u>65,217</u>	<b>43,077,199</b>
	<u>62,921,246</u>	<u>11,779,280</u>	<u>1,698,064</u>	<u>11,021,090</u>	<u>2,057,555</u>	<u>188,203</u>	<b>89,665,437</b>
Plus/(Less): Movement between Asset Class	<u>(1,180,751)</u>	<u>465</u>	<u>971</u>				<b>(1,179,316)</b>
Balance at 30/06/14	<u><u>61,740,494</u></u>	<u><u>11,779,745</u></u>	<u><u>1,699,035</u></u>	<u><u>11,021,090</u></u>	<u><u>2,057,555</u></u>	<u><u>188,203</u></u>	<b><u>88,486,121</u></b>



# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 6. (b) Movement in Property, Plant and Equipment Assets - 2012/13 Reporting Correction

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	24,611,540	6,265,751	545,631	23,836,671	<b>55,259,593</b>
Plus: Acquisitions	3,498,190	1,651,182	284,451	4,345,395	<b>9,779,218</b>
	28,109,730	7,916,933	830,082	28,182,066	<b>65,038,811</b>
Less: Disposals	(1,475,078)	(1,716,429)	(771,539)	(145,635)	<b>(4,108,682)</b>
	26,634,652	6,200,504	58,543	28,036,431	<b>60,930,129</b>
Write Back Depreciation	1,444,259	1,287,416	771,353	125,177	<b>3,628,205</b>
	28,078,911	7,487,920	829,896	28,161,608	<b>64,558,334</b>
Less: Depreciation	(863,213)	(1,125,468)	(192,610)	(1,852,780)	<b>(4,034,071)</b>
	27,215,698	6,362,452	637,286	26,308,827	<b>60,524,263</b>
Plus/(Less): Revaluation movements	35,705,547	5,416,827	1,060,778	894,048	<b>43,077,200</b>
	62,921,245	11,779,279	1,698,064	27,202,875	<b>103,601,463</b>
Plus/(Less): Movement between Asset Class	(1,180,751)	465	971	2,464	<b>(1,176,852)</b>
Balance at 30/06/13	<u>61,740,494</u>	<u>11,779,744</u>	<u>1,699,035</u>	<u>27,205,339</u>	<b><u>102,424,611</u></b>

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 7. (a) Infrastructure Assets

	2013/2014 \$	2012/2013 \$
<b>Roads</b>		
Independent Valuation 2014	<b>232,031,917</b>	
At Cost	<b>3,973,147</b>	161,480,290
Accumulated Depreciation	-	(76,316,887)
	<b>236,005,064</b>	85,163,403
<b>Footpaths</b>		
Independent Valuation 2014	<b>10,704,941</b>	
Cost	<b>233,426</b>	5,893,742
Accumulated Depreciation	-	(2,880,120)
	<b>10,938,367</b>	3,013,622
<b>Drainage</b>		
Cost	<b>4,602,714</b>	4,515,441
Accumulated Depreciation	<b>(3,067,401)</b>	(2,884,455)
	<b>1,535,314</b>	1,630,986
<b>Parks &amp; Gardens</b>		
Cost	<b>32,372,160</b>	29,181,965
Accumulated Depreciation	<b>(5,676,871)</b>	(6,049,178)
	<b>26,695,288</b>	23,132,787
<b>Airport Infrastructure</b>		
Cost	<b>21,462,073</b>	20,874,776
Accumulated Depreciation	<b>(8,228,385)</b>	(6,936,285)
	<b>13,233,688</b>	13,938,491
<b>Total - Infrastructure Assets</b>	<b>288,407,721</b>	126,879,289

During the year the Shire of East Pilbara revalued Roads and Footpaths in accordance with Note 1(f) and (g) and guidance from the Department of Local Government, the Local Government Act (1995) and Local Government (Financial Management) Regulations 1996.

### Valuation Process

The Shire of East Pilbara engages external, independent and qualified valuers to determine Fair Value. At 1 July 2013 Fair Value of \$247,668,320 has been determined by Talis Consultants who undertook a full inventory and condition survey for the road and path network.

The valuation has been generated in accordance with AASB13 Fair Value Measurement under the cost approach.

### 1. Road and Path Network Valuation Overview

The valuation for roads was generated using the RAMM Pavement Management System. RAMM has been implemented in the majority of WA local government for over 4 years and replaces the ROMAN system which was decommissioned in June 2011. The 2012/2013 financial year is the first that the SOEP has used RAMM to generate an asset valuation for its roads and paths.

The valuation methodologies used by RAMM and their subsequent effect on the resultant valuation are explained below:

#### 1.1 Depreciation Methodology

RAMM utilises straight line depreciation with a user defined asset life expectancy for the surface structure, pavement structure and surface water channel components. The subgrade component is not depreciated. The user is able to define a specific depreciation curve however the SOEP have used straight line depreciation. This is a common approach adopted by most local governments.

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 1.2 Valuation Inputs

There is no observable market relevant to the road and path network. Inputs were therefore level 3 which includes unit rates and expected lives as detailed in the table below.

RAMM utilises basic unit rates in square metres for subgrade, pavement and seal with kerbing in linear metres to calculate replacement costs. The Shire of East Pilbara reviewed all rates used in the 2012/2013 valuation based on historical experience and reference to recent construction costs. The unit rates used in the 2012/2013 valuation accounted for operational overheads such as design and administration costs.

## 1.3 Valuation inputs and relationship to fair value

ASSET DESCRIPTION	COMPONENT	MATERIALS OR TYPE	FAIR VALUE AS AT 1 JULY 2013	UNOBSERVABLE INPUTS	RANGE OF INPUTS – COST PER UNIT	RELATION OF UNOBSERVABLE INPUTS TO FAIR VALUE
Road	Pavement	Dist-Sealed	\$381,352,605	Residual – 30	\$20.00 per unit	As the residual life and unit cost increases the fair value increases.
Road	Pavement	Access – Sealed		Residual - 30	\$18.00 per unit	As the residual life and unit cost increases the fair value increases.
Road	Pavement	Unsealed		Residual - 10	\$6.25 per unit	As the residual life and unit cost increases the fair value increases.
Road	Subgrade	Form/Built	\$15,516,473	N/A	\$0.75 per unit	As the residual life and unit cost increases the fair value increases.
Road	Surface	Dist	\$23,856,844	Residual - 10	\$28.57 per unit	As the residual life and unit cost increases the fair value increases.
Road	Surface	Asphalt		Residual - 10	\$25.00 per unit	As the residual life and unit cost increases the fair value increases.
Road	Surface	Chip Seal		Residual - 10	\$3.94 per unit	As the residual life and unit cost increases the fair value increases.
Road	SWC	Table Drain	\$33,399,100	Residual - 10	\$5.00 per unit	As the residual life and unit cost increases the fair value increases.
Road	SWC	Kerb		Residual – 0	\$60.00 per unit	As the residual life and unit cost increases the fair value increases.
Path		Concrete Newman	\$17,476,675	Residual - 0	\$150.00 per unit	As the residual life and unit cost increases the fair value increases.
Path		Concrete Nullagine		Residual - NIL	\$300.00 per unit	As the residual life and unit cost increases the fair value increases.
Path		Asphalt		Residual - NIL	\$150.00 per unit	As the residual life and unit cost increases the fair value increases.

# Notes to the Financial Reports

For The Year Ending 30 June 2014

Life expectancies for surfacing, kerbs and paths are by historical performance. The life expectancy of sealed pavements is largely estimated given their long life expectancy. All unit rates as well as life expectancies for all road and path components were reviewed and confirmed as reasonable by industry standards and therefore suitable.

## 1.4 Residual Value Application

RAMM allows the user to define a residual unit rate that the value of the individual component will not depreciate past. This is applied to only the seal and pavement as it is commonly considered that they do have some residual economic value. This is realised when pavements are rehabilitated rather than removed and reconstructed and surfaces are resealed but still contribute to the overall structural integrity of the surface structure.

The valuation parameters were amended to reflect the table drains having a residual of 50%, the unsealed pavement structure having a 10% residual value, the sealed pavement 30% and the surface structure having a 10% residual value.

## 1.5 Data Quality

The road and path network inventory and condition was last updated in March 2013. There is a high level of confidence in the inventory and condition data within RAMM

To comply with AASB13, the current condition state of asset must be ascertained if there is no discernible market in which to ascertain a current value. The Shire of East Pilbara use condition as the basis for valuation given the recent network survey and lack of confidence in the existing age information.

## 1.6 Road Network Valuation Summary

Following the review, the road and path network valuation figures below were produced and incorporated into the Roads and Paths AMP.

ASSET	COMPONENT	REPLACEMENT COST	ACCUMULATED DEPRECIATION	WRITTEN DOWN VALUE	ANNUAL DEPRECIATION
Road	Subgrade	\$15,516,473	\$0	\$15,516,473	\$0
Road	Pavement	\$381,352,605	\$184,013,396	\$197,339,209	\$3,373,639
Road	Seal	\$23,856,844	\$14,177,682	\$9,679,162	\$660,238
Road	Kerb/Drainage	\$33,399,100	\$19,326,153	\$14,072,947	\$541,997
Total Roads		\$454,125,022	\$217,517,231	\$236,607,791	\$4,575,874
Footpath		\$17,476,675	\$6,416,146	\$11,060,529	\$355,589
Total Roads and Paths		\$471,601,697	\$223,933,377	\$247,668,320	\$4,931,462



# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 7. (a) Infrastructure Assets - 2012/13 Original Reporting

	2012/2013 \$	2011/2012 \$
<b>Roads</b>		
At Cost	161,480,290	157,300,703
Accumulated Depreciation	(76,316,887)	(70,212,517)
	<u>85,163,403</u>	<u>87,088,186</u>
<b>Footpaths</b>		
Cost	5,893,742	5,835,822
Accumulated Depreciation	(2,880,120)	(2,652,299)
	<u>3,013,622</u>	<u>3,183,523</u>
<b>Drainage</b>		
Cost	4,515,441	4,515,441
Accumulated Depreciation	(2,884,455)	(2,702,812)
	<u>1,630,986</u>	<u>1,812,629</u>
<b>Parks &amp; Gardens</b>		
Cost	29,181,965	22,656,668
Accumulated Depreciation	(6,049,178)	(4,019,759)
	<u>23,132,787</u>	<u>18,636,909</u>
<b>Airport Infrastructure</b>		
Cost	20,874,777	
Accumulated Depreciation	(6,936,285)	
	<u>13,938,491</u>	
<b>Total - Infrastructure Assets</b>	<u><u>126,879,289</u></u>	<u><u>110,721,247</u></u>

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 7. (a) Infrastructure Assets - 2012/13 Reporting Correction

	2012/2013 \$	2011/2012 \$
<b>Roads</b>		
At Cost	161,480,290	157,300,703
Accumulated Depreciation	<b>(76,316,887)</b>	(70,212,517)
	<b>85,163,403</b>	87,088,186
<b>Footpaths</b>		
Cost	5,893,742	5,835,822
Accumulated Depreciation	<b>(2,880,120)</b>	(2,652,299)
	<b>3,013,622</b>	3,183,523
<b>Drainage</b>		
Cost	4,515,441	4,515,441
Accumulated Depreciation	<b>(2,884,455)</b>	(2,702,812)
	<b>1,630,986</b>	1,812,629
<b>Parks &amp; Gardens</b>		
Cost	29,074,265	22,656,668
Accumulated Depreciation	<b>(6,049,178)</b>	(4,019,759)
	<b>23,025,087</b>	18,636,909
<b>Total - Infrastructure Assets</b>	<b>112,833,098</b>	110,721,247

## 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	AIRPORT INFRASTRUCTURE ASSETS	TOTAL INFRASTRUCTURE
Balance as the beginning of the year	112,833,098	13,938,493	126,771,591
Plus: Acquisitions	9,276,186	587,297	9,863,483
	122,109,284	14,525,790	136,635,074
Less: Disposals	0	0	0
	122,109,284	14,525,790	136,635,074
Write Back Depreciation	0	0	0
	122,109,284	14,525,790	136,635,074
Less: Annual Depreciation	(6,504,295)	(1,292,100)	(7,796,395)
	115,604,989	13,233,690	128,838,679
Plus/(Less): Revaluation movements	159,613,042	0	159,613,042
	275,218,031	13,233,690	288,451,721
Plus: Movement between Asset Classes	(44,000)	0	(44,000)
Assets Balance 30/06/13	<b>275,174,031</b>	<b>13,233,690</b>	<b>288,407,721</b>

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 7. (b) Movement in Infrastructure Assets – 2012/13 Original Reporting

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	110,721,247
Plus: Acquisitions	8,598,967
	<hr/> 119,320,214
Less: Disposals	(7,229)
	<hr/> 119,312,985
Write Back Depreciation	7,229
	<hr/> 119,320,214
Less: Annual Depreciation	(7,663,968)
	<hr/> 111,656,246
Plus/(Less): Revaluation movements	107,700
	<hr/> 111,763,946
Plus: Movement between Asset Classes	1,176,852
	<hr/> 112,940,798
Assets Balance 30/06/13	<hr/> <hr/> 112,940,798

## 7. (b) Movement in Infrastructure Assets – 2012/13 Reporting Correction

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	110,721,247
Plus: Acquisitions	8,598,967
	<hr/> 119,320,214
Less: Disposals	(7,229)
	<hr/> 119,312,985
Write Back Depreciation	7,229
	<hr/> 119,320,214
Less: Annual Depreciation	(7,663,968)
	<hr/> 111,656,246
Plus/(Less): Revaluation movements	0
	<hr/> 111,656,246
Plus: Movement between Asset Classes	1,176,852
	<hr/> 112,833,098
Assets Balance 30/06/13	<hr/> <hr/> 112,833,098

# Notes to the Financial Reports

For The Year Ending 30 June 2014

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

FUNCTION NAME	FUNCTION NO	2013/2014 \$	2012/2013 \$
Governance	4	6,662,327	8,615,976
Law, Order & Public Safety	5	1,320,473	1,518,346
Health	7	104,131	245,000
Education & Welfare	8	7,869,173	7,842,286
Housing	9	24,368,212	17,798,332
Community Amenities	10	2,889,275	3,836,653
Recreation & Culture	11	31,955,947	29,592,119
Transport	12	297,981,117	132,879,196
Economic Services	13	3,814,873	4,571,354
Other Property & Services	14	5,066,085	8,358,444
		<b>382,031,613</b>	<b>215,257,706</b>

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

		2013/2014 \$	2012/2013 \$
<b>Current Liabilities</b>			
<b>Trade and Other Payables And Accruals</b>			
Trade and Other Payables	4,610,855		
Accrued Expenses	1,364,445	5,975,300	7,977,313
<b>Provisions</b>			
Provision For Annual Leave	603,513		
Provision For Long Service Leave	345,303	948,816	844,185
		<b>6,924,116</b>	<b>8,821,498</b>
<b>Non Current Liabilities</b>			
Provision For Long Service Leave		128,388	190,230
		<b>128,388</b>	<b>190,230</b>
<b>Total Trade and other Payables &amp; Provisions</b>		<b>7,052,504</b>	<b>9,011,728</b>

## 9. Long Term Borrowings

	2013/2014 \$	2012/2013 \$
<b>Current</b>		
Debenture Repayments	1,068,825	920,457
<b>Non Current</b>		
Debenture Repayments	7,452,852	6,521,676
<b>Total Borrowings</b>	<b>8,521,677</b>	<b>7,442,133</b>

Additional detail on debentures is provided in Note 17 (c).



# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 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	2013/2014 ACTUAL \$	2013/2014 BUDGET \$	2012/2013 ACTUAL \$
<b>Alice Springs Road</b>			
<i>Opening Balance</i>	<b>183,423</b>	183,200	178,982
Interest Earned During Year	<b>5,867</b>	7,300	4,441
Transfer From Municipal Fund	-	-	-
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>189,290</b>	190,500	183,423
<b>Heavy Road Plant</b>			
<i>Opening Balance</i>	<b>983,920</b>	982,900	614,329
Interest Earned During Year	<b>39,860</b>	39,300	20,391
Transfer From Municipal Fund	<b>643,000</b>	-	349,200
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>1,666,780</b>	1,022,200	983,920
<b>Cape Keraudren Development</b>			
<i>Opening Balance</i>	<b>452,160</b>	451,700	145,846
Interest Earned During Year	<b>13,362</b>	18,100	6,314
Transfer From Municipal Fund	<b>380,000</b>	-	300,000
Transfer To Municipal Fund	<b>(300,000)</b>	(300,000)	-
<i>Closing Balance</i>	<b>545,522</b>	169,800	452,160
<b>Computer Technology</b>			
<i>Opening Balance</i>	<b>113,750</b>	113,600	110,996
Interest Earned During Year	<b>3,638</b>	4,500	2,754
Transfer From Municipal Fund	<b>0</b>	-	-
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>117,388</b>	118,100	113,750
<b>Newman Recreation Centre Maintenance</b>			
<i>Opening Balance</i>	<b>217,308</b>	217,100	212,047
Interest Earned During Year	<b>10,168</b>	8,700	5,261
Transfer From Municipal Fund	<b>450,000</b>	-	-
Transfer To Municipal Fund	<b>(450,000)</b>	-	-
<i>Closing Balance</i>	<b>227,476</b>	225,800	217,308
<b>Newman Sewerage Plant</b>			
<i>Opening Balance</i>	<b>156,714</b>	156,600	152,920
Interest Earned During Year	<b>5,012</b>	6,300	3,794
Transfer From Municipal Fund	<b>0</b>	-	-
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>161,726</b>	162,900	156,714
<b>Newman Airport</b>			
<i>Opening Balance</i>	<b>5,555,286</b>	4,828,100	2,104,469
Interest Earned During Year	<b>191,303</b>	193,100	75,988

# Notes to the Financial Reports

For The Year Ending 30 June 2014

RESERVE FUNDS	2013/2014 ACTUAL \$	2013/2014 BUDGET \$	2012/2013 ACTUAL \$
Transfer From Municipal Fund	(1,689,454)	-	(649,185)
Transfer To Municipal Fund	7,229,234	5,996,000	5,555,286
<i>Closing Balance</i>			
<b>Oval Lights Maintenance</b>	<b>122,567</b>	122,400	119,599
<i>Opening Balance</i>	<b>3,920</b>	4,900	2,968
Interest Earned During Year	-	-	-
Transfer From Municipal Fund	-	-	-
Transfer To Municipal Fund	126,487	127,300	122,567
<i>Closing Balance</i>	<b>122,567</b>	123,900	119,599
<b>Long Service Leave</b>			
<i>Opening Balance</i>	<b>470,522</b>	470,100	310,604
Interest Earned During Year	<b>15,049</b>	18,800	9,918
Transfer From Municipal Fund	<b>0</b>	-	150,000
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>485,571</b>	488,900	470,522
<b>Recreation Facilities</b>			
<i>Opening Balance</i>	<b>564,260</b>	563,700	550,599
Interest Earned During Year	<b>20,703</b>	22,500	13,661
Transfer From Municipal Fund	<b>450,000</b>	-	-
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>1,034,963</b>	586,200	564,260
<b>Staff Housing</b>			
<i>Opening Balance</i>	<b>372,759</b>	372,400	806,785
Interest Earned During Year	<b>24,970</b>	14,900	15,974
Transfer From Municipal Fund	<b>1,000,000</b>	-	-
Transfer To Municipal Fund	-	-	(450,000)
<i>Closing Balance</i>	<b>1,397,729</b>	387,300	372,759
<b>Newman Town Centre Revitalisation</b>			
<i>Opening Balance</i>	<b>59,651</b>	59,600	58,207
Interest Earned During Year	<b>2,430</b>	2,400	1,444
Transfer From Municipal Fund	<b>40,000</b>	-	-
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>102,081</b>	62,000	59,651
<b>Waste Management</b>			
<i>Opening Balance</i>	<b>128,591</b>	128,500	125,478
Interest Earned During Year	<b>16,156</b>	5,100	3,113
Transfer From Municipal Fund	<b>923,000</b>	-	-
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>1,067,747</b>	133,600	128,591
<b>Public Art</b>			
<i>Opening Balance</i>	<b>93,315</b>	93,300	52,701
Interest Earned During Year	<b>788</b>	3,700	614
Transfer From Municipal Fund	<b>20,000</b>	-	40,000

# Notes to the Financial Reports

For The Year Ending 30 June 2014

RESERVE FUNDS	2013/2014 ACTUAL \$	2013/2014 BUDGET \$	2012/2013 ACTUAL \$
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>114,103</b>	97,000	93,315
<b>Town Centre Public Toilet</b>			
<i>Opening Balance</i>	<b>888</b>	900	867
Interest Earned During Year	<b>29</b>	-	21
Transfer From Municipal Fund	-	-	-
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>917</b>	900	888
<b>Annual Leave</b>			
<i>Opening Balance</i>	<b>400,842</b>	400,400	242,611
Interest Earned During Year	<b>12,821</b>	16,000	8,231
Transfer From Municipal Fund	-	-	150,000
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>413,663</b>	416,400	400,842
<b>Royalties for Regions - Pilbara Revitalisation</b>			
<i>Opening Balance</i>	<b>3,643,899</b>	3,822,100	6,649,128
Interest Earned During Year	<b>87,433</b>	152,900	325,542
Transfer From Municipal Fund	<b>0</b>	-	-
Transfer To Municipal Fund	<b>(2,924,482)</b>	(3,975,000)	(3,330,771)
<i>Closing Balance</i>	<b>806,850</b>	-	3,643,899
<b>Newman House</b>			
<i>Opening Balance</i>	<b>273,526</b>	273,300	167,886
Interest Earned During Year	<b>10,274</b>	10,900	5,640
Transfer From Municipal Fund	<b>100,000</b>	100,000	100,000
Transfer To Municipal Fund	<b>(95,239)</b>	-	-
<i>Closing Balance</i>	<b>288,561</b>	384,200	273,526
<b>BHP Billiton Maintenance Fund</b>			
<i>Opening Balance</i>	<b>33,039</b>	41,200	106,556
Interest Earned During Year	<b>972</b>	1,600	1,427
Transfer From Municipal Fund	<b>0</b>	-	-
Transfer To Municipal Fund	<b>(14,344)</b>	-	(74,944)
<i>Closing Balance</i>	<b>19,667</b>	42,800	33,039
<b>Public Building Maintenance Fund</b>			
<i>Opening Balance</i>	<b>567,981</b>	567,400	554,230
Interest Earned During Year	<b>21,663</b>	22,700	13,751
Transfer From Municipal Fund	<b>268,000</b>	-	-
Transfer To Municipal Fund	-	-	-
<i>Closing Balance</i>	<b>857,644</b>	590,100	567,981
<b>Moondoorow Housing</b>			
<i>Opening Balance</i>	<b>3,531,450</b>	3,527,900	-
Interest Earned During Year	<b>110,773</b>	141,100	31,450
Transfer From Municipal Fund	<b>210,500</b>	-	3,500,000

# Notes to the Financial Reports

For The Year Ending 30 June 2014

RESERVE FUNDS	2013/2014 ACTUAL \$	2013/2014 BUDGET \$	2012/2013 ACTUAL \$
Transfer To Municipal Fund	(235,907)	(3,600,000)	-
<i>Closing Balance</i>	<b>3,616,816</b>	69,000	3,531,450
<b>Martumili Operations</b>			
<i>Opening Balance</i>	910,190	-	-
<i>Interest Earned During Year</i>	19,938	-	906
<i>Transfer From Municipal Fund</i>	68,109	-	911,197
<i>Transfer To Municipal Fund</i>	(751,461)	-	(1,913)
<i>Closing Balance</i>	<b>246,776</b>	-	910,190
<b>Martumili Infrastructure Project</b>			
<i>Opening Balance</i>	-	-	-
<i>Interest Earned During Year</i>	4,959	-	-
<i>Transfer From Municipal Fund</i>	1,554,503	-	-
<i>Transfer To Municipal Fund</i>	(14,641)	-	-
<i>Closing Balance</i>	<b>1,544,821</b>	-	-
<b>Cowra Tourist and Recreation Precinct</b>			
<i>Opening Balance</i>	-	-	-
<i>Interest Earned During Year</i>	1,670	-	-
<i>Transfer From Municipal Fund</i>	80,000	80,000	-
<i>Transfer To Municipal Fund</i>	-	-	-
<i>Closing Balance</i>	<b>81,670</b>	80,000	-
<b>Totals - All Reserves</b>			
<i>Opening Balance</i>	18,836,041	17,376,400	13,264,840
<i>Interest Earned During Year</i>	623,758	694,800	553,603
<i>Transfer From Municipal Fund</i>	9,359,211	1,154,800	9,524,411
<i>Transfer To Municipal Fund</i>	(6,475,528)	(7,875,000)	(4,506,813)
<i>Closing Balance</i>	<b>22,343,482</b>	11,351,000	18,836,041

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).

## 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) Cape Keraudren Development

For the maintenance, development & enhancement of the Cape Keraudren Reserve

### d) Computer Technology

For the replacement, enhancement and upgrading of computer hardware and software

### e) Newman Recreation Maintenance

For the upgrading and enhancement and future extensions of the Newman Recreation Centre

### f) 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.



# Notes to the Financial Reports

For The Year Ending 30 June 2014

**g) Newman Airport**

For the upgrading, maintenance and enhancement of the Newman Airport

**h) Oval Lights Maintenance**

To maintain and upgrade the lights at Capricorn Oval, Newman

**i) Recreation Facilities Maintenance**

For the upgrading and enhancement of recreation facilities

**j) Long Service Leave**

Provision for the long service leave entitlements for the employees of the Shire

**k) Housing**

For the upgrading and maintenance of staff housing assets

**l) Newman Town Centre Revitalisation**

For the revitalisation, upgrade and maintenance of the Newman Town Centre Precinct

**m) Waste Management**

For the development, maintenance & enhancement of waste management facilities

**n) Public Art**

For the development, maintenance & enhancement of Public Art within the three towns of the East Pilbara Shire

**o) Town Centre Public Toilet**

For the development, maintenance & enhancement of Town Centre Public Toilets

**p) Annual Leave**

To provide for the payment of annual leave entitlements for staff

**q) Royalties for Regions – Pilbara Revitalisation**

To hold and utilise the allocation of the Royalties for Regions – Pilbara Revitalisation funds in accordance with funding legislation

**r) Newman House**

For the upgrading, maintenance and enhancement of Newman House.

**s) BHP Billiton Maintenance Fund**

To hold and utilise the allocation of the BHP Billiton Maintenance Fund in accordance with funding legislation

**t) Public Building Maintenance Fund**

For the upgrading, maintenance and enhancement of Public Buildings.

**u) Moondoorow Housing**

For the construction of staff housing on Moondoorow.

**v) Martumili Operations**

To hold and utilise the allocation of Martumili's funds.

**w) Martumili Infrastructure Projects**

For the construction of staff housing on Moondoorow.

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 10 (a) Revaluation Surplus

	2013/2014 \$	2012/2013 \$
<b>Land and Buildings</b>		
Opening Balance	35,143,991	-
Revaluation Increment	1,440,000	35,143,991
Revaluation Decrement	-	-
	<u>36,583,991</u>	<u>35,143,991</u>
<b>Plant and Equipment</b>		
Opening Balance	6,842,732	-
Revaluation Increment	-	6,842,732
Revaluation Decrement	-	-
	<u>6,842,732</u>	<u>6,842,732</u>
<b>Furniture and Equipment</b>		
Opening Balance	1,090,477	-
Revaluation Increment	-	1,090,477
Revaluation Decrement	-	-
	<u>1,090,477</u>	<u>1,090,477</u>
<b>Infrastructure</b>		
Opening Balance	-	-
Revaluation Increment	159,613,042	-
Revaluation Decrement	-	-
	<u>159,613,042</u>	<u>-</u>
<b>Total Asset Revaluation Surplus</b>	<u>204,130,242</u>	<u>43,077,200</u>

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 11. Disposal of Assets

PROGRAM	NET BOOK VALUE		SALE PROCEEDS		PROFIT/(LOSS)	
	ACTUAL \$	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$	BUDGET \$
Governance	40,938	57,600	13,006	49,000	(27,932)	(8,600)
Law, Order & Public Safety	715	53,200	-	38,000	(715)	(15,200)
Health	41,213	41,600	31,870	37,000	(9,343)	(4,600)
Education & Welfare	77,749	39,600	63,644	37,000	(14,105)	(2,600)
Recreation & Culture	184,167	-	37,598	-	(146,569)	-
Community Amenities	-	-	-	-	-	-
Transport	205,954	239,900	102,080	276,000	(103,874)	36,100
Economic Services	-	-	-	-	-	-
Other Property & Services	45,793	43,000	36,597	39,000	(9,196)	(4,000)
	<b>596,529</b>	<b>474,900</b>	<b>284,795</b>	<b>476,000</b>	<b>(311,734)</b>	<b>1,100</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.

	2012/2013 ACTUAL \$	2012/2013 BUDGET \$	2011/2012 ACTUAL \$
<b>Non Operating Income</b>			
Proceeds From Sale Of Assets	284,795	476,000	405,268
Loans Raised	2,000,000	2,000,000	0
Contributions From Self Supporting Loans	0	0	0
Transfers From Reserve Accounts	6,475,528	7,875,000	4,506,812
<b>Total Non Operating Income</b>	<b>8,760,323</b>	<b>10,351,000</b>	<b>4,912,080</b>
<b>Non Operating Expenditure</b>			
Repayment Of Debentures	920,456	920,500	870,904
Transfer To Reserves	9,982,969	1,849,600	10,078,014
Land & Buildings	3,407,263	19,707,400	3,582,839
Furniture & Equipment	105,621	309,200	285,388
Plant & Equipment	1,452,538	10,419,800	1,644,140
Airport Assets	4,259,227	6,118,700	4,345,395
Infrastructure Assets	9,214,882	14,857,100	8,520,887
<b>Total Non Operating Expenditure</b>	<b>29,342,956</b>	<b>54,182,300</b>	<b>29,327,567</b>

### (b) Current Position 1st July 2013

The current position balance carried forward from the previous financial year for the purpose of the 2013/2014 budget was \$6,724,214. The current position balance shown in the audited financial report as at 30 June 2013 was \$5,535,789.

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 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 town site 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 2013/2014 year was 0.2702 cents in the dollar on the gross rental value of the property. The total revenue from this rate was \$447,653.68.

## 14. Service Charges

No service charges were levied by Council during 2013/2014.

## 15. Discounts, Incentives and Concessions

Council did not allow any discounts or concessions for the early payment of rates during 2013/2014.

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 \$25,639.60 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 \$8,735.00 were received against a budget of \$6,000 and interest of \$16,245.27 against a budget of \$10,000.



# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 17. Borrowings

### (a) Unspent Loans

FUNCTION & DEBENTURE PURPOSE	FUNDING DATE	NEW LOANS 2013/2014	EXISTING LOANS UNSPENT	EXPENDED DURING YEAR \$	CLOSING BALANCE 30 JUNE 2014 \$
Housing					
Debenture No 72 Sewerage Plant Capital Improvements	June 2014	2,000,000.00	0.00	0.00	2,000,000.00
		<u>\$2,000,000.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$2,000,000.00</u>

### (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 \$8,521,677.

### (c) New Borrowings

DEBENTURE NUMBER & PURPOSE	AMOUNT BORROWED	BUDGET AMOUNT	TOTAL INTEREST & CHARGES	AMOUNT USED	UNSPENT BALANCE
No 72 Sewerage Plant Upgrade	June 2014	2,000,000.00	0.00	0.00	2,000,000.00
		<u>\$2,000,000.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$2,000,000.00</u>

The Debenture is held with the Western Australia Treasury Corporation. It is for a period of 15 years. Interest is fixed at a rate of 4.49% per annum for the duration of the loan with a 0.1% guarantee fee per annum.

### (d) Overdraft

Council had not established an overdraft facility as at 30 June 2014.

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

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 18. Fees and Charges

The following fees and charges revenue resulted for each of Council's Functions for the 2013/2014 financial year:

FUNCTION NAME	FUNCTION NO	2013/2014 \$	2012/2013 \$
General Purpose Funding	3	62,427	45,493
Governance	4	180,758	218,415
Law, Order & Public Safety	5	41,849	53,442
Health	7	51,067	102,764
Education & Welfare	8	33,361	47,360
Housing	9	221,920	220,753
Community Amenities	10	7,507,610	5,687,104
Recreation & Culture	11	946,277	880,190
Transport	12	10,747,700	10,690,591
Economic Services	13	861,382	668,687
Other Property & Services	14	57,634	43,010
		<b>20,711,985</b>	<b>18,657,809</b>

## 19. Interest on Investments

	2013/2014 \$	2012/2013 \$
<b>(a) Reserve Investments</b>		
Alice Springs Road	5,867	4,441
Heavy Road Plant	39,860	20,391
Cape Keraudren Development	13,362	6,314
Computer Technology	3,638	2,754
Newman Recreation Centre Maintenance	10,168	5,261
Newman Sewerage Plant	5,012	3,794
Newman Airport	191,303	75,988
Oval Lights Maintenance	3,920	2,968
Long Service Leave	15,049	9,918
Recreation Facilities Maintenance	20,703	13,661
Staff Housing	24,970	15,974
Newman Town Centre Revitalisation	2,430	1,444
Waste Management	16,156	3,113
Public Art	788	614
Public Toilet	29	21
Annual Leave	12,821	8,231
Royalties for Regions	87,433	325,542
Newman House	10,274	5,640
BHP Billiton Maintenance Fund	972	1,427
Public Building Maintenance Fund	21,663	13,751
Moondoorow Housing	110,773	31,450
Martumili Operations	19,938	906
Martumili Infrastructure Project	4,959	-
Cowra Tourist and Recreation Precinct	1,670	-
	<b>623,758</b>	<b>553,603</b>

# Notes to the Financial Reports

For The Year Ending 30 June 2014

	2013/2014 \$	2012/2013 \$
<b>(b) Municipal Fund Investments</b>	<b>337,514</b>	259,905
<b>Total Earnings From Investments</b>	<b>961,272</b>	813,508

## 20. Depreciation

FUNCTION NAME	FUNCTION NO	2013/2014 \$	2012/2013 \$
Governance	4	<b>440,353</b>	248,717
Law, Order & Public Safety	5	<b>95,798</b>	68,426
Health	7	<b>17,328</b>	9,199
Education & Welfare	8	<b>288,181</b>	206,390
Housing	9	<b>353,231</b>	141,361
Community Amenities	10	<b>269,856</b>	234,706
Recreation & Culture	11	<b>1,613,446</b>	850,258
Transport	12	<b>8,181,663</b>	9,029,018
Economic Services	13	<b>214,000</b>	122,200
Other Property & Services	14	<b>648,281</b>	788,230
		<b>12,122,137</b>	11,698,505

## 21. Councillors' Remuneration

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

	2013/2014 ACTUAL \$	2013/2014 BUDGET \$	2012/2013 ACTUAL \$
Meeting Fees	<b>141,875</b>	140,000	78,167
President's Allowance	<b>60,000</b>	60,000	39,667
Deputy President's Allowance	<b>16,000</b>	8,000	-
Travelling Expenses	<b>9,283</b>	10,000	10,209
Telecommunication Allowance	<b>11,250</b>	6,500	6,750
	<b>238,408</b>	224,500	134,793

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 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	
	2013/2014 \$	2012/2013 \$	2013/2014 \$	2012/2013 \$
<b>Financial Assets</b>				
Cash & Cash Equivalents	31,086,914	31,731,644	31,086,914	31,731,644
Receivables	5,964,060	5,001,215	5,964,060	5,001,215
	<b>\$37,050,975</b>	\$36,732,859	<b>\$37,050,975</b>	\$36,732,859
<b>Financial Liabilities</b>				
Payables	5,975,300	7,977,313	5,975,300	7,977,313
Borrowings	8,521,677	7,442,133	8,521,677	7,442,133
	<b>\$14,496,977</b>	\$15,419,446	<b>\$14,496,977</b>	\$15,419,446

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

For The Year Ending 30 June 2014

	30/06/2014 \$	30/06/2013 \$
<b>Impact of a 10%<sup>(1)</sup> movement in price of investments:</b>		<b>5%</b>
Equity	133,100	64,400
Statement of Profit & Loss and Other Comprehensive Income	133,100 <sup>(2)</sup>	64,400 <sup>(2)</sup>
<b>Impact of a 1%<sup>(1)</sup> movement in interest rates on cash</b>		
Equity	321,700	147,400
Statement of Profit & Loss and Other Comprehensive Income	321,700	147,400

**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	30/06/2014	30/06/2013
Percentage of Rates and Annual Charges		
Current	21%	2%
Overdue	79%	98%
Percentage of Other Receivables (Debtors)		
Current	78%	77%
Overdue	22%	23%

**(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.

The contractual undiscounted cash flows of Council's payables and Borrowings are set out in the Liquidity Sensitivity Table below:

# Notes to the Financial Reports

For The Year Ending 30 June 2014

	DUE WITHIN ONE YEAR \$	DUE BETWEEN ONE AND FIVE YEARS \$	DUE AFTER FIVE YEARS \$	TOTAL CONTRACTUAL CASH FLOWS \$	CARRYING VALUES \$
<b>2014</b>					
Payables	5,975,300			5,975,300	5,975,300
Borrowings	1,068,825	3,602,529	4,338,549	9,009,903	8,521,675
	<b>7,044,125</b>	<b>3,602,529</b>	<b>4,338,549</b>	<b>14,985,203</b>	<b>14,496,975</b>
<b>2013</b>					
Payables	7,977,313			7,977,313	7,977,313
Borrowings	920,456	4,163,400	3,554,779	8,638,635	7,422,128
	<b>8,897,769</b>	<b>4,163,400</b>	<b>3,554,779</b>	<b>16,615,948</b>	<b>15,399,441</b>

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:

LOAN NO	EXPIRY DATE	RATE	PRINCIPAL 30/06/2014 \$		YEARS TO RUN AT 30/06/2014	IRR AT 30/06/2014 \$
<b>Year Ended 30 June 2014</b>						
65	1/2/2020	5.99	609,203	6	>5 Years	36,491
66	15/6/2021	6.25	2,903,545	7	>5 Years	181,472
67	1/3/2022	6.47	647,441	8	>5 Years	41,889
70	13/2/2016	4.65	798,108	2	1 to 5	37,112
71	1/3/2026	6.49	1,563,378	12	>5 Years	101,463
72	23/6/2029	4.49	2,000,000	15	>5 Years	89,800
			<u>8,521,675</u>			<u>488,227</u>
						<u>5.73%</u>
			1,068,825		<1	
			3,565,417		1 to 5	
			3,887,434		>5	
			<u>8,521,676</u>			

LOAN NO	EXPIRY DATE	RATE	PRINCIPAL 30/06/2013 \$		YEARS TO RUN AT 30/06/2013	IRR AT 30/06/2013 \$
<b>Year Ended 30 June 2013</b>						
65	1/02/2020	5.99	691,369	9	>5 Years	41,413
66	15/06/2021	6.25	3,225,380	10	>5 Years	201,586
67	1/03/2022	6.47	707,565	11	>5 Years	45,780
70	13/02/2016	4.65	1,170,475	5	1 to 5	54,427
71	1/03/2026	6.49	1,647,339	15	>5 Years	106,912
			<u>7,442,128</u>			<u>450,118</u>
						<u>6.00%</u>
			920,456		<1	
			4,108,973		1 to 5	
			3,159,088		>5	
			<u>8,188,517</u>			

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 23. Grants and Contributions

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

GRANT SOURCE	PURPOSE	2013/2014 ACTUAL \$	2012/2013 ACTUAL \$
<b>State Grants</b>			
FESA - SES	Plant	-	89,226
DFES - SES	Cat Act Implementation	-	80,000
Office of Crime Prevention	CCTV Cameras - Town Centre	15,200	25,000
Office of Crime Prevention	CCTV Cameras - Town Centre	41,057	-
SEMC	Emergency Risk Assessment Project	13,636	
MWAA	Mobile Recycling Facility	24,603	
Dept Regional Develop & Lands	Martumili Art Centre	1,125,000	750,000
Dept Regional Develop & Lands	Sporting Facility Upgrade	-	2,855,000
Dept of Transport	Walk/ Bike Trail	37,352	-
WA Grants Commission	Aboriginal Access Roads	554,667	545,333
Main Roads WA	Aboriginal Access Roads	358,434	341,666
Main Roads WA	Regional Road Group	889,938	1,013,333
WA Grants Commission	Untied Road Grants	389,400	372,800
Main Roads WA	Direct Road Grants	312,161	289,605
Main Roads WA	Black Spot - Newman Drive	-	63,887
Main Roads WA	Black Spot - Hilditch Avenue	70,398	48,196
Main Roads WA	Anti-Hoon	3,844,363	6,474,046
<b>Federal Grants</b>			
Federal Dep't Of Transport	Roads To Recovery	794,945	794,943
Federal Dep't Of Transport	Black Spot Funding - Newman Dv	136,364	-
Federal Dep't Of Transport	Roads To Recovery - Special	143,636	-
Regional Airport Development	Apron and Helipad	366,068	208,066
		1,441,013	1,003,009
<b>Contributions</b>			
BHPBIO - Sustainability Prog	Community Safety Project	196,968	-
BHPBIO - Sustainability Prog	CCTV Cameras and Lighting	-	150,000
Fremantle Art Centre	Bouncy Basket	-	14,044
Consolidated Minerals	Woodie Woodie Road	150,000	200,000
BHPBIO - Sustainability Prog	Other Projects	499,111	537,273
		846,079	901,317
		6,131,455	8,378,372

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## (b) Operating Grants and Contributions

GRANT SOURCE	PURPOSE	2013/2014 ACTUAL \$	2012/2013 ACTUAL \$
<b>State Grants</b>			
WA Grants Commission	General Purpose Grants	3,142,360	3,116,727
Department of Local Government	Work Force Planning	-	25,000
Fire & Emergency Services	Administration Grant	12,916	10,940
Fire & Emergency Services	Nullagine Bush Fire Brigade	4,700	4,730
Department of Local Government	Cat Act Implementation	-	2,535
Department of Local Government	Marble Bar Talent Show	700	-
Events Corporation	Fusion Festival	10,500	-
Population Health	Online Directory	-	7,273
NW Planning Program Fund	Planning	78,218	25,000
State Treasury	Swimming Pool Subsidies	-	3,000
Royal Life Savings	Bronze Medalian	-	3,000
Healthway	Triathlon	-	5,000
Art Cultural Activities (RACS)	Martumilli Arts Project	-	63,000
Art Enterprise Activities (NACIS)	Martumilli Arts Project	155,000	238,000
WA Govt - Culture and Arts	Martumilli Arts Project	-	-
Dept Environ and Heritage	Martumilli Arts Project	31,639	31,517
Main Roads WA	Flood Damage	1,428,347	3,394,413
WA Grants Commission	Untied Road Grants	1,293,850	1,201,992
State Dep't of Transport	RPT Bus Service Subsidy	118,774	106,893
		<b>6,277,004</b>	<b>8,239,020</b>
<b>Federal Grants</b>			
		-	-
<b>Contributions</b>			
BHPB - Contribution	Events - Newman	414,500	340,000
Fortescue Metal Groups	Weekly Youth Prize	-	2,809
Atlas Mining	Marble Bar Youth Camp	3,500	-
WALGA	Roadwise	1,500	-
BHPB - Contribution	Holiday Program	-	24,477
BHPB - Contribution	Rubbish Run	-	24,000
Water Corporation	Newman Sewerage Farm	131,252	128,051
Martu Charitable Trust	Martumili Arts Project	97,375	14,050
BHPB Contribution	Martumili - Community Support	350,000	350,000
BHPB Contribution	Martumili - Community Development	65,268	5,299
BHPB Contribution	Martumili - Mapping Country	-	83,000
		<b>1,063,395</b>	<b>971,686</b>
		<b>7,340,399</b>	<b>9,210,706</b>

## (c) Grants By Program In Operating Statement

PROGRAM	2013/2014 \$	2012/2013 \$
General Purpose Funding	3,142,360	3,116,727
Governance	-	25,000
Law, Order & Public Safety	284,477	212,431
Education & Welfare	430,700	524,559
Housing	-	-
Community Amenities	234,073	177,051
Recreation & Culture	1,861,634	4,414,910
Transport	7,399,836	9,011,507
Economic Services	118,774	106,893
Other Property & Services	-	-
	<b>13,471,854</b>	<b>17,589,078</b>

# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 24. Performance Measures

The following performance measures are used to compare Council's financial performance for 2013/2014 with the previous two years:

PERFORMANCE MEASURE	HOW CALCULATED	2013/2014	2012/2013	2011/2012
(a) Current ratio	current assets minus restricted assets	1.6694	1.6478	1.5340
	current liabilities minus liabilities associated with restricted assets			
(b) Debt service cover ratio	annual operating surplus before interest and depreciation	9.8066	11.1810	10.1760
	principal and interest			
(c) Own Source Revenue Ratio	own source operating revenue	0.9214	0.8130	0.7600
	operating expense			
(d) Operating Surplus Ratio	operating revenue minus operating expense	0.0224	0.1020	0.0710
	own source operating revenue			
(e) Asset Consumption Ratio	depreciated replacement cost of assets	0.9428	0.6650	N/A
	current replacement cost of depreciated assets			
(f) Asset Renewal Funding Ratio	NPV of planned capital renewals over 10 years	1.0000	1.0000	N/A
	NPV of required capital expenditure over 10 years			
(g) Asset Sustainability Ratio	Capital renewal and replacement expenditure	0.5545	0.6990	N/A
	depreciation expense			



# Notes to the Financial Reports

For The Year Ending 30 June 2014

## 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	2013/2014	2012/2013
100,000 - 109,999	3	5
110,000 - 119,999	8	5
120,000 - 129,999	1	1
130,000 - 139,999	1	0
140,000 - 149,999	1	0
160,000 - 169,999	0	1
170,000 - 179,999	1	0
200,000 - 209,999	1	1
230,000 - 239,999	1	1

## 26. Bad and Doubtful Debts

The following debts were written off during the year:

	2013/2014 \$	2012/2013 \$
Rates	30,179	23,180
Sundry Debtors	26,717	75,225

## 27. Auditors Remuneration

Audit fees incurred during 2013/2014 were \$27,535. Comparative fees during 2012/2013 were \$22,347.

## 28. Contingent Liabilities

The Council had no contingent liabilities as at 30 June 2014.

## 29. Major Land Transactions

The Council undertook no land transactions for the period ending 30 June 2014.

## 30. Trading Undertakings

The Council had no trading undertakings as at 30 June 2014.

## 31. Employee Numbers

	2013/2014	2012/2013
The number of permanent employees at balance date	80	70



# Independent Audit Report

For the year ended  
30 June 2014

# Independent Audit Report



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## INDEPENDENT AUDITOR'S REPORT

To the Electors of The Shire Of East Pilbara

### Report on the Financial Report

We have audited the accompanying financial report, being a general purpose financial report of The Shire of East Pilbara, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 Councillors of the Shire of East Pilbara are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1995 (as amended)*.

The council's responsibility also includes such internal control as the council determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 of the financial report that gives a true and fair view 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 the council, as well as evaluating the overall presentation of the financial report.

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

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# Independent Audit Report



## Independence

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

## Opinion

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

- i. Presents fairly, in all material respects; the financial position of the Shire as at 30 June 2014 and of its performance 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; and
- iv. The following financial ratios included in the annual financial report are supported by verifiable information and reasonable assumptions:
  - a. The asset consumption ratio; and
  - b. The asset renewal funding ratio

## Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Shire of East Pilbara meet the requirements of the Local Government Act 1995. As a result, the financial report may not be suitable for another purpose.

## Statutory Compliance

I did not, during the course of the audit, become aware of any instances where the Shire 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 that reads 'Chris Burton'.

**Chris Burton**

**Director**

Perth, 25 February 2015



# Appendices

For the year ended  
30 June 2014



# 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	1.6516	77	10,421,960	172,129	2,907	175,036	172,100	70,000	242,100
GRV - Town Centre	3.9931	37	6,112,152	223,075	-	223,075	223,000		223,000
GRV - Nullagine	7.1047	28	391,248	27,797	-	27,797	28,800		28,800
GRV - Marble Bar	0.0000	0	-	-	-	-	-		-
GRV - Transient	3.1729	14	64,199,716	2,190,329	-118,121	2,037,000	2,037,000		2,037,000
GRV - Other	1.7169	1,895	130,911,106	2,240,093	83,921	2,242,300	2,242,300		2,242,300
UV - Other	17.1834	474	25,693,398	4,414,999	-27,782	4,430,000	4,430,000	160,000	4,590,000
UV - Exploration	15.1215	764	7,094,307	1,074,540	383,761	1,168,600	1,168,600		1,168,600
UV - Prospecting	15.1215	253	237,888	35,972	23,794	37,800	37,800		37,800
UV - Pastoral	4.3810	48	7,926,319	357,591	1,972	461,400	461,400		461,400
<b>Sub Total</b>		<b>3,590</b>	<b>252,988,094</b>	<b>10,736,525</b>	<b>350,452</b>	<b>11,086,977</b>	<b>10,801,000</b>	<b>230,000</b>	<b>11,031,000</b>
<b>Minimum Rates</b>									
GRV - Industrial	650.00	16		24,050		24,050	23,400		23,400
GRV - Town Centre	650.00	5		3,250		3,250	3,300		3,300
GRV - Nullagine	475.00	19		6,400		6,400	6,000		6,000
GRV - Marble Bar	475.00	0		-		-	-		-
GRV - Transient	650.00	0		-		-	-		-
GRV - Other	650.00	367		238,550		238,550	239,200		239,200
UV - Other	250.00	352		70,400		70,400	70,600		70,600
UV - Exploration	250.00	163		32,600		32,600	37,200		37,200
UV - Prospecting	250.00	130		26,000		26,000	20,600		20,600
UV - Pastoral	250.00	18		3,600		3,600	3,600		3,600
<b>Sub Total</b>		<b>1,070</b>	<b>-</b>	<b>404,850</b>	<b>-</b>	<b>404,850</b>	<b>403,900</b>	<b>-</b>	<b>403,900</b>
<b>Total</b>		<b>4,660</b>	<b>252,988,094</b>	<b>11,141,375</b>	<b>350,452</b>	<b>11,491,827</b>	<b>11,204,900</b>	<b>230,000</b>	<b>11,434,900</b>

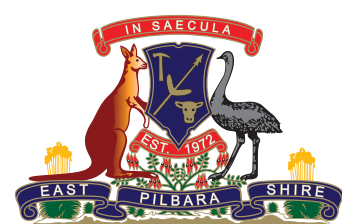
# Appendices

## B Loan Repayment Schedule

LOAN NO	PARTICULARS	PRINCIPAL 1 JULY 2013 ACTUAL \$	NEW LOANS \$	PRINCIPAL REPAYMENTS MADE		PRINCIPAL OUTSTANDING 30 JUNE 2014		INTEREST REPAYMENTS MADE	
				ACTUAL \$	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$	BUDGET \$
<b>Administration</b>									
65	Newman Admin Building Upgrade	691,370	-	82,166	82,200	609,204	609,170	40,908	40,900
<b>Housing</b>									
67	Staff Housing	707,566	-	60,125	60,100	647,441	647,466	45,416	45,400
71	Staff Housing	1,647,340	-	83,962	84,000	1,563,378	1,563,340	106,643	106,600
<b>Community Amenities</b>									
72	Newman Sewerage Plant		2,000,000	-	-	2,000,000	2,000,000	0	-
<b>Transport</b>									
66	Newman Airport Precinct Upgrade	3,225,381	-	321,836	321,800	2,903,545	2,903,581	199,597	199,600
70	Newman Terminal Upgrade	1,170,476	-	372,367	372,400	798,109	798,076	51,554	51,600
		<b>7,442,133</b>	<b>2,000,000</b>	<b>920,456</b>	<b>920,500</b>	<b>8,521,677</b>	<b>8,521,633</b>	<b>444,118</b>	<b>444,100</b>

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## Shire of East Pilbara

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