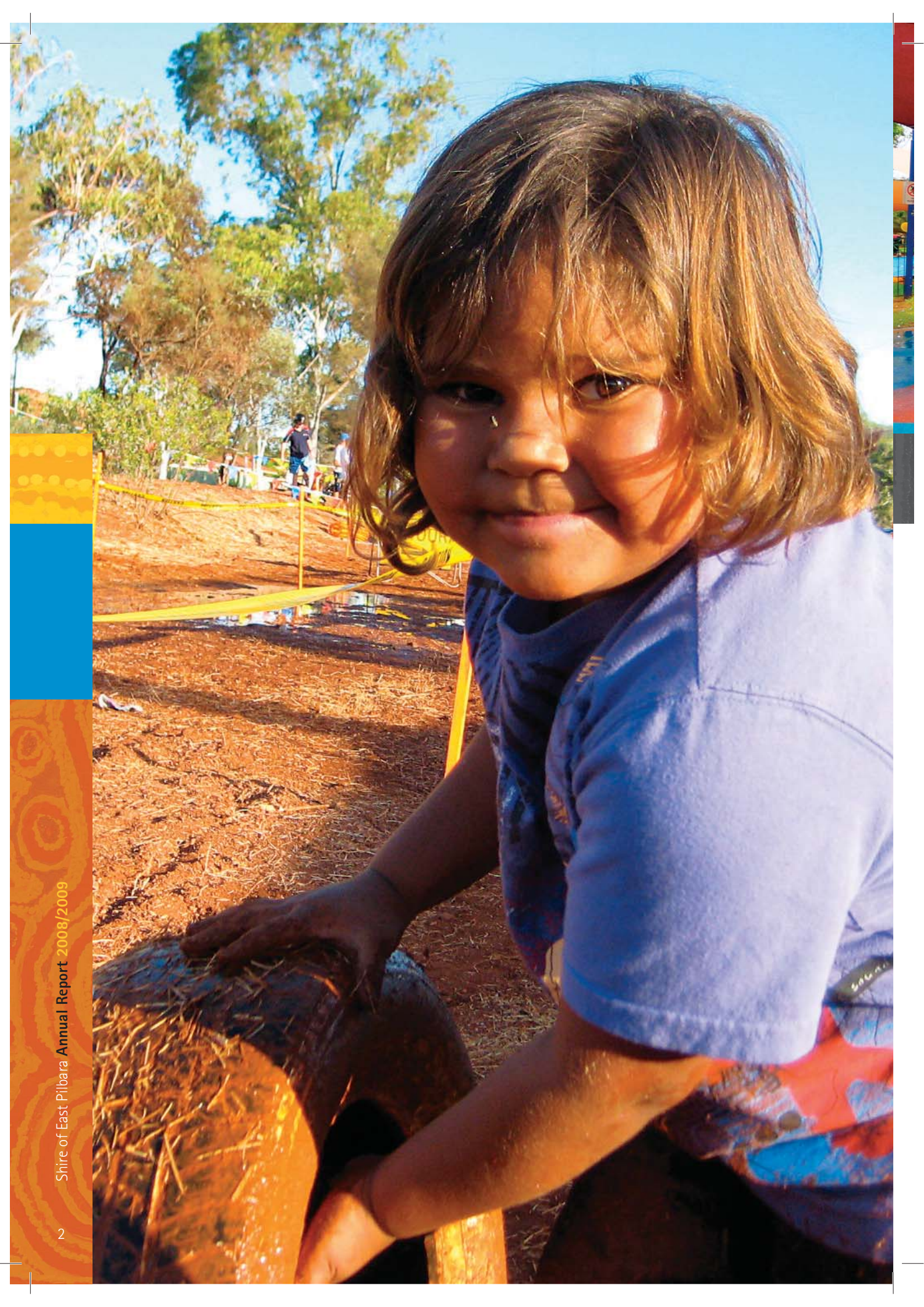




Shire of East Pilbara
Annual Report 2008/2009





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Acknowledgements

Local artwork featured throughout this annual report:

Ngamaru Bidu, *Untitled* (detail), 2008, acrylic on canvas, 61 x 91cm

Thelma Judson, *Tali* (detail), 2008, acrylic on canvas, 46 x 60cm

Kumpaya Girgiba Et Nola Taylor, *Untitled* (detail), 2009, acrylic on linen, 76 x 152cm



Welcome to the World's Largest Shire

The Shire of East Pilbara is the largest Shire in the world covering approximately 371,696 square kilometres and is larger than the state of Victoria.

Its main townsites are Nullagine, Marble Bar and Newman, with a number of Aboriginal Communities inhabiting the Shire, including Jigalong, Punmu and Parnagurr, Irrungadgi and Parnpajinya.

The Shire was formed by an amalgamation of the Shires of Marble Bar, Nullagine and Newman in 1972. Nowadays, the Shire's administration centre is located in Newman.

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

The estimated population of the Shire is 20,000 of which approximately 8,000 (including Fly-In, Fly-Out) live in Newman which is the home of BHP Iron Ore's major Pilbara Iron Ore mine called Mt Whaleback. The Shire's history is rich in mining and pastoral activities and provides a significant part of the State and Federal wealth.

Newman

Newman was named after the Newman Homestead. The homestead and nearby 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.

Newman is located in the heart of the Pilbara, surrounded by the Ophthamia Ranges and is located 1,186 kilometres north of Perth.

It is home to the largest single cut iron ore mine in the world and was built after export restrictions on iron ore were lifted.

Newman is the southern gateway to the magnificent Karijini National Park which boasts some of Western Australia's most spectacular scenery.

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.

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 300 people.

Marble Bar was 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. Visitors may also be interested in looking at the jasper, which can be clearly seen in the Coongan River.



Message from the President

It is with great pleasure that I am able to say as the President of the Shire of East Pilbara, **What global recession?**



The year 2008/09 has been yet another very successful one for both the Shire and residents of the East Pilbara. As you look around our towns there is plenty of evidence of the many new and upgraded facilities. Our population continues to grow and more importantly much of this growth has been young families. It is great to see this happening and to watch our towns coming back to life.

2008 brought about many changes, the first being the new airport terminal. This opened for use in August, and proved to be very successful with the ever growing number of passengers using the facilities, especially after the introduction of Virgin Blue flights. Our baggage is now handled by the carousel and the extensions to the car park and lighting have made a significant difference. Other towns in the Shire also benefitted, Marble Bar airfield was sealed and Nullagine received upgrading to its airfield as well.

Community Radio 6NEW, was finally able to relocate to its new home at the Aquatic Centre, making it now easier for people to see what is happening and to become involved. After an eight year struggle, work on the collocation centre to house the not for profit agencies in town and to provide some casual office space, finally commenced. The project is due for completion in early 2010 and will be another asset to our town centre.

Many other projects have also commenced and some even have come to fruition, especially those in which we partnered with BHP Billiton. This partnership, together with State and Federal Governments, have enabled us to look at changes to our town, towards making it a more modern and vibrant community in which to live.

However such changes do not happen without some dedication and hard work from our staff. For all those staff and contractors who have worked tirelessly to make these things happen, thank you. Without your efforts these improvements would not have been possible.

We continue to work with our neighboring Shires through the Pilbara Regional Council and all are focused on making sure that we do not miss opportunities for our local communities in the current resource sector.

I would also like to thank my fellow Councillors, the CEO and staff for all their support throughout the year. I look forward to working with you all in the coming year.

Lynne Craigie
President



Chief Executive Officers' Report

Welcome to the 2008/2009 Annual Report for the Shire of East Pilbara.



With no dramatic slowing down of the iron ore industry and the injection of funds from both the Federal and State governments into the local economy, the Shire of East Pilbara has been fortunate to be buffered from the Global Financial Crisis.

Fly-in, Fly-out employees continue to rise within the Newman township bringing challenges and opportunities. A partnership was entered into with BHP Billiton Iron Ore with regard to extending the fitness centre. This will enable FIFO workers to participate in activities within the community. The Recreation Centre itself is also having a facelift.

Construction has commenced on the long anticipated Community Collocation Centre building and is expected to be finished early in the next financial year.

Community amenities continue to be improved within the Newman Town Centre. An auto toilet was installed near the swimming pool and 6NEW was relocated to the swimming pool.

Major works at all three airports were undertaken in the 2008/2009 year. The Newman Airport Terminal was completed, along with the installation of new baggage handling equipment. A long term car park was constructed, new lighting installed and a new entrance built. The Marble Bar Airfield was sealed and fenced while the Nullagine Airfield received new lighting and improved facilities.

The Shire of East Pilbara received money under the Federal Regional and Local Community Infrastructure Program and State money under the Royalties for Regions program. Much of this money is being spent on the improvement of amenities to the Community Collocation Centre and new road works within that area. Park and Boundary fencing is also being supplied for the Marble Bar and Nullagine areas as well as reticulation.

The Federal funding is being used to upgrade Gallop Hall in Nullagine as well as provide a new library building, improve public toilets in Marble Bar and upgrade the Capricorn Sporting Field.

The Newman greening project continues with help from both the Royalties for Regions money and a contribution from BHP Billiton.

Next year promises to see the completion of these projects and with further funding under the Royalties for Regions more work will be undertaken within the Newman Town Centre.

I would like to take this opportunity to acknowledge the support and commitment of all the Councillors and the Shire staff throughout the year.

Allen Cooper
Chief Executive Officer



Elected Members

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

A council's role is to:

- Direct and control the local government's affairs;
- Be responsible for the performance of the local government's functions;
- Oversee the allocation of the local government's finances and resources; and
- Determine the local government's policies.

A councillor's role is to:

- Represent the interests of electors, ratepayers and residents;
- Provide leadership and guidance to the community;
- Facilitate communication between the community and the council and vice versa; and
- Participate in decision-making processes at meetings.



South Ward

Cr Lynne Craigie

Shire President

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



South Ward

Cr Anita Grace

Deputy President

P O Box 644
Newman WA 6753
Tel: 9175 1223 Hm
Tel: 9175 1040 Wk
Fax: 9175 0974
Mob: 0417 979 302
anitagrace61@bigpond.com
Term Expires: 2009



South Ward

Cr Debbie Becker

19 Giles Avenue
Newman WA 6753
Tel: 9175 5907 Hm
Mob: 0438 935 794
debbiebecker@bigpond.com
Term Expires: 2011



South Ward

Cr Shane Carter

2/57 Nimingarra Drive
Newman WA 6753
Tel: 9175 2908 Hm
Mob: 0417 172 343
Shaggy2@bigpond.com
Term Expires: 2009



South Ward

Cr Kelvin Portland

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



South Ward

Cr Doug Stead

17 Yanboomah Close
Newman WA 6753
Tel: 9175 1727 Home
Tel: 9175 3665 Work
Mob: 0439 388 150
Term Expires 2009



Lower Central Ward

Cr Kate Edwards

C/- Post Office or
14 Skull Springs Road
Nullagine WA 6758
Tel: 9176 2076 Hm
Tel: 9176 2777 Wk
kated1@bigpond.com
Term Expires: 2011



Central Ward

Cr John Currell

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



North Ward

Cr Lang Coppin

Yarrie Station
P O Box 805
Port Hedland WA 6721
Tel: 9176 4954 Hm
Fax: 9176 4801
Mob: 0429 956 692
yarrie.stn@bigpond.com
Term Expires: 2009



North West Ward

Cr Stephen Kiernan

P O Box 87
Marble Bar WA 6760
Tel: 9176 1041 Hm
Fax: 9176 1002
marblebarroadhouse1@
bigpond.com
Term Expires: 2011



East Ward

Cr Melvin Farmer

Jigalong Aboriginal Community
PMB 7 Newman WA 6753
Tel: 9175 7437 Hm
Tel: 9175 7001 Wk
Fax: 9175 7648
jigalongcouncil@bigpond.com
Term Expires: 2009



East Ward

Cr Kevin Danks

PO Box 31
Marble Bar WA 6760
Tel: 9176 1024 Hm
admin@eastpilbara.wa.gov.au
Term Expires: 2009

Councillors Meeting Attendance

	July 08 NEWMAN	Aug 08 NEWMAN	Sep 08 MARBLE BAR	Oct 08 NEWMAN	Nov 08	Dec 08	Jan 09 NEWMAN	Feb 09 NEWMAN	Mar 09 MARBLE BAR	Apr 09 NEWMAN	May 09 NEWMAN	Jun 09 NULLAGINE
Cr Lynne Craigie	Apology	Apology	Leave of Absence	Yes	NO MEETING	Yes	Yes	Leave of Absence	Yes	Yes	Yes	Yes
Cr Anita Grace	Yes	Yes	Apology	Yes	NO MEETING	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cr Shane Carter	Yes	Apology	Yes	Yes	NO MEETING	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cr Kelvin Portland	Yes	Yes	Yes	Apology	NO MEETING	Yes	Apology	Apology	Yes	Yes	Apology	Yes
Cr Debbie Beckers	Yes	Yes	Yes	Yes	NO MEETING	Yes	Apology	Yes	Yes	Apology	Yes	Yes
Cr Doug Stead	Newly-Elected (Extra-Ordinary Election 7th August 2008)	Yes	Yes	Yes	NO MEETING	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cr Lang Coppin	Apology	Apology	Yes	Yes	NO MEETING	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cr Melvin Farmer	No	No	No	Seat Became Vacant								
Cr Kate Edwards	Yes	Yes	Yes	Yes	NO MEETING	Yes	Apology	Yes	Apology	Yes	Apology	Yes
Cr John Currell	Yes	Yes	Yes	Yes	NO MEETING	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cr Stephen Kiernan	Yes	Yes	Yes	Yes	NO MEETING	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cr Kevin Danks	Newly-Elected (Extra-Ordinary Election 20th January 2009 Unopposed)											



Organisational Chart



Chief Executive Officer
Allen Cooper



Director
Corporate
Services

Sian Appleton

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



Director
Community
Engagement

Ross Theedom

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



Director
Development
& Regulatory
Services

Keith Weymes

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



Director
Technical
Services

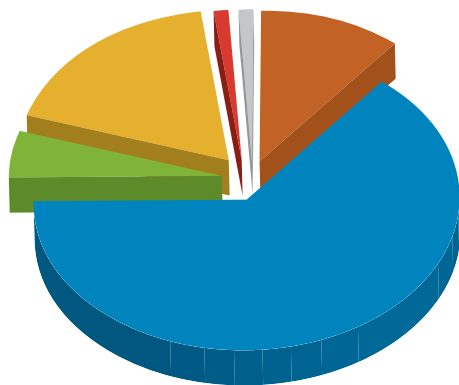
Grant Logie







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



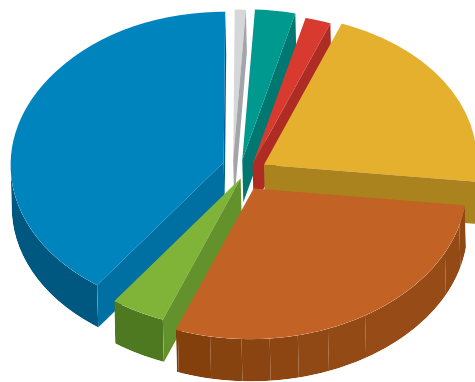
Sources and Applications of Operating Funds (excluding capital)








Operating Revenue



-  64% - Grants and Subsidies
-  18% - Fees and Charges
-  11% - Rates
-  5% - Contributions, Reimbursements and Donations
-  1% - Interest
-  1% - Other Revenue/Income

Operating Expenditure



-  40% - Depreciation on Non Current Assets
-  21% - Employee Costs
-  29% - Materials and Contracts
-  5% - Contributions, Reimbursements and Donations
-  3% - Other Expenditure
-  2% - Interest Expenses
-  1% - Insurance Expenses

Corporate Services

Human Resources

As at the 30th June 2009 Council had 65 permanent position split as follows:

Executive Services:	
CEO	1
Managers	2
Co-ordinators	1
Staff	1

Corporate Services	
Director	1
Manager	0
Coordinators	3
Staff	7

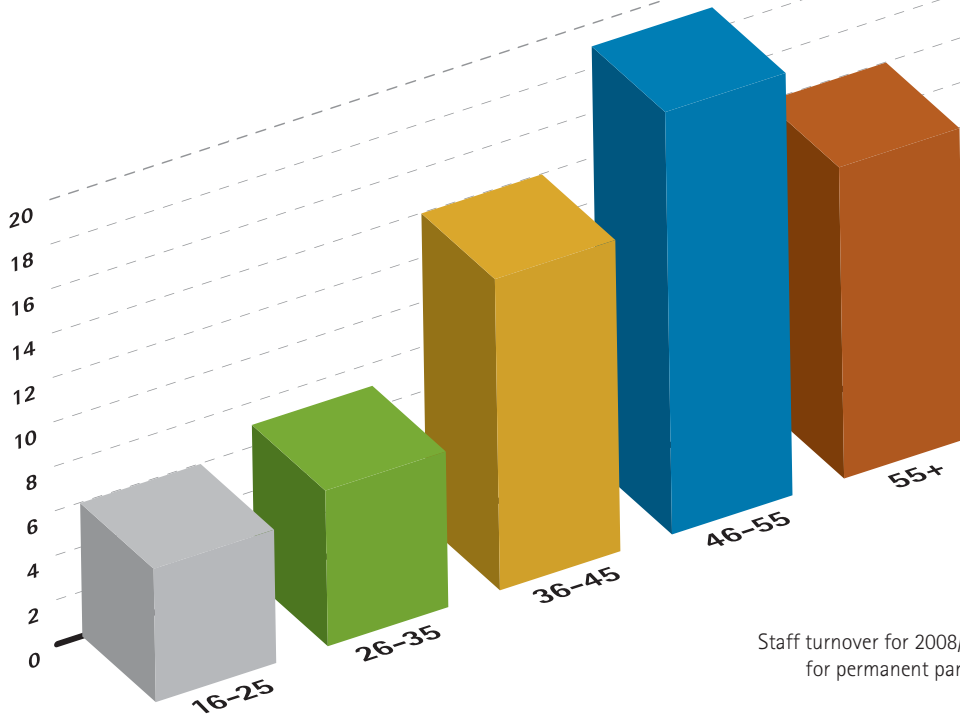
Community Engagement	
Director	1
Manager	2
Coordinators	2
Staff	4

Development & Regulatory Services	
Director	1
Managers	3
Coordinators	1
Staff	4

Technical Services	
Director	1
Managers	3
Staff	27

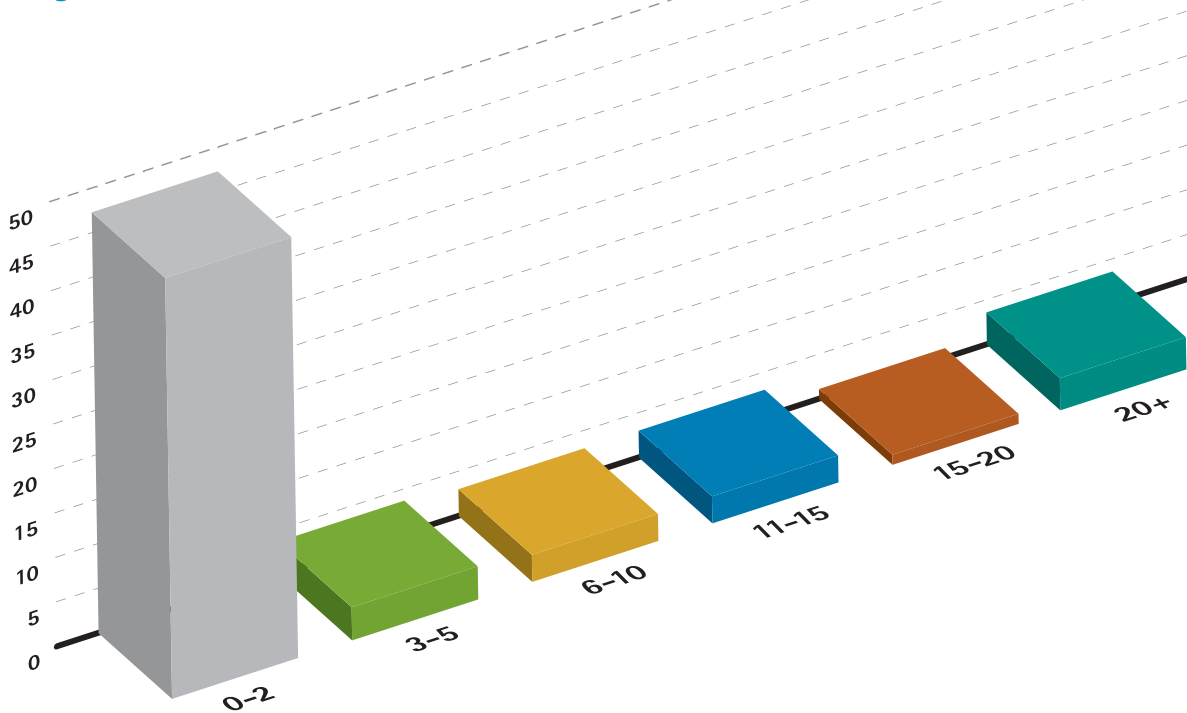
Recruitment:	
The following positions were vacant as at the 30th June 2009	
Senior Plant Operator	
Parks & Gardens Marble Bar	
Recreation Officer - Marble Bar	
Ranger	
Planning Officer	

Age of Permanent Staff



Staff turnover for 2008/2009 financial year was 29% for permanent part time and full time positions

Length of Service for Permanent Staff





Financial Services

Rates

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

Library Services

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

Administration

The Shire is required each year to review its Policies, Delegations, Authorisations, Code of Conduct, Freedom of Information Policy along with all other manuals relating to Council procedures. This review was conducted with minor recommendations and adjustments.

A large effort was put into producing the Shire's Plan for the Future of the District, sending out information and collating the results.

Records Management

Throughout the 2008/2009 financial year the Shire of East Pilbara Records Office has continued to prepare for the full integration of an electronic records and information management system. In order to maximize this IT Vision Synergy System, we have been evaluating and upgrading our existing systems to create a match of the hard copy records already existing with the new automated systems coming on board.

An evaluation of the hard copy filing system resulted in a rebuilding of the subject index and the matching files holding the records. This upgrade and update of our Index and files improved the relevance, cohesion and consistency and hence the structure of the records system which ultimately has improved the accessibility and retrieval of information.

The overall logic and connection between the various files has improved allowing the information stored within the system to link together with greater coherence. Effectively it has also brought our records system up to date with the latest projects and office requirements so that files match the office systems and projects currently in use.



With so much expansion and growth in the office and the shire, this has been an essential part of the restructured filing systems. So we now have expanded subject areas covering our Town Centre Redevelopment, Capricorn Oval Sporting Master Plans, new Subdivision listings, a new Strategic Development area for our executive planning and strategic development records, and also new areas for mining, health and regulatory licences and much more.

Our upgraded Subject Index has effectively been built alongside and linked, where possible, to the Property Files that were reorganised last year producing a property information records system that is based upon the unique property assessment number. This system is extremely efficient and effective allowing optimum retrieval and interconnection both for the hard copy record and the electronic formats. This new property information format and its coordinated shelving system has been an extremely successful innovation greatly improving our records system.

Although a massive undertaking, the overhaul of files, indices, and the records management system is integral to allowing the automated records system to effectively sit on top of this hard copy record. The hard work in setting up and building these systems now will be well rewarded in the future.

Further training of staff in the Synergy Records System and other modules related to its other electronic office systems has been ongoing throughout the year. Training of staff in the interlinking of all these office systems, and particularly the Records Management System module, is essential to tie across the various functions that the office covers and to maintain all office and record keeping processes of the business that is the Shire of East Pilbara. Quality and consistency of input and in the interlinking of records and processes is integral to the overall success of the records management system, and ultimately to the office as a whole.

As our plans for the future evolve, we can see the integrated electronic records system, and indeed the integrated electronic office system coming ever closer. Planning is already well underway for this.

The quality of our service is reflected in the efficiency and effectiveness of our records and information system, in the prompt and timely provision of accurate information in a useable format, while also being able to act in compliance with Shire policy and the State Records Office requirements. We strive to optimise the delivery of information and records under all of these criteria. Ultimately, our records and information system is a service to the community of the Shire of East Pilbara and to all the members of staff servicing this community.



Telfer Mine site facilities

Development and Regulatory Services

The Service Area is responsible for:

- Development, Building and other approvals
- Compliance with legislation and local laws
- The management of property
- The construction, upgrading and maintenance of Shire building and other assets.

Building and Planning

Due to the regional mining developments in the Pilbara and influx of people to the region the number of planning and building applications have increased dramatically primarily due to the shortage of housing and accommodation in the region and the up scaling of infrastructure projects.

The 2008-09 financial year has been a very busy year for Building and Planning with over \$728.4 million of projects receiving a Building Licence. This is up from \$250 million in 2007-08.

Design work commenced on the preparation of the Newman Town Centre Redevelopment Plan. This was initially driven by need to finally identify the location of the Newman Community Collocation Centre.

Following advertising, the plan was adopted as a Local Planning Policy.

The Council also prepared and adopted Local Planning Policies for:

- The East Newman Residential Subdivision
- Minimum Parking Bay Sizes

The program of four yearly inspections of all private swimming pools is continuing.

Environmental Health Services

The demand has increased on the Shire's Environmental Health Service with the continued growth of Newman and the many outlying settlements. At last count there were 38 mining camps accommodating some 14,000 fly in fly out workers. These camps all require Environmental Health Services such as food premise inspections, effluent system and public swimming pool licensing.



Yarrie Mine facilities

Regular activities of the service area include;

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

The coming year is likely to see new Health and Food Acts coming into force. This has resourcing implications for the Shire. The registration and licensing of food premises is likely to be mandatory under the new Food Act, and the new Health Act may "bind the crown" having implications for areas where state governments may be currently under servicing.



Construction of the Newman Community Collocation Centre

Property Management Services

The service manages all properties owned by or under the control of the Shire including staff housing and community and other leases.

New or updated leases have been prepared for the following community groups and commercial customers;

- Newman Netball Association
- Newman Junior Netball Association
- Newman Junior Soccer Association
- East Pilbara Race Club
- Newman State Emergency Services
- East Pilbara Independence Support – North Newman Reserve
- Newman Community Radio
- Telstra

Construction and Maintenance Services

This service undertakes the construction, upgrading and maintenance of Shire building and other assets.

Major projects commenced or under construction over the 2008-09 year have included:

Newman Community Collocation Centre

Newman Community Collocation Centre at Rogers Way, commenced in February 2008 and is due for completion in 2010. The facility will be tenanted by not for profit community organisations and government departments.

This project has also been funded by the following organisations

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



Newman Recreation Centre Additions and Modifications

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

- Childcare facilities
- Fitness Centre
- Improved access throughout the centre
- New entrance and foyer

The tender to the above project was awarded to local builder Wideglide Construction.

Funding for this project was also provided by the following organisation -

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



Development and Regulatory Services (Cont.)

Newman Airport Terminal

The new terminal became essential due not only to the increased number of flights and passengers to the region but also as a consequence of the requirement for passenger and baggage screening. The terminal was officially opened on the 8th April 2009.

Nullagine Airport Shelter and Lighting

The Shire of East Pilbara and the Department Planning and Infrastructure funded the improvements to assist both the community and the RFDS with shelter and toilet facilities at the remote Nullagine Airport being installed. The works also included Pilot Activated Lighting.

Newman Community Radio Station

The local radio station 6NEW-FM has been relocated to the Newman Aquatic Centre and is nearing completion.

Old Radio Station

The new building has been purchased by BHP Billiton and the Shire of East Pilbara has provided the site. Works yet to be completed include services connections, entry path and landscaping.

It is hoped that the radio station will provide additional after hours security at the pool and assist in reducing vandalism.



Nullagine Public Toilet Upgrade and Murals

The works involved the complete refurbishment of the public toilets and the installation of murals.

The artwork was undertaken by Magnetism Art & Design, Dan Duggan with the following organisations assisting the Shire of East Pilbara with funding;

- Department of Local Government and Regional Development
- Office of Crime Prevention

The project has been well received by the community and tourists to the region.

New Radio station at Newman Aquatic Centre

The local radio station has a strong focus on Local and Regional Community Services and provides local residence and mine sites with local and regional news, public information, entertainment, local events and functions.



Other projects have included

- Marble Bar Airport Apron and Taxi way.
- Airport Managers dwelling.
- Purchase of old union transportable and installation and fit out at the Newman Administration Office for archives storage.
- Housing refurbishments where required with kitchen upgrades, new floor covering, air conditioning painting and shed or carports installed, including:
 - 31 Jabberup Cres Newman.
 - 19A Kurra St Newman.
 - 52A Wilara St Newman.
 - 18 Knox Way Newman.
- Installation of Water & Effluent Dump Point at the Newman Visitor Centre.
- Nullagine Library Fit Out.
- Installation and upgraded Air conditioners for Marble Bar Community Centre.
- Marble Bar Civic Centre Reticulation Installation.
- Newman Council Chambers alterations including new furnishings and wireless data systems.
- Marble Bar Civic Centre toilet upgrade.
- Nullagine, Gallop Hall kitchen and toilet upgrade and roof renovations.
- New Nullagine Library and fit out.
- Marble Bar Sporting complex toilets upgrade.
- Capricorn Oval complex upgrade.

Ranger and Emergency Management

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

- Litter issues within Newman.
- Local Dogs wandering the town sites.
- Animal control, parking and littering continues to take up a large part of the Rangers time.
- Increased traffic at the Newman Airport and generally around town has increased to parking problems.
- Rangers have contributed to improving Aboriginal health through community visits to treat animals for diseases and parasites which may impact on the community.
- Plans for the cyclone and bushfire seasons have been developed by the various local emergency management committees.
- The management of all fires occurring outside a gazetted fire district is the responsibility of the Shire to manage unless they occur on private property where the Shire may be called upon to assist in their extinguishment.
- Nullagine BFB liaising with local police continues to provide strong emergency management (EM) leadership in the town and is developing EM and incident response plans for the town and surrounding residents.
- Local bushfires.

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



Community Engagement

The Community Engagement directorate is made up of skilled staff who specialise in providing services in the areas of community development, recreational and aquatic facilities, youth affairs, culture and the arts.

These staff members are also responsible for providing community events and the disbursement of community assistance grants, ensuring the communities of Newman, Marble Bar and Nullagine receive an improvement in their day to day lifestyle and overall wellbeing.

During the past 12 months, staff have been recruited from Perth and the Eastern States to allow this directorate to operate with a full complement of staff, allowing them to move forward and begin to implement various improvements and programs in all three communities.

Community Development

In 2008/2009 the Shire of East Pilbara provided \$30,000 to various Community Assistance Grant recipients including:

- Newman Main Street (online resources and wavier of hire fees and equipment)
- Lions Club Newman Branch (wavier of planning fees)
- Newman Primary School (wavier of hire fees and equipment)
- South Newman Primary School (wavier of hire fees and equipment)
- Newman Thai Loy Krathong Festival (cash donation)
- Pioneers Football Club (cash donation for repairs to clubrooms)
- Pilbara College of TAFE (incentives for students at awards ceremony)
- Newman Triathlon (wavier of hire fees and facilities)

During 2008/2009 the Shire donated an amount of \$5,000 through its Rural Youth Support program to the Meekatharra and Port Hedland schools of the air and awarded two scholarships to rural youth.

The Shire also provided over \$6500 to a number of additional interest groups in monetary donations and in kind support throughout the 2008/2009 financial year.

Recreation Services

Newman:

The past 12 months have been very exciting in the Recreational Services area particularly due to the beginning of the much anticipated \$1.8 million refurbishment to the Newman Recreation Centre. Once completed, the Centre will house an impressive child services area, spacious reception and increased gym area. Seasonal sports have continued to be popular and well attended, and there has been a substantial increase in use of the Fitness Centre since the installation of new equipment. The ever popular Les Mills group fitness classes such as Body Step and Body Pump are the most popular activities offered with over 3700 people participating in one of the 570 classes offered this financial year.

Marble Bar & Nullagine:

In May 2008, the Recreational Services staff entertained the school aged children in Marble Bar and Nullagine with a survivor style recreational activity which required the children to have a go at a number of challenges focusing on team building, problem solving and fun physical activity. Each team worked toward gaining enough points to be crowned the last standing survivor team.

The Recreational Services staff have also continued to entertain the residents of all three communities by providing monthly new release movie nights in a variety of locations.

Technical Services

Roadworks

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

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

Sportsgrounds, Parks and Reserves

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

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

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

Funding was received for the installation of a Liberty swing at Ethel Creek Park, and this work was started during the 2008-09 financial year. Works will be completed next financial year.

Additional upgrades of equipment have also begun to be installed.





Technical Services (Cont.)

Plant and Equipment Replacement

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

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

Domestic Refuse Collection

The program of providing domestic refuse collections of once weekly from April to September and twice weekly from October to April continued in 2008-09 within all three towns. In combination with tip site maintenance and street litter collection (street bins and litter removal), the expenditure for the year was in excess of \$1.1 million and income of \$564,000.

In July 2008 the Shire distributed fridge magnets to all households within the three towns providing information on domestic collection days and recycling collection days for Newman.

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

Newman Sewage Treatment Plant

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

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

The Shire receives a financial contribution from 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.

We have completed a clarifier upgrade which involves diverting flows and pump outs and mechanical improvements to clarifier equipment and we have also increased the aeration plant by adding discs to accommodate a larger population.



Shire of East Pilbara
Annual Financial Statements
For the Year Ended 30 June 2009

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

Postal Address:
PMB 22
NEWMAN WA 6753

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Schedule 2

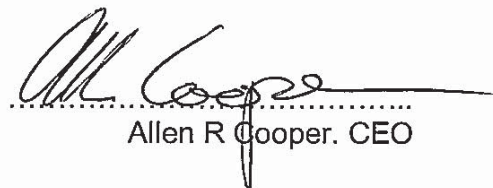
Form 1

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

Statement by CEO

The attached financial report of the Shire of East Pilbara being the annual financial report and supporting notes and other information for the financial year ended 30 June 2009 are in my opinion properly drawn up to present fairly the financial position of the Shire of East Pilbara at 30 June 2009 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 17th day of December, 2009



Allen R Cooper. CEO

Balance Sheet

For the Year Ended 30 June 2009

Description	Note	2008/2009 \$	2007/2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4b	33,031,952.07	7,035,737.95
Trade and Other Receivables	5	2,217,663.36	960,413.79
Inventories	6	132,512.46	106,041.47
Total Current Assets		35,382,127.89	8,102,193.21
CURRENT LIABILITIES			
Trade and Other Payables	9	3,390,854.52	806,491.30
Provisions	9	463,359.98	494,386.30
Long Term Borrowings	10	672,926.55	341,488.76
Total Current Liabilities		4,527,141.05	1,642,366.36
NET CURRENT ASSETS		30,854,986.84	6,459,826.85
NON CURRENT ASSETS			
Property, Plant and Equipment	7	36,008,064.67	26,024,023.55
Infrastructure	8	91,982,638.84	95,123,714.61
Total Non Current Assets		127,990,703.51	121,147,738.16
NON CURRENT LIABILITIES			
Provisions	9	98,620.56	49,299.00
Long Term Borrowings	10	8,047,586.67	6,220,513.22
Total Non Current Liabilities		8,146,207.23	6,269,812.22
NET ASSETS		\$150,699,483.12	\$121,337,752.79
EQUITY			
Retained Surplus	-	147,206,643.58	117,173,755.41
Reserves - Cash/Investment Backed	11	3,492,839.54	4,163,997.38
TOTAL EQUITY		\$150,699,483.12	\$121,337,752.79

This statement is to be read in conjunction with accompanying notes

Income Statement by Nature or Type

For The Year Ending 30 June 2009

Description	Note	2008/2009		2007/08
		Budget	Actual	Actuals
OPERATING REVENUE				
Rates		5,905,300	5,861,845.73	\$4,903,847.78
Grants And Subsidies		14,160,900	34,676,741.94	\$7,421,333.18
Contributions, Reimbursements and Donations		1,732,700	2,477,985.68	\$2,109,789.53
Gain On Asset Disposals		280,300	249,592.42	\$260,023.07
Fees and Charges		6,739,200	9,683,994.50	\$6,811,941.55
Interest		522,200	306,294.88	\$632,232.47
Other Revenue/Income		641,000	1,087,208.92	\$344,358.99
Service Charges		0	0.00	\$-
Total Operating Revenue		\$29,981,600	\$54,343,664.07	\$22,483,526.57
Less: OPERATING EXPENDITURE				
Employee Costs		6,159,500	5,567,667.15	3,958,149
Materials And Contracts		10,400,700	21,745,981.98	6,601,780
Utilities Charges		755,200	912,301.30	636,243
Depreciation On Non Current Assets		9,470,200	9,935,923.46	8,037,059
Loss On Asset Disposal		101,600	99,958.55	14,877
Interest Expenses		524,100	450,924.68	426,516
Insurance Expenses		547,800	329,982.39	372,434
Other Expenditure		745,200	1,329,006.55	854,195
		\$28,704,300	\$40,371,746.06	\$20,901,254
Less: Applicable To Capital Expenditure		3,927,600	15,389,812.32	0
Total Operating Expenditure		\$24,776,700	\$24,981,933.74	\$20,901,254
NET PROFIT/(LOSS) RESULT		\$5,204,900	\$29,361,730.33	\$1,582,272

This statement is to be read in conjunction with accompanying notes

Income Statement By Program

For The Year Ending 30 June 2009

Description	Note	2008/2009		2007/08
		Budget	Actual	Actuals
Revenue from Operating Activities				
General Purpose Funding		9,079,000	32,230,139.45	8,015,593.09
Governance		27,700	49,184.37	51,004.91
Law, Order & Public Safety		105,500	100,637.47	107,335.03
Health		19,000	19,424.41	20,046.95
Education & Welfare		4,137,100	1,517,314.40	253,048.79
Housing		185,100	201,101.08	174,698.95
Community Amenities		2,436,600	3,085,071.95	2,227,926.89
Recreation & Culture		2,677,400	2,586,437.94	1,265,507.32
Transport		10,418,000	12,880,254.59	8,800,742.27
Economic Services		455,700	1,101,760.14	758,380.02
Other Property & Services		440,500	572,338.27	809,242.35
Total Operating Revenue		\$29,981,600	\$54,343,664.07	\$22,483,526.57
Expenses From Ordinary Activities				
General Purpose Funding		(\$253,100)	(\$276,618.54)	(\$225,096)
Governance		(\$1,138,400)	(\$1,352,015.85)	(\$1,323,395)
Law, Order & Public Safety		(\$770,700)	(\$552,800.23)	(\$560,918)
Health		(\$280,400)	(\$249,739.21)	(\$182,261)
Education & Welfare		(\$906,200)	(\$864,534.53)	(\$521,904)
Housing		(\$314,600)	(\$601,726.64)	(\$236,434)
Community Amenities		(\$2,403,100)	(\$2,493,147.46)	(\$1,866,588)
Recreation & Culture		(\$4,563,000)	(\$4,010,322.87)	(\$3,608,628)
Transport		(\$12,108,200)	(\$12,452,503.49)	(\$10,062,984)
Economic Services		(\$1,067,800)	(\$1,081,583.02)	(\$996,146)
Other Property & Services		(\$447,100)	(\$596,017.22)	(\$890,384)
Total Operating Expenditure		(\$24,252,600)	(\$24,531,009.06)	(\$20,474,738.21)
BORROWING COSTS EXPENSES				
Governance		(\$61,900)	(\$60,414.09)	(\$64,317)
Education & Welfare		(\$22,100)	\$0.00	\$0
Housing		(\$61,800)	(\$61,017.97)	(\$62,268)
Community Amenities		\$0	\$0.00	\$0
Recreation & Culture		\$0	\$0.00	(\$2,263)
Transport		(\$378,300)	(\$329,492.62)	(\$297,668)
	18(b)	(\$524,100)	(\$450,924.68)	(\$426,515.92)
NET PROFIT/(LOSS) RESULT	3	\$5,204,900	29,361,730.33	1,582,272.44

This statement is to be read in conjunction with accompanying notes

Statement of Changes in Equity

For The Year Ended 30 June 2009

Description	Note	2008/2009 \$	2007/2008 \$
RETAINED SURPLUS			
Balance As At 01 July		117,173,755.41	112,613,084.83
Net Profit/(Loss) Result	3	29,361,730.33	1,582,272.44
Transfers From/(To) Reserves	11	671,157.84	\$2,978,398.14
Balance As At 30 June		<u>147,206,643.58</u>	<u>117,173,755.41</u>
RESERVES - CASH/INVESTMENT BACKED			
Balance As At 01 July	11	4,163,997.38	7,142,395.52
Transfers (To)/From Retained Surplus	11	(\$671,157.84)	(\$2,978,398.14)
Balance As At 30 June		3,492,839.54	4,163,997.38
TOTAL EQUITY		<u>\$150,699,483.12</u>	<u>\$121,337,752.79</u>

This statement is to be read in conjunction with accompanying notes

Cash Flow Statement

For The Year Ended 30 June 2009

Description	Note	2008/2009		2007/08
		Budget	Actual	Actuals
Cash Flows From Operating Activities				
Receipts				
Rates		6,039,700	5,852,971.97	4,815,686.79
Grants & Subsidies		4,627,000	5,513,368.67	4,178,004.18
Contributions, Reimbursements & Donations		487,700	1,474,374.49	625,139.61
Service Charges		0	0.00	0.00
Fees & Charges		7,028,300	7,908,535.39	8,907,593.50
Interest Earnings		522,200	306,294.88	632,232.47
Goods & Services Tax		763,900	1,665,986.56	751,567.85
Other Revenue/Income		641,000	666,968.08	344,358.99
		<u>\$20,109,800</u>	<u>23,388,500.04</u>	<u>20,254,583.39</u>
Payments				
Employee Costs		(\$5,874,800)	(\$5,088,016.87)	(\$3,907,418.73)
Materials & Contracts		(\$7,115,100)	(\$4,774,771.24)	(\$6,223,485.96)
Utilities (Gas, Electricity, Water, etc)		(\$755,200)	(\$912,301.30)	(\$636,243.46)
Interest Expenses		(\$535,200)	(\$408,559.78)	(\$431,723.92)
Insurance Expenses		(\$547,800)	(\$329,982.39)	(\$372,433.69)
Goods & Services Tax		(\$700,000)	(\$1,408,085.89)	(\$801,851.00)
Other Expenditure		(\$745,200)	(\$809,007.11)	(\$775,741.88)
		<u>(\$16,273,300)</u>	<u>(\$13,730,724.58)</u>	<u>(\$13,148,898.64)</u>
Net Cash Flows From Operating Activities	4	<u>\$3,836,500</u>	<u>\$9,657,775.46</u>	<u>\$7,105,684.75</u>
Cash Flows From Investing Activities				
Purchase Land and Buildings		(\$7,252,300)	(\$1,384,098.36)	(\$1,424,507.48)
Purchase Plant and Equipment		(\$3,022,600)	(\$2,550,661.89)	(\$1,921,046.10)
Purchase Furniture and Equipment		(\$160,000)	(\$149,406.92)	(\$451,270.06)
Purchase Airport Assets		(\$8,249,000)	(\$9,216,839.88)	(\$4,461,342.82)
Purchase Infrastructure Assets		(\$4,419,600)	(\$3,833,625.64)	(\$5,972,709.71)
Sale of Plant and Equipment	12	554,000	505,377.75	\$458,903.10
Grants and Contributions for the Development of Assets	25(a)	10,858,900	30,809,182.36	\$4,363,329.00
Net Cash Flows From Investing Activities		<u>(\$11,690,600)</u>	<u>\$14,179,927.42</u>	<u>(\$9,408,644.07)</u>
Cash Flows From Financing Activities				
Proceeds from New Loans	18(c)	3,100,000	2,500,000.00	\$0.00
Repayment of Loans	18(b)	(\$487,600)	(\$341,488.76)	(\$425,898.92)
Less: Proceeds from Self Supporting Loans				\$0.00
Net Cash Flows From Financing Activities		<u>\$2,612,400</u>	<u>\$2,158,511.24</u>	<u>(\$425,898.92)</u>
Net Increase/(Decrease) In Cash Held		<u>(\$5,241,700)</u>	<u>\$25,996,214.12</u>	<u>(\$2,728,858.24)</u>
Cash and Cash Equivalents At Beginning Of Year		\$7,059,700	7,035,737.95	9,764,596.19
Cash and Cash Equivalents At End of Year	4(b)	\$1,818,000	33,031,952.07	7,035,737.95

This statement is to be read in conjunction with accompanying notes

Rate Setting Statement

Description	Note	2008/2009 \$	2007/2008 \$
REVENUES			
General Purpose Funding		3,173,700	3,958,580.72
Governance		27,700	49,184.37
Law, Order and Public Safety		105,500	100,637.47
Health		17,700	19,424.41
Education and Welfare		197,100	252,655.31
Housing		185,100	201,101.08
Community Amenities		2,436,600	3,060,071.95
Recreation and Culture		1,342,400	1,456,162.03
Transport		4,834,100	6,898,911.14
Economic Services		455,700	1,094,778.18
Other Property and Services		161,500	331,536.90
		\$12,937,100	\$17,423,043.56
EXPENSES			
General Purpose Funding		(\$253,100)	(\$276,618.54)
Governance		(\$1,179,300)	(\$1,391,410.85)
Law, Order and Public Safety		(\$746,400)	(\$549,237.54)
Health		(\$280,400)	(\$245,117.57)
Education and Welfare		(\$928,300)	(\$864,534.53)
Housing		(\$376,400)	(\$662,744.61)
Community Amenities		(\$2,403,100)	(\$2,493,147.46)
Recreation and Culture		(\$4,563,000)	(\$4,010,322.87)
Transport		(\$12,472,000)	(\$12,770,766.99)
Economic Services		(\$1,055,600)	(\$1,074,826.48)
Other Property and Services		(\$417,500)	(\$543,247.75)
		(\$24,675,100)	(\$24,881,975.19)
Add:			
Capital Grants and Contributions	25	10,858,900	30,809,182.36
Sale of Assets	12	554,000	505,377.75
Write Back Depreciation	21	9,470,200	9,935,923.46
		\$20,883,100	\$41,250,483.57
Less: CAPITAL WORKS PROGRAMME			
Governance		232,000	148,260.56
Law, Order and Public Safety		113,000	0.00
Health		52,000	58,801.67
Education & Welfare		4,747,000	570,700.80
Housing		397,300	500,614.30
Community Amenities		280,000	184,168.77
Recreation and Culture		2,607,000	531,154.10
Transport		14,190,200	14,661,832.37
Economic Services		210,000	199,486.82
Other Property and Services		275,000	279,613.30
		\$23,103,500	\$17,134,632.69
Less: OTHER			
Repayments of Debentures	18(b)	487,600	341,488.76
Less Contributions to Loan Principal		0	0.00
Transfers to Reserves	11	496,400	2,621,546.88
		\$984,000	\$2,963,035.64
Add: FUNDING SOURCES			
Reserves Utilised	11	2,975,600	3,292,704.72
Proceeds From New Debentures	18	3,100,000	2,500,000.00
Estimated Surplus/(Deficit) July 1 b/fwd		3,006,500	2,637,318.23
	Sub Total	\$9,082,100	\$8,430,022.95
Estimated (Surplus)/Deficit June 30 c/fwd		(\$45,000.00)	(\$27,985,752.29)
TO BE MADE UP FROM RATES	14	\$5,905,300	\$5,861,845.73

This statement is to be read in conjunction with accompanying notes

Notes to the Financial Statements

1. Significant Accounting Policies

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

(a) Basis of Preparation

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 23 to this financial report.

(c) Fixed Assets

(i) Valuation of Fixed Assets

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

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

(ii) Initial Recognition

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

(iii) Land under Roads

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

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

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

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

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

Notes to the Financial Statements

(iv) Revaluation of Fixed Assets

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

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

(v) Depreciation of Non Current Assets

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

Major depreciation periods are:

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

Notes to the Financial Statements

(vi) Infrastructure Assets

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

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

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

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

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

Notes to the Financial Statements

(d) Employee Benefits

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

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount that the municipality has a present obligation to pay resulting from employees' services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expect to pay and includes related on-costs.

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

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

(e) Superannuation

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

Notes to the Financial Statements

(f) Investments and Other Financial Assets

Classification

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investment

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

(iv) Available-for-sale financial assets

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

Recognition and derecognition

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

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

Subsequent measurement

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

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

Impairment

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

Notes to the Financial Statements

(g) Estimation of Fair Value

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

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

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

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

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

(h) Impairment

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

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

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

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

(i) Rates, Grants, Donations and Other Contributions

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

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

(j) Trust Funds

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

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

(k) Inventories

General

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

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

Land Held for Resale

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

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

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

Notes to the Financial Statements

(l) Cash and Cash Equivalents

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

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the balance sheet.

(m) Trade and Other Receivables

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

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

(n) Comparative Figures & Information

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

(o) Rounding Off Figures

All figures in this annual financial report are concise amounts.

(p) Goods and Services Tax

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

(q) Trade and Other Payables

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

(r) Interest-bearing Loans and Borrowings

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

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

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 Months after the balance sheet date.

Borrowing Cost

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

(s) Provisions

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

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

Notes to the Financial Statements

(t) Current and Non-Current Classification

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

(u) Budget Comparative Figures

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

(v) New Accounting Standards and Interpretations

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

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

	Title and topic	Issued	Applicable ⁽¹⁾	Impact
(i)	AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8.	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(ii)	Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007	1 January 2009	Nil – The revised Standard has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Council as the council already capitalises borrowing costs relating to qualifying assets.
(iii)	Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101.	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of Financial Position), being as at the beginning of the comparative period.
(iv)	AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 January 2009	Nil – The revisions are part of the AASBs annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs.
	AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 July 2008	The revisions embodied in these standards relate largely to terminology or editorial comments and will have a minimal effect on the accounting practices of the Council. It is not anticipated the more significant change will have any effect on the financial report as the topics are not relevant to the operations of the Council.

Notes to the Financial Statements

	Title and topic	Issued	Applicable ⁽¹⁾	Impact
(v)	AASB 2008-11 Amendments to Australian Accounting Standard – Business Considerations Among Not-For-Profit Entities	November 2008	1 July 2009	Nil – Whilst this standard has the effect of applying AASB 3 Business Combinations to the Not-For-Profit sector, specific provisions are provided in respect of local government. These specific provisions are very similar to the previous requirements of AAS 27.
(vi)	AASB 2008-1 Amendments to Australian Accounting Standard – Share Based Payments: Vesting Conditions and Cancellations	February 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2008-2 Amendments to Australian Accounting Standards Puttable Financial Instruments and Obligations Arising on Liquidation	March 2008	1 January 2009	
	AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	March 2008	1 January 2009	
	AASB 2007-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	July 2008	1 January 2009	
	AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items	August 2008	1 July 2009	
	AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	September 2008	1 January 2009	
	AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
	Interpretation 1 – Changes in Existing, Decommissioning, Restoration and Similar Liabilities	June 2007	1 January 2009	
	Interpretation 12 – Service Concession Arrangements	June 2007	1 January 2009	
	Interpretation 15 – Agreements for the Construction of Real Estate	August 2008	1 January 2009	
	Interpretation 16 – Hedges of a Net Investment in a Foreign Operation	August 2008	1 October 2008	
	Interpretation 17 – Distributions of Non Cash Assets to Owners	December 2008	1 July 2009	
	Interpretation 18 – Transfers of Assets from Customers	March 2009	Ending 1 July 2009	

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

(2) Applicable only to not-for-profit and/or public sector entities

Notes to the Financial Statements

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 Statements

3. Operating Statement

Operating Revenues and Expenses Classified According To Nature and Type

	Note	2008/2009 \$	2007/2008 \$
Revenues From Ordinary Activities			
Rates		5,861,845.73	4,903,847.78
Grants and Subsidies		34,676,741.94	7,421,333.18
Contributions, Reimbursements and Donations		2,898,226.52	2,109,789.53
Gain on Asset Disposals		249,592.42	260,023.07
Service Charges		0.00	0.00
Fees and Charges		9,683,994.50	6,811,941.55
Interest		306,294.88	632,232.47
Other Revenue/Income		666,968.08	344,358.99
		\$54,343,664.07	\$22,483,526.57
Expenses From Ordinary Activities			
Employee Costs		5,155,633.67	3,958,148.75
Materials and Contracts		7,288,202.58	6,601,780.47
Utilities Charges		912,301.30	636,243.46
Depreciation on Non Current Assets	7(b),8(b)	9,935,923.46	8,037,059.08
Loss on Asset Disposal		99,958.55	14,877.27
Insurance Expenses		329,982.39	372,433.69
Other Expenditure		809,007.11	854,195.49
		\$24,531,009.06	\$20,474,738.21
Interest Expenses		450,924.68	426,515.92
		\$24,981,933.74	\$20,901,254.13
Net Profit/(Loss) Result		\$29,361,730.33	\$1,582,272.44

This statement is to be read in conjunction with accompanying notes

Notes to the Financial Statements

4. Cash and Cash Equivalents

For the purpose of the Cashflow Statement 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

	2008/2009 \$	2007/2008 \$
Net Profit/(Loss) Result	29,361,731.43	1,582,272.44
Add/(Less) Non Cash and Non Cash Equivalent Items		
Depreciation	9,935,923.46	8,115,512.69
Gain on sale of non current assets	(249,592.42)	(260,023.07)
Loss on sale of non current assets	99,958.55	14,877.27
Changes in Assets and Liabilities		
(Increase)/Decrease in Trade and other Receivables	(1,287,253.14)	1,592,557.89
Increase/(Decrease) in Trade and other Payables	2,522,679.23	385,007.50
Increase/(Decrease) in Accrued Expenses	60,660.14	47,017.76
Increase/(Decrease) in Employee Provisions	49,321.56	(1,495.74)
(Increase)/Decrease in Stock On Hand	(26,470.99)	(6,712.99)
(Less)		
Grants for the Development of Assets	(30,809,182.36)	(4,363,329.00)
Net Cash and Cash Equivalents provided by Operating Activities	\$9,657,775.46	7,105,684.75

Notes to the Financial Statements

(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 Balance Sheet as follows:

	2008/2009 \$	2007/2008 \$
Restricted Cash – Reserves		
Alice Springs Road	154,527.90	147,626.15
Heavy Road Plant	167,878.51	672,723.14
Marble Bar Aerodrome	0.00	131,188.95
Cape Keraudren Development	44,901.14	23,595.32
Computer Technology	28,139.28	26,882.49
Newman Recreation Centre Maintenance	170,270.74	162,665.89
Newman Sewerage Plant	10,101.61	0.26
Newman Airport	1,991,007.76	1,760,120.48
Oval Lights Maintenance	43,086.82	36,337.33
Long Service Leave	150,751.50	139,193.34
Recreation Facilities	91,528.86	87,440.87
Staff Housing	230,081.02	461,059.48
Newman Town Centre Revitalisation	233,719.04	464,535.01
Waste Management	154,009.09	50,628.67
Town Centre Public Toilet	22,836.27	0.00
	\$3,492,839.54	\$4,163,997.38
Restricted Cash – Unspent Loans	\$0.00	0.00
Restricted Cash – Committed Funds	\$26,531,130.60	1,196,467.61
Restricted Cash – Total	\$30,023,970.14	\$5,360,464.99
Unrestricted Cash		
Municipal Fund Cash At Bank	1,672,207.15	398,661.84
Municipal Fund Cash Invested	1,333,944.78	1,275,081.12
Municipal Fund Cash On Hand	1,830.00	1,530.00
Unrestricted Cash – Total	\$3,007,981.93	\$1,675,272.96
Total Cash	\$33,031,952.07	\$7,035,737.95

Notes to the Financial Statements

(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:	2008/2009 \$
Martu Elders Respect Program - PDC	43,634
Martumili Art Program - Capital	467,300
Martumili Art Program - Operating	191,194
Nullagine YouthLinx	22,541
Rec Centre Modifications	827,749
Co-Location Building	876,587
Womens Conference	16,600
BHPB Library	3,800
Office of Crime Prevention	35,000
M/Bar Memorial	10,000
Nullagine War Memorial	10,000
BHPB Oval Light Controller Upgrade	29,400
Regional and Local Community Infrastructure Program	499,150
Royalties for Regions	1,735,146
R4R Pilbara Revitalisation	20,000,000
BHPB Fitness Centre Extensions	400,000
Dept Local Government & Regional Development - Nullagine Toilet	20,000
Office of Crime Prevention - Mural	5,000
Telfer Flood Damage	193,000
Western Australian Grants Commission	1,145,030
	26,531,130.60

Notes to the Financial Statements

5. Trade and Other Receivables

	2008/2009 \$	2007/2008 \$
Current Debtors		
Rates	193,279.35	184,405.59
Trade and Other Receivables	2,077,940.69	524,438.64
ATO - GST Refund	811.00	258,711.67
	2,272,031.04	967,555.90
Provision Bad/Doubtful Debts	(54,367.68)	(7,142.11)
	2,217,663.36	960,413.79
Non Current Debtors		
None	-	-
Total Debtors	2,217,663.36	960,413.79

6. Inventories

	2008/2009 \$	2007/2008 \$
Stock Category		
Fuels	111,768.46	84,464.52
History Books	20,744.00	21,576.95
Total Stock On Hand	132,512.46	106,041.47

Notes to the Financial Statements

7 Property, Plant and Equipment

(a) Property, Plant and Equipment Assets

	2008/2009 \$	2007/2008 \$
Land & Buildings		
At Independent Valuation 1996	2,000,000.00	2,000,000.00
Cost	15,358,875.05	13,980,477.84
Accumulated Depreciation	(5,555,909.60)	(5,122,151.57)
	11,802,965.45	10,858,326.27
Plant & Equipment		
Cost	10,115,675.67	9,205,657.73
Accumulated Depreciation	(4,566,003.72)	(4,884,236.79)
	5,549,671.95	4,321,420.94
Furniture & Equipment		
Cost	2,402,277.11	2,784,821.10
Accumulated Depreciation	(1,717,745.42)	(2,040,473.47)
	684,531.69	744,347.63
Newman Airport		
At Council Valuation 1996	2,136,300.00	2,136,300.00
Cost	19,231,327.97	10,014,488.09
Accumulated Depreciation	(3,396,732.39)	(2,050,859.38)
	17,970,895.58	10,099,928.71
Total – Property, Plant & Equipment	\$36,008,064.67	\$26,024,023.55

(b) Movement in Property, Plant and Equipment Assets

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

	Land & Buildings	Plant & Equipment	Furniture & Equipment	Airport	TOTAL
Balance as the beginning of the year	10,858,326.27	4,321,420.94	744,347.63	10,099,928.71	26,024,023.55
Plus: Acquisitions	1,384,098.36	2,550,661.89	149,406.92	9,216,839.88	13,301,007.05
	12,242,424.63	6,872,082.83	893,754.55	19,316,768.59	39,325,030.60
Less: Disposals	-	1,650,688.55	527,607.46	-	2,178,296.01
	12,242,424.63	5,221,394.28	366,147.09	19,316,768.59	37,146,734.59
Write Back Depreciation	-	1,300,823.06	521,729.07	-	1,822,552.13
	12,242,424.63	6,522,217.34	887,876.16	19,316,768.59	38,969,286.72
Less: Annual Depreciation	439,459.18	972,545.39	203,344.47	1,345,873.01	2,961,222.05
Balance at 30/06/09	11,802,965.45	5,549,671.95	684,531.69	17,970,895.58	36,008,064.67

Notes to the Financial Statements

8 Infrastructure Assets

(a) Infrastructure Assets

	2008/2009 \$	2007/2008 \$
Roads		
At Cost	139,879,217.63	139,295,295.54
Accumulated Depreciation	(57,531,381.12)	(52,049,992.82)
	82,347,836.51	87,245,302.72
Footpaths		
Cost	4,545,138.51	4,047,155.90
Accumulated Depreciation	(2,036,654.19)	(1,687,247.75)
	2,508,484.32	2,359,908.15
Drainage		
Cost	4,412,884.09	5,412,960.10
Accumulated Depreciation	(2,159,578.11)	(2,142,175.65)
	2,253,305.98	3,270,784.45
Parks & Gardens		
Cost	7,043,901.36	3,292,104.41
Accumulated Depreciation	(2,170,889.33)	(1,044,385.12)
	4,873,012.03	2,247,719.29
Total - Infrastructure Assets	\$91,982,638.84	\$95,123,714.61

(b) Movement in Infrastructure Assets

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

	Infrastructure Assets
Balance as the beginning of the year	95,123,714.61
Plus: Acquisitions	3,833,625.64
	98,957,340.25
Less: Disposals	0.00
	98,957,340.25
Write Back Depreciation	0.00
	98,957,340.25
Less: Annual Depreciation	6,974,701.41
Assets Balance 30/06/09	91,982,638.84

Notes to the Financial Statements

(c) Fixed Assets Classified by Function and Activity

Function Name	Function No	2008/2009 \$	2007/2008 \$
Governance	4	2,672,263.95	2,841,892.88
Law, Order & Public Safety	5	531,497.09	631,028.89
Health	7	72,905.24	49,452.69
Education & Welfare	8	910,946.78	378,670.88
Housing	9	2,905,240.71	2,488,304.70
Community Amenities	10	2,381,876.96	2,417,439.83
Recreation & Culture	11	4,977,541.35	4,815,753.72
Transport	12	113,270,334.41	106,767,633.24
Economic Services	13	439,130.30	368,587.53
Other Property & Services	14	(171,033.28)	388,973.80
		127,990,703.51	121,147,738.16

9. Trade and other Payables, Accruals and Provisions

		2008/2009 \$	2007/2008 \$
Current Liabilities			
Trade and Other Payables And Accruals			
Trade and Other Payables	745,289.00		
Unexpended Grants	0.00		
Accrued Expenses	2,645,565.52	3,390,854.52	806,491.30
Provisions			
Provision For Annual Leave	272,880.56		
Provision For Long Service Leave	190,479.42	463,359.98	494,386.30
		\$3,854,214.50	\$1,300,877.60
Non Current Liabilities			
Provision For Long Service Leave		98,620.56	49,299.00
		\$98,620.56	\$49,299.00
Total Trade and other Payables & Provisions		\$3,952,835.06	\$1,350,176.60

Notes to the Financial Statements

10. Long Term Borrowings

	2008/2009 \$	2007/2008 \$
Current		
Debenture Repayments	672,926.55	341,488.76
Non Current		
Debenture Repayments	8,047,586.67	6,220,513.22
Total Borrowings	\$8,720,513.22	\$6,562,001.98

Additional detail on debentures is provided in Note 18

Notes to the Financial Statements

11. 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	Note	2008/2009		2007/08
		Actual	Budget	Actual
Alice Springs Road				
Opening Balance		147,626.15	147,626	137,861.04
Interest Earned During Year		6,901.75	10,500	9,765.11
Transfer From Municipal Fund		0.00	0	0.00
Transfer To Municipal Fund		0.00	0.00	0.00
Closing Balance		\$154,527.90	\$158,126	\$147,626.15
Heavy Road Plant				
Opening Balance		672,723.14	672,723	658,483.13
Interest Earned During Year		30,955.37	47,700	46,240.01
Transfer From Municipal Fund		14,200.00	14,200	268,000.00
Transfer To Municipal Fund		(550,000.00)	(550,000)	-300,000.00
Closing Balance		\$167,878.51	\$184,623	\$672,723.14
Marble Bar Aerodrome				
Opening Balance		131,188.95	131,189	141,336.31
Interest Earned During Year		4,755.53	9,600	9,813.89
Transfer From Municipal Fund		0.00	0	0.00
Transfer To Municipal Fund		(135,944.48)	(140,000)	(19,961.25)
Closing Balance		\$0.00	\$789	\$131,188.95
Nullagine Aerodrome				
Opening Balance		0.00	0	3,731.12
Interest Earned During Year		0.00	0	264.29
Transfer From Municipal Fund		0.00	0	0.00
Transfer To Municipal Fund		-	0	(3,995.41)
Closing Balance		\$0.00	\$0	\$0.00
Cape Keraudren Development				
Opening Balance		23,595.32	23,595	3,122.68
Interest Earned During Year		1,305.82	1,700	472.64
Transfer From Municipal Fund		20,000.00	20,000	20,000.00
Transfer To Municipal Fund		0.00	0.00	0.00
Closing Balance		\$44,901.14	\$45,295	\$23,595.32
Computer Technology				
Opening Balance		26,882.49	26,882	166,943.40
Interest Earned During Year		1,256.79	1,900	9,939.09
Transfer From Municipal Fund		0.00	0	0.00
Transfer To Municipal Fund		-	-	-150,000.00
Closing Balance		\$28,139.28	\$28,782	\$26,882.49

Notes to the Financial Statements

Reserve Funds	Note	2008/2009		2007/08
		Actual	Budget	Actual
Newman Recreation Centre Maintenance				
Opening Balance		162,665.89	162,666	151,905.93
Interest Earned During Year		7,604.85	11,500	10,759.96
Transfer From Municipal Fund		0.00	0	0.00
Transfer To Municipal Fund		-	(100,000)	0.00
Closing Balance		\$170,270.74	\$74,166	\$162,665.89
Newman Sewerage Plant				
Opening Balance		0.26	0	0.25
Interest Earned During Year		101.35	0	0.01
Transfer From Municipal Fund		10,000.00	10,000	0.00
Transfer To Municipal Fund		0.00	0	-
Closing Balance		\$10,101.61	\$10,000	\$0.26
Newman Airport				
Opening Balance		1,760,120.48	1,760,120	4,456,280.85
Interest Earned During Year		61,278.22	171,400	237,324.16
Transfer From Municipal Fund		2,276,369.30	0	0.00
Transfer To Municipal Fund		(2,106,760.24)	(1,685,600)	(2,933,484.53)
Closing Balance		\$1,991,007.76	\$245,920	\$1,760,120.48
Oval Lights Maintenance				
Opening Balance		36,337.33	36,337	2,144.73
Interest Earned During Year		1,749.49	2,600	2,403.62
Transfer From Municipal Fund		5,000.00	5,000	31,788.98
Transfer To Municipal Fund		0.00	0.00	0.00
Closing Balance		\$43,086.82	\$43,937	\$36,337.33
Long Service Leave				
Opening Balance		139,193.34	139,193	125,258.05
Interest Earned During Year		6,558.16	9,900	8,935.29
Transfer From Municipal Fund		5,000.00	5,000	5,000.00
Transfer To Municipal Fund		0.00	0.00	0.00
Closing Balance		\$150,751.50	\$154,093	\$139,193.34
Recreation Facilities				
Opening Balance		87,440.87	87,441	81,656.86
Interest Earned During Year		4,087.99	6,200	5,784.01
Transfer From Municipal Fund		0.00	0	0.00
Transfer To Municipal Fund		0.00	0.00	0.00
Closing Balance		\$91,528.86	\$93,641	\$87,440.87
Staff Housing				
Opening Balance		461,059.48	461,059	619,680.32
Interest Earned During Year		19,021.54	32,700	41,379.16
Transfer From Municipal Fund		0.00	0	50,000.00
Transfer To Municipal Fund		(250,000.00)	(250,000)	-250,000.00
Closing Balance		\$230,081.02	\$243,759	\$461,059.48

Notes to the Financial Statements

Reserve Funds	Note	2008/2009		2007/08
		Actual	Budget	Actual
Newman Town Centre Revitalisation				
Opening Balance		464,535.01	464,535	197,408.97
Interest Earned During Year		19,184.03	32,900	17,126.44
Transfer From Municipal Fund		0.00	0	250,000.00
Transfer To Municipal Fund		-250,000.00	-250,000.00	0.00
Closing Balance		\$233,719.04	\$247,435	\$464,535.41
North West Games				
Opening Balance		0.00	0	31,788.98
Interest Earned During Year		0.00	0.00	0.00
Transfer From Municipal Fund		0.00	0.00	0.00
Transfer To Municipal Fund		-	-	-31,788.98
Closing Balance		\$0.00	\$0	\$0.00
Roads To Recovery				
Opening Balance		0.00	0.00	364,793.30
Interest Earned During Year		0.00	0.00	20,988.79
Transfer From Municipal Fund		0.00	0.00	0.00
Transfer To Municipal Fund		-	-	(385,782.09)
Closing Balance		\$0.00	\$0	\$0.00
Waste Management				
Opening Balance		50,628.67	50,629.00	0.00
Interest Earned During Year		3,380.42	3,600.00	628.67
Transfer From Municipal Fund		100,000.00	100,000.00	50,000.00
Transfer To Municipal Fund		0.00	0.00	0.00
Closing Balance		\$154,009.09	\$154,229	\$50,628.67
Town Centre Public Toilet				
Opening Balance		0.00	0.00	0.00
Interest Earned During Year		136.27	0.00	0.00
Transfer From Municipal Fund		22,700.00	0.00	0.00
Transfer To Municipal Fund		-	-	-
Closing Balance		\$22,836.27	\$0	\$0.00
Totals – All Reserves				
Opening Balance		4,163,997.38	4,163,995.00	7,142,395.92
Interest Earned During Year		168,277.58	342,200.00	421,825.14
Transfer From Municipal Fund		2,453,269.30	154,200.00	674,788.98
Transfer To Municipal Fund		(3,292,704.72)	(2,975,600.00)	(4,075,012.26)
Closing Balance		\$3,492,839.54	\$1,684,795.00	\$4,163,997.78

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash and restricted investments in Note 4(b) to this financial report.

Notes to the Financial Statements

Purpose of Reserves

a) Alice Springs Road

To establish a road link to Alice Springs from Marble Bar to the Northern Territory border

b) Heavy Road Plant

To fund the purchase of heavy plant that is needed for the operation of the Shire

c) Marble Bar Aerodrome

For specific works and maintenance of the Marble Bar Aerodrome

d) Nullagine Aerodrome

For specific works and maintenance of the Nullagine Aerodrome

e) Cape Keraudren Development

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

f) Computer Technology

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

g) Newman Recreation Maintenance

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

h) 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.

i) Newman Airport

For the upgrading, maintenance and enhancement of the Newman Airport

j) Oval Lights Maintenance

To maintain and upgrade the lights at Capricorn Oval, Newman

k) Recreation Facilities Maintenance

For the upgrading and enhancement of recreation facilities

l) Long Service Leave

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

m) Housing

For the upgrading and maintenance of staff housing assets

n) Newman Town Centre Revitalisation

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

o) North West Games

To provide for the hosting of the North West Games in the 2007/2008 year

p) Roads to Recovery

To hold and utilise the allocation of Roads to Recovery funds in accordance with the funding legislation

q) Waste Management

For the development, maintenance & enhancement of waste management facilities

r) Town Centre Public Toilet

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

Notes to the Financial Statements

12. Disposal of Assets

Program	Net Book Value		Sale Proceeds		Profit/(Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance	86,456.01	63,984	65,436.92	43,000	(21,019.09)	(20,984)
Law, Order & Public Safety	23,789.78	64,287	20,227.09	40,000	(3,562.69)	(24,287)
Health	25,757.82	23,669	21,136.18	25,000	(4,621.64)	1,331
Recreation & Culture	0.00	0	100.00	0	100.00	-
Transport	41,228.94	39,578	31,708.91	25,000	(9,520.03)	(14,578)
Economic Services	30,515.31	62,152	30,740.73	50,000	225.42	(12,152)
Other Property & Services	147,996.02	121,620	336,027.92	371,000	188,031.90	249,380
	\$355,743.88	\$375,290	\$505,377.75	\$554,000	\$149,633.87	\$178,710

13. Budget Comparison

(a) Non Operating Income and Expenditure

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

	2008/2009		2007/08
	Actual	Budget	Actual
Non Operating Income			
Proceeds From Sale Of Assets	505,377.75	554,000.00	458,903.10
Loans Raised	2,500,000.00	3,100,000.00	0.00
Contributions From Self Supporting Loans	0.00	0.00	0.00
Transfers From Reserve Accounts	3,292,704.72	2,975,600.00	4,075,012.26
Total Non Operating Income	\$6,298,082.47	\$6,629,600.00	\$4,533,915.36
Non Operating Expenditure			
Repayment Of Debentures	341,488.76	487,600.00	425,898.92
Transfer To Reserves	2,621,546.88	496,400.00	1,096,614.12
Land & Buildings	1,384,098.36	7,293,000.00	1,424,507.48
Furniture & Equipment	149,406.92	160,000.00	451,270.06
Plant & Equipment	2,550,661.89	3,022,600.00	1,865,726.51
Airport Assets	9,216,839.88	7,357,000.00	4,461,342.82
Infrastructure Assets	3,833,625.64	5,270,900.00	6,028,029.30
Total Non Operating Expenditure	\$20,097,668.33	\$24,087,500.00	\$15,753,389.21

b) Current Position 1st July 2008

The current position balance carried forward from the previous financial year for the purpose of the 2007/2008 budget was \$1,517,810.44. The current position balance shown in the audited financial report as at 30 June 2008 was \$1,099,361.86.

Notes to the Financial Statements

14. Rating and Valuations

(a) Property Rating

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

(b) Sewerage Rates

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

The Rate imposed for the 2008/2009 year was 0.5074 cents in the dollar on the gross rental value of the property. The total revenue from this rate was \$286,654.20.

15. Service Charges

No service charges were levied by Council during 2008/2009.

16. Discounts, Incentives and Concessions

Council did not allow any discounts or concessions for the early payment of rates during 2008/2009.

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

17. Interest Payments and Additional Charges

(a) Interest on Late Rate Payments

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

A total of \$32,782.44 penalty interest was charged during the year.

(b) Instalments Interest and Additional Charges

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

Administration fees of \$5,658.00 were received against a budget of \$6,000 and interest of \$10,723.06 against a budget of \$6,000.

18. Borrowings

(a) Unspent Loans

There were no bought forward or unspent borrowings for the 2008/2009 year.

(b) Loan Repayments

Refer to appendix B for a schedule of all loan repayments made during the year and the composition of the outstanding loan principal amount of \$8,720,513.22.

(c) New Borrowings

Debenture Number & Purpose	Amount Borrowed	Budget Amount	Total Interest & Charges	Amount Used	Unspent Balance
70 Airport Terminal Upgrade	2,500,000.00	2,500,000	467,449.96	2,500,000.00	0.00
Total	\$2,500,000.00	\$2,500,000	\$467,449.96	\$2,500,000.00	\$0.00

The Debentures is held with the Western Australian Treasury Corporation

It is for a period of 7 years

Interest is fixed at a rate of 4.65% 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 2009.

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

Notes to the Financial Statements

19. Fees and Charges

The following fees and charges revenue resulted for each of Council's Functions for the 2008/2009 financial year:

Function Name	Function No	2008/2009 \$	2007/2008 \$
General Purpose Funding	3	57,749.42	29,343.70
Governance	4	36,249.56	190.92
Law, Order & Public Safety	5	27,807.47	22,493.78
Health	7	19,424.41	20,046.95
Education & Welfare	8	111,670.35	122,122.50
Housing	9	46,031.08	116,354.41
Community Amenities	10	2,942,566.88	2,117,262.43
Recreation & Culture	11	529,933.44	578,878.15
Transport	12	4,854,916.74	3,103,047.58
Economic Services	13	1,022,654.20	687,212.41
Other Property & Services	14	34,990.95	14,988.72
		\$9,683,994.50	\$6,811,941.55

20. Interest on Investments

	2008/2009 \$	2007/2008 \$
(a) Reserve Investments		
Alice Springs Road	6,901.75	9,765.11
Heavy Road Plant	30,955.37	46,240.01
Marble Bar Aerodrome	4,755.53	9,813.89
Nullagine Aerodrome	0.00	264.29
Cape Keraudren Development	1,305.82	472.64
Computer Technology	1,256.79	9,939.09
Newman Recreation Centre Maintenance	7,604.85	10,759.96
Newman Sewerage Plant	101.35	0.01
Newman Airport	61,278.22	237,324.16
Oval Lights Maintenance	1,749.49	2,403.62
Long Service Leave	6,558.16	8,935.29
Recreation Facilities Maintenance	4,087.99	5,784.01
Staff Housing	19,021.54	41,379.16
Newman Town Centre Revitalisation	19,184.03	17,126.44
North West Games	0.00	0.00
Roads to Recovery	0.00	20,988.79
Waste Management	3,380.42	628.67
Public Toilet	136.27	0.00
	\$168,277.58	\$421,825.14
(b) Municipal Fund Investments	138,017.30	210,407.33
Total Earnings From Investments	\$306,294.88	\$632,232.47

Notes to the Financial Statements

21. Depreciation

Function Name	Function No	2008/2009 \$	2007/2008 \$
Governance	4	231,433.48	160,726.62
Law, Order & Public Safety	5	75,742.02	74,131.28
Health	7	9,591.30	6,580.68
Education & Welfare	8	38,424.90	19,833.36
Housing	9	83,678.29	59,396.60
Community Amenities	10	219,731.64	201,929.56
Recreation & Culture	11	369,366.47	297,869.70
Transport	12	8,117,902.26	6,685,789.46
Economic Services	13	98,428.74	63,666.32
Other Property & Services	14	691,624.36	545,589.11
		\$9,935,923.46	\$8,115,512.69

22. Councillors' Remuneration

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

	2008/2009		2007/08
	Actual	Budget	Actual
Meeting Fees	68,000.00	79,000	60,000.00
President's Allowances	8,000.00	8,000	8,000.00
Travelling Expenses	17,183.41	19,200	17,151.04
Telecommunication Allowance	5,500.00	6,500	6,000.00
	\$98,683.41		\$91,151.04

23. Trust Fund

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

Key Bond Trust Account	2008/2009 \$	2007/2008 \$
Opening Balance	10,145.55	8,358.00
Bonds Received	4,929.75	4,857.55
Sub Total	15,075.30	13,215.55
Bonds Paid Out	2,418.16	3,070.00
Plus Unpresented Cheques	348.60	
Closing Balance	\$13,005.74	\$10,145.55

Notes to the Financial Statements

24. 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:

Program	Carrying Value		Fair Value	
	2008/2009 \$	2007/2008 \$	2008/2009 \$	2007/2008 \$
Financial Assets				
Cash & Cash Equivalents	33,031,952.07	7,035,737.95	33,031,952.07	7,035,737.95
Receivables	2,217,663.36	106,041.47	2,217,663.36	106,041.47
Financial assets at fair value				
through profit and loss	0.00	0.00	0.00	0.00
Available for sale financial assets	0.00	0.00	0.00	0.00
Held-to-maturity investments	0.00	960,413.79	0.00	960,413.79
	\$35,249,615.43	\$8,102,193.21	\$35,249,615.43	\$8,102,193.21
Financial Liabilities				
Payables	3,390,854.52	806,491.30	3,390,854.52	806,491.30
Borrowings	672,926.55	341,488.76	639,280.22	317,584.00
	\$4,063,781.07	\$1,147,980.06	\$4,030,134.74	\$1,124,075.30

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 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 Statements

	30.06.2009 \$	30.06.2008 \$
Impact of a 5%(1) movement in price of investments:		
Equity	51,000.00	45,000.00
Income Statement	51,000.00	45,000.00
Impact of a 1% (1) movement in interest rates on cash		
Equity	42,000.00	75,000.00
Income Statement	42,000.00	75,000.00

Notes: (1) Sensitivity percentages based on management's expectation of future possible market movements. Recent market volatility has seen large market movements for certain types of investments.

(2) Maximum impact.

(3) This has been calculated on the basis that the bonds could be redeemed prior to maturity therefore subjecting the investment to price risk.

(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	30.06.2009 \$	30.06.2008 \$
Percentage of Rates and Annual Charges		
Current	83%	40%
Overdue	17%	60%
Percentage of Other Receivables (Debtors)		
Current	60%	60%
Overdue	40%	40%

Notes to the Financial Statements

(c) Credit Risk

Payables

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

Borrowings

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:

Year Ended 30 June 2009						
Loan No	Expiry Date	Rate	Principal 30/06/2009		Years To Run At 30/06/2009	IRR at 30/06/2009
65	1/02/2020	5.99	975,565.79	11	>5 Years	58,436.39
66	15/06/2021	6.25	4,331,754.56	12	>5 Years	270,734.66
67	1/03/2022	6.47	913,192.87	13	>5 Years	59,083.58
70	13/1/2016	4.65	2,500,000.00	7	>5 Years	116,250.00
			\$8,720,513.22			\$504,504.63
						5.79%
			0.00		<1	
			0.00		1 to 5	
			8,720,513.22		>5	
			\$8,720,513.22			

Year Ended 30 June 2008						
Loan No	Expiry Date	Rate	Principal 30/06/2009		Years To Run At 30/06/2009	IRR at 30/06/2009
65	1/02/2020	5.99	1,036,734.94	12	>5 Years	62,100.42
66	15/06/2021	6.25	4,568,343.55	13	>5 Years	285,521.47
67	1/03/2022	6.47	956,923.49	14	>5 Years	61,912.95
			\$6,562,001.98			\$409,534.84
						6.24%
			0.00		<1	
			0.00		1 to 5	
			6,562,001.98		>5	
			\$6,562,001.98			

Notes to the Financial Statements

	Due Within One Year	Due Between One and Five Years	Due After Five Years	Total Contractual Cash Flows	Carrying Values
2009					
Payables	3,021,055.14			3,021,055.14	3,021,055.14
Borrowings			9,225,017.85	9,225,017.85	8,720,513.22
	\$3,021,055.14	\$-	\$9,225,017.85	\$12,246,072.99	\$11,741,568.36
2008					
Payables	806,491.30			806,491.30	806,491.30
Borrowings			6,971,536.82	6,971,536.82	6,562,001.98
	\$806,491.30	\$-	\$6,971,536.82	\$7,778,028.12	\$7,368,493.28

Notes to the Financial Statements

25. Grants and Contributions

(a) Non Operating Grants For the Development Of Assets

Grant Source	Purpose	2008/2009 \$	2007/2008 \$
State Grants			
Dept LG & Regional Services	Royalties for Regions	1,870,713.00	0.00
Dept LG & Regional Services	Royalties for Regions	20,000,000.00	0.00
Pilbara Dev't Commission	Co-Location Building	300,000.00	0.00
Dept LG - RIFP	Co-Location Building	168,750.00	0.00
Lottery West	Nullagine Community Bus	75,000.00	0.00
John Ford MLC	Marble Bar Memorial	0.00	10,000.00
Dept Local Govt	Nullagine Public Toilet Upgrade	20,000.00	0.00
Crime Prevention	Nullagine Public Toilet Mural	5,000.00	0.00
Pilbara Fund	Rec Centre Roof & Renovations	300,000.00	0.00
RIFP	Rec Centre Roof & Renovations	250,000.00	0.00
PDC - Newcrest Mining Grant	Martumilli Arts Program	9,090.91	0.00
Govt of WA	Martumilli Arts Program	3,850.00	0.00
DEWHA - House Grant	Martumilli Arts Program	0.00	50,000.00
PDC - House Grant	Martumilli Arts Program	0.00	122,032.00
WA Grants Commission	Aboriginal Access Roads	446,000.00	412,000.00
Main Roads WA	Aboriginal Access Roads	223,000.00	206,000.00
Main Roads WA	Regional Road Group	530,000.00	360,000.00
Main Roads WA	Direct Road Grants	227,735.00	225,077.00
WA Grants Commission	Untied Road Grants	404,800.00	291,900.00
Main Roads WA	Black Spot Funding	0.00	10,320.00
Country Housing Association	Airport House	25,000.00	0.00
RADS	Newman Airport Redevelopment	0.00	144,000.00
		24,858,938.91	1,831,329.00
Federal Grants			
RLCIP	Infrastructure Projects	539,000.00	0.00
Dept Environment & Heritage	Martumilli Arts Program	142,335.00	0.00
Regional Partnerships (PACC)	M/Bar Heritage Trail	0.00	0.00
Federal Dep't Of Transport	Roads To Recovery	782,199.00	1,412,000.00
RADS Grant	Marble Bar Airport Seal	250,000.00	0.00
RADS Grant	Newman Airport Redevelopment	2,000,000.36	0.00
Federal Dep't Of Transport	Baggage Handling Machine	590,900.00	0.00
		4,304,434.36	1,412,000.00
Contributions			
BHPIO (Sustainability Prog)	Co-location Building	700,000.00	0.00
BHPIO	YMCA	20,909.09	0.00
BHPIO	Fitness Centre Extensions	400,000.00	0.00
BHPIO	Boomerang Oval Light Controller	24,900.00	0.00
BHPIO (Sustainability Prog)	General Projects - Function 11	0.00	1,000,000.00
BHPIO (Sustainability Prog)	General Projects - Function 12	500,000.00	0.00
BHPIO (Sustainability Prog)	Newman Airport Redevelopment	0.00	120,000.00
		1,645,809.09	1,120,000.00
		\$30,809,182.36	\$4,363,329.00

Notes to the Financial Statements

(b) Operating Grants and Contributions

Grant Source	Purpose	2008/2009 \$	2007/2008 \$
State Grants			
WA Grants Commission	General Purpose Grants	3,762,814.00	2,871,994.28
Fire Et Emergency Services	Administration Grant	5,000.00	4,460.00
Fire Et Emergency Services	Nullagine Bush Fire Brigade	17,715.00	17,100.00
WA Govt Agencies	Community Activities	500.00	2,000.00
Dept of Communities	Women's Conference	15,000.00	0.00
Aust Sports commission	Active Sports	1,930.50	5,317.50
Dept Veterans	Nullagine Memorial	3,636.36	0.00
Office of Crime Prevention Grant	Crime Prevention Plan	21,200.00	0.00
State Treasury	Swimming Pool Subsidies	6,000.00	0.00
Art Cultural Activities (RACS)	Martumilli Arts Project	57,307.10	0.00
Art Enterprise Activities (NACIS)	Martumilli Arts Project	110,367.00	0.00
Pilbara Dev't Commission	Indigenous Arts Project	42,200.00	49,980.00
OAD	Indigenous Arts Project	0.00	80,000.00
RACS	Indigenous Arts Project	0.00	76,957.00
NACIS	Indigenous Arts Project	0.00	27,585.00
WA Grants Commission	Untied Road Grants	1,353,174.00	888,300.00
State Dep't of Transport	RPT Bus Service Subsidy	69,999.96	69,999.96
		5,466,843.92	4,093,693.74
Federal Grants			
Dept Family Et Community Ser	Nullagine Youthlinx	13,281.50	31,417.68
Dept Family Et Community Ser	Marble Bar Youthlinx	23,493.25	28,364.78
Dept Family Et Community Ser	Out Of School Hours Care	5,875.00	12,264.00
Dept Family Et Community Ser	Vacation Care	3,875.00	12,264.00
		46,524.75	84,310.46
Contributions			
BHPBIO	Women's Conference	0.00	10,000.00
HWE	Women's Conference	13,636.36	0.00
Big Sky	Women's Conference	454.55	0.00
Tribute Earthmoving Grant	Women's Conference	4,545.45	0.00
BHPBIO	Rubbish Run	24,000.00	0.00
Water Corporation	Newman Sewerage Farm	113,887.03	110,035.78
BHPBIO Contribution	Martumilli Arts Project	131,788.00	0.00
BHPBIO	Newman Community Library	18,000.00	0.00
BHPBIO	Newman T/centre Beautification	49,350.00	0.00
BHPBIO	Newman Rec Centre Extensions	400,000.00	0.00
BHPBIO	Indigenous Sports Officer	0.00	133,400.00
BHPBIO	Community Support	200,000.00	200,000.00
		955,661.39	453,435.78
		\$6,469,030.06	\$4,631,439.98

Notes to the Financial Statements

(c) Grants By Program In Operating Statement

Program	2008/2009 \$	2007/2008 \$
General Purpose Funding	26,172,527.00	2,871,994.28
Governance	0.00	0.00
Law, Order & Public Safety	32,715.00	31,560.00
Education & Welfare	1,396,087.06	111,627.96
Housing	0.00	0.00
Community Amenities	138,887.03	110,035.78
Recreation & Culture	2,060,188.01	1,654,954.00
Transport	7,407,808.36	4,144,597.00
Economic Services	69,999.96	69,999.96
Other Property & Services	0.00	0.00
	37,278,212.42	8,994,768.98

26. Performance Measures

The following performance measures are used to compare Council's financial performance for 2008/2009 with the previous two years:

Performance Measure	How Calculated	2008/2009	2007/2008	2006/2007
(a) Current ratio	current assets minus restricted assets	1.2243	1.8335	2.3594
	current liabilities minus liabilities associated with restricted assets			
(b) Debt ratio	total liabilities	0.0776	0.0612	0.0618
	total assets			
(c) Debt service ratio	debt service cost	0.0319	0.0473	0.0522
	available operating revenue			
(d) Rate coverage ratio	net rate revenue	0.1074	0.2172	0.02347
	operating revenue			
(e) Outstanding rates ratio	rates outstanding	0.0330	0.0376	0.0219
	rates collectable			
(f) Untied Cash to Trade Creditors Ratio	untied cash	4.0360	4.6596	0.1834
	unpaid trade creditors			
(g) Gross Debt to Revenue Ratio	gross debt	0.5110	0.4865	0.6801
	total revenue			
(h) Gross Debt to Economically Realisable Assets	gross debt	0.1321	0.2091	0.2348
	economically realisable assets			

Notes to the Financial Statements

27. 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	08/09	07/08
100,00 - 109,999	1	0
110,000 - 119,999	3	1
160,000 - 169,000	1	0

28. Bad and Doubtful Debts

The following debts were written off during the year:

Rates	\$53,286.49
Sundry Debtors	\$5,116.50

29. Auditors Remuneration

Audit fees incurred during 2008/2009 were \$14,739.58. Comparative fees during 2007/2008 were \$8,848.91.

30. Contingent Liabilities

The Council had no contingent liabilities as at 30 June 2009.

31. Major Land Transactions

The Council undertook no land transactions for the period ending 30 June 2009.

32. Trading Undertakings

The Council had no trading undertakings as at 30 June 2009.

33. Employee Numbers

	08/09	07/08
The number of permanent employees at balance date	60	58

Independent Audit Report



BDO Kendalls

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

We have audited the accompanying financial report of the Shire of East Pilbara, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Council Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

Independence

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

BDO Kendalls is a national association of separate partnerships and entities.
Liability limited by a scheme approved under Professional Standards Legislation.

Independent Audit Report



Auditor's Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the Shire of East Pilbara as of 30 June 2009 and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Accounting Interpretations), the Local Government Act 1995, and Local Government (Financial Management) Regulations 1996.

Report on Other Legal and Regulatory Requirements

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

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

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls

A handwritten signature in black ink that reads 'C Burton'.

Chris Burton
Director

Subiaco, Western Australian
Dated this 17th December 2009

Appendices

A Rating and Valuations

Rate Type	Rate In The Dollar (cents)	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$
General Rate									
GRV - Industrial	3.3856	67	3,577,400	121,116.00	34,095.01	155,211.01	121,100.00	200,000	321,100
GRV - Town Centre	5.7668	30	3,490,360	201,282.00		201,282.00	201,300.00		201,300
GRV - Nullagine	7.9605	13	166,972	12,360.00		12,360.00	13,200.00		13,200
GRV - Marble Bar	7.7418	30	365,976	28,333.00		28,333.00	28,300.00		28,300
GRV - Transient	6.3596	5	4,601,220	292,619.00		292,619.00	292,600.00		292,600
GRV - Other	3.5766	1,340	36,671,340	1,311,587.91		1,311,587.91	1,311,600.00		1,311,600
UV	14.2619	290	13,565,788	1,934,791.00	119,205.81	2,053,996.81	1,934,700.00		1,934,700
UV - Exploration	12.5505	400	5,051,294	636,934.00		636,934.00	633,900.00		633,900
UV - Prospecting	12.5505	100	206,626	25,933.00		25,933.00	25,900.00		25,900
UV - Pastoral	9.7222	43	2,568,495	249,714.00		249,714.00	249,700.00		249,700
Sub Total		2,318	\$70,265,471	\$4,814,669.91	\$153,300.82	\$4,967,970.73	\$4,812,300	\$200,000	\$5,012,300
Minimum Rates									
GRV - Industrial	650.00	5	86,510	3,250		3,250.00	3,300.00		3,300
GRV - Town Centre	650.00	2	22,360	1,300		1,300.00	1,300.00		1,300
GRV - Nullagine	475.00	34	120,722	16,150		16,150.00	16,200.00		16,200
GRV - Marble Bar	475.00	56	246,420	28,025		28,025.00	26,600.00		26,600
GRV - Transient	650.00	0	0	0		0.00	0.00		0
GRV - Other	650.00	626	7,105,955	406,900		406,900.00	406,900.00		406,900
UV - Pastoral	250.00	17	8,536	4,250		4,250.00	4,300.00		4,300
UV - Other	250.00	1,397	767,337	349,250		349,250.00	349,300.00		0
UV - Exploration	250.00	107	86,532	26,500		26,500.00	26,800.00		26,800
UV - Prospecting	250.00	233	291,645	58,250		58,250.00	58,300.00		58,300
Sub Total		2,477	\$8,736,017	\$893,875.00	\$0.00	\$893,875.00	\$893,000	\$0	\$543,700
Total		4,795	\$79,001,488	\$5,708,544.91	\$153,300.82	\$5,861,845.73	\$5,705,300	\$200,000	\$5,556,000

B Loan Repayment Schedule

Loan No	Particulars	Principal 1	New Loans		Principal Repayments Made		Principal Outstanding 30 June 2009		Interest Repayments Made	
		July 2008 Actual	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Administration										
65	Newman Admin Building Upgrade	1,036,734.94	0.00	61,200	61,169.15	975,565.79	975,535	61,905.23	61,900.00	
Housing										
67	Staff Housing	956,923.49	0.00	43,700	43,730.62	913,192.87	913,223	61,810.70	61,800.00	
Transport										
66	Newman Airport Precinct Upgrade	4,568,343.55	0.00	236,600	236,588.99	4,331,754.56	4,331,744	284,843.85	284,900.00	
70	Newman Terminal Upgrade	0.00	2,500,000.00	139,200	0.00	2,500,000.00	2,360,800	0.00	93,400.00	
		\$6,562,001.98	\$2,500,000.00	\$480,700.00	\$341,488.76	\$8,720,513.22	\$8,581,301.98	\$408,559.78	\$502,000.00	





Contacting the Shire of East Pilbara

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