

SHIRE OF EAST PILBARA

ADOPTED BUDGET

For the Year Ending

30 June 2018



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SHIRE OF EAST PILBARA
Statement of Comprehensive Income by Nature or Type
For the Year Ending 30 June 2018

Description	2016/2017		2017/2018
	Budget	Estimated Actual	Budget
OPERATING REVENUE			
Rates	11,258,200	11,123,638.58	11,539,200
Grants And Subsidies	10,506,500	9,413,748.55	13,355,100
Contributions, Reimbursements and Donations	1,752,700	1,959,599.14	3,225,200
Gain On Asset Disposals	2,300	10,701.14	32,300
Fees and Charges	19,263,600	17,403,862.81	17,010,000
Interest	466,300	705,126.37	621,400
Other Revenue/Income	964,200	1,070,104.91	782,000
Service Charges	0	0.00	0
<i>Total Operating Revenue</i>	\$44,213,800	\$41,686,781.50	\$46,565,200
Less: OPERATING EXPENDITURE			
Employee Costs	11,928,400	10,932,174.50	12,008,600
Materials And Contracts	15,255,300	27,662,380.97	14,565,100
Depreciation On Non Current Assets	15,636,800	13,857,708.54	15,602,400
Insurance Expenses	935,700	944,081.38	957,900
Loss On Asset Disposal	145,300	102,014.99	76,800
Interest Expenses	362,000	398,150.01	366,600
Utilities (Gas, Electricity, Water Etc)	1,977,800	1,662,152.40	1,900,900
Other Expenditure	800,500	757,853.63	810,600
	\$47,041,800	\$56,316,516.42	\$46,288,900
Less: Applicable To Capital Expenditure	186,200	15,916,214.15	141,900
<i>Total Operating Expenditure</i>	\$46,855,600	\$40,400,302.27	\$46,147,000
NET PROFIT/(LOSS) RESULT	(\$2,641,800)	\$1,286,479.23	\$418,200
Other Comprehensive Income	\$0	\$0.00	\$0
TOTAL COMPREHENSIVE INCOME	(\$2,641,800)	\$1,286,479.23	\$418,200

SHIRE OF EAST PILBARA
Statement of Comprehensive Income by Program
For the Year Ending 30 June 2018

Description	Note	2016/2017		2017/2018
		Budget	Estimated Actual	Budget
OPERATING REVENUE				
General Purpose Funding		14,167,700	14,174,583.52	14,542,800
Governance		115,000	91,233.14	104,600
Law, Order & Public Safety		101,500	96,397.50	75,700
Health		48,000	69,653.47	50,400
Education & Welfare		131,700	216,643.96	183,100
Housing		331,000	336,427.86	347,800
Community Amenities		6,174,100	4,160,243.36	4,243,600
Recreation & Culture		2,120,800	1,791,869.50	2,276,100
Transport		13,146,200	14,667,482.25	13,059,500
Economic Services		398,400	480,344.43	445,700
Other Property & Services		123,200	384,195.32	227,600
<i>Total Operating Revenue</i>		\$36,857,600	\$36,469,074.31	\$35,556,900
Less: OPERATING EXPENDITURE (Excluding Borrowing Costs Expenses)				
General Purpose Funding		529,600	462,220.14	577,000
Governance		1,969,100	1,083,362.10	2,221,700
Law, Order & Public Safety		1,068,400	981,822.45	1,074,300
Health		637,100	555,915.94	756,400
Education & Welfare		2,207,200	1,648,068.57	1,936,200
Housing		1,091,500	939,836.71	1,061,600
Community Amenities		4,768,400	4,177,811.34	4,444,100
Recreation & Culture		10,408,100	8,919,858.27	10,301,000
Transport		21,513,900	19,758,506.10	21,223,000
Economic Services		1,978,600	1,375,960.22	1,813,500
Other Property & Services		176,400	-3,200.57	294,800
<i>Total Operating Expenditure</i>		\$46,348,300	\$39,900,161.27	\$45,703,600
Less: BORROWING COSTS EXPENSES				
Governance		25,000	27,221.04	20,600
Education & Welfare		0	0.00	0
Housing		121,700	132,461.12	119,900
Community Amenities		80,900	91,621.22	106,200
Recreation & Culture		0	0.00	0
Transport		134,400	146,846.63	119,900
<i>Total Borrowing Costs Expense</i>	11	\$362,000	\$398,150.01	\$366,600
Plus: GRANTS/CONTRIBUTIONS FOR THE DEVELOPMENT OF ASSETS				
General Purpose Funding		0.00	0.00	0
Law, Order & Public Safety		0.00	0.00	0
Education & Welfare		0.00	0.00	5,500,000
Housing		0.00	0.00	0
Community Amenities		1,420,000.00	0.00	0
Recreation & Culture		0.00	0.00	50,000
Transport		4,933,900.00	5,032,006.05	5,326,000
Economic Services		1,000,000.00	175,000.00	100,000
<i>Total Grants/Contributions</i>	10	\$7,353,900	\$5,207,006.05	\$10,976,000
Plus: PROFIT/(LOSS) ON DISPOSAL OF ASSETS				
Governance		(\$5,600)	(\$6,979)	(\$28,800)
Law, Order & Public Safety		(\$4,500)	(\$2,354)	(\$16,600)
Health		(\$7,000)	(\$536)	\$0
Education & Welfare		(\$9,800)	(\$6,897)	\$0
Housing		\$0	\$0	\$0
Community Amenities		(\$4,100)	\$0	\$0
Recreation & Culture		\$0	\$719	(\$100)
Transport		(\$113,200)	(\$70,562)	\$5,700
Economic Services		\$0	(\$7,788)	\$0
Other Property & Services		\$1,200	\$3,083	(\$4,700)
<i>Total Profit/(Loss) on Disposal</i>	8	(\$143,000)	(\$91,314)	(\$44,500)
NET PROFIT/(LOSS) RESULT	3	(\$2,641,800)	\$1,286,455.23	\$418,200
Other Comprehensive Income		\$0	0.00	\$0
TOTAL COMPREHENSIVE INCOME		(\$2,641,800)	\$1,286,455.23	\$418,200

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF EAST PILBARA
Statement of Cash Flows
For the Year Ending 30 June 2018

Description	Note	2016/2017		2017/2018
		Budget	Estimated Actual	Budget
Cash Flows From Operating Activities				
Receipts				
Rates		11,442,400	11,503,239.59	12,107,200
Grants & Subsidies		4,546,600	4,566,718.55	4,629,100
Contributions, Reimbursements & Donations		358,700	1,821,580.15	975,200
Service Charges		0	0.00	0
Fees & Charges		21,605,800	16,182,140.70	19,939,400
Interest Earnings		466,300	705,126.37	621,400
Goods & Services Tax		700,000	1,525,035.89	700,000
Other Revenue/Income		964,200	1,070,104.91	782,000
		\$40,084,000	\$37,373,946.16	39,754,300
Payments				
Employee Costs		12,429,600	12,143,343.70	12,391,700
Materials & Contracts		17,510,800	6,945,640.76	20,239,500
Utilities (Gas, Electricity, Water, etc)		1,977,800	1,662,152.40	1,900,900
Interest Expenses		362,000	398,150.01	366,600
Insurance Expenses		935,700	944,081.38	957,900
Goods & Services Tax		700,000	1,408,085.89	700,000
Other Expenditure		800,500	757,853.63	810,600
		\$34,716,400	\$24,259,307.77	37,367,200
Net Cash Flows From Operating Activities	3	\$5,367,600	\$13,114,638.39	2,387,100
Cash Flows From Investing Activities				
Payments				
Purchase Land and Buildings		4,032,000	1,550,428.15	12,415,000
Purchase Plant and Equipment		2,178,600	1,677,743.25	2,379,000
Purchase Furniture and Equipment		395,000	98,127.60	611,000
Purchase Airport Assets		0	0.00	0
Purchase Infrastructure Assets		12,235,100	5,430,372.57	12,889,800
	7	\$18,840,700	\$8,756,671.57	28,294,800
Receipts				
Sale of Plant and Equipment	8	534,000	460,347.19	244,000
Grants and Contrib for the Development of Assets		7,353,900	5,207,006.05	10,976,000
		\$7,887,900	5,667,353.24	11,220,000
Net Cash Flows From Investing Activities		(\$10,952,800)	(3,089,318.33)	(17,074,700)
Cash Flows From Financing Activities				
Proceeds from New Loans	11	0	0.00	1,000,000
Repayment of Loans	11	764,500	764,499.33	854,400
Net Cash Flows From Financing Activities		(\$764,500)	(\$764,499.33)	145,600
Net Increase/(Decrease) In Cash Held		(\$6,349,700)	\$9,260,820.73	(14,542,000)
Cash At Beginning Of Year		\$29,546,500	\$27,374,145.81	36,635,000
Cash At End Of Year	13a	\$23,196,800	\$36,634,966.54	22,093,000

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF EAST PILBARA
Rate Setting Statement
For the Year Ending 30 June 2018

Description	Note	2016/2017		2017/2018
		Budget	Estimated Actual	Budget
OPERATING REVENUE				
General Purpose Funding		2,909,500	3,050,944.94	3,003,600
Governance		115,000	91,233.14	104,600
Law, Order and Public Safety		101,500	96,397.50	75,700
Health		48,000	69,653.47	50,400
Education and Welfare		131,700	216,643.96	183,100
Housing		331,000	336,427.86	347,800
Community Amenities		6,174,100	4,160,243.36	4,243,600
Recreation and Culture		2,120,800	1,791,869.50	2,276,100
Transport		13,146,200	14,667,482.25	13,059,500
Economic Services		398,400	480,344.43	445,700
Other Property and Services		123,200	384,195.32	227,600
		\$25,599,400	\$25,345,435.73	\$24,017,700
OPERATING EXPENSES				
General Purpose Funding		529,600	462,220.14	577,000
Governance		1,994,100	1,110,583.14	2,242,300
Law, Order and Public Safety		1,068,400	981,822.45	1,074,300
Health		637,100	555,915.94	756,400
Education and Welfare		2,207,200	1,648,068.57	1,936,200
Housing		1,213,200	1,072,297.83	1,181,500
Community Amenities		4,849,300	4,269,432.56	4,550,300
Recreation and Culture		10,408,100	8,919,858.27	10,301,000
Transport		21,648,300	19,905,352.73	21,342,900
Economic Services		1,978,600	1,375,960.22	1,813,500
Other Property and Services		176,400	(3,200.57)	294,800
		\$46,710,300	\$40,298,311.28	\$46,070,200
Net Operating Result Excluding Rates		(\$21,110,900)	(\$14,952,875.55)	(\$22,052,500)
Add:				
Capital Grants and Contributions	10	7,353,900	5,207,006.05	10,976,000
Sale of Assets	8	534,000	460,347.19	244,000
Write Back Depreciation	9	15,636,800	13,857,756.54	15,602,400
		\$23,524,700	\$19,525,109.78	\$26,822,400
Less: CAPITAL WORKS PROGRAMME				
Governance		847,000	410,978.52	545,000
Law, Order and Public Safety		422,000	327,157.90	325,000
Health		65,000	59,526.65	65,000
Education & Welfare		624,000	320,481.66	6,030,000
Housing		409,500	152,463.39	345,000
Community Amenities		2,032,000	349,350.55	1,573,000
Recreation and Culture		2,832,600	1,168,729.43	1,841,000
Transport		11,116,600	5,686,497.52	16,730,800
Economic Services		505,000	72,923.98	750,000
Other Property and Services		227,000	208,561.97	90,000
	7	\$19,080,700	\$8,756,671.57	\$28,294,800
Less: OTHER				
Repayments of Debentures	11	764,500	764,499.33	854,400
Less Contributions to Loan Principal		-	0.00	0
Transfers to Reserves	12	3,121,100	7,819,897.49	1,329,500
		\$3,885,600	\$8,584,396.82	\$2,183,900
Add: FUNDING SOURCES				
Reserves Utilised	12	1,614,900	1,423,644.24	6,576,200
Proceeds From New Debentures	11	0	0.00	1,000,000
Estimated Surplus/(Deficit) July 1 b/fwd		7,771,400	6,940,647.88	6,719,100
		\$9,386,300	\$8,364,292.12	\$14,295,300
Estimated (Surplus)/Deficit June 30 c/fwd		(92,000)	(6,719,096.54)	(125,700)
		\$9,294,300	1,645,195.58	\$14,169,600
TO BE MADE UP FROM RATES	4	\$11,258,200	\$11,123,638.58	\$11,539,200

This statement is to be read in conjunction with the accompanying notes.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

Critical accounting estimates

The preparation of the budget 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Local Government Reporting Entity

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

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. A separate statement of those monies appears at Note 16 to this budget document.

(b) 2016/17 Actual Balances

Balances shown in this budget as 2016/17 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding Off Figures

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

(d) Comparative Figures

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

(d) Budget comparative figures

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

(e) Forecast fair value adjustments

All fair value adjustments relating to re-measurement of financial assets at fair value through profit and loss (if any) and changes to revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Forecast fair value adjustments (continued)

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit and loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transaction and as such, have no impact on this budget document.

(g) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

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

(h) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

(i) Superannuation

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

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

(i) Cash and Cash Equivalents

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

Bank overdrafts, if they exist, are shown as short term borrowings in current liabilities in the statement of financial position.

(k) Trade and Other Receivables

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Inventories

General

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

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

Land Held for re-sale

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

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

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

(m) Fixed Assets

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

Mandatory requirements to revalue non-current assets

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

During the year ended 30 June 2013 the Shire of East Pilbara commenced the process of adopting fair value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation of fixed assets over three years, as at 30 June 2015 all non-current assets were carried at fair value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire of East Pilbara revalues its asset classes in accordance with this mandatory timetable.

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

Initial Recognition and Measurement between Mandatory Revaluation Dates

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Fixed Assets (Continued)

approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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

Land Under Roads

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

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

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

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

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

Depreciation

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

Major depreciation periods used for each class of depreciable asset are:

Non-Infrastructure Assets

Non-Infrastructure Assets will be recognised as items within Councils Asset Register when their value exceeds the following amounts, dependent upon asset class: -

Land	nil
Buildings	nil
Furniture & Equipment	\$1,000
Computer Equipment & Software	\$1,000
Plant & Equipment	\$1,500
Tools	\$1,500

SHIRE OF EAST PILBARA Notes to and forming part of the Budget 2017/18
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1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Fixed Assets (Continued)

Depreciation (Continued)

Major depreciation periods used for each class of depreciable asset are:

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

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

Bridges	75 years
Car Parks	20 years
Culverts	50 years
Cycle Ways	50 years
Drains	25 years
Footpath - In Situ Concrete	50 years
Footpath - Slab	20 years
Irrigation	20 years
Kerbs And Channel	50 years
Manholes	50 years
Median Strips	50 years
Road Seals - Aggregate	15 years
Road Seals - Asphalt	25 years
Road (Sealed) - Pavement	50 years
Road (Unsealed) - Formed	Nil
Road (Unsealed) - Gravel	12 years
Street Lights	25 years
Street Signs	10 years
Water Reticulation Systems	20 years
Parks and Gardens	Nil

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation Techniques

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(n) **Fair Value of Assets and Liabilities (Continued)**

Valuation Techniques (Continued)

The valuation technique selected by the Council are consistent with one or more of the following valuation approaches:

Market approach

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

Income approach

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

Cost approach

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

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

The mandatory measurement framework imposed by the Local Government (financial Management) Regulations requires, as a minimum, all assets to be revalued at least every three years. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards have been made in the budget as necessary.

(o) **Financial Instruments**

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

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

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

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

(v) Financial liabilities

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial Instruments (Continued)

Impairment

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

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

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

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

De-recognition

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

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

(p) Impairment of Assets

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Impairment of Assets (Continued)

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

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2018.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

(q) Trade and Other Payables

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

(r) Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Borrowing Costs

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

(t) Provisions

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

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

(u) Current and Non-Current Classification

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

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

2. REVENUES AND EXPENSES

(a) Net Result

Description	2016/2017		2017/2018
	Budget	Estimated Actual	Budget
The Net Result includes:			
(i) Charging as Expenses			
Auditor's Remuneration			
Audit	20,000	38,215	42,000
Other Services	10,000	8,700	10,000
	30,000	46,915	52,000
Depreciation			
<u>By Program</u>			
Governance	574,700	363,408	443,500
Law, Order and Public Safety	124,900	143,009	161,500
Health	13,600	18,589	24,300
Education and Welfare	321,900	310,680	416,900
Housing	667,800	586,650	644,300
Community Amenities	595,700	486,852	550,800
Recreation and Culture	2,386,000	2,163,591	2,407,200
Transport	10,051,400	9,021,220	10,053,200
Economic Services	197,800	158,929	183,200
Other Property and Services	703,000	604,804	717,500
	15,636,800	13,857,733	15,602,400
<u>By Class</u>			
Land and Buildings	2,906,300	2,641,152	2,984,000
Plant and Equipment	1,986,700	1,332,652	1,548,300
Furniture and Equipment	429,100	181,083	334,600
Infrastructure	10,314,700	9,702,845	10,735,500
	15,636,800	13,857,733	15,602,400
Interest Expenses (Finance Costs)			
Debentures	362,000	398,150	366,600
(ii) Crediting as Revenue:			
Interest Earnings			
Investments			
Reserve Funds	366,300	525,705	477,400
Municipal Funds	100,000	179,422	150,000
Other Interest Revenue	45,000	85,296	65,300
	511,300	790,422	692,700

2. REVENUES AND EXPENSES

(b) Statement of Objectives

In order to discharge its responsibilities to the community, the Shire has developed a set of community based objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

COMMUNITY VISION

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

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

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

GOVERNANCE

Objective:

To provide a decision making process for the efficient allocation of scarce resources.

Activities:

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

LAW, ORDER AND PUBLIC SAFETY

Objective:

To provide services to help ensure a safer and environmentally conscious community.

Activities:

Supervision of local laws, fire prevention and emergency services, and animal control.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

EDUCATION AND WELFARE

Objective:

To provide services to disadvantaged persons, the elderly, children and youth.

Activities:

Community services, grants and contributions to community groups and sponsored support of community aged care.

HOUSING

Objective:

To provide and maintain staff and elderly residents' housing.

Activities:

Aged persons housing and maintenance of staff and leased properties.

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

RECREATION AND CULTURE

Objective:

To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.

Activities:

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

2. REVENUES AND EXPENSES (CONTINUED)
(b) Statement of Objectives (Continued)

TRANSPORT

Objective:

To provide safe, effective and efficient transport services to the community.

Activities:

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

Objective:

To help promote the Shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control Councils overheads operating accounts.

Activities:

Private works carried out by Council and allocations to works and services of all salaries and wages, overheads and plant costs incurred as well as miscellaneous unclassified functions.

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

3. ACQUISITION OF ASSETS

The following assets are budgeted to be acquired during the year:

BY PROGRAM

Description	2017/18 Budget
Governance	
Land & Buildings	0
Plant & Equipment	60,000
Furniture and Equipment	485,000
	545,000
Law, Order & Public Safety	
Land & Buildings	195,000
Plant & Equipment	130,000
	325,000
Health	
Plant & Equipment	65,000
	65,000
Education and Welfare	
Land & Buildings	6,000,000
Plant & Equipment	30,000
	6,030,000
Housing	
Land & Buildings	345,000
	345,000
Community Amenities	
Plant & Equipment	0
Infrastructure	1,573,000
	1,573,000
Recreation & Culture	
Land & Buildings	800,000
Plant & Equipment	370,000
Furniture and Equipment	96,000
Infrastructure	575,000
	1,841,000
Transport	
Land & Buildings	200,000
Plant & Equipment	773,000
Infrastructure	6,676,200
Airport - L&B	4,450,000
Airport - P&E	256,000
Airport - F&E	625,000
Airport - INF	3,750,600
	16,730,800
Economic Services	
Land & Buildings	425,000
Plant & Equipment	10,000
Infrastructure	315,000
	750,000
Other Property & Services	
Plant & Equipment	90,000
	90,000
Grand Total	\$28,294,800

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

3. ACQUISITION OF ASSETS (CONTINUED)

BY CLASS

Description	2017/18 Budget
Land & Buildings	7,965,000
Plant & Equipment	1,498,000
Furniture and Equipment	611,000
Infrastructure Assets	9,139,200
Airport - Land & Buildings	4,450,000
Airport - Plant & Equipment	256,000
Airport - Furniture & Equipment	625,000
Airport - Infrastructure	3,750,600
Grand Total	\$28,294,800

4. DISPOSAL OF ASSETS

The following assets are budgeted to be disposed of during the year:

Disposal Of Capital Items For The Year Ending 30 June 2018			
By Program And Individual Item (all items are of the class "Plant & Equipment")			
Asset Number	Asset Description	Net Book Value	Sale Proceeds
		Budget Profit Or (Loss)	
Program 4 - Governance			
41229A	Toyota Hilux 4x4	38,289	18,000
41224F	Toyota Aurion Prodigy	18,491	10,000
Program 4 Total		56,780	28,000
Program 5 - Law, Order & Public Safety			
P51114F	Toyota Hilux	25,661	20,000
P51113C	Toyota Hilux	28,912	18,000
Program 5 Total		54,573	38,000
Program 11- Recreation and Culture			
81121A	MRE Vehicle 4WD	33,061	33,000
Program 11 Total		33,061	33,000
Program 12 - Transport			
2713C	Toyota 79 Series LC D/C	29,299	30,000
2714E	Toyota 79 Series LC D/C	23,378	30,000
2323B	Isuzu FVZ 1400 Fuel Truck	51,570	25,000
2751A	Case 580SM Backhoe	0	25,000
Program 12 Total		170,369	110,000
Program 14 - Other Property and Services			
P141119	Toyota Prado GXL	39,656	35,000
Program 14 Total		39,656	35,000
Grand Total		354,439	244,000

Loss on Disposals	(76,800)
Profit on Disposals	32,300
	<u>(\$44,500)</u>

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Movement in debentures and interest between the beginning and the end of the current financial year.

Loan Particulars	Amount Of Principal Outstanding At Start Of Year \$	Principal Payment A/c No's	Principal To Be Paid \$	Interest Repayment A/c No's	Interest To Be Paid \$	Total Amount To Be Paid During The Year \$	Amount Of Principal Outstanding At End Of Year \$
ADMINISTRATION (Function 4)							
Newman Office Bldg Redev	331,500	44965	104,000	41165	18,300 2,300	122,300 2,300	227,500
HOUSING (Function 9)							
Staff Housing	442,300	94964	77,600	91001	27,400 3,000	105,000 3,000	364,700 0
Staff Housing	1,276,800	94971	108,400	41165	81,100 8,400	189,500 8,400	1,168,400
COMMUNITY AMENITIES (Function 10)							
Sewerage Plant	1,699,000	94972	109,600	101001	75,100 11,200	184,700	1,589,400
Sewerage Plant	0	NEW	43,100	NEW	15,400 4,500	58,500	956,900
TRANSPORT (Function 12)							
Newman Airport Precinct	1,810,200	124966	411,700	121189	106,800 13,100	518,500 13,100	1,398,500
	5,559,800		854,400		366,600	1,205,300	5,705,400

All loan repayments will be financed by general purpose revenue.

(b) New Debentures

Council anticipate the drawdown of a new loan for 2017/18 of \$1 million to undertake works at the Newman Sewerage Plant.

(c) Unspent Debentures

Nil

(d) Overdraft

An overdraft facility did not exist at 01 July 2017 nor is it proposed to utilise any bank overdraft facilities during 2017/18.

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

6. RESERVES

<u>Reserve Funds</u>	2016/17 Budget \$	2016/17 Estimated Actual \$	2017/18 Budget \$
Alice Springs Road			
<i>Opening Balance</i>	198,500	200,410.14	205,000
Interest Earned During Year	5,000	4,606.88	4,300
Transfer From Municipal Fund	0	0.43	0
Transfer To Municipal Fund	100,000	0.00	100,000
<i>Closing Balance</i>	\$103,500	\$205,017.45	\$109,300
Cape Keraudren Development			
<i>Opening Balance</i>	333,000	336,214.22	343,900
Interest Earned During Year	8,300	7,728.64	7,200
Transfer From Municipal Fund	0	0.00	0
Transfer To Municipal Fund	100,000	0.00	100,000
<i>Closing Balance</i>	\$241,300	\$343,942.86	\$251,100
Heavy Road Plant			
<i>Opening Balance</i>	1,746,000	1,762,864.02	1,854,000
Interest Earned During Year	43,700	41,132.07	46,400
Transfer From Municipal Fund	50,000	50,000.00	0
Transfer To Municipal Fund	0	0.00	0
<i>Closing Balance</i>	\$1,839,700	\$1,853,996.09	\$1,900,400
Computer Technology			
<i>Opening Balance</i>	123,100	124,285.11	152,400
Interest Earned During Year	3,100	3,161.32	3,800
Transfer From Municipal Fund	25,000	25,000.00	100,000
Transfer To Municipal Fund	0	0.00	0
<i>Closing Balance</i>	\$151,200	152,446.43	\$256,200
Newman Recreation Centre Maintenance			
<i>Opening Balance</i>	238,500	240,841.24	246,400
Interest Earned During Year	6,000	5,536.26	2,100
Transfer From Municipal Fund	0	0.00	0
Transfer To Municipal Fund	150,000	0.00	150,000
<i>Closing Balance</i>	\$94,500	\$246,377.50	\$98,500
Long Service Leave			
<i>Opening Balance</i>	612,200	618,116.06	657,600
Interest Earned During Year	15,300	14,513.13	16,400
Transfer From Municipal Fund	25,000	25,000.00	25,000
Transfer To Municipal Fund	0	0.00	0
<i>Closing Balance</i>	\$652,500	\$657,629.19	\$699,000
Newman Airport			
<i>Opening Balance</i>	9,712,100	9,915,696.42	15,758,900
Interest Earned During Year	121,400	291,799.57	234,000
Transfer From Municipal Fund	2,104,800	6,321,645.52	0
Transfer To Municipal Fund	0	770,280.72	5,319,500
<i>Closing Balance</i>	\$11,938,300	\$15,758,860.79	\$10,673,400
Newman Sewerage Plant			
<i>Opening Balance</i>	107,200	108,265.25	110,800
Interest Earned During Year	2,700	2,488.70	2,300
Transfer From Municipal Fund	0	0.00	0
Transfer To Municipal Fund	0	0.00	0
<i>Closing Balance</i>	\$109,900	\$110,753.95	\$113,100
Oval Lights Maintenance			
<i>Opening Balance</i>	132,600	133,918.65	137,000
Interest Earned During Year	3,300	3,078.41	2,900
Transfer From Municipal Fund	0	0.00	0
Transfer To Municipal Fund	120,000	0.00	0
<i>Closing Balance</i>	\$15,900	\$136,997.06	\$139,900

continued next page

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

6. RESERVES (CONTINUED)

<u>Reserve Funds</u>	2016/17 Budget \$	2016/17 Estimated Actual \$	2017/18 Budget \$
		<i>continued from previous page</i>	
Recreation Facilities Maintenance			
<i>Opening Balance</i>	1,085,300	1,095,770.91	1,121,000
Interest Earned During Year	27,100	25,188.76	23,400
Transfer From Municipal Fund	0	0.00	0
Transfer To Municipal Fund	200,000	0.00	0
<i>Closing Balance</i>	\$912,400	\$1,120,959.67	\$1,144,400
Staff Housing			
<i>Opening Balance</i>	741,800	748,965.83	867,400
Interest Earned During Year	18,500	18,434.05	16,200
Transfer From Municipal Fund	100,000	100,000.00	0
Transfer To Municipal Fund	0	0.00	0
<i>Closing Balance</i>	\$860,300	\$867,399.88	\$883,600
Newman Town Centre Revitalisation			
<i>Opening Balance</i>	192,700	193,722.40	325,500
Interest Earned During Year	4,800	5,982.08	4,500
Transfer From Municipal Fund	125,000	125,824.88	0
Transfer To Municipal Fund	0	0.00	0
<i>Closing Balance</i>	\$322,500	\$325,529.36	\$330,000
Public Art			
<i>Opening Balance</i>	115,300	115,533.58	118,200
Interest Earned During Year	2,900	2,655.81	2,400
Transfer From Municipal Fund	0	0.00	0
Transfer To Municipal Fund	0	0.00	0
<i>Closing Balance</i>	\$118,200	\$118,189.39	\$120,600
Waste Management			
<i>Opening Balance</i>	1,075,700	1,088,513.87	1,113,500
Interest Earned During Year	26,900	25,021.93	23,200
Transfer From Municipal Fund	0	0.00	0
Transfer To Municipal Fund	200,000	0.00	420,000
<i>Closing Balance</i>	\$902,600	\$1,113,535.80	\$716,700
Town Centre Public Toilet			
<i>Opening Balance</i>	1,000	970.74	1,000
Interest Earned During Year	0	22.30	0
Transfer From Municipal Fund	0	0.00	0
Transfer To Municipal Fund	0	0.00	0
<i>Closing Balance</i>	\$1,000	\$993.04	\$1,000
Annual Leave			
<i>Opening Balance</i>	433,800	437,966.47	473,300
Interest Earned During Year	10,800	10,371.98	11,800
Transfer From Municipal Fund	25,000	25,000.00	0
Transfer To Municipal Fund	0	0.00	0
<i>Closing Balance</i>	\$469,600	\$473,338.45	\$485,100
Royalties for Regions			
<i>Opening Balance</i>	416,100	420,062.52	263,400
Interest Earned During Year	10,400	9,656.07	9,000
Transfer From Municipal Fund	0	0.00	0
Transfer To Municipal Fund	426,200	166,281.04	270,000
<i>Closing Balance</i>	\$300	\$263,437.55	\$2,400
		<i>continued next page</i>	

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

6. RESERVES (CONTINUED)

<u>Reserve Funds</u>	2016/17 Budget \$	2016/17 Estimated Actual \$	2017/18 Budget \$
		<i>continued from previous page</i>	
Newman Tomorrow Project Maintenance			
Opening Balance	47,600	48,601.58	49,700
Interest Earned During Year	1,200	1,117.22	1,000
Transfer From Municipal Fund	0	0.00	0
Transfer To Municipal Fund	0	0.00	20,000
Closing Balance	\$48,800	\$49,718.80	\$30,700
Newman House			
Opening Balance	406,500	410,454.52	470,500
Interest Earned During Year	10,200	10,043.91	8,900
Transfer From Municipal Fund	50,000	50,000.00	50,000
Transfer To Municipal Fund	0	0.00	0
Closing Balance	\$466,700	\$470,498.43	\$529,400
Public Building Maintenance			
Opening Balance	1,167,100	1,178,338.29	1,458,500
Interest Earned During Year	29,200	30,130.25	36,500
Transfer From Municipal Fund	250,000	250,000.00	90,000
Transfer To Municipal Fund	0	0.00	0
Closing Balance	\$1,446,300	\$1,458,468.54	\$1,585,000
Martumili Operations			
Opening Balance	620,400	621,967.22	420,100
Interest Earned During Year	15,500	12,641.01	21,100
Transfer From Municipal Fund	0	272,547.47	0
Transfer To Municipal Fund	318,700	487,082.48	196,700
Closing Balance	\$317,200	\$420,073.22	\$244,500
Martumili Infrastructure			
Opening Balance	0	0.00	50,400
Interest Earned During Year	0	394.15	0
Transfer From Municipal Fund	0	50,000.00	100,000
Transfer To Municipal Fund	0	0.00	0
Closing Balance	\$0	\$50,394.15	\$150,400
Community Housing Reserve			
Opening Balance	0	0.00	0
Interest Earned During Year	0	0.00	0
Transfer From Municipal Fund	0	0.00	23,400
Transfer To Municipal Fund	0	0.00	0
Closing Balance	\$0	\$0.00	\$23,400
Major Infrastructure			
Opening Balance	0	0.00	0
Interest Earned During Year	0	0.00	0
Transfer From Municipal Fund	0	0.00	463,700
Transfer To Municipal Fund	0	0.00	0
Closing Balance	\$0	\$0.00	\$463,700
Totals - All Reserves			
Opening Balance	19,506,500	19,801,479.04	26,198,500
Interest Earned During Year	366,300	525,704.50	477,400
Transfer From Municipal Fund	2,754,800	7,295,018.30	852,100
Transfer To Municipal Fund	1,614,900	1,423,644.24	6,576,200
Closing Balance	\$21,012,700	\$26,198,557.60	\$20,951,800

All of the above Reserve Accounts are supported by monies held in financial institutions.

6. RESERVES (CONTINUED)

In accordance with Council resolutions in relation to each Reserve Account, the purposes for which the funds are set aside are as follows:

Alice Springs Road

To help maintain the road link to Alice Springs from Marble Bar to the Northern Territory border.

Heavy Road Plant

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

Cape Keraudren Development

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

Computer Technology

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

Newman Recreation Centre Maintenance

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

Newman Sewerage 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.

Newman Airport

For the upgrading, maintenance and enhancement of the Newman Airport facilities.

Oval Lights Maintenance

To maintain and upgrade the lights at Capricorn Oval, Newman.

Long Service Leave

To provide for the payment of future leave entitlements to staff.

Recreation Facilities Maintenance

For the upgrading and enhancement of recreation facilities.

Staff Housing

For the upgrading and maintenance of staff housing assets.

Newman Town Centre Revitalisation

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

Waste Management

For the development, maintenance & enhancement of waste management facilities.

Public Art

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

6. RESERVES (CONTINUED)

Town Centre Public Toilet

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

Annual Leave

To provide for the payment of annual leave entitlements to staff.

Royalties for Regions – Pilbara Revitalisation

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

Newman House

For the maintenance, upgrading and replacement of Newman House.

Newman Tomorrow Project Maintenance

For the maintenance and repairs of all Newman Tomorrow projects funded by BHP Billiton Iron Ore.

Public Building Maintenance

For the maintenance, upgrading and replacement of all Council Public Buildings.

Martumili Operations

To hold and utilise the surplus funds from the Martumili Artist operations.

Martumili Infrastructure

For the maintenance, upgrading and replacement of Martumili Infrastructure.

Community Housing

For the maintenance, upgrading and replacement of Community Housing.

Major Infrastructure

For the development of new or replacement infrastructure with total project cost of greater than one (1) million dollars. (The reserve is not to be accessed until at least the 2020/2021 financial year.)

Funds for the establishment and growth of this reserve will initially come from the following source:

- The Newman Airport Operating Account, calculated on the basis of 10% of the surplus of operating income over operating expenses minus non cash items ie depreciation.

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position

	2016/2017	2017/2018
	Estimated Actual	Budget
Current Assets		
Cash at Bank		
Municipal Fund Bank	6,344,529.21	153,600.00
Floats	17,415.41	18,000.00
Debtors		
Sundry Debtors	2,969,644.32	40,200.00
Rates	777,942.11	210,000.00
Inventories		
Stock on Hand	68,942.22	80,000.00
Investments		
Municipal Fund	4,074,464.32	969,600.00
Reserve Investments - Restricted	26,198,557.60	20,951,800.00
Total Current Assets	\$40,451,495.19	\$22,423,200
Less: Current Liabilities		
Sundry Creditors and Provisions	(\$7,533,841.05)	(\$1,345,700.00)
Total Current Liabilities	(\$7,533,841.05)	(\$1,345,700)
Net Current Asset Position	\$32,917,654.14	\$21,077,500
Less: Cash - Restricted	26,198,557.60	20,951,800
Estimated Surplus/(Deficiency) C/Fwd	\$6,719,096.54	\$125,700

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

8. RATING INFORMATION

Rate Type	Rate Value	Number of Properties	Rateable Value \$	2017/18			2016/17
				Budgeted Rate Revenue \$	Budgeted Interim Rates \$	Budgeted Total Revenue \$	Estimated Actual \$
General Rate	Cents in \$						
GRV - Industrial	1.5901	94	13,264,030	210,911		210,900	4,241,984.51
GRV - Town Centre	4.4963	33	5,657,166	254,363		254,400	
GRV - Transient Workforce Acc	4.4963	18	36,275,200	1,631,042		1,631,000	
GRV - Nullagine Townsite	4.4805	22	321,412	14,401		14,400	
GRV - Other	3.1645	1,899	76,702,506	2,427,251		2,427,400	
UV - Pastoral / Special Leases	5.9121	46	5,242,213	309,925		309,900	
UV - Other	17.7505	1,144	34,310,040	6,090,204		6,090,200	6,292,021.71
				0	30,600	30,600	15,477.36
Sub Total		3,256	\$171,772,567	\$10,938,096	\$30,600	\$10,968,800	\$10,549,483.58
Minimum Rates	Minimum \$						
GRV - Industrial	663.00	25	660,830	16,575		16,600	432,935.00
GRV - Town Centre	663.00	9	69,312	5,967		6,000	
GRV - Transient Workforce Acc	663.00	1	0	663		700	
GRV - Nullagine Townsite	265.00	20	52,224	5,300		5,300	
GRV - Other	663.00	607	5,741,607	402,441		402,400	
UV - Pastoral / Special Leases	230.00	23	14,347	5,290		5,300	
UV - Other	230.00	583	413,912	134,090		134,100	141,220.00
Sub Total		1,268	\$6,952,232	\$570,326	\$0	\$570,400	\$574,155.00
Total Rates Levied		4,524	\$178,724,799	\$11,508,422	\$30,600	\$11,539,200	\$11,123,638.58

In accordance with Section 6.36 of the Local Government Act 1995, the Shire of East Pilbara is required to publish its Objects and Reasons for implementing Differential Rates. Those objects and reasons are noted below:

OVERALL OBJECTIVE

The objective of Council's rates is to collect revenue on an equitable basis in order that services to ratepayers can be provided throughout the Shire. The rates are raised to achieve a balanced budget.

The basis for calculation of rates is the Gross Rental Values (GRV) and Unimproved Values (UV) provided for each individual property in the Shire by the Valuer General's Office. UV's for rural properties are provided every year and GRV's for residential, commercial and industrial properties are generally provided every three years.

As part of the budget process operating income and expenditure has been reviewed. This review has included projected changes to income and expenditure, efficiency measures and proposed capital works. The differential rating model directly influences Council's ability to fund its expenditure requirements in the 2017/2018 budget.

Currently Council's adopted Long Term Financial Plan includes a 4.0% rate increase for the 2017/2018 year however sound financial management means that Council can adopt a lower increase based on proposed expenditure including capital, and projected revenues. It is therefore possible to adopt a balanced budget with a 3.0% increase in the rate in the dollar across all categories.

The proposed rates in the dollar attempts to balance the need for revenue to fund essential services and capital, with the desire to minimise the impact that rates have on ratepayers. The proposed rates in the dollar will generate sufficient fund to continue to provide services and facilities at the current level and also allow for necessary renewal of assets. Limited new services and infrastructure, in line with the Community Strategic Plan, were also considered and provided where possible.

8. RATING INFORMATION (CONTINUED)

Council has determined its required rates yield after reviewing all revenue sources, expenditure and efficiency measures as part of its budget deliberations. The Rate in the Dollar applied to the valuations to determine property rates has been increased by 3% over all land uses. This ensures an equitable distribution of the required rates yield from one year to the next consistent with Council’s approach in previous years.

Zoning and land use codes are stipulated by the Shire’s Town Planning Scheme No 4 (TPS4) which was adopted in December 2005. In TPS4 all land outside of townsites is zoned rural (hence have UV valuations) and the land uses are mining, pastoral and special leases. The exception to this is the recent gazetting of accommodation units on some mine sites by the Department of Local Government, to allow for GRV valuations. Within the townsites the zonings include residential, industrial, town centres in Newman and Marble Bar and the transient workforce accommodation. Nullagine Townsite is classed as one zone only allowing mixed use. Townsites have GRV valuations.

GROSS RENTAL VALUE PROPERTIES

Local Governments, under section 6.36 of the Local Government Act 1995, have the power to implement differential rating to take into account certain characteristics of the rateable land. The following rate categories have been established.

	Rate in \$ Cents	Minimum
Gross Rental Value – Other	3.1645	\$663
Gross Rental Value – Industrial	1.5901	\$663
Gross Rental Value – Nullagine Townsite	4.4805	\$265
Gross Rental Value – Town Centre (Newman & Marble Bar)	4.4962	\$663
Gross Rental Value – Transient Workforce Accommodation	4.4962	\$663

Other

This category includes any property zoned residential or otherwise that is used in a domestic capacity as determined by Council. This rate has been increased by 3% from last year and reflects the level of rating required to raise the necessary revenue for Council to operate efficiently and provide a diverse range of services. This is the base general rate in the GRV category and has been set to maintain an equitable rate yield in comparison to past years.

Industrial

This category includes properties zoned as industrial. The rate in the dollar has been set at a lower amount to offset the relatively high valuations within this category which came about as a result of revaluations in 2008/09 when the Industrial valuations increased significantly more than other GRV properties and Council decided that to maintain the rate yield from that category plus CPI, the rate in the dollar would have to be decreased significantly. In 2012/13 the Industrial Valuations more than doubled and Council again decided, for equity and fairness, to maintain the rates yield for that category the same as others and therefore reduced the rate in the dollar again.

Townsite - Nullagine

Due to the diverse makeup of the town of Nullagine the whole of the gazetted town area has been zoned as Nullagine Town Centre. This category includes commercial, community and residential properties with the town centre zoning. This rate is set slightly higher than GRV “Other” to reflect the level of rating required to raise the necessary revenue for Council to operate efficiently and provide a diverse range of services to meet the needs of the township of Nullagine including parking public toilets and civic amenities.

8. RATING INFORMATION (CONTINUED)

Town Centre - Newman and Marble Bar

These categories include properties zoned town centre in Newman and Marble Bar. The category includes both commercial and residential properties within the town centre zoning which provides services to the town's population. This rate has been increased by 3% from last year but is set higher than GRV Other to reflect the level of rating required to raise the necessary revenue for Council to operate efficiently and provide a diverse range of services required of a functional town centre such as parking, public toilets and civic amenities.

Transient Workforce Accommodation

This category applies to properties where the land use is predominately Workforce Accommodation and has been equated to Town Centres which is where most other accommodation is offered. After a significant reduction in rates last year, 38%, this rate has been increased by 3% from last year but is set slightly higher than GRV Other to reflect the level of rating required to raise the necessary revenue for Council to operate efficiently and provide a diverse range of services, taking into account the impact this category has on the utilisation of community infrastructure, services and amenities within the Shire of East Pilbara.

UNIMPROVED VALUE PROPERTIES

UV Properties are assessed annually by Council to determine that the land is primarily undeveloped and used for rural purposes.

The following rate categories have been established.

	Rate in \$ Cents	Minimum
Unimproved Value – Pastoral/Special Leases	5.9121	\$230
Unimproved Value – Other Leases (AML, Mining, General, Petroleum, Exploration and Prospecting)	17.7505	\$230

Pastoral/Special Leases

This category includes properties zoned as agriculture or farming. The rate in the dollar has been set at a lower amount to offset the relatively high valuations within this category which came about as a result of revaluations in 2006-2007 when the Pastoral Lease valuations increased significantly more than Other Leases and then in 2010-2011 the Pastoral Lease Valuations more than doubled whereas the Other Leases only increased by around 3%. Council implemented differential rates which were more than double in the UV category in 2010-2011 and this has continued ever since. This rate in the dollar is set lower than UV Other in order to maintain equity and fairness in the rates yield for this category.

Other Leases (AML, Mining, General, Petroleum, Exploration and Prospecting)

This category includes all other leases. The rate in the dollar for this category is set higher than the UV Pastoral/Special as these assessments are serviced by East Pilbara townships when necessary and include much higher usage of airports, roads, etc. This is the base general UV rate in the dollar which has been increased by 3% from last year and is set to maintain equity and fairness in the rates yield for this category.

Minimums

Council has also established minimum rates for each land use group. These minimums may exceed the amount that would be calculated if a particular property had its valuation multiplied by the rate in the dollar for the particular land use.

9. SPECIFIED AREA RATE

No Specified Area Rates will be levied during 2017/18.

8. RATING INFORMATION (CONTINUED)

10. SERVICE CHARGES

No Service Charges will be applied in 2017/18.

11. FEES AND CHARGES

Rubbish Collection

The charge for a rubbish collection service (Community Amenities) shall be \$260 per service and applied to 2,336 properties generating a total income of \$607,400.

Sewerage Rates

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

The rate to be imposed for the 2017/18 year will be 0.7401 cents in the dollar gross rental value of the property. The total expected revenue from this rate is \$711,900.

12. RATE PAYMENT DISCOUNTS, WAIVERS & CONCESSIONS

No discount for the early payment of rates will be offered in 2017/18.

Incentives are offered for the early payment of rates in accordance with Council's Rate Payment Incentive Prize Policy, as detailed below: -

First Prize:

Shire of East Pilbara rates refund (up to a value of \$1,000.00 not including service charges)

Second Prize

Shire of East Pilbara rates refund (up to a value of \$500.00 not including service charges)

Third Prize

AHG Service Centre, Newman – Voucher to the value of \$500.00

Fourth Prize

AHG Service Centre, Newman – Voucher to the value of \$500.00

Fifth Prize

The Esplanade Hotel, Port Hedland – Voucher to the value of \$150.00

A total of \$9,200 rates are estimated to be written off during the year. The majority of this estimate relates to mining tenements that have lapsed and become uncollectable.

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

13. INTEREST CHARGES AND INSTALMENTS

(a) Interest Penalty

Interest at a rate of 8% per annum will apply for the late payment of rates if the single payment option is selected or an agreement is entered into outside of the normal instalment option. An interest rate of 4% will apply if an instalment option is selected. It is estimated that the total amount of interest to be collected in 2017/2018 will be \$65,300.

The interest penalty will accrue daily on a simple interest basis as follows: -

No instalment option

Interest shall accrue on rates outstanding for thirty-five days after the issue date (i.e. 8 September 2017). Eligible pensioners are exempt.

Instalment option taken

Interest shall accrue daily on any instalment payment that remains unpaid after the due date of that instalment and will continue to accrue until such time as that instalment is paid. Eligible pensioners are exempt.

Arrears

Interest shall begin to accrue from 1 July 2017 on all rates, including previous interest charges, which remain in arrears. Eligible pensioners are exempt.

(b) Instalments

Option 1 (Full Payment)

Full amount of rates and charges, including arrears, to be paid on or before 8 September 2017 or 35 days after the date of service, appearing on the rate notice, whichever is the later.

Option 2 (4 Instalments)

First instalment to be received on or before 8 September 2017 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and quarter of the current rates and service charges. Second, third and fourth instalments are to be made on or before the following dates: -

2nd Due Date:	10 November 2017
3rd Due Date:	12 January 2018
4th Due Date:	16 March 2018

An administration fee of \$5.00 is payable on the second and any subsequent payments made under an instalment option to cover the cost of producing reminder notices. The total expected revenue from the imposition of this fee for 2017/18 is \$6,800.

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

The total revenue from the imposition of the interest and administration charge under this option is estimated at \$22,100 and is dissected as follows: -

Option 2 Details	2017/2018 Budget \$
Administration Charge	6,800
Interest Charges	15,300
	<u>22,100</u>

Other Arrangements

An administration fee of \$50.00 is payable for any Rates Payment Agreement outside of the normal instalment option.

14. FEES AND CHARGES REVENUE

Function Name	Function No	2016/2017		2017/2018
		Estimated	Actual	Budget
		\$		\$
General Purpose Funding	3	91,996.07		74,100
Governance	4	11,882.68		12,400
Law, Order & Public Safety	5	36,696.00		36,700
Health	7	48,438.43		50,400
Education & Welfare	8	13,696.06		16,500
Housing	9	303,041.18		237,200
Community Amenities	10	3,994,813.84		4,077,400
Recreation & Culture	11	860,295.11		800,500
Transport	12	11,831,058.58		11,466,000
Economic Services	13	242,426.65		223,500
Other Property & Services	14	6,753.58		15,300
		<u>\$17,441,098.18</u>		<u>\$17,010,000</u>

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

15. ELECTED MEMBERS' REMUNERATION

The following fees, expenses and allowances are to be paid to council members and the president.

Details	2016/17		2017/18
	Estimated	Actual	Budget
President's Meeting Fees	29,450		29,500
Councillor' Meeting Fees	148,688		152,500
Presidential Allowance	33,500		33,500
Deputy President's Allowance	8,380		8,400
Telecommunications Allowance	4,072		12,000
Members' Travelling	15,095		16,700
Members' Expenses Reimbursed	0		100
	<u>239,185</u>		<u>252,700</u>

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows: -

Details	2016/17		2017/18
	Budget	Estimated Actual	Budget
Cash - Unrestricted	2,184,100	10,436,409	1,141,200
Cash - Restricted	21,012,700	26,198,558	20,951,800
	23,196,800	36,634,967	22,093,000
The following restrictions have been imposed by regulation or other externally imposed requirements: -			
<u>Reserves - Restricted</u>			
Alice Springs Road	103,500	205,017	109,300
Cape Keraudren Development	241,300	343,943	251,100
Heavy Road Plant	1,839,700	1,853,996	1,900,400
Computer Technology	151,200	152,446	256,200
Newman Recreation Centre Maintenance	94,500	246,378	98,500
Long Service Leave	652,500	657,629	699,000
Newman Airport	11,938,300	15,758,861	10,673,400
Newman Sewerage Plant	109,900	110,754	113,100
Oval Lights Maintenance	15,900	136,997	139,900
Recreation Facilities Maintenance	912,400	1,120,960	1,144,400
Staff Housing	860,300	867,400	883,600
Newman Town Centre Revitalisation	322,500	325,529	330,000
Public Art	118,200	118,189	120,600
Waste Management	902,600	1,113,536	716,700
Town Centre Public Toilet	1,000	993	1,000
Annual Leave	469,600	473,338	485,100
Royalties for Regions	300	263,438	2,400
Newman Tomorrow Project Maintenance	48,800	49,719	30,700
Newman House	466,700	470,498	529,400
Public Building Maintenance	1,446,300	1,458,469	1,585,000
Martumili Operations	317,200	420,073	244,500
Martumili Infrastructure	0	50,394	150,400
Community Housing Reserve	0	0	23,400
Major Infrastructure	0	0	463,700
	21,012,700	26,198,558	20,951,800

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

16. NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

	2016/2017		2017/2018
	Budget	Estimated Actual	Budget
Profit/(Loss) Resulting from Operations	(2,641,800.00)	1,286,455.23	418,200.00
Add/(Less) Non Cash Items			
Depreciation	15,636,800.00	13,857,756.54	15,602,400.00
(Increase)/Decrease in Receivables	2,526,400.00	(503,214.04)	3,497,400.00
(Profit)/Loss on Sale of Assets	143,000.00	91,313.85	44,500.00
Increase/(Decrease) in Creditors & Provisions	(2,975,400.00)	3,546,608.11	(6,188,300.00)
(Increase)/Decrease in Stock On Hand	32,500.00	42,724.75	(11,100.00)
Grants/Contributions for the Development of Assets	(7,353,900.00)	(5,207,006.05)	(10,976,000.00)
Net Cash provided by Operating Activities	\$5,367,600.00	\$13,114,638.39	\$2,387,100

(c) Undrawn Borrowing Facilities Credit Stand-by Arrangements

Details	2016/17		2017/18
	Budget	Estimated Actual	Budget
Bank Overdraft Limit	0	0	0
Bank Overdraft at Balance Date	0	0	0
Credit Card Limit	25,000	25,000	25,000
Credit Card at Balance Date	0	10,157	0
Total Amount of Credit Unused	25,000	35,157	25,000
Loan Facilities			
Loan Facilities in use at Balance Date	5,559,800	5,559,800	5,705,400
Unused Loan Facilities at Balance Date	0	0	0

SHIRE OF EAST PILBARA
Notes to and forming part of the Budget 2017/18

17. TRUST FUNDS

Estimated movement in funds held over which the municipality has no control and which are not included in the financial statement as follows: -

Details	Balance 1/07/2017	2017/18		Estimated Balance 30/06/2017
		Estimated Receipts	Estimated Payments	
EPSC Social Club	(10,669)	4,000	8,206	(6,463)
EPSC Lotto Syndicate	(579)	1,000	1,500	(79)
Refreshments Trust	(694)	1,100	650	(1,144)
FAO - Booking Bonds	(3,700)	1,100	650	(4,150)
Building & Road Side Kerbing Retentions	(251,000)	100,000	300,000	(51,000)
BCITF Holding	0	60,686	60,000	(686)
Recreation Centre Holding	(4,000)	1,500	5,500	0
Unclaimed Monies	(53,561)	10,000	13,200	(50,361)
Martumilli Arts Trust Account	(197,365)	100,000	202,400	(94,965)
BRB Receipts	0	105,000	105,000	0
Retention Monies Held	(14,783)	20,000	15,500	(19,283)
Maintenance Bond	(26,795)	25,000	26,800	(24,995)
Martumili Unclaimed Monies	(14,155)	500	10,000	(4,655)
Tourist Assoc. - Souvenir Sales	(303)	500	750	(53)
	(577,603.39)	430,386	750,156	(257,833)

18. MAJOR LAND TRANSACTION

It is not anticipated that any major land transactions will occur during 2017/18.

19. TRADING UNDERTAKINGS & MAJOR TRADING UNDERTAKINGS

It is not anticipated that any trading undertakings or major trading undertakings will occur in 2017/18.

SHIRE OF EAST PILBARA
Operating/Capital Statements – Account Detail to the Budget 2017/18

A. DETAILED ACQUISITION OF ASSETS

Acquisitions 2017/2018	2017/18 Budget
Function 4 - Expenditure	
<i>Other Governance</i>	
49001 Computer Equipment	400,000
49015 Chamber Furniture	50,000
49040 Nwn- Archive Shed Compactus	35,000
49041 CAM Vehicle SR Dual Cab (41231)	60,000
	<u>\$545,000</u>
Function 5 - Expenditure	
<i>Fire Prevention/Emergency Services</i>	
59006 CRES Vehicle - 4WD Ute (51113)	65,000
59007 Ranger Vehicle - 2WD (51114)	65,000
<i>Animal Control</i>	
59019 ** Animal Management Facility	195,000
	<u>\$325,000</u>
Function 7 - Expenditure	
<i>Health</i>	
79002 EHO Vehicle - 4WD (71092)	65,000
	<u>\$65,000</u>
Function 8 - Expenditure	
<i>Education and Welfare</i>	
89011 Newman Christmas Tree	30,000
89017 Newman Youth Centre Development	6,000,000
	<u>\$6,030,000</u>
Function 9 - Expenditure	
<i>Housing</i>	
99019 Staff Housing Capital - M/Bar and Nullagine	120,000
99020 Staff Housing Capital - Newman	215,000
99022 Piri Smith Retirement Unit Upgrade	10,000
	<u>\$345,000</u>
Function 10 - Expenditure	
<i>Sanitation Other</i>	
109019 Septage Ponds	350,000
109029 Marble Bar Tip Improvements	30,000
109030 Nullagine Tip Improvements	40,000
109034 Newman Landfill Improvements	120,000
<i>Sewerage</i>	
109002 Sewerage Plant Capital Improvements	1,033,000
	<u>\$1,573,000</u>

SHIRE OF EAST PILBARA
Operating/Capital Statements – Account Detail to the Budget 2017/18

A. DETAILED ACQUISITION OF ASSETS (CONTINUED)

Acquisitions 2017/2018	2017/18 Budget
Function 11 - Expenditure	
<i>Public Halls & Civic Centres</i>	
119019 Town Square Fit out	35,000
119020 East Pilbara Arts Centre	650,000
<i>Swimming Areas/Beaches</i>	
119045 Newman Aquatic Centre - INFRA	345,000
119062 M/B Aquatic Centre - P&E	50,000
119047 UV Meters	15,000
<i>Recreation Centre</i>	
119623 Point of Sale System	30,000
119626 Newman Recreation Centre	150,000
<i>Other Culture</i>	
119401 Computer Equipment	10,000
119410 Martumili Art Collection	16,000
119415 Martumili - Office Equipment	5,000
<i>Recreation Admin</i>	
119203 MRE - 4WD (111*** previously 81121)	65,000
119204 Timing Equipment	20,000
<i>Recreation Ovals/Parks & Other</i>	
119704 Minor Equipment - Parks & Gardens	50,000
119705 Turf Mower	15,000
119708 Ride on Mover	55,000
119709 Playground Equipment	100,000
119736 Newman Cenotaph - War Memorial	200,000
119737 Nullagine Water Drinking Fountain	30,000
	<u>\$1,841,000</u>
Function 12 - Expenditure	
<i>Road Construction</i>	
129545 Marble Bar / Woodstock	225,000
129546 Jigalong Rd	555,000
129548 Muccan Shay Gap Road	303,000
129551 Woodie Woodie Road	521,300
129553 Balfour Downs Road	210,000
<i>Aboriginal Access Roads</i>	
129537 Kiwirrkurra Road	473,000
129538 Punmu Access	687,200
129539 Talawana Track	165,000
129540 Jupiter Well Access	66,000
129543 Desert Road	258,000
<i>Other Construction</i>	
129530 Newman Town Streets - Reseals	397,700
129573 Kerbing Program- Newman	50,000
129574 Footpath Program	200,000
129577 Drainage Improvements	280,000
129596 Depot Redevelopment	200,000
129610 Newman Town Streets - Reseals (R2R Extra 1	900,000
129613 Ovals Reticulation Automation	50,000
129617 Pavement Failure and Drainage Works- Min	620,000
129619 Streetscape Projects / Landscaping - Various	75,000
129627 Drainage Works - Newman Drive	320,000
129628 **Traffic Management / Signs	50,000

SHIRE OF EAST PILBARA
Operating/Capital Statements – Account Detail to the Budget 2017/18

A. DETAILED ACQUISITION OF ASSETS (CONTINUED)

Acquisitions	2017/18 Budget
<i>Road Plant Purchases</i>	
129082 Gen Sets (6.5KVA x 3) (2799)	50,000
129084 Minor Equipment	53,000
129094 Toyota 79 Series (2713)	85,000
129095 Toyota Hilux - 2WD Auto (2714)	85,000
129706 Tandem Sign Trailer	10,000
129732 Case 580 SM 4WD Sideshift Bchoe	190,000
129738 Fuel Service Truck	300,000
<i>Royalties for Regions</i>	
129315 ** RforR - TC Revitalisation/Land Release	270,000
<i>Aerodrome</i>	
129008 Master and Land Use Plan	200,000
129034 ARO Vehicle (Dual Cab) - (121211)	85,000
129401 Services - Access Roads, Car Parks	295,000
129402 Services - Water Inc RO	1,500,000
129403 Services - Power	560,000
129404 Services - Waste	80,000
129406 Services - Street Lights	10,000
129420 Communication - PA System	5,000
129415 Safety & Security - Fences & Gates	70,600
129417 Safety & Security - CCTV	60,000
129418 Manoeuvring Area	1,065,000
129421 Communications - IT	106,000
129426 ASCE Plant and Equipment	625,000
129431 Public Structures	130,000
129433 Public Structures AC	55,000
129422 Marble Bar & Nullagine - Infrastructure	170,000
129436 Airport Housing	65,000
129438 Land Purchase	4,000,000
	<u>\$16,730,800</u>
Function 13 - Expenditure	
<i>Tourism & Area Promotion</i>	
139203 Cape K - Various Items	15,000
139207 Cape K - Plant	10,000
139209 Cape K - New Caretakers Residence	425,000
<i>Economic Development</i>	
139309 Discovery Drive Tourist Structures	300,000
	<u>\$750,000</u>
Function 14 - Expenditure	
<i>Public Works Overheads</i>	
149014 Toyota Prado GX	90,000
	<u>\$90,000</u>
Total Capital Expenditure	<u><u>\$28,294,800</u></u>