

SHIRE OF LEONORA
Annual Report
2022-2023





Acknowledgement of Country

The Shire of Leonora acknowledge the Traditional Owners of the land where we work and live. We pay our respects to Elders past, present, and emerging. We celebrate the stories, culture, and traditions of all communities who also work and live on this land.

Table of Content

Shire of Leonora	4	Strategic Community Plan	18
Message from the President	5	Statutory Reports	21
Elected Members	6	Freedom of Information Statement	21
Elected member fees, allowances and expenses	7	State Records Act 2000 - Recordkeeping	21
Elected Members Attendance	9	Acceptance of The Annual Report	23
Message from the Chief Executive Officer	10	Disability Access and Inclusion Plan	23
Organisational Chart	11	Official Conduct-Complaints Register	23
Shire Statistics Snapshot	12	Information of Payments to Employees	23
2022/2023 Achievements & Highlights	14	Capital grants, subsidies and contributions	23
Theme Area: Social	14		
Theme Area: Economic	15		
Theme Area: Environment	16		
Theme Area: Leadership	17		



Shire of Leonora

Leonora, nestled in the heart of Western Australia, serves as the thriving hub for the mining, exploration, and a well-established pastoral industry. Our town centre proudly showcases an array of historical architectural gems.

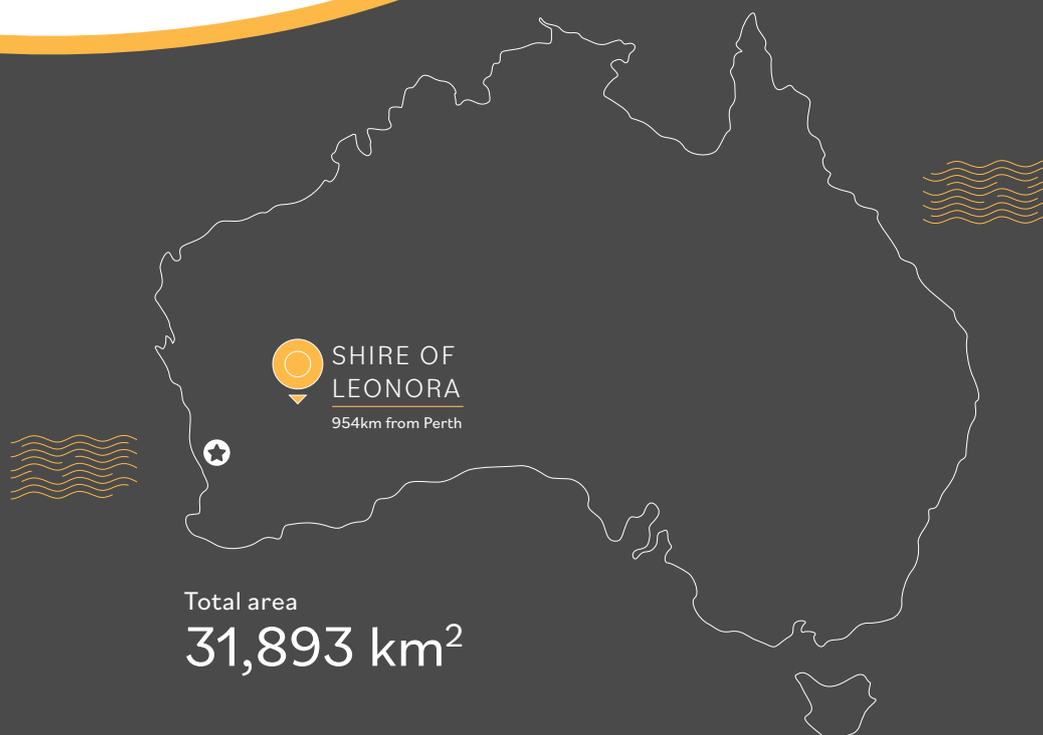
Gwalia, an award-winning tourism destination, is an absolute must-visit for all travellers. This living ghost town opens the door to a one-of-a-kind journey through Western Australia's rich mining history. Once a bustling settlement that sprang to life around the Sons of Gwalia Mine in the late 1890s, Gwalia met its fate on December 28, 1963, with the mine's closure, leaving 250 workers jobless. In a mere three weeks, Gwalia's population plummeted from 1200 to just 40 as its residents sought work elsewhere.

Hoover House, the former residence of Herbert Hoover, who would later become the President of the United States, once served as the mine manager's abode in Gwalia. Today, it stands transformed into a luxurious Bed and Breakfast and Café.

The surrounding countryside is a sanctuary for diverse wildlife, with kangaroos and emus being the most prevalent inhabitants. Wedge-tailed eagles grace the skies in abundance throughout the region. To witness the breathtaking wildflowers, plan your visit between July and September.

For bird enthusiasts, we offer an invaluable resource dedicated to the avian life around Leonora, thanks to the collaboration of CSIRO, Leonora DHS, Birdlife Australia, and NHRC. You can obtain the 'Tirtarti Birds of the Leonora Area' Brochure at our information centre. Each brochure features nearly 120 illustrations and names of the birds that call this area home.

Leonora is accessible via a well-maintained bitumen road from Perth. Follow the scenic Great Eastern Highway to Kalgoorlie and then continue on the Goldfields Highway to reach Leonora. There is a bus service and additionally, public airlines operate services to both Leonora and Leinster townsites from Perth.



Message from the President



It is my pleasure to present the 2022/2023 Annual Report which is an overview of the year gone by.

The Shire of Leonora has continued to work hard toward achieving the best possible outcomes for our community. I am extremely proud of how my fellow Councillors and Shire staff have embraced the challenges we have been presented over the past few years, and I am excited to work with the community to ensure the Shire of Leonora continues to move forward.

The rising cost of goods and services has affected almost all parts of the economy, and the Shire is no exception. Inflation continues to pose challenges, but through sound financial management Council was able to deliver a well-balanced budget while still providing exceptional services to our community. Key components of the 2022/2023 budget included investments in to new and improved footpaths and roads, improving the swimming pool and tennis courts, upgrades to community CCTV, Aging in Place facility, purchase of land for future housing development, fuel storage unit and perimeter fencing at the airport and Masonic Hall.

The Shire of Leonora has continued its membership with the Goldfields Voluntary Regional Organisation of Councils (GVROC) and Northern Goldfields Working Group (NGWG) to advocate improvements for the Goldfields and Northern Goldfields Regions. This year there was a focus on taking collaborative action to influence decision makers to support improvements in accessing services, improving housing conditions, advocating for support with community safety at the regional level and development of key infrastructure.

Reflecting on the past year, we've accomplished a great deal, including the construction of new, accessible concrete footpaths throughout the town, the procurement of a vehicle for the Driver Equity and Access program, and significant enhancements to our town facilities.

As June 2023 came to a close, we bid farewell to our long-serving Chief Executive Officer, Jim Epis. Jim served the Shire of Leonora for 27 years, with 25 years of this as the Chief Executive Officer. His contributions to the

community are noteworthy. Jim led the Shire to enhance our tourism assets including the historical Gwalia precinct and Hoover House and this will have a lasting economic impact on our community for years to come. He maintained important sporting infrastructure such as the Leonora Swimming Pool, the sports oval building, and the Leonora Bowling Club. He facilitated the town centre upgrade and was a passionate advocate for action on social issues impacting the community. Jim's tireless dedication to Council, the Shire staff, and the community leaves a lasting legacy. We extend our best wishes for a long and joyful retirement to him.

I would like to thank my fellow Councillors, the Chief Executive Officer, the Deputy Chief Executive Officer and all employees for their hard work and dedication over the presiding year. I'd also like to express my gratitude to the community for their unwavering support in making our town a wonderful place to call home.

To the residents and ratepayers of the Shire of Leonora, we eagerly anticipate continuing to work alongside you in 2023/2024. Looking ahead, I hold a strong belief that Leonora is poised for an incredibly exciting future, with many more positive developments on the horizon in the next 12 months and beyond.

A handwritten signature in black ink, appearing to read 'PJ Craig'.

PJ Craig
President

Elected Members

Mr P Craig
SHIRE PRESIDENT
Retirement: 2023

A 7 North Road (PO Box 118), LEINSTER WA 6437
P 08 9037 9191 (work) | 08 9037 9054 (home)
F 08 9037 9192 | **M** 0418 950 572
E peter.craig@bagden.com.au

Mr R A Norrie
DEPUTY PRESIDENT
Retirement: 2023

A Lot 260 Queen Victoria (PO Box 397),
LEONORA WA 6438
P 08 9037 6777 (work) | 08 9037 7389 (home)
F 08 9037 6788 | **M** 0409 377 386
E rossn@cbslaccountants.com

Ms L R Petersen
COUNCILLOR
Retirement: 2025

A Lot 1114 Gwalia Street (PO Box 69),
LEONORA WA 6438
P 08 9037 6400 (work)
F 08 9037 6404 | **M** 0419 177 232
E Butsonsbs@westnet.com.au

Mr A E Taylor
COUNCILLOR
Retirement: 2025

A 1 Pinnacle Place, LEINSTER WA 6437
P 08 9037 4050 (work) | 08 9037 3125 (home)
F 08 9238 1387 | **M** 0417 174 374
E alex@northfields.com.au

Mr R M Cotterill
COUNCILLOR
Retirement: 2025

A PO Box 8, LEONORA WA 6438
P 08 9037 6167 (work)
M 0409 127 506
E richardcotterill@live.com.au

Ms A M Moore
COUNCILLOR
Retirement: 2025

A Lot 27 Tower Street (PO Box 197),
LEONORA WA 6438
P 08 9037 7546 (work)
M 0437 366 649
E alexis_stein@hotmail.com

Ms F Harris
COUNCILLOR
Retirement: 2023

A Lot 42 Braemore Road (PO Box 129),
LEONORA WA 6438
M 0437 968 493
E neilandfifi@bigpond.com

6 Shire of Leonora

Elected member fees, allowances and expenses

For the year ending 30 June 2023

Cr Peter Craig

Shire President Allowance	30,750
Annual Meeting Attendance Fees	9,527
Information and Communications Allowance	3,500
Reimbursement - Travel Expense - Conference attendance	12,390
Total	56,167

Cr Ross Norrie

Deputy Shire President's Allowance	7,500
Annual Meeting Attendance Fees	5,798
Information and Communications Allowance	3,500
Accommodation - Conference attendance	1,200
Total	17,998

Cr Richard Cotterill

Annual Meeting Attendance Fees	5,352
Information and Communications Allowance	3,500
Accommodation - Conference attendance	1,200
Total	10,052

Cr Alex Taylor

Annual Meeting Attendance Fees	5,352
Information and Communications Allowance	3,500
Accommodation - Conference attendance	2,772
Total	11,624

Cr Lexi Moore

Annual Meeting Attendance Fees	5,352
Information and Communications Allowance	3,500
Total	8,852

Cr Larnie Petersen

Annual Meeting Attendance Fees	5,352
Information and Communications Allowance	3,500
Total	8,852

Cr Fifi Harris

Annual Meeting Attendance Fees	4,014
Information and Communications Allowance	3,500
Total	7,514



Elected Members Attendance

Councillor	Jul	Aug	Sep	Oct	Nov	Dec	Feb	Mar	Apr	May	Jun				
	27th OMC	16th OMC	20th OMC	20th ARC	18th OMC	15th OMC	20th OMC	20th ARC	21st OMC	21st OMC	21st ARC	18th OMC	16th OMC	20th OMC	20th ARC
Mr P Craig	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Mr R A Norrie	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Ms L R Petersen	X	X	X	X	X	X	X	X	X	X	X	X	LA	X	X
Mr R M Cotterill	X	X	X	X	X	X	X	X	X	X	X	LA	X	X	X
Mr A E Taylor	X	X	X	X	X	X	X	X	X	X	X	LA	X	X	X
Ms A M Moore	X	X	X	X	X	X	X	X	LA	X	X	X	X	X	X
Ms F Harris	X	LA	A	A	X	X	LA	LA	X	X	X	X	X	X	X

Legend

X Attendance

A Absent

LA Leave of Absence

OMC Ordinary Council Meeting

ARC Audit and Risk Council Meeting

Allowances - S5.98(1), Admin Reg. 30, adopted budget & LGO interim award 30.6

Telecommunication (E041182)

3,500.00

Meeting attendance (E041025)

Mileage (E041020)

Total

Message from the Chief Executive Officer



I am pleased to report on the Shire of Leonora's performance and achievements for the 2022/2023 financial year.

Throughout the year, shire staff prepared for the transition from the long-serving Chief Executive Officer, Jim Epis, to welcome me as the new Chief Executive Officer. With Jim leading for close to three decades, the Shire anticipated a disruption to business during the transition. Jim's graciousness allowed me to join the team in April, minimising disruption and providing me with the opportunity to ease into the role. Leonora is undoubtedly a fantastic place to call home and I look forward to working closely with our community to ensure we are achieving our goals and paving the way for the future generations to come.

Leonora has a bright future with significant investment being made in the region. It is important that the town continues to take advantage of the boom to ensure the future success of the people that call Leonora home.

Along with mining the planned sealing of the Great Central Road is anticipated to create a significant surge in travellers and commercial visitors to the region. To harness the opportunities presented by this project and the ongoing mining boom, the Shire commenced planning for the development of new residential and industrial areas, as well as advocate for an improved transport network, including a heavy vehicle bypass. Work to bring this initiative to fruition has commenced.

The 2022/23 financial year was a positive one for the Shire. The facilitation of the Safer Leonora Committee was successful with the committee bringing a coordinated approach from community members, state agencies, not for profits, Councillors and Shire Staff. This effective approach is already being replicated in other areas and is making improvements to the liveability of this great area.

Community-driven initiatives can have a major impact on the community. This is recognised by the Shire in its sponsorship and grants, awarded to programs such as the exceptional Blazers Basketball program, on-country camps, women's groups, lawn bowls and similar programs and clubs that enrich liveability and community cohesion.

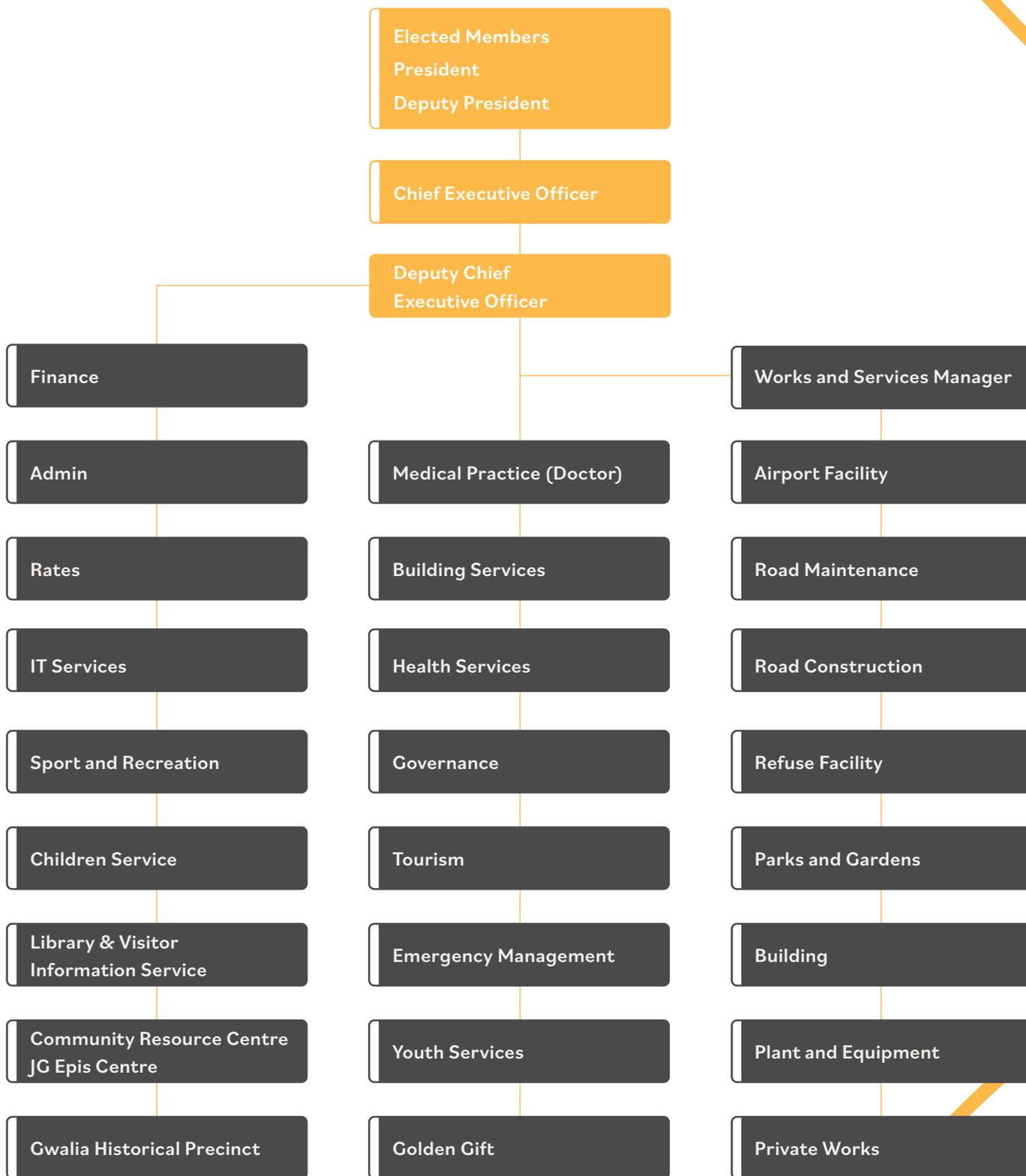
While the year has proved to be challenging and unpredictable, it has provided the organisation with an exciting opportunity to refocus on our strategic direction to have our best impact. A review of Shire services and evaluation of feedback from the community identified community development as a priority focus area for the coming year. This encompasses advocating for, supporting, and delivering community programs and services, including the Community Resource Centre, Youth Centre, Recreation Centre, community events and cultural programs.

This year the foundation work has been laid for a number of key projects and I would like to thank our Shire President, Peter Craig, and Councillors for their commitment throughout the year and the contributions made to our community. Thank you also to the Deputy Chief Executive Officer and Shire of Leonora staff for their continued efforts throughout 2022/2023.

A handwritten signature in black ink, appearing to read 'Ty Matson'. The signature is fluid and cursive, written over a white background.

Ty Matson
Chief Executive Officer

Organisational Chart



Shire Statistics Snapshot

Community



Distance from Perth
832 kms



Mean Max Temp
27.9C



Mean Min Temp
14C



Mean Rain Days
43.2



Population
1588



Private dwellings
815



Number of Electors
399

Rates



Number of rateable properties
2816 | GRV 691 | UV 2125



Number of building applications
9 Septic Applications (\$2360)
15 Building Permits (\$49,176.44)
1 Demolition Licenses (\$110)

Planning



Number of planning applications
3



5 Lodging House Registrations (\$900)
2 Itinerant Food Vendors (181.82)
1 Eating House Registrations (\$90.91)

Airport



Airport landings
1330 includes 102 RFDS
Over 60,000 passenger movements

CRC



3,329 people assistance provided
500 State Government & Community information provided
15 Video conference services
10 Local initiatives/projects

Gwalia Historical Precinct Snapshot

Number of Visitors



Accommodation
1090



Museum
12356



RV Vehicles
1195



People in
RV Vehicles
2413

Accommodation



\$115,415.00

Cafe



\$107,044.33

Merchandise



\$38,751.82

Donations



\$16,646.22



2022/2023 Achievements & Highlights

The following four key themes have been set out within the Shire of Leonora Plan for the Future 2021-2031 to direct services to the community. 2022/2023 has seen the delivery of a number of key achievements.

Highlights for 2022/2023:

Theme Area: Social

Community Grants

In August 2022 the Shire opened its annual community grant round to support community groups to develop and deliver community initiatives.

The 2022/2023 grant round supported the extension of services and sporting opportunities throughout its communities with a total of \$80,000 being awarded towards 10 community initiatives. \$40,000 supported community initiatives in Leonora and \$40,000 in Leinster.

Community Safety

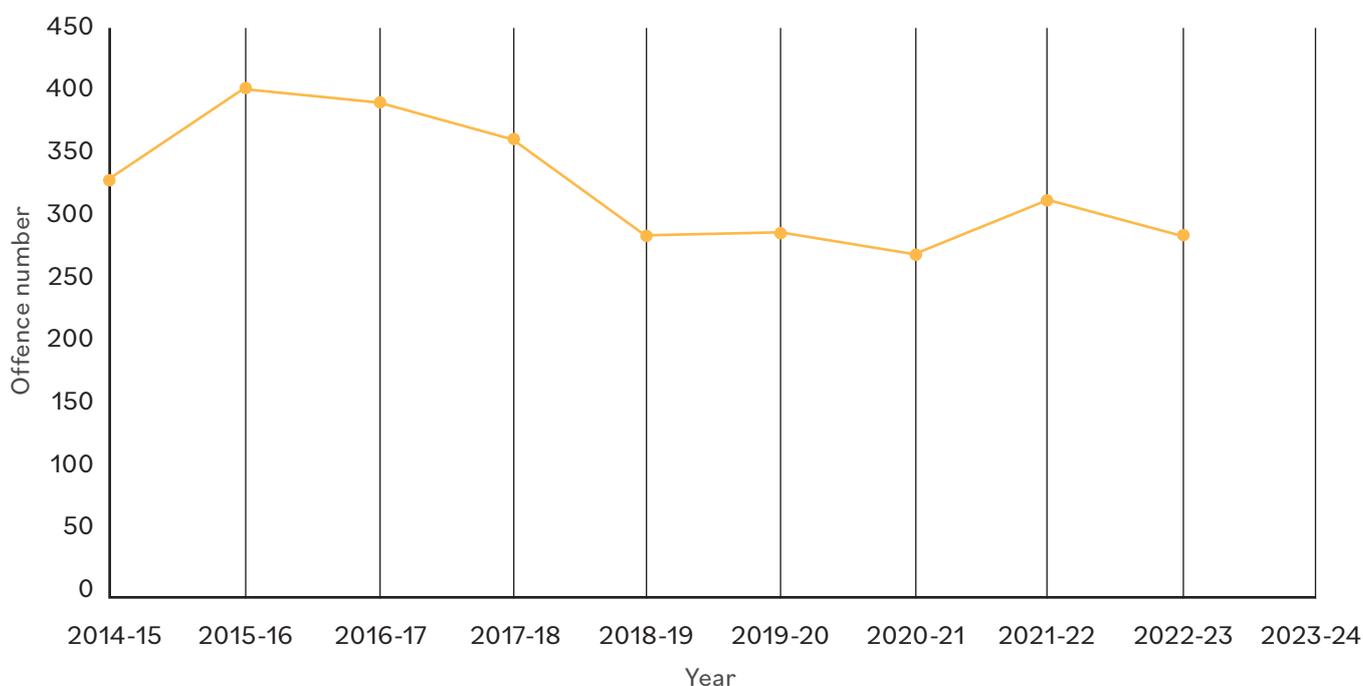
The Shire of Leonora is committed to ensuring continual improvements to community safety. The Shire facilitated the development of the Safer Leonora Committee to create opportunities for collective impact focusing on community safety and crime prevention.

The Committee was tasked with coordinating a holistic approach to community safety and crime prevention through an action-based strategy.

In August 2022, the Safer Leonora Committee held their inaugural meeting. At this meeting the Safer Leonora Plan 2022-2027 was endorsed by the Committee and adopted by Council at its meeting held 16 August 2022. The Committee has been a key contributor to improving community safety over the past year delivering initiatives identified in the Safer Leonora Plan 2022-2027. The successes of the Committee have been observed by other communities and replication of this model has commenced at both the local and regional level.

The chart below shows that overall reported crime for the 2022/2023 financial year decreased from 312 to 286 offences in 2021/2022.

Leonora offences per financial year



Theme Area: Economic

Community Events

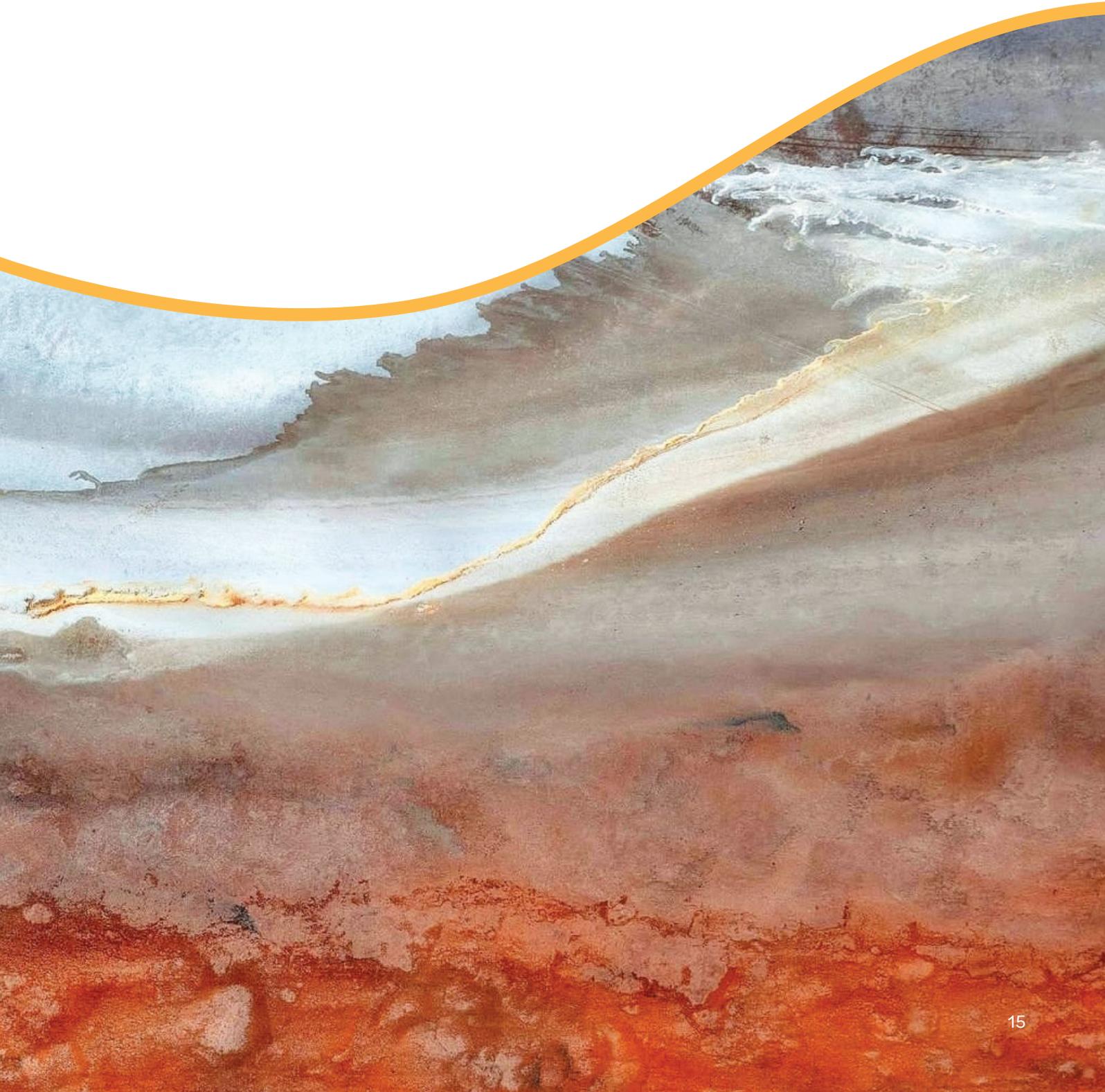
The Golden Gift was held in June 2023, marking the event's 21st year of delivery in Leonora. An estimated 3,100 people attended the event including 292 competitors and 2800 spectators, resulting in a profoundly influential impact on regional tourism.

The 2023 event increased the town's productivity and had a positive economic ripple effect on the community. The event raised \$131,050 in donations and sponsorship.

Increasing Awareness of Leonora

Facebook engagement significantly increased in 2022/2023 with the reach of our Facebook page increasing from 169,516 in 2021/2022 to 1,062,974 in 2022/2023. This is an increase in reach by 527.1% over the year. There are many factors that affect reach including the quality and quantity of the content, and how people are engaging with the content. Both content development and engagement contributed significantly to the Shire's strategy to effectively represent and promote the Shire.

The Shire's website continues to be an important source of information about the Shire and its services. Number of website users increased in 2022/2023.





Theme Area: Environment

Heritage

In addition to its historical significance, Gwalia's historical precinct continues to be an important draw card for visitors to the Shire of Leonora. Continued conservation works have taken place in the precinct throughout the year to preserve miner's cottages, Hoover House and the museum. Hoover House was fitted with a new oven and has undergone a septic tank upgrade to ensure the facility is able to cater for increasing numbers of tourists.

Playspace Awards 2023

This year Yingkapayi Park was recognised at the Parks and Leisure Australia WA 2023 Regional Awards of Excellence, receiving the Playspace Award for projects under \$500,000. The park design was delivered by the Shire and Nature Play Solutions as a community Commonwealth project. The design of the park was recognised for being an inclusive play space, welcoming all members of and visitors to the Leonora community.

The Shire and Nature Play Solutions went on to be recognised as a national finalist for the design of the park in the Parks and Leisure Australia Playspace National Awards for projects up to \$500,000.

This park is heavily utilised and is a credit to its designers.

Capital Road and Footpath Works

A total of \$3,415,469 was expended during the 2022/2023 financial year on capital works projects, with \$1,558,285 of external funding received to subsidise these costs.

Major road projects included Old Agnew Road and Agnew-Lake Miranda Road. \$139,055 of capital works funding was spent on footpath construction and renewal works in residential areas within the Shire.

Community Facility Upgrades

The Local Roads and Community Infrastructure Program enabled the Swimming Pool Retiling project to be undertaken in 2022/2023 to enhance the life of the Leonora Swimming Pool.

Works were undertaken to remove and retiling the pool, including concourse paving. Although the Shire would have preferred not to close the pool over the summer months, contractor scheduling and availability of materials for the lengthy upgrade were necessary to achieve the result.

The State Government contribution of \$100,000 previously allocated to Barnes Federal Theatre was reallocated to facilitate the upgrade of the old tennis courts to a multi-purpose court, to complement the Yingkapayi Park. The new facility has been a successful youth engagement tool and has been regularly used since its opening.

Ageing in Place

Construction began on eight Ageing in Place units in Stuart Street during 2022/2023 as part of the \$5.3 million Leonora Aging in Place project. The independent living village was designed to allow elderly residents from Leonora and surrounding communities to remain in their community while being supported by local and visiting wraparound services.

The project was supported with \$3.5 million funding through the Regional Aged Accommodation program. The project is set to be completed in the next financial year.



Theme Area: Leadership

Policies

The following policies were reviewed in 2022/2023:

- Delegation Review in February 2023
- Annual Policy Review in May 2023

Financial Management

The attached financial report of the Shire of Leonora for the financial year ended 30 June 2023 is based on proper accounts and records to present fairly the financial position of the Shire of Leonora at 30 June 2023 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995, the Australian Accounting Standards.



Workers Accommodation

The Shire's restricted ability to provide suitable accommodation has been an obstacle in attracting critical workers. The Shire facilitated the installation of single person quarters at the depot during 2022/2023 as a solution to overcome this barrier. The project was completed and has supported an increase in securing critical workers.

CCTV Infrastructure

This year the Shire invested in improving the community CCTV infrastructure across the Shire. This included the purchase of a CCTV trailer for strategic placement in hot spots within the community. Improving this infrastructure directly aligns with the Shire's Safer Leonora Plan 2022-2027.

“

This year Yingkapayi Park was recognised at the Parks and Leisure Australia WA 2023 Regional Awards of Excellence, receiving the Playspace Award for projects under \$500,000. The park design was delivered by the Shire.

”

Strategic Community Plan

The Shire of Leonora has set out the following four key themes within this Plan as it delivers services to the community. An objective has been defined for each of our four key themes aligned with our vision and values.

Each of the four objectives has a number of desired outcomes the Shire is aiming to achieve over the 10+ years of this Plan. The following summarises the desired outcomes of working toward the strategic objectives in achieving the Shire's vision.



Social Objective: An empowered and spirited community

Outcomes

- 1.1 A great sense of community
- 1.2 Engaged and supported community
- 1.3 Community health and well-being initiatives



Economic Objective: The economic hub of the northern goldfields

Outcomes

- 2.1 The economic focal point for business and industry in the Northern Goldfields
- 2.2 Increased awareness of the district and regional attractions





Environment Objective: Forward thinking management of the built and natural environment

Outcomes

- 3.1 Sustainable and effective environmental management
- 3.2 Infrastructure and services meeting the needs of our community



Leadership Objective: An innovative and proactive local government

Outcomes

- 4.1 An innovative, strategically focused Council leading our community
- 4.2 An effective organisation, providing strong leadership and services

In progressing towards these desired outcomes, Council's role may vary from 'doing', to collaborating, to advocating in behalf of the community.

Strategies and detailed actions to achieve these outcomes have been developed as part of the Corporate Business Planning process and are detailed on the following pages.

The actions listed will include short, medium and long term deliverables, and in many cases will be ongoing considerations and have developing results. The community will be informed of the progress we are making with these actions through the Annual Report.





“

In progressing towards these desired outcomes, Council’s role may vary from ‘doing’, to collaborating, to advocating in behalf of the community.

”

Statutory Reports

Freedom of Information Statement

FREEDOM OF INFORMATION ACT 1992

Pursuant to Freedom of Information Act Section 96 and 97 an information statement detailing the process for applying for information under the Act and information the local government provides in addition to the FOI Act, the Shire is required to publish an Information Statement which details the process of applying for information under the Act as well as information that the Shire provides outside the Act.

This Information Statement is available on the Shire of Leonora website. The Freedom of Information Act 1992 and associated regulations can be found on the State Law Publisher website at www.slp.wa.gov.au where a full copy of all State legislation is available. Further information about Freedom of Information can also be found on the Freedom of Information Commissioner's website <http://foi.wa.gov.au/>.

During the 2022-2023 financial year there were no Freedom of Information applications received or processed by the Shire.

State Records Act 2000 - Recordkeeping

- A. The Shire of Leonora is required to comply with the abovementioned State Government imposed Legislation.
- B. A Record Keeping Plan has been produced and approved by the State Records Office.
- C. In accordance with minimum compliance requirements of Principle 6 of the State Records Commission - Standard 2, the following has been implemented:
 1. The efficiency and effectiveness of Councils Record Keeping Systems is evaluated not less than once every three years.
 2. The Council conducts a Record Keeping Training program.
 3. The efficiency and effectiveness of the Record Keeping Training program is reviewed from time to time.
 4. The Council's induction program addresses employee roles and responsibilities in regard to their compliance with Council's Record Keeping Plan.
 5. The Recordkeeping Plan is due for review prior to December 2023.

In order to progress the Shire of Leonora's document control practices, in 2019/2020 an Electronic Information Management System was implemented.

National Competition Policy

The Competition Principals Agreement is an Inter-government Agreement between the Commonwealth and State/Territory Governments that sets out how government will apply National Competition Policy principle to public sector organisations within their jurisdiction.

The State Government released a Policy Statement effective from July 1996 called the Clause 7 Statement which forms part of the Competition Principles Agreement. The clause 7 policy document sets out nominated principles from the Agreement that now apply to Local Government. The provisions of Clause 7 of the Competition Principles Agreement require local government to report annually as to the implementation, application and effects of the Competition Policy.

The Competition Principles Agreement, under Clause 7, specifies three broad areas of reporting, they are:

- Competitive Neutrality
- Structural Review of Public Monopolies; and
- Legislative Review

In accordance with the requirements of the National Competition Policy the Shire of Leonora makes the following disclosure for 2022/2023.

Competitive Neutrality

The objective of competitive neutrality is the elimination of resource allocation distortions arising out of local government ownership of significant business activities.

The Shire of Leonora has assessed its operations and considers that it does not have a business activity that would be classed as significant under the current guidelines. Also the Shire of Leonora does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise.

The number of activities to which competitive neutrality principles have been applied in the reporting period is: NIL.

The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is: NIL.

Under the implementation timetable required by the National Competition Policy Statement the Shire of Leonora was required to undertake a cost benefit analysis to determine which significant business activities would be subject to competitive neutrality principles by June 1, 1997. This analysis was not undertaken by the Shire as no significant activities have been identified as part of its operations.

During the reporting period the Shire of Leonora did not become aware of any allegations of noncompliance with the competitive neutrality principles made by a private entity against the Shire.

Structural Review of Public Monopolies

In relation to Structural Review of Public Monopolies the Shire of Leonora discloses the following:

Structural reform principles have been applied to the following number of activities in the reporting period: NIL.

Structural reform principles have been considered but not applied to the following number of activities in the reporting period: NIL.

As no structural reform has been applied to any activities the review requirements of principle SR.3 of Clause 7 of the Competition Policy Statement have not been undertaken.

Legislation Review

The Shire of Leonora has a portfolio of local laws (previously known as by-laws) which may or may not conflict with the Competition Principles Agreement. These local laws are reviewed to ensure compliance with the reporting requirements,

Section 3.16 of the Local Government Act 1995 requires that all of the local laws of a Local Government must be reviewed within an eight-year period after their commencement to determine if they should remain unchanged or be repealed or amended.

The Shire of Leonora is currently reviewing their local laws.



Acceptance of The Annual Report

Annual Report – Financial Year Ending 30th June 2023

Adopted

Date: 19 December 2023

Disability Access and Inclusion Plan

- A. The Shire of Leonora is required to comply with the State Government imposed Disability Services Act (1993).
- B. A Disability Access and Inclusion Plan 2018-2023 has been approved with the following principal intent.
- i. Existing services are adapted to ensure they meet the needs of people with disabilities.
 - ii. Access to buildings and facilities are improved.
- C. The following delivery of services was implemented in the reporting year. NIL

Review of the plan was undertaken during the 2018/19 reporting period and as advised by Department of Communities, meets the requirements of the Disability Services Act 1993.

Official Conduct-Complaints Register

Pursuant to S.5.121 of the Local Government Act 1995, a complaints register has been maintained. As at the 30th June 2023, no complaints were recorded, therefore no action was required to deal with complaints.

Information of Payments to Employees

Pursuant to Section 5.53 (2)(g) of the Local Government Act 1995, and Administration Regulation 19B (2), set out below, the number of those employees with an annual salary entitlement that falls within each band of \$10,000

over \$130,000;

Salary Range (\$)	Number of Employees
130,000 – 140,000	1
140,000 – 150,000	1
310,000 – 320,000	1

The remuneration paid to the CEO in the 2022/2023 financial year was \$317,657.98.

Capital grants, subsidies and contributions

Breakdown of capital grants, subsidies and contributions for renewal and replacement of assets as required by Regulation 19BE of the Local Government (Administration) Regulations 1996, and grants for new assets. The listing below reflects the interpreted definition of the regulations for the purpose of disclosure within the annual report.

	2022-2023	2021-2022	2020-2021
	\$	\$	\$
New assets	2,816,073	1,440,019	525,170
Renewal and replacement	1,278,247	414,500	703,598
Total	4,094,320	1,854,519	1,228,768



Financial Report

Year Ended 30 June 2023

Statement by CEO	25
Statement of Comprehensive Income	26
Statement of Financial Position	27
Statement of Changes in Equity	28
Statement of Cash Flows	29
Statement of Financial Activity	30
Independent Auditor's Report	31
Notes to and Forming Part of the Financial Report	34

**SHIRE OF LEONORA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CEO

The accompanying financial report of the Shire of Leonora has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 1st day of December 2023



Chief Executive Officer

Ty Matson

Name of Chief Executive Officer



Statement of Comprehensive Income

Year Ended 30 June 2023

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),22	7,777,930	7,775,027	7,005,810
Grants, subsidies and contributions	2(a)	2,948,322	2,616,472	2,569,789
Fees and charges	2(a)	2,638,849	2,414,398	2,196,296
Interest revenue	2(a)	108,046	8,000	2,393
Other revenue	2(a)	315,212	242,805	426,401
		13,788,359	13,056,702	12,200,689
Expenses				
Employee costs	2(b)	(3,753,234)	(2,410,184)	(3,939,408)
Materials and contracts		(4,117,934)	(6,991,250)	(4,432,608)
Utility charges		(385,101)	(245,100)	(395,725)
Depreciation	7(a),8(a)	(3,600,135)	(1,834,984)	(3,210,755)
Finance costs	2(b),13	(103,171)	0	0
Insurance		(322,902)	(311,912)	(265,791)
Other expenditure	2(b)	(181,430)	(130,878)	(97,072)
		(12,463,907)	(11,924,308)	(12,341,359)
		1,324,452	1,132,394	(140,670)
Capital grants, subsidies and contributions	2(a)	4,094,320	5,668,103	1,854,520
Profit on asset disposals		8,770	24,753	70,821
Loss on asset disposals		(25,447)	(59,968)	0
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	61,117	0	0
		4,138,760	5,632,888	1,925,341
Net result for the period		5,463,212	6,765,282	1,784,671
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	14	27,031,759	0	18,773,237
Total other comprehensive income for the period	14	27,031,759	0	18,773,237
Total comprehensive income for the period		32,494,971	6,765,282	20,557,908

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



Statement of Financial Position

Year Ended 30 June 2023

	NOTE	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	11,271,986	11,076,288
Trade and other receivables	5	728,304	599,259
Inventories	6	69,855	71,829
TOTAL CURRENT ASSETS		12,070,145	11,747,376
NON-CURRENT ASSETS			
Other financial assets	4(b)	61,117	0
Inventories	6	45,052	94,380
Property, plant and equipment	7	35,177,240	25,884,649
Infrastructure	8	103,599,595	82,769,579
TOTAL NON-CURRENT ASSETS		138,883,004	108,748,608
TOTAL ASSETS		150,953,149	120,495,984
CURRENT LIABILITIES			
Trade and other payables	10	593,802	560,406
Other liabilities	11	913,054	2,110,015
Employee related provisions	12	210,653	300,689
TOTAL CURRENT LIABILITIES		1,717,509	2,971,110
NON-CURRENT LIABILITIES			
Employee related provisions	12	104,691	98,500
Other provisions	13	1,885,887	2,676,283
TOTAL NON-CURRENT LIABILITIES		1,990,578	2,774,783
TOTAL LIABILITIES		3,708,087	5,745,893
NET ASSETS		147,245,062	114,750,091
EQUITY			
Retained surplus		50,614,528	44,864,402
Reserve accounts	24	8,510,307	8,797,221
Revaluation surplus	14	88,120,227	61,088,468
TOTAL EQUITY		147,245,062	114,750,091

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



Statement of Changes in Equity

Year Ended 30 June 2023

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		44,081,221	7,795,731	42,315,231	94,192,183
Comprehensive income for the period					
Net result for the period		1,784,671	0	0	1,784,671
Other comprehensive income for the period	14	0	0	18,773,237	18,773,237
Total comprehensive income for the period		1,784,671	0	18,773,237	20,557,908
Transfers to reserve accounts	24	(1,001,490)	1,001,490	0	0
Balance as at 30 June 2022		44,864,402	8,797,221	61,088,468	114,750,091
Comprehensive income for the period					
Net result for the period		5,463,212	0	0	5,463,212
Other comprehensive income for the period	14	0	0	27,031,759	27,031,759
Total comprehensive income for the period		5,463,212	0	27,031,759	32,494,971
Transfers from reserve accounts	24	1,000,000	(1,000,000)	0	0
Transfers to reserve accounts	24	(713,086)	713,086	0	0
Balance as at 30 June 2023		50,614,528	8,510,307	88,120,227	147,245,062

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

Statement of Cash Flows

Year Ended 30 June 2023

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		7,787,755	7,004,120
Grants, subsidies and contributions		2,928,054	2,867,430
Fees and charges		2,638,849	2,196,296
Interest revenue		108,046	2,393
Goods and services tax received		1,231,826	834,547
Other revenue		315,212	426,401
		15,009,742	13,331,187
Payments			
Employee costs		(3,812,672)	(3,882,691)
Materials and contracts		(4,057,893)	(4,321,500)
Utility charges		(385,101)	(395,725)
Insurance paid		(322,902)	(265,791)
Goods and services tax paid		(1,189,468)	(835,683)
Other expenditure		(181,430)	(97,072)
		(9,949,466)	(9,798,462)
Net cash provided by operating activities		5,060,276	3,532,725
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	7(a)	(4,356,170)	(1,409,240)
Payments for construction of infrastructure	8(a)	(3,408,921)	(2,905,339)
Capital grants, subsidies and contributions		2,736,649	2,217,582
Proceeds from sale of property, plant & equipment		150,000	275,414
Proceeds from sale of infrastructure		13,864	0
Net cash (used in) investing activities		(4,864,578)	(1,821,583)
Net increase in cash and cash equivalents held		195,698	1,711,142
Cash and cash equivalents at beginning of year		11,076,288	9,365,146
Cash and cash equivalents at the end of the year		11,271,986	11,076,288

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

Statement of Financial Activity

Year Ended 30 June 2023

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	22	7,554,414	7,551,511	6,774,413
Rates excluding general rates	22	223,516	223,516	231,397
Grants, subsidies and contributions		2,948,322	2,616,472	2,569,789
Fees and charges		2,638,849	2,414,398	2,196,296
Interest revenue		108,046	8,000	2,393
Other revenue		315,212	242,805	426,401
Profit on asset disposals		8,770	24,753	70,821
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	61,117	0	0
		13,858,246	13,081,455	12,271,510
Expenditure from operating activities				
Employee costs		(3,753,234)	(2,410,184)	(3,939,408)
Materials and contracts		(4,117,934)	(6,991,250)	(4,432,608)
Utility charges		(385,101)	(245,100)	(395,725)
Depreciation	7(a),8(a)	(3,600,135)	(1,834,984)	(3,210,755)
Finance costs		(103,171)	0	0
Insurance		(322,902)	(311,912)	(265,791)
Other expenditure		(181,430)	(130,878)	(97,072)
Loss on asset disposals		(25,447)	(59,968)	0
		(12,489,354)	(11,984,276)	(12,341,359)
Non-cash amounts excluded from operating activities	23(a)	3,624,996	1,870,199	6,128,640
Amount attributable to operating activities		4,993,888	2,967,378	6,058,791
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		4,094,320	5,668,103	1,854,520
Proceeds from disposal of assets		163,864	760,600	275,414
		4,258,184	6,428,703	2,129,934
Outflows from investing activities				
Purchase of property, plant and equipment	7(a)	(4,356,170)	(8,364,939)	(2,077,240)
Purchase and construction of infrastructure	8(a)	(3,408,921)	(5,623,016)	(2,905,339)
		(7,765,091)	(13,987,955)	(4,982,579)
Non-cash amounts excluded from investing activities	23(b)	0	0	(2,676,283)
Amount attributable to investing activities		(3,506,907)	(7,559,252)	(5,528,928)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	24	1,000,000	4,400,000	0
		1,000,000	4,400,000	0
Outflows from financing activities				
Transfers to reserve accounts	24	(713,086)	0	(1,001,490)
		(713,086)	0	(1,001,490)
Amount attributable to financing activities		286,914	4,400,000	(1,001,490)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year		279,087	191,874	750,714
Amount attributable to operating activities		4,993,888	2,967,378	6,058,791
Amount attributable to investing activities		(3,506,907)	(7,559,252)	(5,528,928)
Amount attributable to financing activities		286,914	4,400,000	(1,001,490)
Surplus or deficit after imposition of general rates	23(c)	2,052,982	0	279,087

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

Independent Auditor's Report

Year Ended 30 June 2023



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Leonora

To the Council of the Shire of Leonora

Opinion

I have audited the financial report of the Shire of Leonora (Shire) which comprises:

- the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2023 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent Auditor's Report

Year Ended 30 June 2023

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.uasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent Auditor's Report

Year Ended 30 June 2023

matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Leonora for the year ended 30 June 2023 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Mark Ambrose

Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 December 2023

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

1. BASIS OF PREPARATION

The financial report of the Shire of Leonora which is a Class 3 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the *Local Government Act 1995*, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board except for disclosure requirements of:

- AASB 7 *Financial Instruments Disclosures*
- AASB 16 *Leases* paragraph 58
- AASB 101 *Presentation of Financial Statements* paragraph 61
- AASB 107 *Statement of Cash Flows* paragraphs 43 and 45
- AASB 116 *Property, Plant and Equipment* paragraph 79
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* paragraph 85
- AASB 140 *Investment Property* paragraph 75(f)
- AASB 1052 *Disaggregated Disclosures* paragraph 11
- AASB 1054 *Australian Additional Disclosures* paragraph 16

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 *Leases* which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has 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.

The local government reporting entity

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

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
 - AASB 2020-6 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date*
 - AASB 2021-7a *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]*
 - AASB 2022-3 *Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15 Revenue from Contracts with Customers*
- These amendments have no material impact on the current annual financial report

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2014-10 *Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*
This standard will result in a terminology change for significant accounting policies
- AASB 2021-7c *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- AASB 2022-5 *Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
- AASB 2022-6 *Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*
- AASB 2022-7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- AASB 2022-10 *Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*
The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependent on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

Consideration from contracts with customers is included in the transaction price.

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	7,777,930	0	7,777,930
Grants, subsidies and contributions	1,016,744	0	0	1,931,578	2,948,322
Fees and charges	1,260,688	0	123,080	1,255,081	2,638,849
Interest revenue	0	0	0	108,046	108,046
Other revenue	48,146	0	0	267,066	315,212
Capital grants, subsidies and contributions	180,719	3,687,854	0	225,747	4,094,320
Total	2,506,297	3,687,854	7,901,010	3,787,518	17,882,679

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	7,005,810	0	7,005,810
Grants, subsidies and contributions	857,585	0	0	1,712,204	2,569,789
Fees and charges	793,503	0	82,856	1,319,937	2,196,296
Interest revenue	0	0	0	2,393	2,393
Other revenue	137,318	0	0	289,083	426,401
Capital grants, subsidies and contributions	1,097,774	756,746	0	0	1,854,520
Total	2,886,180	756,746	7,088,666	3,323,617	14,055,209

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	2023 Actual	2022 Actual
	\$	\$
Interest revenue		
Interest on reserve account funds	73,086	1,490
Other interest revenue	34,960	903
	108,046	2,393
Fees and charges relating to rates receivable		
Charges on instalment plan	8,424	7,992
The 2023 original budget estimate in relation to: Charges on instalment plan was \$8,000.		
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	60,000	44,000
- Other services – grant acquittals	2,200	6,300
	62,200	50,300
Employee Costs		
Employee benefit costs	3,723,519	3,929,807
Other employee costs	29,715	9,601
	3,753,234	3,939,408
Finance costs		
Provisions: unwinding of discount	103,171	0
	103,171	0
Other expenditure		
Sundry expenses	181,430	97,072
	181,430	97,072

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Total cash and cash equivalents

Held as

- Unrestricted cash and cash equivalents
- Restricted cash and cash equivalents

Note	2023 \$	2022 \$
	11,271,986	11,076,288
	11,271,986	11,076,288
	1,848,625	169,052
15	9,423,361	10,907,236
	11,271,986	11,076,288

SIGNIFICANT ACCOUNTING POLICIES

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 with original maturities 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.

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

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

4. OTHER FINANCIAL ASSETS

(b) Non-current assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

Financial assets at fair value through profit and loss
Units in Local Government House Trust - closing balance

	2023 \$	2022 \$
	61,117	0
	61,117	0
	61,117	0
	61,117	0

Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit or loss

The Shire has elected to classify the following financial assets at fair value through profit or loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has elected to recognise as fair value gains and losses through profit or loss.

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

5. TRADE AND OTHER RECEIVABLES

Current

Rates and statutory receivables	97,456	107,031
Trade receivables	557,320	376,342
GST receivable	73,528	115,886
	<u>728,304</u>	<u>599,259</u>

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non financial assets as part of the ordinary course of business.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

6. INVENTORIES

Current

Fuel and materials	69,855	71,829
	<u>69,855</u>	<u>71,829</u>

Non-current

Land held for resale		
Cost of acquisition	300	452
Development costs	44,752	93,928
	<u>45,052</u>	<u>94,380</u>

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year	166,209	448,452
Reversal of write down of inventories to net realisable value	(426,088)	(383,845)
Additions to inventory	0	(264,452)
	<u>374,786</u>	<u>366,054</u>
Balance at end of year	114,907	166,209

SIGNIFICANT ACCOUNTING POLICIES

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 resale

Land held for development and resale 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.

Land held for resale (Continued)

Borrowing 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 onto the buyer at this point.

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

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	Land	Buildings	Total land and buildings	Plant and equipment	Total property, plant and equipment
		\$	\$		\$	\$
Balance at 1 July 2021		745,000	20,893,627	21,638,627	3,211,899	24,850,526
Additions		33,000	1,363,390	1,396,390	680,850	2,077,240
Disposals		0	0	0	(204,593)	(204,593)
Depreciation		0	(436,219)	(436,219)	(402,305)	(838,524)
Balance at 30 June 2022		778,000	21,820,798	22,598,798	3,285,851	25,884,649
Comprises:						
Gross balance amount at 30 June 2022		778,000	22,669,850	23,447,850	4,300,340	27,748,190
Accumulated depreciation at 30 June 2022		0	(849,052)	(849,052)	(1,014,489)	(1,863,541)
Balance at 30 June 2022		778,000	21,820,798	22,598,798	3,285,851	25,884,649
Additions		10,877	4,047,799	4,058,676	297,494	4,356,170
Disposals		(13,000)	(141,230)	(154,230)	0	(154,230)
Revaluation increments / (decrements) transferred to revaluation surplus	14	54,623	5,931,441	5,986,064	0	5,986,064
Depreciation		0	(464,475)	(464,475)	(430,938)	(895,413)
Balance at 30 June 2023		830,500	31,194,333	32,024,833	3,152,407	35,177,240
Comprises:						
Gross balance amount at 30 June 2023		830,500	31,194,333	32,024,833	4,597,834	36,622,667
Accumulated depreciation at 30 June 2023		0	0	0	(1,445,427)	(1,445,427)
Balance at 30 June 2023		830,500	31,194,333	32,024,833	3,152,407	35,177,240

* At 30 June 2023, there was an amount of \$4,597,582 included in property, plant and equipment relating to assets in the course of construction.

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings						
Land		2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuer	June 2023	Price per hectare/market borrowing rate
Buildings		2	Improvements to land, using cost approach method using depreciated replacement cost	Independent registered valuer	June 2023	Improvements to land using construction costs and current condition, residual values and remaining useful life assessments
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.						
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.						
(ii) Cost						
Plant and equipment						
			N/A	At cost	N/A	N/A

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

8. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Note	Infrastructure - roads, drainage & footpaths	Infrastructure - other	Infrastructure - landfill	Total Infrastructure
		\$	\$	\$	\$
Balance at 1 July 2021		51,927,498	8,859,453	0	60,786,951
Additions		1,893,217	1,012,122	2,676,283	5,581,622
Revaluation increments / (decrements) transferred to revaluation surplus		18,773,237	0	0	18,773,237
Depreciation		(1,675,141)	(594,871)	(102,219)	(2,372,231)
Balance at 30 June 2022		<u>70,918,811</u>	<u>9,276,704</u>	<u>2,574,064</u>	<u>82,769,579</u>
Comprises:					
Gross balance at 30 June 2022		80,498,746	11,503,007	2,676,283	94,678,036
Accumulated depreciation at 30 June 2022		(9,579,935)	(2,226,303)	(102,219)	(11,908,457)
Balance at 30 June 2022		<u>70,918,811</u>	<u>9,276,704</u>	<u>2,574,064</u>	<u>82,769,579</u>
Additions		2,140,570	1,268,351	0	3,408,921
(Disposals)		0	(26,311)	0	(26,311)
Revaluation increments transferred to revaluation surplus	14	10,148,320	10,003,808	0	20,152,128
Depreciation		(1,948,981)	(644,229)	(111,512)	(2,704,722)
Balance at 30 June 2023		<u>81,258,720</u>	<u>19,878,323</u>	<u>2,462,552</u>	<u>103,599,595</u>
Comprises:					
Gross balance at 30 June 2023		93,679,814	19,878,323	2,676,283	116,234,420
Accumulated depreciation at 30 June 2023		(12,421,094)	0	(213,731)	(12,634,825)
Balance at 30 June 2023		<u>81,258,720</u>	<u>19,878,323</u>	<u>2,462,552</u>	<u>103,599,595</u>

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads, drainage & footpaths	3	Coat approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
	Infrastructure - other	3	Coat approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
	Infrastructure - landfill	3	Coat approach using depreciated replacement cost	Management valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

9. FIXED ASSETS

(a) Depreciation

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	20 to 50 years
Plant and equipment	5 to 15 years
Infrastructure - roads, drainage & footpaths	20 to 50 years
Infrastructure - other	15 to 100 years
Infrastructure - landfill	23 years

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

9. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost, the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire 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 that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value.

They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4)*.

Revaluation

The fair value of land, buildings and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period, the carrying amount for each asset class is reviewed and, where appropriate, the fair value is updated to reflect current market conditions consistent with *Financial Management Regulation 17A(2)* which requires land, buildings, infrastructure and vested improvements to be shown at fair value.

Revaluation (continued)

For land, buildings and infrastructure increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, 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.

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

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income in the period in which they arise.

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

10. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Rates received in advance
Accrued payroll liabilities
ATO liabilities
Bonds and deposits held

	2023	2022
	\$	\$
	405,587	246,848
	13,787	13,537
	51,128	41,114
	123,300	108,907
	0	150,000
	593,802	560,406

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial liabilities) are derecognised where the related profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these amounts of trade and other payables are occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises income for the prepaid rates that have not been refunded.

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

11. OTHER LIABILITIES

Current

Contract liabilities
Capital grant/contributions liabilities

Reconciliation of changes in contract liabilities

Opening balance
Additions
Revenue from contracts with customers included as a contract liability at the start of the period

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$509,456 (2022: \$348,746)

The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.

Reconciliation of changes in capital grant/contribution liabilities

Opening balance
Additions
Revenue from capital grant/contributions held as a liability at the start of the period

	2023	2022
	\$	\$
Contract liabilities	509,456	348,746
Capital grant/contributions liabilities	403,598	1,761,269
	<u>913,054</u>	<u>2,110,015</u>
Opening balance	348,746	100,000
Additions	379,615	348,746
Revenue from contracts with customers included as a contract liability at the start of the period	(218,905)	(100,000)
	<u>509,456</u>	<u>348,746</u>
Opening balance	1,761,269	730,207
Additions	403,598	1,761,269
Revenue from capital grant/contributions held as a liability at the start of the period	(1,761,269)	(730,207)
	<u>403,598</u>	<u>1,761,269</u>

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 21(i)) due to the unobservable inputs, including own credit risk.

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

12. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Total non-current employee related provisions

Total employee related provisions

	2023	2022
	\$	\$
Annual leave	134,449	172,113
Long service leave	76,204	128,576
Total current employee related provisions	210,653	300,689
Long service leave	104,691	98,500
Total non-current employee related provisions	104,691	98,500
Total employee related provisions	315,344	399,189

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

Provision is made for the Shire'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 Shire'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.

Other long-term employee benefits

Long-term employee benefits provisions 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 of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire 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.

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

13. OTHER PROVISIONS

	Note	Make good provisions \$	Total \$
Opening balance at 1 July 2022			
Non-current provisions		2,676,283	2,676,283
		2,676,283	2,676,283
Decrease in provision credited to revaluation surplus - unwinding of discount	14	(893,567)	(893,567)
		103,171	103,171
Balance at 30 June 2023		1,885,887	1,885,887
Comprises			
Non-current		1,885,887	1,885,887
		1,885,887	1,885,887

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Provisions

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

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

14. REVALUATION SURPLUS

	Note	2023 Opening Balance \$	Total Movement on Revaluation \$	2023 Closing Balance \$	2022 Opening Balance \$	Total Movement on Revaluation \$	2022 Closing Balance \$
Revaluation surplus - Land and buildings	7(a)	1,766,995	5,986,064	7,753,059	1,766,995	0	1,766,995
Revaluation surplus - Plant and equipment		688,288	0	688,288	688,288	0	688,288
Revaluation surplus - Infrastructure - roads, drainage & footpaths	8(a)	53,103,041	10,148,320	63,251,361	34,329,804	18,773,237	53,103,041
Revaluation surplus - Infrastructure - other	8(a)	5,530,144	10,003,808	15,533,952	5,530,144	0	5,530,144
Revaluation surplus - Infrastructure - landfill	13	0	893,567	893,567	0	0	0
		61,088,468	27,031,759	88,120,227	42,315,231	18,773,237	61,088,468

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

15. RESTRICTIONS OVER FINANCIAL ASSETS

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents

Note	2023 Actual \$	2022 Actual \$
3	9,423,361	10,907,236
	9,423,361	10,907,236

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Restricted reserve accounts

Contract liabilities

Capital grant liabilities

Total restricted financial assets

24	8,510,307	8,797,221
11	509,456	348,746
11	403,598	1,761,269
	9,423,361	10,907,236

16. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

Credit card limit

Credit card balance at balance date

Total amount of credit unused

	35,000	35,000
	11,948	0
	46,948	35,000

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

17. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 section 11, the Shire of Leonora has listed sites to be possible sources of contamination.

Details of those sites are:

- Leonora Rubbish and Sanitation disposal site Reserve 31924 (Lot 521 Deposited Plan 401139).

The Shire has conducted an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Environment Regulation on the need and criteria for remediation with a risk based approach.

The Shire has estimated the potential cost associated with remediation of these sites and recorded them in Note 13.

The Shire has no other contingent liabilities.

18. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	1,531,195	6,311,420
	1,531,195	6,311,420
Payable:		
- not later than one year	1,531,195	6,311,420

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
President's annual allowance	30,750	30,750	30,000
President's meeting attendance fees	9,527	10,300	9,527
President's annual allowance for ICT expenses	3,500	3,500	3,500
President's travel and accommodation expenses	12,390	9,000	10,504
	<u>56,167</u>	<u>53,550</u>	<u>53,531</u>
Deputy President's annual allowance	7,500	7,500	7,500
Deputy President's meeting attendance fees	5,798	6,300	5,798
Deputy President's annual allowance for ICT expenses	3,500	3,500	3,500
Deputy President's travel and accommodation expenses	0	3,000	0
	<u>16,798</u>	<u>20,300</u>	<u>16,798</u>
All other council member's meeting attendance fees	25,422	31,500	26,314
All other council member's annual allowance for ICT expenses	17,500	17,500	17,500
All other council member's travel and accommodation expenses	2,772	0	2,772
	<u>45,694</u>	<u>49,000</u>	<u>46,586</u>
19(b)	<u>118,659</u>	<u>122,850</u>	<u>116,915</u>

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

Short-term employee benefits	978,973	908,114
Post-employment benefits	140,164	94,202
Employee - other long-term benefits	91,018	86,811
Council member costs	118,659	116,915
19(a)	<u>1,328,814</u>	<u>1,206,042</u>

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

19. RELATED PARTY TRANSACTIONS

Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	2023 Actual	2022 Actual
	\$	\$
Purchase of goods and services	78,098	54,382
Amounts outstanding from related parties:		
Trade and other receivables	1,000	0
Amounts payable to related parties:		
Trade and other payables	10,157	150,000

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 19(a) and 19(b)

ii. Other Related Parties

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the Shire

There were no such entities requiring disclosure during the current or previous year.

20. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occurring after the end of the reporting period 30 June 2023.

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

21. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) 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.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire 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 or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

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

d) Comparative figures

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) 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.

f) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire 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 or liability. 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 or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) 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.

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 *Fair Value Measurement* 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 Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

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

Income approach

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

Cost approach

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

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 Shire 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 are 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.

j) Impairment of assets

In accordance with Australian Accounting Standards the Shire'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 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

22. RATING INFORMATION

(a) General Rates

RATE TYPE	Rate Description	Basis of valuation	Rate in \$	Number of Properties	2022/23 Actual		2022/23 Interim		2022/23 Budget		2021/22 Actual	
					Value*	Rate	Rate	Revenue	Rate	Revenue	Rate	Revenue
General	General	Gross rental valuation	0.0706	596	19,442,084	1,372,610	42,890	1,415,500	1,372,611	7,500	1,380,111	1,194,199
General	General	Unimproved valuation	0.155	1,528	39,344,518	6,098,400	40,514	6,138,914	6,098,400	73,000	6,171,400	5,580,214
Total general rates				2,124	58,786,602	7,471,010	83,404	7,554,414	7,471,011	80,500	7,551,511	6,774,413
Minimum payment												
General	General	Gross rental valuation	323	95	103,264	30,685	0	30,685	30,685	0	30,685	29,070
General	General	Unimproved valuation	323	597	698,208	192,831	0	192,831	192,831	0	192,831	202,327
Total minimum payments				692	801,472	223,516	0	223,516	223,516	0	223,516	231,397
Total general rates and minimum payments				2,816	59,588,074	7,694,526	83,404	7,777,930	7,694,527	80,500	7,775,027	7,005,810
Total Rates												7,775,027

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

*Rateable Value at time of raising of rate.

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

23. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23	2022/23	2021/22
	(30 June 2023 Carried Forward) \$	Budget (30 June 2023 Carried Forward) \$	(30 June 2022 Carried Forward) \$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	(8,770)	(24,753)	(70,821)
	(89,389)	0	13,730
	(61,117)	0	0
	25,447	59,968	0
Add: Depreciation	3,600,135	1,834,984	3,210,755
Non-cash movements in non-current assets and liabilities:			
Employee benefit provisions	6,191	0	34,242
Other provisions	103,171	0	2,676,283
Inventory	49,328	0	264,451
Non-cash amounts excluded from operating activities	3,624,996	1,870,199	6,128,640
(b) Non-cash amounts excluded from investing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to investing activities			
Property, plant and equipment received for substantially less than fair value	0	0	668,000
Infrastructure received for substantially less than fair value	0	0	(2,676,283)
Non cash Capital grants, subsidies and contributions	0	0	(668,000)
Non-cash amounts excluded from investing activities	0	0	(2,676,283)
(c) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	(8,510,307)	(4,397,221)	(8,797,221)
Add: Current liabilities not expected to be cleared at end of year			
- Employee benefit provisions	210,653	300,043	300,042
Total adjustments to net current assets	(8,299,654)	(4,097,178)	(8,497,179)
Net current assets used in the Statement of Financial Activity			
Total current assets	12,070,145	5,124,672	11,747,376
Less: Total current liabilities	(1,717,509)	(1,027,494)	(2,971,110)
Less: Total adjustments to net current assets	(8,299,654)	(4,097,178)	(8,497,179)
Surplus or deficit after imposition of general rates	2,052,982	0	279,087

Notes to and Forming Part of the Financial Report

Year Ended 30 June 2023

24. RESERVE ACCOUNTS

Restricted by council

	2023 Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
(a) Leave reserve	165,420	1,516	0	166,936	165,420	0	0	165,420	165,386	34	0	165,420
(b) Long service leave reserve	134,622	1,233	0	135,855	134,623	0	0	134,623	134,595	27	0	134,622
(c) Building reserve	2,839,604	26,018	0	2,865,622	2,839,603	0	(1,200,000)	1,639,603	2,639,065	200,539	0	2,839,604
(d) Fire disaster reserve	39,940	366	0	40,306	39,940	0	0	39,940	39,932	8	0	39,940
(e) Plant purchase reserve	1,115,616	10,222	0	1,125,838	1,115,615	0	(900,000)	215,615	915,428	200,188	0	1,115,616
(f) Gwalla precinct reserve	488,874	4,479	0	493,353	488,875	0	0	488,875	488,775	99	0	488,874
(g) Waste management reserve	456,137	144,184	0	600,321	456,137	0	0	456,137	316,072	140,065	0	456,137
(h) Aerodrome reserve	746,453	250,000	0	996,453	746,453	0	0	746,453	486,453	260,000	0	746,453
(i) IT reserve	15,000	0	0	15,000	15,000	0	0	15,000	15,000	0	0	15,000
(j) Pool reserve	474,036	4,343	0	478,379	474,036	0	(300,000)	174,036	473,940	96	0	474,036
(k) Aged care reserve	2,121,478	18,883	(1,000,000)	1,140,361	2,121,478	0	(2,000,000)	121,478	1,921,085	200,393	0	2,121,478
(l) Heritage buildings reserve	200,041	251,842	0	451,883	200,041	0	0	200,041	200,000	41	0	200,041
	8,797,221	713,086	(1,000,000)	8,510,307	8,797,221	0	(4,400,000)	4,397,221	7,795,731	1,001,490	0	8,797,221

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of reserve account

Restricted by council

Name of reserve account	Purpose of the reserve account
(a) Leave reserve	This reserve is to be offset against the Shire's leave liability to its employees.
(b) Long service leave reserve	This reserve is to offset Council's long service leave liabilities to its employees.
(c) Building reserve	To be used for the construction and preservation of Shire buildings and urgent repairs and maintenance.
(d) Fire disaster reserve	This reserve will assist in the provision of emergency contingencies in the case of a fire disaster.
(e) Plant purchase reserve	To be used for the purchase of major plant.
(f) Gwalla precinct reserve	To be used for the restoration and historical projects in Gwalla precinct.
(g) Waste management reserve	To be used for management and compliance works associated with the rubbish tip and liquid waste disposal site.
(h) Aerodrome reserve	To be used for maintenance, renewal and upgrade works at Leonora airport.
(i) IT reserve	To be used for maintenance, renewal and upgrade of IT requirements/projects.
(j) Pool reserve	To be used for the purpose of refurbishment of the swimming pool.
(k) Aged care reserve	To be used for the provision of facilities for aged care.
(l) Heritage buildings reserve	For the purpose of ensuring the Shire's historical buildings remain for future generations of the community by specific asset management planning.

SHIRE OF LEONORA

A 16 Tower Street Leonora WA 6438

PO Box 56 Leonora WA 6438

P (08) 9037 6044

F (08) 9037 6295

E admin@leonora.wa.gov.au

